

**Helena Regional Airport
Concession Goals and Methodology
October 1, 2022 (2023/2024/2025)**

Concessionaire	Lease Type	Est. Gross Receipts* Plus Rents	Date Lease Begins	Date Lease Expired/ Terminated	% DBE	\$ DBE
Oakwells	Restaurant	\$550,000.00	02/01/2023	01/31/2028	.54%	\$2,970.00
Totals		\$550,000.00				\$2,970.00

Overall Goal for Non Rental Car Concessions

Attachment 4

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

The Helena Regional Airport had one non-rental car concessionaire during the previous 3 years. Flying Ace, LLC operated the Smokejumper restaurant and secured area snack bar in the terminal from April 1, 2017 until March 16, 2020, when Covid restrictions were put in place to close all public restaurants. When the covid restrictions were lifted on May 4, 2020, Flying Ace determined it would not be cost effective to open the public side restaurant with the strict requirements put in place and as airline passenger traffic was reduced by 89% at that time. Passenger numbers continued to be substantially lower through the end of FY22. The restaurant opened the secured side snack bar in May of 2020 in a limited manner due to the terminal expansion project of the Airport Secured Area that was completed in June of 2020. The restaurant continued to operate only the snack bar until its lease was cancelled on May 20, 2022 due to Flying Ace violating the terms of their lease. A new restaurant concessionaire was selected and began operation on February 4, 2023 with the opening of their snack bar on the secured side. They opened the public-side restaurant later in the month.

Attachment 4

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

Amount of Goal: 0.54%

Name of Recipient:

Helena Regional Airport

Goal Period: FY-2023-2024-2025 – October 1, 2022, through September 30, 2025

Overall Three-Year Goal:

0.54%, to be accomplished through 0.0% RC and 0.54% RN

Market Area

The market area is where the substantial majority of firms working with the non-car rental concessions at the Airport are located. The Airport reviewed the vendor list provided by the concessionaire to determine what vendor types are used, their location, and the types of goods and services provided. It was determined that a substantial number are located outside of Montana; therefore the Airport has determined that its market area is nationwide.

As of FY 2023, the Helena Regional Airport has only one contract with a non-car rental concessionaire; furthermore, the Airport has capacity for only one concessionaire. The Food and Beverage concessions are the only anticipated non-car rental concession opportunities Helena Regional Airport will have during this goal period for the identified market area.

Base of Goal

To calculate the base of the goal the Helena Regional 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	\$290,373.41
2021	\$230,406.84
2022	\$134,107.79

Total	\$654,888.04
Average	\$ 218,296.01

The Helena Regional Airport estimates that revenues to existing concessions will increase significantly during the second year due to the previous restaurant defaulting on their lease on 5/20/2022 and the new restaurant concessionaire not being in place until 2/4/2023. The Helena Regional Airport has the opportunity for one non-car rental concessionaire. We are expecting future revenues beginning in February, 2023 to increase over previous concessionaire revenue of \$218,296.01 x 250% =\$550,000.00 = \$550,000.00 year 2/3= base of goal.

The concession opportunities anticipated during this goal period are:

Food and Beverage, News and Gifts, Vending Machines, and Insurance with estimated annual gross receipts of \$550,000.00.

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.

Methodology used to Calculate Overall Goal

Goods and Services

Because our current concessionaire is not eligible to be an ACDBE and there are no food service ACDBE's in our market area of Lewis and Clark County, we will meet the percentage goal by including the purchases from DBE/ACDBEs of Goods and Services used in businesses conducted at the airport. We and Oakwells, LLC, shall make good faith efforts to explore all available options to achieve, to the maximum extent practical, compliance with the goal through purchases from DBE/ACDBEs for use at the Airport. The dollar value from purchases of goods and services from DBE/ACDBEs will be added to the numerator, and the dollar value from purchases of goods and services from all firms (DBE/ACDBEs and non-DBE/ACDBEs) will be added to the denominator.

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
_____ divided by _____

Denominator: All ready, willing and able food service firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
445292	Confectionary & Nut Stores	1	84
424490	Notions & Other Dry Goods	0	494
424300	Women's, Children & Men's Clothing	0	9,821
722300	Special Food Service (food truck)	1	7
524120	Insurance Carrier and related activities	1	12,178
Total		3	22,584
Step 1 =			0.01%

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

www.mdt.mt.gov/business/contracting/civil/dbe.shtml

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

<https://data.census.gov/table>

3 ACDBE Firms / 22,584 Total Firms X 100 = 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: .01%

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.

Our new restaurant/snack bar/gift shop, Oakwells, LLC, does not qualify as a ACDBE, but has submitted a list of ACDBE businesses they already use. In addition, the 2022 MDT Disparity Study did not include any findings related to the ACDBE program.

Although there is no historical DBE data for the new restaurant to make an adjustment to the Step 1 base figure, we are taking into account their past history of performance at other similar sized airports in Montana, in order to reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination. The data used to determine the adjustment to the base figure was:

Estimated purchases from DBEs of \$3,000 divided by the estimated annual receipts for of \$550,000 equals a base figure for relative availability of ACDBE firms of .54%. Our overall goal for non-car rental concessions is 0.54%.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

Prior to submitting this goal to the FAA, the Helena Regional Airport consulted with the following stakeholders:

The Helena Regional Airport held an ACDBE zoom meeting in conjunction with the Montana Department of Transportation on May 9, 2023 @ 12:00 pm. Invitations were sent out to multiple businesses throughout Montana and seven stakeholders joined the meeting. The current restaurant's finance director and all current on-site rental car concessionaire representatives were invited along with several businesses in the market area that could register as ACDBE's. We also held an additional consultation with Oakwells Finance Director to discuss our non-rental car goal on May 16, 2023 @ 2:00 pm. We encouraged more participation and received direct feedback on our goal setting regarding additional ways to meet our proposed goal.

A summary of the information these stakeholders provided is as follows:

Oakwells currently uses two vendors that are registered as ACDBE's. They purchase insurance from Leslie Saunders Insurance, which is an ACDBE. They also purchase confectionery items from A Winestein & Assoc, who is registered with the Illinois Unified Certification Program as an Airport Concessionaire. They feel that the proposed goal of 0.54% is feasible and they are confident that can achieve this goal.

Following the consultation on June 6, 2023, the Airport published a notice on the Helena Regional Airport's website @ www.helenaairport.com of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the airport administration building for 30 days following the date of the notice, and informing the public that the Helena Regional Airport and DOT will accept comments on the goals for 30 days from the date of the notice.

Comments:

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

The Helena Regional Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The Airport uses 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.

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;*

We estimate that, in meeting our overall goal of 0.54%, we will obtain 0.54% from race-neutral participation and 0% through race-conscious measures.

1. *Extend our race-neutral business assistance efforts;*
2. *Information obtained through consultation with our stakeholders;*
3. *ACDBE participation on other city or county concession activity.*

The following is a summary of the basis of

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:

- *We will establish concession-specific goals for particular concession opportunities. The Airport Authority 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 0.54% to race-conscious participation.*

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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.

PUBLIC NOTICE

On June 6, 2023 the Helena Regional Airport published its proposed ACDBE Goal and Methodology (FFY 2023-2025) for airport concessionaire non-rental car contracts. The Helena Regional Airport posted the information on the Airport's website www.helenaairport.com and on the MDT's website and sent the information to interested parties, including MT certified DBE and ACDBE firms, Native American Development Center, Procurement Technical Assistance Centers, and Small Business Development Centers.

The proposed Goal Methodology was available for review on MDT's website and at the Helena Regional Airport Administration Office at 2850 Mercer Loop, Helena, Montana.

The Helena Regional Airport held a virtual public hearing on May 9, 2023 at noon concerning the proposed overall ACDBE goal. Public comments were accepted through verbal testimony during the hearing or may be sent via email or mail.

Overall Goal Calculation for Car Rentals

Amount of Goal : 2.5%

Name of Recipient:

Helena Regional Airport

Goal Period: FY-2017-2018-2019 – October 1, 2022 through September 30, 2025

Overall Three-Year Goal:

2.5.0%, to be accomplished through 0% RC and 2.5% RN

The Helena Regional Airport has determined that its market area is nation-wide.

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 the geographical area in which the firms receive a substantial majority of concessions related revenues are located.

The Helena Regional Airport's overall goal for car rentals during the period beginning October 1, 2022 and ending September 30, 2025 is the following: 2.5% of the total gross receipts of car rental operations at the Helena Regional Airport. This goal is based upon the fact that we do not have any eligible car rental concessionaires in our market area. The rental car agencies have continued to utilize the use of ACDBEs in their market area . We will continue to consult with the MT DOT, airports in our region and other publications to find prospects.

Our current exclusive rental car 5-year agreement with our five on-site rental car agencies runs from July 1, 2022 – June 30, 2027. None of the current successful bidders are ACDBE concessionaires. The current agreements include provisions for the Rental Car agencies located at the airport to provide the Helena Regional Airport with Annual reports detailing goods and services purchased through DBE's. We plan to 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.

Methodology used to Calculate Overall Goal

Goods and Services

We will try to 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 DBEs/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.

Step 1: 23.51(c)

We determined the Step 1 base figure for the relative availability of ACDBEs firms in the market area. The base figure was calculated as follows:

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

_____ divided by _____

Denominator: All ready, willing and able ACDBE concession firms in the market area

NAICS	Type of Concession	Total ACDBE's	Total All Firms
423110	Automobile & Other Motor Vehicle Merchant Wholesalers	4	6,067
423990	General Merchandise	1	1,279
441110	Automobile dealers new only or new and used	3	21,383
441310	Automobile parts	0	33,490
453210	Office Supplies & Stationary	0	4,475
457110	Gasoline stations w/convenience stores	6	98,940
484230	Automobile carrier trucking, long-distance	16	11,260
488410	Motor vehicle towing	11	9,609
513210	Software Publishers	3	15,199
517112	Wireless Telecommunications Carriers (except Satellite)	1	26,231
524210	Insurance Agencies and Brokerages	14	134,902
531120	Commercial building rental or leasing	7	33,959
541211	Accounting Services	19	55,565
541519	Other Computer Related Services	96	10,845
541611	Administrative Management & General Management Consulting Services	738	89,291

541612	Human Resources Consulting Services	136	8,417
561311	Employment Placement Agencies	2	6,528
811111	General Automotive Repair	23	81,617
811191	Automotive Oil change and Lubrication Shops	8	8,117
811212	Computer & Office machine Repair	0	4,764
Total		1,088	662,938
Step 1 = 0		0	0

The data source or demonstrable evidence used to derive the **numerator** was the Montana Department of Transportation DBE Directory. We also contacted all the current Car Rental Concessionaires and any Car Rental Concessionaires that have submitted RFPs in the past at the Airport and inquired whether they or their major suppliers were ACDBEs or could possibly qualify as ACDBEs. Our Active Participant List is as follows:

Hertz Rent-A-Car
National/Enterprise
Avis/Budget

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

www.mdt.mt.gov/business/contracting/civil/dbe.shtml

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

<https://data.census.gov/table>

To derive the base figure for relative availability of ACDBE firms in the market area, the number of ACDBE firms was divided by the number of total firms and converted to a percentage as shown below.

1,088 ACDBE Firms / 662,938 Total Firms X 100 = 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: .17%

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. The 2022 MDT Disparity Study did not include any findings

related to the ACDBE program and/or car rental concessions.

Past History Participation

After taking into account the rental car agencies past performance at the Helena Regional Airport and discussions with the car rental concessionaires and the Airport Director to determine the status of car rental companies inquiring about space at the airport, we determined that the Car Rental Companies will aspire to a goal of 2.5% using goods and services purchased from ACDBE/DBE's.

Therefore, the Airport Authority is increasing its Step 1 base figure by 2.3% for a total overall goal of 2.5% for FY-2023, 2024 and 2025.

Our overall goal for car rental concessions is 2.5%.

PUBLIC PARTICIPATION

Consultation: Section 23.43.

The Helena Regional Airport also held a pre-bid Rental Car Concessionaire RFP meeting that included ACDBE consultation. The meeting was held on February 24, 2022 @ 10:00 am in the Helena Regional Airport Terminal Admin Office Board Room. The pre-bid meeting was advertised in the Helena Regional Airport and on the Helena Regional Airport website. The notice was sent individually to the on-site and off-site rental car agencies operating at the Helena Regional Airport and also to the Montana Department of Transportation. Participants stated the difficulty in locating DBE's in Montana, but by using nation-wide ACDBEs, they are confident they can reach their ACDBE goal.

A participant list of stakeholders is as follows:

Hertz Rental Car
Enterprise/National Rental Car
Avis/Budget Rental Car

Prior to submitting this goal to the FAA, the Helena Regional Airport held an ACDBE zoom meeting in conjunction with the Montana Department of Transportation on May 9, 2023 @ 12:00 pm. Invitations were sent out to multiple businesses throughout Montana and seven stakeholders joined the meeting. The current restaurant's finance director, Doug Vance and all current on-site rental car concessionaire representatives were invited along with several businesses in the market area that could register as ACDBE's. We also held an additional consultation with Oakwells Finance Director,

Doug Vance to discuss our non-rental car goal on May 16, 2023 @ 2:00 pm. We encouraged more participation and received direct feedback on our goal setting regarding additional ways to meet our proposed goal.

The Helena Regional Airport will hold a Zoom final consultation meeting on June 6, 2023 at 9:00 am. The meeting was advertised in the Helena Regional Airport and on the Helena Regional Airport website. The notice was sent individually to the on-site rental car agencies operating at the Helena Regional Airport and also to the Montana Department of Transportation. A summary of the information these stakeholders provided is as follows:

Representatives from MDT-DBE Program – Maghan Strachan

Information and guidelines for establishing ACDBE Goals and meeting goals.

Hertz Rental Car –

Avis/Budget Rental Car-

Enterprise Rental Car

PUBLIC NOTICE

Following the consultation on June 6, 2023, we will publish a notice on the Helena Regional Airport's website @ www.helenaairport.com of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the airport administration building and will be posted on the for 30 days following the date of the notice, and informing the public that the Helena Regional Airport and DOT will accept comments on the goals for 30 days from the date of the notice.

Comments: