

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, April 3, 2006 – 3:00 p.m.

Present: Dion Avello, Bill Calloway, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Willis Heck, Jay Russell, Jay Swanson and Bill Ward

Absent: Tim Austin, David Murfin, and Jeff St. Clair

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

City Staff: Doug Moshier, Senior Assistant City Attorney

Others: Susan Armstrong and Mark Chamberlin-Armstrong/Shank, Dave Dewhurst-Sabris, Bob Karlake-Midwest Corporate Aviation, Mike Haggar

Chairman Fletcher called the meeting to order.

Approval of Minutes

Motion by Heck to approve the minutes of the March 6, 2006 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report

Victor White reported on the ACI-NA/AAAE Spring Washington Legislative Conference that Mr. Fletcher and he attended. Messrs. Fletcher and White met with staff members from the offices of Senators Brownback and Roberts, and Congressman Tiahrt. They also had the opportunity to meet with the Legislative Director from Congressman Mica's office who is Chairman of the House Aviation Subcommittee. These meetings provided a forum to discuss the new terminal project and the need for federal funding, the KTTI project and other development projects.

Following the conference, Congressman Mica, Congressman Tiahrt, and Congressman Moran were in Wichita for a hearing of the House Aviation Subcommittee at which time Mr. White visited with Congressmen Mica and Tiahrt about the new terminal plans. Mr. White was also able to have a private meeting with Congressman Mica in the terminal.

The KTTI project is progressing. The City Council approved the City's offer to Sedgwick County. Airport staff has met with the Executive Director of the County's Training Authority and the Finance Director to discuss the lease agreement between the County and the Airport Authority. The County has asked the Airport Authority to be a co-applicant on a \$1.5 million grant application from the Economic Development Administration that would be used for the construction of the facility. This is currently under review.

Regarding the sewage treatment plant, Mr. White sent a letter to the FAA expressing the opinion of the WAAB and Airport staff that it is not the Airport's desire to sell airport land, and that a lease arrangement is preferred. There has not been a response at this time.

Airport staff has been working with representatives from the U.S. Senior Open. It is anticipated that this event will bring many passengers into the airport.

The Wichita Flight Festival will be held at Col. James Jabara Airport the last week of August.

The City budget process is underway. The City Council has adopted a Transforming Wichita strategy with five main goals that affect the budget. Airport staff is participating on the various strategy teams. The Airport budget will not be affected by this process since it is a separate enterprise from the City.

Wichita Mid-Continent Airport will host the summer 2006 Kansas Airport Association workshop on July 20-21, 2006.

The concession agreement with HMS Host was extended for four more years. Host has agreed to make improvements to their services and Airport staff is working with Host on this project. Host has agreed to have the highest level of DBE participation as possible. It was suggested that the Urban League is an excellent source for DBE participants.

Mid-Continent Advertising Campaign

Mark Chamberlin with Armstrong Shank presented a PowerPoint show illustrating the concept and some of the ideas for the 2006 Mid-Continent Airport advertising campaign. The campaign's theme is "It's a breeze" and will focus on the ease and convenience of using Mid-Continent Airport. One of the ideas proposed is a Courtesy Crew, which will be a customer service program to assist guests in the terminal. Susan Armstrong commented that this is a positive, upbeat campaign, and a portion of the marketing budget will pay for the Courtesy Crew members.

Quarterly Financial Report for the Quarter Ending 12/31/05

Jean Zoglman reviewed the year-end 2005 airport financial report. There was discussion concerning the public safety fee that the City of Wichita imposes on the Airport.

The Transforming Wichita process allows each City Department only two weeks to put its budget together. This will not allow the WAAB to have the opportunity to review it before it is submitted. At this point, the budget will be presented to the Economic Vitality Strategy Team that will make recommendations to the City Manager as to how programs should be supported. The budget will be presented to the WAAB before it is sent to City Council.

Development of Facilities at Jabara Airport

Mr. White reported that there are several parties interested in building hangars at Jabara Airport. The KTTI project will involve about 20 acres in the first phase. If the project grows as anticipated, it could add another 10-15 acres to that site.

Negotiations are underway with two parties to develop hangars on the south end of Jabara Airport. Two hangars are being proposed at 15,000 sq.ft. each, with associated ramp. Another company is considering building a larger hangar south of these two. Also being negotiated is a possible 15,000 sq.ft. hangar in the middle of the area. An RFP is out for an engineering firm to do the design for the taxiway on the north end to service that area of the airport. City codes require fire sprinkler systems on hangars larger than 15,500 sq.ft. which is why these hangars are 15,000 sq.ft.

With development opportunities limited on the west side, it is now necessary to acquire land on the east side of Jabara Airport. The master plan recommends the purchase of additional land. The property owners in that area have been contacted in the past and there has been no movement from the property owners in terms of willingness to sell. In order to develop Jabara Airport over the next 20 years, it is necessary to begin the process of official acquisition of those properties. It may involve condemnation activities. Acquiring this additional land gives the City the flexibility to be able to recruit companies such as aircraft manufacturing businesses.

Doug Moshier stated that there most likely will be some legislation from the Kansas Legislature that will restrict the ability of government to acquire property for economic development purposes. According to Moshier, the State Legislators are interfering with the broad authority of government to condemn property by eminent domain by manipulating the method in which it is valued. Instead of the judges in the District Court appointing three disinterested appraisers, the new process would allow the condemning authority to appoint an appraiser, the property owner would appoint an appraiser, and the two would independently arrive at a property value. Those two values would be averaged and a 200% multiplier would be applied. Moshier warned that there will be significant restrictions on what government can do with regard to economic development.

Mr. Greenlee suggested the Kansas Association of Airports get involved by expressing concerns to their Legislators. It should also be pointed out to the State Legislators that the Airport has invested thousands of dollars in Jabara Airport and may be a possible site for a future manufacturing facility, bringing more jobs to Kansas.

There is a 7 ½-acre tract of land located east of Lindberg and north of 37th Street North wherein the Airport staff has made repeated attempts to purchase the land without condemnation. It is necessary for the Airport to purchase this land in order for an east side taxiway to be developed full length.

Mr. Oswald pointed out the various parcels of land where the new developments will take place. Also shown were parcels of land that could be purchased for development. In late 2004 the City's Property Management Division appraised five parcels of land on the east side of Jabara Airport. In late December 2004 a written offer was made, but due to some technical errors, it was reoffered in March 2005. There was no response from the landowners. Airport staff is seeking a willing buyer – willing seller arrangement.

Mr. Oswald pointed an area in the southeast corner of the airport that has not been considered developable as it is hard to reach, has drainage problems, and road and utility access is non-existent. This site could be made ready to develop with considerable money.

There was discussion regarding the possibility of another fixed-base operator at Jabara. No one at this time has made that request.

Mr. White stated that the City needs shovel-ready land to attract businesses to Wichita.

It was the consensus of the Board to authorize staff to acquire as much land as possible for development at Jabara Airport, and if necessary, to pursue condemnation proceedings.

It was Mr. Moshier's opinion that if acquiring land for airport purposes and not economic development purposes, the airport could file a petition with the court, go through the valuation process, and get title to the property.

Mr. White stated that based upon the Board's consensus, the next step will be to start the process with the City Property Management Division to acquire this property. The properties to be acquired are a triangular area to the north to protect the runway protection zone, and a group of five parcels on the eastern side.

Terminal Project Update

Mike Carter stated that negotiations with the design team continue. Mr. Gooch and Mr. Greenlee met with the DBE subconsultant, Charbonnet last month. Charbonnet will give a DBE presentation to the Board at the next meeting.

It was requested that DMJM provide a timeline of activities related to the terminal project.

February 2006 Statistical/Project Report

Total passengers were down 4.43% from February 2005.

The next WAAB meeting will be Monday, May 1, 2006.

Meeting adjourned at 4:35 p.m.

Valerie Wise, Clerk