

**Attachment 4 - Overall Goal for Concessions other than Car Rental Calculation,  
Consultation, Breakout of Estimated Race-Neutral & Race-Conscious Participation**

**Federal Fiscal Years 2019 – 2021**

**The Eastern Iowa Airport  
Cedar Rapids, Iowa**

Airport Sponsor: Cedar Rapids Airport Commission

Goal Period: From: October 1, 2018  
Through: September 30, 2021

ACDBE Goal for Concessions: 7.4%

Race-Conscious ACDBE Goal: 0.0%

Race-Neutral ACDBE Goal: 7.4%

**OVERALL GOAL METHODOLOGY**  
**Fiscal Years 2019 – 2021**  
**Non-Car Rental**

The Commission’s ACDBE Overall Goal for fiscal year 2019-2021 has been set by consolidating contract goals for each concession category as described below.

**Market Area for Non-Car Rental Concessionaires**

The Commission will determine its market area for each concession contract. This is the geographical area in which the substantial majority of firms that seek to do concessions business with the airport are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

Market Area – Location of Current Concessionaires

<b>Type of Concession</b>	<b>Company</b>	<b>City</b>	<b>State</b>
Retail News/Gifts	SSP America	Lansdowne	VA
Food Service	SSP America	Lansdowne	VA
Airport Advertising	Clear Channel Airports	Allentown	PA
Travel Agency	OnPeak	Chicago	IL
Shuttle & Limo Service	Airport Shuttle Service	Cedar Rapids	IA
Ground Transportation	American Class Taxi	Cedar Rapids	IA
Ground Transportation	Master Cab	Cedar Rapids	IA
Ground Transportation	Yellow Cab	Cedar Rapids	IA
ATM – Banking	Hills Bank & Trust	Hills	IA

Normally the market area is the geographical areas in which the substantial majority of firms that seek concessions business with the airport are located and the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

Market Area – Non-Car Rental Concessionaires

<b>Type of Concession</b>	<b>Company</b>	<b>City</b>	<b>State</b>	<b>Nationwide</b>
Retail News/Gifts				XX
Food Service				XX
Shuttle & Limo Service			IA	
Ground Transportation			IA	
Airport Advertising				XX
Travel Agency				XX
ATM – Banking			IA	

### **Contracts Continuing Throughout the Three-year Goal Period**

**Retail/Food/Beverage** - The Commission entered into a Lease and Concession Agreement for Retail, Food, and Beverage Services on January 23, 2017 with a twelve-year term commencing February 1, 2017 and ending January 31, 2029. The Concession Agreement has an ACDBE participation plan consisting of a joint venture operating agreement with an ACDBE firm that results in ACDBE participation of 10% in the Retail/Food/Beverage operations. The Commission anticipates this ACDBE participation will continue throughout the three-year goal period.

**Ground Transportation (Shuttle/Limousine):** Proposals for shuttle/limousine service agreement were solicited in Fiscal Year 2017. The Commission entered into a Shuttle/Limousine Service Agreement on April 24, 2017 for a three-year term commencing June 1, 2017 and ending May 31, 2020. The Agreement has two one-year renewal terms that extends the term until May 31, 2022. The Commission anticipates the renewal terms will be exercised and the agreement will continue during the three-year goal period. An ACDBE goal was not set for this agreement as it was determined that there was not a potential for subleasing.

**Banking (ATM)** – The current ATM concession contract will not expire during this three-year period. An ACDBE goal was not set for this agreement as it was determined that there was not a potential for subleasing.

### **Projected Concessions Opportunities: October 1, 2018 – September 30, 2021**

The concession opportunities anticipated during this goal period are in the following areas: 1) Advertising; 2) Travel Agency (Online Booking Engine); 3) Ground Transportation (Taxicabs); and 4) Parking.

**Advertising** – The Advertising agreement is on a month-to-month term. Using a national market, the census data indicates total availability of 4,122 firms in the two NAICS codes that represent airport advertising (541840 – Media Representatives and 541850 – Outdoor Advertising). The dbE-connect directory indicates a total of 26 ACDBE firms in those two codes, which accounts to ACDBE availability of 0.63%. Based upon past advertising solicitation when just two proposals were received with no ACDBE participation, an ACDBE goal will not be set for this agreement.

**Travel Agency (Online Booking Engine)** – The Travel Agency Online Booking Engine agreement will expire on December 31, 2020. Using a national market, the census data indicates total availability of 14,797 firms in the 561510 Travel Agencies NAICS code. The dbE-connect directory indicates a total of 0 ACDBE firms in the 561510 code, which accounts to ACDBE availability of 0%. Based upon past Travel Agency Online Booking Engine solicitation when just one proposal was received with no ACDBE participation, an ACDBE goal will not be set for this agreement.

**Ground Transportation (Taxicabs)** – The Ground Transportation Taxicab Commercial Operators Permit are on a month-to-month term. Using a local market consisting of the State of Iowa, the census data indicates total availability of 22 firms in the 485310 NAICS code that represent taxi service. The Iowa DOT UCP DBE directory indicates a total of 1 firm in the code, which accounts to ACDBE availability of 4.54%. Based upon past Taxicab solicitation when just one ACDBE proposal was received, an ACDBE goal will not be set for this agreement.

**Parking (Management Contract)** – The current Parking contract, which is a management contract, will expire June 30, 2019. The current contract does not have an ACDBE goal. Opportunities for ACDBE participation in the purchase of goods and services are very limited. Using a local market consisting of the State of Iowa, the census data indicates total availability of 2,973 firms in the 5 NAICS codes (423990 - Other Misc. Durable Goods, 453210 - Office Supplies, 524210 - Insurance Agencies, 561330 - Temporary Help, and 561613 - Armored Car Services) that represent goods and service providers. The Iowa DOT DBE directory indicates a total of 5 firms in those 5 codes, which accounts to ACDBE

availability of 0.17% to perform services and provide goods for the Parking operator. Due to the limited number of ACDBEs relatively available to participate on the contract, an ACDBE goal will not be set for this agreement.

### Summary

The following tables contain a summary of projected gross receipts for continuing and expiring concessions and a weighted base goals for Fiscal Years 2019-2021. The projected concession gross receipts for each year were increased by 1.19%, which is the projected annual enplanement growth rate for the three-year goal period.

**Table 1. Concessions Projected Gross Receipts - FY 2019 - 2021**

Concession	Projected 2019	Projected 2020	Projected 2021	Projected FY2019 - 2021
Food/Beverage	\$2,409,780	\$2,455,566	\$2,502,222	\$7,367,567
Retail News/Gift	\$920,453	\$937,942	\$955,762	\$2,814,157
Shuttle/Limousine	\$831,477	\$847,275	\$863,373	\$2,542,125
Banking (ATM)	\$10,715	\$10,919	\$11,126	\$32,760
<b>Subtotal Continuing Contracts</b>	<b>\$4,172,425</b>	<b>\$4,251,701</b>	<b>\$4,332,483</b>	<b>\$12,756,609</b>
Advertising	\$159,211	\$162,236	\$165,318	\$486,766
Travel Agency	\$2,372	\$2,417	\$2,463	\$7,252
Taxicabs	\$196,572	\$200,307	\$204,113	\$600,992
<b>Subtotal Expiring Contracts</b>	<b>\$358,155</b>	<b>\$364,960</b>	<b>\$371,894</b>	<b>\$1,095,009</b>
<b>Total Concession Projected Gross Receipts</b>	<b>\$4,530,580</b>	<b>\$4,616,661</b>	<b>\$4,704,378</b>	<b>\$13,851,619</b>

*Source: Airport records*

**Table 2. Concessions Gross Receipts and Goals- FY 2019 - 2021**

Concession	Estimated Gross		
	Receipts	ACDBE % Goal	ACDBE Goal \$
Food/Beverage	\$7,367,567	10.0%	\$736,757
News/Gift	\$2,814,157	10.0%	\$281,416
Shuttle/Limousine	\$2,542,125	0.0%	\$0
Banking (ATM)	\$32,760	0.0%	\$0
<b>Subtotal Continuing Contracts</b>	<b>\$12,756,609</b>	<b>8.0%</b>	<b>\$1,018,172</b>
Advertising	\$486,766	0.0%	\$0
Travel Agency	\$7,252	0.0%	\$0
Taxicabs	\$600,992	0.0%	\$0
<b>Subtotal Expiring Contracts</b>	<b>\$1,095,010</b>	<b>0.0%</b>	<b>\$0</b>
<b>Total Concessions</b>	<b>\$13,851,619</b>	<b>7.4%</b>	<b>\$1,018,172</b>

*Source: Airport records*

**Overall Weighted Base ACDBE Goal**

Using the above information, the Commission has calculated weighted ACDBE base goal of 7.4% for FY2019-2021. The base figure for the overall ACDBE goal was calculated by taking the ACDBE estimated three-year gross revenue of \$1,018,172 and dividing it by the total estimated three-year gross revenue of \$13,851,619.

**Step 2: Adjustments**

The Regulation provides for a Step 2 adjustment of the developed base goal for a variety of factors, including the current capacity of ACDBEs to perform work in the concession program, as measured by the volume of work ACDBEs have performed in recent years. We have reviewed the ACDBE achievement for the most recent three years as follows:

<b>Year</b>	<b>% Goal</b>	<b>% Achievement</b>
Historical Fiscal Year 2015	0.12%	0.19%
Historical Fiscal Year 2016	0.12%	0.20%
Historical Fiscal Year 2017	0.12%	2.10%
<i>Source: Airport records</i>		

Since ACDBE goals are being carried forward for continuing contracts and given the fact that a new joint venture operating agreement effective July 1, 2017 with an ACDBE firm resulting in ACDBE participation of 10% in the Retail/Food/Beverage operations, historical ACDBE participation is not a valid consideration. Consequently, there is no other relevant data to support an adjustment to the base goal. Therefore, the proposed overall ACDBE goal for the three-year period commencing October 1, 2018 and ending September 30, 2021 is 7.4%.

**Proposed Overall Three Year Goal for FYs 2019-2021 = 7.4%**

**NEW OPPORTUNITIES**

If a new concession opportunity arises prior to the end of this goal period and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, the Commission will submit an appropriate adjustment to the overall goal. This will be submitted to FAA for approval at least 90 days before advertising the solicitation of the new concession opportunity. (23.45(i)).