

**FY 2025-2027 Airport Concession DBE Goal Methodology
(Non-Car Rental Concessions)
For**



Attachment 5

Overall Goal Calculation for Concessions Other Than Car Rentals

Name of Recipient: Savannah Airport Commission
Savannah/Hilton Head International Airport (SAV)
Savannah Airport Commission

Goal Period: FY2025, FY2026, FY2027 Oct. 1, 2024-Sept. 30, 2027

Overall Three-Year Goal:

2.03%, to be accomplished through 1.48% RC and 0.55% RN

Methodology used to Calculate Overall Goal:

The Airport in conducting this goal-setting process is evaluating 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

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.

Savannah/Hilton Head International Airport has determined that its market area for concessions other than car rental is as follows.

Type of Concession	Company	County	State	Nationwide
Hotel	Fairfield Inn		X	
Hotel	Hyatt Place		X	
Hotel	Hilton Garden Inn		X	
Hotel	Springhill Suites		X	
Hotel	Holiday Inn Express		X	
Hotel	Comfort Inn		X	
Hotel	Double Tree		X	
Hotel	Country Inn		X	
Hotel	Candlewood Suites		X	
Hotel	Wingate Inn		X	

Hotel	TownePlace Suites		X	
Hotel	Spark by Hilton		X	
Hotel	Hampton Inn		X	
Hotel	Tru by Hilton		X	
Hotel	Four Points		X	
Auto Mechanic	CARma Auto Care		X	
Advertising	Lamar Advertising			x
Cigar/Clothing Store	Vacation Outfitters		X	
Souvenirs, Gift, & Novelty Store	Paradies JV The Peach Group		X	
Personal Care Services	Piera's Salon			
Sunglass Store	Sunglass Warehouse			x
Jewelry Kiosk	Beads on the Vine		X	
Souvenirs, Gift, & Novelty Store	The Salt Table		X	
Food & Beverage	Leopold's Ice Cream	X		
Food & Beverage	HMS Host JV SC Robinson			X
Personal Care Services	Willie's Shoeshine		X	
Cash to Card Kiosk	Ready Card			X
Das Network	Boingo			X

Base of Goal

To calculate the base of the goal Savannah/Hilton Head 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.

Management Contract or Subcontract

Savannah/Hilton Head International 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.

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

Fiscal Year	Non-Car Concessions Revenue (Gross Receipts)
2021	\$79,289,361

2022	\$79,289,361
2023	\$89,217,107

An additional hotel opportunity will be included in the next three-year goal period which with projected additional revenue of \$5,039,000 to begin in FY 2026. Savannah/Hilton Head International Airport estimates that revenues to existing concessions will grow by 3% per year over the next three years due to projected enplanement growth.

Prior year (2023): \$89,217,107+ 3% growth (\$2,676,513) = \$91,893,260 (2024 projected)

Goal period:

(2025) \$91,893,260 + 3% (\$2,756,797) = \$94,650,058

(2026) \$94,650,058 + 3% (\$2,839,502) = \$97,489,560 +\$5,039,000 = \$102,528,560

(2027) \$102,528,560 + 3% (\$3,075,856) = \$105,604,416

\$94,650,058+ \$102,528,560 + \$105,604,416 = \$302,783,034 is the recipient's base of the goal for non-car rental concessions.

The following concessions will not be included for the following reasons:

WENDY'S and GAS STATION - We have always felt that the customers using those concessions and hotels were not necessarily airport passengers. Some of the reasons why include: 45 percent of our passengers are traveling to Hilton Head, SC (typically these passengers are flying in then driving straight to SC) they are especially not using the Hotels. That's half of our traffic. Next, because these concessions are located off an interchange next to I95 they tend to attract customers traveling to and from Florida. This is evident when you look at the license plates of the people using the concessions. Finally, looking at the enplanement to gross receipts ratio, it becomes evident that the level of usage for these concessions does not relate to the Airport's enplanements. Typically, if enplanements are low then concessions sales will be low as well, which is true for our true concessions such as terminal restaurants, shops and parking.

The concession opportunities anticipated during this goal period are Airport Advertising, Hotels, Personal Care Services, Food & Beverage, Sunglass Store, Cigar & Clothing Store, Jewelry Kiosk, Cash to Card Kiosk, Das Network, Auto Mechanic, Souvenirs, Gifts & Novelty, and Restaurants, with estimated gross receipts of \$302,783,034.

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 and the estimated average of annual gross revenues are anticipated to be \$200,000 or greater, Savannah/Hilton Head International 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.

Goal Calculations

The Step 1 figure was calculated as follows.

The data source used was the Georgia UCP DBE Directory certified DBE/ACDBE firms and Census Bureau data.

Numerator: Ready, willing, and able non-car rental ACDBEs goods and services in the market area, 606 divided by the denominator 301,635 that consists of:

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

Concession Activity	NAICS Code	ACDBE Firms	All firms	% Availability
Hotel	721110	4	2,206	0.18%
Auto Mechanic	811111	7	2,176	0.32%
Advertising	541850	55	2,549	2.16%
Gift Shop	459420 453220	3	527	0.57%
Cigar Store	453991	4	502	0.80%
Clothing Store	448150	14	249	5.62%
Food & Beverage	722513	0	333	0.00%
Food & Beverage	722513	471	256,375	0.18%
Personal Care Services	812990	24	759	3.16%
Optical Stores	446130(456130)	4	340	1.18%
Vending	454210	20	117	17.09%
Wi-Fi	517312	0	25,485	0.00%
Cash to Card	522298	0	10,017	0.00%
Totals		606	301,635	0.20%
Step 1 =606/301,635= 0.20%				

When we divided the numerator by the denominator, we arrived at the Step 1 figure for our overall goal for non-car rental concessions of: 0.20%.

Base Figure = 0.20%

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.

In order to reflect as accurately as possible, the ACDBE participation we would expect in the absence of discrimination we have adjusted our combined goal by 1.83%. Our overall goal for non-car rental concessions is 2.03%.

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

Past History Participation

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

FY	RC	RN	Total Achievement
21	1.50%	2.35%	3.85%
23	2.70%	0.68%	3.38%
22	2.70%	1.15%	3.85%*
*Median			

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 2.03%.

Base	0.20%
Median	<u>3.85%</u>
	4.05% ÷ 2 = 2.03%

Savannah/Hilton Head International Airport believes this adjusted goal figure will accurately reflect ACDBE non-car rental concession participation that can be achieved during this 3-year period.

Public Participation:

Consultation: Section 23.43.

The goal setting process used by recipients to establish their annual overall goal submitted to the operating administrations for approval includes consultation with minority, women’s and ACDBE community organizations, and other officials or organizations which could be expected to have information concerning the availability of

ACDBEs and non-ACDBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for ACDBEs and establishing a level playing field for the participation of ACDBEs. The stakeholders invited are as follows: Savannah/Hilton Head International Airport, Taffy Pippin Consulting, Fairfield Inn, Hyatt Place, Hilton Garden Inn, Springhill Suites, Holiday Inn Express, Comfort Inn, Double Tree, Country Inn, Candlewood Suites, Wingate Inn, TownePlace Suites, Spark by Hilton, Hampton Inn, TRU by Hilton, Four Points, CARma Auto Care, Lamar Advertising, Vacation Outfitters, Paradies, Piera’s Salon, Sunglass Warehouse, Beads on the Vine, The Salt Table, Leopold’s Ice Cream, HMS Host, Willie’s Shoeshine, Ready Card, and Boingo. Prior to submitting the ACDBE goal to the FAA the Sponsor consulted with the following stakeholders on September 25, 2024, at approximately 12:30 pm CDT, with no comments received.

SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT AGENCIES CONSULTED WITH
Agency/Organization
Melanie Freeman, Purchasing Administrator Savannah Airport Commission
Christy Dixon, Purchasing Manager Savannah Airport Commission
Dawoud Stevenson, Director of Program Management Savannah Airport Commission
Meghan Woods, Vice President, Business Development Paradies Lagardere
Derek Barker, Marketing Manager IUGIS Construction Corporation
John Polites, Facilities Specialist Enterprise / National / Alamo
Leila Prioleau, Owner Beads on the Vine
Kassidy Jones, Business Advisory Services Manager Small Business Assistant Corporation
Derek Martinson Ready Credit Corporation
Stephen Douglas HMS Host
Taffy Pippin Taffy Pippin Consulting, LLC
Clayton Pippin, Planner Taffy Pippin Consulting, LLC

Breakout of Estimated Race-Neutral & Race Conscious Participation

Section 23.51

Savannah/Hilton Head International Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The primary measure Savannah/Hilton Head International Airport will use to encourage race-neutral participation is the active implementation of our race-neutral small business element that is required by § 23.26. The small business element is detailed in Savannah/Hilton Head International FAA-approved ACDBE Program Plan.

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. When practical, structuring concession activities so as to encourage and facilitate the participation of ACDBEs;
4. Ensuring that competitors for concession opportunities are informed during pre-solicitation meetings about how the sponsor’s ACDBE program will affect the procurement process;
5. Providing information concerning the availability of ACDBE firms to competitors to assist them in obtaining ACDBE participation.

Each time the Sponsor submits an overall goal for review by the FAA, the Sponsor will also submit a projection of the portion of the goal that is expected to be met through race-neutral means and the basis for that projection. This projection is subject to approval by the FAA, in conjunction with its review of the Sponsor’s overall goal. The Sponsor will establish contract goals to meet any portion of an overall goal when the Sponsor does not project being able to meet goals using race-neutral means.

We estimate that, in meeting our goal of 2.03%, we will obtain 1.48% of the goal from race-conscious participation and 0.55% via race-neutral participation measures. This is based on the airport’s history.

This breakout below was established by computing the median of the variance of the level of ACDBE participation vs. ACDBE goal on the three years considered in Step 2 of the past history participation. The Median is a negative number and therefore will not be considered.

PROJECT ACDBE GOAL VARIANCE SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT				
YEAR	LOCATION	ACDBE GOAL	% OF DBE PARTICIPATION	VARIANCE
2021	Savannah	1.50%	3.85%	2.35%
2022	Savannah	3.30%	3.85%	0.55%*
2023	Savannah	3.30%	3.38%	0.08%
* MEDIAN VARIANCE				

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

- 1. We will negotiate with potential concessionaires to include ACDBE participation through direct ownership arrangements or measures, in the operation of the concession.*

In order to ensure that our ACDBE program will be narrowly tailored to overcome the effects of discrimination, if we use concession specific goals we 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.