

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

Monday, December 5, 2005 – 3:00 p.m.

Present: Tim Austin, Dion Avello, Bill Calloway, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Willis Heck, David Murfin, Jay Russell, Jeff St. Clair, Jay Swanson and Bill Ward

City Staff: Doug Moshier

Airport Staff: Victor White, John Oswald, Sandy Coykendall, Shannon Feltes, Jean Zoglman, Mike Carter, Valerie Wise

Others: Peter Gustaf, Executive Director of Kansas Technical Training Institute (KTTI)

Chairman Fletcher called the meeting to order.

Approval of Minutes

Motion by Heck to approve the minutes of the November 14, 2005 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report

Mr. White introduced Keith Osborn, who is the Federal Security Director for the Transportation Security Administration. Mr. Osborn explained the new security regulations concerning prohibited items that will go into effect December 22, 2005. These regulations were proposed from TSA headquarters in Washington. Mr. Osborn pointed out that the TSA is no longer striving for consistency at airports around the country, but random procedures will be implemented.

The TSA will be increasing bomb-sniffing dogs at airports, and Wichita is expected to have one in about five years. TSA would provide the dog and a stipend of about \$40,000 per year for the dog.

Discussion followed regarding the third screening lane, the use of plastic bags for personal items, general aviation aircraft security programs, and the Registered Traveler Program.

KTTI Project Update

Peter Gustaf, Executive Director of Kansas Technical Training Institute (KTTI), addressed the Board. According to a report published by Honeywell, 745 new jet deliveries are expected in 2005, and with expectations of exceeding 800 in 2006. Over the next ten years, 9900 aircraft deliveries are predicted. The National Association of Manufacturers has agreed to give KTTI a national agenda and assistance with raising funds.

Mr. Gustaf reports that the project is on schedule, but there is an issue with the design. They have applied for a \$1.5 million EDA grant. Senator Brownback has earmarked \$500,000 in the budget for this project. About \$2 million will be available in January to begin the site development and infrastructure, and to jumpstart the final design. It is hoped to bid the project in August 2006 and to break ground in October 2006. The approval process with the various government entities should be completed the end of January 2006. There will be presentations to the State Department of Commerce and Department of Transportation. Meetings with the senior leaders of all the aviation companies to solicit funding are taking place.

According to Gustaf, feedback from the City Council and Sedgwick County Commission was very positive. The next time this project will be presented to the City and County will be for final approval.

Mr. White stated that there has been a good amount of positioning to determine who the tenant will be. According to Mr. Gustaf, the Sedgwick County Commission has developed the Sedgwick County Technical Education and Training Authority (SCTETA), of which Willis Heck is a member. It is anticipated that this Authority will be the operator and leaseholder. Gustaf stated a possible idea is for the Authority to be the landlord and, thereby it would be the facility's administrator and would decide what product is offered, the amount to charge for that product, who the lessees are, and what the lease payments will be. If the Authority were the governing entity, it would provide a vehicle to generate revenue to run this operation.

Mr. Gooch stated that at some point it will be necessary for one person to be responsible to all parties to drive this project forward. Mr. Gustaf explained the KTTI transition plan. The Authority has a staff person on loan from the County and it is currently looking for a leader. According to Mr. Heck, the selection committee has a set of criteria to select that person and will be making a recommendation to the Authority.

In response to Mr. Austin's question regarding any work that can be done to expedite the project, Mr. Oswald stated that utilities such as water, communications, and gas are already in place, but unsure about sanitary sewer.

There was discussion regarding land and building lease arrangements. Mr. White stated that options have been discussed regarding who would build the facility and how it would be financed. Mr. Gustaf stated that all these decisions are to be finalized by January 16, 2006. After the KTTI board votes, it will go to the Authority for approval and then City and County. The presentation schedule is as follows: State - January 6, KTTI Board - January 11, City Council - January 24, and County Commission January 25. Presentation to the WAAB will be in January 2006.

Mr. Gustaf stated one specific concern is that economically disadvantaged people will not have the resources to afford this training because of the limitations on Pell grants and other loans. Businesses will need to contribute to a scholarship fund to help those people. Also, the training equipment is extremely expensive. It is hoped that businesses will contribute 20% of the total project. Presentations to the senior leaders of the aviation businesses should be completed by February 1.

Mr. Oswald recommended a meeting take place to determine who is obligated to build utilities, taxiway and an apron.

Mr. Austin stated that it appears to be unlikely that the WAAB would be advised of the business model or financial arrangements proposed before it is presented to City Council. According to Austin, the City Council depends on the WAAB to flush out the issues and feels it should not be presented to Council before the Board has had sufficient input. Gustaf stated that it will not be presented to City Council until the WAAB has approved the plan.

Affordable Airfares for Kansans

Mr. White reported that there is a steering group involved in the airfare issue. This initiative is called Affordable Airfares for Kansans. Allen Bell, Economic Development Director with the City Manager's Office is the Project Manager. Dave Wood, President of GWEDC, and Bill Buchanan, Sedgwick County Manager, are also involved. A presentation to the Governor took place recently and the group is working with the Kansas Legislature to receive funds from the State of about \$5 million per year for a five-year period to use as a 80/20 match, with the 20% generated locally. The funds would be used for a variety of incentive programs and financial tools to encourage low fares in Wichita. The catchment area is about 1.3 million people, 60% of those being from Sedgwick County. The idea is that this airport be promoted as Kansas' airport, with the majority of Kansans using Mid-Continent for air travel. The economic benefit to the State Treasury, according to a Wichita State University study, is about \$8 million per year by AirTran's presence in Wichita. The convincing argument to be made is that for a \$5 million per year investment, the State will keep an \$8 million revenue stream.

Discussion ensued. According to Mr. Avello, Fair Fares is still in existence but is currently in a state of limbo. There was discussion regarding a newspaper article about this initiative. Mr. Austin stated that a coordinated effort is needed to educate the public about the benefits of this program. This committee has various groups of people to handle government relations, media and communications. Mr. Gooch stated that this effort needs one person who has a strong interest in this issue who will push it forward.

Building Inspections

Mr. Oswald stated that some problems with facilities have been discovered on airport property. All buildings, except the Federal buildings, are owned by the Wichita Airport Authority. Problems include advanced wear and tear, deterioration, etc. Staff has proposed that over the next three years, the projects would be divided into thirds and a consultant would be hired to do inspections to look for defects, code issues, potential problems, etc. Oswald stated that with the new Honeywell facility opening soon, the former Honeywell facility will soon be vacant which will serve as a trial basis on which to do these inspections. Costs for this program could easily run into the tens of thousands of dollars in the next three years.

Sewage Treatment Plant

Mr. White has met with the City Manager who has also met with the Water and Sewer Department Director, consultants, and Councilman Gray. All parties have agreed to move the plant's proposed location further south to Site 18C.

Rates and Charges

The rates and charges to the airlines for the upcoming year will be presented to the WAAB at the January meeting.

December 13 City Council Meeting

At the December 13, 2005 City Council meeting, a contract with the design consultant for the Air Cargo Building will be presented. Also, an International Trade Center project is underway to see if there is a market in the Wichita area for truck/rail/air cargo activity. It has been deemed that the airport would be the ideal location for this project. It will be necessary to hire a consultant to do a feasibility study. The consultant selection took place and the recommendation will be presented to City Council on December 13, 2005.

WAAB Travel

The 2006 Airport Legislative Alliance Spring Washington conference, sponsored by ACI-NA and AAAB, will be held March 20-21, 2006. Mr. Austin or Mr. Fletcher may attend.

Airport Advertising RFP

A request for proposals for airport advertising was published Friday, December 2, 2005. The current contract with Sullivan, Higdon & Sink expires the end of this year. This RFP calls for a one-year contract with two, one-year options. Mr. White recommended that a representative from the WAAB serve on the selection committee to pick the agency.

Discussion ensued. It was Mr. Ward's opinion that the ads were too negative towards men. Ward volunteered to serve on the committee. The proposals are due January 13, 2006. Mr. Austin urged the campaign be rolled out faster than last year.

Discussion ensued regarding the Air Service Development position. This position will be responsible for air service recruitment and retention, and will work with City leaders to recruit tenants to the airport. The Board feels strongly about the airport driving the business development efforts.

Board Rules of Operation and Legal Matters

Doug Moshier briefed the Board on the open meetings law. Since there are 13 board members, up to three members are allowed to meet without violating the law. Regarding public agenda, the public is generally limited to five minutes. Those members of the public are required to give notice in advance of the meeting. The public is also allowed to participate in discussion of agenda items, subject to rules of procedure. Items not listed on the agenda can be discussed if someone makes a motion to consider an off-agenda item. This should happen as infrequently as possible, but since the WAAB meets monthly, it is permissible for the Board to consider it. It will be part of the minutes and part of public record. It was observed that any action this Board takes would need final approval by the City Council where there would be opportunity for public input.

Terminal Project Update

The contract with HNTB is being negotiated. The scope of work has been completed, and HNTB is working on a cost proposal that should be received within the next week. It is anticipated that the contract will be presented to City Council in late January or February. The project is on schedule to begin construction in mid-2007 and completion in mid-2010. Once the contract is established, work on the schematic design can begin. There will be several review meetings during the schematic design period of which the WAAB will participate, as well as all of the user groups. Staff is still working with the original estimate for the terminal area plan, but due to Hurricane Katrina, construction costs have escalated. The Airport has requested a cost specialist from DMJM, and the design team will also provide a cost specialist who will provide cost estimates for the design. There will be a reconciliation phase to compare costs of every aspect. There also is a question of affordability with the airlines and a meeting will take place next week to begin discussion of those issues. A final budget should be ready in the spring.

There was discussion regarding the financial feasibility study by Leigh Fisher Associates. Mr. White explained that LFA is looking at the costs for the new terminal and all the other capital improvement projects the airport system has at both airports over the next 20 years in order to determine what the costs will be in total. It also has to be determined how much the airlines will be able to afford in landing fees and terminal rentals.

Mr. White stated that a separate group has the responsibility of determining the art in the terminal building.

Discussion ensued regarding the manner in which the project will be bid. Also discussed was the new cargo building. It is expected that the design concept will be presented to the WAAB sometime in the spring. The consultant will help to determine the use of the building. Aesthetics of the building will be a primary consideration due to the elevated roadway.

Other Business

The next WAAB meeting will be Monday, January 9, 2006.

Meeting adjourned at 5:00 p.m.

Valerie Wise, Clerk