

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, October 8, 2007

Present: Robert Beattie, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, David Murfin, Kevin Myles, Jay Russell and Bill Ward

Absent: Tim Austin, Jeffrey St. Clair, Willis Heck, Tom Pryor

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

City Staff: Joe Allen Lang, First Assistant City Attorney

Others: Mike Carter, DMJM Aviation
Dan Claassen, ExecHangar
Mike Hagar

Chairman Fletcher called the meeting to order.

Approval of Minutes

*Motion by Mr. Greenlee to approve the minutes of the September 10, 2007
Wichita Airport Advisory Board meeting. Motion carried unanimously.*

Director's Report

Meeting with Parsons

Mr. White advised the Board about a meeting recently held with Parsons, a firm headquartered in Los Angeles. Parsons is a multi-national corporation specializing in several things, one of which is public-private partnerships. Representatives from Parsons met with staff to present ideas about what might be possible regarding financing a parking garage for the airport. Parsons is proposing that they could build a parking garage faster and less expensive, by doing it through the private sector. They also have the ability to use contractors and sub-contractors that they work with on a regular basis to design and build a garage, which theoretically would make the process smoother. It is still very early in the process and Parsons will be submitting more information.

Parking Study

Mid-Continent is also getting ready to prepare a widespread parking study. The study is going to look at all of the parking on the airport in its entirety from a demand, service and rate standpoint. After the results are received we will know the feasibility of whether the airport needs and can afford a parking garage.

Air Service

October 1st Frontier began non-stop service to Denver. A welcoming party was held the night before at the Hilton and there was a celebration in the terminal before the inaugural flight. We are looking forward to a long relationship with Frontier.

Projects at Jabara

There are a number of projects at Jabara that are currently underway or are getting ready to start. Taxiway Foxtrot is being built at the south end of the airport. At the north end, Taxiway Golf will be built which will open up land area for future hangar development on the northwest edge of the facility. At the south end, Executive AirShares is preparing to build their hangar complex. At the far north end Taxiway Alpha will be built along with an apron that goes into the new Jabara Campus that will be designed in 2008 and built in 2009 to coincide with the opening of the Campus. The Jabara Aviation Campus itself is approximately a forty million dollar project that Sedgwick County is designing in conjunction with the Wichita Area Technical College. Next summer the runway lighting electrical system at Jabara will be replaced. PEC Engineering is preparing a drainage study for all of Jabara that should be completed by the end of the year. At that point staff has to come up with a plan that makes sense financially to get the water off the property in a way that is acceptable to the City and also does not negatively impact the neighbors downstream. It is something that has to be done in order for development to continue at the airport. It is becoming a challenging project because you have to balance out the City's need from a storm water standpoint and their typical request that you build ponds to hold the water with the FAA's requirements that you cannot have water standing for more than 48 hours after a storm event, otherwise you create a bird hazard and attract wildlife. The roadway and utilities project at the southwest end of Jabara was just recently finished. The maintenance crews have been draining ponds at the far north end of the airport on some of the properties that have been bought in the last few years. Runway painting has also been taking place during the nighttime hours due to new federal requirements for marking of the runways. Threshold markings have changed and must be completed by January 1, 2008.

Chairman Fletcher asked if the profitability at Jabara Airport was looking better. Mr. White advised that it is still being subsidized, however the more development there is, the closer Jabara will be to breaking even and perhaps going beyond. Mr. White recommended the possibility of expanding the airport with small t-hangars. Unfortunately, t-hangars typically do not make much money. Some states provide grants to help pay for the hangars, which is a way to make it financially feasible, however, Kansas does not provide such grants. Staff will examine this issue in the future.

FAA Funding. Mr. White advised the Board that at the ACI conference last week in Kansas City they heard speakers from the FAA, the Department of Transportation and several congressional offices giving their take on what may or may not happen. As of October 1st the current law that funds the FAA has expired. This law also provided for grants for airport development projects. Congress has passed a continuing resolution that continues the funding on a temporary basis until November 16th. Unless Congress can come up with a permanent extension of the law prior to November 16th, the FAA will not be issuing any grants until sometime next year which could affect the timing of a number of our major projects.

Minimum Standards Project Update

Mr. White reported that the Minimum Standards sub committee met last week and focused on what the FAA calls "Specialized Aviation Service Organizations" which is basically anything other than a full-service fixed base operator. Those would be things that are stand-alone businesses, such as aircraft or power plant mechanics, flight schools, or aircraft chartering, rentals or sales. The sub committee went through the analysis of the aircraft maintenance operating category and came up with a spreadsheet comparing results from other airports. The next step is to continue on that path and decide whether we want to go to that level of detail for the rest of the specialties. There is still a lot of work that needs to be done, however the sub committee should be getting to a point in the near future to be able to share the results with the rest of the Board.

Advertising Activities Update

Valerie Wise presented the Board with a PowerPoint presentation of the current and upcoming marketing activities for Mid-Continent Airport. Wichita has had a reputation for a long time of being expensive and we are trying to combat that by constant bombardment of airfare sales and special promotions. There are currently several strategies being used to influence commercial behavior. One of the strategies includes our e-marketing campaign. Hot Fares is on the homepage of our website and is also sent to all of the subscribers and broadcast once a week on the local morning broadcasts. Several radio stations also announce the Hot Fares. It has been a very valuable and effective marketing tool. The homepage also has promotional features that contain exciting information about air service and special fares. Another effective tool that is being used is LED Boards. There are six LED Boards throughout the city in high traffic areas. What is nice about these is that the message can be changed with relatively short notice. During the weather on the 6pm and 10pm segment of Channel 12 news there is an umbrella giveaway. This is a one year program with Channel 12 that is a great opportunity to promote our low fare carriers on a daily basis. Bonnie Bing's New York Adventure was the recent AirTran Airways promotion where friends and family nominated deserving local women for a trip to New York City. Mrs. Wise played for the Board members the Allegiant Orlando promotion on Channel 10 designed to increase listenership on their 4:00 p.m. newscast. Mrs. Wise also played Brad Streeter's Allegiant promotion on KZSN radio station. United also just ran a Los Angeles promotion with Two and a Half Men for two tickets to Los Angeles and to the taping of Two and a Half Men. Frontier has two television commercials currently running as well as two radio spots, a promotion for December 9th to the Chiefs game in Denver. In the near future Frontier is also looking at zoo trips, water bill inserts and radio promotions on WSU basketball and baseball. The Wichita Eagle Sunday travel section FareCompare.com gives price listings with our airport ads directly beneath the fares. We have also been placing ads in the Wichita Business Journal, Opera & Symphony programs.

Discussion ensued regarding passenger increases and the effect it has had on parking. Chairman Fletcher asked if the airport had received complaints about people having to go to the overflow lots. Mr. White mentioned that there has been a few phone calls. Staff has been very apologetic, and in some cases the people just did not get here in time and were rushed. Getting our new parking lot built and hopefully getting a garage built someday will be a great long-term solution. Jay Russell asked if there had been problems stemming from the overflow in the parking lot. Mr. White advised that staff is going over operational procedures for overflow situations to make

sure we give the best possible customer service when these situations occur. An employee parking lot was relocated which opened up about 70 spaces. Chairman Fletcher wanted to make sure that we are responsive to the people and let them know that we are working on the parking situation and appreciate them flying out of Mid-Continent. Chairman Fletcher suggested possibly putting an announcement in the terminal when we are in an overflow situation saying thank you for coming, we are sorry about the problem and are in the process of working on it. Mrs. Wise said she had been trying to come with some ideas as well for rewarding passengers, especially during the holiday season. Possibly an "I Survived the Checkpoint" a way of rewarding passengers once they get through the ticketing and checkpoint areas for their patience. Mr. White advised that we are also looking at providing free bottles of water and USA Today's on the shuttle.

Mr. White reported these are great problems to have, however it starts to affect the convenient, friendly, affordable slogan. Chairman Fletcher stated that if we cannot be as convenient, we need to be a lot more friendly.

Mr. Estes asked if it would be next summer before new parking is ready. Mr. White reported that the goal is to have it finished before Spring Break, however the completion of the new Park & Ride shuttle lot depends on the weather we experience this winter and the ability of the contractor to work. Bids will be opened on November 2nd.

Terminal Area Redevelopment Program Update

Mike Carter, DMJM Aviation, presented an update of the current status of the project. The schematic design phase is now complete and the plans are starting to be presented to the public. At the end of September a Contractors forum was held with 36 local contractors, suppliers and sub-contractors. It was a good opportunity to present the terminal project as well as the City of Wichita public works capital improvements. The contractors also joined in and provided success stories of mentoring and involvement of small, disadvantaged companies in the community. The Mid-America Minority Business Development also discussed the programs they have which encourage participation, not only on government projects, but many local private projects as well. There is an airline technical review coming up to go over the input from the airlines and go over their requirements. We are getting ready to meet with the design team on review of design development issues.

Mr. Estes asked what the next steps are to get the schematic design finalized so we can proceed with full design development. Mr. Carter advised that the schematic design of certain elements is going to proceed concurrently with the design development. Chairman Fletcher asked at what point it would really start to affect the bottom line of when the project will be completed. Mr. White advised it is up to the Airport Advisory Board and staff as to when the decision is made to move into full design development. The Airport Authority voted to allow us to move forward on the next step. We are currently in the process of going through all of the contract, price and fee issues and are negotiating these issues with the design team. Mr. White advised that we need to make sure we are proceeding the right way and that we have the flexibility to be able to do that.

Mr. Greenlee asked how much common use equipment the airlines will be using in the new terminal. Mr. White reported that common use is one of the issues the airlines have not been

able to agree on. In the common use philosophy you theoretically have less gates, but the airlines share the gates and the equipment at all ticket counters and gates. To put the common use equipment in could be more expensive than what was budgeted for. However, it is an issue that is worth considering and is being presenting to the airlines. There is also the possibility of having just one or two common use gates instead of all of them.

Mr. Oswald presented the Board an overview of the large apron complex. The elevation of pavements and the grade of the apron is almost dictating the form of the building because there can only be so much elevation change. One thing the designer did knowing there are budget restraints is to design an apron that works that would be within the budget, however it provides minimal service, so we have asked them to provide a couple of other options. We have asked them to look at two different scenarios, one is a wider apron, and we have also asked them to look at a scenario that provides a dual taxi lane behind the parked aircraft that would provide more operational flexibility. Mr. Oswald showed the Board the current plans of what the apron is going to look like and the current phases.

John Oswald advised the Board that the FAA is working hard to bring in discretionary money for this project. Mr. Oswald explained the difference between entitlements and discretionary funds with respect to when you can or cannot build. Mr. Oswald reported that with respect to entitlements, if there is a Federal Program in place, which there was until September 30th of this year, this airport receives about \$3.6-3.7 million dollars worth of entitlements. We are "entitled" to that amount because of our enplanements. The discretionary portion of the equation has its own set of rules and is truly discretionary. The FAA is basically finding us money for the need to the region, and the rule is that we cannot go beyond a certain step until the grant is written. However, entitlement money allows us to do a project and then seek reimbursement after the fact. The discretionary funds are off limits, because they cannot promise something that is discretionary ahead of time. Mr. Greenlee said that the FAA said at the ACI Conference to get your plans and specifications in for review now so they can be pre-approved. That way when the money becomes available everything will be lined up and ready to go.

Mr. Russell asked about the height of the possible parking garage and if it is more expensive to build wider, rather than taller. The garage could be two or three levels, with one being submerged. It could extend roughly 40 feet high without being a problem, which would be more than two levels easily, however a third level above-ground may be getting too risky. Mr. White said that he has talked to other airports that have recently built parking garages and there are two schools of thought. One says its cheaper to go ahead and build the base structure with the foundations and the support columns for the future ability to add on a couple of levels later, the other says it is cheaper to go ahead and build it wider and then add on side by side. Either way, it is important to get as many spaces on the ground floor as possible, because if the rental cars go there they would require about 300 spaces and there needs to be certain dimensions to make that fit. There would need to be enough spaces for opening day as well as room for future growth.

Other Business

Mr. Greenlee mentioned that when John Oswald was discussing discretionary funding matters, that it is important to remember that our congressional delegation can really have an effect. He advised the Board that if they have the opportunity to send a letter, or even can just send an email, it can really make a significant impact.

The next WAAB meeting will be Monday, November 5, 2007 at 2:30 p.m.

Meeting adjourned at 4:51 p.m.

Kelly Fabrizius, Clerk