

Overall Goal Calculation for Non-Car Rental Concessions FY 2023-25

Name of Recipient: **Tri-Cities Airport**

Goal Period: **FY 2026-28 (10/1/2025 through 9/30/2028)**

Overall Three-Year Goal: **3.02%, to be accomplished through 0.0% Race Conscious and 3.02% Race Neutral**

Market Area

Tri-Cities Airport has determined that the market area is the United States. The market area is the geographical area in which the substantial majority of firms which seek to do concessions business with the airport are located and in which the firms which receive the substantial majority of concessions-related revenues are located.

The concession opportunities anticipated during this goal period for this market area are: none are anticipated during this goal period other than the purchase of goods and services from our current concessionaires (parking, advertising, food/beverage).

Base of the goal

To calculate the base of the goal, Tri-Cities Airport considered the most recent previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) three years into the future including upcoming new opportunities.

Year	Non-Car Rental Concessions Gross Receipts
2022	\$6,125,399
2023	\$7,330,058
2024	\$6,745,752

Tri-Cities Airport estimates that revenues to existing concessions will grow by an average of 3% each year over the next three years...

Year	Annual Growth / Reduction Estimate	Annual Gross Receipts Estimate
2026	3%	\$6,948,125
2027	3%	\$7,156,568
2028	3%	\$7,371,265
Three-Year Total Gross Receipts:		\$21,475,958
Average Annual Growth Rate:		3%

The three-year total for projected gross receipts is \$21,475,958 and is the recipient's base of goal for non-car rental concessions.

The following are not included in the total gross receipts for concessions: (a) the gross receipts of car rental operations, (b) the dollar amount of a management contract or subcontract with a non-ACDBE, (c) the gross receipts of business activities to which a management contract or subcontract with a non-ACDBE pertains, and (d) any portion of a firm's estimated gross receipts that will not be generated from a concession.

If a new concession opportunity arises prior to the end of this goal period, Tri-Cities Airport 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.

Methodology used to Calculate Overall Goal

Tri-Cities Airport can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. Tri-Cities Airport, and the businesses at the airport, will add the dollar amount of a management contract or subcontract with an ACDBE to the total participation by ACDBEs in airport concessions (both the numerator AND the denominator) and to the base from which the recipient's percentage goal is calculated. However, the dollar amount of a management contract or subcontract with a non-ACDBE and the gross revenue of business activities to which the management contract or subcontract pertains will not be added to this base in either the numerator or denominator.

Tri-Cities Airport, 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.

Tri-Cities Airport will include goods and services purchases from ACDBEs toward meeting the goal.

Step 1 - Actual Relative Availability of ACDBEs - \$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
_____ divided by _____

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

The data source(s) used in the calculation included:

The census website was used to obtain the total number of firms and the State of Washington Office of Minority and Women's Business Enterprises website was used for the number of ACDBE certified firms.

- State UCP Data showing the number of ACDBEs that are certified within the market area <https://omwbe.wa.gov/directory-certified-businesses>
- Census Bureau Data (data.census.gov; Table CB 2300 CBP; 2023 ECNSVY, Business Patterns, County Business Patterns)

The calculation and explanation for this is as follows:

Concession Activity	NAICS	#ACDBE Certified Firms	#Total Firms	% Availability
Advertising	541840	8	63457	0.01%
Bakery	311812	8	7932	0.10%
Bar	722410	18	76407	0.02%
Business Support Services	561990	16	155592	0.01%
Coffee Shops	722515	33	44602	0.07%
Coffee/Tea	311920	6	12195	0.05%
Wholesale food/grocery	424410	3	60262	0.00%
Gift Shops/Souvenirs	459420	23	61896	0.04%
Janitorial Supplies	424690	0	12796	0.00%
Legal Services	541110	18	359026	0.01%
News/Books	424920	13	8348	0.16%
Office Supplies	424120	4	11388	0.04%
Packaged Goods	424490	13	22824	0.06%
Paper Supplies	424130	4	4304	0.09%
Parking	812930	7	5592	0.13%
Printing Services	323111	18	54244	0.03%
Restaurant	722511	49	671527	0.01%
Vending	445132	8	9873	0.08%
		Average ACDBE Availability		0.05%

When we calculated the average availability, we arrived at the Step 1 base figure for our overall goal for non-car rental concessions of .05%.

The table below shows past participation over the most recent three year period. The average participation over the prior 3 year period is 3.02%. Since the step one calculation is so low, the Tri-Cities Airport will adjust the goal using the average participation over the past three years of 3.02%, rather than the Step 1 base figure for availability.

FY	Race Conscious (%)	Race Neutral (%)	Total Achievement (%)
FY 22	0.0%	4.21%	4.21%
FY 23	0.0%	3.84%	3.84%
FY 24	0.0%	1.03%	1.03%

Breakout of Estimated “Race and Gender Neutral” (RN) and “Race and Gender Conscious” (RC) Participation

Tri-Cities Airport will make every reasonable effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. Tri-Cities Airport will use the following race-neutral measures.

We understand that we will be expected to actually take these steps, and this is not merely a paper

exercise.

- Locate and identify ACDBEs and other small businesses who may be interested in participating as concessionaires under 49 CFR Part 23
- Notify ACDBEs of concession opportunities and encouraging them to compete, when appropriate
- When practical, structure concession activities so as to encourage and facilitate the participation of ACDBEs
- Provide technical assistance to ACDBEs in overcoming limitations, such as inability to obtain bonding or financing
- Ensure that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor's ACDBE program will affect the procurement process
- Provide information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation
- Establish a business development program (see 49 CFR Part 26.35); technical assistance program or taking other steps to foster ACDBE participation in concessions

If race-neutral measures, standing alone, are not sufficient to meet an overall goal, the following race-conscious measures will be used to meet the overall goal:

- Establish concession-specific ACDBE goals for particular concession opportunities.
- Negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.

Tri-Cities Airport estimates that, in meeting the overall goal of 3.02%, it will obtain 3.02% from race-neutral participation and 0.0% through race-conscious measures. The reason for the breakout is that Tri-Cities Airport has not been able to achieve its goal in recent past years and will use ACDBE concession goals to achieve this goal.

- Tri-Cities Airport does not have a history of ACDBE participation or over-achievement of goals to reference and expects to obtain its ACDBE participation through the use of ACDBE goals or a conscious effort to obtain ACDBE participation. Therefore, we are applying the entire goal of 3.02% to race-neutral participation.

In order to ensure that Tri-Cities Airport's ACDBE program will be narrowly tailored to overcome the effects of discrimination, if concession specific goals are used, Airport will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual ACDBE participation and race-neutral and race conscious participation will be tracked 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.

Tri-Cities Airport will maintain data separately on ACDBE achievements in those contracts with and without concession specific goals, respectively.

Consultation

Tri-Cities Airport routinely meets with stakeholders in an effort to increase ACDBE participation. Stakeholders consulted included minority and women's business groups, community organizations,

trade associations representing concessionaires currently located at the airport, as well as existing concessionaires themselves, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged businesses, the effects of discrimination on opportunities for ACDBEs, and the sponsor's efforts to increase participation of ACDBEs.

Specifically, Tri-Cities Airport consulted with: airport car rental operators, local chambers of commerce, and the local Hispanic Chamber of Commerce. These interactions have been in person, via electronic methods and over the phone.

The following comments were received during the course of the consultation: one specific car rental operator indicated the goal was too high, local minority businesses do not seem to be interested in getting certified, there is not a lot of interest in attending consultation meetings.