



Common-Use Lounge Review

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Common-Use Lounge Overview



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Lounge Overview – Type

- **Common-Use** lounges are available to all passengers, typically for a fee or membership, regardless of ticket class or airline.
 - Most common-use lounges are operated and managed by a third-party under a lease agreement with the airport operator.
 - Companies such as American Express, have partnered with lounge operators to offer lounges for premium cardholders. Memberships are not offered and cardholder guests are charged a fee for entry.
 - Companies such as Chase and Capital One, have also partnered with lounge operators to offer common-use lounges with special access for premium customers. Day passes are available for purchase by non-cardholders.
- **Airline** lounges are managed by the airlines. They are often a premium amenity for first or business class passengers, and increasingly offered as a benefit with certain airline branded credit cards. Airlines typically establish lounges in airports where they have a significant presence. Some airlines grant lounge access to passengers flying on their partner airlines.
- **United Service Organization (USO)** lounges are exclusively for U.S. Armed Forces active duty, Reserve, and Guard members, and their families. The USO is a non-profit, charitable organization operating 250 locations worldwide.

Lounge Overview – Common-Use Lounge Operators

A majority of common-use lounges in the U.S. are managed by the following operators:

Operator	Lounge
Executive Lounges (Swissport)	Aspire Lounge
Airport Dimensions	The Club; Chase Sapphire Lounge by The Club
Manchester Airport Group (MAG USA)	Escape Lounge; Centurion Studio Partner Lounge
Plaza Premium Lounge	Plaza Premium Lounge; Capital One Lounge
TAV Operation Services	Primeclass Lounge
Airport Terminal Services	Wingtips Lounge

Lounge Overview – Common-Use Lounge Operators

- The Club, operated by Airport Dimensions (a division of Collinson International), and Escape Lounges, operated by MAG USA, have the most lounges at U.S. airports.
 - Collinson’s Priority Pass has an extensive network of lounge access through ownership of The Club and agreements with other operators.
 - Escape Lounges partnered with American Express to develop The Centurion Studio Partner, offering access to premium American Express cardholders.
- Other brands, such as Executive Lounges by Swissport and Plaza Premium, have fewer lounges in the U.S., but maintain a large international presence.
 - Capital One recently launched a U.S. lounge network in partnership with Plaza Premium, prioritizing quality food service and wellness offerings, such as exercise and yoga rooms
- Southwest is testing a program to reward loyal customers and credit cardholders with access to lounges through Priority Pass.



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Lounges



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Lounge Overview – Common-Use Lounge Operators

- Additional credit card companies have started airport lounge programs through direct development or partnerships as a marketing or customer service tool
 - Chase recently partnered with Airport Dimensions to establish Chase Sapphire Lounges with current locations in the U.S. at LaGuardia, John F. Kennedy International, and Boston Logan International airports
- Diners Club does not develop its own lounges, but has partnerships with lounge operators, such as The Club, Primeclass, and Wingtips, to permit certain Diners Club cardholders a reduced fee or free lounge entry



Lounge Overview – Common-Use Lounge Fees

- Common-Use Lounge entry fees vary depending on operator and location.
 - Sample day-pass fees:

Operator	Fee
The Club	\$50.00
Escape Lounges	\$40.00 - \$45.00
Aspire	\$45.00 - \$50.00
Chase Sapphire (The Club)	\$75.00 - \$100.00
Capital One (Plaza Premium)	\$65.00

- Fees may be reduced if a customer books in advance or is a member of a lounge network, such as Priority Pass.

Lounge Overview – Common-Use Lounge Location and Size

Common-Use Lounge sizes vary significantly due to:

- **Location** – Some lounges are located in spaces where food service and retail concessions may not be successful (i.e., second level or mezzanine space).
- **Amenities** – Most lounges offer a set of basic services, while others offer enhanced amenities, such as VIP rooms, shower facilities, children’s activity/game areas, and exercise areas, which require additional space.
- **Planning** – Common-use and/or premium passenger lounges are increasing in popularity among passengers, requiring some airports to develop lounges in space not originally designed or sized for the concept.
- **Changing trends** – Based on recent solicitations, lounge sizes are trending upward. Among a sample of 38 airport lounges in North America, the average size was approximately 5,700 square feet, with a range from 2,000 square feet to over 24,000 square feet.

Lounge Overview – Common-Use Lounge Amenities



Amenities offered may include:

- VIP/Premium passenger area
- Family/children’s play area
- Workstations/business services
- Internet terminals, printers, and copiers
- Hot and cold food buffet; made-to-order meals
- Health/massage/exercise area
- Quiet area
- Dining and lounge seating areas
- Restrooms and shower facilities
- Complimentary bar service with beer, wine, and cocktails
- Wi-Fi and power outlets
- Flight monitors
- Sleeping rooms
- Conference facilities

Lounge Overview – Common-Use Lounge Utility Requirements

- Common-use lounges typically require the following utilities:
 - Water service
 - Sanitary sewer connection
 - Grease interceptor connection
 - Electrical service
 - Natural gas (if available)
 - Data connection
- Some lounge operators are enhancing food service to meet customer wants and needs. These lounges require a full-service kitchen with exhaust.



Lounge Overview – Common-Use Lounge Business Model



- Typical Business Model
 - Third-party operators under a concession lease with the Airport operator
 - Typical lease term is ten years
 - Rent is the higher of a minimum annual guarantee or a percentage of gross receipts
 - Percentage rent will depend on lease term, operating costs, and level of investment

Examples of Common-Use Lounges at U.S. Airports



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The Lounge – Boston-Logan International Airport

The Lounge in Terminal C offers:

- Complimentary snacks and beverages
- Free Wi-Fi
- Digital newspapers and magazines
- Priority Pass access
- Comfortable, spacious seating
- Workstations

Square Feet	4,824
Exposed Enplanements (2022)	5,327,925
Sales per Exposed EPAX (2022)	\$0.94
Location	Boarding Level

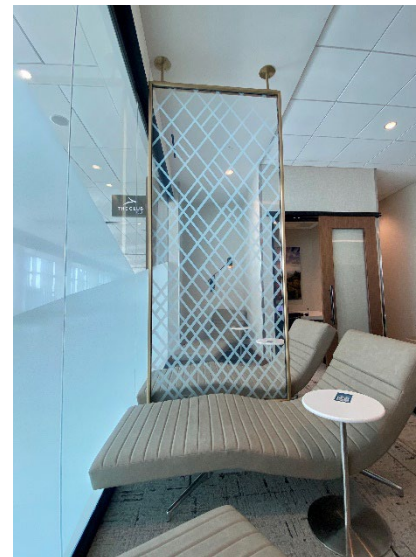


The Club CLT – Charlotte Douglas International Airport

The Club CLT on Concourse A offers:

- Complimentary snacks and beverages
- Digital food and beverage ordering
- Comfortable, spacious seating
- Workstation with PC and printer
- TV Channels and flight information
- Complimentary shower facility
- Reclining chairs
- Digital newspapers and magazines
- Priority Pass access

Square Feet	5,499
Exposed Enplanements (2022 est.)	3,335,892
Sales per Exposed EPAX (2022 est.)	\$1.54
Location	Boarding Level

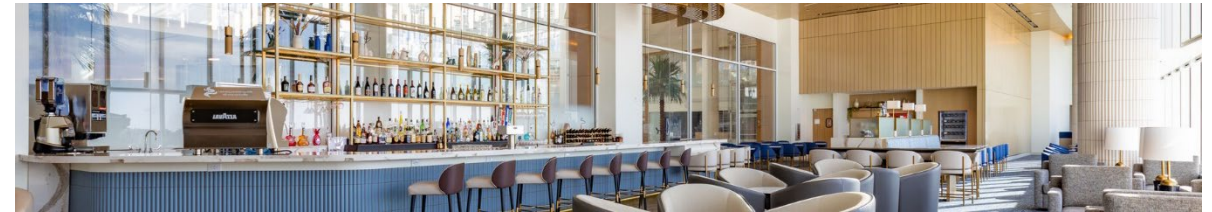


Plaza Premium – Orlando International Airport

Plaza Premium Lounge in Terminal C offers:

- Complimentary snacks and premium beverages
- Comfortable spacious seating with charging stations
- Workstations and free Wi-Fi
- TV Channels and flight information
- Shower facilities
- Digital newspapers and magazines

Square Feet	9,301
Exposed Enplanements (2022)	3,490,740
Sales per Exposed EPAX (2022)	\$1.23
Location	Level 1 - Lobby Level 2 – Lounge

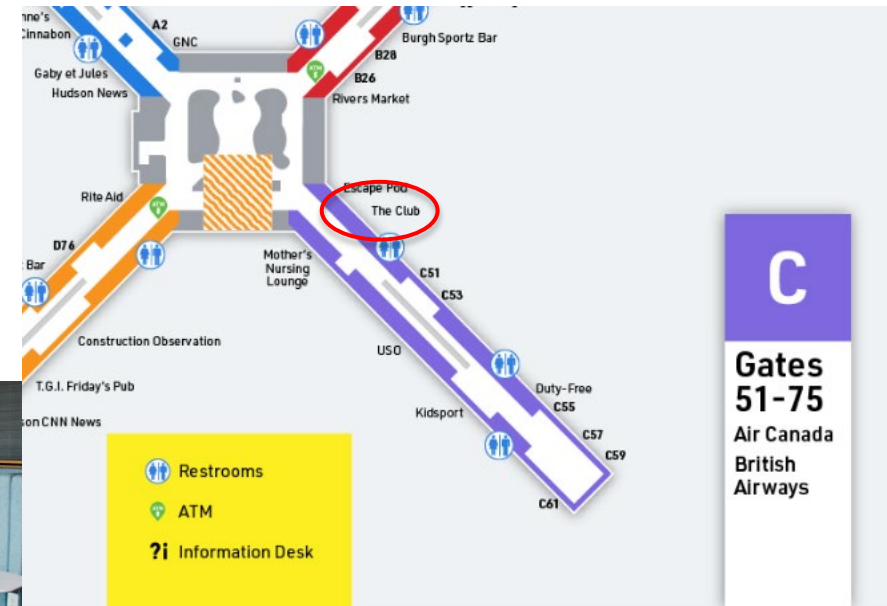


The Club PIT– Pittsburgh International Airport

The Club PIT on Concourse C offers:

- Complimentary snacks and beverages
- Hydration station
- Comfortable, spacious seating
- Workstations and free Wi-Fi
- TV Channels and flight information
- Complimentary shower facilities
- Digital newspapers and magazines
- Priority Pass access

Square Feet	4,657
Exposed Enplanements (2022)	4,894,337
Sales per Exposed EPAX (2022)	\$0.90
Location	Boarding Level

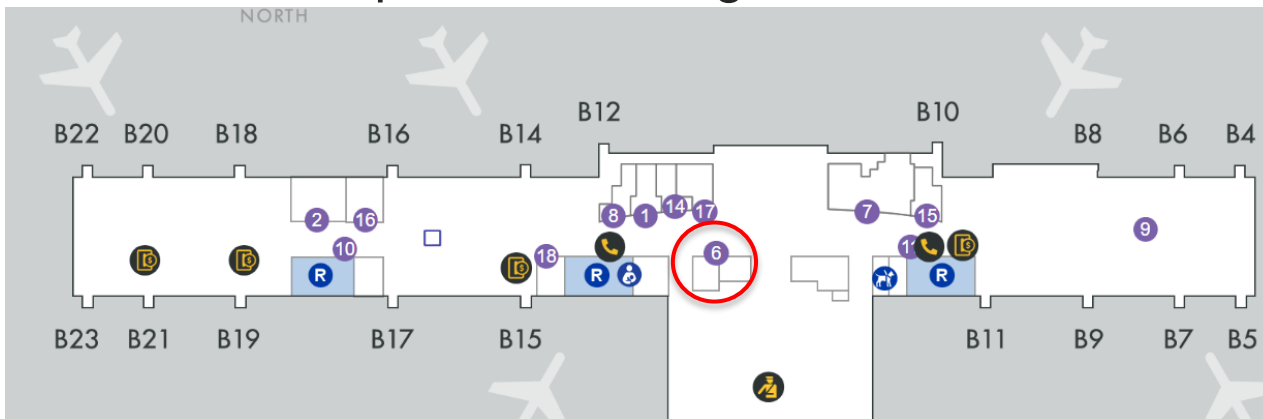


Escape Lounge – Sacramento International Airport

Escape Lounge in Terminal B offers:

- Complimentary food and beverages
- Specialty cocktails and premium wines, liquors, and beer for purchase
- Free Wi-Fi and print, scan, and copy services
- Charging ports at every seat
- American Express Platinum card access
- Comfortable, spacious seating

Square Feet	1,397
Exposed Enplanements (2022)	4,441,947
Sales per Exposed EPAX (2022)	\$1.91
Location	Boarding Level

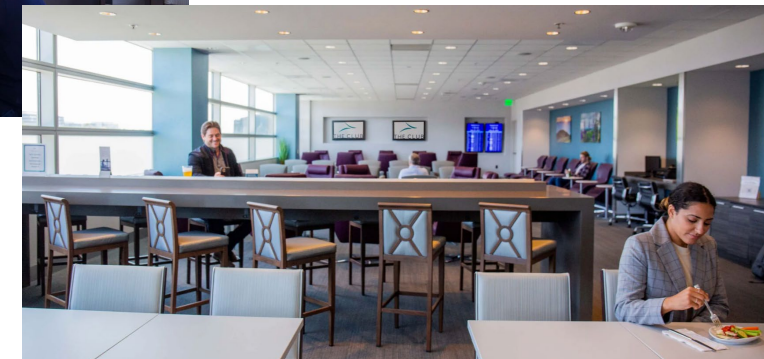
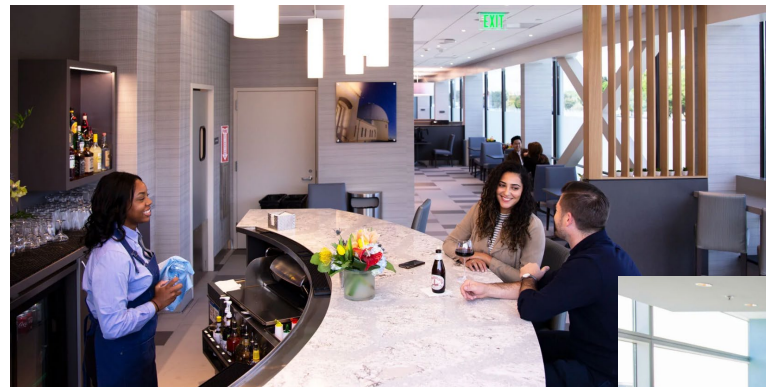


The Club SJC – San José Mineta International Airport

Two locations on Concourse A (Gates 8 and 15)

- Complimentary snacks and beverages
- Hydration station
- Comfortable, spacious seating
- Workstations and free Wi-Fi
- TV Channels and flight information
- Digital newspapers and magazines
- Priority Pass access

Square Feet (Gate A8)	3,977
Square Feet (Gate A15)	7,400
Exposed Enplanements (2022)	1,304,963
Combined Sales per Exposed EPAX (2022)	\$3.30
Location	A8: Boarding Level A15: Level 3



Dallas Love Field Airport Common-Use Lounge



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Common-Use Lounge Performance Benchmarks



- AirProjects used space and sales data from five lounges at four airports to provide common-use lounge performance benchmarks (MCO, BOS, SJC, CLT)
 - Sales per square foot varied, primarily due to the wide range of lounge sizes (3,200 sq. ft. to 9,300 sq. ft.), number of lounges, and competitive environment.
 - Several airports in the sample had more than one common-use lounge, a USO, and/or airline lounges.

Airport Common-Use Lounge Data

Number of Airports Lounges in Sample	5
Annual Exposed Enplanements	1.3 million – 7.6 million
Annual Sales	\$4 million - \$6 million
Sales per Square Foot	\$460 - \$1,900
Sales per Exposed Enplanement	\$0.79 - \$3.30

Projected Supportable Common-Use Lounge Space



- A common-use lounge in the range of 10,500 sq. ft. to 13,500 sq. ft. is estimated to be supportable based on projected annual enplanements of 11.0 million to 11.9 million (PAL 1 to PAL 3).
- Market for the common-use lounge will be impacted by:
 - Location
 - Number of seats
 - Amenities
 - Hours of operation
 - Entrance fees
- Preferred location: post-security; centrally located on concourse level or mezzanine above Concession Village

Planning Activity Level	Enplanements (millions)	Supportable Space (Sq. Ft.)	
		Base	Target
PAL 1	11.0	10,500	12,500
PAL 2	11.5	11,000	13,100
PAL 3	11.9	11,400	13,500



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