

CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

MINUTES

Monday, January 8, 2001 - 2:00 p.m.

Present: Gary Adamson, Robert Alford, Tim Austin, Dion Avello, Beth Garrison, Elizabeth Kinch, Carl Koster

Absent: Charlie Bouilly, Larry Fleming, Dorothy McKay and Jay Swanson

City Staff: Allen Bell, Ernie Garcia, Doug Moshier

Airport Staff: Bailis Bell, John Oswald, Shannon Feltes, Jean Zoglman, Valerie Wise

Chairman Pro Tem Dion Avello called the meeting to order.

Approval of Minutes

Adamson moved to approve the minutes of the December 4, 2000 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Joint Meeting with the City of Wichita Design Council

The terminal area remodel/redesign project has now proceeded to the phase of selecting a team of consultants (engineers, architects, planners, etc.) to aid in designing the project(s). Toward that end, a Request for Qualifications has been drafted for review and subsequent approval. Further, the City Manager has asked the City of Wichita Design Council to meet with the Wichita Airport Advisory Board to review the scope of the RFQ that generally defines the scope of the project(s).

John D'Angelo, representing the Design Council, explained that members of the WAAB, the Design Council, and outside individuals participated in a discussion to develop the criteria for the RFQ. The remodel project is in conjunction with the master plan project, and efforts are being made to avoid overlapping the two scopes of services. The discussion focused on (1) Mid-Continent Drive to the airport, including the future need of a parking garage; (2) amenities that would make it an attractive yet user-friendly airport; (3) security location and the possibility of moving it towards the front. D'Angelo stated that it is the belief of the Design Council and the City that the airport is the first thing that greets visitors to our city and should make a memorable first impression. The City Manager feels there needs to be more clarity as to the functions of the master planner and the design team. The verbiage in the RFQ needs clarification. The City Manager also wants visual ideas as opposed to a report, and this needs to be reflected in the RFQ as well. Other issues to be addressed are the capacity and need of the second floor of the

terminal building and the lifetime of the facility, and if these items need to be part of the RFQ.

Ernie Garcia stated that the City Manager is concerned with the duplication of effort between the master plan and the terminal remodel RFQ. Bailis Bell volunteered airport staff to rewrite the RFQ to address those concerns.

Sonia Greteman, Chair of the Design Council, stated that the Design Council is looking for a conceptual idea that ties to Wichita's aviation heritage from the architects to whom this RFQ is solicited. Ideas mentioned were a more attractive gateway to the airport, a new façade on the front of the building, and a dramatic entrance that announces your arrival to Wichita that supports the aviation theme. It is the Design Council's intention to leave the design open to the artists, architects, and consultants.

The master plan's function is to ensure the facility is adequate to handle the traffic. Traffic is forecasted for the next twenty years. This master plan will be broader as it will address issues involved in serving industry on the perimeter of the airport. The terminal area plan has been neglected in previous master plans, as is typical at airports.

There was concern that this project will take much time in completing, that it will have to be done in segments, and the original plan may change over time, especially with changes in boards.

The board cautioned not to lose sight of the functionality of Mid-Continent Airport. Ease of picking up baggage, rental car or taxis is very important to travelers. Avello mentioned a visitor from New York who said this airport is perfect, and that he can get in and out of the airport within 30 minutes. The board also stated that the first impression upon arrival at an airport is in the gate area and not the front of the terminal.

The master plan is a general overview of the entire complex centering on current land uses compared to potential land uses, and it would block out where other functions would occur. The design team would then address the specifics within the general location, such as where the terminal should be. The master planner may address the location of a parking garage as it affects a variety of functions around it. The master planner will work with the design team on those overlapping issues.

The Design Council is looking for a diverse team consisting of a nationally recognized airport architect, a local architect, artists, landscape artists, an engineering firm, so there is a collaborative team approach. It will most likely be a phased approach, but with a good design, it should be timeless despite changes in boards.

It is planned to use a design competition where firms are asked to compete for prize money and to provide a design solution before a design firm is selected. This approach has been used on bridges in downtown Wichita and on the riverbank project. A jury

would select the consultants, shortlist them, and they would make a presentation. Slide presentations of past projects would be their portfolio.

Bell suggested that if a significant amount of money were to be spent on the remodel, it would be good business practice to look at building a new facility.

The rehab of the terminal building will be looked at first, and the possibility of connection and/or expansion to the west side. The inconvenience to travelers during the rehab stage must also be considered.

Koster suggested that the type of design should be conceptualized where art is viewed with a different light every time you see it, and cautioned that it does not become irritating.

D'Angelo stated that once a consultant is selected, there will be opportunities for comments by the WAAB, the Design Council, and customers.

Kinch commented that as Advisory Board members, it is the responsibility of the board to keep in mind the individuals they represent and the costs associated with this project.

The next action is for the City Manager to send out the RFQ.

City of Wichita Development at Jabara Airport

Allen Bell, Economic Development Director of the City of Wichita, gave a presentation of the proposed hangar to be developed by the City of Wichita on behalf of Wichita Air Services, Inc., (WASI) which is owned by Jack DeBoer. WASI currently operates at Wichita Mid-Continent Airport and is in need of additional hangar space. A letter of intent has been negotiated on a preliminary basis whereby the City of Wichita will be the developer, and lease land from the Airport. The City of Wichita would enter into a lease agreement with Wichita Air Services, Inc. and Jack DeBoer for a 15-year lease. The City would also have a site lease with the Airport for the land and the facility.

Greg Kossover, representing Wichita Air Services, Inc., was present and distributed the site plans. The main business of WASI is the restoration of World War II aircraft. The proposed 18,000 sq.ft. hangar is necessary to expand its restoration business and provide space to store corporate aircraft. Five of its aircraft are stored in various locations on Mid-Continent Airport. WASI had leased space from Raytheon Aircraft Services to house a Beech jet and that lease expired. WASI looked for hangar space at both Mid-Continent and Jabara Airports, and a pad was available at Jabara. The site at Jabara is directly west of two existing hangars at the south end of the taxiway.

Kossover stated they were unable to obtain hangar space at Mid-Continent Airport. WASI approached the City about a land lease and a long-term hangar lease and the City was willing to participate.

Bailis Bell stated that a letter was sent to the fixed-base operators at Mid-Continent Airport asking for their interest in entering into an arrangement with WASI. At that time, WASI was only interested in Mid-Continent Airport. Kossover did not receive a response from those FBOs. Midwest Corporate Aviation has had contact with WASI and was willing to provide a hangar, however, the parties were not able to agree on the terms. Allen Bell stated there were disagreements on the restrictions that would be imposed on WASI. Those restrictions concerned aircraft mechanical work that could be done and what customers could be served. Allen Bell stated that it is the intention of the City that there would be non-compete provisions similar to those requested by Midwest Corporate Aviation which would be built into the lease. The use of that facility would be restricted so that it will not be a direct competitor in the area of aircraft maintenance. WASI has also provided a letter pledging not to expand its business into traditional FBO operations.

Patrick Ayres, President of Midwest Corporate Aviation, stated that Midwest Corporate Aviation (MCA) would be pleased to have Jack DeBoer at Jabara Airport and the outcome of this meeting would not have any impact on their friendship. Ayres and the owner of MCA are concerned over recent decisions made by the Wichita Airport Authority and the Airport Advisory Board that affect Jabara Airport. Three years ago, standard FBO operations were reviewed. Ayres referred to a letter written by Bailis Bell that stated that there is not much money in the FBO business. Revenue must come from other sources for which the airport can be utilized. Ayres cited the LifeWatch business at Jabara, the sale of aircraft parts at Yingling, aircraft refurbishment at Executive Aircraft, etc. Two years ago the Airport Authority Board approved two executive operators to install a shared fuel farm. The concern that Ayres has is what would stop the next conglomerate of operators from putting in a shared fuel farm. Ayres said that about 80% of his profits come from large airplanes, but 80% of the time is spent pumping fuel in small aircraft. Also, one of the executive operators began storing another individual's airplane. This airplane came out of one of the Airport Authority's t-hangars, so MCA did not lose any money. The executive operators are not under FBO rules, so none of the rules that apply to MCA apply to the executive operators. Last June, Ayres brought to the WAAB a proposal for a hangar on the only place where access to the ramp was available. The WAAB approved the proposal but the City turned it down and MCA was forced to put the hangar one-third of a mile away from the FBO facility. The direction being taken at Jabara Airport is of great concern because the executive operators do not support the general flying public. Ayres stated if MCA is to continue operating 24 hours per day and supporting the small operator, it needs to make money with the big operators. If too many executive operators are allowed to come in, they could hurt MCA's business.

There was concern over the increasing number of underground fuel tanks at Jabara Airport and the potential pollution problems associated with them.

The Board felt that this arrangement is anti-competitive towards Midwest Corporate Aviation, and believed that it should assist the local businesses. Kinch questioned why Mr. DeBoer does not finance this hangar through the Airport Authority's special facility revenue bonds as other businesses have done. Allen Bell stated it is more economical for WASI to have the City issue City General Obligation Bonds. The hangar will continue to be owned by the City and available for lease by others after the lease term expires, unless it is renewed. Typically a developer such as an FBO would finance the hangar, build the hangar, amortize the cost over a longer period of time and lease it for the term of the amortization. WASI did not want to finance the hangar longer than 15 years.

Allen Bell stated that it was decided if everything could be worked out, including land lease with the airport and pending comments from the Airport Advisory Board, the City would be willing to act as developer in this case.

Beth Garrison pointed out that if this is the most cost effective way of doing this, then a precedent would be set for future development, because there would be no reason for anyone else to finance and lease facilities on the airport as has been done in the past.

Kinch stated this is a very large expansion of government.

Austin asked why Midwest Corporate Aviation was not able to come to an agreement with WASI. Kossover stated that WASI is not interested in being an FBO. WASI does a limited amount of typical maintenance on the side. There is no solicitation for business nor is there any advertisement for new business. In early negotiations with MCA, WASI was required to submit a list of customers and would be limited to doing business with those customers. WASI was opposed to these restrictions placed on its business. If MCA could have offered a lease term as effective as what the City offered, WASI would not have any objections to doing business with MCA. The lease rates being offered are the published lease rates.

In response to questions posed by Koster, Allen Bell stated that this financing vehicle would be used in the future. The City was interested in establishing a new way of developing property on the airport. Bell agreed that this approach does provide a compelling alternative to other financing methods. He stated there would need to be a judicious use of this financing tool so that it does not become the only way it is ever done.

Koster asked what criteria would be used to deny this tool to other businesses in the future. Allen Bell stated that has not been established yet and should be addressed soon. The concern Koster has is the fairness and equity of how this is applied and utilized.

Kinch stated that once this contract is signed, it becomes law. It sets a precedent and it will be looked at in future negotiations. Also, it would not necessarily have to apply to airport property, but could be applied to other issues where a business wants a little better deal from the City. It is her belief that private business should work this out.

In response to Austin's question, the letter of intent states that limitations on the use of fuel will be addressed in the lease. The lease will contain provisions and limitations concerning the storage of bulk aircraft fuel at Jabara Airport.

It was Adamson's impression that MCA could have utilized Airport Special Facilities Revenue Bonds and offer a competitive lease. Ayres did not feel it was a money issue that kept them from working out an arrangement, but suggested there was a miscommunication on what restrictions would be imposed on WASI.

The City Council has approved the selection of DeBoer as the preferred developer of a corporate hangar at Jabara Airport and authorized the Letter of Intent to be approved and executed with the understanding that the project be reviewed by the Airport Advisory Board at the earliest opportunity. Allen Bell will write a report of this meeting to the City Manager.

The Federal Government allows small airports to permit one FBO only because it is common knowledge that small airports cannot support more than one FBO. Kosover felt that if they wanted to become an FBO, there are probably ways of doing that. However, one of the things they are giving up in this agreement is the ability to become an FBO.

Tim Austin moved to affirm the City Council's action designating Wichita Air Services as the preferred developer subject to City staff developing guidelines and criteria which will define the process for future contracts which includes sale of fuel by the FBOs and other issues. Motion seconded by Robert Alford. Discussion followed. Motion failed 2 to 5. Nays: Adamson, Avello, Garrison, Kinch, Koster; Yeas: Alford, Austin.

Kinch moved that the Wichita Airport Advisory Board is concerned about the City of Wichita entering into this agreement based on issues raised in this meeting; that it is precedent setting without adequate guidelines having been established prior to entering into this agreement. Motion seconded by Garrison. Motion carried 5 to 2. Yeas: Adamson, Avello, Garrison, Kinch, Koster; Nays: Alford, Austin.

November 2000 Activity Report

Total passengers for November 2000 at Mid-Continent Airport were up 4.45% over November 1999.

Discussion of 2001 Work Program

It was the City Manager's desire for the Airport Advisory Board to review its responsibilities. The Board reviewed the responsibilities that the City Council adopted in 1999. Air service has been removed from the Advisory Board's responsibilities. The Mayor's Air Service Committee is handling air service.

Attendance at airport conferences by the Airport Advisory Board members was discussed. Austin felt it was beneficial for the board to have knowledge about the airport industry and what is going on at other airports.

Other Business

Austin stated that it was irresponsible of the Wichita Eagle to report that the airport remodel project would result in more passengers and lower airfares. These are two totally different issues.

Meeting adjourned at 4:10 p.m.



Valerie Wise, Clerk