

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, August 6, 2007

Present: Tim Austin, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Tom Pryor and Bill Ward

Absent: Robert Beattie, Willis Heck, David Murfin, Kevin Myles, Jay Russell and Jeffrey St. Clair

Airport Staff: Victor White, 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
Bob Karlake, Midwest Corporate Aviation
Bryan Orr, Hawker Beechcraft Services

Chairman Fletcher called the meeting to order.

Approval of Minutes

*Motion by Mr. Greenlee to approve the minutes of the July 9, 2007
Wichita Airport Advisory Board meeting. Motion carried unanimously.*

Director's Report

FAA Funding. Congress has gone on August break, not planning to reconvene until September 4th and the FAA Reauthorization bill is not yet finalized. The Senate Commerce Committee has approved its version of the bill, however it has not gone to the floor for the full vote. Mr. White passed out a summary comparing the three different bills that have been proposed. At this point, the House bill would be the best for this airport. From a general aviation standpoint there are no user fees, however there is a slight increase in jet fuel tax from 21 cents to 30 cents. Also, from an airport funding standpoint the bill increases the passenger facility charge eligibility from \$4.50 per passenger up to \$7.00, which if the Airport Authority backs the proceeds would be put into the terminal project. The problem with the House bill is there is a provision that would change the way the contract is written with the air traffic controllers, which could possibly end up killing the entire bill. Whatever the outcome, something has to be done by September 30th, even if it is just holding over the existing law.

Upcoming Events. Wichita Flight Festival is coming up August 24, 25 & 26. On August 8th Executive AirShares is having a reception at Eaglejet presenting the new Phenom 100 jet that they have ordered. The actual delivery will not be for a couple more years, however they will have a mock up. On August 17th the Department of Aviation is having the Kansas Aviation Advisory Committee Meeting in the Airport Administration Conference Room.

Joe Lang Appointment. Joe Allen Lang has been designated by the City Attorney as the airport's attorney and will be Deputy City Attorney in charge of Department of Airport's activities and Airport Authority business. Mr. Lang has a long history with this organization, going back to 1986. We welcome Joe and look forward to his continued great counsel and advice.

Tom Nolan Resignation. Tom Nolan left for a position in Palm Springs as the Airport Director. As a result, we are recruiting for the replacement of the Assistant Director for Operations position. So far there has been a good turn out, however the position is still being publicized through AAAE and the City of Wichita's website thru the end of August. Chairman Fletcher asked what kind of input the Board would have in the hiring process. Mr. White suggested the possibility of the Board meeting with the final candidates.

Ticket Counters in Terminal. Some of the airline ticket counters have moved. AirTran was the first to move, moving from the end of the ticket counter to just right of American Airlines. The current setup is United, American, AirTran and then Frontier. It has been a challenge because with passenger traffic increases there has been large numbers of people in a small space. Allegiant recently moved to where AirTran used to be and that has helped a lot with the congestion. Frontier is in the process of moving in. They have hired a station manager and about a dozen people. Training is currently taking place and they are looking forward to getting started on October 1st.

Potential Hotel. The airport has received an informal request from a group of investors who may want to build another hotel on the airport. They are looking at property either on or adjacent to the airport. Staff has let them know of the requirement with respect to the existing hotel lease in terms of the Hilton having right of first refusal. It would be an extended stay hotel, rather than a first class hotel as the Hilton is. Mr. White stated that he will keep the Board apprised if it develops further.

Flight Safety. As mentioned last month Flight Safety is looking to expand their facilities. Staff is in the process of working with them to find the best possible location. Mr. White emphasized that this expansion for Flight Safety is critical due to the explosive growth of sales of Cessna business jets, which is the primary training taking place at this Flight Safety campus. They would like to add ten more simulator bays for Cessna jets as soon as they possibly can and may need a substantial amount of land in order to do that. There are some constraints on the site selection as Flight Safety would prefer to have the campus within walking distance of the Hilton because so many of their students stay and eat at the Hilton and the preference is not to have to run a shuttle bus back and forth. Chairman Fletcher suggested the Hilton run a shuttle to Flight Safety. Mr. White reported that could be a possibility.

Flight Safety also is considering expanding their Learjet Training Facilities. The expansion should be a smooth transition as they currently have some vacant land under lease with the airport. The property to the north of Honeywell is a large site with good visibility and highway access. It would also provide the most amount of room for growth.

Land Acquisition. There has been some property become available north of the Post Office at least twice in the last few months in which the airport has lost out on purchase opportunities when land has been available, however the airport has not been able to acquire it because the City does not move fast enough when it comes to appraisals and necessary processes to go through. The most recent time that comes to mind is for the expansion that Yingling is getting ready to do where they purchased a couple of acres of land north of the Post Office. Mr. White reported that he talked to Lynn Nichols regarding why Yingling did not just lease the land from the airport and Mr. Nichols replied that the land was available immediately and it was just too good of an opportunity to pass up. The airport tried to make an offer on the same piece of property, however was not able to move fast enough. There was also another house the airport recently lost out on because the seller wanted a prepayment, which the City of Wichita cannot do. Staff has been trying to find a mechanism to move faster regarding property acquisition, and is in the process of talking to the City Manager to see if there is some way to get pre-approvals or have something lined up in advance. Mr. Fletcher suggested the need for a Property Manager. Mr. White said that the City Council would have to vote to approve each purchase and a City check would still have to be requested. Mr. Estes suggested the possibility of if the City set aside half a million dollars or so, and put perimeters, possibly plus or minus 5-10% of the appraised value, a Property Manager could then make a decision based on that. Mr. White said that it is important to work something out with the City, because the area north of the Post Office is starting to develop commercially and industrially and the airport does not want to keep losing these opportunities.

Concessions in Terminal. Mr. White reported that he has been working with Host to obtain statistics showing what the difference in sales has been. Mr. White handed out a spreadsheet showing all of the food and beverage retail locations in the terminal separated by post-security and pre-security which compared profits from June 2007 to June 2006. The Air Capital Bars are brand new, and in June they had \$26,000 worth of sales, which is new revenue that the airport did not have before. The new unit on the west concourse is under construction and it will be probably be about sixty days before that goes into effect. The snack bar on the east concourse did \$32,000 last year, but has done \$41,000 as a Great American Bagel this year. The snack bar on the west concourse, the Great American Bagel did better than the one on the east side, at almost \$50,000. Also, the new retail wall on the west concourse is now installed, and those numbers should be coming in soon. Downstairs, the numbers actually went down a little bit, and it is speculated that is due to the TSA food and beverage restriction not allowing food and beverages through the checkpoint. Sales for the bar downstairs actually increased a little. Also the Gift Shop had a nice improvement. If you look at the totals, there has been almost \$80,000 more sales this year compared to last year. The numbers are looking good and from a customer standpoint we have heard great comments about how well the changes have been received.

United to Los Angeles. United will begin non-stop service to Los Angeles starting September 5th.

Oath of Office

Kelly Fabrizio administered the Oath of Office to the Board Members.

Minimum Standards Project Update

Chairman Fletcher reported that Mr. Greenlee, Mr. Ward and himself had a meeting with Victor White and staff regarding the development of minimum standards. The group is reviewing guidelines from various federal agencies as well as several different comparable airports to determine if it would be beneficial to take any of the aspects from their written set of minimum standards. The sub-committee plans to meet again to sort out some of the specific aspects we would like to incorporate into our minimum standards. That process should take a couple of months and then the standards will go in front of the Board for approval before being submitted to the Wichita Airport Authority.

Terminal Area Redevelopment Program Update

Mike Carter, DMJM Aviation, presented the Board Members a PowerPoint presentation regarding the upcoming meetings and presentations regarding Schematic Design. In May was the Utility Coordination Meetings and Schematic Design Reviews, in June was a series of Schematic Design Reviews and Design Council sub-committee meetings. In July and August the Schematic Design was culminated and now we are in the Schematic Design review and concurrence period. The Value Engineering workshop was a valuable week where the plans as they currently exist were dissected and the engineers tried to come up with some savings or items that may cost a little more, but would bring maximum value to the program. This past month we met with TSA and had presentations for both the City Council and City Design Council. The completion of the schematic design process involves City Council action and also evaluation and selection of the value engineering recommendations.

Mr. Carter provided a summary of Phase I and Phase II. The plans have been designed to accommodate additional capacity for future growth. Mr. Carter also provided an overview of some of the art elements that could be incorporated into the design. The consensus of the Board is that they are not in favor of the architectural element in the ceiling.

Mr. Gooch asked where the emergency shelters would be. Mr. Carter stated that it would be a combination of the public restrooms and a 'back-of-the-house' corridor that will be hardened. The design team is using the same criteria that they use for schools. However, there is no law, ordinance or code stating this has to be done, rather it is an element that the airport felt should be included. There will also be a secure area in the front of the building that cars cannot get behind or crash into. The planters in front of the building will help with that as well.

Mr. White showed the current estimated budget, which totals up to \$150 million.

Mr. Carter showed the current schedule. Construction is expected to start at the very end of 2008 or beginning of 2009 and then be completed in mid-2011.

Mr. White reported that the "Schematic Design Presentation" is going to be taken out on the road and will be shown to various groups in the community. A list of targeted groups has already been developed, however if the Board knows of any specific groups that might be interested, staff thinks it would be worthwhile to show this for the next couple of months to get it out into the community.

Mr. Austin asked about the output from the Value Engineering workshop and which of their recommendations would be implemented. Mr. White reported that they are being analyzed and staff is in the process of trying to put a possible cost estimate to some of the items.

Mr. Austin also asked about the parking garage issue. The financial model for the terminal includes the parking fees and if the fees are taken out for the garage, then the fees will not be available for the terminal. Mr. White said that staff is getting ready to hire a consultant to prepare a study of parking requirements for the entire airport without just focusing on the garage, because it all interacts together. Also, a new source of revenue is the Customer Facility charge or "CFC" that could be added on to the rental car contract rentals. The rental car companies all support this and it could generate additional revenue. There is also the possibility that there could be some savings as rental car parking lots would not need to be constructed and it may not be necessary to demolish as much of the main terminal building. Mr. White reported that the parking garage topic is the number one question the public asks about. Discussion ensued regarding the possibility of including a parking garage in Phase I.

Mr. White reported that the Schematic Design will go in front of City Council August 14th. At that point Council can choose to accept the design as it currently stands allowing us to continue with design development. It does not mean that is the last day for changes, rather they are approving the basic shape, size and location.

Election of Officers

The bylaws of the WAAB call for an election of officers at the first meeting in July.

*Mr. Austin nominated Charlie Fletcher as Chair and Dwight Greenlee as Chair pro tem.
Motion carried unanimously.*

Other Business

Chairman Fletcher stated that Mr. White, Mr. Austin and himself had previously discussed the idea of having a Property Manager so the airport can market its property a little better. Chairman Fletcher stated that everyone seemed to be in favor of the idea about two years ago, however nothing ever developed. Mr. Austin suggested looking at Alliance Airport, developed by Ross Perot outside of Fort Worth, to see how aggressive the private sector can be on a private airport. Mr. Greenlee stated that over the years several different possibilities have been considered as to how something like that could be handled. Mr. White reported that before the properties can be aggressively marketed, we need to determine what properties are actually marketable and what the condition of the vacant lands is. Not all of the vacant land is developable as there are certain height and radar restrictions on some of the property. There needs to be an assessment of all the vacant land and then an inventory needs to be established. Ohio University was hired some years ago to come in and do these types of things. Chairman Fletcher asked if staff would be able to make those determinations. Mr. White said that he had originally considered hiring a specialty consultant, however was leaning towards possibly hiring a full-time intern, such as a recent college graduate going into airport management for a two-year long internship program. This person could research the land parcel by parcel and find out what the rules are and what can

be developed. Mr. Austin reported that if you had someone such as a Property Manager who was doing their own research they would become intimately familiar with the property.

Motion made by Mr. Greenlee to recommend that Mr. White consider the Property Manager position, as well as hiring a full-time Operational Director at Jabara Airport and how those positions could fit into this organization. Motion carried unanimously.

The next WAAB meeting will be Monday, September 10, 2007.

Meeting adjourned at 5:36 p.m.

Kelly Fabrizius, Clerk