



**MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**OFFICE OF THE COMMISSION AUDITOR**

**Survey of Opportunity Fees at Selected Regional Airports**

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**Commission Auditor**

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This memorandum responds to a request from the Office of Commissioner Barbara J. Jordan to conduct research regarding opportunity fees at general aviation airports outside of Miami-Dade County. In doing so, the Office of the Commission Auditor (OCA) surveyed 12 regional airports, of which five are categorized as international airports.

The scope of the survey consists of an assessment of the following:

(1) If an Opportunity Fee, Minimum Annual Guarantee or both applies to third-party airport vendors.

(2) Types of agreements memorializing opportunity fees, e.g., permit, concession, lease or management, including the applicable percentage of monthly gross revenues owed.

An Opportunity Fee is defined as a fee charged for doing business at an airport. The fee is a percentage of the gross revenues the business earned from its business dealings at the airport. Typically, the opportunity fee is levied on the monthly gross revenues generated and is fixed for the term of the agreement. A Minimum Annual Guarantee (MAG) is defined as the yearly amount of rent to be paid to the airport by a concessionaire or in some cases a developer. The MAG is calculated based on the annual gross revenues generated by the airport vendor and generally resets each year for the term of the agreement. The fees are calculated to be not less than the first year in which the MAG is applied. The key distinction between an Opportunity Fee and a MAG is that the latter is a fixed monthly fee that is generally adjusted upward annually for the term of the agreement whereas the first is akin to percent rent as it fluctuates based on the monthly gross receipts generated by the vendor.

For Miami-Dade County, the term Opportunity Fee is applied to general services permits issued by the Aviation Department. That fee is generally set at seven percent of the permittee's monthly gross revenues. It is important to note that, on balance, the County's Opportunity Fees are uniform across its airports, i.e., Miami International Airport and the general aviation airports. Of the 12 selected regional airports surveyed, five of them include both opportunity fees and a MAG in their third-party vendor agreements. Three of the 12 airports surveyed utilize only a MAG, and four of the airports neither use an Opportunity Fee nor MAG in their agreements. For the airports utilizing opportunity fees, the percentage of monthly gross revenues owed ranges between 7% and 65%. Lastly, three of the Palm Beach County general aviation airports are managed by Stellar Aviation, a fixed base operator.

The attached spreadsheet conveys the results of OCA's research on opportunity fees at selected regional airports.

1 Attachment

Survey of Opportunity Fees at Selected Regional Airports							
Airport Location	Opportunity Fee	Minimum Annual Guarantee (MAG)	Third Party Vendor (Services to Tenants or Sales to the Public)	Opportunity Fees Applicable to the Agreement Type (Permit, Concession, Management or Lease)	Approval Process	Foot Traffic (amount of passengers coming through the airport annually)	Comment
Miami International Airport (MIA), Miami-Dade County, Florida	Yes	Yes	Opportunity fees and MAG apply to both	Concession: between 9 and 21% monthly, based on gross revenues Lease agreements: 7% monthly, based on gross revenues Permits: 7% monthly, based on gross revenues	Board of County Commissioners	44.1 Million	Fees for Concessionaires, Lessees, and Permittees are uniform for MDC's General Aviation Airports and MIA. Typically, the term Opportunity Fee is applied to the General Services Permits issued by the Aviation Department. Concessionaires pay a Concession Category Fee. The Opportunity Fee is generally a percentage of gross sales whereas the Concession Category Fee is the percentage applied to the gross sales that are in excess of the MAG. Both the MAG and the Percentage Fee are collected monthly.
Fort Lauderdale/Hollywood International Airport, Broward County, Florida	No	Yes	Opportunity fees do not apply. MAG applies to both	N/A	Board of County Commissioners	32.5 Million	MAG applies only to passenger services that fall under the Concessions Policy, i.e. Rental Cars, Food and Beverage Retailers, Luggage Carts, and Foreign Currency Exchange.
Tampa International Airport, Hillsborough County, Florida	N/A	Yes	MAG fees apply to both.	N/A	Aviation Authority Board	21 Million	There is a minimum annual privilege fee (i.e., MAG). That fee is reset each year to 85% of the total amounts paid the prior year, with payment never falling below the first year.

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Palm Beach International Airport, Palm Beach County, Florida	Yes	Yes	Opportunity and MAG fees apply to both.	Concession: between 10.1 and 60% of monthly, based on gross revenues Leases: between 8 and 10% monthly, based on gross revenues	Board of County Commissioners	6.5 Million	<p>Certain service providers pay 7% for a General Aeronautical Permit (GASP) when they perform work to non-signatory airlines. The 7% GASP fee has not been changed in over 30 years, but if the Aviation Department elected to revise the fee, it would then submit a request to the Board of County Commissioners. At PBI, there are MAGs for Food and Beverage Retails, Rental Cars, Ground Transportation, Advertising, and Wireless Concessions. Some of the larger MAGs for FY19 (10/1/18 – 9/30/19) are:</p> <ul style="list-style-type: none"> <li>a. Rental cars = \$6,704,953</li> <li>b. Retail = \$2,741,649</li> <li>c. Food &amp; Beverage = \$1,726,101</li> <li>d. Ground Transportation (taxi) = \$240,000</li> <li>e. Advertising = \$351,071</li> <li>f. Wireless = \$66,262</li> </ul>

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Hartsfield-Jackson Atlanta International Airport, Clanton County, Georgia	No	Yes	MAG's apply to both.	Concessions: between 9 and 24% of monthly gross revenues Leases: between 9 and 24% of monthly gross revenues	City Council	104 Million	The Concessionaires pay a MAG or percentage fee of the rent, whichever is greater. Both the MAG and percentage fees are collected monthly. Concessions are those entities holding a contract to provide approved services, e.g. Specialty Retail and Duty Free to the traveling public. The MAG resets each year to 85% of total amounts paid the prior year, never falling below the first year's MAG.
North Perry Airport, Broward County, Florida	N/A	N/A	N/A	N/A	Board of County Commissioners	765,225	Lease Agreements are the only type of agreements at the airport.
North Palm Beach County Airport, Palm Beach County, Florida	Yes	Yes	Opportunity and MAG fees apply to both.	Management: between 51.2 and 65% monthly, based on gross revenues	Board of County Commissioners	Not provided by PBC	This general aviation airport is managed by Stellar Aviation, a Fixed Base Operator (FBO).
Palm Beach County Park, Palm Beach County, Florida	Yes	Yes	Opportunity and MAG fees apply to both.	Management: between 51.2 and 65% monthly, based on gross revenues	Board of County Commissioners	Not provided by PBC	This general aviation airport is managed by Stellar Aviation, a Fixed Base Operator (FBO).
Palm Beach County Glades Airport, Palm Beach County, Florida	Yes	Yes	Opportunity and MAG fees apply to both.	Management: between 51.2 and 65% monthly, based on gross revenues	Board of County Commissioners	Not provided by PBC	This general aviation airport is managed by Stellar Aviation, a Fixed Base Operator (FBO).



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Peter O'Knight Airport, Hillsborough County, Florida	N/A	N/A	N/A	N/A	Aviation Authority Board Approval	Not provided by Hillsborough County	Management agreements are the only type of agreements at the airport.
Tampa Executive Aviation, Hillsborough County, Florida	N/A	N/A	N/A	N/A	Aviation Authority Board Approval	Not provided by Hillsborough County	Management agreements are the only type of agreements at the airport.
Plant City Airport Aviation, Hillsborough County, Florida	N/A	N/A	N/A	N/A	Aviation Authority Board Approval	Not provided by Hillsborough County	Management agreements are the only type of agreements at the airport.

**Definitions:**

**Minimum Annual Guarantee (MAG):** a fee calculated based on the annual gross revenue generated by the vendor paid to the airport which generally resets each year for the term of the agreement. The fees are typically calculated to not be less than the first year in which a MAG is applied. MAG is also defined as the yearly amount of rent to be paid to the airport by a concessionaire, or, in some cases a developer. (ACRP Report 54: Resource Manual for Airport In-Terminal Concessions By NGSS, Airport Cooperative Research Program)

**Opportunity Fee:** a fee charged in addition to what a business may already be paying at the airport; typically the fee is levied on the monthly gross revenues generated. Generally the fee is fixed for the term of the agreement. Opportunity Fee is also defined as a permit requirement for companies desiring to do business at the County's airports mandate that the permittee pay Miami Dade Aviation Department (MDAD) an opportunity fee represented by a percentage of the permittee's gross revenues. Resolution No.471-10.

Data provided by Aviation personnel for each County/City