

ACDBE 2023-2025 Goal-Setting Stakeholder Consultation Meeting

01/27/2023



ALLEGHENY COUNTY AIRPORT AUTHORITY
PITTSBURGH INTERNATIONAL AIRPORT
ALLEGHENY COUNTY AIRPORT

AGENDA

- **Introductions**
- **Overview of ACAA**
- **ACDBE Goal-Setting Requirements**
- **Establishing ACDBE goals**
 - Non-Car Rental Goal
 - Car Rental Goal
- **Upcoming Opportunities**
- **Public Participation and Comments**
- **Discussion/Questions**



Introductions



- **Jeffrey Immel**
SVP, Legal Affairs/General Counsel – ACAA
- **Jennifer Clossin-Kerr**
Manager, DBE Compliance – ACAA
- **Diane DePaolis**
Manager, Revenue Development – ACAA
- **Virginia Culbreath**
DBE Program Administrator – ACAA
- **Kristin Tighe**
Milligan Consulting

Overview of ACAA



- Allegheny County Airport Authority (ACAA) manages Pittsburgh International Airport (PIT) and Allegheny County Airport (AGC)
- ACAA is committed to increasing air service, improving customer service and inspiring growth in the Pittsburgh region.
- A global aviation leader driving innovation, regional growth and prosperity by investing in our employees, customers, airlines, and partners.

ACAA's ACDBE Requirements

- **Governing US DOT Regulations**
 - 49 CFR Part 23 Participation by Disadvantaged Business Enterprises (DBEs) in Airport Concessions
 - 49 CFR Part 26 Participation by DBEs in Department of Transportation (DOT) Financial Assistance Programs
- **ACAA Responsibilities**
 - Establish Overall Goals (set triennially)
 - Certification
 - Performed by the Pennsylvania UCP (www.paucp.com)
 - Monitoring and Enforcement
 - Reporting



Overall Goals

- **ACAA is required to set two overall 3-year ACDBE goals:**
 - Car rental concessions
 - Concessions other than car rentals
 - **Overall goal must be based on demonstrable evidence of the availability of ready, willing, and able ACDBEs relative to all businesses ready, willing and able to participate in the concession's opportunities**
- **ACAA's current Non-Car Rental Concessions ACDBE Goal is 10.26%**
 - **The current Car Rental ACDBE Goal is 1.80%**
 - **The full text of the submittal is on ACAA's Website at**
<https://flypittsburgh.com/acaa-corporate/doing-business/dberesources/>



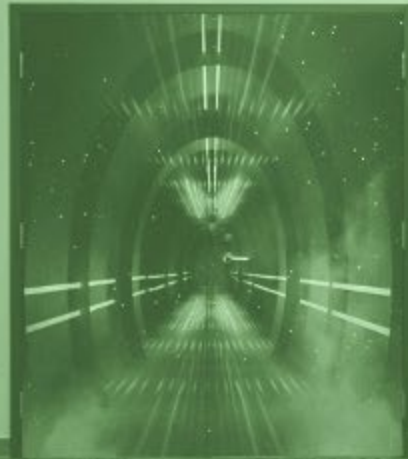
ACDBE Goal Setting



- **ACAA is currently developing its Federal Fiscal Years 2023-2025 ACDBE goals**
- **Goal-setting is a two-step process:**
 - 1) Establish a base figure based on the relative availability of ACDBEs to participate in ACAA's concessions programs
 - 2) Make any necessary adjustments to the base figure based on local market conditions

ACDBE Non-Car Rental

xbridge
@ PITTSBURGH INTERNATIONAL AIRPORT



A proving ground for
best-in-class innovations

↑ ✈ B Gates 43,45-50

EXIT

ACAA's Base Figure: Non-Car Rental

- **Estimate Concessions
Non-Car Rental
Projections Federal
Fiscal Year 2023 –
2025**

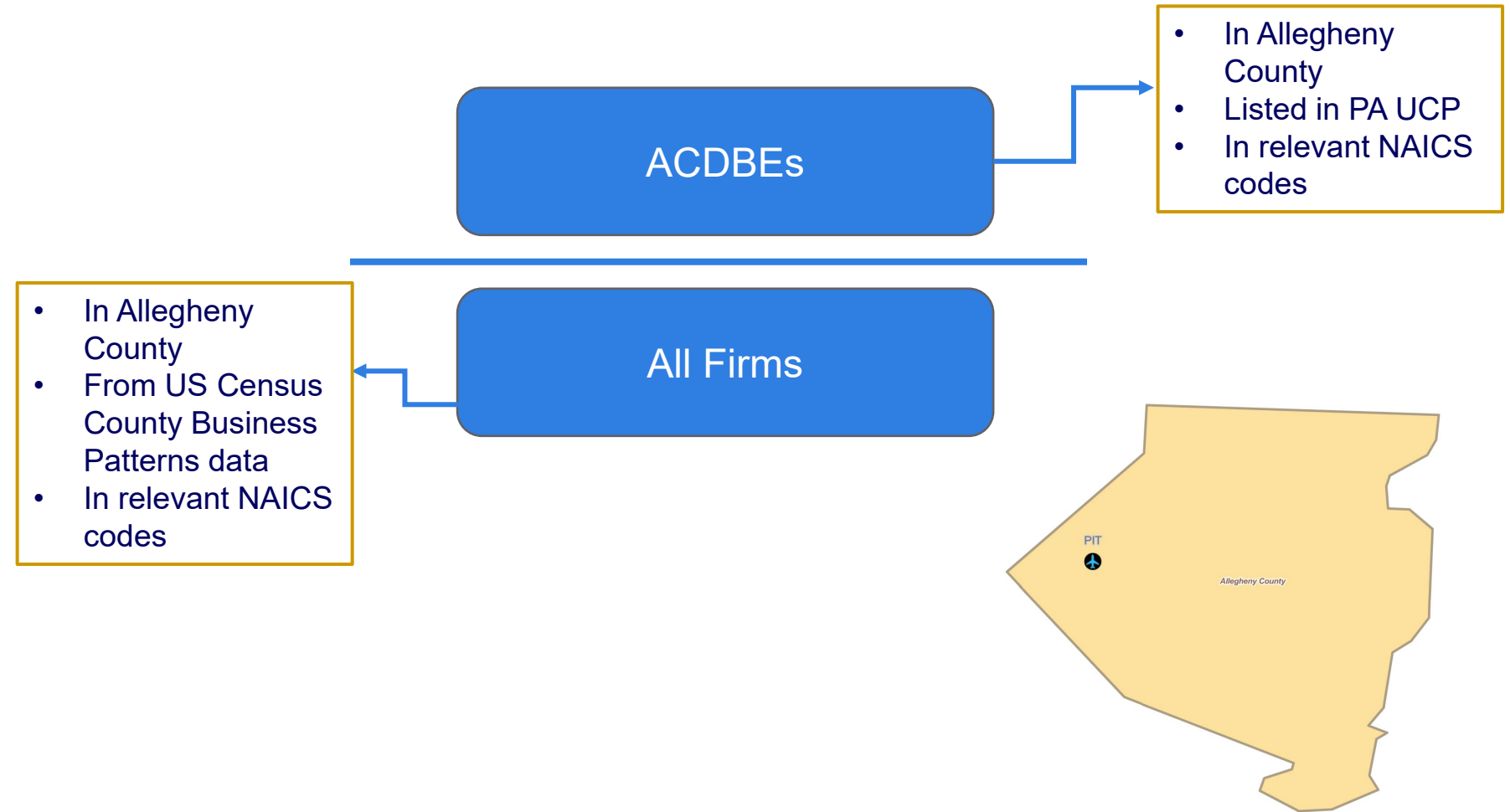
ACTIVITY	PROJECTED NON-CAR REVENUE FFY2023- FFY2025
Advertising	\$ 4,937,294
Food & Beverage	\$ 121,894,591
Passenger Services	\$ 16,741,821
News and Gifts	\$ 28,220,767
Retail & RMUs	\$ 38,932,735
Parking Lots & Garages	\$ 83,825,551
Telecommunications	\$ 72,000
Total	\$ 294,624,759

SOURCE: ACAA



ACAA's Base Figure: Non-Car Rental

- Based on projected opportunities, determine the % of ACDBEs compared to all firms that can participate in ACAA's concessions programs.



ACAA's Base Figure: Non-Car Rental



Relevant NACIS Codes Identified	Description
541850	Advertising
541611	General Management Consulting Services
722511, 722513	Food & Beverage
445132, 446120, 446130, 454210, 456120, 456130, 517121, 517911, 523130, 523160, 812199, 812990	Passenger Services (vending machines, prepaid phone, cards, spa services, shoeshine, luggage, carts, payphones)
424920, 453220, 459210, 459420, 541212	News and Gifts
448210, 448310, 448320, 458110, 458210, 458310, 458320	Retail & RMUs
812930	Parking Lots & Garages
517312, 517121	Telecommunications

ACAA's Base Figure: Non-Car Rental

- **Calculate Step 1 Results**

ACTIVITY	PROJECTED NON-CAR REVENUE FFY2023-FFY2025	% of whole
Advertising	\$ 4,937,294	1.68%
Food & Beverage	\$ 121,894,591	41.37%
Passenger Services	\$ 16,741,821	5.68%
News and Gifts	\$ 28,220,767	9.58%
Retail & RMUs	\$ 38,932,735	13.21%
Parking Lots & Garages	\$ 83,825,551	28.45%
Telecommunications	\$ 72,000	0.02%
Total	\$ 294,624,759	100.00%

SOURCE: ACAA



Adjusting ACAA's Base Figure - Non-Car Rental

After Step 1, determine what adjustment, if any, is needed to the base figure. Consider:

- Past ACDBE participation
- Evidence from disparity studies
- Any available evidence from related fields that affect the opportunities for ACDBEs to form, grow and compete

Step 2: Past participation of ACDBEs was determined to be the only relevant adjustment to consider.

Fiscal Year	ACDBE Achievement
2019	17.24%
2020	16.1%
2021	8.5%

Regulations require using the median (or middle) past participation percentage



Adjusting ACAA's Base Figure - Non-Car Rental

- Calculate the Overall Goal by averaging the results of Step 1 (5.78%) with Step 2 (16.1%)
- ACDBE Non-Car Rental Goal of 10.9%

$$\frac{5.78\% + 16.1\%}{2} = 10.9\%$$

ACDBE Car Rental



ACAA's Car Rental ACDBE Goal

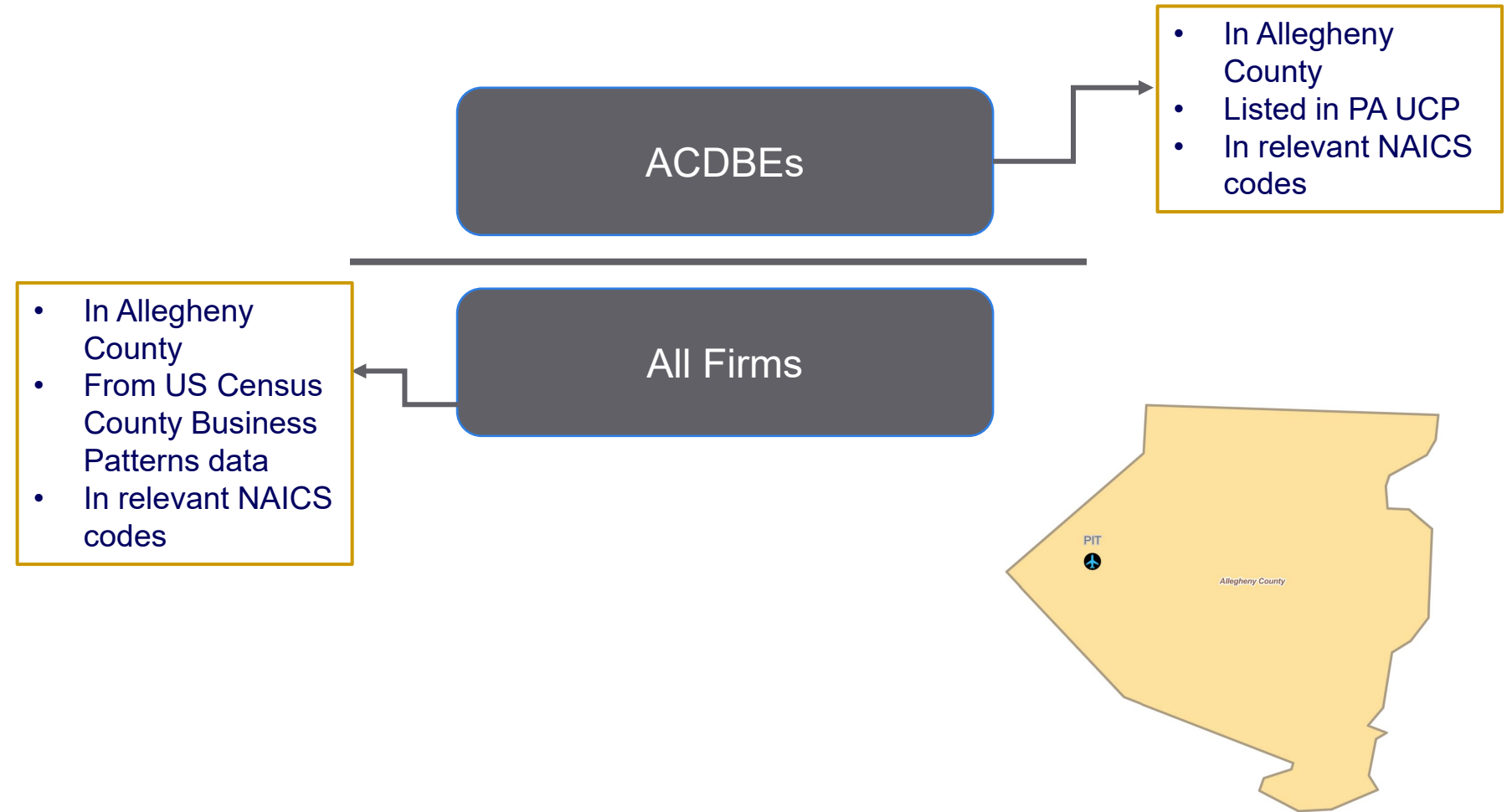


Similar process as Non-Car Rental, but focuses on

- Expenditures by car rental agencies
- ACDBE participation supporting those expenditures, typically in areas such as:
 - Sign installation
 - Janitorial services
 - Janitorial equipment and supplies
 - Towing
 - Insurance
 - Key and lock services
 - Auto repair

ACAA's Base Figure: Car Rental

- Based on projected opportunities, determine the % of ACDBEs compared to all firms that can participate in ACAA's Car Rental concessions programs.



ACAA's Base Figure: Car Rental

- **Calculate Step 1 Results**

Concession Type	NAICS codes	ACDBE firms	All firms	Relative Availability (ACDBE/All Firms)
Signage	238390, 339950	8	56	14.29%
Hardware Manufacturing/ Locksmiths	332510, 561622	1	14	7.14%
Auto Repair & Maintenance/ Auto Parts/ Equipment	423120, 423850, 811111	7	468	1.50%
Support Activities for Transportation	488410, 811192, 811121	2	100	2.00%
Insurance	524210	5	574	0.87
Hazardous Waste Collection	562112	0	0	0.00%
New Car Dealers	441110	0	90	0.00%
Tire Dealers	441320, 441340	0	72	0.00%

SOURCE: ACAA



Adjusting ACAA's Base Figure - Car Rental

Step 2: Past participation of ACDBEs was determined to be the only relevant adjustment to consider.

Fiscal Year	ACDBE Achievement
2019	0.67%
2020	15.78%
2021	0.8%

Regulations require using the median (or middle) past participation percentage



Adjusting ACAA's Base Figure - Car Rental

- Calculate the Overall Goal by averaging the results of Step 1 (1.67%) with Step 2 (0.8%)
- ACDBE Non-Car Rental Goal of 1.23%

$$\frac{1.67\% + 0.8\%}{2} = 1.23\%$$

Upcoming Opportunities



Concessions Opportunities

- Construction for the new landside terminal is underway
- Phasing approval for airside renovations is currently being decided
- Anticipated timing of the two projects will result in opportunities between 2024 and 2025 for:
 - Food and Beverage
 - Retail
 - Services

Public Participation and Comments



- ACAA is required to communicate with the **public in two ways for ACDBE goal-setting**
 - Consultative process with stakeholders
 - Today
 - Publishing of goals on its website
- **Please ask us your questions now, or send comments on the goal and/or methodology by February 3, 2023 to:**

Virginia Culbreath
DBE Program Administrator
vculbreath@flypittsburgh.com

Discussion/Questions



An architectural rendering of a modern airport terminal. The terminal building features a large, cantilevered roof with a complex, angular design. The facade is composed of dark, vertical panels. In the foreground, a large, open green courtyard is filled with people. On the left, a group of people is seated at a table under a large, flat, wooden pergola. In the center, several children are playing on the grass. To the right, a woman is sitting in a yellow armchair, reading a book. The background shows more trees and a clear blue sky with scattered white clouds.

Thank You

The future of travel is here and it's focused on you.