

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, June 6, 2005 – 3:00 p.m.

Present: Tim Austin, Dion Avello, Charles Bouilly, Bill Calloway, Ron Estes, Mitch Faroh, Charles Fletcher, Willis Heck, Dorothy McKay, Dave Murfin, Jay Swanson, James Thompson

Absent: None

Airport Staff: Tom Nolan, John Oswald, Sandy Coykendall, Shannon Feltes, Jean Zoglman, Valerie Wise

Chairman Austin called the meeting to order.

Public Agenda

James Mendenhall addressed the Board with information on the aging population and encouraged use of this information in the planning of the new terminal. Mendenhall also stated that the Avian flu could be the next pandemic which could cause airports to be shut down, and recommended a task force be set up to study this. According to Mendenhall, Germany's airports have operating rooms that provide a revenue stream for airports.

Approval of Minutes

Motion by Fletcher to approve the minutes of the May 9, 2005 Wichita Airport Advisory Board meeting. Motion carried unanimously.

EagleMed Tenant Improvements

Interim Director Nolan reported that Ballard Aviation/EagleMed has been a longstanding tenant at Mid-Continent Airport, whose primary operation is emergency air ambulance services. EagleMed wishes to add 20 parking spaces to the west of its current parking lot; expand its aircraft movement ramp area adjacent to the north end of its current ramp area; and add a second entrance from taxiway H joining the expanded aircraft ramp movement area. EagleMed understands that it will be solely responsible for all costs associated with these improvements. The current lease will need to be amended to reflect the additional land rent and reimbursement to airport.

Motion by Swanson to ratify the proposed EagleMed improvements. Motion carried unanimously.

Sewage Treatment Plant Update

Chairman Austin stated that the Water and Sewer Department has advertised a request for proposals to design the sewage treatment plant on Site 18 on Mid-Continent Airport. Once an engineering consultant is hired, there will be substantial coordination with Airport staff. The first part of the process is to identify a concept which will have to be reviewed by the FAA and other agencies to determine compatibility with airport operations. The City Council has

approved Site 18 as the number one option, pursuant to compatibility with airport operations and FAA approval. Austin stated that after the compatibility assessment with the FAA is completed, it would be appropriate for the Water and Sewer Department to present its plans to this Board for final approval.

The Board expressed some concerns about the location of the sewage treatment plant, stating that the proposed area could be used for other, more desirable airport business developments.

Nolan pointed out an area southwest of the proposed site where the Cowskin Creek runs through the airport. Nolan had mentioned that he had discussed this site with David Warren who indicated an interest in this location, even though it is in a flood plain and would incur additional costs.

It was the consensus of the Board to recommend the area southwest of the proposed site as it would be more compatible with the airport developmental opportunities. This area could be developed for the sewage treatment plant and generate land rentals in an area that would not otherwise be developed. The Board wants to remain involved in the process.

Mid-Continent Airport Market Assessment Study

Nolan provided highlights from the Sabre Study that was completed in April 2005.

- Since 2000, ICT traffic has grown 24%
- ICT has increased its capacity by 17.7% while its peer airports have decreased capacity
- Annualized airfare has dropped as much as 63% since 2000
- In ICT's top 50 destinations, fares have decreased as much as 50%
- Top destinations are: (1) Las Vegas, (2) Dallas/Fort Worth; (3) Atlanta; (4) Chicago; (5) Orlando
- Leakage to other airports, primarily Kansas City, has been reduced 7%. Leakage is now at 37%.

Avello stated that adequate funding for advertising is necessary in order to grow this market. Nolan gave an overview of the advertising campaign to be launched in June.

Program Management Contract

The proposal to award the program management contract to DMJM Aviation was presented at a City Council workshop on May 24, 2005. A competing firm has challenged the selection process. The selection committee consisted of eight City employees and one from the Airport, and the committee made their selection based on a rating system. The committee ranked DMJM Aviation number one and was well ahead of the other competing firms. Scope of services and costs have been negotiated and the costs were verified by an independent fee assessment. Also, the City Auditor and Attorney have reviewed the contract. The contract will be presented to City Council for approval on June 7, 2005.

Motion by Avello that the Wichita Airport Advisory Board recommends to the City Council approval of the program management contract with DMJM Aviation. Motion carried unanimously.

Jabara Airport Development Overview

Nolan stated that the main reasons for land acquisitions at airports are: (1) to keep runway approach zones free from development; (2) to ensure compatible land use with the airport; (3) airfield expansion, such as taxiways and aprons; and (4) airport development.

Oswald presented the Jabara Airport master plan diagram showing short-term, intermediate and long-term improvements. There was discussion regarding completed improvements and upcoming projects. Oswald also discussed the proposed area where the KTTI training school will be located.

The master plan consultant is aware of the KTTI development and suggested that with aggressive growth in the next three years, the land on the east side of Jabara Airport would become very valuable. Therefore, land acquisitions on the east side have been accelerated to short-term plans.

There was discussion regarding t-hangars and Jabara Road. Through entitlements, Jabara Airport receives \$150,000 per year for improvements. It is hoped that there will be discretionary funding from the FAA at year-end for some projects. None of the land acquisitions in the past two years have been purchased with federal funding. Funding for the Airport Improvement Program (AIP) is in jeopardy because of airfare restructuring by the legacy carriers. This has resulted in a decrease in the ticket tax revenue for the AIP because airfares have decreased.

Terminal Concessions

In an effort to provide comfort to the 1.5 million passengers using Mid-Continent Airport, it was proposed to install 8-10 automated massage chairs throughout the terminal. The DBE concessionaire currently offers a massage service in the terminal building, which has not really been successful. The proposal would allow the DBE concessionaire to contract with the company that provides these chairs. The company would own the chairs and the concessionaire would maintain them. This would generate concession revenue for the concessionaire and the airport. The manufacturer estimates, with 1.5 million passengers, these chairs could generate between \$60,000 to \$100,000 in revenue. The airport would receive a percentage of that amount.

There was discussion concerning liability issues. The manufacturer claims that people who engage in this service are admitting liability and states that it is not necessary to post a disclaimer. A concession agreement must indemnify the airport from any liability claims.

Motion by Fletcher to proceed with the installation of the massage chairs in the terminal building. Motion carried unanimously.

Terminal Plan Update

The City Council will take action on the program management contract on June 7, 2005. If approved, the next step is to issue a Notice to Proceed and begin negotiating a scope of services for the design contract with HNTB. It is expected to take three to four months to negotiate an agreement with HNTB.

There was discussion regarding the cargo building. A Request for Qualifications is in the process for a local architect to design the cargo building.

April 2005 Statistical /Project Report

Total passengers in April decreased .74% over 2004. For the year, net total passengers have increased 1.17%.

Other Business

Director of Airports Selection Process

Chairman Austin reports that approximately 40 resumes were received for the Director of Airports position. The City Manager, headhunter, and WAAB Chairman have narrowed the list to ten candidates. From those ten, four to five will be interviewed in front of a committee of the WAAB. The candidates will have to interview with a citizens' committee, staff committee, and WAAB committee. In response to a request for volunteers interested in participating on this committee, Fletcher, Murfin, and Calloway expressed an interest to serve.

July WAAB Meeting

The by-laws of the Wichita Airport Advisory Board call for the election of officers at its July meeting. Officers are allowed to serve for a maximum of two consecutive years. Austin has served two years.

McKay and Bouilly will not be returning to the WAAB. It is unclear if Estes can be reappointed due to his position as County Treasurer. All terms expire June 30, 2005.

The Board voted to move the July WAAB meeting to July 11, 2005 due to the July 4th holiday.

Air Service

There was discussion as to the lack of support for the Fair Fares initiative from the Hutchinson newspaper. The Board felt that there needs to be a concentrated public relations effort to handle air service issues. Austin is to find out who is handling public relations with regard to the Fair Fares and air service issues.

Airport Development

Austin has asked Dave Woods with the Chamber and Allen Bell, Economic Development Manager with the City of Wichita to update the WAAB of its business development plans.

Airport Safety Award

The Airport received the FAA's prestigious Safety Enhancement Award for zero discrepancies in the last three consecutive years.

Meeting adjourned at 4:45 p.m.