

**CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD**

**Monday, April 3, 2000
2:00 p.m.**

Present: Gary Adamson, Robert Alford, Tim Austin, Dion Avello, Charles Bouilly, Beth Garrison, Jim Gregory, Elizabeth Kinch, Jeffrey Roberts.

Absent: Larry Fleming, Dorothy McKay, Jay Swanson

Staff: Chris Cherches, Bailis Bell, Doug Moshier, Valerie Wise, Clerk

Chairman Charles Bouilly called the meeting to order.

Approval of Minutes

Garrison moved to approve the March 6, 2000 minutes of the Wichita Airport Advisory Board. Motion carried unanimously.

Cherches introduced Jeffrey Roberts, Mayor of Hutchinson and Chairman of REAP, and Tim Austin, new WAAB member.

Review of Annual Report to City Council

Bell presented the 1999 Annual Report of the Wichita Airport Authority. The report provides a summary of airport activities, including passenger enplanements, public works projects undertaken, significant increases/decreases in service provided by the tenants of the airport, and the WAA financial picture.

Cherches stated that every City Advisory Board is required by ordinance to prepare an annual report to the City Council.

Air Service Status Presentation

Angie Prather, Marketing Consultant for the Wichita Airport Authority, presented various charts depicting current air service, average domestic air fares paid at Wichita and surrounding airports, top markets at Wichita, and the monthly enplanement passenger count for 1994 – 2000. The years 1995 – 1997 were irregular years in that Western Pacific Airlines and Vanguard Airlines provided discount air service to five non-stop locations which drove passenger traffic up and average airfares down.

The U.S. Department of Transportation provided the statistics showing the average domestic one-way fares paid per quarter. This information was pulled from actual tickets

purchased and compared fares from Wichita, Dallas/Ft. Worth, Des Moines, Oklahoma City, Tulsa, and Kansas City.

Dallas/Ft. Worth has been Wichita's number one destination for 12-13 years. The top ten cities generally remain the same.

There are approximately 3,000 seats departing Mid-Continent per day and of those, about 59% are full. This has increased a little due to a change in equipment used. Some aircraft have changed from larger jets to regional jets.

The Airport Authority works closely with the Chamber of Commerce on air service activities. The marketing function has changed over the years as the industry has changed. The airlines used to have marketing and sales personnel in this market, but as the airlines downsized, the airlines changed operations and no longer have sales representatives in Wichita. TWA is currently the only airline with a sales representative in Wichita. Since they do not have staff to monitor the economic development activities in Wichita, it is important for the Airport Authority to keep the airlines abreast of these happenings. This information helps the airlines when making adjustments in terms of equipment and schedules. There is also more facilitation done with the airlines. For instance, the Airport Authority is working with an airline in making arrangements for a Vice President to speak to a group in Wichita.

The Airport Authority has had vigorous marketing campaigns in the past to attract passengers to this airport. Visits have been made to airline headquarters to attract new service or discuss current service, and suggestions have been made as to fares, equipment, and scheduling. The Airport Authority and the Chamber work together with airlines to announce new airline service and coordinate those activities with the media and area businesses.

Airfares from Salina to Denver were discussed. Airport Authority staff has had several discussions with United Airlines representatives about the discrepancy in airfares. United Airlines' partner, which is flying that route, is allowed to determine the price they want to charge. With this airline stopping in Hays, Kansas on its way to Denver, it ties into essential air service. This means that the airfares are subsidized with federal funds.

Airport Fund Status Report

Bell presented the 1999 Annual Financial Report of the Wichita Airport Authority. Long-term debt is being reduced at a rapid pace. In 1999, \$4.5 million was paid and \$3.2 million will be paid in 2000.

Cash flow projections for Wichita Mid-Continent Airport and Colonel James Jabara Airport for the years 2000 – 2005 were reviewed. The projections do not include special facility revenue bond properties that will come on board. It does take into account all planned construction with financing for 15 years at 6%, and includes a parking garage, and \$6 million of general obligation bonds for the terminal building remodel. The ending

cash projections show there are opportunities to build, to expand, to pay cash instead of bonding, to finance tenant facilities with airport money, etc. The existing long-term debt at the end of 2002 will be down to \$817,000. This report also assumes no passenger facility charges after 2003.

2000 WAAB Work Program

Cherches directed the board members to begin focusing on major policy issues and planning efforts to improve the airport operations and long-term development and growth. The board should begin with a strategic financial plan coupled with the airport's physical master plan. It would be advisable to know what plans currently exist and possibly build on them for the next five years. The board as a whole or subcommittees could be formed. The board should be familiar with the airport master plan, should have a comprehensive review of the airport leasing program and policies, review capital improvement and maintenance standards. The board should also recommend a program that will involve customer satisfaction with air service and develop a survey of the tenants. The master plan is critical as it would drive the financial plan. The goal is to come up with a master plan for the next two to five years and show the methods to finance those plans. The main focus for the board is to decide on a work program for the year 2000 and set time frames accordingly.

Bell pointed out that it is not necessary to start from scratch, as financing has been planned for a long period of time, and there is a current master plan that is updated every five years. In preparing a master plan, two barometers are considered: (1) the number of passengers and (2) the number of aircraft operations. Making the transition from ground transportation to air transportation and vice versa is the basic business of the airport. Other businesses are part of the economic engine aspect. Airports are traditionally good places for industrial parks. The master plan considers a multitude of things, i.e., how you match the physical plant to the needs of the aviation industry that you are trying to support. The master plan considers land use around the airport as it affects the aviation world, and not the industrial world.

It was suggested that the board have one-item agendas with preliminary information supplied by staff in advance of the board meetings. If any expertise from consultants is required, that can be made available. However, it should first be decided what tasks the board wants to undertake, and what approach should be used. The City's Idea Center could be utilized to do brainstorming.

There is a multitude of FAA regulations that could restrict certain developments on the airport. It was suggested that probably the biggest policy question the board will have to deal with is what should the land use be on and around these airports. There are Federal and Kansas laws dealing with this subject. The most prohibitive law states that land use at either airport must be for aviation-related businesses or governmental purposes only.

Cherches offered to provide a framework for discussion that would help the board focus their brainstorming. These guidelines will be provided prior to the next meeting. A list

of what is required at the airport plus a list of options might be a starting point. It would be helpful to review the comprehensive plan around airports.

Gregory moved to hold the next WAAB meeting at the City's Idea Center in order to develop priorities according to the policy and development projects with which the WAAB is charged. Motion carried 9 to 0. A planner will attend the next WAAB meeting.

Cherches asked the board if there were other items that should appear on future agendas that should be programmed in. This could be discussed at the next meeting. This would give staff time to plan and prepare in advance the information that is required.

Monthly Statistical/Project Report – February 2000

This is a monthly report showing passenger traffic, aircraft operations, cargo activity, and projects under construction.

Other Business

There was discussion concerning transportation to the airport from smaller communities.

Alford mentioned two conferences to be held in the near future that he would like to attend: an Airports Council International Commissioners' Annual Conference June 8-10, 2000 and an FAA/AMAC Airport Business Diversity Conference, June 17-21, 2000. Boards and Commissions are under a policy established by City Council that states that any outside travel at city expense would have to be recommended by the Board, within budget and approved by City Council. Discussion ensued regarding development of a travel policy. Austin moved to form a subcommittee consisting of Elizabeth Kinch, Jim Gregory, Beth Garrison, Tim Austin and Bailis Bell to develop a travel policy and identify conferences that would be important to attend. Motion carried 9 to 0.

Meeting adjourned at 4:15 p.m.

Valerie A. Wise
Airport Advisory Board Clerk