

**County of Milwaukee  
Community Business Development Partners (CBDP)  
Inter-Office Communication**

**DATE:** September 30, 2011

**TO:** Lee Holloway, Chair  
Milwaukee County Board of Supervisors  
Michael Mayo, Sr., Chair  
Transportation, Public Works & Transit Committee  
Lynne De Bruin, Chair  
Economic & Community Development Committee

**FROM:** Freida Webb, Director  
Community Business Development Partners (CBDP)

**Subject:** FFY 2012-2014 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goals Submission to the Federal Aviation Administration (FAA)

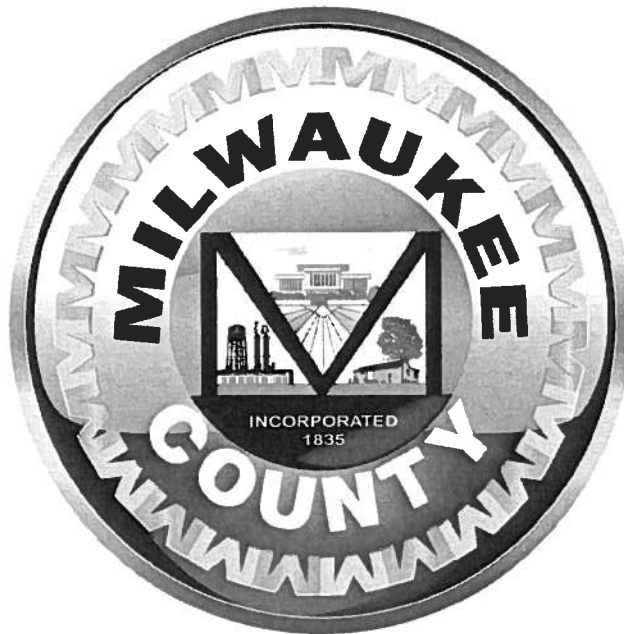
Whereas, the United States Department of Transportation requires timely submission and FAA approval of Milwaukee County's overall ACDBE goals as a condition of eligibility for FAA financial assistance. Whereas, 49 CFR Part 23 requires submission of new ACDBE goals every three years in order to show good faith in complying with the requirements therein.

In accordance with the reporting guidelines of 49 CFR Part 23, this document is submitted for your review and approval. Thereafter, CBDP will forward this document to the FAA for approval.

This has been prepared by legal consultant Jaya Sharma, and CBDP staff members Freida Webb and Mark Phillips.

Freida Webb, Director  
Community Business Development Partners

**2012-2014  
AIRPORT CONCESSION  
DISADVANTAGED BUSINESS ENTERPRISE  
(ACDBE) PROGRAM GOALS  
FOR  
MILWAUKEE COUNTY  
OCTOBER 1, 2011**



**SUBMITTED TO:  
U.S. DEPARTMENT OF TRANSPORTATION  
FAA GREAT LAKES REGIONAL OFFICE  
2300 E DEVON AVE  
RM 440 (AGL)  
DES PLAINES IL 60018**

**PREPARED BY:  
MILWAUKEE COUNTY BOARD OF SUPERVISORS, OFFICE OF  
COMMUNITY BUSINESS DEVELOPMENT PARTNERS (CBDP)**

**2012-2014  
AIRPORT CONCESSION  
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## **INTRODUCTION**

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In accordance with 49 CFR Part 23, Milwaukee County is submitting the FFY 2012-2014 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goals for General Mitchell International Airport (GMIA). The ACDBE Goals have been disaggregated into two separate goals as provided by § 23.41. The first goal is for non-car rental concessions and the second goal is for car rental concessions. As required by §23.41(c) the goals are for a 3-year period.

For the first year of the 3-year Federal Fiscal Period, there are no new car rental concessions as the current concession term expires December 31, 2012. Therefore, the existing contractual goal of 4% will be enforced. In early 2012 GMIA Management will determine the scope and number of spaces available for lease in order to solicit new proposals for car rental concessions. For now, we anticipate using the same goal for the remaining two years of the FFY 2012-2014. Once the scope of the concessions is finalized, we will revisit the goal for car rental concessions and may submit revised goals based upon new data. Therefore, for this submission we have used the 4% figure to show anticipated ACDBE participation.

For non-car rental concessions, new opportunities will arise only for specialty retail concessions. However, at this point in time GMIA Management is considering various options for the type of specialty concessions to be solicited. Therefore, details of the concession opportunities are unavailable for goal setting purposes. Milwaukee County will submit revised goals to show the concession goal for this new concession opportunity once the options are selected. The overall ACDBE goal has been determined based upon the assigned contract goals for each of the currently existing concessions.

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## **CALCULATION OF ACDBE GOALS FOR NON-CAR RENTAL CONCESSIONS**

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As mentioned in the Introduction, Milwaukee County anticipates no new, non-car rental concession opportunities for FFY 2012-2014. The ACDBE Goals were set on the existing concession opportunities in FFY 2008 and they will continue in force throughout FFY 2012-2014.

In setting the goals for the existing food and beverage, news and gift, and retail concessions in 2008 for FFY 2009-2011, Milwaukee County used the two-step

goal setting methodology mandated by 49 CFR Part 26; that is now required by 49 CFR part 23.

Table 1 below shows current concession opportunities and the date the lease begins and expires for each of these concessions

**TABLE 1**

**NON-CAR RENTAL CONCESSIONS**

<b>Concessionaire</b>	<b>Type</b>	<b>Date Lease Begins</b>	<b>Date Lease Ends</b>
HMS Host*	Food/Beverage	11.1.2008	10.31.2019
SSP American*	Food/Beverage	11.1.2008	10.31.2019
Paradies-Mark II*	News/Gift	3.1.2004	2.28.2012
Clear Channel*	Advertising	4.30.2009	4.30.2014
Renaissance Books*	Book Store	6.1.2004	Month to month
Royal Shine *	Shoe Shine	2.1.2004	Month to month
M&I Bank**	ATM	10.1.2003	9.30.2011
Flight Services & Systems**	Luggage Carts	12.1.2006	11.30.2011
Smarte Carte**	Massage Chairs	12.1.2008	11.30.2013
Travelex Currency *	Phone Cards	5.1.2005	5.31.2013
Concourse Communications**	Wi-Fi	12.16.2004	2.28.2016
Pacific Telemanagement*	Pay Phones	6.01.2010	5.31.20013
Countywide Shuttle Service*	Airport Shuttle	10.1.2008	10.31.2016
CPS Parking*	Parking Mgmt	10.1.2008	8.31.2016

\* Concession Opportunities where ACDBE participation is possible

\*\* Concession Opportunities where no ACDBE participation is possible

Table 2 below shows the anticipated revenues for the existing Concessions identified in Table 1 above and the resultant goals based upon these anticipated revenues. We have established our ACDBE Program Goal for FFY 2012-2014 at 20.40%.

TABLE 2

NON-CAR RENTAL CONCESSIONS ACDBE GOALS FFY 2012-2014								
			10/1/11-9/30/12		10/1/12-9/30/13		10/1/13-9/30/14	
			Anticipated	Anticipated	Anticipated	Anticipated	Anticipated	Anticipated
Concessionaire	Type	DBE	Gross	DBE	Gross	DBE	Gross	DBE
		Goal	Receipts	Receipts	Receipts	Receipts	Receipts	Receipts
HMS Host	Food/Beverage	25%	\$8,242,760	\$2,060,690	\$9,067,036	\$2,266,759	\$9,973,740	\$2,493,436
SSP America	Food/Beverage	25%	\$15,582,538	\$3,895,635	\$17,140,792	\$4,285,198	\$18,854,871	\$4,713,718
Paradies-Mark II	News/Gifts	30%	\$11,572,773	\$3,471,832	\$12,730,050	\$3,819,115	\$14,003,055	\$4,200,917
Clear Channel	Advertising	3%	\$768,702	\$23,061	\$845,573	\$25,367	\$930,130	\$27,903
Renaissance Book Shop	Books	11%	\$570,373	\$62,741	\$587,484	\$64,623	\$605,109	\$66,561
Royal Shine II	Shoe Shine	0%	\$51,378	\$51,378	\$52,900	\$52,900	\$54,507	\$54,507
M & I Bank	ATM Fees	0	\$101,316	0	\$104,355	0	\$107,486	0
Flight Services & Systems	Luggage Carts	0	\$71,012	0	\$73,143	0	\$75,337	0
Smarte Carte Massage	Massage Chair	0	\$26,818	0	\$27,623	0	\$28,451	0
Travelex Currency Services	Phone cards	0	\$8,335	\$8,335	\$8,585	\$8,585	\$8,842	\$8,842
Concourse Communications	Wi-Fi	0	\$153,627	0	\$158,235	0	\$162,982	0
Pacific Telemanagement	Pay phones	17%	\$8,105	\$1,378	\$8,348	\$1,419	\$8,599	\$1,462
Total Non Car Rental Concessions			\$37,157,737	\$9,575,050	\$40,804,124	\$10,523,966	\$44,813,109	\$11,567,346
Management Contracts								
Countywide Shuttle	Shuttle Services	15%	\$55,310	\$8,296	\$55,865	\$8,379	\$56,420	\$8,463
CPS Parking	Parking Mgmt	15%	\$6,106,309	\$ 915,946	\$6,258,967	\$938,845	\$6,415,416	\$962,316
Total Management Contracts			\$6,161,619	\$924,242	\$6,314,832	\$947,224	\$6,471,836	\$970,779
Overall DBE Goal			DBE Receipts		\$25,059,237 = 20.40%			
			Non-DBE Receipts*		\$122,800,108			
* The base for calculating the overall goal includes the gross receipts for all non-car rental concessions and only the ACDBE receipts for the management contracts in accordance with 49 CFR Part 23 § 23.47								

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## **CALCULATION OF ACDBE GOALS FOR CAR RENTAL CONCESSIONS**

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Milwaukee County will structure the ACDBE car rental goal entirely in terms of purchases of good and services which is a permissible alternative in accordance with 49 CFR Part 23, §23.51(c)(5)(ii). Table 3, on page 7 shows the estimated ACDBE annual revenues for FFY 2012-2014 for the existing car rental agencies operating at GMIA. As indicated above, the car rental goals under the previous reporting period, FFY 2009-2011, were set at 4% on purchases of services and goods by rental car agencies. These goals will remain in force until the County finalizes its solicitations for car rental concessions.

As indicated in the introduction to this report, the current car rental concession contracts expire December 31, 2012. In early 2012 GMIA Management will determine the scope and number of spaces available for lease in order to solicit new proposals for car rental concessions. The goals for car rental concessions will be revisited at that time.

**TABLE 3**

<b>PROJECTED GROSS RECEIPTS FOR CAR RENTAL CONCESSIONS 2012-2014</b>								
			<b>10/01/11-9/30/12</b>		<b>10/01/12-9/30/13</b>		<b>10/01/13-9/30/14</b>	
<b>Rental Car Companies</b>		<b>DBE Goal</b>	<b>Anticipated Gross Receipts</b>	<b>Anticipated DBE Gross Receipts</b>	<b>Anticipated Gross Receipts</b>	<b>Anticipated DBE Gross Receipts</b>	<b>Anticipated Gross Receipts</b>	<b>Anticipated DBE Gross Receipts</b>
Avis	Car rental	4%	\$14,027,098	\$561,083	\$14,447,911	\$577,916	\$14,881,349	\$463,006
Budget	Car rental	4%	\$9,306,162	\$372,246	\$9,585,347	\$383,413	\$9,872,908	\$305,503
Dollar	Car rental	4%	\$4,221,510	\$168,860	\$4,348,155	\$173,926	\$4,478,600	\$179,144
Enterprise	Car rental	4%	\$11,742,235	\$456,009	\$11,742,235	\$469,689	\$12,094,502	\$133,039
Hertz	Car rental	4%	\$16,327,148	\$653,085	\$16,816,962	\$672,678	\$17,321,471	\$1,905,361
Midwest	Car rental	4%	\$10,652,370	\$425,094	\$10,971,941	\$438,877	\$11,301,100	\$1,243,121
Thrifty	Car rental	4%	\$3,263,951	\$130,558	\$3,361,869	\$134,474	\$3,462,725	\$380,899
<b>Total Car Rentals</b>			<b>\$69,198,467</b>	<b>\$2,767,939</b>	<b>\$71,274,421</b>	<b>\$ 2,850,420</b>	<b>\$73,412,654</b>	<b>\$2,936,506</b>
<b>Overall DBE Goals</b>			<b><u>\$8,555,422</u> = 4%</b> <b>\$213,885,542</b>					