

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, September 12, 2011

Present: Dave Bayouth, Charles Fletcher, U.L. Gooch, Steve Harris, John Hennessy, Thomas Pryor, Dr. Thom Rosenberg, Bill Ward, Brent Wooten, Kurt Yowell

Absent: Dwight Greenlee, Willis Heck, Kevin Myles

Airport Staff: Victor White, Jean James, Kathryn Keathley, Traci Nichols, John Oswald, Valerie Wise, Jean Zoglman

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

Others: Pat McCollom, Program Manager, AECOM
Doug Stucky, Stucky Nolte

Chairman *pro tempore* Rosenberg called the meeting to order at 2:35 p.m.

Approval of Minutes

Motion by Ward to approve the minutes of the August 1, 2011, Wichita Airport Advisory Board meeting.

Steve Harris commented that there was a quote attributed to him in the August minutes that was not accurate. He proposed striking sentence eight of paragraph two, page four, beginning “Mr. Harris re-stated...”, because it did not reflect what he intended to say. Since air cargo is an important segment of airport business, he did not mean to suggest that it was an area that the Airport could not develop in the future.

Motion by Ward to approve the minutes as corrected of the August 1, 2011, Wichita Airport Advisory Board meeting. Motion carried unanimously.

Airport Advisory Board Oath of Office

Jean James, Administrative Aide II and notary public, administered the Wichita Airport Advisory Board Oath of Office to the Board members present for the 2011-2013 term of service.

Director’s Report

Valerie Wise, Air Service and Business Development Manager, made announcements about several upcoming events related to the Airport and aviation.

The Salute to Veterans is a fundraiser for Central Prairie Honor Flights that will be held November 12, 2011, at Midwest Corporate Aviation. It will be a 1940s era dinner, music, and dancing event. Honor Flights organizes trips for veterans to the World War II Memorial in Washington, D.C, and the group wants to raise funds for 800 veterans to take the trip. Honor Flights has planned two trips out of Mid-Continent this fall, one on October 4 and another on October 6.

There will be a luncheon to celebrate five years of the Mid-Continent Airport Courtesy Crew on September 20. The luncheon is sponsored by the Go Wichita Convention and Visitors Bureau.

Allegiant Air has partnered with the Mesa Convention and Visitors Bureau (Mesa, AZ) to offer a vacation sweepstakes. Twenty-eight vacation packages will be awarded. The prize is two round-trip tickets on Allegiant Air to Mesa, hotel accommodations, and two attraction event tickets. Sweepstakes registration is available from the Airport's Website, www.flywichita.com.

Victor White, Director of Airports, continued with several other announcements.

The Cessna Employee Flying Club will be hosting an open house around the first of October.

Craig Newell, Manager of Flight Safety International Learjet, will retire at the end of September, and a new manager has already been selected.

The National Weather Service is hosting a seminar on aviation weather on September 22, at the National Center for Aviation Training (NCAT). It is a free event that will be especially beneficial for pilots needing credit for the Federal Aviation Administration's WINGS Pilot Proficiency Program.

Congress is working on the twenty-second extension to the FAA funding bill that will provide authorization for operations through around the end of January 2012. Congress will vote on the extension tomorrow, and it is anticipated that Congress will approve the bill.

The September 11 Memorial commissioned by the Transportation Security Administration (TSA) was installed in the Mid-Continent Airport terminal last week. It is located by The Landing restaurant, in the corridor that leads from the main entrance to the baggage claim. TSA also held a ceremony at the Hilton on the anniversary of the terrorist attacks, and Governor Sam Brownback was a featured speaker. U.L. Gooch asked if the memorial will be part of the new terminal. Mr. White answered that it is expected that it will be installed in the new terminal, but it has not yet been determined where it will be placed.

At the September 13, 2011, City Council meeting, the Airport will ask for approval of a lease with the Aircraft Owners and Pilots Association (AOPA). The negotiations for this lease began last year, but were held up as a result of the expectation that the Airport pay a brokerage fee to a

realtor that AOPA had hired to handle the lease negotiation. Mr. White reminded the Board that in January they discussed the need to write a policy concerning brokerage fees to clearly establish the Airport's expectations and involvement in third party negotiations. Since that time, AOPA chose to disengage the broker, and a lease contract was agreed upon.

During a thunderstorm the first week of August, most of the roof of the Airport Police and Fire station was destroyed, as the result of a microburst. Repairs were completed recently, and fully covered by insurance. The Airport Police and Fire station was the only building at the Airport damaged in that storm.

Charles Fletcher asked about the status of the air conditioning repairs at the Mid-Continent terminal. Mr. White said the temporary chiller is still in place. Jean Zoglman, Finance Manager, said repairs to the air conditioning unit are expected to be complete in about four weeks. As the weather cools, the Airport may be able to maintain the terminal temperature with one chiller, instead of two, which will save the rental cost of the temporary chiller unit that was brought in over the summer.

Airport Advertising Program Briefing

Doug Stucky of Stucky Nolte spoke to the Board about the work his firm has done over the past few months developing the Airport's advertising program, and the plans for future campaigns.

The university affinity program will continue this year. Contracts with the University of Kansas (KU) and Kansas State University (K-State) have already been renewed. The KU program allows fans to nominate an exceptional teacher, and the K-State program allows fans to nominate a high achieving student, at any scholastic level, and the award recipients are recognized at university games. Banner ads are being run on the universities' Websites that publicize the program and redirect traffic to the Airport's *Facebook* page for nominations. Participants must "Like" the Airport's *Facebook* page, or select it as a favorite, to make a nomination. The university affinity program strengthens the Airport's brand visibility by connecting the university fans to the Airport's brand message, to the *Facebook* page, and through increased word of mouth among participants in the nomination program and attendees at university games, which is the most economical marketing. When participants are connected to the Airport through *Facebook*, it is much easier to track information, such as where the participants found an Airport ad, why they came to *Facebook*, and the response to the advertising.

Billboards at two locations, Central and Rock and on Kellogg in front of Scotch & Sirloin, are also being used to publicize the university affinity program. The billboards are active year-round with information about fare sales when applicable, Airport-specific branding messages, and targeted programs like university affinity. Billboards that will run close to the dates of out of town games remind people that they can take a flight from Mid-Continent Airport to support their team. The billboards also drive traffic to the *Facebook* page, to *FlyWichita.com*, and encourage people to listen to the programs as they appear during game time. This is one way for the Airport to extend its branding beyond just what's happening during games, whether fans participate in person or through radio broadcasts.

Stucky Nolte has produced radio spots that air during the KU and K-State games. Mr. Stucky played one example for the Board. More spots will be added as the season goes on. The radio spots emphasize the basics of the Airport and encourage people to visit *Facebook* and *FlyWichita.com.*, which is important because effectiveness can be measured through data from Website visits.

The Airport continues to support the airlines through ads targeting fare sales out of Mid-Continent Airport. The airlines generally do not provide much advance notice about fare sales, and the sales run for short periods. Stucky Nolte works with Valerie Wise and the airlines to produce materials that can be posted quickly to Web banners and electronic billboards. John Hennessy commented that he did not often see fare sales on *FlyWichita.com*, and asked how the fare sales are monitored. Mr. Stucky said that his firm and Ms. Wise monitor the special sales the airlines offer, and that the airlines do not necessarily provide the Airport that information ahead of time. AirTran and Frontier have worked most closely with the Airport in promoting their sales. Mr. Hennessy asked if the airlines were aware that the Airport could promote the sales for them through the Airport's media outlets. Ms. Wise said that all the information that can be gathered about fare sales out of Mid-Continent Airport is posted in the Hot Fares section of *FlyWichita.com*. Mr. Hennessy asked if there was a reason the airlines did not provide better information. Mr. Stucky said some airlines have long approval processes for the promotional ads the Airport would like to use, so that by the time an ad can be approved, the fare sale is usually over. Other airlines have pre-approved the Airport's promotional format, so that all they have to do is provide the sale details, and the ad can be produced quickly. Ms. Wise added that the legacy carriers are generally more difficult to work with because everything must be approved through their corporate legal departments, and they generally do not offer as many fare sales out of the Wichita market as they do for larger markets such as Kansas City. The promotions out of Mid-Continent are just going to be fewer than what is available in larger markets. Mr. Stucky discussed a recent example of some of the difficulties that are faced when trying to promote air service. When Delta added an additional daily flight to Minneapolis, the Airport produced an ad that featured Delta, but the airline did not approve the promotion in time for the ad to come out concurrent with the announcement of the service expansion, so Stucky Nolte was able to modify the ad so that it became more of a branding billboard for the Airport. It still promoted the increased service out of Mid-Continent without mentioning Delta specifically. Mr. Stucky showed additional examples of billboards that have been produced recently that focus on developing a consistent visual brand for the Airport, and educate people about the hundreds of destinations that are easily accessible through Mid-Continent's air service.

Mr. Hennessey suggested that the Airport focus more on developing an e-mail database that reaches subscribers with information specific to their travel needs, for example business travelers. The information sent by the Airport would be an additional service, something that can be utilized by the traveler. Mr. Stucky said there are several things being developed related to e-mail messaging, one being the ability to sign up for newsletters through *Facebook*. Mr. Hennessy suggested that there be a more personalized effort to collect e-mail subscribers, such as through contact with travelers in the Airport. Mr. Stucky said that the advantage of the Website is that it is available for e-mail subscribers around the clock. Dr. Thom Rosenberg suggested

that a valuable service to add to the e-mail notifications would be the Flight Track app, that tells travelers if flights are on time or not. Ms. Wise added, related to the topic of subscribers to Airport news notifications, that there are three kiosks in the terminal where travelers can take a survey, be entered into a drawing for free parking, and sign up for electronic newsletters and fare sale notifications. There are over 5,000 e-mail subscribers at the moment. Mr. White asked Mr. Hennessy what he had in mind when he suggested speaking to travelers in the terminal about signing up for Airport news. Mr. Hennessy said in his experience, which is from the political arena, you ask for a vote. In the terminal, there are many people waiting, not doing much, so it is a good opportunity to send someone around that sits down and signs people up. It's possible to accumulate a lot of e-mail addresses from people that are interested. A booth is one way to do it, but a booth is probably better suited to a larger airport. Mr. White suggested that the Courtesy Crew, when they are not occupied with assisting travelers, could pass out something to people for signing up.

Mr. Stucky continued with additional promotional materials that will be featured in the Wichita Symphony program, which is targeting the travel needs of customers that have an interest in a specific area, similar to the university affinity program. Stucky Nolte is developing more informational-based materials that engage people early-on in the travel decision process, which will provide people with solutions that meet travel needs.

Mr. Hennessy asked if the Airport had ever contacted the top fifty businesses in the area, that regularly send employees on business trips, to promote travel out of Mid-Continent. Ms. Wise said that she has contacts with the corporations, and has asked their travel managers to sign up for the alerts. Mr. Hennessy asked if efforts to increase business travel were part of the marketing strategy. Mr. Stucky said that Ms. Wise has good contact with businesses, and that they can work on initiatives that could draw more business travel.

Mr. Stucky then presented information about what has been learned about customers and the effects of the marketing strategies through customer visits to *FlyWichita.com*, *Facebook*, and *FourSquare*. From August 2010 to August 2011, the number of visitors to *FlyWichita.com* increased about 10 percent. The average length of time that visitors spent on the Website increased to 2 minutes and 38 seconds, which is important, because on most sites the average visit is less than 30 seconds. The average visit time indicates that people are delving into the site and looking at the information. When people visit the site, they are most frequently looking at the Flight View, Flight Status, and Airline Info pages. Visits to those pages all increased between 33-56 percent. This indicates why people are coming to the site, and that those pages are most likely bookmarked in individuals' browsers. People are getting information about the arrival and departure of flights from *FlyWichita.com*. Of all the search engines, Google continues to be the greatest source of traffic, so it is important to maintain search results on Google.

Mr. Harris asked if the Airport sells advertising on the Website. Mr. White said the Airport is still in preliminary investigations into the possibility of Web advertising, and has not requested a legal opinion on its suitability. It has been found that only a few other airports sell advertising on their Websites. One common roadblock is legal issues, with tenants and other business

partners. Another consideration is the source of advertising: should it be open to tenants only, or to other businesses as well? If an airline that does not serve Mid-Continent wants to purchase Web advertising, should that be allowed? There are many complex issues involved, and many airports are deciding that it is not a good time to expand into that arena. The Airport has not made a decision about Web advertising, but Mr. White believes it would be a profitable area of business for the Airport.

Mr. Stucky presented a map that represents the location of visitors to *FlyWichita.com*. Most of the traffic comes from the United States, but during the month of August 2011, visitors from 104 countries came to the Website. The fact that many other countries are represented seems to support the projection that international travel will be the significant area of growth in the next five years. Compared to the month of August 2010, Web traffic to *FlyWichita.com* from Brazil is up 52 percent, Mexico is up 45 percent, and India is up 68 percent. Mr. Stucky suggested that these statistics are a reflection of the economy and the industries in Wichita, which is more of a world economy. The aircraft industry is going to influence international visitors to Wichita, and some trends are already visible for inquiries in international travel.

When people use keyword searches to find information about Mid-Continent Airport, "Wichita Airport" is the most common phrase used, which increased about 10 percent from last year. The phrase "Mid-Continent Airport" increased in use 82 percent from last year, and "Wichita Mid-Continent Airport" increased 34 percent. This indicates that the Airport's brand message is starting to take hold in people's minds, when a more specific search term is used. The more specific terms "Mid-Continent Airport" and "Wichita Mid-Continent Airport" combined were used an equal number of times as "Wichita Airport". A year ago, the two specific terms combined were less than 50 percent. These results indicate that people are remembering information communicated through the advertising messages.

Some generalizations about customer behavior can also be made based on preferred Web browsers. During the time period August 2010 to August 2011, Internet Explorer was the number one browser among PC users, which is a decrease from previous years. Use of Safari, which is the Macintosh browser, and Firefox have gone up, and are about equal in customer preference. The one significant change in browser use comes in the mobile device category, with the Android mobile browser that increased from no use at this time last year to about half as many users as Safari or Firefox. Use of mobile devices is growing rapidly as the result of not only smart phones, but also tablet computers. Among tablet computers, Apple's iPad makes up 89 percent of the world market, and 96 percent of the market in the United States. The tablet is a technology that must be accommodated in a marketing strategy, and therefore the iPad, as it is the most used tablet computer.

An analysis of *Facebook* user statistics presents some interesting demographic trends regarding the individuals that are responding to the Airport's advertising. Sixty-four percent of the individuals that have selected the Airport's *Facebook* page as a favorite (known as "fans") are female. Most of the fans are in Wichita and the next highest user location is Kansas City, so some secondary markets are being reached by the Airport's advertising. The total number of fans has increased from 785 to 1,899 in the past year. The average daily users have increased

from 434 to over 1,100. The number of impressions that fans send out has increased over the past year from about 6,000 to 46,000. This number represents the multiplying effect of *Facebook*; a post that reaches on fan on *Facebook* can potentially be seen by hundreds of additional individuals that are connected to that fan.

FourSquare is a geolocation social media. When *FourSquare* members “check-in” at a location with a mobile device, they receive some type of offer or information about the place. The Airport began a *FourSquare* promotion in mid-May. The average daily check-ins in May was 15. The average daily check-ins in August was 58, and there were five days in August where over 100 people checked-in at Mid-Continent. When people checked-in on *FourSquare*, they also sent messages on *Twitter* and *Facebook* to let people know where they were. The 22 average daily *Facebook* impressions sent during that time period would reach roughly 2,200 people based on an average friend set of 100, which results in about 67,000 impressions a month disseminated about Mid-Continent. It is interesting to note that the majority of *FourSquare* members are male, which illustrates the importance of running multiple campaigns at the same time so that multiple segments of the customer base are reached.

The data that can be collected from the Web outlets is important because it allows the Airport to measure the effect of the marketing campaigns, and make informed decisions about what to develop next. It also provides results rather quickly, so that if something is not working, adjustments can be made. Trends in user behavior are also very apparent, for example the growth in the Android browser and the increase in traffic from international users. Campaigns can be developed based on the data and there is a method of measuring effectiveness so that each program can be evaluated based on some sort of return on investment.

Mr. Hennessy said that in the earlier conversation, he did not hear the response to the question about the Wichita Mid-Continent app. Mr. White said that the Airport has selected a firm to develop a mobile app for the Airport. The firm has provided its draft plan, so once the details are finalized, that should be coming out soon. Mr. White clarified that it is not actually an app in the sense that it has to be loaded on a device, but a mobile Website; a scaled down version of *FlyWichita.com* designed specifically for an iPad, iPhone, or other such device. Mr. Hennessy suggested that the Airport should also look into developing an app, as it might be the best solution for improving communication to customers. Mr. Stucky added that the advantage of an app from the perspective of a mobile device user is that it increases control over information. A person can pick the apps he/she wants, for example Flight View and *Facebook*. When an app is not useful anymore, then it can be deleted, and something else can take its place. An Airport app puts more control in the hands of the passenger, which is a service that will be important to customers, no matter what the technology is.

Mr. Hennessy brought up the topic of location-based advertising and mobile devices. Mr. Stucky said that Simon Properties has been targeting customers with mobile devices in the mall with e-coupons and vendor messages for a couple of years. Mr. White said that Clear Channel Airports, that manages the advertising spaces in the terminal, has installed a transmitter at Mid-Continent that would accomplish this type of communication, and they are working on setting up software that would allow us to send messages specifically to customers in the terminal. Clear

Channel has developed this system at other airports, so it will be available at Mid-Continent in the future.

ACT 3 Project Update

Pat McCollom, AECOM Program Manager, spoke to the Board about the status of the ACT 3 Program. He began by summarizing the main tasks that are to be completed in the near future. Supplemental agreements with AECOM and the architecture firm HNTB will need to be finalized to cover the construction phase of the project. At the September 13 Wichita City Council meeting, the Wichita Airport Authority will consider a supplemental agreement with AECOM to provide program management services, as well as construction management services for both the new terminal building as well as the new parking structure. The selection of the design team for the parking and rental car facility is ongoing. The Airport received six proposals for the parking facility design, and four of those firms have been chosen to present their proposals to the City of Wichita Staff Screening and Selection Committee on September 30. It is expected that one of the four firms will be selected to complete the parking structure design.

The new terminal bid request advertisement is expected to be published on October 12, which is also the date that terminal plan and specification books will be available for review by the contractors. The bid period will be 60 days, which puts the bid opening date in early December. All of the bids will be reviewed, and the one that is certified as the lowest responsive bid will be awarded the construction contract. Jay Hinkel, Deputy City Attorney, emphasized that proposals from responsive and responsible bidders will be considered in the bid acceptance process.

Mr. Harris asked for further information about how the low bidder will be authorized or selected. Mr. White said the City Council makes the decision through an agenda item called Report of the Board of Bids. All of the Airport's construction projects are handled in the same fashion; there is no real discretion involved. The only reason a bid would be rejected by the Board of Bids is if there is a technicality in the responsiveness of the paperwork. The City awards tens of millions of dollars in contracts routinely through this process. Mr. Hennessy said his concern is who decides if a firm is responsible. If everyone is fairly equal and responsible, then where does the decision lie? Dr. Rosenberg said the lowest bidder would be chosen if both are responsible.

Mr. White said that several reviews will have to be done, and some of it is subject to concurrence with the Federal Aviation Administration (FAA) before a contract is awarded. John Oswald, Airport Engineering and Planning Manager, added that over the 12 plus years that he has worked for the Airport, there have been very few anomalous situations where the low bidder was not apparent. In one situation, a bidder was not given the responsible certification because the bid did not comply with the FAA's requirements for the DBE program. Other than that, the decision is not politicized, it is low bidder. The purchasing manager has advised Mr. Oswald that if a company can get bonded, then in her mind it is a responsible bidder. If the bidder complies with the FAA requirements for the submittal for the federal regulations, then it's the low bid. It's as clean as that. Mr. Hinkel said responsible bidder really involves basic issues such as: do they meet the financial requirements; do they meet the regulatory requirements; are they in a lawsuit with us right now? Mr. White said for a project of this size, which will be approaching \$100

million, the contractor must be able to obtain bonds. That is going to rule out the contractors that are too tiny, that have bad construction experience, because they wouldn't be able to purchase the insurance from a bonding company to be able to put forth a bid. That is filter number one in selecting a contractor: getting a bond or not. Next, does the contractor have liability and other types of insurance? Beyond that, it's pretty simple. Bill Ward asked how many contracts will go out with this bid. Mr. McCollom said it is a single contract. Mr. Ward said, then the main contractor is going to provide the performance bonds for everybody he hires. Mr. McCollom said that was correct. As far as we're concerned, we have an agreement with a single entity. The number of subcontractors that are hired below that is the main contractor's issue. The expectation is that the low bidder will be apparent by the end of the year, and groundbreaking will occur in the end of March to early April timeframe.

Construction documents will be available in full sets of hard copies for \$1,000, of which \$500 would be refundable. CDs or DVDs of the construction documents will be available for \$200, of which \$100 would be refundable.

The parking garage is expected to be in design phase for about a year, and then bidding for that project will be late 2012. The terminal is planned to open the beginning of 2015.

Mr. Harris asked what the total cost of the project will be. Mr. White said the terminal program is \$160 million, the parking and rental car facility is \$40 million, for a total of \$200 million. The terminal program includes some smaller capital projects, such as security systems. Brent Wooten asked, there is already \$27 million of that in the ground? Mr. White answered, actually a bit more than that. Ms. Zogman said we've spent about \$40 million, some of that is professional fees, and some of it is actual construction.

Mr. McCollom reviewed the planning meetings and information meetings held in August. There was a Contractor Forum on August 18 to provide information about all Airport projects to potential contractors. About 200 people attended, including eight of the top 100 national general contractors, which indicates that the interest in the terminal project is very high. HNTB produced a set of 200 drawings from the last drawing review from last year to adjust different parts and pieces to the design based on subsequent comments, and subsequent design changes. On August 24-25, the project team met to finalize the last of the technical issues associated with the terminal design. Westar Energy has been engaged to provide the power feeds to the new terminal. To continue attempts to reach out to the local community, there will be a subcontracting workshop on September 23. The intent of the workshop is to provide information to local small firms about the special requirements of this large scale project, for example: federal regulations, such as Davis-Bacon wages; the 30 or 60 day pay estimate review; insurance requirements specific to the Airport; submittals; attention to technical specification completion. There will be a panel of different community members that can speak on pertinent topics on Friday, September 23, in an effort to try to educate, or outreach to, more of the subcontracting community.

Mr. Harris asked if there was an estimate of the number of local people that will be employed because of the project. Mr. White said that the estimates he presented to the City Council in June

were based on job projection models provided by several federal government agencies. The numbers are based on how many jobs per million dollars of construction that are typically either created or preserved when you do a project like this. The estimates range from six jobs per million dollars up to about 13 or 14 jobs per million dollars. If a project will cost about \$200 million dollars, and if an estimate of 10 jobs per million is used, then about 2,000 jobs will be created or preserved. Mr. White said he felt that a reasonable estimate of job creation for the ACT 3 Program would be a range of 500 to 2,000 jobs over a three year period, because the \$200 million projected cost of the ACT 3 Program includes purchase of materials that will not be built locally, and professional fees for engineers, architects, and consultants. If you say that \$100 million is just labor or people, then you might be back to around 1,000 jobs. Mr. Harris asked if there could be any preference for Kansas companies. Mr. White said that there could not be any preference for local firms because of the federal funds involved with the project, and the federal laws that govern how those funds can be used. The contracts will be awarded based on low bid, no matter where the bidder is from. But practically speaking, when you have a construction project that's this big, the general contractor will have to use a lot of local workers to contain costs.

Mr. McCollom continued with a special topic presentation on the construction staging plan for the terminal. The majority of the work for the terminal construction will be on the non-AOA (non-Air Operations Area) side of the Airport, or the non-secure side, even though the terminal footprint right now is within the airside area. The block of the new terminal building will be fenced, plus a rather large staging area to the south of it. The entire site will be surrounded with construction security fence, but it will not have the same SIDA (Security Identification Display Area) requirements as if it was within the airfield, which will make it easier for the construction process. The security fencing will be AOA-type security fencing between the new terminal structure and the airfield, as well as security fencing around the existing building, too. Most of the deliveries of construction materials will come through Air Cargo Road, so that Mid-Continent Drive is not congested. The construction staging plan was developed with the goal of creating the minimum amount of disruption possible to existing airport operations.

Mr. Gooch asked when changes to the parking areas would occur. Mr. McCollom said that according to the current plan, the parking areas would not be affected until around the spring of 2013, when the construction of the parking structure begins. The parking structure construction will be more difficult logistically and more difficult to manage with existing operations. Mr. Harris asked when the existing terminal will be taken down. Mr. McCollom said the existing terminal will be operational during the entire time of the construction project. Mr. Harris asked if it would be taken down at the end of the construction project. Dr. Rosenberg said, all but the east end. Mr. White said the original plan was to demolish 100 percent of it. But as a cost-cutting and saving measure, it was decided not to spend money on demolition when there was nothing to gain from it. There are also benefits and savings to keeping some of the buildings, such as the basement, which can continue to be used as a storm shelter. There are also utilities installed in that area, which would be costly to replace, which will still be of use. The existing east concourse, where American and Delta have gates, will stand for warehousing and maintenance shops that will be of use to the airlines. That saves us millions of dollars of demolition. Tearing down the building would mean millions of dollars worth of aircraft parking

apron replacement, which is avoided by not tearing it down. Mr. Harris asked if the air traffic control tower and the FAA building would stay the same. Mr. White said they would stay the same. Early on in the design process, it was determined that relocating the FAA buildings, which would have provided more flexibility for the terminal design, would cost about \$20 million. That was too high a cost, so it was decided to leave the FAA buildings in their current location.

Mr. McCollom continued by saying that Taxiways C2 and C3 would be shut down during construction, but would not affect access to any aircraft hangars. Mr. McCollom addressed the issue of employee parking, saying that construction employee parking will be off-site, which is another part of the plan to reduce congestion. The contractor will be responsible for developing a shuttle schedule to bring employees from a remote parking area to the terminal. Mr. White added that the Airport is considering opening up a field on the north end of the Airport's property for parking, but some work would have to be done to make it suitable as a parking area for the construction period.

Mr. Gooch asked if, given the current planned construction period, it was still possible that the construction costs would be less than the original estimates. Mr. McCollom said that if the bid period begins in October as planned, then by December a more accurate answer about actual costs will be available. Mr. White said that in other recent construction projects, both at the Airport and around the area, costs have been 5 to 30 percent below engineer's estimate, but at some point, that's going to stop. It will be the cost of construction materials that significantly affects the actual costs, because labor continues to be cheap. Mr. McCollom said that securing the cost this year definitely helps.

Mr. White then spoke to the Board about the proposed supplemental agreement with AECOM and plans for the management of the terminal construction process. AECOM was hired in 2005 for program management and construction management for all of the projects associated with the new terminal. Since the City Council has approved completion of the terminal construction, the next step is to extend the agreement with AECOM for program management for the next three years, and to add construction management services associated with the project. One of the reasons that the Airport would like to hire a construction management team is to establish a standardized process for decision documentation and record keeping that ensures consistency in the project. There are many complications with this particular project, so it is important that everything is well coordinated among the tenants, users, and stakeholders. There are portions of the project that still require design, particularly in the high tech procurement portion (electronic systems). Establishing a proper change order system, and management of that, will also be an essential task. AECOM can provide national expertise for the construction management functions, because of their history of large-scale construction project work in other airports. The four essential management concerns for this project are: quality, safety, scheduling, and cost control. Those objectives are necessary to make sure the project is run as efficiently as possible, and kept on time and on budget. There are many project packages left to bid, as well as many concurrent support projects during terminal construction that will require a high level of coordination and management expertise. The scale of this project will require many levels of workers, inspectors and engineers for example, that cannot be sourced from existing Airport staff

or City staff, which requires bringing in a firm to manage the construction process. Some of the new staff will come from AECOM offices, and some will be hired locally.

The projected cost for program and construction management services over the next three years is \$11.5 million. The terminal and its related projects will make up \$8.6 million, and the parking and rental car facilities makes up \$2.8 million, for a total of \$11.5 million. The fees associated with the project equal 4.4 percent of the construction costs. The Construction Management Association of America, one of the leading industry organizations that tracks costs, has reported that for similar public works projects in the Mid-West, fees make up about 7 percent of costs. So, a fee comparison of less than 5 percent is a good value. The program management services will include jobs that are not typical for most construction projects, such as financial advising, and lease negotiation with the airlines, rental car companies, and food, beverage, and retail concessions. AECOM has set a goal of spending 20% of the \$11 million budget for hiring Disadvantaged Business Enterprise subcontractors, which is twice what other consultants in the past have proposed. Mr. White proposed that the Board make a formal decision about their opinion of the proposed supplemental agreement with AECOM, which would be shared with the City Council during the meeting tomorrow.

Motion by Hennessy to approve presentation to the City Council of the Supplemental Agreement No. 6 with AECOM and the \$11.5 million budget for program and construction management phase of ACT 3. Seconded by Fletcher. Motion carried unanimously.

Election of Board of Officers

Dr. Rosenberg opened the floor to nominations for Chairman of the Wichita Airport Advisory Board. Two individuals were nominated: Dwight Greenlee and Dr. Thom Rosenberg. The Board voted by ballot for the office of Chairman. Dr. Rosenberg was elected Chairman for the 2011-2012 term.

Dr. Rosenberg opened the floor to nominations for Vice Chair. Mr. Ward nominated Charles Fletcher for Vice Chair, which was seconded by Mr. Harris. No other nominations were made.

Dr. Rosenberg called for a vote for Charles Fletcher to be Vice Chair. Election of Mr. Fletcher for Vice Chair was unanimous.

Other Business

The next WAAB meeting will be Monday, October 3, 2011 at 2:30 p.m.

Meeting adjourned at 4:22 p.m.

Kathryn Keathley, Clerk