

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, August 7, 2006 – 3:00 p.m.

Present: Tim Austin, Dion Avello, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Willis Heck, David Murfin, Jay Russell, Jay Swanson and Bill Ward

Absent: Bill Calloway and Jeff St. Clair

Airport Staff: Victor White, Sandy Coykendall, Shannon Feltes, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Doug Moshier

Others: Micale Habtemariam with MBS Corp.
Bob Karslake with Midwest Corporate Aviation
David Warren with City of Wichita, Water and Sewer Dept.
Brent Wilson with the Wichita Eagle
Bruce Barnes with CDM

Chairman Fletcher called the meeting to order.

Approval of Minutes

Motion by Greenlee to approve the minutes of the July 10, 2006 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report

Flight Festival. Mr. White announced that the Wichita Flight Festival will be held at Jabara Airport August 25-27, 2006. Airport staff will assist with mowing grass, providing Safety personnel and equipment, and providing Operations personnel. It was suggested that the Courtesy Crew have a presence at the festival.

FAA Certification. The annual FAA safety certification inspection of Mid-Continent Airport was completed the previous week and zero discrepancies were reported. Mr. White congratulated the Operations and Safety crews for this achievement.

Terminal Plan Peer Review. A peer review was conducted the previous week that included representatives from 10-12 airports around the country. The purpose of the peer review was to discuss the proposed plan for the new terminal. Also in attendance were the consultants and architects on the project, Dwight Greenlee representing the WAAB, and airport staff. Mr. White stated that the majority of those attending were in favor of building a new terminal. There was considerable discussion regarding building a one or two-level terminal. The group recommended that a new terminal must be cost effective and inexpensive to maintain. Mr.

Greenlee stated that the group felt the life span of a terminal building was 20-30 years. The group was strongly in agreement about putting concessions in the post-security location.

Valerie Wise reported on the new e-newsletter feature and hot fares on the flywichita.com website.

Wise introduced Judy Evans, one of Mid-Continent Airport's Courtesy Crew members, who spoke about her experiences with helping passengers in the terminal building. Mr. White stated that many positive comments have been received since the start of this new program.

KAA Workshop. Airport staff hosted the Kansas Airport Association's summer workshop. John Oswald organized the event, and about 60 airport representatives from around Kansas attended.

Wastewater Treatment Plant

Bruce Barnes with CDM provided a drawing of the layout for the wastewater treatment plant. The entire tract of land is 7 ½ acres, and the building's dimensions will be 300 x 130 sq.ft. The building will take up about 1 ½ - 2 acres of the 7 ½-acre tract. The building will be metal and will look like a hangar to fit in with other airport buildings. The next step is to apply for a conditional use permit from the Metropolitan Area Planning Commission. There will be notification of zoning change to residents within a 1,000-ft. radius of the facility. Industrial wastewater treatment plants do not fit any zoning, therefore, a conditional use permit is required.

The FAA has approved the project. A lease agreement with the City will be written to cover this property. The terms will include an upfront payment with a 50-year lease. A net present value of what the lease payments would have been if month-by-month payments would be made will be determined, and the discounted rate by paying upfront will provide the Airport with needed cash for projects. The City can also benefit by including the rent cost as a capital cost in its bond issue when the facility is built.

Mr. White recommended the WAAB continue to approve this project for the development of the wastewater treatment plant in the planned location.

Discussion ensued. The extra land is necessary for access to the site and to provide a buffer area between the road and the site for security. The facility will be totally enclosed which will prevent bird hazards and contain odors.

Motion by Avello to approve this project for the development of the wastewater treatment plant on the planned location. Motion carried 10-1 (Murfin – no).

Mr. Austin stated that Poe & Associates is under contract with CDM but he is not personally working on this project.

Jabara Aviation Campus

Mr. White reported that airport staff has been negotiating with Sedgwick County to fashion a lease agreement for the construction and development of the site. The agreement is almost finished, with some fine-tuning of the legal language on insurance and indemnification, and

some of the financial terms. The lease will be 50 years for the land, and the tenant will be the Sedgwick County Public Building Commission. It will be effective October 1, 2006 and run through September 30, 2056. The lease will be for 20-25 acres of land. The County has hired a design team and it is necessary to fine-tune the facility and make sure the building and parking lot sizes are accurate. The land rental rate is the standard Jabara rental rate of \$.1088 per square foot per year. Since the County will pay upfront, the net present value discounted rate of 50 years worth of rent is about \$3.4 million. The Airport will do the engineering design and hire the contractor to build the taxiway that comes in from the runway to the site, and a portion of the ramp that sits in front of the building. Contrary to other leases, since this is a government agency, the Airport Authority will not receive the title to the building until after the 50 years is up. The Public Building Commission has approved the lease agreement in concept. Meetings are planned with the stakeholders later in August to discuss the design of the facility, size, etc.

Mr. White recommended the Board approve the terms as outlined so that this can be presented to the City Council/Wichita Airport Authority. The final version of the lease agreement should be ready by the September meeting of the WAAB.

Discussion ensued. The lease agreement states that the airport will pay no more than \$1 million of the \$3.4 million for the taxiway and ramp. Staff has submitted this project to the FAA for funding of the taxiway portion of the project, however, since this is for a single tenant, the FAA will not fund it. It could become eligible in the future. Mr. Greenlee suggested that some type of retail outlet be located on the end of the facility.

There was discussion relating to the necessity of the government building this facility instead of private enterprise.

It was the consensus of the Board to hold off on approval until the final lease agreement is presented.

Assignment of RAGE, Inc. Lease

Mr. White stated that in 1998 the Airport Authority entered into a land lease agreement with RAGE, Inc. to build an aircraft storage hangar at Jabara Airport. RAGE is now requesting approval to transfer and assign one-half of its right, title and interest in that agreement to Devlin Management, Inc. The agreement allows that with the consent of the Airport Authority. Any use of the facility must be aviation related, and RAGE has confirmed that it will continue to house general aviation aircraft. Devlin has one Citation jet that will occupy the hangar. Lease payments will be split 50/50.

Motion by Greenlee to approve the assignment of the RAGE lease to Devlin Management Inc. Motion carried 11-0.

Midwest Corporate Aviation Sublease of Hangar Seven to Quasar Aviation Corporation

Mr. White stated that the GWEDC has been working with Airport staff to find a location for a hangar for Quasar Aviation Corporation, a new aircraft manufacturer. Midwest Corporate Aviation has agreed to sublease hangar no. 7, which is a 12,000 sq.ft. hangar, to Quasar for a three-year period. Bob Karslake with Midwest Corporate Aviation stated that Quasar will build

the Sapphire ultra-light sport jet and is defined as weighing under 110,000 lbs. MGW. Quasar is based in Florida but has employees in Wichita. Quasar needs a hangar in order to get certification for their aircraft.

There was discussion about the possibility of Quasar building a plant in Wichita.

Motion by Austin to approve the sublease between Midwest Corporate Aviation and Quasar Aviation Corporation. Motion carried 11-0.

Terminal Area Redevelopment Program

John Oswald stated that HNTB Corporation, the architect on the project, was given notice to proceed. By contract, they have 8 ½ months to finish the project. The attendees at the peer review included Airport staff, the Program Manager, HNTB, airline representatives, TSA, FAA, and airport representatives. Staff is continuing to work with LFA on the financial capacity analysis. City Council approved the \$12.6 million contract for the design of the terminal. The first stage is the schematic design, which is about \$2.8 million. In order to go to the next step, City Council approval will be required. HNTB was not contracted to draw up plans for a remodel, but are aware that this may be a possibility.

There was discussion regarding the costs and advantages of a two-level versus a one-level terminal. Mr. Oswald stated that part of the renovation concept would add building in order for it to function as a modern, convenient terminal building. A renovation expansion would be a more accurate term. Renovation is not modernization in that it will not be as efficient as a new facility.

Mr. Gooch raised concerns with the piece-meal approach regarding the decision-making process.

Mr. Avello asked if anyone has visited other airports. Several airports have been visited, including Ft. Myers, Tulsa, Oklahoma City, Austin, Harrisburg, and Boise is planned. Architects with HNTB did the Knoxville Airport renovation and expansion. The Board expressed interest in visiting some airports.

Mr. Austin stated that it was his impression that the Board would define the process once the architectural agreement was signed. There were to be outreaches beyond the stakeholders to include public input, and Austin questioned how HNTB will achieve this in 8 ½ months. There needs to be landmarks set.

Mr. Murfin felt that a two-level terminal would be much more efficient, and that it needs to take care of the passengers. Since this facility will be used for the next 50 years, this is a project where the money needs to be spent in the right manner.

Jay Russell, Charlie Fletcher, and Dwight Greenlee volunteered to serve on a committee to be involved in the design process. Dave Murfin may be called on as an alternate.

Motion by Austin to establish a terminal plan committee consisting of Russell, Greenlee and Fletcher, with Murfin as an alternate. Motion carried 11-0.

Mr. White stated that weekly meetings are held on Wednesday afternoons and invited the committee to attend.

The final draft of the financial capacity study is to be reviewed next week.

June 2006 Statistical/Project Report

Total passengers were down 5.35% for the month of June over a year ago. For the year, passengers are down 4.78%. Ms. Wise stated that capacity is down about 18% from the previous year, which explains the decrease in passengers. There was discussion regarding the advertising campaign and the Courtesy Crew program.

Mr. Ward voiced concern about taking care of the meeters and greeters. The Courtesy Crew takes care of them as well as the passengers.

Other Business

The next WAAB meeting will be Monday, September 11, 2006.

Meeting adjourned at 4:35 p.m.

Valerie Wise, Clerk