

# PALM BEACH INTERNATIONAL AIRPORT

## NON-CAR RENTAL CONCESSIONS AND CAR RENTAL CONCESSIONS

AIRPORT CONCESSIONS  
DISADVANTAGED BUSINESS  
ENTERPRISE (ACDBE)  
STAKEHOLDER MEETING

AUGUST 24, 2023

Palm Beach  
INTERNATIONAL AIRPORT



# INTRODUCTIONS

## Welcome and Introductions

- **Anthony Gregory**, Compliance Manager, Palm Beach County, Department of Airports

## Overview of ACDBE program

- **Wilfred Nixon**, Vice President, Ken Weeden & Associates, Inc. (KWA)

## Review of FY 2024-2026 ACDBE goal & methodology

- **Wilfred Nixon**, Vice President, KWA

## Questions/Discussion

# WHAT IS AN ACDBE?

ACDBE – Airport Concessions Disadvantaged Business Enterprise

ACDBE firm must be at least **51%** owned and controlled by one or more presumed socially and/or economically disadvantaged individuals.

Owner(s) must control the firm's management and daily operations.

Must share in the risks and profits commensurate with their ownership interest.

# WHO QUALIFIES AS AN ACDBE?

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Asian-Pacific Americans

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Black Americans

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Hispanic Americans

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Native Americans/Alaska Natives

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Subcontinent Asian Americans

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Women

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Any other group classified as disadvantaged by the US Small Business Administration (SBA)

## PURPOSE OF THE ACDBE PROGRAM

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To create a level playing field on which ACDBEs can compete fairly for opportunities for concessions.

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To ensure the ACDBE program is narrowly tailored in accordance with applicable law.

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To ensure that only firms that fully meet eligibility standards are permitted to participate as ACDBEs.

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To help remove barriers and encourage participation of ACDBEs in concession opportunities at airports.

# OVERVIEW OF THE ACDBE PROGRAM

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Definition of Airport Concessions

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ACDBE Certification

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Goal Setting

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Good Faith Efforts

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Monitoring and Enforcement

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Reporting Requirements

## WHAT IS AN AIRPORT CONCESSION?

It is a for-profit business offering goods and services for sale to the traveling public at an airport or on airport property.

Concessions can be contracts, leases, subleases, permits, etc.

Concessions can also include management contracts, subcontracts, web-based services, advertising services, etc.

# ACDBE CERTIFICATION IS REQUIRED TO PARTICIPATE

Firms must go through the ACDBE certification process

- Application and Supporting Documents
- Personal Net Worth Statement
- Site visit

Florida Certifying Agencies

- FDOT – Florida UCP DBE Directory



## DBE / ACDBE CERTIFICATION APPLICATION

<https://www.fdot.gov/equalopportunity/dbecertification.shtm>

Out-of-state ACDBEs must be certified in their home state prior to seeking ACDBE certification in Florida

# ACDBE GOAL SETTING METHODOLOGY

ACDBE Overall Goal Setting covers a period of 3 federal fiscal years

Goal Setting Methodology FY 2024-2026 for PBI - Two-Step Process

- Base figure calculations
- Adjustment factors to consider

Goals are calculated separately for car rental concessions and non-car rental concessions

# PARTICIPATION AND GOOD FAITH EFFORTS

Airport Concessionaires must either meet or exceed the ACDBE goal or demonstrate Good Faith Efforts made in attempting to meet the ACDBE goal.

Airport Concessionaires should solicit participation from ACDBE firms and allow sufficient time for responses.

Airport Concessionaires should select portions of work or designate services that will increase ACDBE participation.

Airport Concessionaires should negotiate with ACDBEs in good faith and encourage participation on contracts for purchasing goods and services.

## MONITORING AND ADMINISTRATION

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The Airport must ensure that work awarded and committed to ACDBEs is being performed by ACDBE firms.

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The Airport must track ACDBE progress and participation.

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Annual and Quarterly ACDBE participation reports are collected from Concessionaires by the Airport.

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Concession Agreements and the ACDBE participation goal of each is monitored by the Airport.

# REPORTING REQUIREMENTS

Counting participation for Car Rental Concessions	100% of ACDBE's fees for managing a car rental concession
	100% of ACDBE's work for repairing vehicles
	100% of ACDBE's value for goods and services purchased
	Do <u>not</u> count payment for warranty work that is reimbursed by manufacturer

# PBI ACDBE GOAL SETTING METHODOLOGY

FY 2024-2026 Non-Car Rental ACDBE Goal Methodology

FY 2024-2026 Car Rental ACDBE Goal Methodology

# PBI ACDBE GOAL NON-CAR RENTAL CONCESSIONS

FY 2024-2026, ACDBE Goal Non-Car Rental Concession = **11.45%**

## How to Calculate the Goal:

- Determine past Gross Receipts of Concessionaires
- Project Future Gross Receipts of Concessionaires
- Determine the Airport's Market Area
- Determine the relative availability of ACDBEs and services offered
- Consider evidence to support and determine adjustments to the Base Figure

# PBI ACDBE GOAL NON-CAR RENTAL CONCESSIONS PROJECTED GROSS RECEIPTS

Concessionaire	Concession Type	Annual Gross - FY 2022	Projected* Annual Gross FY 2024	Projected* Annual Gross FY 2025	Projected* Annual Gross FY 2026	Projected TOTAL FY 2024 – FY 2026
HMS Host	Food and Beverage	\$17,740,335	\$18,272,545	\$18,820,721	\$19,385,343	\$56,478,609
Interspace Service, Inc. d/b/a Clear Channel	Advertising	\$1,379,455	\$1,420,839	\$1,463,464	\$1,507,368	\$4,391,670
4R Services LLC	Ground Transportation	\$1,115,088	\$1,148,541	\$1,182,997	\$1,218,487	\$3,550,024
Paradies -Palm Beach LLC	Retail Concession	\$16,606,686	\$17,104,887	\$17,618,033	\$18,146,574	\$52,869,494
Smarte Carte, Inc.	Baggage Carts	\$48,525	\$49,981	\$51,480	\$53,025	\$154,486
HOME2SUITES	Hotel	\$6,568,532	\$6,765,588	\$6,968,556	\$7,177,612	\$20,911,756
MSP Partners	Hotel	\$9,348,304	\$9,628,753	\$9,917,616	\$10,215,144	\$29,761,513
Gideon Toal Management Services	Food and Beverage	\$1,169,505	\$1,204,590	\$1,240,728	\$1,277,950	\$3,723,268
Communitel, Inc.	Automated Teller Machine	\$36,531	\$37,627	\$38,756	\$39,918	\$116,301
Drive Shack	Entertainment / Food and Beverage	\$13,483,628	\$13,888,137	\$14,304,781	\$14,733,924	\$42,926,842
WPB PLAZA/TRAVEL PLAZA	Food and Beverage	\$13,894,302	\$14,311,131	\$14,740,465	\$15,182,679	\$44,234,275
<b>Total</b>		<b>\$81,390,891</b>	<b>\$83,832,618</b>	<b>\$86,347,596</b>	<b>\$88,938,024</b>	<b>\$259,118,238</b>



# PBI MARKET AREA

Market Area for PBI ACDBE  
Goal Non-Car Rental  
Concessions



# PBI ACDBE GOAL NON-CAR RENTAL CONCESSIONS

## GOAL CALCULATION

- County Business Patterns database
  - US Census Bureau
- Florida UCP Directory



# PBI ACDBE GOAL – STEP 1 – RELATIVE AVAILABILITY

NAICS Code by Concession Category	NAICS Description	# of ACDBE Firms in Market Area	# of All Firms in Market Area	Relative Availability of ACDBE Firms
Food & Beverage				
722511	Full-Service Restaurants			
722513	Limited-Service Restaurants			
Total Food & Beverage				
Retail Stores				
45121	Bookstores & News Dealers			
453220	Gift, Novelty & Souvenir Stores			
Total Retail Stores				
Ground Transportation				
485310	Taxi Service	9	172	
485320	Limousine Service	7	301	
485999	All Other Transit & Ground Passenger Transportation	30	244	
Total Ground Transportation		46	717	6.42%
ATM				
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	2	442	0.45%

# PBI ACDBE GOAL – STEP 1 – RELATIVE AVAILABILITY

NAICS Code by Concession Category	NAICS Description	# of ACDBE Firms in Market Area	# of All Firms in Market Area	Relative Availability of ACDBE Firms
<b>Advertising</b>				
541810	Advertising Agencies	36	1,246	
561210	Facilities Support Services	26	495	
<b>Total Advertising</b>		<b>62</b>	<b>1,741</b>	<b>3.56%</b>
<b>Baggage Cart</b>				
561210	Facilities Support Services	26	495	
812990	All Other Personal Services	11	2603	
<b>Total Baggage Carts</b>		<b>37</b>	<b>3098</b>	<b>1.19%</b>
<b>Hotel</b>				
485999	All Other Transit & Ground Passenger Transportation			
561210	Facilities Support Services			
721110	Hotels & Motels			
<b>Total Hotel</b>				<b>0.31%</b>
<b>Entertainment/Food &amp; Beverage/Travel Plaza</b>				
713990	All Other Amusement & Recreation			
722511	Full-Service Restaurants			
722513	Limited-Service Restaurants			
<b>Total Entertainment/Food &amp; Beverage/Travel Plaza</b>				<b>0.96%</b>

## PBI ACDBE GOAL – STEP 1 – WEIGHTED RELATIVE AVAILABILITY

Concession Category	Relative Availability of ACDBE Firms in Market Area	% of FY 2024-2026 Projected Non-Rental Car Concession Gross Receipts	Weighted Relative Availability of ACDBE Firms
Food & Beverage	25.00%	23.23%	5.81%
Retail	25.92%	20.40%	5.29%
Ground Transportation	6.42%	1.37%	0.09%
ATM	0.45%	0.04%	0.00%
Advertising	3.56%	1.69%	0.06%
Baggage Cart	1.19%	0.06%	0.00%
Hotel	0.31%	19.56%	0.06%
Entertainment/Food/Travel Plaza	0.96%	33.64%	0.32%
<b>Base Figure</b>		<b>100.00%</b>	<b>11.63%</b>

## PBI ACDBE GOAL – STEP 2 – PAST PARTICIPATION

Reporting Period	ACDBE Goal	% Achieved	% Over/Under
FY 2020	8.60%	11.26%	2.66%
FY 2021	8.60%	9.81%	1.21%
FY 2022	14.68%	14.35%	-0.33%
<b>Median</b>	<b>8.60%</b>	<b>11.26%</b>	<b>1.21%</b>

# PBI ACDBE GOAL NON-CAR RENTAL CONCESSIONS ADJUSTMENT FACTOR

## Step 1 - Base Figure

- 11.63%

## Step 2 - Adjustment (Past Participation)

- 11.26%

## Average of Base Figure and Adjustment

- $11.63\% + 11.26\% = 22.89\%$
- $22.89\% / 2 = \mathbf{11.45\%}$

## QUESTIONS AND DISCUSSION



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Feedback on the market area?

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Barriers to ACDBE participation?

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Opportunities for ACDBE participation at PBI?

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## PBI ACDBE GOAL CAR RENTAL CONCESSIONS

FY 2024-2026 ACDBE Goal Car Rental Concession = **2.95%**

### How to Calculate the Goal:

- Examine past purchases of goods and services
- Determine the Airport's Market Area
- Determine the relative availability of ACDBEs and services offered
- Consider evidence to support and determine adjustments to the Base Figure

## PBI ACDBE GOAL CAR RENTAL CONCESSIONS PROJECTED VALUE OF PURCHASES

FEDERAL FISCAL YEAR	PROJECTED DOLLAR VALUE OF PURCHASES
2024	\$72,604,714
2025	\$74,782,856
2026	\$77,026,342
<b>TOTAL</b>	<b>\$224,413,912</b>



# PBI MARKET AREA

MARKET AREA FOR PBI ACD BE GOAL  
CAR RENTAL CONCESSIONS

## PBI ACDBE GOAL CAR RENTAL CONCESSIONS

Relative Availability  
and  
Base Figure – 1.61%

Goods/Services Type	NAICS* Code	Potential ACDBE Firms	All Firms	% of ACDBE Firms Available
Motor Vehicle Supplies and New Parts Merchant Wholesalers	423120	289	17,977	<b>1.61%</b>
Service Establishment Equipment and Supplies Merchant Wholesalers	423850			
Stationery and Office Supplies Merchant Wholesalers	424120			
Other Chemical and Allied Products Merchant Wholesalers	424690			
Car Dealer	441110			
Tire Dealers	441320			
Automobile Carrier Trucking	484230			
Other Support Activities for Transportation	488999			
Insurance	524126			
Facilities Support Services	561210			
Janitorial	561720			
Auto Body Repair	811121			
Auto Oil Change	811191			
Car Washes	811192			

PBI ACDBE GOAL  
CAR RENTAL  
CONCESSIONS

Past Participation  
and  
Adjustment – 4.29%

Report Period	ACDBE Goal	Total ACDBE % Achieved	Achieved Over/Under
<b>FY 2020</b>	3.19%	2.37%	-0.82%
<b>FY 2021</b>	3.19%	4.29%	1.10%
<b>FY 2022</b>	2.72%	5.24%	2.52%
<b>Median</b>	<b>3.19%</b>	<b>4.29%</b>	<b>1.10%</b>

# PBI ACDBE GOAL CAR RENTAL CONCESSIONS ADJUSTMENT FACTOR

## Step 1 - Base Figure

- 1.61%

## Step 2 - Adjustment (Past Participation)

- 4.29%

## Average of Base Figure and Adjustment

- $1.61\% + 4.29\% = 5.90\%$
- $5.90\% / 2 = \mathbf{2.95\%}$

# QUESTIONS AND DISCUSSION



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Feedback on the market area?

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Barriers to ACDBE participation?

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Opportunities for ACDBE participation at PBI?