

DEPARTMENT OF TRANSPORTATION
ACDBE PROGRAM – 49 CFR PART 23
Goal Computation
FFY 2023/2024



APPLETON AIRPORT

Appleton International Airport (ATW)

Prepared for
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Appleton, WI

Prepared by
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November, 2022

Preface

Outagamie County owns and operates the Appleton International Airport (ATW). Outagamie County has established the following Airport Concessions Disadvantaged Business Enterprise (ACDBE) program for the Appleton International Airport in accordance with Code of Federal Regulations (CFR) of the U. S. Department of Transportation (DOT), 49 CFR Part 23. All reference to Subparts and Section numbers throughout this DBE policy (i.e. 23.45, etc.) are to the 49 CFR Part 23 regulations

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Attachment 4

Section 23.45: Overall Goal Calculation for Concessions Other Than Car Rentals

Amount of Other Than Car Rental Concessions: Anticipate gross revenue in excess of \$200,000.

Name of Recipient: Appleton International Airport (ATW)

Airport Category: Small Hub* (*Based on 2021 Passenger Boarding Data FAA*)

Goal Period: FY-2023-2024* – October 1, 2022 through September 30, 2024

**Note: The ACDBE goal computation is reduced to two years due to the airport classification changing from a non-hub to a small hub in 2022. The ACDBE goal computation will be recomputed in October 2024 for FFY 2025/2026/2027 on the normal cycle for a small hub facility.*

Overall Three-Year Goal:

40.11%, to be accomplished through 1.10% RC and 39.01% RN

The Appleton International Airport (ATW) has determined that its market area is primarily Northeast Wisconsin. This market area was chosen based on historical participation from Wisconsin certified firms able and willing to travel to ATW to provide goods and services. The businesses providing goods and services are certified as ACDBE’s in the Wisconsin Department of Transportation (WisDOT) Unified Certification Program (UCP).

Base of Goal

To calculate the base of the goal Appleton International Airport considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Concessions Revenue (Excluding Car Rental)
2020	\$3,174,921
2021	\$3,680,264
2022	\$5,112,434
Total	\$11,967,619
Average	\$ 3,989,206

The Appleton International Airport estimates that revenues to existing non-car rental concessions will likely increase by 10% annually due to market and anticipated passenger forecasts using ATW.

To calculate the base of the goal for non-car rental concessions:

(2022) \$5,112,434

(2023) \$5,112,434 + 10%(511,243) = \$5,623,677

(2024) \$5,623,677 + 10% (\$562,368) = \$6,186,045

\$5,623,677 + \$6,186,045 = **\$11,809,722** is the Appleton International Airport’s base of the goal for non-car rental concessions for FFY 2023/2024.

The non-car rental businesses operating at the Appleton International Airport and offering service to the public includes the following businesses. The contracts for these concessions are expected to extend over the period of this triennium.

Concession Business Name	Existing Contract Expiration
Landside Café’	February 29, 2023
Fox City Eatery	February 29, 2023
Lobby Gift Shop	February 29, 2023
Cash Depo ATM	Month to Month
Standard Parking	December 31, 2022
Costa Coffee	Month to Month

Methodology used to Calculate Overall Goal

Goods and Services

The Appleton International Airport anticipates the goal can be met by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. We, and the businesses at the airport, shall make good faith efforts to explore all available options to achieve, to the maximum extent practicable, compliance with the goal through direct ownership arrangements, including joint ventures and franchises. The dollar value from purchases of goods and services from ACDBEs may be added to the numerator, and the dollar value from purchases of goods and services from all firms (ACDBEs and non-ACDBEs) may be added to the denominator.

Prime Concessions

It is also noted First Class Concessions (Wisconsin Certified ACDBE) operates the restaurants at ATW as a Prime Concessionaire. The two restaurants operated by First Class Concessions are Landside Café’ and Fox City Eatery. Based on FY 2022 gross

receipts for all non-car rental concessions, the anticipated gross revenues for these restaurants' accounts for 24.65% of all non-car rental annual revenues at ATW. Since this business operates at ATW as Prime Concession under a Race-Neutral (RN) Agreement, the goal will be included in the goal computation as Race-Neutral participation.

Step 1: 23.51(c)

We determined the base figure for the relative availability of ACDBEs other than car rentals. The base figure was calculated as follows:

Numerator: Ready, willing, and able non-car rental ACDBEs in the market area

Denominator: All ready, willing and able non-car rental concession firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
311821	Baked Goods	1	65
424130	Paper Products	3	521
445292	Confections	1	330
451212	News Stand	7	423
453220	Gifts & Novelties	10	2138
454210	Vending	1	5
541810, 541850	Advertising	9	127
561612	Security	3	91
561720	Janitorial Services	2	294
722310	Food Service Con.	15	582
722330, 445000	Food/Bev Supply	2	871
722410	Beer Spirits	4	687
Total		58	6134

The Total Base Goal for Step 1 is therefore calculated by

$$\frac{\text{Total Number of ACDBE}}{\text{Total All Firms}}$$

$$58 / 6134 = 0.95\% \text{ for Step 1.}$$

The data source or demonstrable evidence used to derive the **numerator** was:

The State of Wisconsin Uniform Certification Program ACDBE Directory:

<https://WisconsinDOT.gov/Pages/doing-bus/civil-rights/dbe/certifiedfirms.aspx>

The data sources or demonstrable evidence used to derive the **denominator** were:

US Census Bureau:

<https://data.census.gov>

Blue Book for Wisconsin:

<https://thebluebook.com/wisconsin>

Yellow Pages Directory:

<https://www.yellowpages.com>

When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of 0.95%

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

Past History Participation

Historical DBE accomplishments for non-car rental concessions at the Appleton International Airport are as follows:

FY	DBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY 17	2.83%	0.00%	2.83%	1.02%	76.10%	77.12%
FY 18	2.83%	0.00%	2.83%	2.14%	77.13%	79.27%
FY 19	2.83%	0.00%	2.83%	0.94%	66.79%	67.72%
FY 20	36.73%	3.27%	40.00%	1.24%	82.23%	83.47%
FY 21	36.73%	3.27%	40.00%	3.73%	87.62%	91.35%

**Source Data FAA Civil Rights Connect*

Considering the DBE participation for the last five years and arranging this historical data of DBE accomplishments from low to high, (67.72%, 77.12%, 79.27%, 83.47%, 91.35%,) we arrive at a central tendency or median accomplishment of 79.27%. To

arrive at an adjusted overall DBE goal, we added our Step 1 base figure (0.95%) with our Step 2 adjustment figure (79.27%) and then averaged the total arriving at an overall adjusted goal of 40.11% for DBE Participation.

The Appleton International Airport will use race-conscious measures (e.g., set contract goals) to obtain the RC portion of the goal. We believe the RC portion of the goal will be computed by adding the goal computed in step 1 (0.95%) with the median RC accomplishment from step 2 (1.24%) then averaging the total arriving at adjusted overall goal of 1.10%. This will accurately reflect DBE RC participation that can be achieved for the types of comparable project work being awarded during this three-year overall goal period.

The race neutral (RN) portion of the goal is computed by taking the overall goal of 40.11% and subtracting the RC goal of 1.10% arriving at 39.01%.

There are no applicable disparity studies for the local market area or recent legal case information available to show any evidence of barriers to entry or competitiveness of ACDBEs.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

As per section Part 23.43 establishing the upcoming ACDBE goals for Federal Fiscal Years (FFY) 2023/2024, a public/consultation meeting was held on October 12, 2022 at Appleton International Airport (ATW) W6390 Challenger Dr. Suite 201 Appleton, WI 54914 for the purpose of discussing potential opportunities for ACDBE participation in upcoming projects, gain input, and to answer questions. A Public Notice of the meeting was issued that invited all interested parties including (but not limited to) minority, women's and general contractor groups, community organizations, and other officials or organizations who may have interest or information pertinent to the implementation of the Owner's ACDBE Program. It was noted, the meeting was not mandatory for ACDBE participation on projects at the Appleton International Airport (ATW).

The Public Notice included questions regarding the meeting or program be directed to:

Director of Finance and Administration, ACDBELO
Katie Horan, CPA
Appleton International Airport
W6390 Challenger Drive
Appleton, WI 54914
920 / 832 - 1840
KHoran@atwairport.com

No comments were received.

Breakout of Estimated Race-Neutral & Race Conscious Participation
Section 23.51

The Appleton International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Appleton International Airport uses the following race-neutral measures.

1. *Locating and identifying ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23;*
2. *Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;*
3. *Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;*
4. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
5. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

We estimate that, in meeting our overall goal of 40.11%, we will obtain 39.01% from race-neutral participation and 1.10% through race-conscious measures. The anticipated race-neutral participation is based on the following:

1. *The extent that you've exceeded your ACDBE goals in the past uniform reporting.*
2. *Proactively working with Concession vendors to increase awareness and encourage extension of your race-neutral business assistance efforts;*
3. *ACDBE participation on concession agreement with First Class Concessions;*

We project that race-neutral measures, standing alone, are not sufficient to meet our overall goal, thus we will use the following race-conscious measures to meet the overall goal:

1. We will establish contract goals for ACDBE opportunities in our contract agreements with Airport Concessionaires to achieve our RC participation.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, concession specific goals will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal; ACDBE participation on a prime contract exceeding a

concession specific goal; and ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

Amount of Car Rental Concessions: Anticipate gross revenue in excess of \$200,000.

Name of Recipient: Appleton International Airport

Airport Category: Small Hub* (Based on 2021 Passenger Boarding Data FAA)

Goal Period: FY-2023-2024* – October 1, 2022 through September 30, 2024

**Note: The ACDBE goal computation is reduced to two years due to the airport classification changing from a non-hub to a small hub in 2022. The ACDBE goal computation will be recomputed in October 2024 for FFY 2025/2026/2027 on the normal cycle for a small hub facility.*

Overall Three-Year Goal:

2.91%, to be accomplished through 1.00% RC and 1.91% RN

The Appleton International Airport has determined that its market area is primarily the State of Wisconsin for Car Rental Concessions. There are many businesses offering goods and services certified as ACDBE’s in the Wisconsin Unified Certification Program (UCP) either based in Wisconsin or nationally.

Base of Car Rental Goal

To calculate the base of the goal Appleton International Airport considered the previous 3 years of car rental expenditures/purchases and the projected potential expenditures/purchases three years into the future including upcoming new opportunities.

Expenditures for Previous 3 Years - Car Rental

Fiscal Year	Car Rental Expenditures/Purchases	% Growth
2020	\$5,709,707	1.2%
2021	\$5,958,737	4.4%
2022	\$7,291,586	22.4%*

The Appleton International Airport estimates that expenditures/purchases to existing car rental concessions is estimated to increase by an average 9% over FFY 2023/2024.

To calculate the base of the goal for car rental concessions:

(2022) \$7,291,586

(2023) \$7,291,586 + 9% (\$656,243) = \$7,947,829

(2024) \$7,947,829 + 9% (\$715,305) = \$8,663,134

\$7,947,829+ \$8,663,134 = **\$16,610,963** is the Appleton International Airport’s base of the goal for expenditures/purchases for car rental concessions.

The following are not included in this base: (a) non-car rental operations.

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, ATW will submit to the FAA an appropriate adjustment to the overall goal. This will be submitted to FAA for approval no later than 90 days before issuing the solicitation for the new concession opportunity. (23.45(i)).

The car rental businesses operating at the Appleton International Airport and offering service to the public includes the list of RAC’s below. The contracts for these concessions are expected to extend over the period of this triennium.

RAC Business Name	Existing Contract Expiration
Alamo	December 31, 2023
Avis	December 31, 2023
Budget	December 31, 2023
Enterprise	December 31, 2023
Hertz	December 31, 2023
National	December 31, 2023

Methodology used to Calculate Overall Goal

Goods and Services

We are not aware of any certified ACDBE businesses in Wisconsin offering car rental services to the general public therefore our goal is based on ACDBE’s providing goods and services to the car rental agencies operating at the Appleton International Airport.

Fleet purchases are included in the goal computation but has 0 participation due to no certified ACDBE businesses in Wisconsin.

Car Rentals stated the services they may need are: fleet, key blanks, oil change services, insurance, office supplies, janitorial services, tires, auto repair services, auto part supplies, security services, payroll services, towing services, car wash, landscaping services and freight transportation.

Step 1: 23.51(c)

We determined the Step 1 base figure for the relative availability of ACDBEs car rentals good and services. The base figure was calculated as follows:

Numerator: Ready, willing, and able car rental goods and services ACDBEs in the market area

Denominator: All ready, willing and able goods and services car rental concession firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
332519	Hardware Keys & Locks	1	436
441110	Auto Merchant Wholesaler (Fleet)	0	164
423120	Auto Supplies & Parts	2	208
423130	Tire & Tube Wholesalers	1	107
561720	Janitorial Services	2	294
441310	Auto Accessories	1	571
524210	Insurance Agencies	1	563
811192	Vehicle Wash & Detailing	1	72
Total		9	2415

The Total Base Goal for Step 1 is therefore calculated by

$$\frac{\text{Total Number of ACDBE}}{\text{Total All Firms}}$$

$$9 / 2415 = 0.37\% \text{ for Step 1.}$$

The data source or demonstrable evidence used to derive the **numerator** was:

The State of Wisconsin Uniform Certification Program ACDBE Directory:

<https://WisconsinDOT.gov/Pages/doing-bus/civil-rights/dbe/certifiedfirms.aspx>

The data sources or demonstrable evidence used to derive the **denominator** were:

US Census Bureau:

<https://data.census.gov>

Blue Book for Wisconsin:

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Yellow Pages Directory:

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When we divided the numerator by the denominator we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of 0.37%

Step 2: 23.51(d)

After calculating a base figure of the relative availability of ACDBEs, we examined evidence to determine what adjustment was needed to the Step 1 base figure in order to arrive at the overall goal.

Past History Participation

Historical DBE accomplishments for car rental concessions at the Appleton International Airport are as follows:

FY	DBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY 17	1.00%	0.00%	1.00%	5.45%	0.00%	5.45%
FY 18	1.00%	0.00%	1.00%	0.00%	7.44%	7.44%
FY 19	1.00%	0.00%	1.00%	2.24%	0.00%	2.24%
FY 20	0.00%	3.23%	3.23%	0.00%	3.33%	3.33%
FY 21	0.00%	3.23%	3.23%	0.00%	6.51%	6.51%

**Source Data FAA Civil Rights Connect*

Considering the ACDBE participation and arranging this historical data of ACDBE accomplishments from low to high, (2.24%, 3.33%, 5.45%, 6.51%, 7.44%) we arrive at a central tendency or median accomplishment of 5.45%. To arrive at an adjusted overall goal, we added our Step 1 base figure (0.37%) with our Step 2 adjustment figure (5.45%) and then averaged the total arriving at an overall adjusted goal of 2.91%.

The Appleton International Airport will use race-conscious measures (e.g., sets contract goals) to obtain the RC portion of the goal. We believe this adjusted overall goal of 2.91% will accurately reflect ACDBE participation that can be achieved for the types of comparable project work being awarded during this three-year overall goal period.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

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2. *Notifying ACDBEs of concession opportunities and encouraging them to compete, when appropriate;*
3. *Providing technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing;*
4. *Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation; and*
5. *Establishing a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions.*

We estimate that, in meeting our overall goal of 2.91%, we will obtain 1.91% from race-neutral participation and 1.00% through race-conscious measures. The anticipated race-neutral participation is based on the following:

1. *The extent that you've exceeded your ACDBE goals in the past uniform reporting.*
2. *Proactively working with Concession vendors to increase awareness and encourage extension of your race-neutral business assistance efforts;*
3. *Information obtained through consultation with stakeholders;*

We project that race-neutral measures, standing alone, are not sufficient to meet our overall goal, thus we will use the following race-conscious measures to meet the overall goal:

1. We will establish contract goals for ACDBE opportunities in our contract agreements with Airport Concessionaires to achieve our RC participation.

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, concession specific goals will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation (see 26.51(f)) and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not necessarily limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation through a subcontract on a prime contract that does not carry ACDBE goal; ACDBE participation on a prime contract exceeding a

concession specific goal; and ACDBE participation through a subcontract from a prime contractor that did not consider a firm's ACDBE status in making the award.

We will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.