

CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, December 2, 2002 - 3:00 p.m.

Present: Tim Austin, Dion Avello, Charles Bouilly, Bill Calloway, Mitch Faroh, Michael Ledy, Dorothy McKay, Dave Murfin

Absent: Beth Garrison, Don Slawson, Jay Swanson, Carrie Williams

City Staff: Doug Moshier

Airport Staff: Bailis Bell, Valerie Wise and Jean Zoglman

Chairman Avello called the meeting to order.

Approval of Minutes

Motion by Austin to approve the minutes of the November 4, 2002 Wichita Advisory Board meeting. Motion carried unanimously.

Midwest Car Corporation Request

Bell provided background information on the rental car industry. There are five rental car companies located on field at Mid-Continent Airport: Avis, Budget, Dollar, Hertz, and National. There are two rental car companies located off field: Enterprise and Thrifty. On-field operators pay 10% of gross sales to the airport and off-field operators pay 8% to the airport. The contract with the five on-field rental car operators, which is a five-year contract with three, five-year options, expires at the end of 2004.

The issue before the board involves ANC Rental Corporation, which is the sole owner of National Rental Car and Alamo Rental Car. ANC, National, and Alamo are in Chapter 11 bankruptcy. Midwest Car Corporation, a National franchisee, has a concession agreement with the Wichita Airport Authority. Alamo does not. In order to reorganize the companies, the approach of "dual branding" has been adopted. The operations, fleets, etc. are being melded but marketed under both National and Alamo.

Midwest Car Corporation, a Wisconsin-based National franchisee and holder of an airport concession agreement, has requested permission to add the Alamo brand to be introduced at Mid-Continent Airport. It was staff's recommendation to approve the request under the following conditions: (1) That all "Alamo" operations take place within the current leasehold of Midwest Car Corporation; (2) That all expenses of signage, etc. will be borne by Midwest Car Corporation; (3) That Alamo not be specifically recognized when parking stalls are distributed annually.

Close to 100 airports in the U.S. have yielded to this approach. However, several have sought judicial relief without success.

Bruce Wershem with Midwest Car Corporation explained that Midwest Car Corporation is a licensee of National Car Rental. Since ANC filed bankruptcy in November 2001 and have gone through the reorganization process, the court has allowed them to merge Alamo with National but keep separate identities. National does not have a choice in accepting an Alamo licensee. It will cost National more to operate the Alamo brand. The fee structure that National would pay to ANC will increase substantially, but this has been approved by the bankruptcy court. National is not requesting more parking stalls.

Mindy Dodd, representing Enterprise Rental Car, stated that Enterprise has been working towards moving its off-field business to an on-field business. Dodd feels that Enterprise would be able to improve its customer service level by having contact with customers in the terminal building, and it would increase the airport's revenue. Dodd requested that if the board approved the addition of the Alamo brand on field, that the board give Enterprise the same opportunity. Dodd mentioned there was empty counter space on the west side of the baggage claim area, and suggested that rental car companies interested in converting from an off-field to an on-field operation be given the opportunity to bid on that space. Dodd stated that Enterprise has been in Wichita for twelve years and has about 100 employees in the Wichita area. Enterprise has received prestigious customer satisfaction awards.

Motion by Murfin to adopt the staff's recommendation and direct an amendment to the Midwest Car Corporation lease to reflect this change and submit it to City Council for approval. Motion passed unanimously.

Bell suggested that the current rental car companies doing business with Mid-Continent Airport be given the opportunity to comment on Enterprise's proposal to come on field. The board will discuss this item at the January WAAB meeting, and the rental car companies will be invited to the February WAAB meeting for comment.

Review of City Council Approvals

The board reviewed airport-related issues approved by the City Council in November.

Master Plan/Terminal Area Planning Project – Status Report

The first meeting of the planning committee is expected to be held in January. The contract for the master plan for Mid-Continent and Jabara Airports was executed the previous week.

October 2002 Statistical/Project Report

Total passengers increased 49.55% over October 2001. Operations are down due to the closure of the east runway for construction.

Meeting adjourned at 4:15 p.m.