#### PALM BEACH **INTERNATIONAL AIRPORT**

Dining

Bar

💽 Spa

C11

Blu20

C15

C16

C14

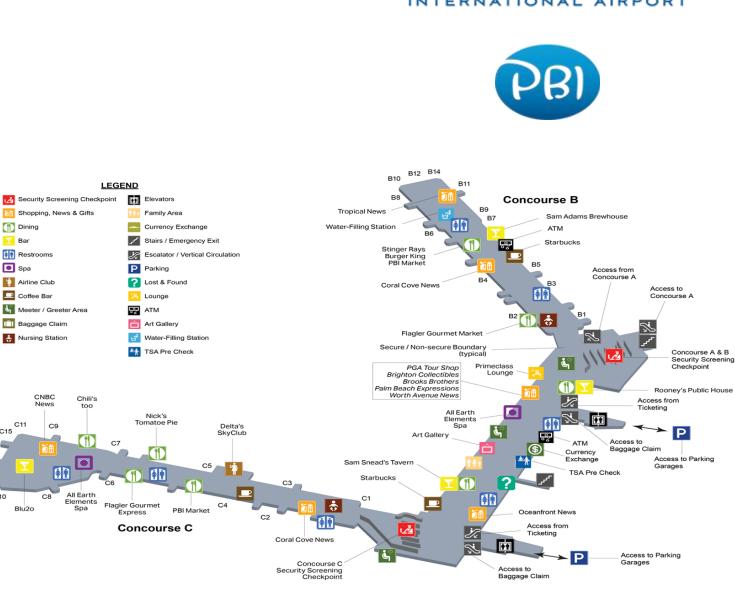
C12

C10

#### **NON-CAR RENTAL CONCESSIONS** AND CAR RENTAL CONCESSIONS

**AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE** (ACDBE) STAKEHOLDER MEETING

AUGUST 24, 2023





# 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 <u>at least</u> **51%** owned <u>and</u> 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?

Asian-Pacific Americans

**Black Americans** 

**Hispanic Americans** 

Native Americans/Alaska Natives

Subcontinent Asian Americans

Women

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

# PURPOSE OF THE ACDBE PROGRAM

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

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

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

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

# OVERVIEW OF THE ACDBE PROGRAM

**Definition of Airport Concessions** 

**ACDBE Certification** 

**Goal Setting** 

Good Faith Efforts

Monitoring and Enforcement

**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 <u>must</u> 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

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

The Airport must track ACDBE progress and participation.

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

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

# **REPORTING REQUIREMENTS**

100% of ACDBE's fees for managing a car rental concession

Counting<br/>participation<br/>for Car100% of ACDBE's work for repairing vehiclesRental<br/>Concessions100% 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
Tota	al	\$81,390,891	\$83,832,618	\$86,347,596	\$88,938,024	\$259,118,238

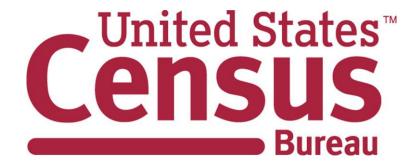
## **PBI MARKET AREA**

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			25.00%		
	Retail Stor	es				
45121	Bookstores & News Dealers					
453220	Gift, Novelty & Souvenir Stores					
	Total Retail Stores 25.9					
	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	<mark>6.42</mark> %		
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			
	Advertising						
541810	Advertising Agencies	36	1,246				
561210	Facilities Support Services	26	495				
	Total Advertising	62	1,741	3.56%			
	Baggage C	art					
561210	Facilities Support Services	26	495				
812990	All Other Personal Services	11	2603				
	Total Baggage Carts	37	3098	1.19%			
	Hotel						
485999	All Other Transit & Ground Passenger Transportation						
561210	Facilities Support Services						
721110	Hotels & Motels						
	Total Hotel			<b>0.31%</b>			
Entertainment/Food & Beverage/Travel Plaza							
713990	All Other Amusement & Recreation						
722511	Full-Service Restaurants						
722513	Limited-Service Restaurants						
Total Er	ntertainment/Food & Beverage/Travel Plaza			0.96%			

## 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%	
Base Figure		100.00%	11.63%	

## 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%
Median	8.60%	11.26%	1.21%

## 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 = **11.45%**

# QUESTIONS AND DISCUSSION



Feedback on the market area?

Barriers to ACDBE participation?

Opportunities for ACDBE participation at PBI?

# PBI ACDBE GOAL CAR RENTAL CONCESSIONS

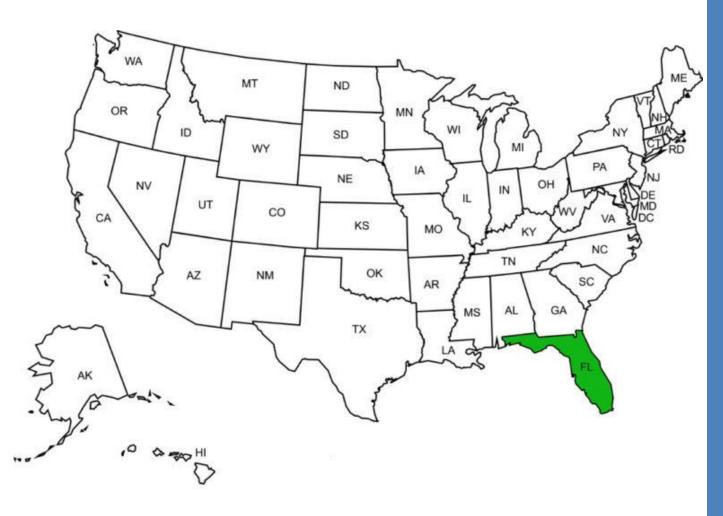
# FY 2024-2026 ACDBE Goal Car Rental Concession = 2.95%

# 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
TOTAL	\$224,413,912



# **PBI MARKET AREA**

MARKET AREA FOR PBI ACDBE 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			
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	289	17,977	1.61%
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
FY 2020	3.19%	2.37%	-0.82%
FY 2021	3.19%	4.29%	1.10%
FY 2022	2.72%	5.24%	2.52%
Median	3.19%	4.29%	1.10%

# 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 = **2.95%**

# QUESTIONS AND DISCUSSION



Feedback on the market area?

Barriers to ACDBE participation?

Opportunities for ACDBE participation at PBI?