

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, February 2, 2009

Present: Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, John Hennessy, David Murfin, Kevin Myles, Tom Pryor, Dr. Thom Rosenberg, and Bill Ward

Absent: Robert Beattie, Willis Heck, Jay Russell

Airport Staff: Victor White, Brad Christopher, Sandy Coykendall, Kelly Fabrizius, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Joe Allen Lang, Chief Deputy City Attorney

Others: Chairman Kelly Parks, Sedgwick County Board of County Commissioners
Devon McBride, United States Department of Agriculture
Mike Carter, DMJM Aviation
Bruce Youtsey, ConocoPhillips
Allen Bretz, ConocoPhillips

Chairman Fletcher called the meeting to order at 2:32 p.m.

Approval of Minutes

Motion by Estes to approve the minutes of the January 5, 2009 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report

Wildlife Issues

Mr. White introduced Commissioner Kelly Parks, Chairman of the Sedgwick County Board of Commissioners. He thanked Chairman Parks for coming. His interest today is regarding wildlife management issues. This issue has been discussed over the last several meetings. The unfortunate accident in New York with the US Airways plane that had to make an emergency landing in the river made the issue relevant to a lot more people. Based on the phone calls, letters to the editor, and the media coverage over the last couple of weeks it has certainly received the attention of the public. Mr. White has received letters of support from the top management of Cessna, Hawker Beechcraft and Bombardier Learjet all wanting to support the airport and its actions to do whatever it takes to solve this problem in the future. Airport staff has also been told there are other large corporations in the community who have either business jets or simply fly a significant amount on the commercial carriers who are also planning on sending letters of support to go on record about this issue.

A few months ago Mr. Christopher spoke to the Board about some of the issues the airport had and what the airport was planning on doing after the appeal that was made to the County Commissioners regarding the conditional use permit application was denied. There are two main events that have been planned. The first is to schedule a meeting with City and County Planning Staff from the Metropolitan Area Planning Department to discuss the technical issues and find out what the current rules are. When the airport made its presentation to the Planning & Zoning Commission, their request to airport staff was to plan for the future so that each case does not have to be considered one at a time as these permit applications come up. The request was to jointly develop some sort of plan for the future. This meeting is scheduled for February 9th and will have representatives from the Metropolitan Area Planning Department, the City Attorneys office, the County Attorneys office, the City Engineer from Public Works, County Code enforcement, Devon McBride who is the airport's USDA Wildlife Biologist, as well as one of the airport's consultants who is from one of the premier firms in the aviation industry that deals with issues of land use planning and environmental issues of all types. The intent is to have a staff level technical conversation at this meeting. Airport staff has also scheduled and sent invitations for a half-day workshop at the Airport Hilton which will be held in April. The airport has invited representatives from City and County Planning Departments from around the region and there will be an FAA representative who is a specialist in not only wildlife issues, but height hazard issues as well as other subjects that could be a hazard to aircraft.

Mr. White said that there probably is a need for something in addition to what was just mentioned. One idea is that after the staff level meeting next week, there may be a need to gather some elected officials to meet as a small group to discuss what was found out during that meeting and perhaps go to the next step. There is a sense that people want to take some action and start thinking about things a lot quicker than what was originally planned.

Dr. Rosenberg said there are three main issues: the birds on the ground, the birds in the air and the engines themselves. He asked if any of the engine manufacturers are looking at ways to prevent objects getting into their engines, possibly some type of barrier that would not decrease engine efficiency.

Mr. White said there have been a lot of people asking questions after the US Airways landing on if there is some type of screen that can be put on for that purpose. Basically the experts are saying no, the weight of something like that and the lack of efficiency it would cause would essentially defeat the purpose of a jet engine. However, for decades there has been a lot of testing that takes place in the design of aircraft engines regarding this issue and that research and testing is ongoing.

Mr. Ward said regarding the conditional use situation, he understands there are standards for ponds in flight paths and asked if the Metropolitan Planning Commission could go back and tell the company that is going to extract the dirt that the pond has to be built to certain standards.

Joe Lang said that specific case has already been decided, what the Metropolitan Planning Commission and thereafter the County Commission and City Council can do is adopt new regulations that address how the ponds are built and with what standards.

Mr. Gooch said it seems that everyone is concerned because this happened to a jet, however bird strikes have been going on for a long time. His questions are about how big a hole is going to be dug and where it will be built. The housing development that he lives in has a pond with wildlife and it seems as if everyone that builds a new development wants to put in a pond or lake so people can look at water. Mr. Gooch said he is trying to find out whether we are raising the concern about what size hole is going to be dug and in what location a hole is going to be dug.

Mr. Greenlee said it seemed to him that a landowner would have a certain responsibility under attractive nuisance, that if the landowner creates an attractive nuisance then that landowner would have some type of liability if an accident was caused by the nuisance. Mr. Greenlee asked if that issue had been explored in previous court cases. Mr. Lang said it would have to be decided on a case by case situation, however it would be considered as an after the fact situation. Mr. Greenlee said if a landowner knows that in advance, their pond may not seem as attractive to build. Mr. Lang said it is an approach that could be looked into, however it is still important to consider some type of preventive regulations.

Mr. White said these are some of the issues that it is hoped will be discussed with the group on February 9th. Mr. Christopher has been reviewing existing City Codes with respect to things like nuisances and other issues to see what is in place today. There are some conflicts built in, for example, the City requires when things are built of a certain size and an impervious surface is created by the construction, then either a retention or detention pond has to be created. If the City requires that on one hand, and then we say ponds cannot be built in certain locations, that is where the balancing act is going to end up being. The FAA has written guidelines of what is acceptable, the distance the ponds can be from the runways and how to construct ponds so that they are not as much of an attractant for wildlife. Those are the kind of things that we hope that the City and County will place into future permits. There are a lot of ponds around this airport and other airports in the community, and a lot of them have been there a long time. In the past this is what has happened, however from now on the ponds need to be managed in a different way. Also, ponds are not the only attractants for birds, there are certain types of grasses, trees, shrubs and landscaping that have a big effect on that as well.

Chairman Fletcher asked how soon after the meeting on February 9th do you want to meet with the local officials and who all should be invited. Mr. White said he would like to get the Board's input on that and Chairman Parks as well as to what would be appropriate.

Chairman Parks said he would like to address a couple of Mr. Gooch's questions regarding this issue. When Mr. McBride came to the Commission and talked to the County Commissioners about the pond that was passed, which Commissioner Welshimer and himself did not vote for, he listened to everything that was said. One of the conditions that was brought up to the person extracting the dirt was to put rip rap around the edge of the pond that would deter the nesting of ducks and geese around the area. It is well known that ducks and geese are imprinted into coming back to the same area where they were hatched and raised. That could be eliminated with some type of shoring or sloping, the rip rap mentioned earlier, along with the proper alignment of the pond. That is the reason he did not vote for it. If those three things could have been done he probably would have went with the property rights and the landowner.

Chairman Parks said he has created an ad hoc committee to look further into this issue. He wanted to come out and introduce himself and get acquainted with the Airport Advisory Board and airport staff and see where we are going on this. Chairman Parks said he really likes the things that have already been done and he will take this back to Commissioners Peterjohn and Welshimer who he has put on the committee. He suggested Chairman Fletcher or Mr. White could contact them anytime to set up a meeting and he thinks you will find that they will be very cooperative and cordial to work with on this project.

Mr. White said he appreciated Chairman Parks setting up that committee and looks forward to working with them.

Chairman Fletcher asked if anyone on this Board wanted to be on the committee. Greenlee, Pryor, and Rosenberg expressed interest.

Mr. White said that this is not going to be an easy task and it will take some time. He said he thought he remembered reading an editorial from Chairman Parks regarding this issue in which he had proposed a moratorium. Chairman Parks said that has been considered. However, would it be for 3,000 feet or 10 miles, it is important to act quickly and take some action to prevent the attraction for nuisances. We want to make the laws to ensure it as safe as possible to fly at Mid-Continent and other airports in the area.

Mr. White said that is a good point that Chairman Parks mentioned, Jabara Airport should be put in the protective area as well. However, when you include the field airports and McConnell, there are four major airports in the County all of whom should be protected to some degree, however there are different issues at each airport and it would be difficult to protect all of them equally while still leaving part of Sedgwick County untouched.

Mr. Murfin asked if a risk assessment was going to be done as a part of this. Mr. White said that was a good question, it is one of those things where you try to weigh out how far you go versus what the consequences are of what is being done.

Mr. White said one of the things that the aviation industry has been doing a lot of in the last few years is trying to design features on aircraft to actually scare the birds away. As the aircraft is approaching a flock of birds, lights flash in different sequences. Things like that are having some success and more and more of that can be seen on the jets coming in. Some of their landing lights are actually flashing in odd patterns as they approach and that is intentional to scare the birds away from a visual standpoint. The downside is that as the jet engines have gotten quieter over the years the birds are less likely to hear the jet coming towards them. The Port Authority of New York as well as DFW and Seattle is actually purchasing radar that is designed to go out some distance away from the airport to actually pick up flocks of birds. It is highly expensive and not necessarily very effective, but again they are looking at all sorts of methods to try and identify the birds. In Wichita, most often it is going to be a pilot report that there is a flock of birds, a ground base sighting or the Control Tower will see the birds and report it to a pilot on departure.

Runway Safety Action Team

The Runway Safety Action Team from the FAA was at the airport last week for several days meeting with airport staff and several members of the aviation community to talk about runway incursions. It is an annual event where the FAA does tours of the airfield and meets with the pilots and the community to find out if there is a problem. Some new procedures were instituted prior to this meeting and the airport is constantly improving various things to make sure that pedestrians, vehicles and aircraft do not end up on runways or places that they are not supposed to be. Some airports around the country have serious problems with runway incursions, Wichita has been very fortunate that we have not had a serious problem, however one time is too many.

Airport Occurrences

Mr. White reported that there was a light plane accident at Jabara Airport last Friday morning. We have not yet received a report from the FAA or the NTSB about the cause. The FAA indicated that it usually takes 6 months or more for a report to be issued.

Also last week there was a small fire at the Terminal on the outside under the Gate 6 area where American Airlines had some ground equipment catch fire. Airport Safety put out the fire before it spread and the end of the concourse at the Gate 5 and 6 area was evacuated. Fortunately there was hardly anyone up there at that time of the morning and it did not do any damage to the building that is known.

Stimulus Package Update

Mr. White passed out an update on the economic stimulus package. Included were samples of letters and emails that were sent to the new Secretary of Transportation, Congressional Committee Members, the Speaker of the House and the leaders of both the House and the Senate to try to encourage them to write the legislation in such a way that the airport can get economic stimulus funding to apply towards the new terminal project. The letters were also sent to the AAEE and ACI and their government affairs and lobbyists. The current law that the FAA operates under to give discretionary grants to airports excludes terminal projects from being eligible so the goal is to try to convince congress to write the stimulus legislation so that there is at least temporary flexibility to allow terminal projects to be eligible for the funding.

Chairman Fletcher said that himself and Mr. White will also be going to the Spring Legislative Conference in Washington in March. Mr. White said it is entirely possible, if President Obama is correct in his plan, that the law will be passed before March. If what the airport is asking for does not get changed or included in the law, there is always the chance that the FAA will have some administrative discretion, so it will still be important to meet with the Congressmen and Senators.

Northern Flyer Rail Alliance

Mr. White reported that the representatives from the Northern Flyer Rail Supporters were unable to attend and had to cancel. However, they did send a letter which was copied for the Board, stating their support for continued state funding for the Affordable Airfares program.

ConocoPhillips Fueling

Mr. White introduced Bruce Youtsey, the North Central Territory Manager for ConocoPhillips, and Allen Bretz, Director of General Aviation Marketing.

Bruce Youtsey presented a PowerPoint presentation providing information on ConocoPhillips, and how their refining distribution provides fuel reliability. ConocoPhillips' worldwide headquarters is in Houston, Texas. They are the 5th largest refiner worldwide, and operate in nearly 40 countries. Mr. Youtsey showed maps illustrating their 13 refineries, the Phillips 66 branded locations, as well as maps showing how fuel is distributed and supplied to Wichita.

Mr. Gooch asked if it would be a violation if one of the Fixed Base Operators (FBO's) bought fuel direct from another company and trucked it in. Mr. White said the issue is if one of the FBO's wanted to buy avfuel of some other brand, they would not have any tanks to store it in. There is only one set of tanks and it is filled with ConocoPhillips gas. We have been discussing that issue with the FBO's as to whether they desire to put in storage tanks so they have the freedom to buy gasoline from wherever they choose, however it is a huge proposition to do it, and it may not be cost effective.

Joe Lang said that a number of years ago the Airport Authority did an extensive rewrite of all of the fueling regulations so that there would be a competitive possibility. It may not be practical because of the storage, however anyone can have their own fueling if they meet the airports regulations on safety and storage.

Mr. Hennessey asked about pricing. When he flies he bases his itinerary around where to fill up in order to get the best price on fuel. Mr. Hennessey asked if Wichita is competitive enough as compared to other markets.

Mr. Youtsey said their fuel is very fairly priced and that all of their avgas nationwide is spot rack price. Avgas price is also impacted by the demand for motor fuel.

Mr. Murfin asked if that meant at the rack everyone is being charged the same. Mr. Youtsey said it is different in different areas, however their fuel prices are all spot price, based on whatever the spot market is doing. All of their fuel prices are based off the New York Stock Exchange. Also, a particular airport's fees and taxes are considered and will make the actual price different.

Bryan Orr, Signature Flight Support, said that on the Commercial side when the fuel prices hit their highs in August and September the airlines averaged 1.2 million gallons out of Wichita per month during that time period, when fuel prices spiked the airlines jumped up to 1.5 million gallons a month. However, since prices have gone back down the airlines are back to taking normal fuel loads. Mr. Youtsey said what that is showing is that as fuel prices went up, airlines were getting it cheaper in Wichita than anywhere else, and that is what we have seen historically.

Mr. Hennessey asked if Signature was a contractor for ConocoPhillips. Mr. Orr said that Signature Flight Support is the go to between ConocoPhillip's tanks in the ground and the airlines themselves. Mr. Youtsey said that ConocoPhillips has the largest contract fueling

program in the United States. The way it works is they have a direct relationship with the airline and through their computer system, they have a direct billing relationship price setting with the airline and then Signature charges their rate to pump the fuel into the wing and when that transaction takes place it will go into the secure website and will trigger for Signature to get paid and then ConocoPhillips will bill the airline directly. Mr. Youtsey said it is a huge convenience, because the FBO does not have to pump the fuel for an airline, then bill the airline and wait for payment. Since ConocoPhillips owns the fuel, they pay the uplift fee and bill the airlines so the FBO does not have to take the exposure and face the risk.

Mr. Hennessey said he just wants to make sure that fuel prices are competitive on the airport. Exclusivity is something that has been difficult for him to overcome, although he sees the advantage.

Mr. Orr said that as an FBO Manager, he prefers the pipeline, he has studied the issue for the last couple of years since coming into this business. Mr. Orr said that his company could not get fuel any cheaper than they are getting it off the pipeline. If their company had to truck fuel in or try and buy it, they would be stuck with large amounts of fuel. Mr. Orr said that he has also spoken with the other FBO Managers and they are of the same opinion that Wichita is really getting a good deal here.

There was discussion on fuel pipelines and transportation costs.

Terminal Area Redevelopment Program Update

Mike Carter, DMJM Aviation, presented to the Board a PowerPoint presentation providing an update on the current schedule and upcoming meetings, the contract packages and schedule and cost estimates.

Chairman Fletcher asked if the new Cargo Building was close to being completed and when the demolition will start on the old one. Mr. Oswald said construction on the New Cargo Building will be completed in March. The tenants will be moved in over the next couple months. Once Customs moves out of the existing Cargo Building and into Hangar 16 which is estimated to be in mid-July, then the existing Cargo Building can be demolished.

Dr. Rosenberg asked if there are any asbestos issues in the old Cargo Building. Mr. Oswald said there is a small amount, however it is minor.

Mr. Gooch asked if it was one individual contract. Mr. Oswald said no, that demolition is under the Cornejo paving contract, however Cornejo may have subcontracted that out. Mr. Gooch said his concern is to make sure that the smaller, minority contractors benefit from this, he sees something like this as an ideal opportunity that someone could bid on as opposed to some of the bigger work that will be involved in the building itself. Mr. Greenlee said that a Disadvantaged Business Enterprise (DBE) segment was included within the Cornejo contract. Mr. Oswald added that Cornejo did exceed their DBE goals.

Mr. Gooch said that some of the small contractors he speaks with want to know where and when the possibilities are for them. Mr. White said that there have been ongoing DBE outreach efforts. There was a Contractors Forum held last year and another is currently being planned. The Contractors Forum focuses specifically on the DBE's and provides an opportunity for them to learn about the prime contracts that they will be able to bid on and their prime opportunity is in working as a sub-contractor. The last Contractors Forum was well attended by contractors representing the entire community. Mr. Carter said that he receives phone calls and emails every week from contractors that attended and he lets them know the status of the project and how the packages are coming. Mr. Carter said that Charbonnet is the company that is overseeing this and we can request a presentation on where they are on this. By now, they should have an idea about what each segment is and how many dollars are involved in each segment. Chairman Fletcher requested the Board receive an update from Charbonnet. Mr. Carter suggested that could be done in the next few months.

Mr. Greenlee asked if the consultants that have been hired on various projects are voicing their opinions in Washington regarding some of the financial issues. Mr. White said that they have an opportunity to do so, DMJM and HNTB are the two major ones and they have their own lobbyists. Mr. Carter said that they have put together a list of stimulus package opportunities that would be ready to go and that has been coordinated with the airport. Mr. White also stated that the airport could use help from anyone that has contacts.

Mr. White solicited the Board's input on renaming the "Terminal Area Redevelopment Program" (TARP) since last fall Congress passed the "Troubled Asset Relief Program" which is also called TARP in an effort to eliminate any possible bad connotations from being associated with this project.

2009 Marketing Program

Mr. White said every year a budget is established for the marketing program for the airport system. The contract with Armstrong Shank is up for renewal at the end of February. Valerie Wise presented to the Board a PowerPoint presentation showing the program for the next twelve months.

Mrs. Wise said that our approach to advertising focuses on one main goal, to increase ridership. There are three basic strategies used to achieve that goal. The first is to promote the product. We want to give people a reason to fly, to stimulate thoughts of travel. The second strategy, Airport Branding focuses on our message of convenience, friendliness and affordability. We want travelers to choose Wichita because it is less stressful and has low fares to many destinations. The third strategy, the Affinity Building Program is to invoke loyalty to Mid-Continent Airport. We want people to think of Wichita as their airport. Whenever an advertising opportunity is chosen, the value of the promotion is weighed to make sure the airport is getting the most value for its advertising dollars. Mrs. Wise said credit should be given to Mark Chamberlin with Armstrong Shank who does a good job of getting extra value and his knowledge and experience in this industry is valuable.

Wichita had a record year in 2008 with a 1.4% increase over last year's record traffic. In 2008 there were 400,000 more passengers than in the year 2000. However, in the last six months of 2008 there were declines in traffic due to high fuel prices and the economy.

Mrs. Wise showed examples of some of the things that have been done in the past as well as some of the current activities that are being done to promote the airport and the air service in Wichita.

E-Marketing is an effective technique in getting the word out about travel opportunities. FlyWichita.com is used in all of the advertisements and the website itself is a call to action. Various promotions are displayed on the homepage. Another very popular tool is the hot fares feature. These are sent to email subscribers and are advertised on television news and several radio stations. Also, the LED boards are a useful tool and are attractive because timely information is displayed, as opposed to having a static display. Mrs. Wise showed several marketing contests, promotions and advertisements.

The Affinity Building Program is done in conjunction with Kansas University, Kansas State University and Wichita State University. The intent is to invoke loyalty to this airport and we are trying to tap into the loyalty that Kansans have with their favorite college team. Mrs. Wise showed some of the advertisements that have been played at football and basketball games and will continue through the baseball season.

Wichita's Airport Branding message is Convenient, Friendly and Affordable. The customer service aspect is very important. Mrs. Wise showed advertisements in the symphony brochures and recent television commercials that were focused on customer service. Mrs. Wise also played a radio spot, where passengers were interviewed about their experience when flying out of Wichita, the interviews were completely unscripted.

Mrs. Wise said that when talking to the airlines regarding new air service or a new destination, one of the questions always asked is what kind of marketing assistance will the airport provide. Partnering with the airline is important and we can show examples of what has been done in the past and that Wichita is actively supporting the airlines.

Dr. Rosenberg said that American Airlines has an Air Pass Program where a certain amount of money can be paid up front which allows the traveler to fly a certain amount of miles. There is a limited time it can be used, however it allows the traveler to get on any flight, going anywhere. Dr. Rosenberg asked if there was a way to market with the airlines out of Wichita to develop a pass where if a person knows they will be traveling within the next year, they can pay \$1-2,000 up front and do something similar to the American Airlines Air Pass. It could be valid for different airlines. Mrs. Wise said she would look into that type of a program. Mr. Hennessey said he thinks that it is a great idea, the concept is like a gift card and the recipient would have to use it at Mid-Continent.

Mrs. Wise said that a Frequent Flyer Program will also be developed this year to benefit the consultant or the small business owner, the type of traveler that does not receive the same

advantages that the large corporations have. The purpose of this program is to influence their decision to choose to fly Wichita by providing perks.

Rosenberg moved to recommend the Wichita Airport Authority continue the contract with Armstrong Shank. Motion carried unanimously.

Mr. Murfin said that if the cost of advertising buys has gone down percentage wise, if we used the same budget should we be able to get twice as much advertising. Mrs. Wise said that the cost of some items, such as the LED boards has been cut in half, however she does not know the percentages on the other buys. Mr. Murfin said the question is whether to do twice as much advertising or do the same amount of advertising and pay half as much.

Chairman Fletcher said that the airport can develop other programs as well, such as the Frequent Flyer Program. Marketing is one of the areas that when the economy starts going down that is when it is important not to cut back to make sure to reach the customer base.

Other Business

Chairman Fletcher asked about the status of the minimum standards. Mr. White said that he is getting closer to having a draft product to present.

Rip Gooch advised the Board that tomorrow evening Wichita State University is showing a documentary at the Metroplex on one of the Board members.

Mr. Estes said that over the last six months or so passenger traffic numbers have dropped a lot, at some point in time will we start to drop below that line that was looked at two years ago where the passenger trend was going up and that was being used as a basis to afford the terminal.

Jean Zoglman said that a financial model was created that has all of the revenue expenses and it is not static, it has to keep reacting to the numbers. The current numbers were put in and it is not quite as comfortable. Mrs. Zoglman scheduled a meeting with City Finance to go over the model and show them what it currently looks like. Right now a 10% drop was put in for this year, and then will rebuild back to the 2008 levels by the time the terminal opens.

Mr. White said he was going to provide a comparison of how other regional airports are doing, however some of the airports have not reported consistently. He advised that he will try and have that information for the Board next month.

The next WAAB meeting will be Monday, March 2, 2009 at 2:30 p.m.

Meeting adjourned at 5:23 p.m.