

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, February 4, 2013

Present: Dave Bayouth, Charles Fletcher, U.L. Gooch, Dwight Greenlee, John Hennessy, Carl Koster, Karyn Page, Thomas Pryor, Dr. Thom Rosenberg, Bill Ward, Brent Wooten, Kurt Yowell

Absent: None

Airport Staff: Victor White, Brad Christopher, Kathryn Keathley, Traci Nichols, John Oswald, Ty Richardson, Valerie Wise

City Staff: Jay Hinkel, Deputy City Attorney

Others: Pat McCollom, AECOM
Nicole Copp, Copp Media Services, Inc.
Bonnie Tharp, Copp Media Services, Inc.
Marcie Zwygart, Copp Media Services, Inc.
Josh Kippenberger, Key Construction
Brian Youngers, Signature Flight Support
Brock Campbell, Sullivan Higdon & Sink
Sarah Chan, Sullivan Higdon & Sink
Sam Williams, Sullivan Higdon & Sink
Jeremiah Gerald, Thanks Again

Chairman Rosenberg called the meeting to order at 2:30 p.m.

Approval of Minutes

Motion by Fletcher, second by Bayouth, to approve the minutes of the January 7, 2013, Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report – Victor White, Director of Airports

Airport staff have been meeting frequently with Southwest Airlines over the last several weeks as they prepare to transition from AirTran and begin flight service from Wichita on June 2nd.

Jorge Munevar retired from his position as Airport IT Manager in mid-January. The position opening has been advertised on the employment page of the City of Wichita website.

On Friday, February 8th, two firms will be interviewed for the air service consultant contract with the Airport. Six firms applied in the initial RFP.

At the City Council meeting on February 5th, the Airport will seek approval for renewals of the agreements with airlines serving Mid-Continent Airport and for an agreement with Midwest Corporate Aviation for T-hangar management at Jabara Airport. The T-hangar management agreement is for a term of five years with a ten year renewal option. The contract includes reimbursement to the Airport of up to \$200,000 for expansion of one section of T-hangars.

In July, the Airport will close its fuel facility at Jabara Airport. Midwest Corporate Aviation (MCA) will build and manage a new fuel facility at its own expense. It will be an above-ground facility to comply with new environmental and safety regulations. Charles Fletcher asked if the cessation of the Airport's management of fuel services would affect revenue. Mr. White stated that MCA will continue to remit a fuel flowage fee to the Airport. The Airport will no longer have management, maintenance, and liability costs for operating fuel services at Jabara Airport.

John Oswald, Engineering and Planning Manager, provided information about construction activities. At Jabara Airport, a new road is being constructed to provide access from 34th Street North to the T-hangars, the MCA driveway, and connect to Webb Road. New business location signs will be installed in conjunction with the new roadway. Paving and drainage improvement projects are underway. Hangar 12 is being expanded by six units. Hangar 14 will be demolished and a new unit will replace it. These projects should be complete after mid-year. This will result in 32 T-hangar units (there are 20 currently). Mann Aviation is building a corporate hangar on the Jabara campus. On the Mid-Continent campus, Wichita Electric is completing the airfield lighting replacement project to improve cabling and update edge lights. This is a \$1.2 million project, of which 90% is funded with federal grants. There are several corporate hangar developments in the Airport Road/Pueblo Road area. This portion of the Airport is being developed with utilities and roadways for potentially four new corporate hangars, at a project cost of approximately \$900,000, and an estimated completion date of April 2013. LeaseCorp is building two 10,000 sq.ft. twin hangars and an office space, which should also be complete around April 2013. The building that houses the Federal Aviation Administration offices is being remodeled, which will be about a six month project to accommodate the working needs of the FAA. The project cost is between \$800,000 and \$900,000.

John Hennessy asked if there would be further contract negotiations with Midwest Corporate Aviation. Mr. White stated that there are additional hangar management agreements with MCA that the Airport is working to re-negotiate.

Brad Christopher, Assistant Director of Airports, provided information about the Landside Equipment Storage Facility project. This is a design/build project to provide a new storage and washing facility for snow/ice removal equipment and other Airport service vehicles. The facility will be about 80 ft. by 80 ft. in size. Construction should begin in March, and be complete around September.

Introduction of Karyn Page

Chairman Rosenberg introduced new Board member Karyn Page, appointed by City Council Member Lavonta Williams. Ms. Page stated that she is pleased to be part of the Board. Ms.

Page was delayed by business and not able to arrive prior to the beginning of the meeting, so Chairman Rosenberg asked the other Board members to briefly introduce themselves.

Airport Loyalty Program Presentation

Jeremiah Gerald with Thanks Again spoke to the Board about that company's customer loyalty program. Thanks Again began business in 2004, and has been working with airports since 2009. There are currently 165 airports in the United States that use its services. Its platform rewards customers that shop, dine, or park at participating airport facilities with airline and hotel points. Members earn one flight mile or two hotel points for each dollar spent. Customers register their own debit or credit cards to earn points on purchases. There are eight reward currencies that members may receive: Alaska Air, American Airlines, Delta Airlines, Frontier Airlines, United Airlines, US Airways, Hilton Honors, or an airport-branded reloadable Visa card. Its purpose is to engage customers so that they are encouraged to spend at airports and to provide airports with useful customer behavior data, which improves airport marketing efforts.

Chairman Rosenberg asked about Thanks Again's revenue source. Mr. Gerald stated that airports are charged a monthly fee of \$1,000 for the basic service, but that higher fees are charged for additional optional services, such as data analytics. Mr. Hennessy asked what airports closest to Wichita participate. Mr. Gerald stated that Tulsa and Little Rock have agreements with Thanks Again.

Mr. White stated that the Airport has been researching loyalty programs for several years. The Airport considered developing its own loyalty program, but determined that it was not able to invest adequate resources to successfully develop a program. Other airports that use Thanks Again have said it is a high value program. If this program is approved, the Airport may want to market it in conjunction with Mid-Continent's Sky Warrior loyalty brand. The Sky Warrior name was recently trademarked and copyrighted for Mid-Continent. The Airport has set aside adequate budget for the year for this program, and if approved, would then need to work with the Purchasing Department to finalize the procurement of services.

Kurt Yowell asked what percentage of Mid-Continent customers would participate in the rewards program, based on performance at other airports. Mr. Gerald stated that about five percent of an airport's customers, the most frequent travelers, could be expected to enroll in the program. U.L. Gooch asked how the program is marketed. Mr. Gerald stated that Thanks Again does direct marketing to members, the rewards partners market their participation, the Airport itself would market within its facility, and Thanks Again will work with the Airport to target key businesses and encourage them to enroll their business travelers. Mr. White added that the marketing services vendor would also be involved in advertising the loyalty program. Carl Koster asked if the \$1,000 per month fee was a fixed fee. Mr. Gerald stated that the service agreement would set that rate for 12 months, with a 30-day cancellation clause. The fee pays for the service platform and access to membership data. Chairman Rosenberg asked if a participant can change the reward currency received. Mr. Gerald stated that, after initial online enrollment, changes can be made by calling the Thanks Again customer service line. Mr. Fletcher asked what security protections are in place for customers. Mr. Gerald stated that all member

information is processed by TSYS, a leading credit transaction processing company. Karyn Page asked what customer information the Airport would receive, specifically related to customers that may not live in Wichita. Mr. Gerald stated that the Airport will receive data about members from the specific local region identified by the Airport. Such information would include who is making purchases at Mid-Continent and what reward was chosen. Eventually, once enough data has been collected, Thanks Again will be able to provide more complex data analytics, which can be used to send more refined marketing messages to customers. Mr. Koster asked if the customer data is sold to other businesses. Mr. Gerald stated that the data is strictly limited to the Airport. The Airport would not receive member e-mail addresses, either, to safeguard member privacy. Thanks Again would initiate all customer e-mail messaging. Thanks Again handles all customer service for the program.

Mr. White stated that Thanks Again is a program that would provide the Airport with many levels of benefit, such as frequent customer data, the ability to market to a specific customer base, and the ability to reward the Airport's most frequent customers. Valerie Wise, Air Service and Business Development Manager, added that it also allows the Airport to connect more with customers in the secondary catchment area, and to encourage them to fly out of Mid-Continent.

Mr. Fletcher asked what purchases would be eligible for rewards points. Mr. Gerald stated that any business with a merchant ID number could be registered with Thanks Again as a rewards earning purchase. Thanks Again recommends that airports begin with on-site merchants, but once a customer base is established, the program can be expanded to other outlying merchants.

Motion by Koster that the Wichita Airport Advisory Board recommend the approval of the Thanks Again loyalty program. Second by Greenlee. Motion carried unanimously.

Marketing Program Contracts – Victor White, Director of Airports

Sullivan Higdon & Sink (SHS) was selected to fulfill the marketing services contract for the Airport. Sam Williams, Managing Partner, stated that SHS appreciates the opportunity to work with the Airport. Other representatives of SHS in attendance were Brock Campbell, Vice President of Client Services, and Sarah Chan, Brand Manager, who will be working closely with Ms. Wise on Airport marketing efforts. SHS was established in 1971, and employs 125 staff in Wichita and Kansas City. Mr. White stated that Mr. Williams was instrumental in the beginning of the Fair Fares Program several years ago.

Motion by Ward that the Wichita Airport Advisory Board recommend the approval of the marketing services contract with Sullivan Higdon & Sink. Second by Fletcher. Motion carried unanimously.

Copp Media Services (Copp) was selected to fulfill the media buying services contract for the Airport. Bonnie Tharp, President, stated that Copp is excited to be working with the Airport and SHS. Other representatives of Copp in attendance were Nicole Copp and Marcie Zwuygart. Copp has significant experience working with non-profits and aviation businesses over the last

20 years. Ms. Tharp complimented the Airport's decision to utilize two agencies to fulfill specific services as needed, as she believes it will offer the Airport the best of both worlds.

Mr. White stated that the Airport is looking forward to working with SHS and Copp. The selection process was well managed and worked well. All groups are pleased with the working agreements.

*Motion by Fletcher that the Wichita Airport Advisory Board recommend approval of the media buying services contract with Copp Media Services, Inc. Second by Yowell.
Motion carried unanimously.*

Introduction of Airport Operations Manager

Mr. Christopher introduced Ty Richardson, who was recently selected to be the Airport Operations Manager, following the retirement of Roy Freese. Mr. Richardson has an Airport Aviation Management degree from Oklahoma State University and began working in the Operations Division four years ago.

Parking and Rental Car Facilities Project Update – Brad Christopher, Asst. Dir. Airports

The construction drawings for the facility are complete. It is planned that the bid period will be advertised on February 6th. The submission deadline for that timeframe will be March 15th. The administrative notice to proceed would be issued on April 29th, and the construction notice to proceed would be issued June 3rd. The project has been planned with the goal of completing construction by October 1, 2014, so that the facility is operational well before the opening of the terminal. The rental car companies will continue to serve customers from the existing terminal until the new terminal opens, at which point operations will transfer to the parking/rental car facility. The selection of a vendor to provide the parking access revenue control system will occur separately from the selection of the building contractor.

Bill Ward asked with what part of the terminal planning is the crosswalk canopy design. Mr. Christopher stated it is part of the parking facilities project. Mr. Yowell asked about the expected timeframe between the completion of the rental car customer service counters and the terminal opening. Mr. Christopher stated that the rental car companies will be able to begin finishing the customer service areas after October 1st. The terminal should be open around March 15, 2015.

ACT 3 Project Update – Pat McCollom, AECOM

The terminal project is at 743 days to substantial completion, which sets the contractual finishing date in February 2015. The foundation work is now about 50% complete. The excavation and utility relocation work are both about 90% complete. Change Order No. 4 was issued in January to move a water line, so that it would not interfere with a storm sewer line. HNTB completed a glycol storage and containment study, which is part of the design work for Apron Phase 3, and the IT/Communication infrastructure design has begun. In the coming month, the tunnel to the terminal should be complete, HNTB will begin baggage handling system design modification

work, and erection of the steel frame will begin. Mr. McCollom has been in contact with engineering departments of local universities to provide tours of the construction site as more of the structural work is complete. Mr. McCollom will be giving presentations about the terminal project to several groups in the coming weeks. Mr. McCollom and Properties and Contract Manager Traci Nichols continue to work on the tenant design guidelines for the terminal tenant RFP, using the Port Authority of New York as a model. This document informs potential tenants of the types of business space available in the new terminal and the technical design specifications businesses must work within. Mr. McCollom finished his presentation with photographs of the work site from the last month.

Midwest Corporate Aviation T-Hangar Lease

Mr. White re-stated that an agreement with Midwest Corporate Aviation for management of T-hangars at Jabara Airport will be considered for approval at the February 5th City Council meeting.

Executive Session

Motion by Fletcher that the Wichita Airport Advisory Board recess into executive session for consultation with legal counsel on matters privileged in the attorney-client relationship relating to legal advice, and that the Board return from executive session no earlier than 4:25 p.m., and reconvene in this Board Room. Second by Ward. Motion carried unanimously.

The Board recessed for Executive Session at 4:15 p.m.

The Board reconvened at 4:30 p.m., no action was taken during the Executive Session, and subsequently adjourned the meeting.

The next WAAB meeting will be Monday, March 4, 2013 at 2:30 p.m.

Kathryn Keathley, Clerk