

**MINUTES OF THE CITY OF WICHITA**  
**WICHITA AIRPORT ADVISORY BOARD**

**Monday, July 1, 2013**

Present: Dave Bayouth, Charles Fletcher, Dwight Greenlee, John Hennessy, Carl Koster, Thomas Pryor, Dr. Thom Rosenberg, Bill Ward, Brent Wooten

Absent: U.L. Gooch, Karyn Page, Kurt Yowell

Airport Staff: Victor White, Chelsea Grosch, Kathryn Keathley, Valerie Wise, Jean Zoglman

City Staff: Jay Hinkel, Deputy City Attorney

Others: Pat McCollom, AECOM  
Brian Youngers, Signature Flight Support

Chairman Rosenberg called the meeting to order at 2:33 p.m.

**Approval of Minutes**

*Motion by Fletcher, second by Bayouth, to approve the minutes of the June 3, 2013, Wichita Airport Advisory Board meeting. Motion carried unanimously.*

**Director's Report – Victor White, Director of Airports**

The windstorm that occurred on June 27<sup>th</sup> caused damage to a variety of property on the Mid-Continent campus. Part of the roof in the mezzanine area of the Terminal was lost, which caused flooding in that area. ABM Parking Systems has inventoried the vehicles in the parking lots, and so far found eight vehicles that were damaged. Parts of the roof flashing on the North Cargo Building and the FedEx building were lost. Several of the doors inside at the DHL building were blown in. The PIM Aviation Insurance building lost a windowpane. A trailer at the construction site for the Landside Equipment Storage Facility was overturned. There was fence damage at the AOPA Insurance building. Part of the wooden security fence at the north end of Runway 1R/9L fell down. It will be replaced with a chain link security fence. (Originally, a wooden fence was installed because a chain link fence would have interfered with the instrument landing system antenna in use at that time, which has since been improved.) Over 100 trees were damaged. More than 40 signs were damaged; many will have to be fully replaced. Two of the Airport's variable message boards were heavily damaged; however, the Airport had two new variable message boards in storage, which are now in use until the condition of the damaged boards can be fully evaluated. At this time, the cost of damages has not been calculated. Airport Operations closed the runways briefly following the storm for a safety inspection and to remove debris. No flights were delayed as a result of the storm or the runway closure.

Chairman Rosenberg asked if there were any security concerns as a result of the storm. Mr. White replied that there were no security concerns; Airport Police & Fire and Airport Operations responded immediately to patrol security sensitive areas and Airfield Maintenance began work to repair damaged fencing.

**Advertising & Marketing Program Measurement – Valerie Wise, Air Service and Business Development Manager**

Mr. White prefaced Ms. Wise's comments by stating that he and the City Manager have been discussing the options for measuring the return on marketing efforts, which information was provided to the Board in the agenda packets. Mr. White asked that the Board review this information and, following Ms. Wise's comments, bring a motion to the floor regarding the approval of the use of the proposed marketing measurement tools.

Ms. Wise introduced Chelsea Grosch, who was recently hired part-time as an intern to work on marketing-related projects, in particular social media interaction. Ms. Grosch is also a student at Wichita State University in marketing, management, and entrepreneurship.

Ms. Wise addressed what sources of information the Airport uses when analyzing customer behavior and how it relates to marketing. The best measurement tool is a catchment study, which provides information about what percentage of air travelers in the geographic area around Mid-Continent are flying out of Mid-Continent. This type of study is based on booking data, which controls for some of the other factors that may skew marketing data, such as economic factors. Seabury, the Airport's air service consultant, will be conducting a catchment study next year. Since air travelers find most of their information online, the Airport has made social media and online marketing campaigns a focus of its customer interaction, which now requires additional analysis of information from those channels.

The seven sources of information that the Airport proposes to use to measure marketing effectiveness are passenger retention, airline passenger statistics (which includes market share and capacity), digital and social media, media buys, Thanks Again loyalty program data analytics, customer surveys, and affinity marketing.

Bill Ward asked how the Airport can tie into airline advertising in the local area. Ms. Wise stated that airlines generally do not provide support for local marketing. The only airline serving Mid-Continent that does local advertising is Allegiant Air. Mr. White stated that he is aware of advertising that airlines have done in other markets for service to Wichita. John Hennessy asked if Allegiant fares are advertised on flywichita.com. Ms. Wise replied that all airline fare specials for Wichita are posted in the Hot Fares section of the website homepage. The Airport also advertises Hot Fares during local news broadcasts and sends out an email blast to our mailing list when the airlines run sales.

Mr. Hennessy asked what information the Airport has about Southwest Airlines flight loads. Ms. Wise replied that the Las Vegas and Dallas flights have performed well. Las Vegas has been particularly successful due to passengers flying from Dallas to Las Vegas through Wichita (the

Wright Amendment prevents Southwest from offering a Dallas-Vegas flight). The Chicago route has been under expected loads, but it has a higher capacity than other routes due to competition from American and United. Southwest has been pleased so far with flight sales from Wichita. Ms. Wise added that United Airlines' Los Angeles flight performed at a 91% load factor during May.

Dave Bayouth stated that it may be beneficial to provide co-op dollars for airline advertising. Mr. White replied that the Airport does some advertising in that way, but federal law limits how such advertisements can be presented, which favors new airlines entering a market. Airlines already serving a market generally cannot be supported with co-op advertising.

*Motion by Koster, second by Greenlee, to approve the marketing measurement plan as presented.*

Charles Fletcher asked for additional information on how the retention rate is collected prior to the vote on the motion. Ms. Wise replied that Seabury, the Airport's new air service consultant, will collect and analyze the retention rate data and submit a report by the last quarter of 2013. Mr. White added that it is a costly study, due to the amount of labor required to prepare such a report.

Mr. Hennessy stated that there is no one more qualified than Ms. Wise to be leading the Airport's marketing program. Mr. White thanked Mr. Hennessy for his comment, and added that it is also more valuable for the Airport to manage social media interaction itself, rather than through an advertising agency, which is one of the primary responsibilities of Ms. Grosch.

Carl Koster stated that the value of advertising cannot be measured in dollars; there is an intrinsic value in the awareness it creates of Mid-Continent, which helps to retain local customers. Mr. White stated that a United Airlines executive made a comment that it is very important to the airlines that airports are promoting airline service, because airports better understand the local market and customer. Southwest executives have made similar comments. The fact that airports do not control or price the product (airline tickets) makes it difficult for airports to plan and implement marketing campaigns. Ms. Wise is continually in contact with airline representatives to make every effort to improve airline service and cost in the Wichita market. The City Manager is interested in the Airport developing a marketing measurement plan which will demonstrate the value of expenditures made on advertising, which is the set of marketing tools that Ms. Wise presented.

Mr. Koster stated that Wichita is also competing for customers with other airports in the region. Mr. White stated that part of the Airport's marketing effort is to increase public awareness that ticket prices are not always lower at other airports. Average fares out of Wichita are now lower than Oklahoma City or Tulsa and the cost difference between flying out of Kansas City versus Wichita continues to drop. Mr. Ward stated that the convenience of flying out of Wichita is of great value for local customers; he has found that the security screening process is much more accommodating in Wichita than in other airports.

Thomas Pryor stated that the bottom line for any type of marketing is how many items are sold, which can be measured in a variety of ways. The Airport should be measuring the number of seats sold. Mr. Pryor would like to see additional information about the change in number of seats sold over a given time period. Mr. White replied that the traditional measurement has always been passenger statistics, which the Airport will continue to track and compare with competing airports on a monthly basis. It is not always possible to tie the change in passenger statistics to a certain cause. If there have been significant changes in fares or new service for a certain market, then those could be likely causes, but there is no way to verify a correlation. It is important to continue to advertise, even in unfavorable market conditions, so that the brand message continues to be communicated. The Airport is doing additional marketing with social media and Airport affinity, which are focused on Mid-Continent's brand message, instead of solely increasing ticket sales. For example, over 600 people responded by "liking" a recent Facebook post about wildflower fields at the Airport. It is important that the community be talking about things going on at the Airport. Ms. Wise replied to Mr. Pryor's comments, stating that airplane loads are measured each month. Since 2008, the airlines have been steadily decreasing capacity in most airports across the country, although July saw an increase as a result of new service being offered by Southwest and United airlines. The Mid-Continent load factor in June was 87%; the Mid-Continent market is showing strong flight demand and needs additional capacity. Mr. Pryor stated that the most accurate measurement seems to be number of advertising dollars spent per plane ticket sold. Mr. White replied that the Airport is not able to measure why a customer purchases a ticket, e.g., if it resulted from an airline ad or a Mid-Continent ad, so the Airport is not able to rely on that type of measurement to determine the value of advertising. Jay Hinkel, Deputy City Attorney, stated that in addition to enplanements, it is important to note that when an airline sees an advertising commitment on the part of the Airport, that they will respond by offering more capacity and destination options, which increases the ability of Mid-Continent to gain customers.

*Chairman Rosenberg called for a vote on Mr. Koster's motion, seconded by Mr. Greenlee, to approve the marketing measurement plan as presented. Motion approved unanimously.*

### **Parking and Rental Car Facilities Project Update – Victor White, Director of Airports**

Changes to the existing parking lot were initiated last week, as construction activities for the parking facility began. The west entrances were closed to both the Short-Term and Long-Term lots; these parking areas are only accessible from the east side entrances by the Control Tower. The number of stalls in both the Long Term and Short Term lots has been greatly reduced as Crossland Construction prepares part of that area for work. Employees are no longer parking in the Short Term Lot and the maximum stay without penalty charge in the Short Term Lot is four hours. The Airport has discontinued offering free ADA parking, and while the ADA customers understand why the rate policy needed to be changed, it has resulted in some customer comments. Information about the new parking policies and construction was updated on both flywichita.com and the companion mobile website. In addition, flyers were placed on all vehicle windshields in the lots prior to the change and large signs were erected at the lot entrances.

The Park & Ride Lot is close to capacity, as more customers use that lot as a result of decreased capacity in the other parking areas. The Airport is planning for additional parking options in the event that the Park & Ride Lot becomes full. Additional vehicles (about 150) can fit into the perimeter areas of the Park & Ride Lot. Overflow parking space is available in the field north of Harry St. and east of Mid-Continent Drive and in the Cargo Building parking area. Most likely, the full area of Park & Ride will be opened for public parking (currently, part of Park & Ride is separated for employee parking) and the grass parking areas will be used for employee parking if we completely run out of all parking options for the public.

Chairman Rosenberg asked about the use of the grass area that is approximately between the DoubleTree and the Long Term Lot. Mr. White replied that area, known as Lot D, is part of the contractor's construction staging area. Mr. Koster asked if the Airport foresees any need to increase bus capacity. Mr. White replied that an additional shuttle bus has been purchased and will be delivered this summer, and the ABM Parking Services General Manager has been tasked with ensuring that the shuttle schedule operates without inconvenience to customers. Chairman Rosenberg asked about the possibility of finding overflow parking options along Kellogg. Mr. White replied there is potential for that, but the Airport initially intends to make full use of its space on the Mid-Continent campus. According to Airport surveys, approximately 25% of travelers out of Mid-Continent use the parking lots; 75% were either dropped off by private vehicle, bus, rental cars, taxis, or hotel shuttle. Mr. Koster asked how the 25% traveler parking compares with other airports. Jean Zoglman, Finance Manager, replied that she was not aware of trends at other airports, but that at Mid-Continent, that rate has been consistent for several years. Dwight Greenlee stated that he observed four cars in the Cell Phone Lot today, which is more than he has noticed before. Mr. White replied that he also recently observed ten cars in that area, which is the most he has observed. The Airport is increasing public awareness of the Cell Phone Lot, which reduces the amount of people who continuously drive around the loop in front of the terminal and minimizes the number of vehicles double-parked. Parking will be a big challenge during the garage construction, and staff will continually monitor the situation and attempt to find ways to minimize customer inconveniences. Shuttle bus operations to and from Park & Ride will be the hardest issue to deal with because of the huge cost associated with adding more buses and drivers, which are only needed during sporadic times during the day.

### **ACT 3 Project Update – Pat McCollom, AECOM**

The terminal project is at 595 days to substantial completion. Last month, the Airport held a ceremony marking the near completion of the steel structure, which is approximately 98% complete. The concrete floor slab installation began, which is continuing. All of the drilled piers for the passenger loading bridges were installed. The fireproofing and the roofing material installation began. The windstorm did not cause any serious damage to the construction site; all of the construction materials were well protected. Preparations for installation of the glass skylights have begun.

The Apron Phase 3 package was advertised for bid on June 27<sup>th</sup>; bids will be opened July 19<sup>th</sup>. Pending availability of Federal Aviation Administration discretionary funds, the Apron Phase 3 work will begin this year. If discretionary funds are not available for the bid amount, the

package will be re-bid next year. Chairman Rosenberg asked what the anticipated cost of Apron Phase 3 would be. Mr. McCollom replied it should cost around \$5 million.

A change order will be presented to the WAA this month to approve substituting direct drive air handlers for the belt-driven ones included in the plans. Airport maintenance believes that making this change will be a cost-effective move over the life of the terminal, and will cost less to operate and maintain, in addition to being quieter. The change order will also include some door security hardware modifications recommended by airport police and the TSA. The cost is around \$76,000 total for both items, with about \$59,000 for the air handlers, and \$17,000 for the door work.

There is a change order in process for modifications to the baggage handling system (BHS) design that should be approved in August. Also in August, an RFQ for the IT/Communications package will be released, from which responses the Staff Screening Committee will determine the short list of qualified firms and subsequently release an RFP for the IT/Communications package. In the next few weeks, the glazing and skylights will be installed. It is anticipated that discussions with the airlines regarding operating agreements and space leases will begin soon.

The next major phase of planning to begin is the concessions area. There may be an opportunity to expand available concessions space to a previously unutilized area on the second floor; approximately 5,400 square feet. Mr. McCollom is investigating the cost of finishing the shell for this area, but estimates the cost to be \$800,000 to \$1 million. Mr. McCollom asked for the Board's opinions on the matter. Chairman Rosenberg asked for confirmation that the expansion plan included complete utility installation for the area. Mr. McCollom stated that was correct. Mr. Fletcher commented that, if funds are currently available, it will probably be more cost effective to prepare the space now as part of the building plan, since construction costs are likely to be lower now than for a future renovation. Mr. Ward asked if that area might also be used as an airline lounge. Mr. White replied that airline lounges are not common anymore, but that perhaps it could become an Airport club, which would be run by a concessionaire. Mr. Hennessy asked what the total area of the concessions space was. Mr. McCollom replied that it is approximately 15,000 square feet. Mr. White added that consultant Leigh Fisher has provided a recommendation for needed concessions space, and that the current plan for the new terminal building is probably lower than that recommendation. Mr. Hennessy recommended that the Airport include local entrepreneurs as much as possible. Mr. White stated that federal regulations require the bid to be advertised nationally for the prime concessionaire, but that the RFP will require local participation on the teams' proposals. There have already been a few inquiries from local businesses for both retail and food/beverage. Additional information regarding the concessions plan should be available at the next Board meeting.

Mr. Ward asked if the plans for the public art piece by Ed Carpenter were complete. Mr. McCollom replied that the 95% plans have been received.

In June, Mr. McCollom made a presentation to a senior citizen's group at the Derby community center.

**Other Business**

Brent Wooten asked for a status update for the oil and gas lease proposals. Mr. White replied that the Airport is waiting to move forward until the outcome of the City's exploration proposal downtown is known. Mr. Hinkel added that the City's exploration proposal will likely be finalized in August, following review by the District Advisory Board and further community education outreach.

The next WAAB meeting will be Monday, August 5, 2013 at 2:30 p.m.

Meeting adjourned at 4:16 p.m.

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Kathryn Keathley, Clerk