

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, August 5, 2013

Present: Dave Bayouth, Charles Fletcher, U.L. Gooch, Dwight Greenlee, John Hennessy, Carl Koster, Karyn Page, Dr. Thom Rosenberg, Bill Ward, Brent Wooten

Absent: Thomas Pryor, Kurt Yowell

Airport Staff: Victor White, Jim Armour, Brad Christopher, Kathryn Keathley, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Jay Hinkel, Deputy City Attorney
Branden Hall, Budget Analyst, Finance Department

Others: Brian Youngers, Signature Flight Support

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

Approval of Minutes

Motion by Fletcher, second by Bayouth, to approve the minutes of the July 1, 2013, Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report – Victor White, Director of Airports

The Sedgwick County Commission made five nominations for Airport Advisory Board members. The City Council is expected to take action on their approval on August 6th. The Board will elect officers for the 2013-2015 term after all nominations have been approved.

Mr. White also provided information about the Thanks Again customer loyalty program. It will be publicly announced in the next few weeks, since customers can earn rewards beginning mid-September [the official start date has now been set to be October 1]. The Airport has delayed the start of the program to provide Southwest Airlines the opportunity to register as a participating merchant, so that all four of the largest carriers at Mid-Continent are part of the program from its beginning. The Airport parking lots, the DoubleTree hotel, and the in-terminal food & beverage and retail concessionaires are all going to register as participating merchants. Customers that register with Thanks Again and make purchases with participating merchants earn flight miles. Valerie Wise, Air Service and Business Development Manager, stated that Thanks Again will have an informational meeting for Airport staff and concessionaires in the near future. Karyn Page stated that on a recent trip through DFW Airport, she was impressed by the quality of the Thanks Again advertising and immediately recognized the brand. Mr. White stated that the national presence of the program is expected to be beneficial to participation at Mid-Continent.

2013-2014 College Advertising Program – Valerie Wise, Air Service and Business Development Manager

In previous years, the college advertising contracts were managed by the advertising agency of record. Ms. Wise is now handling this facet of the Airport's advertising program. The Airport's direct administration of the college advertising contracts has resulted in a significant savings, partly because the usual agency commission fees are not part of the contract cost.

The Wichita State University (WSU) agreement will require approval by the Airport Advisory Board and the Wichita Airport Authority prior to execution. The Airport is taking advantage of television advertising opportunities this year, as the viewing audience for WSU athletics is expected to increase, resulting from the Shockers' success in the NCAA tournament. The contract includes scoreboard LED advertising, live reads during games, TV spots on the state-wide KS-22 channel during broadcasts of games, and tickets to select games for promotional events. Ms. Wise is also working with WSU marketing students to develop a new concept for TV advertising that the Airport would use for promotional contests in conjunction with the WSU agreement. The cost of the WSU agreement, which covers marketing from August 2013 to May 2014, is \$35,000. Charles Fletcher asked what the savings from the commission fees were. Ms. Wise stated that for the WSU agreement, the savings are approximately \$6,000.

Motion by Greenlee, second by Koster, to recommend approval of the WSU college advertising agreement as presented. Motion carried unanimously.

The second year of both the Kansas State University and the University of Kansas college advertising agreements have been re-negotiated. The most significant change to the contracts is that the teacher and student of the game promotions, which had been in effect since 2008, are being expanded to a "Hero of the Game" promotion, which allows any individual to be nominated for civic involvement and is expected to attract more interest for contest entries. Nominations for this award would be made online and evaluated by KU and K-State. Winners will receive tickets to one game. In addition, Southwest Airlines will partner in this promotion by providing airline tickets for the Sunflower Showdown in both the football and basketball seasons. There will continue to be live reads at both KU and K-State football and basketball games and web banner advertising on the universities' athletics pages. The KU live reads will be about twice as long as in the past, and there will also be Mid-Continent advertising on the KU Facebook page. The cost of the second year of the K-State contract is \$43,900. The cost of the second year of the KU contract is \$73,000. The agency commissions were already paid for these contracts, but in future years, there will be no commissions since airport staff is handling the contract negotiations now. This will save the airport approximately \$17,000 annually.

Based on independent research provided by K-State: more than 227,772 individuals in Kansas listen to each K-State football broadcast and more than 189,498 individuals in Kansas listen to each men's basketball broadcast. Compared to the average traveler in the Wichita area, listeners: are twice as likely to be a company business decision maker for business travel; were 18% more likely to have used Mid-Continent Airport in the last year; are 47% more likely to travel domestically; and were five times more likely to have traveled round-trip at least ten times in the

last year. These statistics from K-State support the value of the college advertising program, by illustrating its ability to reach a broad section of the Mid-Continent catchment area and business travelers.

Bill Ward asked if Ms. Wise had considered working with junior colleges on similar types of advertising promotions. Ms. Wise replied that it would be nice to expand the program, but at this time budget limitations prevent expanding the program. Mr. White added that the larger state schools also have a wider reach with their TV and radio networks, so it is more cost effective to focus the program on the larger schools.

Parking and Rental Car Facilities Project Update – John Oswald, Engineering & Planning Manager

The project is approximately 432 days to completion. The interim commercial vehicle lane is complete, which will be in use for approximately the next 15 months, after which time final adjustments will be made prior to the facility opening. The foundation test piles will be excavated in the coming week. The opening of the west entrance to the parking facility site is anticipated in mid-August. Work to re-locate the spine road return connector approximately 100 feet north of its existing position is currently underway. Two water wells (one each on the west and east side of the campus) and a severe weather warning siren will be installed, as a result of construction-related changes that affect utilities previously in use. To accommodate demand for Short Term Lot parking, the project team is working to open additional pavement which will provide approximately 18 more Short Term parking spaces. Recent rainy weather has slowed work down, but there is no indication at this time that it will affect the overall completion schedule.

Brad Christopher, Assistant Director of Airports, spoke to the Board about changes to the Short Term Lot maximum stay limits and fees that were instituted as a result of the construction schedule and the significant reduction of space available in the Short Term Lot. The Airport also chose this time to discontinue parking fee discounts for customers with disabilities, which is a policy that is consistent with state ADA legislation. Changes were publicized through various channels the last week of June, and put into effect the following week as the construction work for the parking facility began. Customers have had the most objections to and questions about the discontinuation of parking discounts.

Carl Koster asked when the Airport began offering parking discounts to customers with disabilities. Other Board members stated that there were state regulations that mandated free parking for disabled customers. Jean Zoglman, Finance Manager, stated that the state statute exempting customers with disabilities from on-street parking meter fees is still in effect, but that statute does not apply to non-metered parking facilities, such as the Airport. Mr. White called the Board's attention to supporting information for this policy change that he provided. Mr. White, Mr. Christopher, and Deputy City Attorney Jay Hinkel met last week with the Mayor and representatives of the Disabled American Veterans organization to address the concerns of the community. Mr. White further explained that the policy of free parking was a courtesy for customers with disabilities and that the changes to the parking facilities at the Airport required a

re-evaluation of the rationale for that policy. Mr. Hinkel stated that for the last several years he has advised the Wichita-Sedgwick County Access Advisory Board that this change would be permanent and implemented soon. Mr. Christopher acknowledged Mr. Hinkel's assistance during this policy transition. Mr. Christopher stated that the new parking facility will offer the most current ADA accessible accommodations in all parking areas. The previous parking options provided ADA accessible spaces only in the Short Term Lot and Park & Ride Lot.

To prepare for the increased demand for shuttle service in the Park & Ride Lot during the holiday travel period, the Airport is purchasing an additional shuttle van, which will make a total of five that can be put into rotation as demand requires. The Airport has already added more than 60 parking spaces at Park & Ride, along the perimeter of the lot. Plans are underway to further increase the number of available spaces by about 60-70 in the next couple of months by re-stripping some interior spaces.

The rental car concession bid submission deadline is October 4th. The Airport will hold a pre-bid meeting on August 23rd. Dwight Greenlee asked who the current rental car concessionaires are. The rental car concessions are Alamo/National, Avis, Budget, Dollar/Thrifty, Enterprise, and Hertz. Mr. White stated there are eight brands, operating under six concession agreements.

Jean Zoglman, Finance Manager, provided information about the parking access and revenue control system (PARCS) request for proposal, for which responses are due on August 7th [since moved to August 21st]. There are about six national vendors that provide such systems. Many of them attended the pre-proposal meeting. The PARCS will improve revenue control and the ability to provide information to parking customers, such as space availability. The proposals will be evaluated in the coming month and the vendor selected on or about September 19th. Crossland Construction will be authorized through change order to hire the selected vendor to complete the PARCS components of the project.

ACT 3 Project Update – Jim Armour, Airport Resident Engineer

The terminal project is at 559 days to substantial completion. In July, the City Manager's Office made a site visit and City Channel 7 took some footage of the project site for news releases. The steel structure was completed during the first week of July. The concrete floor slab and passenger boarding bridge drilled piers are complete. The fireproofing and roofing are in progress. The skylight frames on the concourse level have been installed and it is anticipated that the glass for those fixtures will be installed later this week. The glazing and exterior wall installation work will begin next week.

The Apron Phase 3 package bids were opened on July 19th and if an FAA grant is received this fiscal year, the contract will be awarded in August or September. If there is no grant (due to federal sequestration) the project will be re-bid next year. The apparent low bidder is Utility Contractors, Inc. The IT/Communications package design is at the 75% submittal stage. It is anticipated that the request for quotes for the IT/Communications package work will be advertised at the end of August. The baggage handling system (BHS) re-design plans are complete and have been provided to the contractor for pricing. The cost of the changes to the

BHS design are expected to be significant and will be 90% funded by the Transportation Security Administration and 10% funded by the Airport. The passenger boarding bridge request for quotes will be advertised in the November/December timeframe.

Chairman Rosenberg asked what caused the great cost increase for the amended baggage handling system design. Mr. White replied that when the original project design was completed in 2006, the first BHS design standard (version 1.0) was still in effect. By the time the project was authorized several years later, the BHS standard had developed to version 4.1, to which the design now has to conform, and has led to major space and equipment modifications.

Mr. Ward asked if the passenger boarding bridge bid would include glass construction as an alternate item. Mr. White replied that the bid will require a quote for both steel and glass construction, because it has not been determined which equipment is best for the Mid-Continent terminal, and that would allow the Airport to include actual price factors in the decision process. The Airport continues to gather information about the maintenance requirements and durability of glass construction. The Airport has initiated a Peer Review Process from airports around the world to learn the pros and cons of glass bridges. Later in the month, Brad Christopher, Ryan Miller, and Pat McCollom will visit Amarillo to learn from that airport's experience with glass boarding bridges. The Wichita Fire Marshal has confirmed that glass boarding bridges will be approved as a safe material. U.L. Gooch asked how long glass bridges have been in use. Mr. White replied that, in the United States, Killeen, Texas first installed glass bridges about five years ago, Amarillo about three years ago, and Santa Barbara about two years ago. In Europe and Asia, glass bridges have been in use for much longer; for example, perhaps about thirty years in Sweden. Pat McCollom is also collecting information from his engineering colleagues about glass bridges.

Mr. White asked Mr. Armour when he expected the change order for the BHS to be ready for approval. Mr. Armour replied that it will probably be around September, as the pricing review will not be finalized before that time. Mr. White added that there is potentially another change order for the expansion of the second floor concourse concession area. The plans and cost estimate for the expansion will be presented to the Board. Mr. Ward asked about how much of the budget had been disbursed. Mr. Armour replied that approximately \$25 million of the \$101 million construction contract has been used. The net increase in change orders has been \$150,000 (some change orders have been reductions in cost, while others have been cost increases). Mr. White added that there have been nine change orders to date. Ms. Page asked if City Council concerns about change orders were mostly related to budget management. Mr. White replied concerns have to do with costs and the reliability of recommendations, to make sure that changes are not being suggested to inflate the cost of the project. The Airport is invested in making sure that all change orders will add value or fulfill regulatory requirements. Mr. Hinkel stated that change orders are sometimes viewed as an opportunity for a contractor to inflate the cost of a project, because they generally happen after the bid has been awarded.

Mr. Greenlee asked how long the current baggage handling system design standard has been in effect and if it is in use at other airports. Mr. White replied that standard 4.1 has been in effect for about two years. The Airport, and particularly ACT 3 Program Manager Pat McCollom, has

worked closely with the TSA and the contracted BHS designer on the modification so that it complies with the regulation without radically changing the construction plans. There are systems in place at other airports that meet the current design standard.

Other Business

The next WAAB meeting will be Monday, September 9, 2013 at 2:30 p.m.

Meeting adjourned at 4:12 p.m.

Kathryn Keathley, Clerk