

OVERALL GOAL METHODOLOGY
Fiscal Years 2022 – 2024
Non-Car Rental

The Commission’s ACDBE Overall Goal for fiscal year 2022-2024 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

Type of Concession	Company	City	State
Retail News/Gifts	SSP America	Lansdowne	VA
Food Service	SSP America	Lansdowne	VA
Airport Advertising	Varsity Group Outdoor, LLC	Urbandale	IA
Travel Agency	OnPeak	Chicago	IL
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

Type of Concession	Company	City	State	Nationwide
Retail News/Gifts				XX
Food Service				XX
Airport Advertising			IA	
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.

Advertising – Proposals for the airport terminal advertising concession were solicited in Fiscal Year 2020. The Commission entered into a Concession Agreement Airport Terminal Advertising on December 9, 2019 for a five-year term commencing January 1, 2020 and ending December 31, 2024. 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, 2022 – September 30, 2024

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

Travel Agency (Online Booking Engine) – The Travel Agency Online Booking Engine agreement will expire on December 31, 2022. Using a national market, the census data indicates total availability of 11,255 firms in the 561510 Travel Agencies NAICS code. The dbE-connect directory indicates a total of 2 ACDBE firms in the 561510 code, which accounts to ACDBE availability of 0.02%. Neither ACDBE travel agency firm provides an online booking engine. Consequently, 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.

Parking (Management Contract) – Proposals for Management of Airport Parking Facilities, which is a management contract, were solicited in Fiscal Year 2019. The Commission entered into a Management Agreement on May 20, 2019 for a three-year term commencing July 1, 2019 and ending June 30, 2022. The Agreement has two one-year renewal terms that extend the term until June 30, 2024. 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 2,257 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 7 firms in those 5 codes, which accounts to ACDBE availability of 0.31% 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 (FY) 2022-2024. The projected concession gross receipts for FY2022 is based on 95% of FY2019 concession gross receipts due to the pandemic effect on concessions in FY2020 and FY2021 that greatly reduced gross receipts. FY2023 gross revenue projected to increase 5% equal to FY2019 and FY2024 gross revenue projected to increase 3%. Concessions gross receipts are projected to follow passenger enplanement growth rate for the three-year goal period.

Table 1. Concessions Projected Gross Receipts - FY 2022 - 2024

Concession	Projected 2022	Projected 2023	Projected 2024	Projected 2022 - 2024
Food/Beverage	\$3,413,253	\$3,583,915	\$3,691,433	\$10,688,601
Retail News/Gift	\$428,955	\$450,403	\$463,915	\$1,343,273
Advertising	\$176,234	\$185,046	\$190,598	\$551,878
Banking (ATM)	\$8,366	\$8,785	\$9,048	\$26,199
Subtotal Continuing Contracts	\$4,018,442	\$4,219,364	\$4,345,946	\$12,583,752
Travel Agency	\$3,040	\$3,192	\$3,288	\$9,520
Subtotal Expiring Contracts	\$3,040	\$3,192	\$3,288	\$9,520
Total Concession Projected Gross Receipts	\$4,021,482	\$4,222,556	\$4,349,234	\$12,593,272

Source: Airport records

Overall Weighted Base ACDBE Goal

Using the above information, the Commission has calculated weighted ACDBE base goal of 9.5% for FY2022-2024. The base figure for the overall ACDBE goal was calculated by taking the ACDBE estimated

three-year gross revenue of \$1,203,187 and dividing it by the total estimated three-year gross revenue of \$12,619,471.

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:

Table 2. Concessions Gross Receipts and Goals- FY2022 - 2024

Concession	Estimated Gross Receipts	ACDBE % Goal	ACDBE Goal \$
Food/Beverage	\$10,688,601	10.0%	\$1,068,860
News/Gift	\$1,343,273	10.0%	\$134,327
Advertising	\$551,878	0.0%	\$0
Banking (ATM)	\$26,199	0.0%	\$0
Subtotal Continuing Contracts	\$12,609,951	9.5%	\$1,203,187
Travel Agency	\$9,520	0.0%	\$0
Subtotal Expiring Contracts	\$9,520	0.0%	\$0
Total Concessions	\$12,619,471	9.5%	\$1,203,187

Source: Airport records

Year	% Goal	% Achievement
Historical Fiscal Year 2018	0.12%	9.38%
Historical Fiscal Year 2019	7.40%	8.97%
Historical Fiscal Year 2020	7.40%	10.10%
<i>Source: Airport records</i>		

Arranging the historical data from low to high, (8.97%, 9.38%, 10.10%) the median ACDBE achievement for the reporting periods as shown above is 9.38%, compared to the Step 1 ACDBE base figure of 9.50%. This indicates that the Step 1 base figure over estimates ACDBE capacity at the Airport.

Adjustment of the Step 1 Base Figure

To arrive at an overall goal, the Step 1 base figure was added with the Step 2 adjustment figure and then averaged the total arriving at an overall goal of 9.44%. We believe this adjusted goal figure will accurately reflect ACDBE non car rental concession participation that can be achieved during this 3-year period.

$$\text{ACDBE Non-Car Rental Goal} = (9.50\% + 9.38\%)/2$$

ACDBE Goal = 9.44%

The Commission chose to adjust our figure using this data because it believes that past and current ACDBE participation by non-car rental concessions provides a more accurate prediction of future ACDBE participation at the Airport.

Consultation with Stakeholders (23.43)

Prior to submitting this goal to the FAA, the Commission consulted with the following stakeholders via mass e-message: National Minority Supplier Development Council, Airport Minority Advisory Council (AMAC),

Women's Business Development Center, The Women's Business Enterprise National Council (WBENC), Iowa's Small Business Development Centers (SBDC), concessionaires at the airport, Iowa ACDBE supplier firms, and national ACDBE supplier firms that provide goods and services to airport concessionaires. No comments have been received.

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)).

**Attachment 5 - Overall Goal for Car Rental Concessions, Consultation,
Breakout of Estimated Race-Neutral & Race-Conscious Participation**

Federal Fiscal Years 2022 – 2024

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

Airport Sponsor: Cedar Rapids Airport Commission

Goal Period: From: October 1, 2021
Through: September 30, 2024

Car Rental ACDBE Goal
(Percentage of total expenditure of goods and services): 0.10%

Race-Conscious ACDBE Goal: 0.00%

Race-Neutral ACDBE Goal: 0.10%