

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, June 3, 2013

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

Absent: Carl Koster, Karyn Page, Kurt Yowell

Airport Staff: Victor White, Kathryn Keathley, Traci Nichols, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Jay Hinkel, Deputy City Attorney

Others: Pat McCollom, AECOM
Brian Youngers, Signature Flight Support

Chairman Rosenberg called the meeting to order at 2:33 p.m.

Approval of Minutes

Motion by Ward, second by Greenlee, to approve the minutes of the May 6, 2013, Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report – Victor White, Director of Airports

There were many events over the last few days to mark the beginning of Southwest Airlines service in Wichita. The first flight arrived on Sunday, June 2nd, and there was much public participation in the festivities held at the terminal on Sunday afternoon. The first flights on Sunday were almost all full. On Monday morning, Governor Brownback, Sedgwick County Commission Chairman Skelton, Mayor Brewer, Lynn Nichols of Yingling Aviation, and Southwest Airlines Executive Vice President Ron Ricks all spoke at a press conference publicizing the new air service. Mr. White noted that the Southwest Airlines representatives were very impressed with Wichita and the welcome celebration the airline received. Mr. Ricks also spoke at the Aero Club luncheon that same day, during which he emphasized that Southwest will continue to serve the Wichita market as long as the demand is strong from customers. The Airport has committed to providing a certain amount of advertising support for Southwest, and has hired a part-time marketing intern to help in this effort. Dwight Greenlee stated that 2013 has turned out to be a banner year for the Airport, with the new terminal construction and addition of Southwest Airlines. Many other Board members commented on the work done over the last twenty years by legislators and airport leaders that has opened opportunities for non-legacy airlines such as Southwest to increase air service in the Kansas market.

There will be a contractor training forum downtown this week about the process for registering as a Disadvantaged Business Enterprise in Kansas. A similar outreach effort for concessionaires is planned for late summer or early fall. The request for bids for rental car concessions will be advertised in July.

Airport Marketing Program Update – Valerie Wise, Air Service and Business Development Manager

Mr. White prefaced Ms. Wise's comments by stating that the Airport would like to have the Board's advice and thoughts about measuring the success of advertising efforts. It is challenging in airport management to measure marketing success, because the airport does not have control over the air travel services that are being promoted. The airport cannot measure what prompts a person to purchase a ticket with a specific airline, e.g., if it was an ad placed by the airline or by the airport that led to the purchase. The things that can be measured are total passengers and number of passengers coming from particular regions in the catchment area, but these measurements cannot be correlated with a specific cause.

Chairman Rosenberg suggested that customer surveys might be the best way to gain information about response to advertising efforts. Ms. Wise stated that there are three electronic survey kiosks in the terminal and that the survey includes questions about marketing. The Airport transitioned to the electronic survey from paper comment cards. Mr. White stated that questions can be easily added or changed as needed to improve the type of information received from customers. It might also be useful for the Airport to conduct in-person interviews with passengers in the terminal to improve connections with customers, understanding of air travel purchase decisions, and to measure the influence of Airport-generated advertising. Charles Fletcher asked if the Airport could advertise fares for specific airlines. Ms. Wise stated that strategy is called cooperative advertising, and the airport is able to do that. Mr. White stated that there are some legal limitations with what can be done with cooperative advertising.

Ms. Wise stated that what the Airport offers to airlines is a relationship with local customers. The airlines are seeking that advertising partnership. One of the first questions that an airline will ask the Airport when beginning new service is if the Airport will provide marketing support. The passenger count alone is not a good measurement because the economy affects air passenger traffic. The best measurement is catchment area retention, but it is only measured periodically because of the expense of a study of that size and complexity. The next catchment area study will be done in approximately one year, which will provide some indicators about the performance of Southwest in this market.

There are several ways that the Airport can support air travel. Ms. Wise works with area corporate travel managers to learn what their travel needs are, and therefore be better able to work with airlines to provide desired air service and plan marketing strategies to encourage business travel. The airlines are looking to maintain business travel customers, but marketing to this demographic must be a direct campaign, because those customers are not likely to be reached through television advertising. The Airport also works to educate the general public about air travel, especially by being involved with chambers of commerce and speaking to civic

groups. The Airport is careful about the placement of media buys, to ensure that advertisements appear where they will be seen by the most people, providing the best return for cost. That is a key reason that the Airport has continued to buy advertising with the university sports networks; it reaches potential customers state-wide through radio broadcasting, and during events that are attended by thousands of spectators.

John Hennessy asked if it was known what percentage of travelers from Mid-Continent are business versus leisure. Mr. White stated that the percentages are about equal. Ms. Wise stated that certain airlines have varying types of travelers, e.g., most of Allegiant Air's customers are leisure travelers. Mr. Hennessy asked if there was any indication of what would happen with Allegiant Air's service, since Southwest has entered the market. Ms. Wise stated that Allegiant has not made any changes to its service in Wichita, but Allegiant has indicated in the past that it will not compete with another airline for the same routes that it currently services.

Mr. Hennessy recommended the Airport develop a mobile application (app), as interaction with customers is moving increasingly towards this type of communication. Ms. Wise stated that the Airport would need to study if an app would be more effective than a mobile site for its business model. Mr. White stated that there are several vendors that specialize in developing airport apps. The cost is generally around \$10,000. In the United States, there are only approximately half a dozen airports that have apps. The Dallas-Ft. Worth International Airport (DFW) launched its app just last week. Apps are easier for customers to use than mobile sites. Mr. Hennessy stated that the ease and convenience that an app provides is prime. Chairman Rosenberg suggested that the app could also be used to send messages to customers while they are in the terminal. Mr. White stated that Clear Channel, which is the Airport's advertising display concessionaire, is currently testing such an application in a few markets; that type of on-site customer outreach may be an option in the future. Brian Youngers, General Manager of Signature Flight Support, stated that a possible alternative right now for making the Airport's existing mobile site more convenient for customers, is to create an icon for the mobile site that customers can add to a phone's home screen. That way, when a customer wants to check out the mobile site, it is easy to select that one icon, and be connected directly to the mobile site. The advantage of having a mobile app is that the Airport can send alerts directly to the customers that have downloaded the app. Mr. White responded that the airport's mobile website already has the ability for a user to save a shortcut to a smartphone with an "ICT" icon. It gives the appearance that the link is to an app, but takes one to the mobile version of the airport's full website.

Bill Ward asked how the Airport plans to compete for customers in southeast Kansas, who can also travel about the same distance to Tulsa or Kansas City to fly on Southwest. Ms. Wise stated that the Airport may increase targeted advertising in that region, such as digital billboards. Chairman Rosenberg suggested the Airport investigate the possibility of partnering with local hotels to offer discounts to customers that travel to Wichita to fly out of Mid-Continent. Mr. White stated that Copp Media has provided good value with ad placement with local media outlets. Ms. Wise stated that in the Wichita metro area, about 95% of travelers fly out of Mid-Continent. Increasing focus on communities outside of this area is an important part of the marketing plan. The budget for Southwest-specific advertising for this year is \$85,000.

Parking and Rental Car Facilities Project Update – John Oswald, Engineering & Planning Manager

The first Notice to Proceed, which leads up to the beginning of construction, was issued on April 19th. The Airport met with contractors on May 28th for the pre-construction meeting, a focus of which was the traffic control plan. Notice to Proceed #2 will be issued in the near future, once the Airport is satisfied with the traffic control plan. Beginning June 21st, the Short Term Parking Lot will be reduced significantly and on June 28th, the west entrance will be the only way to enter that lot.

Construction of the commercial vehicle lane will be the first step of the project, and will take most of the month of June. Part of this process involves reduction of spaces in the Short Term and Long Term lots; approximately 70% in Short Term and 50% in Long Term. There will be 100 handicap spaces in the Short Term and 13 handicap spaces in the Long Term. Mr. White provided additional information about construction-related changes to the parking lots, which changes have been approved by the City Manager. On average, 93% of the vehicles in the Short Term Lot stay for less than two hours. Increasing the maximum parking charge to \$50 for stays of longer than two hours, and towing vehicles that remain overnight to the Long Term Lot, will encourage customers to use this lot only for picking up and dropping off travelers. All vehicles will be charged for parking. All parking areas will have handicap designated spaces on the front row. Mr. Greenlee asked how the re-location of cars that remain overnight will be coordinated. Mr. White stated that the parking vendor will keep a log of vehicles that are moved, and there will be a centralized area where towed cars will be taken.

Reviewing the parking area layout once the project is finished, Mr. Oswald stated that the exit plaza will be situated approximately across the road from the Federal Aviation Administration (FAA) offices. The area currently used primarily for rental car company vehicles will become a secure parking area for federal employees, mostly for FAA, but possibly for other federal agencies, as well.

Crossland Construction, the contractor for the parking project, is the largest general contractor in Kansas and the 95th largest in the United States according to Engineering News-Record's (ENR) most recent annual survey. Mr. Oswald presented a list of the Wichita-based subcontractors for the project. U.L. Gooch asked how many of the sub-contractors were minority business enterprises. Mr. Oswald stated that Cillessen & Sons is the only contractor that he knows of that is a Disadvantaged Business Enterprise (DBE) and that the parking project does not have a DBE participation requirement. Mr. Oswald stated that he will continue to provide that information on future reports as it changes.

In response to an earlier question from Dave Bayouth, Chairman Rosenberg responded that there will be about 900 more parking spaces than are currently available in all lots (estimate taken from information provided by John Oswald). Mr. Bayouth asked what changes will be made to the Park & Ride Lot. Mr. Oswald stated that all of the Park & Ride Lot area will be available for public parking when the project is complete (currently, some of that lot is employee parking). The shuttle service for that lot will continue. Mr. White stated that Westar Energy is considering

donating some electric vehicles for shuttles during the construction period. Mr. Bayouth asked if it was known how many passengers are picked up at the baggage claim area. Jean Zoglman, Finance Manager, stated that about 25% of passengers park at Mid-Continent, which is an indication of how many passengers are picked up at the terminal. Mr. Bayouth stated that there would be value in allowing people to pay a fee to park curbside while picking up passengers. Mr. White stated that customers are encouraged to use the Cell Phone Lot to wait for up to one hour for arriving passengers. Mr. Gooch asked if the Airport was expecting businesses to start up to offer off-airport parking options. Mr. White stated that some hotels nearby on Kellogg already offer free parking with stays. Chairman Rosenberg asked if the City would provide bus service to the terminal. Jay Hinkel, Deputy City Attorney, stated that there is currently a bus route that stops at the terminal, but that service is scheduled to end in the near future because there is not enough ridership for the Mid-Continent stop. There has been a great increase in the number of shuttle services interested in operating at Mid-Continent, although at this time no new permits are being issued because the current loading area will not support additional ground transportation traffic.

In response to a question about what will be done with the current terminal structure, Mr. White stated that no final decisions have been made, but the Airport would like to study the potential of converting the baggage claim section of the terminal into an international arrivals terminal.

ACT 3 Project Update – Pat McCollom, AECOM

The terminal project is at 622 days to substantial completion. The steel structure is 75% complete overall; all of the street side portion of the structure is complete, with the exception of the far corner that is closest to the existing building; approximately 60% of the steel structure for the concourse area is complete. The tunnel from the basement area to the new terminal and the building foundations are substantially complete. Good progress is being made on the second story floor slabs. Design work continues for the Apron Phase III Glycol Storage Facility. The most recent plans were submitted to the FAA for review; the next submittal will be the final design. The IT/Communications system design is also progressing well. There was a meeting last week with the design team to review the system's compatibility with the needs for telephone service and Airport security. Meetings continue with the TSA to finalize the baggage handling system design. Changes required for the baggage inspection room floor plan have been approved; changes required for the mechanics of the inspection system equipment continue to be discussed. In the coming weeks, crews for roofing, glazing, and fireproofing will begin work on site. The tenant design manual is also close to completion and will be shared with stakeholders for comment prior to becoming final. In the fall, a concessions workshop will be held to inform potential vendors of leasing requirements and space availability.

During the last month, Mr. McCollom gave presentations to Life Ventures (a senior education program) and the Masonic Lodge.

On Monday, June 10th, there will be a topping-out ceremony that marks the near completion of the steel structure.

Mr. Greenlee asked when bids for the loading bridges would be advertised. Mr. McCollom stated that the request for bids would happen close to September. Mr. White stated that the jet bridges must be a United States-manufactured product, which limits the vendors to Jetway (FMC) and Thyssen-Krupp (Stearns). Mr. White met with these vendors at a recent airport conference. Weighing the advantages of steel or glass construction, the only significant selection factor is cost; at the moment steel is 20% less expensive than glass, but that cost difference can fluctuate. When Santa Barbara purchased glass loading bridges about 18 months ago, glass was more expensive than steel, yet when Amarillo purchased its new loading bridges about three years ago, glass was less expensive. The workings of each type of bridge will be equal (e.g., electrical specs, air regulation, conveyor systems for moving baggage and passengers with disabilities); only the structural materials would be different. Mr. Hennessy asked what a 20% price difference represents. Mr. White answered that each bridge is approximately \$700,000, so the price difference for 12 bridges is substantial. Mr. Greenlee asked if a fire curtain is required. Mr. McCollom stated that a deluge system is not required because the loading bridge is classed as equipment, not as a portion of the building. Mr. White supported the safety of glass loading bridges by adding that when Killeen-Ft. Hood purchased the first glass bridges in the U.S. about five years ago, its fire marshal did extensive research and testing into how the material would respond to fire or explosion. The Airport obtained copies of the testing videos for the Wichita Fire Marshall to review, and subsequently the option to use glass bridges at Mid-Continent was permitted. Mr. White stated that if glass loading bridges are purchased for Mid-Continent, it will be the largest installation of glass bridges in the United States. The main concerns the Airport is investigating are potentially greater needs for maintenance and air temperature regulation for glass bridges. Mr. White and Assistant Director of Airports Brad Christopher will be visiting the Amarillo airport soon to gain information about the glass bridges used there, which should be a valuable comparison because Amarillo is similar in climate to Wichita. Brent Wooten asked if the City Council will review the bid. Mr. White answered this would be a low-bid purchase.

Mr. Greenlee asked if there had been further discussion of naming rights for the new terminal. Mr. White answered that no further decisions had been made on that topic. Other airports have advised that it has been difficult to garner interest in naming rights in the current economic climate. It may be brought up again when the terminal is closer to completion.

Other Business

The next WAAB meeting will be Monday, July 1, 2013 at 2:30 p.m.

Meeting adjourned at 4:11 p.m.

Kathryn Keathley, Clerk