

Attachment 5

Section 23.45: Overall Goal Calculation for Car Rentals

Amount of Goal *(submit if average annual gross receipts exceed \$200,000)*

Name of Recipient: Hollywood Burbank Airport

Goal Period: October 1, 2023 and ending September 30, 2026

Overall Three-Year Goal: 9.42% to be accomplished through 0% RC and 9.42% RN

The Airport in conducting this goal-setting process is determining the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

Market Area for Car Rental Concessionaires

The BGPAA has determined that its market area is the greater Los Angeles Area which includes the counties of Los Angeles, Kern, San Bernardino, and Ventura. This is the geographical area in which a substantial majority of firms which seek to do concessions business with the airport are located and the geographical area in which the firms that receive a substantial majority of concession related revenues are located.

Due to the fact that the national car rental concessions do not possess ACDBE status, the BPGPAA expects to primarily meet their ACDBE goal through the purchase of goods and services from ACDBE certified vendors. The general types of vendors expected to be used and the market area are depicted in the table below:

Company Types	Market Area
Baby and Infant Car Seats Merchant Wholesalers; Petroleum/Petroleum Products Wholesalers; New Car Dealers Used Car Dealers Automotive Parts and Accessories; Motor Vehicle Towing; Janitorial Services; General Automotive Repair; Automotive Body, Paint, and Interior Repair and Maintenance; Windshield Repair; Automotive Oil Change and Lubrication Shops; and Auto Maintenance	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA

Base of Car Rental Goal

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

Gross Receipts for Previous 3 Years - Rental Concessions

Fiscal Year	Rental Car Concessions Revenue
2020	\$21,549,685.00
2021	\$25,765,578.00
2022	\$28,809,916.00
Total	\$76,125,179.00
Average	\$25,375,059.66

BGPAA does not anticipate that there will be any new rental car concession opportunities available during this goal period. The BGPAA does not anticipate any major changes that would increase or decrease concession revenues over next three years. Therefore, the BGPAA's base of goal is the average car rental revenue of \$25,375,059.66.

If a new car rental 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 BGPAA will submit an appropriate adjustment to the overall goal. This will be submitted to the FAA for approval at least six months before the execution of the new concession agreement. (Part 23 § 23.45 (I)).

Methodology used to Calculate Overall Goal

Goods and Services

We can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. 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.

Management Contract or Subcontract

We can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. We, 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 airport'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. *While we realize that this appears to go against the normal rules and rationale for goal-setting, we understand that this method is nevertheless required by statute.*

Step 1: 23.51(c)

The BGPAA determined the Step 1 base figure for the relative availability of ACDBEs. The base figure was calculated as follows:

$$\text{Base Figure} = \frac{\text{Ready, willing, and able ACDBEs for purchases of goods and services}}{\text{All ready, willing, and able firms for purchases of goods and services}}$$

In order to determine the relative availability of ACDBEs in the market area, the availability of ACDBE car rental vendors in the market area must be compared to the overall availability of all car rental vendors in the market area. The data source for the **numerator** was the California Department of Transportation, Office of Business & Economic Opportunity DBE/ACDBE Database (<https://ucp.dot.ca.gov/licenseForm.htm>). The data source for the **denominator** was the US Census Bureau's Explore Census Data Tables (<https://data.census.gov/cedsci/>).

NAICS	Vendor Type	Los Angeles, Ventura, Kern and San Bernardino County ACDBE and DBE Firms	Los Angeles, Ventura, Kern and San Bernardino County All Firms	%
423110 ¹	Baby and infant car seats merchant wholesalers	11	2,174 ²	0.51
424720	Petroleum/Petroleum Products Wholesalers	16	179	8.94%
441110	New Car Dealers	2	654	0.31%
441120	Used Car Dealers	1	500	0.2%
441330 ³	Automotive Parts and Accessories Stores	4	1,358	0.29%
488410	Motor Vehicle Towing	5	400	1.18%
561720	Janitorial services	97	1,872	5.18%
811111	General Automotive Repair	9	3,208	0.28%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	10	1,485	0.65%
811122	Windshield Repair	1	218	0.46%
811191	Automotive Oil Change and Lubrication Shops	4	220	1.82%
811198	Auto Maintenance	6	295	2.03%
Average Availability		166	12,563	1.32%

When we divided the numerator by the denominator, we arrived at the Step 1 base figure for our overall goal for car rental concessions of: $166 / 12,563 = 1.32\%$.

Step 2: 23.51(c)

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

¹ NAICS changed in 2022, data was found with previous NAICS 424330

² Total does not include Kern County as data was not available

³ NAICS changed in 2022, data was found with previous NAICS 441310

In order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination we have adjusted our base figure by 8.1%. Our overall goal for rental car concessions is 9.42%.

The data used to determine the adjustment to the base figure was:

Past History Participation

The date used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments. The past three years (2020, 2021, and 2022) were used for this adjustment. It should be noted that the total ACDBE participation figures shown in the tables below differ from the participation figures shown in the BGPAA's uniform reports for the past three years.

Federal Fiscal Year	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY20	0.00%	7.93%	7.93%	0.00%	31.56%	31.56%
FY21	0.00%	5.41%	5.41%	0.00%	17.51%	17.51%
FY22	0.00%	5.41%	5.41%	0.00%	0.18%	0.18%

Arranging this historical data from low to high, the median is 17.51%.

To arrive at an overall goal, we added our Step 1 base figure with our Step 2 adjustment figure and then averaged the total arriving at an overall goal of 9.42%. We feel this adjusted goal figure will accurately reflect the ACDBE participation that can be achieved during this 3-year period.

Attachment 6

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

Amount of Goal

Name of Recipient: Hollywood Burbank Airport

Goal Period: October 1, 2023 and ending September 30, 2026

Overall Three-Year Goal:

39.20%, to be accomplished through 0% RC and 39.20% RN

The Airport in conducting this goal-setting process is determining the extent, if any, to which the firms in the market area have suffered discrimination or its effects in connection with concession opportunities and related business opportunities.

The BGPAA has determined that its market area is as follows:

Company	Market Area
Vending Services	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Food & Beverage Service	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
News/Gifts	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Pet Store	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA
Airport Advertising	Greater Los Angeles, Ventura, Kern and San Bernardino Counties of CA

This is the geographical area in which the substantial majority of firms which 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.

Base of Goal

To calculate the base of the goal, the BGPAA considered the previous 3 years of gross concession receipts and the projected potential concession revenue (gross receipts) 3 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	\$15,612,661.00
2021	\$12,664,075.00
2022	\$28,443,653.00
Total	\$56,720,389.00
Average	\$18,906,796.33

The BGPAA estimates that revenues to existing concessions will grow by 0% over the next three years. However, future revenues will likely be closer to the 2022 figure due to the ongoing recovery from the COVID-19 pandemic. There is expected to be no new concessionaire space available in the existing passenger terminal. However, the replacement terminal project is expected to be completed sometime in 2026. Upon completion of the replacement passenger terminal, growth opportunities will be reevaluated and possibly included in the next goal submittal.

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 BGPAA 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)).

Methodology used to Calculate Overall Goal

Step 1: 23.51(c)

The BGPAA determined the base figure for its goal as follows:

$$\text{Base Figure} = \frac{\text{Ready, willing, and able non-car rental ACDBEs in the market area}}{\text{All ready, willing and able non-car rental concession firms in the market area}}$$

NAICS	Type of Concession	Los Angeles, Ventura, Kern and San Bernardino County DBE/ACDBE Firms	Los Angeles, Ventura, Kern and San Bernardino County All Firms
445132 ¹	Vending Machine Operations	6	66 ²
722513	Limited-Service Restaurants	53	11,933
459420 ³	Gift, Novelty & Souvenir Stores	63	655
459910 ⁴	Pet and pet supplies stores	0	372
541850	Indoor and Outdoor Display Advertising	30	129 ⁵
Total		152	13,155

Therefore, the base goal is $152 / 13,155 = 1.16\%$. The data source for the numerator was the California Department of Transportation, Office of Business & Economic Opportunity DBE/ACDBE Database (<https://ucp.dot.ca.gov/licenseForm.htm>). The data source for the denominator was the US Census Bureau's Explore Census Data Tables (<https://data.census.gov/cedsci/>).

Step 2: 23.51(d)

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

While there is a low percentage of ACDBE firms available in the market area, BGPAA has historically been able to achieve ACDBE participation due to the fact that the current food and beverage concessionaire is 100% ACDBE. Therefore, past history participation was used to adjust the base figure. The data used to determine the adjustment to the base figure was:

¹ NAICS changed in 2022, data was found with previous NAICS 454210

² Total does not include Ventura County as data was not available

³ NAICS changed in 2022, data was found with previous NAICS 453220

⁴ NAICS changed in 2022, data was found with previous NAICS 453910

⁵ Total does not include Kern County as data was not available

Past History Participation

Data used to determine the adjustment to the base figure was the median of historical ACDBE accomplishments:

Federal Fiscal Year	ACDBE Goals			Accomplishments		
	RC	RN	Total	RC	RN	Total
FY20	0.00%	35.45%	35.45%	0.00%	81.32%	81.32%
FY21	0.00%	35.74%	35.74%	0.00%	77.23%	77.23%
FY22	0.00%	35.74%	35.74%	0.00%	73.17%	73.17%

Arranging this historical data from low to high, the median is 77.23%.

To arrive at an overall goal, we added our Step 1 base figure (1.16%) with our Step 2 median figure (77.23%) and then averaged the total arriving at an overall goal of 39.20%. We feel this participation can be achieved during this 3-year period.

As previously mentioned, the current food and beverage concessionaire is an ACDBE. However, if that contract were to end, not be renewed, or their ACDBE status changes, the likelihood of being able to achieve recent historical levels of ACDBE participation would decrease. Therefore, a 39.20% goal for the period is reasonable.

Goal Accomplishment Alternatives

Goods and Services

The BGPAA can meet the percentage goal by including the purchase from ACDBEs of goods and services used in businesses conducted at the airport. The BGPAA, 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.

Management Contract or Subcontract

The BGPAA can meet the percentage goal by including any business operated through a management contract or subcontract with an ACDBE. The BGPAA, 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 airport'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. While the BGPAA realize that this appears to go against the normal rules and rationale for goal setting, the BGPAA understand that this method is nevertheless required by statute.

PUBLIC NOTICE

Burbank-Glendale-Pasadena Airport Authority hereby announces its proposed Airport Concessions Disadvantaged Business Enterprise (ACDBE) overall three-year participation goals for Car rentals of 9.42% and for Concessions other than car rentals of 39.20%, in Connection with FAA-funded contracts/agreements. The proposed goal pertains to federal fiscal years 2024 through 2027 (10/1/2023 – 9/30/2026).

A public meeting will be held on October 31, 2023, from 10:00 to 11:00AM PDT. The meeting will be held for the purpose of consulting with stakeholders to obtain information relevant to the goal-setting process. For more information and to RSVP for the event, email: icabil@bur.org Please RSVP no later than 5:00PM PDT on October 30, 2023.

The proposed goal and its attendant methodology are available for inspection between 8:00AM to 5:00PM PDT Monday through Friday at the Business and Properties office, 2627 N. Hollywood Way Burbank, CA 91505, for 30 days from the date of this publication.

Comments on the ACDBE goal will be accepted for 30 days from the date of this publication and can be sent to the following:

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