

Attachment 5

Overall Goal Calculation for Concessions Other Than Car Rentals

Name of Recipient:

La Crosse Regional Airport ("Airport")

Goal Period: FY-2026-2027-2028 - October 1, 2025, through September 30, 2028

Overall Three-Year Goal:

1.75%, to be accomplished through 0% RC and 1.75% 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

La Crosse Regional Airport (Airport) is a non-hub primary airport. It is located 5 nautical miles northwest of La Crosse, a city in La Crosse County, Wisconsin. It is the sixth busiest of eight commercial airports in Wisconsin in terms of passengers served. In CY 2023, Delta Air Lines and their affiliates ended operations at the Airport. This resulted in a decline in passenger enplanements from 2022 to 2023 by 34%. Traffic decline continued in 2024 with a reduction of 8%. It is anticipated that passenger traffic will begin recovery in 2025 and continue growth thereafter.

Table 5-1: Annual Passenger Traffic

Year	PAX	% Chg.
2022	63,239	
2023	41,457	-34%
2024	38,336	-8%

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.

Airport has determined that its market area for concessions other than car rental is as follows.

Market Area	
News/Gifts	Food Services
La Crosse County, WI	La Crosse County, WI
Houston County, MN	Houston County, MN
Winona County, MN	Winona County, MN

Base of Goal

To calculate the base of the goal 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

The Airport's concession program for non-car rental concessions is covered by one agreement. Currently, the airport does not have management contracts or subcontracts during the reporting period. More detail is provided below.

Table 5-2: Gross Receipts for Previous 3 Years - Non-Car Rental Concessions

Fiscal Year	Non-Car Concessions Revenue (Gross Receipts)
2022	\$372,826
2023	\$262,102
2024	\$209,632

After experiencing a decline in gross receipts, following the withdrawal of Delta, the Airport is projecting a 12% increase in passenger traffic for 2025 and 10% thereafter. The Airport estimates that traffic will result in similar concessions growth of 12% for the first year and 10% for the following two years.

Table 5-3: Estimated Gross Receipts for Next 3 Years

Goal Period	Prior Year	% Growth	\$ Growth	Prior Year	Projected Growth Amount
2025	\$209,632	+ 12% =	\$25,156 +	\$209,632 =	\$234,788
2026	\$234,788	+ 10% =	\$23,479 +	\$234,788 =	\$258,267
2027	\$258,267	+ 10% =	\$25,827 +	\$258,267 =	\$284,093
Total					\$777,148

There is no new concession opportunities anticipated during this goal period.

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, 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

Step 1:

The Step 1 figure was calculated as follows.

The following concessions are offered at the Airport. Some concessions are handled by Airport staff and will be excluded in the goal calculations. Furthermore, all concessions that are outsourced are combined in one contract operated by a single concessionaire.

Table 5-4: Available Concession Opportunities

Concession Activity	NAICS	Operation
Food & Beverage	722511	Contracted
News & Gifts	453220	Contracted
Advertising	541810	In-house
Car Wash	811192	In-house

The data source used was the Wisconsin Unified Certification Program (UCP) directory for ACDBE firms and the County Business Patterns by the Census Bureau for all firms.

Table 5-5: ACDBE Market Share

Concession Activity	NAICS Code	ACDBE Firms	All Firms	Pct. Availability
Food & Beverage	722511	8	138	5.8%
News & Gifts	453220	5	14	35.7%
Total		13	152	8.55%

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: **8.55%**.

The Airport explored a weighted approach by separating the food & beverage sales from the news & gifts. Food & beverage account for approximately 75% of total sales and the remaining 25% is attributed to news & gift. Using the weighted approach, the base figure is 13.28%

Table 5-6: ACDBE Weighted Market Share

Concession Activity	NAICS Code	ACDBE Firms	All Firms	Pct. Availability	Pct. Of Concession Dollars	Weighted Availability
Food and Beverage	722511	8	138	5.80%	75%	4.35%
News and Gifts	453220	5	14	35.71%	25%	8.93%
Total						13.28%

Because the sample size is small for both ACDBEs and all firms identified through the census, the Airport has elected to use a straight market share as calculated in Table 5-5.

The Step 1 figure for our overall goal for non-car rental concessions of: **8.55%**.

Step 2:

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

The Airport awards one concession contract that includes food & beverage, news & gifts and vending. There are no other concession opportunities except for car rentals. Because the projected gross revenue is small, the Airport does not believe that subcontracting is a probable option. Therefore, the Airport anticipates ACDBE participation to be achieved through goods and services.

To reflect as accurately as possible the ACDBE participation we would expect in the absence of discrimination, we have adjusted our base figure by 5.15%. Our overall goal for non-car rental concessions is **1.75%**

To reach this conclusion, the Airport explored two methods to determine the adjustment to the base figure.

Method 1: Past Participation combined with Step 1 base goal

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

Table 5-7: Past ACDBE Participation

Fiscal Year	RC	RN	Total Achievement
2020	0.36%	0.00%	0.36%
2021	2.38%	0.00%	2.38%
2022	1.75%	0.00%	1.75%
2023	0.00%	1.67%	1.67%
2024	0.00%	2.59%	2.59%

Arranging this historical data from low to high, .36%, 1.67%, 1.75%, 2.38%, and 2.59%, the median is 1.75% which is our Step 2 adjustment figure.

To arrive at an overall goal, we added our Step 1 base figure of 8.55% with our Step 2 adjustment figure of 2.59% and then averaged the total arriving at an overall goal of **5.57%**.

$$(8.55\% + 2.59\%) \div 2 = 5.57\%$$

Method 2: Average Past Participation

Because the Airport believes that ACDBE participation will most likely be achieved through goods and services, Airport believes that the historical data is a more accurate gauge in determining overall goal. The average ACDBE participation for the past five years is 1.75%.

Table 5-8: Average ACDBE Participation over Past 5 years

Fiscal Year	Total Achievement
2020	0%
2021	2.38%
2022	1.75%
2023	1.67%
2024	2.59%
Total	8.75%

$$8.75\% \text{ total for five years} \div 5 \text{ years} = 1.75\% \text{ Average}$$

The Airport believes that the adjusted goal calculated by Method 2 is a more accurate means of providing evidence of the availability of ready, willing and able ACDBEs relative to all businesses ready, willing and able to participate in the Airport's ACDBE program during this 3-year period. Therefore, the Airport proposes a Step 2 adjustment of 5.15% arriving at an overall goal of **1.75%**.

PUBLIC PARTICIPATION

The Airport does not anticipate any new concession opportunities during the goal period. Therefore, the consultation requirement in the development of Airport's overall goal is not required [§23.43(c)].

The Airport has notified the following organization of the proposed goal.

Airport Minority Advisory Council
info@amac-org.com
(703) 414-2622

La Crosse Small Business Development Center
sbdc@uwlax.edu
608.785.8782

Women's Alliance of La Crosse
<https://www.womensalliancelacrosse.com/>

Wisconsin Supplier Diversity Program
Department of Administration
PO Box 7970
Madison, WI 53707-7970

Current ACDBE certified within the State of Minnesota
Greater La Crosse Area Diversity Council
arlette@glaxdiversitycouncil.com

Current La Crosse Regional Airport and La Crosse Area businesses and concessionaires including:

- Tailwind Concessions
- Enterprise Rent-A-Car
- Avis/Budget Car Rental

ACDBE certified concessionaires within the State of Wisconsin via Unified Certification Program.

The Airport has posted the overall goals on its website.

Breakout of Estimated Race-Neutral & Race Conscious participation

Airport will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating ACDBE participation. The primary measure 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 Airport's FAA-approved ACDBE Program Plan.

We estimate that, in meeting our overall goal of 1.75%, we will obtain 1.75% from race-neutral participation and 0% through race-conscious measures.

The Airport has limited opportunities to establish race conscious means and propose to meet its goals through race neutral means. The Airport reached this conclusion because of the following:

1. The Airport has only one contract for all non-car rental concessions and opportunities to share this concession is limited due to the small gross revenues generated.
2. Goods and services will be the primary means for achieving ACDBE participation.
3. The Airport surpassed its prior goal through race neutral means.

The Airport does not plan to offer a concession opportunity during the goal period. The option to utilize race conscious measures may not be available in the event that the Airport falls short in meeting its goals. Should the Airport ACDBE participation fall short of the goal, the Airport will work with concessionaire to do the following:

1. Identify potential ACDBEs and encourage them to get certified.
2. Work with the concessionaire to make ACDBEs and potential ACDBEs of goods and services aware of opportunities.

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 and we will track and report race-neutral and race conscious participation separately. For reporting purposes, race-neutral ACDBE participation includes, but is not limited to, the following: ACDBE participation through a prime contract that an ACDBE obtains through customary competitive procurement procedures; ACDBE participation in a concession opportunity that does not have an ACDBE goal; ACDBE participation that exceeds 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 and report accordingly.