



**OFFICE OF THE
COMMISSION AUDITOR**

MEMORANDUM

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

FROM: Adeyinka Majekodunmi, CPA
Commission Auditor

A handwritten signature in blue ink, appearing to read "Adeyinka Majekodunmi", with a long horizontal line extending to the right.

DATE: October 11, 2023

SUBJECT: **Resolution Approving Airline VIP Club Lease Agreement Between British Airways PLC Corporation and Miami-Dade County for the Lease and Construction of VIP Club Space at Miami International Airport's Central Terminal in Concourse E-Satellite for 10 Years with One Five Year Renewal Option and an Annual Rental Amount of \$1,747,463.10 in the Initial Year and Adjusted Each Year Thereafter in Accordance with Resolution No. R-1054-90, in addition to a Utility Fee, a Concession Fee, and an Opportunity Fee; Authorizing the County Mayor or County Mayor's Designee to Execute Same and Exercise All Rights Conferred Therein, and to Perform All Acts Necessary to Effectuate Same; and Directing the County Mayor or County Mayor's Designee to Provide the County Property Appraiser a Copy of Said Lease**

Pursuant to [Resolution No. R-129-22](#), adopted on February 1, 2022, and the new requirements per Implementing Order (I.O.) 8-4, the Office of the Commission Auditor (OCA) is directed to independently and simultaneously review and comment on the proposed leasing and conveyance of County property prior to the submission of an agenda item to the Board of County Commissioners (BCC). The OCA is providing this report as a Supplement to BCC Agenda File Item No. 231851.

Commission Auditor's Observations:

The OCA completed a comprehensive review of the intended recipient of the lease agreement, "British Airways PLC Corporation." This review extended to the entity's shareholders, International Consolidated Airlines Group S.A. and Law Debenture Corporation PLC, and the key personnel of the lease recipient. The results yielded the following:

- A. Background research performed on British Airways PLC Corporation, the entity's shareholders, and key personnel yielded no material findings. The scope of this review was limited to national sources; OCA notes that the company and its key personnel reside in the United Kingdom.

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- B. British Airways PLC Corporation, the entity's principals, and key personnel were not previously leased or conveyed County properties for Infill, Affordable, or Workforce Housing, as authorized through BCC resolution.

Scope of Review:

The OCA's review of the subject lease agreement is based on information provided by the Miami-Dade County Aviation Department (MDAD), which includes the documents listed under the *Source Documents* section below.

As part of OCA's due diligence procedures, OCA identifies all entities and persons having a disclosed or observed interest in the BCC approval of the lease, such as the recipient, principals, and key personnel of the recipient entity (see Exhibit 1).

Methodology:

OCA's review of the individuals and entities listed included the following procedures:

- A. A review of Board-approved conveyances to external parties for Infill, Affordable, and Workforce Housing as authorized through BCC resolution.
- B. A search of the Miami-Dade Property Appraiser's records to ascertain any evidence of risk factors, including entities with a history of previously conveyed or leased County-owned property that was later the subject of an involuntary reverter or lease termination by the County.
- C. A search of the Miami-Dade County Commission Legislation and Miami-Dade Clerk of the Courts (COC) database for previous leases and sales.
- D. A search of Miami-Dade County internal procurement applications and past County contracts for the lease recipient and principals.
- E. Background research into corporate records, business affiliations, and registrations.

Source Documents:

The documents listed below were used during our review:

1. August 22, 2023, Miami-Dade Aviation Department, *Airline VIP Club Lease Agreement for British Airways PLC Corporation Lease # X-10676*
2. September 6, 2023, Draft Mayoral Memorandum, *Resolution Approving an Airline VIP Club Lease Agreement Between Miami-Dade County and British Airways PLC Corporation for the Lease of VIP Club Space at Miami International Airport*

Exhibit 1: British Airways PLC Corporation Principals and Key Personnel

| # | Entity/Individual Name | Relation to British Airways PLC Corporation |
|----|--|---|
| 1 | International Consolidated Airlines Group S.A. | Shareholder |
| 2 | Law Debenture Corporation PLC | Shareholder |
| 3 | Sean Doyle | Chief Executive Officer |
| 4 | Colm Lacy | Chief Commercial Officer |
| 5 | Rene De Groot | Chief Operating Officer |
| 6 | Rebecca Napier | Chief Financial Officer (Prior) |
| 7 | Jose Antonio Barrionuevo Urgel | Chief Financial Officer (Current) |
| 8 | Andrew Ian Flemming | General Counsel and Company Secretary |
| 9 | Richard Mendles | General Counsel, Americas |
| 10 | Dirk John | Chief Digital and Transformation Officer |

This report will be placed on the corresponding BCC meeting agenda. Should you have any questions or need additional information, please contact me at (305) 375-4354.

cc: Honorable Mayor Daniella Levine Cava
Geri Bonzon-Keenan, County Attorney
Gerald K. Sanchez, First Assistant County Attorney
Jess McCarty, Executive Assistant County Attorney
Carladenise Edwards, Chief Administrative Officer
Jimmy Morales, Chief Operations Officer
Morris Copeland, Chief Community Services Officer
Felix Jimenez, Inspector General, Office of the Inspector General
Ofelia Tamayo, Director, Audit and Management Services
Basia Pruna, Director, Clerk of the Board
Jennifer Moon, Chief, Office of Policy and Budgetary Affairs
Ralph Cutié, Director and Chief Executive Officer, Aviation Department
Eugene Love, Agenda Coordinator
OCA Staff