

Memorandum



Date: January 30, 2026

To: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

From: Daniella Levine Cava *Daniella Levine Cava*
Mayor

Subject: Report on the Feasibility of Instituting a Parity-Based Fee Structure for All Lounge Operators at MIA: Directive No. 250717

Agenda Item No. 2(B)(1)
March 17, 2026

Enclosed are the findings of a study conducted by Unison Consulting, Inc. in partnership with the Miami-Dade Aviation Department (Aviation Department or MDAD) in response to Directive No. 250717, sponsored by former Commissioner Kevin Marino Cabrera and adopted by the Board of County Commissioners (Board) on April 1, 2025, per Resolution No. R-374-25.

Miami International Airport (MIA) offers a variety of lounges (i.e., airline-operated, common-use, and financial/sponsored lounges) to passengers traveling through the airport. Currently, there are ten (10) lounges open for business at MIA, of which nine (9) are airline-affiliated and one (1) is credit-card affiliated. The fees being charged to MIA's lounge operators by the County should be based on a parity-fee-based structure to ensure equitable and sustainable contributions to airport revenue and to maximize competitiveness and operational efficiency. To determine whether changes to the fee structure are required to maintain uniformity in MIA's lounge pricing structure, a thorough analysis is in order.

Accordingly, in April 2025, the Board issued Directive No. 250717 requiring the Administration to perform an in-depth analysis on the feasibility of instituting a parity-based based fee structure for all lounge operators at MIA, that at minimum includes (i) a comparative market review of peer domestic and international airports such as Heathrow Airport (LHR), Dubai International Airport (DXB), Singapore Changi Airport (SIN), Los Angeles International Airport (LAX), John F. Kennedy International Airport (JFK), and San Francisco International Airport (SFO), (ii) an economic impact assessment of the proposed fee changes, (iii) stakeholder engagement, (iv) financial modeling to simulate different pricing scenarios, and (v) regulatory compliance review of regulations relevant to the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA), or any other applicable rules or law. The Resolution further requires that the findings of the analysis, which are detailed further below, be published and placed on an agenda of the full Board, without committee review.

After a detailed examination of the existing fee structure for lounges at MIA and at the surveyed airports, which focused on pricing models, revenue-sharing agreements, and incentive programs, it was concluded that the rent structures in the lounge agreements of these airports are similar for the various types of lounge operating models. As such, there is no need to revise MIA's existing fee structure. This is in large part due to the foundational language in MIA's lounge agreements which establishes a high degree of parity in the present-day fee structure. Furthermore, the language is similar to the language found in the agreements of the surveyed airports, which take a similar approach for the airline-operated lounges, charging a cost based on the size of the space (i.e., dollar per square foot or meter) and/or a minimum rent amount based on market rental rates, plus a percentage rent on products or services sold. The analysis also shows that a lounge's strategic intent

and operational realities, rather than just its rent structure, are the primary drivers of its financial performance and contribution within the airport ecosystem.

Like the airport lounges abroad, MIA lounge customers are charged an entry fee for non-complimentary lounge access and lounge operators pay a percentage rent on these fees, known at MIA as the “Opportunity Fee”. In addition, all airline lounge operators at MIA are subject to the same rent structure requirements except for the Centurion Lounge, that is the only non-airline-affiliated lounge. Subsequently, it is more aligned with industry-standard third-party or common-use lounges, see Table I below.

Table 1.

Operator	Lounge Type	MIA Location	Rent	Opportunity Fees	Gross Receipts (GR)
American Airlines	Airline Operated	Flagship Lounge Across Gate D30, Concourse D	Terminal Rents Class II&III	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
American Airlines	Airline Operated	Admirals Club Above Gate D15, 3 rd Fl. Concourse D	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
American Airlines	Airline Operated	Admirals Club Above Gate D30, Concourse D	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
British Airways	Airline Operated	British Airways Lounge Above Gate E20, Concourse E	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
Delta Airlines	Airline Operated	Delta Airlines Sky Club Near Gate H3, Concourse H-J Connector	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
Latam Airlines Group	Airline Operated	The VIP Club Near Gate J6, 3 rd Floor Concourse J	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
Avianca & TAP Airlines	Airline Operated	Avianca & TAP Portugal Lounge Near Gate J6, Concourse J	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
Turkish Airlines	Airline Operated	Turkish Airlines Lounge Near Gate E2, 2 nd Fl. Concourse E	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales
Turkish Airlines	Airline Operated	Turkish Airlines Lounge Nearest Gate J3, 3 rd Fl. Concourse H	Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	18% - Liquor sales 10% - Other sales

American Express	Financial/ Sponsor	Centurion Lounge Near Gate 12, 4 th Fl. Concourse D, Gate D12	Greater of \$1,000,000 MAG (with 3% escalation) or Terminal Rents Class II	35% of Base VIP Club Fee - Capped at \$12.25 per person	13% - Food sales 18% - Liquor sales 25% - Advertising & Promotion
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In summary, the market analysis performed on the fee structures revealed that there are no noteworthy differences in the rent structures between MIA and the surveyed airports and that there is no need to makes changes to MIA’s existing lounge fee structure. The differences are in the business models of the lounge types. For airline lounges, rent revenues may differ according to the lounge access methodology selected by the operator. For example, lounge operators may grant lounge access through day passes and priority passes (i.e., paid access), and others may depend on large numbers of complimentary guests (i.e., top-tier status or strategic partner members, first/business class ticketed passengers, etc.) to fill the lounge. The financial performance of these various types of lounges at MIA is detailed on pages 21-22 of the attached report. The data confirms that revenues driven in large part by the Opportunity Fee, or non-complimentary access, generate more rent revenues to MIA than those with complimentary clientele. This is best exemplified by Turkish Airlines, which serves mostly non-complimentary clientele using only 14 percent of the airport’s lounge space but generates 64 percent of the total lounge revenue paid to MIA. Although all agreements at MIA contain provisions for the Opportunity Fee, Turkish Airlines is the only operator whose business model is primarily based on non-complimentary access, hence, their Opportunity Fee revenues are significantly higher.

The rent models for common-use and financial/credit-card services agreements differ as their rent is based on the greater of a Minimum Annual Guarantee (MAG) or Terminal rent plus a percentage of gross sales. At MIA, the Centurion Lounge operates as a third-party lounge under the credit card services model and is currently the only non-airline lounge that is operated by a private sector company at the airport. Since most guests receive complimentary access, MAG and/or space rent are the largest drivers of revenue to MIA. Day pass sales and guest entrance may be available, but due to the current popularity among credit card holders, availability may be minimal for non-cardholders due to capacity constraints. Therefore, rent is largely MAG and/or space rent.

This memorandum will be placed on the next available Board meeting agenda, without committee review, pursuant to Rule 5.06(j) of the Board’s Rules of Procedure. Should you require additional information, please contact Aviation Director, Ralph Cutié, at 305-876-7066.

Attachments

Miami-Dade County Airport Lounge Study

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December 2025



Miami International Airport (MIA)

Miami-Dade County Airport Lounge Study

Resolution No. R-374-25

PREPARED BY:

Miami-Dade Aviation Department

IN COLLABORATION WITH:

Unison Consulting, Inc.



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1. EXECUTIVE SUMMARY

Miami International Airport (MIA) hosts a diverse array of lounge operators, including airline-affiliated lounges, independent operators, and membership-based lounges. To the greatest extent possible, the fees being charged to lounge operators should be based on a parity-based fee structure to ensure equitable contributions to airport revenue while maintaining high service standards and prioritizing customer experience. The utilization of such a fee structure is essential to maximize an airport's competitiveness and operational efficiency. For that reason, on April 1, 2025, the Miami-Dade Board of County Commissioners (Board) adopted Resolution No. R-374-25 (Resolution), directing the County Mayor or County Mayor's designee to conduct a comprehensive study (Study) that analyzes the feasibility of instituting a parity-based fee structure for all airport lounge operators at MIA. The Study includes the evaluation of the existing lounge fee structure at MIA and at certain major global and domestic international peer airports, as well as market comparisons of the fee structures; impact assessments of any proposed fee adjustments; stakeholder engagement on fee-parity and operational feasibility; development of pricing scenarios to determine the most equitable and sustainable fee structure; and regulatory compliance review to ensure compliance with the Federal Aviation Administration's (FAA) and the Transportation Security Administration's (TSA) regulations and other applicable laws. The Resolution also requires the preparation of a report detailing the findings of the Study and placement of such report on an agenda of the full Board, without committee review.

The purpose of the Study, which performs systematic reviews of MIA's lounge fee structures, lease models, and revenue sharing strategies and those of Heathrow Airport (LHR), Dubai International Airport (DXB), Singapore Changi Airport (SIN), Los Angeles International Airport (LAX), John F. Kennedy International Airport (JFK), and San Francisco International Airport (SFO), is to recommend changes that align MIA's existing fee structure with the most sustainable and equitable fee structure; develop a plan to implement the adjusted fees; and evaluate any potential economic, operational, and customer experience impacts.

After completing a comprehensive assessment of the lounge rent structures and various operating models (i.e., airline-operated, common-use, and financial and sponsored lounges) at MIA and the surveyed peer airports, it was concluded that there is no need to change MIA's existing fee structure. This is in large part due to the foundational language in MIA's lounge agreements (which is like the foundational language found in the agreements of the surveyed airports), establishes a high degree of parity in MIA's current fee structure eliminating the need for revision. To further that point, the rent requirements in all nine (9) airline lounges at MIA are identical. The rental terms include Terminal Rents (Class II and III), plus an Opportunity Fee on passengers not included in complimentary admission (35% of Base VIP Club Fee), plus a Concession Fee (18% - liquor, 10% - all other).

It should be noted that rental revenues may vary depending on the lounge's operational approach. Some operational models rely on the sales of walk-up customers and same-day passes and/or priority pass members, whereas other operational models rely on premium passengers and lounge members. Changes to the lease agreements regarding how guests are charged and how MIA is compensated would be inconsequential based on the operating methods of each lounge type.

INTRODUCTION

This Study intends to assess the lounge fees charged at major global and domestic international airports and align MIA's lounge fee policies accordingly. This was accomplished primarily through an in-depth analysis of the three primary airport lounge operating models in the industry today, which include airline-operated lounges, common-use lounges, and third-party financial services-sponsored lounges. This analysis also includes extensive reviews of the lounge fee structures, assessments of significant economic impacts, and examination of possible legal and regulatory barriers.

MIA currently offers a diverse portfolio of airport lounges designed to serve a range of airline partners, membership programs, and passenger demographics. As of this report, MIA hosts a total of ten (10) lounges, including one (1) common-use lounge and nine (9) airline-operated lounges. In comparison, the benchmarking analysis found that six (6) other airports included in the study operated only a single non-airline lounge, and two (2) airports did not have any. Additionally, the average number of airline-operated lounges among the domestic peer group was eight (8), placing MIA slightly above the average with its total of nine (9).

2.1. RESOLUTION

The Resolution is included in **Appendix A** for reference.

2.2. STUDY OBJECTIVES

The following were the objectives for this Study:

- **Market Comparison:**

An evaluation of lounge fee structures at major global and domestic international airports, including Heathrow International Airport (LHR), Dubai International Airport (DXB), Singapore Changi Airport (SIN), Los Angeles International Airport (LAX), John F. Kennedy International Airport (JFK), and San Francisco International Airport (SFO), focusing on pricing models, revenue sharing agreements, and incentive programs.

- **Economic Impact Assessment:**

An analysis of how proposed fee adjustments may affect various lounge operators, considering factors such as cost structures, profit margins, consumer pricing strategies, and potential impacts on different traveler segments, including business and leisure travelers.

- **Stakeholder Engagement:**

Structured consultations with relevant stakeholders, including airlines, independent lounge operators, membership-based lounge programs, and passenger advocacy groups, to gather diverse perspectives on fee parity and operational feasibility.

- **Financial Modeling:**

Development of financial models to simulate various pricing scenarios, incorporating analyses of passenger traffic flows, lounge occupancy rates, and operational costs, to determine the most sustainable and equitable fee structure.

- **Regulatory Compliance Review:**

The identification and assessment of any legal or regulatory barriers to implementing a parity-based fee structure, ensuring alignment with Federal Aviation Administration ("FAA") guidelines, Transportation Security

Administration (“TSA”) regulations, and other applicable laws.

2.3. STUDY APPROACH

The project was designed to provide a comprehensive feasibility analysis regarding the implementation of parity-based fee structures at airport lounges. Our approach ensured that each phase of the Study built logically upon the previous one, resulting in a well-supported, data-driven set of final deliverables. The Study also provides a detailed overview of current airport lounge operations, prevailing financial models, relevant regulatory considerations, and benchmarking analyses.

Phase I – Initial Discovery

The objective of Phase I was to establish a framework for the Study through data collection and an initial benchmarking analysis. A multi-source strategy was instituted, incorporating stakeholder surveys, one-on-one interviews, comprehensive research, and operational data collection.

Key activities:

- Identification and evaluation of lounge fee structures utilizing the Board-recommended benchmark airport set (three domestic and three international airports).
- Expansion of the benchmark set to a total of twenty-three airports based on data availability and relevance.
- Collection of qualitative and quantitative data to understand existing fee models, access policies, ownership structures, and lounge utilization trends.

Phase II – Expanded Research and Framework Development

Phase II focused on expanding the research through additional data gathering, validating the initial findings, and refining the analytical framework.

Key highlights:

- The final benchmark sample included information from twenty (20) airports: sixteen (16) domestic and four (4) international airports.
- LHR, SIN, and LAX are three airports the Board recommended as a benchmark set that responded to the survey; however, information for JFK and SFO was obtained through secondary resources.
- Hong Kong International Airport (HKG) and Toronto International Airport (YYZ) were added to broaden the international perspective.
- DXB did not respond to the survey; however, general information was incorporated in the report where applicable.

Phase III – Develop Final Deliverables

The final phase includes the summarization of key findings and consolidates all research and analysis into a set of deliverables.

Key deliverables:

- Identify fee structures, access and operating models, and ownership structures at benchmark airports.
- Evaluate the lounge fee structures and operating models for MIA.

- Deliver practical insights, positioning MIA to make an informed decision on lounge fee structuring.

2. AIRPORT LOUNGE INDUSTRY OVERVIEW

The airport lounge industry is experiencing rapid growth both domestically and internationally. Travelers are seeking more than just a waiting area; they are seeking experiences, private spaces, gourmet offerings, and high-end amenities. This evolving environment is shaping each type of lounge model and is creating the emergence of not only growth in a broad customer base but also increased partnerships among lounge operators.

Benchmark Analysis						
No.	Airport	Airport Code	FY23 Total Enplanements	International Passengers	Airport Ownership Structure	Survey Response
INTERNATIONAL AIRPORTS						
1	DUBAI INTERNATIONAL AIRPORT	DXB	43,500,000	100%	Government	No
2	HONG KONG INTERNATIONAL AIRPORT	HKG	20,000,000	100%	Government	Yes
3	LONDON HEATHROW AIRPORT	LHR	39,600,000	95%	Private	Yes
4	SINGAPORE CHANGI INTERNATIONAL AIRPORT	SIN	29,450,000	100%	Government	Yes
5	TORONTO PEARSON INTERNATIONAL AIRPORT	YYZ	22,163,424	63%	Greater Toronto Airports Authority (GTAA)	Yes
DOMESTIC AIRPORTS						
	MIAMI INTERNATIONAL AIRPORT	MIA	25,751,310	44%	County Government - (MDAD)	N/A
6	HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT	ATL	52,252,901	12%	City Government	Yes
7	BOSTON LOGAN INTERNATIONAL AIRPORT	BOS	20,299,972	21%	Public Authority - (Massport)	Yes
8	CHARLOTTE/DOUGLAS INTERNATIONAL AIRPORT	CLT	26,657,357	8%	City Government	Yes
9	RONALD REAGAN WASHINGTON NATIONAL	DCA	13,959,814	10%	Metropolitan Washington Airports	Yes
10	DALLAS/FORT WORTH INTERNATIONAL AIRPORT	DFW	40,773,140	14%	Semi-Autonomous	Verbal
11	FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT	FLL	17,540,975	22%	County Government - (BCAD)	Yes
12	GEORGE BUSH INTERCONTINENTAL AIRPORT	IAH	23,098,299	25%	City Government - (HAS)	Yes
13	JOHN F. KENNEDY INTERNATIONAL AIRPORT	JFK	31,024,263	53%	City Government	Verbal
14	HARRY REID INTERNATIONAL AIRPORT	LAS	28,314,058	6%	County Government - (CCDOA)	Yes
15	LOS ANGELES INTERNATIONAL AIRPORT	LAX	37,010,535	30%	City Government	Yes
16	CHICAGO O'HARE INTERNATIONAL AIRPORT	ORD	36,582,436	18%	City Government	Yes
17	ORLANDO INTERNATIONAL AIRPORT	MCO	27,919,698	12%	Greater Orlando Aviation Authority (GOAA)	Yes
18	MINNEAPOLIS/ST. PAUL INTERNATIONAL AIRPORT	MSP	17,375,590	9%	Public Corporation	Yes
19	PHILADELPHIA INTERNATIONAL AIRPORT	PHL	14,018,006	13%	City Government	Yes
20	PHOENIX SKYHARBOR INTERNATIONAL AIRPORT	PHX	24,492,639	5%	City Government	No
21	SEATTLE-TACOMA INTERNATIONAL AIRPORT	SEA	25,371,436	11%	City Government	No
22	SAN FRANCISCO INTERNATIONAL AIRPORT	SFO	24,992,086	28%	City and County Government	Verbal
23	TAMPA INTERNATIONAL AIRPORT	TPA	11,952,431	5%	Hillsborough County Aviation Authority (HCAA)	Yes

Figure 3.1

3.1. AIRPORT LOUNGE MARKET LANDSCAPE

According to the Business Research Insights Airport Lounges Market Size, Share and Forecast Report (June 2, 2025), the global airport lounge access market was valued at \$4.91 billion in 2024 and projected to grow to **\$5.6 billion in 2025**. The market is on an impressive trajectory, set to reach \$16.09 billion by 2033, maintaining a Compound Annual Growth Rate (CAGR) of 14.1% over the forecast period of 2025-2033.

Passenger access to airport lounges has been steadily increasing, driven by several factors: the overall rise in air travel demand, a growing number of travelers seeking premium experiences, the expansion of lounge-access membership programs like Priority Pass and Dragon Pass, and the broader reach of airline alliances, which offer enhanced lounge access to premium members flying with partner airlines.

Historically, airport lounges primarily catered to business travelers, but that has shifted with the rise of leisure and “bleisure” (a combination of business and leisure) travelers. Today’s travelers are increasingly focused on the value they receive for their money, and, as a result, airport lounges are becoming more desirable. These lounges provide premium experiences, offering quiet, comfortable seating areas, complimentary food and beverages, upgraded amenities, and high-end services.

As noted by the **ACI World Common-Use Airport Lounge White Paper**, access to lounges has also broadened through memberships, credit cards, loyalty programs, and premium airline classes, making them more attainable for the general traveling public. Many travelers are now willing to pay for the privileges and benefits that lounges offer. Research indicates that travelers plan to spend 59% of their discretionary airport budgets on experiences.

This surge in demand is putting pressure on lounge operators, prompting them to restrict access by introducing time limits, capping the number of annual visits, and removing access for certain lower-tier credit cards.

Passenger lounges are one of the functions and alternatives for commercial terminal space usage. There is no “one-size fits all” regarding airport lounge models. Some factors to consider when determining space allocation are space availability, location, connectivity, enplanements, and passenger profile.

Airline lounge operators vary depending on the operating model. For example, airline lounges may be operated by the airline itself or may be contracted to a service partner such as Sodexo, Gideon Toal Management Services, or Host International. Common-Use Lounge operators are companies whose core business is lounge operations, such as Airport Dimensions, Escape Lounges/CAVU, Swissport International, TAV Operation Services, Global Lounge Network, and Plaza Premium Group. In the financial services/sponsorship lounges, the financial services company may operate the front of the house only (American Express) or use a third-party operator entirely (Chase and Capital One).

3.2. PRIMARY AIRPORT LOUNGE OPERATING MODELS

There are three primary airport lounge operating models in the industry today. These include airline-specific lounges (operated by individual airlines for their premium passengers and elite frequent flyers), independent third-party/common-use lounges (accessible through various membership programs or by purchasing day passes, and not tied to a particular airline), and financial service/credit card-affiliated lounges (offered as a perk to holders of certain premium travel credit cards).

Airline-Operated Lounges:

Airline-operated lounges have historically been reserved for the airline’s own passengers and loyalty program members. Their primary purpose is to serve as a brand extension, providing select travelers with a seamless, end-to-end experience rather than generating direct sales revenue. These lounges are designed to reinforce brand loyalty and elevate the overall travel journey. In recent years, airlines have shifted their focus to optimizing return on these spaces.

Many airlines participate in alliances that grant their members access to a wider lounge network. Traditional partnerships, known as code shares, allow partner airline guests to participate in lounges when their carrier may not provide them locally in most instances. Airlines often restrict entrance to First or Business-class ticketed passengers, or those with a certain status level in their frequent flyer program.

Financial partnerships with institutions that manage airline miles and reward programs can also enable lounge access. When capacity permits, access may also be extended to members of affiliated lounge programs or even to the general public through paid entry, commonly referred to as a “day pass.” Lounges may be managed directly by the airline or outsourced to a third-party operator, who may grant access to passengers of partner airlines or programs.

In most cases, the lounge space falls under the airline’s master lease agreement with the airport, with rent calculated on a per-square-foot rate defined in that contract. Predominantly, lounge access is a benefit rather than a direct transaction or purchase for passengers; therefore, no sales or revenue are generated directly. Only non-members who purchase a day pass are subject to a fee. Additionally, specific premium offerings within the lounge, such as special-order meals or premium alcoholic beverages, may be available for purchase. In that case, the airline pays a percentage rent to the airport based on those sales.

Third-Party/Common-Use Lounges:

Also known as Shared Use or Club Lounges – Third-Party/Common-Use Lounges are not affiliated with a single airline or branded operator and are open to all airport passengers, regardless of airline or class of service. This model serves as a revenue-generating vehicle for both the airport and lounge operator. While airlines may form partnerships to offer access to select passengers, entry is primarily granted through membership programs or daily access fees. Most amenities inside the lounge, such as food, beverages, and seating, are included at no additional cost. Airport revenue is primarily generated through a commission on daily access fees and, in some cases, a per-member access fee. Like airline lounges, some offerings within the lounge, such as special-order meals or premium alcohol, may be available for a cost. In that case, the operator pays a percentage rent to the airport based on those sales.

Common-Use lounges are usually awarded through a competitive selection process, and operators are required to meet Airport Concessions Disadvantaged Business Enterprise (ACDBE) or other diversity program participation goals.

Financial Services and Sponsored Lounges:

These lounges are typically operated by third-party providers and designed to serve customers of specific financial institutions, such as premium credit card holders. They aim to enhance the value proposition of financial products by offering exclusive amenities and services that encourage customers to upgrade their accounts or maintain premium-tier cards.

Unlike revenue-driven models, these spaces function more as cost centers for financial institutions, similar to airline-operated lounges, with the primary objective of reinforcing brand loyalty and improving customer satisfaction. In some cases, the lounge is operated by a third party on behalf of the financial institution. When capacity allows, the operator may offer access through membership programs or day passes.

However, due to high popularity and demand, these lounges rarely generate a customer sales transaction, resulting in minimal, if any, commission or concession fees to the airport. Consequently, the rent structure is based on a fixed rate, such as a Minimum Annual Guarantee (MAG), rather than being tied to revenue performance.

3.3. AIRPORT LOUNGE ACCESS METHODS AND RENT STRUCTURES

Passenger access to airport lounges varies by lounge type, and the typical rent structures for the corresponding lounge types also vary. The following provides a general synopsis of the various entry methods and rent structures for the three primary lounge models: airline-operated, common-use, and financial services or sponsored lounges.

Figure 3.3.1 below provides a summary of the types of lounges and entry methods. Although these are the most common, there are occasional anomalies, such as an airline allowing military personnel access or a financial institution not allowing ancillary network members in.

Airport - Lounge Entry Access								
Lounge Type	AIRLINE COMPLIMENTARY				OTHER COMPLIMENTARY (Credit Card & Partner Access)		PAID ACCESS	
	Fare Class and Authorized Guests	Loyalty Program/Mileage Plan	Memberships	Partner/Codeshares/Alliances	Credit Card	Military Personnel	Ancillary Network Members (Priority Pass)	Day Pass
Airline Operated	✈	✈	✈	✈	✈		✈	✈
Common Use					✈	✈	✈	✈
Financial Institutions					✈		✈	✈

Figure 3.3.1

Airline Operated Lounges:

Airline partnerships can be complex, but they are typically structured to serve each airline’s strategic interests. There are various agreement types, and revenue-sharing arrangements differ accordingly.

TYPES OF AIRLINE AGREEMENTS:

- **Airline Interline Agreement:**

Interline agreements are the most basic agreements between airlines. They are commercial agreements between airlines that handle passengers who travel on multiple airlines on the same itinerary.

- **Airline Codeshare Agreement:**

A common form of partnership is a Codeshare Agreement. This is an arrangement between two or more airlines that allows them to sell seats on each other’s flights, expanding network reach and customer convenience. Airlines place their “codes” on another’s flights, and market them under their own airline designator code and flight number. Depending on the agreement structure, lounge access can be included.

- **Airline Alliance:**

Airlines pay dues to belong to a global alliance and agree to deliver certain benefits to passengers on a reciprocal basis. Passengers can expect consistent benefits across the alliance, especially with elite status. Airlines reimburse one another through the International Air Transport Association (IATA) Automated Clearing House (ACH) when their members use certain benefits; this includes credit for miles and lounge access.

- **Joint Venture Agreement:**

Under this type of agreement, airlines coordinate pricing and schedules and have a revenue-sharing agreement. Essentially, the two airlines function as one. This type of agreement gives the passengers the most flight options, and the experience can be the same across brands.

Airline partners or lounge membership programs compensate lounge operators based on agreed-upon rates for customer access. These rates may vary depending on the program, airfare class, or terms negotiated between the

lounge operator and the airline.

When airlines do not have their own lounges at an airport, they often contract with other airlines or third-party lounges to host their premium passengers at negotiated rates. Lounge access costs are typically covered by different parties depending on how access is granted:

Lounge Access Payment Responsibility:

- **Class of Service:** If lounge access is tied to travel, the operating carrier usually pays the lounge operator.
- **Elite Status:** When access is based on frequent flyer status, the airline with which the passenger holds the status pays the operator.
- **Codeshare Flights:** Occasionally, the marketing carrier (the airline that sold the ticket) is responsible for lounge costs.
- **Lounge Membership Programs (e.g., Priority Pass):** These programs pay the lounge operator a fee for each visit.

ENTRY METHOD:

Complimentary access is based on airfare class, designated classes on codeshare-affiliated flights, strategic partnership members such as credit cardholders, and status members such as top-tier frequent flyers or bonus mile programs. Day passes or guest entrances are available for a fee.

RENT STRUCTURE:

Lounge space is generally identified as part of the airline's use agreement or during an airport terminal renewal or expansion project.

- **Base Rent** is assessed on a per square foot basis in accordance with the airport's published rates and charges.
- **Access Fees** are revenues from a day pass or guest pass sales (i.e., users without complimentary access) and may be subject to a Concession Fee.
- **Concession Fees** are revenue generated from the sale of items within the lounge, including specialty food and drink or premium alcohol, and may be subject to a Concession Fee.

While a portion of the revenue may come from day passes or guest access, because most guests entering the lounge receive complimentary access, the primary financial return to the airport is driven by Base Rent.

Third-Party/Common-Use Lounges:

Lounge space is identified as part of a terminal capital improvement program or allocated from otherwise underutilized areas within the terminal.

ENTRY METHOD:

Complimentary or discounted access is extended to members of affiliated lounge networks such as Priority Pass, Lounge Key, or DragonPass. In addition, guests may enter by purchasing a day pass or paying a guest fee.

RENT STRUCTURE:

- **Base Rent** is assessed as space rent charged per square foot and is defined in the airport's rates and charges. This rent may consist of a Minimum Annual Guarantee (MAG) based on sales, or on a square foot basis. In most instances, tenants pay the greater of Space Rent or MAG.
- **Access Fees** are revenues received from day pass or guest pass sales (i.e., uses without complimentary access) and may be subject to a Concession Fee.
- **Concession Fees** are revenue generated from the sale of items within the lounge, including specialty food and drink or premium alcohol, and may be subject to a Concession Fee.

While most guests receive complimentary access, day pass sales and guest entrance are a sizable portion of business for these operators. Rent is usually a mix of base rent and day pass opportunity fees.

Financial Services and Sponsored Lounges:

ENTRY METHOD:

Complimentary access is provided to eligible credit card holders at designated tiers. Access is also extended to members of affiliated lounge networks such as Priority Pass, Lounge Key, or DragonPass, when operated by a third-party provider with those affiliations. Where applicable, non-eligible guests may enter by purchasing a day pass or paying a guest fee. Premium food and beverage offerings, such as specialty meals or top-shelf alcohol, are typically included as part of the lounge experience but may be subject to a concession fee when charged separately.

RENT STRUCTURE:

Space is usually designated during a capital program or identified as an otherwise unusable space.

- **Base Rent** is space rent charged on a per square foot basis and is defined in the airport's rates and charges. This rent may consist of a Minimum Annual Guarantee (MAG). However, most guests at these locations are not generating sales, so the MAG is usually determined based on a minimum desired space rent or space valuation by the airport. Tenants will usually pay the greater of MAG or space rent.
- **Access Fees** are revenues received from day pass or guest pass sales (i.e., uses without complimentary access) and may be subject to a Concession Fee.
- **Concession Fees** are revenue generated from the sale of items within the lounge, including specialty food and drink or premium alcohol, and may be subject to a Concession Fee.

While most guests receive complimentary access, MAG and/or Space Rent is the largest driver of revenue to the airport.

Day pass sales and guest entrance may be substantial, but due to the current popularity among credit card holders, availability may be minimal for non-cardholders due to capacity constraints. Therefore, rent is largely the Base Rent.

3.4. REGULATORY COMPLIANCE

As a part of this assessment, findings related to legal and regulatory considerations confirmed that the Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA) **do not directly regulate airport lounges**.

FAA

The FAA is responsible for ensuring that such facilities comply with federal requirements pertaining to the use of airport property, revenue generation, and accessibility. The FAA also oversees compliance with programs designed to ensure airport concessions are accessible to all businesses and individuals. Notable among these programs are the Airport Concession Disadvantaged Business Enterprise (ACDBE) Program and the Americans with Disabilities Act (ADA).

TSA

The TSA is responsible for conducting security threat assessments on individuals seeking authorized access to airport facilities for employment or other official functions. Additionally, the TSA oversees the screening and inspection of all materials and products entering the secure area beyond the checkpoint of the airport. Airport lounges must comply fully with TSA regulations regarding these inspections and ensure that all employees and contractors possess the appropriate badging credentials to access secured zones, such as the Security Identification Display Area (SIDA) and the Air Operations Area (AOA).

Banking and Financial Institutions

There are distinct regulatory differences between banks and non-bank financial institutions, such as American Express, that influence how each may operate within the airport lounge environment.

Although American Express is a bank holding company, its core business centers on non-depository financial services. As such, it is subject to a different regulatory framework than institutions classified as Federal Deposit Insurance Corporation (FDIC)-insured depository banks. Lounge operations conducted by American Express are managed outside of its regulated banking entities, allowing for greater operational flexibility in non-banking commercial ventures such as airport lounges.

In contrast, institutions such as JPMorgan Chase, which operate as FDIC-insured banks, are subject to stringent regulatory oversight. These include compliance with rules and guidance from the FDIC, the Federal Reserve (FED), and the Office of the Comptroller of the Currency (OCC). These regulatory bodies impose limitations on the use of depositor funds and the scope of business activities that may be conducted directly by the bank. Due to these constraints, FDIC-insured banks may opt to partner with third-party operators, sponsor independent lounge providers, or license their brand to external entities rather than directly managing and operating airport lounge facilities.

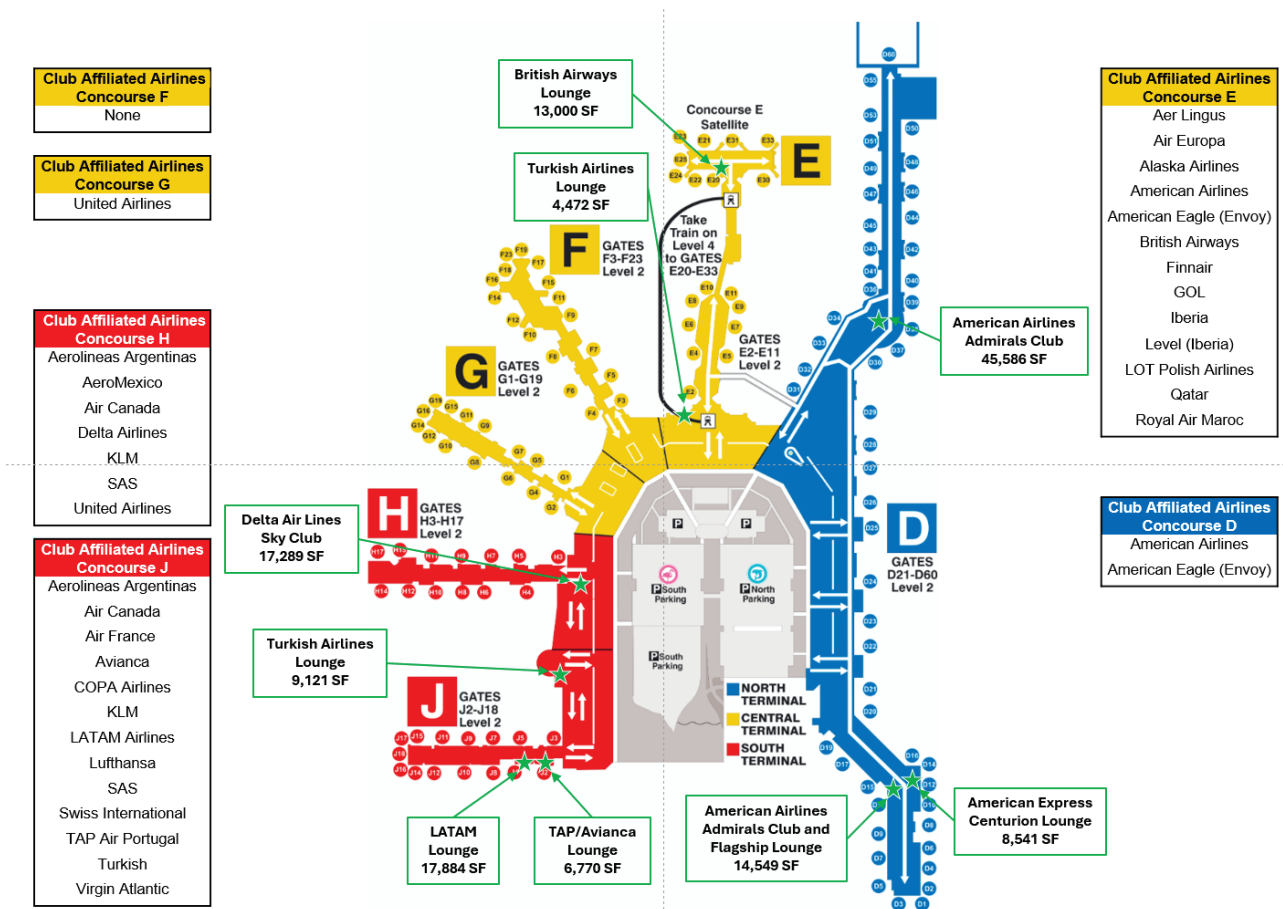
These regulations are significant, leading institutions to seek a third-party lounge operator to manage the lounge facilities. Operators often have relationships with membership networks, such as Priority Pass, Dragon Pass, and others, which may allow for day-pass entrance. However, most of these lounges have high utilization for primary guests, which limits the availability of the lounge for secondary guests.

3. MIAMI INTERNATIONAL AIRPORT BENCHMARKING ANALYSIS

One of Miami International Airport’s (MIA) strategic goals is to grow from a recognized hemispheric hub into a global airport of choice, offering passengers a world-class travel experience. Airport lounges are increasingly transforming from simple waiting areas into luxurious sanctuaries that redefine the passenger journey. These lounges utilize upper-level spaces, not conducive for other purposes, and provide a revenue-generating getaway for passengers seeking an escape from the busy concourse environment.

MIA offers a variety of lounges across its terminals, catering to different airlines, memberships, and passenger needs.

- **North Terminal (Concourse D):** Provides access to four lounges, including two American Airlines Admirals Club lounges, one Flagship lounge, and an American Express Centurion Lounge.
- **Central Terminal (Concourses E, F, and G):** Provides access to two lounges, including the Turkish Airlines Lounge and the British Airways Lounge.
- **South Terminal (Concourses H and J):** Includes four lounges; Delta Airlines Sky Club, Turkish Airlines Lounge, The VIP Lounge operated by LATAM, and the Avianca/ TAP Portugal Lounge.



Pursuant to FY2025 Implementing Order 04-125 Submitted to the Board of County Commissioners (BCC), Airline VIP Clubs at MIA pay a base fee equal to 35% of the actual per-person entry fee (capped at \$12.25 per person) along with 18% of gross liquor sales and 10% of gross amenities revenue.

4.1. COMPARATIVE MARKET REVIEW

This comparative market review involved the collection and analysis of airport and industry data on current lounge fee structures and lease models at major global and domestic international airports. The Study focused on pricing strategies, revenue-sharing agreements, and incentive programs, with a particular emphasis on airline-operated and third-party lounge arrangements at MIA relative to peer airports.

A three-pronged research approach was employed, incorporating surveys, stakeholder interviews, and secondary research to conduct a comprehensive evaluation of airport lounge operations. This methodology produced key insights into lounge inventory and distribution, lease terms, and rent structures across various operating models.

The Study examined lounge fee structures at leading airports—including London Heathrow (LHR), Dubai International (DXB), Singapore Changi (SIN), Los Angeles International (LAX), John F. Kennedy (JFK), and San Francisco International (SFO)—to benchmark practices and identify relevant trends. As part of this evaluation, peer airport structures were reviewed and found to show no significant differences compared to MIA’s existing models.

Research Activities

- A survey questionnaire was distributed to twenty-three airports to gather information regarding current fee structures and lounge operation models, and twenty (20) responses were received.
- Interviews were conducted with a lounge operator and an airport concession developer to gain insights into the range of operational models and the associated fee structures.
- Additional research utilizing a variety of relevant sources
 - Airport Lounge Agreements
 - Airport websites
 - ACI World Common-Use Lounges White Paper 2025
 - Business Research Insights – June 2, 2025

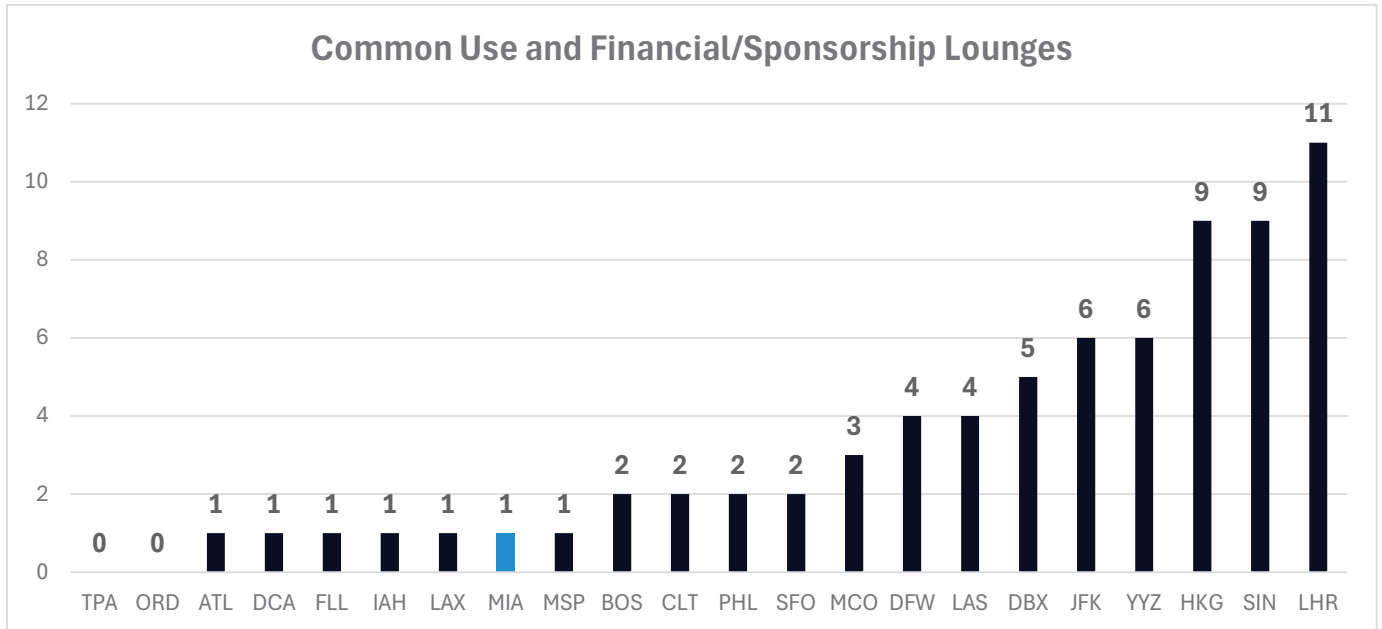
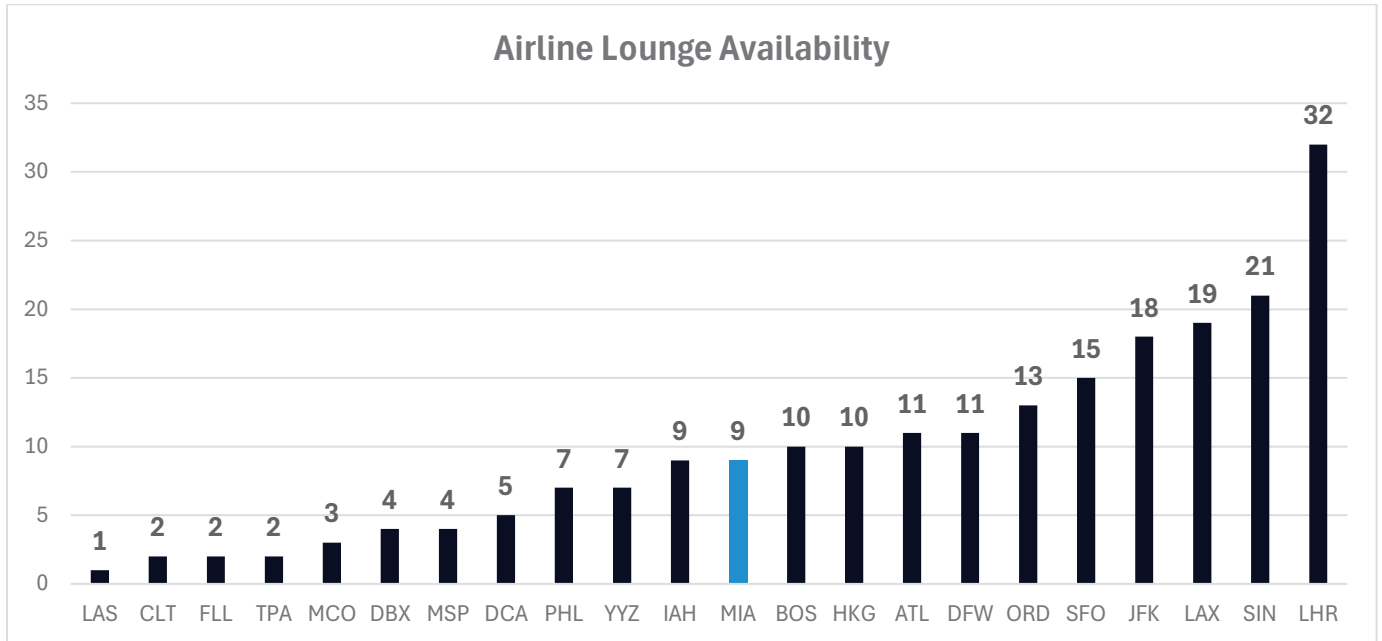
Summary of Key Findings

LOUNGE INVENTORY AND DISTRIBUTION

Most airports surveyed offer a mix of airline and third-party lounges, varying degrees of presence across types and locations.

- All benchmarked airports, except Tampa (TPA) and Chicago (ORD), have third-party/common-use lounges.
- JFK leads all domestic airports in various foreign flag lounges with a total of eight (8).
- Among the domestic benchmark airports, JFK (6), DFW (4), and LAS (4) currently have the highest number of non-airline lounges. Both DFW and LAS have an additional lounge scheduled to open soon.
- Seven of the airports in the benchmark, including MIA, have only one non-airline lounge.
- The average number of airline lounges among the domestic airlines’ competitive set was eight (8), with MIA being above average at nine (9).
- Among international benchmarks:
 - London Heathrow (LHR) stands out with the highest number of lounges overall, totaling forty-three. This includes eleven (11) common-use/sponsored lounges.
 - Toronto Pearson (YYZ) has the most third-party/common-use lounges operated by a single partner.

- Three of the five international airports (SIN, HKG, and LHR) have more common-use/sponsored lounges than their domestic counterparts.
- DBX's Emirates lounge is the largest first-class airport lounge in the world, measuring over 100,000 square feet.



AIRLINE LEASE TERMS AND RENT STRUCTURES

Airline lounge lease terms vary by airport, with MIA’s structure showing notable differences from peers.

- MIA typically offers **15-year lease terms** (including options).
 - The exceptions are Turkish Airlines with 3-5 years (a temporary location with lower capital investment) and TAP and Avianca (Club was already built) with 5 years.
 - The airline agreements were executed at different times, leading to slight variations in rent structures.
- At most U.S airports, airline lounge lease terms are tied to their Airline Use Agreement.
- Most domestic airline lounge rates are based on a per square footage rent plus a percentage rent on products sold that are not part of the lounge’s complimentary program. At MIA, an additional rent, categorized as an **Opportunity Fee**, is charged for non-complimentary lounge access.
- International airport structures:
 - **HKG**: Uses a fixed rent model based on terminal rental rates. Standard lease term is 5 years with renewal options available.
 - **LHR**: Lounge rents are aligned with terminal rental rates.
 - **SIN**: Rent is based on terminal rental rates and varies by location, size and operating model. Tenants submit bids for available spaces and lease terms typically range from 3-7 years.
 - **YYZ**: Applies a uniform rate per square foot for all airline lounges, with no annual rent escalations. Any new negotiated rates are applied across operators, and lease terms are multi-year.

Airline Lounge Comparison

Benchmark Airport	Fixed Rent (Base Rent, Space Rent, or MAG)	Percentage Rent Non-Complimentary Access Fee	Concession Fee (% of Sales)
Miami International Airport (MIA)	✈	✈	✈
International Airports			
Heathrow International Airport (LHR)	✈		
Hong Kong International Airport (HKG)	✈		
Toronto Pearson International Airport (YYZ)	✈		
Domestic Airports			
Los Angeles International Airport (LAX)	✈		✈
John F. Kennedy International Airport (JFK)	✈		

**DXB, SIN and SFO did not provide data*

COMMON-USE AND FINANCIAL SERVICES/SPONSORSHIP AGREEMENTS

Common-use lounges at MIA and elsewhere generally operate under revenue-sharing agreements that may vary in specific terms.

- MIA’s American Express Centurion Lounge operates under a 10-year lease with two 5-year renewal options. Rent is based on a Minimum Annual Guarantee (MAG) plus a percentage of gross sales.
- Domestic airports surveyed have the following terms and structures:
 - Lease terms at some peer airports are negotiated individually and range from 5-15 years, often with renewal options.
 - Rent models vary and may include:

1. Base rent per square foot
 2. MAG plus percent rent (greater of the two)
 3. Fixed annual rent plus percent rent
 4. Per-passenger fees
- International airports surveyed have the following terms and structures:
 - HKG: Uses fixed rents (MAG, Percent Rent or Terminal Rental Rate), with adjustments based on passenger traffic. The typical lease term is 5 years with renewal options.
 - LHR: Rent is based on a MAG and/or percent rent, depending on size and location. Lease terms typically range from 9-12 years.
 - SIN: Rent varies by location, size, and operating model. Tenants submit bids for spaces and terms range from 3 to 7 years.
 - YYZ: Rent is negotiated or set through an RFP process. Common-use lounges pay percentage rent on sales with terms of 5 to 10 years.
 - The rent structures utilized at MIA are comparable to those seen in the industry.

Common-Use Lounge Comparison

Benchmark Airport	Fixed Rent (Base Rent, Space Rent, or MAG)	Percentage Rent Non-Complimentary Access Fee	Concession Fee (% of Sales)
Miami International Airport (MIA)	✈	✈	✈
International Airports			
Heathrow International Airport (LHR)	✈		✈
Hong Kong International Airport (HKG)	✈		
Toronto Pearson International Airport (YYZ)	✈		✈
Domestic Airports			
Los Angeles International Airport (LAX)	✈		✈
John F. Kennedy International Airport (JFK)	✈		✈

**DXB, SIN and SFO did not respond to the survey*

4.2. AIRPORT OWNERSHIP AND OPERATION STRUCTURES

A key aspect examined in this benchmarking Study was the ownership and operational structure of each airport.

Miami International Airport (MIA) is situated on 3,230 acres near downtown Miami and is owned by Miami-Dade County. The airport is operated by the Miami-Dade Aviation Department (MDAD), which functions as an enterprise fund of the County. MDAD receives policy oversight from the mayor and the 13-member Miami-Dade Board of County Commissioners (BCC). The Airport Chief Executive Officer (CEO) is responsible for the overall administration, management, and daily operations of the airport.

Among the international airports included in the Study, **the majority are publicly owned and operated by government authorities**. The primary exceptions are London Heathrow Airport and Toronto Pearson International Airport.

The following is a breakdown of the international airport operating and ownership structures.

- **DBX** - Dubai International Airport and Dubai World Central are both owned and operated by Dubai Airports Company, a government-owned entity. Dubai Airports, a government-owned airport authority, is responsible for

the ownership, operation, and development of DXB.

- **HKG** - The Airport Authority Hong Kong (AA) is a statutory body wholly owned by the Hong Kong SAR Government.
- **LHR** – London Heathrow International Airport is privatized and owned and operated by Heathrow Airport Holdings, Limited, a private company. In 1987, the British government privatized the Airport, and now Heathrow Airport is owned and operated by Heathrow Airport Holdings, Limited (formerly BAA), a private company. The company is majority owned by FGP TopCo Limited, a consortium of international investors including Ferrovial (Spain), Qatar Investment Authority, and other global funds. The Board of Directors of Heathrow Airport Holdings Limited Group (HAHL Group) is responsible for the day-to-day operations and determines the long-term strategy of the HAHL Group.
- **SIN** - The Changi Airport Group (CAG), which operates the airport, is a wholly owned subsidiary of the Ministry of Finance of the Government of Singapore. Changi Airport is operated by Changi Airport Group (CAG), a wholly owned entity of the Government of Singapore.
- **YYZ** – Toronto Pearson International Airport is managed and operated by the Greater Toronto Airports Authority (GTAA), a non-profit corporation, under a long-term lease with the federal government. The Greater Toronto Airports Authority (GTAA) is the operator of Pearson Airport. The GTAA Board, consisting of fifteen Directors, elected by the GTAA’s members, governs the Airport.

For domestic airports in the benchmark group, most are owned and operated by a city, county, or government authority. Notable variations in ownership and operating structure include:

- DFW – Governed by a semi-autonomous Airport Board.
- Minneapolis/St. Paul International Airport (MSP) - Managed by the Metropolitan Airports Commission (MAC), a self-funded public corporation.
- Boston Logan International Airport (BOS) - Owned and operated by the Massachusetts Port Authority (Massport), an independent public authority.

ECONOMIC IMPACT AND FINANCIAL PERFORMANCE

Another key aspect of this assessment includes an analysis of economic impacts and financial performance. This analysis examined the lounge operations of MIA and peer airports to provide a comprehensive view of the various lounge models.

5.1. ECONOMIC IMPACT

Our comprehensive analysis of lounge operations at MIA and peer airports indicates that MIA's current rent structure is a parity-based fee model in place for airline lounges. However, rental revenues within this model vary depending on the lounge's operational approach, which is consistent with the industry's findings.

The rent requirements in all of MIA's airline lounge agreements are identical, which include Terminal Rents (Class II and III), plus an Opportunity Fee on passengers not included in complimentary admission (35% of Base VIP Club Fee), and a Concession Fee (18% - liquor, 10% - all other). This structure, driven primarily by a Terminal Rent or Space Rent, is comparable across the industry. As highlighted in Section 3.3, the general provisions for guests considered for complimentary access are:

- First and/or Business Class ticketed passengers.
- Designated classes on codeshare-affiliated flights.
- Strategic partnership members, such as credit cardholders, and
- Status members such as top-tier frequent flyers or bonus mile programs.

While several airlines offer day passes for purchase, their high volume of complimentary guests (e.g., premium cabin passengers, elite status holders, and lounge members) frequently limits the availability of these passes for walk-up or same-day purchase. This is not the case for Turkish Airlines, which, due to limited codeshare and direct passenger access in addition to geographic distance to primary departure gates, relies heavily on **non-complimentary day pass purchases and Priority Pass members** to fill the lounge.

The following table illustrates the various passenger bases served by each lounge operator. Additional details pertaining to the Complimentary and Non-complimentary clientele included in MIA's lounge agreements are expanded on in Section 5.2.

Lounge	AIRLINE COMPLIMENTARY				OTHER COMPLIMENTARY (Credit Card & Partner Access)		PAID ACCESS	
	Fare Class and Authorized Guests	Loyalty Program/Mileage Plan	Memberships	Partner/Codeshares/Alliances	Credit Card	Military Personnel	Ancillary Network Members (Priority Pass)	Day Pass
AA Flagship Lounge	✈	✈	✈	✈	✈			✈
AA Admirals Club	✈	✈	✈	✈	✈	✈		✈
British Airways	✈	✈	✈	✈	✈	✈		✈
Delta Airlines Sky Club	✈	✈	✈	✈	✈	✈	✈	✈
LATAM	✈			✈				✈
TAP/Avianca	✈	✈	✈	✈			✈	✈
Turkish Airlines	✈	✈	✈	✈	✈		✈	✈

Figure 5.1.1

The table on the following page presents the current airport lounge fee structures at MIA. As previously noted, the table illustrates the **existing parity** in the fee structure, as all lounge operators are subject to the same requirements. The exception is the American Express Centurion Lounge, whose rent structure is more aligned with industry-standard financial services and sponsored lounges at comparable airports.

MIA LOUNGE SUMMARY							
Lounge(s)	Lounge Type	Space Rent	Opportunity Fee (Non-complementary access)	Concession Fee	Lease Date	Original Expiration	Term
American Airlines (3)	Airline Operated	Terminal Rents (Class II and III)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	5/21/2021	11/30/2026	10 + 5 yr renewal option
Delta Air Lines	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	7/1/2019	6/30/2024	5 yr + (2) 5 yr renewal options
British Airways	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	12/1/2023	11/30/2033	10 yr + 5 yr renewal option
TAP and Avianca	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	1/1/2024	12/31/2028	5 yrs
Turkish Airlines	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	2/1/2022	1/31/2025	3 yrs
Turkish Airlines	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	2/1/2023	1/31/2028	5 yrs
LATAM Airlines Group	Airline Operated	Terminal Rents (Class II)	35% of Base VIP Club Fee (capped at \$12.25 per person)	18% - of Gross Receipts for liquor sales 10% - of Gross Receipts for all other sales	11/1/2023	10/31/2028	5 yr + (2) 5 yr renewal options
American Express Centurion Lounge	Financial/Sponsorship Lounge	Greater of \$1,000,000 MAG (3% annual escalation) or Class II Terminal Rent Rate	20% Guest Fee/Day Pass	13% - of Gross Receipts for the sale of food 18% of Gross Receipts for the sale of alcohol 25% of Gross Receipts for advertising and promotion sales	5/7/2014	10 years from date of Beneficial Occupancy	10 yr + (2) 5 yr renewal options - from Beneficial Occupancy

Figure 5.1.2

American Airlines currently operates the largest share of the available lounge space at 36%, contrasting with Turkish, which accounts for only 12% of available space.

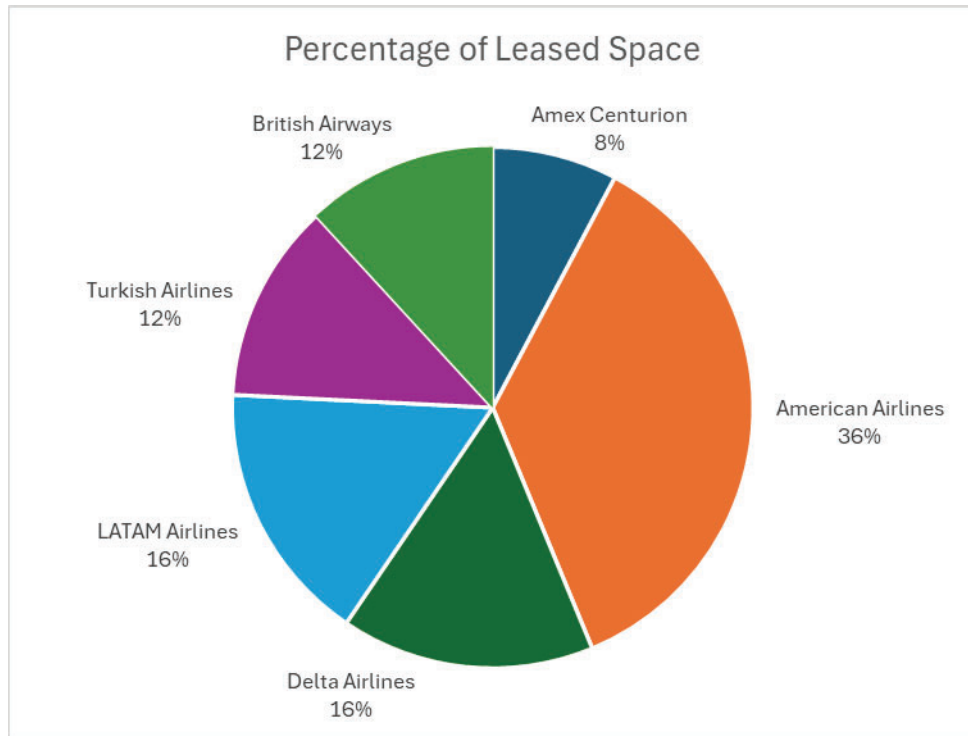


Figure 5.1.3

Figure 5.1.4 below highlights the substantial disparity in concession fees between airline lounges operating under a typical model versus Turkish Airlines. Turkish Airlines' operational model more closely resembles a common-use lounge, characterized by a **significantly higher volume of non-complimentary clientele**, as previously established. The resultant "Opportunity Fee" variance, driven by this disproportionate number of paying guests, directly impacts and increases the rent remitted to the airport by Turkish Airlines.

In contrast, American Airlines pays a much greater amount for the Class II Terminal Rents than all other airlines.

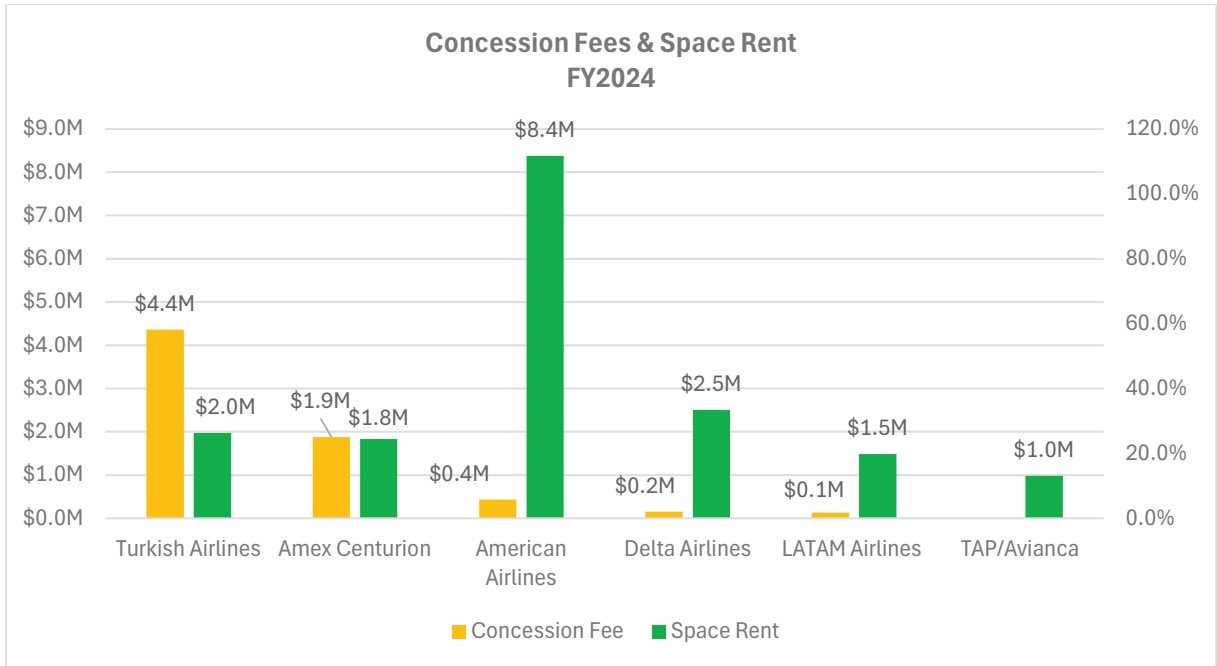


Figure 5.1.4

Inclusion of passengers through Priority Pass and the availability of day passes increases the Total Available Market (TAM) for Turkish Airlines, thereby allowing them to generate incremental revenues beyond their native and alliance-based passengers. Of the overall revenue generated from airline lounge operations at MIA, Turkish Airlines generates **64% of the total revenue**, while only operating in 14% of the available space, as indicated in the chart below.

Despite the contractual rent structure parity for airline lounges at MIA, the distinct **operational models** decisively differentiate the revenues each lounge type generates.

5.2. FINANCIAL PERFORMANCE

Figure 5.2.1 further illustrates the significant revenue disparity among airline lounges. As the accompanying table shows, Turkish Airlines substantially outperforms other lounges in "Opportunity Fee" generation. Even the American Express Centurion Lounge, despite operating as a legitimate common-use lounge, does not approach Turkish Airlines' performance, primarily because its client base, similar to traditional airline lounges, is far more exclusive.

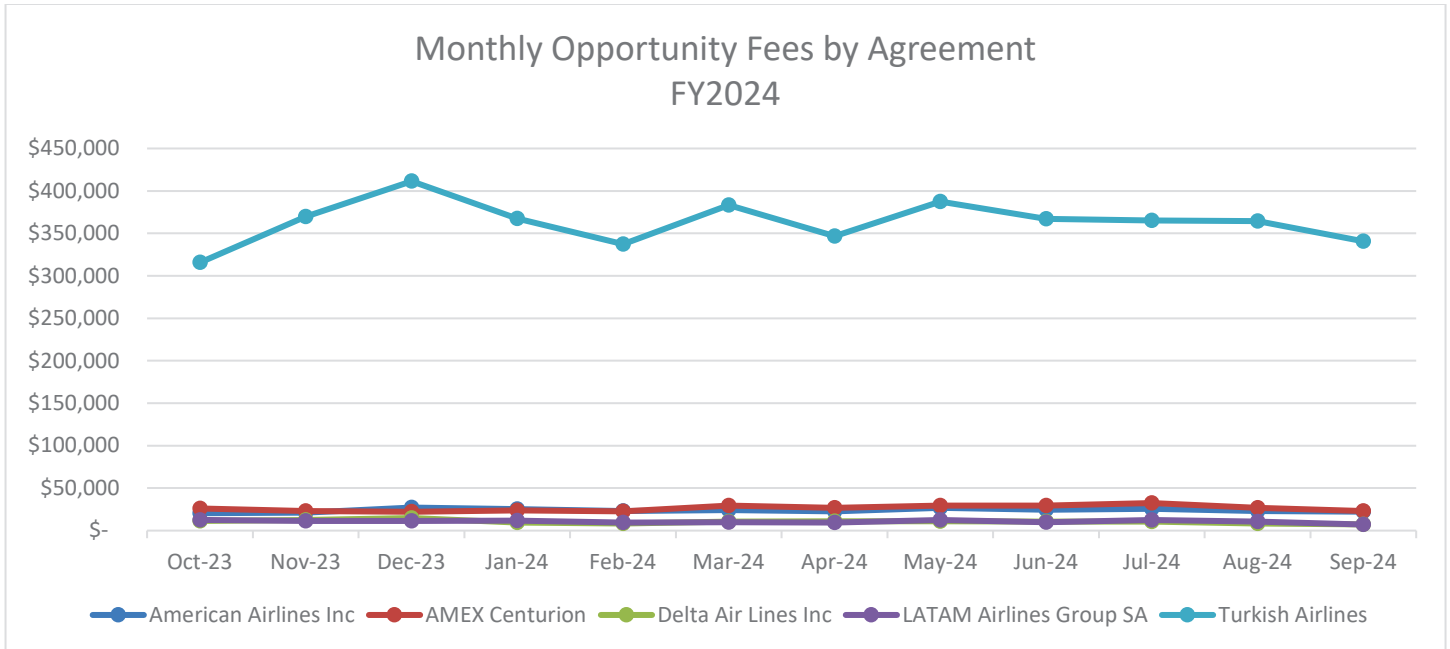


Figure 5.2.1

Analysis of passenger traffic at Miami International Airport (MIA) by airline alliance, illustrated in Figure 5.2.2 below, highlights distinct patterns in potential lounge utilization and revenue generation:

- SkyTeam** (9% of total traffic): With a smaller footprint, the SkyTeam Alliance (servicing Delta Sky Club) primarily serves Delta Air Lines passengers, accounting for 75% of their total traffic, approximately 3.5 million potential Delta Sky Club users annually.
- Oneworld Alliance** (58% of total traffic): Dominating MIA's market, the Oneworld Alliance (servicing AA Admirals Club, AA Flagship Lounge) sees 95% of its passengers as American Airlines travelers. This translates to **nearly 30 million** potential annual guests for American Airlines' Admirals Club and Flagship Lounges, signifying immense demand and strategic importance for these facilities.
- Star Alliance** (10% of total traffic): This alliance (servicing Turkish Airlines Lounges and the TAP/Avianca Lounge) offers diverse lounge options. While some members like TAP Air Portugal and Avianca provide dedicated lounge access for their 1.3 million annual passengers, the Turkish Airlines lounge operates under a distinct model. Despite Turkish Airlines' modest 6% contribution to Star Alliance traffic at MIA (yielding just over 325,000 annual guests), its lounge heavily relies on **non-complimentary transactions**. This indicates a strategic shift towards a common-use lounge model, leveraging paid access and third-party programs to maximize revenue and lounge utilization, compensating for a smaller proprietary passenger base, and contrasting with lounges that primarily serve exclusive clientele.
- Non-affiliated** (12% of total traffic): While no longer part of an alliance, LATAM also has a VIP Lounge. Several airlines are codeshare partners with LATAM, and some guests have access to The VIP Lounge (Operated by LATAM). Directly, LATAM passengers constitute 1.6 million annual passengers.

Airline Partner Alliances

oneworld® airline partners		SkyTeam Members		Star Alliance (Turkish)			
American Airlines	29,982,898	95%	Aerolíneas Argentinas	246,504	Air Canada	511,835	
Alaska Airlines	152,972		Air Europa	212,830	Avianca	1,086,837	
British Airways	447,622		Air France	334,130	Copa Airlines	793,553	
Finnair	23,465		Delta Air Lines	3,453,351	75%	Lot Polish Airlines	83,487
Iberia	396,006		KLM	31,427	Lufthansa	320,055	
Qatar Airways	250,118		SAS	80,215	Swiss	242,495	
Royal Air Maroc	63,815		Virgin Atlantic	245,169	TAP Air Portugal	229,517	
Aer Lingus	28,573				Turkish Airlines	325,795	
GOL Airlines	137,659				United Airlines	1,680,739	
	31,483,128			4,603,626		5,274,313	
Percent of Total MIA Traffic	58%		Percent of Total MIA Traffic	9%	Percent of Total MIA Traffic	10%	

LATAM's codeshare partners		Star Alliance (TAP and Avianca)		
Aerolíneas Argentinas	246,504	Air Canada	511,835	
Alaska Airlines	152,972	Avianca	1,086,837	
British Airways	447,622	Copa Airlines	793,553	
Delta Air Lines	3,453,351	Lot Polish Airlines	83,487	
Finnair	23,465	Lufthansa	320,055	
Iberia	396,006	Swiss	242,495	
LATAM	1,583,117	24%	TAP Air Portugal	229,517
Qatar Airways	250,118		Turkish Airlines	325,795
WestJet	164		United Airlines	1,680,739
	6,553,319			5,274,313
Percent of Total MIA Traffic	12%	Percent of Total MIA Traffic	10%	

Figure 5.2.2

Compounding the lower volume of direct access guests, the operational viability of the Turkish Airlines lounges at MIA is further challenged by their **suboptimal geographical placement** within the terminals (see Figure 5.2.3). Unlike the strategically located lounges of major carriers such as American Airlines, Delta, LATAM, and TAP/Avianca, which are typically immediately adjacent or in close proximity to their respective departure gates, the Turkish Airlines lounges are not.

While these lounges may be designed for optimal general access within the terminal layout, their distance from Turkish Airlines' specific departure gates creates a significant barrier for their primary, complimentary user base (i.e., Turkish Airlines' premium cabin passengers or elite status holders). Passengers arriving for their flight often prioritize reaching their gate efficiently, especially in a sprawling airport like MIA. The need to traverse a considerable distance across the terminal, potentially passing other lounge options or retail outlets, discourages these travelers from utilizing the Turkish Airlines lounge.

This geographical disconnect effectively **reduces the "capture rate"** of their eligible passengers. For travelers on a tight connection, or those simply seeking a convenient pre-flight respite, the added transit time and potential inconvenience of navigating to a non-adjacent lounge can outweigh the benefits of complimentary access. Consequently, this forces the Turkish Airlines lounges to rely even more heavily on revenue-generating "Opportunity Fee" transactions from a broader, non-complimentary clientele (e.g., Priority Pass members, other alliance partners with less convenient options, or walk-in guests). This operational model, driven in part by their physical location, distinguishes their revenue strategy from lounges that can depend on a consistent flow of their airline's premium passengers directly from nearby gates. It underscores how physical location, beyond mere presence, plays a critical role in shaping lounge utilization patterns and ultimately, financial performance within a competitive airport environment.

Lounge Terminal Locations Relevant to Qualifying Airlines

Admirals Clubs and British D and E		Delta Lounge H		Turkish Lounge E and H	
Alaska Airlines	E	Aerolineas Argentinas	H J	Air Canada	H/J J
American Airlines	D E	Air Europa	E	Avianca	J
American Eagle (Envoy)	D E	Air France	J	COPA Airlines	J
British Airways	E	Delta Airlines	H	LOT Polish Airlines	E
Finnair	E	KLM	H J	Lufthansa	J
Iberia	E	SAS	H J	Swiss International	J
Qatar	E	Virgin Atlantic	J	TAP Air Portugal	J
Royal Air Maroc	E			Turkish	J
Level (Iberia)	E			United Airlines	G H
Aer Lingus	E				
GOL	E				

LATAM Lounge J		TAP and Avianca Lounge J	
AeroMexico	H	Air Canada	H/J J
Aerolineas Argentinas	H J	Avianca	J
Alaska Airlines	E	COPA Airlines	J
British Airways	E	LOT Polish Airlines	E
Delta Airlines	H	Lufthansa	J
Finnair	E	Swiss International	J
Iberia	E	TAP Air Portugal	J
LATAM Airlines	J	Turkish	J
Qatar	E	United Airlines	G H

Figure 5.2.3

5. CONCLUSION

In conclusion, while the foundational agreement language at MIA establishes a large degree of parity in rent structures for airline lounges, similar to the agreements found at the surveyed airports, our analysis unequivocally demonstrates that lounge **operating models** differ significantly, as do their associated revenue streams and overall financial contributions.

This conclusion stems from the comprehensive comparative market analysis, which evaluated lounge fee structures, lease models, and revenue-sharing strategies at key international and domestic airports - including LHR, DXB, SIN, LAX, JFK, and SFO. The Study benchmarked MIA's practices against these peer airports, focusing on pricing, incentives, and operational models. While rent structures show no major deviations, the analysis revealed distinct differences in lounge business models.

Airline-operated lounges, such as the American Airlines Admirals Club/Flagship Lounges and Delta Sky Club, typically function as **brand extensions**. Their primary purpose is to serve their select, loyal passengers (premium cabin, elite status holders, and frequent flyers), enhancing the overall travel experience, fostering loyalty, and differentiating the airline's premium offering. These lounges historically operated as **cost centers**, with their value derived indirectly through increased passenger satisfaction, retention, and the ability to command higher fares, rather than through direct revenue generation from individual lounge visits. Their strategic location, often adjacent to their respective airline's gates, maximizes convenient access for their eligible, complimentary user base. Airline-operated lounges are an extension of services offered by an airline and, as such, are often negotiated within each airline's use agreement. Through these negotiations, rates are based on a per-square-foot terminal rental rate for signatory airlines stated in the Airport's Rates, Fees, and Charges, instead of a performance-based Minimum Annual Guarantee. While the agreement also establishes a rate for non-complimentary use, most lounge guests are complimentary based on ticket class or membership status, thus most of the revenue is driven by the terminal rental rate.

In stark contrast, common-use lounges are primarily **revenue-driven** entities. These facilities, exemplified by the Turkish Airlines lounge model at MIA, are designed to be open to a broader audience, including paid access members (e.g., Priority Pass), credit card holders, and partner airline passengers who may not have a dedicated lounge. Their operational model is meticulously designed to **maximize financial return** for both the operator and, through "Opportunity Fee" structures, the airport. This revenue-centric approach is particularly crucial for lounges like Turkish Airlines', which, despite being part of a major alliance, has a comparatively smaller proprietary passenger volume and rely on non-complimentary guests for lounge volume. Geographical limitations compound the challenges; being located away from their airline's departure gates further diminishes the natural flow of their complimentary users, forcing an even greater reliance on non-complimentary transactions to achieve viability.

Essentially, the case of MIA's lounge landscape highlights a critical distinction: even with similar underlying fee structures, the **strategic intent** behind a lounge's operation – whether as a loyalty-building amenity or a direct revenue generator – combined with practical factors like market share and physical location, fundamentally dictates its utilization patterns, "Opportunity Fee" potential, and overall financial performance within the dynamic airport environment.

This Study originally intended to identify and recommend changes to the existing fee structure to align similar lounges in terms of revenue production. As part of the recommendation, the Study requested an implementation plan and an assessment of the economic, operational, and customer experience impacts of such a fee structure.

However, after evaluating the existing leases at MIA, comparing these agreements to operations at other similar airports, and analyzing the operating methods of the various lounge types, the need for such a change to the fee structures is not apparent. Lounges operating similarly have the same lease structure for revenue generation to MIA. The most

significant difference between the existing lounges is their **operating style** and how they accommodate guests, rather than in the underlying fee arrangements. Changes to the agreements regarding how guests are charged and how MIA is compensated would be insignificant based on the operating methods of each lounge type. For example, charging a higher rate to a bank lounge for day pass guests would be minimally impactful since most lounge users are complimentary users with no need to purchase a day pass.

The findings in this report have highlighted significant operational differences and revenue strategies in the respective lounge types. At MIA, the agreements are not only consistent internally across the lounge types but are also similar in structure to those seen across the industry for each lounge type. As a result of this parity in structures, the need to evaluate a singular methodology was no longer supportable. Since altering the fee structure for each lounge type would disrupt the existing parity and is not strategically aligned with these diverse business models, the following components of this study were no longer relevant and were removed from the scope of this report:

- **Findings:** The development of new financial models was not pursued, as the study confirmed the current fee structure was equitable and sustainable.
- **Recommendations:** Specific proposals for implementing a parity-based lounge fee structure were not made since the recommendation is to remain consistent with the existing agreement styles and fee structures for the various lounge types.
- **Implementation Plan:** A phased strategy and resource outline for the new fee structure are not required.
- **Impact Assessment:** An evaluation of the anticipated economic, operational, and customer experience impacts of a change is not required. No change to the existing leasing strategy is proposed.

In conclusion, this analysis underscores that a lounge's strategic intent and operational realities, rather than just its rent structure, are the primary drivers of its financial performance and contribution within the airport ecosystem.



APPENDIX A

Resolution No. R-374-25

MEMORANDUM

Agenda Item No. 14(A)(4)

TO: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

DATE: April 1, 2025

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Resolution directing the County
Mayor to conduct a
comprehensive study and provide
a report to this Board on
implementing a parity-based fee
structure for airport lounge
operators at Miami International
Airport

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor
Commissioner Kevin Marino Cabrera.


Geri Bonzon-Keenan
County Attorney

GBK/jp

MDC035



MEMORANDUM
(Revised)

TO: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

DATE: April 1, 2025

FROM: 
Gen Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 14(A)(4)

Please note any items checked.

- “3-Day Rule” for committees applicable if raised**
- 6 weeks required between first reading and public hearing**
- 4 weeks notification to municipal officials required prior to public hearing**
- Decreases revenues or increases expenditures without balancing budget**
- Budget required**
- Statement of fiscal impact required**
- Statement of social equity required**
- Ordinance creating a new board requires detailed County Mayor’s report for public hearing**
- No committee review**
- Applicable legislation requires more than a majority vote (i.e., 2/3’s present ____, 2/3 membership ____, 3/5’s ____, unanimous ____, majority plus one ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3) (h) or (4)(c) ____, CDMP 9 vote requirement per 2-116.1(4)(c) (2) ____) to approve**
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor

Agenda Item No. 14(A)(4)

Veto _____

4-1-25

Override _____

RESOLUTION NO. _____

RESOLUTION DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO CONDUCT A COMPREHENSIVE STUDY AND PROVIDE A REPORT TO THIS BOARD ON IMPLEMENTING A PARITY-BASED FEE STRUCTURE FOR AIRPORT LOUNGE OPERATORS AT MIAMI INTERNATIONAL AIRPORT

WHEREAS, Miami International Airport ("MIA") hosts a diverse array of lounge operators, including airline-affiliated lounges, independent operators, and membership-based lounges; and

WHEREAS, to the greatest extent possible, the fees charged to the various lounge operators should be based on a parity-based fee structure, which is a fee structure that ensures equitable contributions to airport revenue while maintaining high service standards and prioritizing customer experience; and

WHEREAS, utilization of a parity-based fee structure is essential to maximize an airport's competitiveness and operational efficiency; and

WHEREAS, benchmarking against major global international airports such as London Heathrow ("LHR"), Dubai International ("DXB"), and Singapore Changi Airport ("SIN"), and major domestic international airports such as Los Angeles International Airport ("LAX"), John F. Kennedy International Airport ("JFK"), and San Francisco International Airport ("SFO"), can provide valuable insights into effective fee structures and incentive programs; and

WHEREAS, comprehensive stakeholder engagement, including consultations with airlines, independent lounge operators, membership-based programs, and passenger advocacy groups, is crucial for developing a fair and sustainable fee structure; and

WHEREAS, aligning MIA’s lounge fee policies with global best practices and ensuring compliance with all applicable legal and regulatory requirements will enhance the airport’s competitiveness and operational efficiency,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Directs the County Mayor or County Mayor’s designee to conduct a comprehensive study and undertake an in-depth analysis on the feasibility of instituting a parity-based fee structure for all lounge operators at MIA. This study shall include, but not be limited to, the following:

- **Market Comparison:** An evaluation of lounge fee structures at major global and domestic international airports, including LHR, DXB, SIN, LAX, JFK, and SFO, focusing on pricing models, revenue-sharing agreements, and incentive programs.
- **Economic Impact Assessment:** An analysis of how proposed fee adjustments may affect various lounge operators, considering factors such as cost structures, profit margins, consumer pricing strategies, and potential impacts on different traveler segments, including business and leisure travelers.
- **Stakeholder Engagement:** Structured consultations with relevant stakeholders, including airlines, independent lounge operators, membership-based lounge programs, and passenger advocacy groups, to gather diverse perspectives on fee parity and operational feasibility.
- **Financial Modeling:** Development of financial models to simulate various pricing scenarios, incorporating analyses of passenger traffic flows, lounge occupancy rates, and operational costs, to determine the most sustainable and equitable fee structure.

- **Regulatory Compliance Review:** The identification and assessment of any legal or regulatory barriers to implementing a parity-based fee structure, ensuring alignment with Federal Aviation Administration (“FAA”) guidelines, Transportation Security Administration (“TSA”) regulations, and other applicable laws.

Section 2. Further directs the County Mayor or County Mayor’s designee to prepare and place on an agenda of the full Board, without committee review, pursuant to Rule 5.06(j) of the Board’s Rules of Procedures, a comprehensive report within 180 days of the adoption of this resolution. Such report shall include:

- **Findings:** Detailed outcomes of the analyses conducted, including insights from market comparisons, economic impact assessments, stakeholder engagements, financial modeling, and regulatory reviews.
- **Recommendations:** Specific proposals for implementing a parity-based lounge fee structure at MIA, including suggested pricing models, incentive programs, and strategies to mitigate potential adverse impacts on lounge operators and travelers.
- **Implementation Plan:** A phased implementation strategy outlining timelines, key milestones, and necessary resources to transition to the new fee structure, ensuring minimal disruption to existing operations and maintaining high service standards.
- **Impact Assessment:** An evaluation of the anticipated economic, operational, and customer experience impacts of the proposed fee structure, along with measures to monitor and address any unforeseen consequences

The Prime Sponsor of the foregoing resolution is Commissioner Kevin Marino Cabrera. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Anthony Rodriguez, Chairman
Kionne L. McGhee, Vice Chairman

Marleine Bastien	Juan Carlos Bermudez
Kevin Marino Cabrera	Sen. René García
Oliver G. Gilbert, III	Roberto J. Gonzalez
Keon Hardemon	Danielle Cohen Higgins
Eileen Higgins	Raquel A. Regalado
Micky Steinberg	

The Chairperson thereupon declared this resolution duly passed and adopted this 1st day of April, 2025. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

JUAN FERNANDEZ-BARQUIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Ryan C. Zagare
Cynji A. Lee

APPENDIX B

Airport Lounge Survey Results

Airport Lounge Survey Results

Questions	Harry Reid International	Hartsfield-Jackson Atlanta International
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated	Third-party lounges pay a combination of Tiered Percentage of Revenues, MAG and Rate Per Square Foot.	Third-party lounges with pay percentage rent on various categories of revenue
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Varies; case by case	This contact is assigned a MAG with a percentage rent as follows : Gross lounge visit receipts - 10%; Alcohol Sales not included in the cost of the lounge visit - 14%; Food and Non Alcohol Sales not included in the cost of the lounge visit - 12%; and Other Merchandise - 12%
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?	Varies based on size, location or type	Concessions has one lounge under our purview. Properties manages all other lounges.
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Typically 10 year with option to extend	Term is seven (7) years with one(1) single three (3) year renewal option
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?	Third-party lounges: Combination of solicitation and direct negotiation.	Third-party lounges: Solicitation process.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	No data provided	\$782,999 - December 2024 Gross Revenue \$8,695,889 - 2024 Gross revenue
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	Agreement provided	No documents provided

Airport Lounge Survey Results

Questions	Charlotte/Douglas International	Minneapolis/St. Paul International
<p>Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated</p>	<p>Airline lounges - included in an Airline's leased premises as "Exclusive Use Premises" and are billed at the Terminal Rental Rate. Third-party lounge – MAG or 28% rent fee, whichever is higher. Membership based lounge – Annual rent plus 25% of Gross revenue</p>	<p>Airline Lounge: Terminal space lease at the non-janitored lease rate. 12% on all alcohol sales Third-party Lounge: Terminal space lease at the non-janitored lease rate. Per passenger access fee - \$3.92</p>
<p>Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Negotiated.</p>	<p>Airline Lounge: Lease rate methodology is set by the airport use agreement and approved annually by our Commission. Common-Use Lounge: Lease rate methodology is set by the airport use agreement and approved annually by our Commission.</p>
<p>Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?</p>	<p>Rates vary based on various factors.</p>	<p>Airline lounges pay the same rental rates established by the negotiated airport use agreement. Third party lounges pay the same terminal rental rate. No revenue paid to the airport by the airline lounges and the common use lounge does not qualify as sharable revenue with the airlines.</p>
<p>Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Third-party Lounge – 10-year term with an option to extend for two five year terms. Membership based lounge – 10-year term with an option to extend for two five year terms. Airline Lounges – Airline operated lounge lease terms align with CLT's Airline Use and Lease Agreement (AUA).</p>	<p>Airline lounges: currently 12/31/2028 or 12/31/2030 – depending on which term the airline selected at the beginning of the current airport use agreement. Third-party lounges – 10 year term.</p>
<p>Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?</p>	<p>Third-party lounges: Solicitation process.</p>	<p>Airline Lounges: Part of the airport use agreement. Third-party lounges: Solicitation process.</p>
<p>Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?</p>	<p>Average rev per passenger: ~\$35</p>	<p>Common use lounge: 2024: \$415,623.20 for space rent; \$990,478.08 in per passenger fees. Airline Lounges: 2024: \$3,816,185.40 for space rent; \$66,484.60 paid to airport for alcohol sales</p>
<p>Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges</p>	<p>Solicitation provided</p>	<p>No documents provided</p>

Airport Lounge Survey Results

Questions	Tampa International	Ronald Reagan Washington National.
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated	Responded no Third-party lounges and information on Airline lounges not provided.	Common Use lounges pay a MAG and % rent on passenger guest fees and any other sales of goods and services at IAD and DCA.
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?		Responding to the third-party lounges only, these lounges go through a competitive RFP process.
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?		Responding to the third-party lounges only – refer to answer to question #2
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?		Third-party lounges have a 10-year term. American Express Centurion has two five-year options at the Airport's discretion.
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?		Third-party lounges: Solicitation process.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	No data provided	Confidential
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	No documents provided	Confidential

Airport Lounge Survey Results

Questions	Fort Lauderdale-Hollywood International	Orlando International
<p>Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated</p>	<p>Airline lounges are charged a square foot rental. Third-party lounge rent is the greater of MAG or Percentage fee Percentage fees include tiered percentages based on revenues and 18% of alcoholic beverage sales (if sold separately and not included in the lounge fee)</p>	<p>Third-party lounges - Greater of MAG of \$1.45M or 13-24% of gross receipts.</p>
<p>Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Airline lounge rates are based on rates approved annually. Third-party lounge's initial MAG and percentage fees were proposed in the solicitation and negotiated at the time of contract.</p>	<p>Third Party Lounges - Competitive proposals were issued for common use lounges with minimum financial terms. Proposers proposed on MAG or % rent depending upon the timeframe of RFP.</p>
<p>Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?</p>	<p>There is no revenue sharing for airline lounges, they only pay the square foot rent rate as defined for Type 2 space in Chapter 39 of Broward County's Administrative Code. For the common use lounge, the rates are charged based on the info provided in question 1B and adjusted as described in question 2B.</p>	<p>For concession (common use) lounges, the rate varies by location/size, etc.</p>
<p>Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>A) Airline lounges are in the Signatory Lease Agreement and are leased for the duration of that agreement. B) Airline lounges are in the Signatory Lease Agreement and are leased for the duration of that agreement.</p>	<p>10 years</p>
<p>Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?</p>	<p>Airline Lounges: Part of the airport use agreement. Third-party lounges: Solicitation process.</p>	<p>Third-party lounges: Solicitation process.</p>
<p>Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?</p>	<p>Common use lounge by calendar year: 2022 - \$1,185,645 (lounge opened in Nov.); 2023 - \$11,040,506; 2024 - \$13,535,406; 2025 - \$4,854,655 (Jan-April)</p>	<p>FY 24 sales for Terminals A = \$6.3M; Terminal B = \$6.2M; Terminal C = \$7.1M.</p>
<p>Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges</p>	<p>Agreements provided.</p>	<p>Agreement and solicitation provided</p>

Airport Lounge Survey Results

Questions	John F. Kennedy International - unable to fill out survey. Information gathered verbally.	Houston George Bush Intencontinental
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated		Airline-operated lounges rent is based on the square footage of the space, subject to the airport's established rates and charges. Third-party lounges – Common use lounge pays a per-passenger fee of \$4 .18. Third-party lounge – Non common use lounge base rent is per square foot, plus a concession fee equal to 15% gross revenue monthly.
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?		Cost per square footage are determine through our annual rates and charges exercise.
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?		See answer to question #2
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?		Airline lounge terms are the length of the Airline Agreement. Third-party lounges, lease terms generally range from 5 to 15 years.
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?		Third-party lounges: Solicitation process.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	No data provided	Subject to FOIA
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	No documents provided.	Subject to FOIA

Airport Lounge Survey Results

Questions	Philadelphia International	Boston Logan International
<p>Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated</p>	<p>Airline Operated lounges are currently charged airline rates. Third-party lounges pay a MAG and some pay a MAG + percentage rent.</p>	<p>Airline lounge rates are set at terminal rates Third-party lounge rent is higher than terminal rates; tenant also pays percentage fees on access fees</p>
<p>Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Airline Operated lounges are charged airline rates. A request for proposals was conducted and a minimum fee was suggested based on many factors (the market price, the cost of readying the space for the lounge, etc.) and a best and final proposed fee by the proposers was submitted.</p>	<p>See Q1</p>
<p>Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?</p>	<p>Rental rates vary depending on several factors, including the size and location of the space. The rent structure typically includes a Minimum Annual Guarantee (MAG), with some locations also incorporating a percentage of gross revenues, while others do not.</p>	<p>Airline lounges pay the respective Terminal Rental rate for their terminal. Third-party lounge rates are determined through their RFP proposal response. No percentage fees paid by airlines lounges and current common use lounge</p>
<p>Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Airline lounge terms are the length of the Airline Agreement Third-party lounge terms are 10 years</p>	<p>Airline - typically 10 years Third-party lounge current lounge agreement 12 years. We have a 2nd lounge opening and finalizing agreement. term will be for 15 years plus 10 year option.</p>
<p>Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?</p>	<p>The fee manager conducted an outreach for the services.</p>	<p>Third-party lounges: Solicitation process.</p>
<p>Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?</p>	<p>No data provided</p>	<p>No data provided</p>
<p>Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges</p>	<p>No documents provided.</p>	<p>No documents provided.</p>

Airport Lounge Survey Results

Questions	Dallas/Fort Worth International - did not fill out survey	Los Angeles International
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated	Airline Lounges - Airline club space is charged at the published Signatory Airline Terminal Rental Rate in the Schedule of Charges, plus food and beverages fees which can be waived. Third-party lounges pay MAG/fixed rent plus % of gross receipts	Airline Lounges - rental rate pursuant to Board approved LAX Rates and Charges, plus percentage rent on sale of goods and services. Third-party lounge rates are also Board approved LAX Rates and Charges plus percentage rent. Each contract can be slightly different due to negotiations.
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Third party lounges were direct negotiated and airline leases are typically a part of the use agreement	See above
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?	Airline loungespace is charged at the published Signatory Airline Terminal Rental Rate in the Schedule of Charges.	Airline lounge lease rates are subject to LAX Rates & Charges. Third-party lounges pay 20% on gross sales of goods and service and sale of lounge access outside of airline partnership/alliances
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Currently 10 years	Typically 10 years.
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?	Not currently	Airline lounges are solicited to all airlines operating in LAX. Third-party will be procured through LA City procurement process.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	See separate spreadsheet	No data provided
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	Agreements obtained.	Agreements provided

Airport Lounge Survey Results

Questions	San Francisco International -did not fill out survey- Information gathered verbally-	Toronto Pearson International Airport
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated	Airline lounge rates are set at terminal rates per soft. Third-party lounge rent is a combination of MAG and tiered percentage rents based on revenues.	Airline lounges are charged on a per sqft basis Third-party lounges are a combination of Minimum Annual Guaranteed Rent and % rent.
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Airline lounge rates based on published rates & charges. Third-party lounge rates based on MAG and percentage rents.	Airline lounges: Set rates Third-party: Negotiated rates with the common use operator -either through RFP or renegotiated contracts
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?	Varies by type and size.	There are different rates for Airline lounges and Third-party lounges. All lounges are currently under the same methodology. There is no distinction between size, or location. Common use lounges pay a % rent on sales and produce their own revenue based on their P&L.
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Airline lounge terms are the length of the Airline Agreement Third-party lounge terms are 10 and 12-years with options.	Airlines can be multiple years Third-party from 5 to 10 years
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?	Airline Lounges: Part of the airport use agreement. Third-party lounges: Solicitation process.	Airline Lounges: Direct negotiation. Third-party lounges: Solicitation process or through a negotiation.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	No data provided	No data provided
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	Agreements obtained.	No documents provided

Airport Lounge Survey Results

Questions	Hong Kong International Airport	Heathrow International
Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated	The lease rates/rent structure for airline operated lounge and a third party common use lounge is different. However, there is a rental adjustment mechanism which the rental shall be adjusted based on airport traffic.	The lease rates/rent structure for airline operated lounge and a third party common use lounge is different
Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	Based on market rental	Based on market rental
Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?	All lounges are based on a fix rent model	Third party lounge involves a percent of revenue share element with minimum guarantee. Lounge rates considers both size and location; however due to confidential agreement we cannot disclose rates
Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?	5 years with option to renew	9-12 years
Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?	Airline Lounges: Direct negotiation. Third-party lounges: Solicitation process or through a negotiation.	Airline Lounges: Direct negotiation. Third-party lounges: Solicitation process or through a negotiation.
Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?	Confidential	Confidential
Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges	No documents provided	No documents provided

Airport Lounge Survey Results

Questions	Singapore Changi Airport	Chicago O'Hare International
<p>Question #1: Please describe the commercial lease rates/rent structure(s); a) airline operated b) third-party operated</p>	<p>These are commercial purview and from my understanding it is under leasing model</p>	<p>All of ORD's current lounges are airline-operated lounges. As such, rent is assessed at the same square footage rate as all other airline space (our "Base Rental Rate"). That rate is adjusted annually based on the airport's needs in connection with its Rates & Charges assessment. For 2025, that rate is \$226/sf/year.</p>
<p>Question #2: How are the commercial lease rates determined for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>Same as above, tenants are required to submit their bids for the leased space.</p>	<p>The Base Rental Rate which applies to airline-operated lounges is the same rate applied to all airline-rented space. As ORD is a residual airport, that rate is adjusted annually based on the airport's operating budget.</p>
<p>Question #3: Is there a standard commercial lease rate that applies to all types of passenger lounges, or do rates vary based on various factors such as size, location or lounge type? Do passenger lounges participate in the revenue generated by passenger lounges? If so, could you describe the revenue-sharing model or rate?</p>	<p>Varies depending on location, size and operating model of the lounge. This is under the purview of commercial team and my team will not be able to advise.</p>	<p>Rates do not vary by size or other factor; all airline space is assessed the same Base Rental Rate per square foot. ORD does not have any non-airline lounges, so the remainder of this question does not apply.</p>
<p>Question #5: What is the lease or license term length for: (a) airline-operated lounges and (b) third-party passenger lounges (e.g., common-use, membership-based, sponsored)?</p>	<p>3-7 years</p>	<p>The lease term for all airline space depends on whether the airline is a Long Term Signatory or a Short Term Signatory to our Airline Use and Lease Agreement (AULA). Of the airlines currently holding lounge space at ORD, only Air France and SAS are Short Term Signatories; the rest are Long Term Signatories. For all Long Term Signatory Airlines, the term for all airline space expires at the termination of the AULA, which is 12/31/2033. However, if an airline wishes to give space back to the airport earlier it can request to do so, and the airport can elect to take it back and remove it from the airline's leasehold. For Short Term Signatory Airlines, the lease for all space is for a 5-year term which can be extended at the election of both parties every five years until 12/31/33. So the first term would have been 2018-2023, then 2023-2028, then 2028-2033.</p>
<p>Question #7: Is a competitive solicitation process used in procuring and awarding leases or licenses for passenger lounge services?</p>	<p>Subject to airlines/pax demand, leases are released for lounge tenancy</p>	<p>Historically, we have honored airlines' request for lounge space by making decisions based on operational factors. Our AULA and Terminal Space Use Protocols do not require a competitive solicitation process.</p>
<p>Question #8 (a): Please provide any data available on passenger lounge sales/revenue by lounge type?</p>	<p>Confidential</p>	<p>CDA has no data on any sales or revenue generated at the lounges and no solicitation documents that have been used in the past. As for lease agreements, the square footage of the lounge is simply added to the airline's total square footage as an amended exhibit (Ex. C) to the existing AULA. No separate lease or lounge-specific language is applicable.</p>
<p>Question #8 (b): Please provide lease agreements and solicitation documents for passenger lounges</p>	<p>Confidential</p>	