

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, April 2, 2012

Present: Charles Fletcher, Dwight Greenlee, John Hennessy, Thomas Pryor,
Dr. Thom Rosenberg, Bill Ward, Brent Wooten

Absent: Dave Bayouth, U.L. Gooch, Steve Harris, Willis Heck, Kurt Yowell

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

City Staff: Jay Hinkel, Deputy City Attorney
Branden Hall, Budget Analyst, Finance Department

Others: Pat McCollom, Program Manager, AECOM

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

Approval of Minutes

*Motion by Greenlee, second by Ward, to approve the minutes of the March 5, 2012,
Wichita Airport Advisory Board meeting. Motion carried unanimously.*

Chairman Rosenberg summarized the business trip that he, Charles Fletcher, and Director of Airports Victor White took to the Airports Council International-NA/American Association of Airport Executives (ACI-NA/AAAE) Washington Legislative Conference during the second week of March. The gentlemen were able to speak with Senator Jerry Moran and the legislative assistants of Congressman Mike Pompeo and Senator Pat Roberts about the need for additional Customs and Border Protection agents at Wichita Mid-Continent Airport. Several international corporations, most notably Bombardier Learjet, must make stops at other airports before arriving in Wichita because there are not enough Customs officers to clear international flights of more than 15 passengers. Bombardier Learjet routinely has employee flights of 25-50 passengers coming from Canada. Mr. Fletcher stated they also discussed the Federal Aviation Administration (FAA) reauthorization bill. One area of concern is Airport Improvement Program (AIP) funds. Airports must now fund ten percent of AIP projects, while in the past the amount was five percent. The maximum authorization for passenger facility charge (PFC) collections remains at \$4.50, which also limits the affordability and scope of airport projects.

Mr. White stated that there are a number of airports of all sizes around the country that are displeased that the final reauthorization bill was not more favorable on those two issues, and airports are working through the legislative system to either find a way to amend the law, or make sure that the AIP and the PFC funding options are improved when the FAA bill is reauthorized again in four years. The increase to ten percent in local matching AIP funds is the

most serious issue, because it is taking away funding that was previously available, which is hard on small airports. The directors of many Kansas airports have shared with Mr. White that they are expecting to cancel, postpone, or downsize many projects because their cities or counties are not going to provide ten percent of the project budget. The situation is the same across the country. Sen. Roberts' office has asked the Kansas Association of Airports to provide a list of projects at the various airports around the state that could be affected.

John Hennessy asked why the FAA bill turned out that way. Mr. White stated that the five percent matching for AIP funds was not intended to be permanent when it was included with the last reauthorization. When the new reauthorization bill came to pass a few months ago, the ratification proceeded so quickly that airports and airport advocate groups were not able to take action to extend the previous AIP funding level. Chairman Rosenberg stated that, with the newer congressmen coming in and the Tea Party voters wanting to cut costs in some way, he feels that it was also likely that this was seen as a way that the government could cut some costs in the future. Mr. Fletcher stated that one of the comments he heard was that, although the AIP funds are a usage fee, it was treated as if it was a tax. No one wanted to put forth another tax, whether if it was for the users of airports or not, so it was not supported.

Mr. Fletcher stated that Sen. Roberts' staff responded quickly that they were following up on the issues that the gentlemen brought up in the meeting. Mr. White added, particularly on the Customs issues. Mayor Brewer was also in Washington, D.C. the week of the ACI-NA/AAAE conference, and was also able to speak with officials in the Obama Administration about the Customs inefficiencies. Mayor Brewer informed Mr. White that Customs is expected to come to Wichita to meet with us to see what solutions can be made. Many other airports are dealing with the same issue, and the only response given by Customs up to this time has been that the resources are not available to change the situation. It will likely be difficult to reach a solution.

Mr. Fletcher stated that the group strongly made the point to our Congressional representatives that this is a business issue. We want to make sure that companies are able to do business efficiently in Wichita. This is a simple issue that should be handled simply. Mr. White stated it appears that Bombardier Learjet is the most affected company in town, because they have a non-stop flight bringing 30 to 50 employees from Montreal three to five times a week. They are also doing the same thing from Mexico because they have plants down there. We have also found out that Pratt & Whitney is flying from Toronto and other places in Canada, too. Cessna and Hawker Beechcraft are coming in from Mexico. So, there are others that are affected by this, but Learjet is clearly the biggest one. The extra stop for Customs clearance in Kansas City costs them significantly in fuel, time, and delay. Chairman Rosenberg stated Learjet wanted to pay for additional Customs staff, but it was apparently not a legal thing to do. Mr. White added that Customs has indicated that the law would not allow an airport or a business to pay overtime or temporary relocation of a Customs inspector. Senator Moran suggested that we look at changing the law, if that is the case. Mr. White stated that the airport director at Tulsa also has problems with Customs staffing, and he plans to put together a coalition of airports in this region (Wichita, Kansas City, Little Rock, Albuquerque) that have expressed concerns about this same issue, and see if we can get the Congressman and Senators from all these states to work with Customs to come to a solution.

Director's Report

Mr. White commended Assistant Director of Airports Brad Christopher and Air Service & Business Development Manager Valerie Wise for their work as co-chairs of the South Central Chapter – AAAE Conference that the Airport hosted on March 24-28 at the DoubleTree Hotel. Ms. Wise stated it was a very successful conference. Approximately 180 people attended, and there were 31 exhibitors, which was more than what was anticipated based on previous conference participation. The airports represented were from Texas, Oklahoma, New Mexico, and Kansas. There were two days of excellent presentations on topics covering airport marketing, sustainability, land use, parking facilities, and how to increase revenue. There was a lot of positive feedback from attendees. The planning committee was made up of Brad Christopher, Valerie Wise, Traci Nichols, Amanda Patrie, Kelly Fabrizius, and Katie Keathley. Mr. White stated it was a great conference. We heard nothing but accolades from attendees. Chairman Rosenberg complimented Mr. Christopher on organizing and leading the Conference.

Mr. White shared with the Board that the Antonov 225 is at Mid-Continent Airport to deliver machinery destined for a fertilizer plant in Coffeyville, Kansas. With a 290 foot wingspan and a length of 275 feet, the Antonov 225 is currently the largest flying airplane in the world. The maximum take-off weight is 1.5 million pounds. In comparison, the largest version of the A380 that is being built for cargo has a 261 foot wingspan, and the C5 is only 222 feet wide. The cargo flight originated in Italy, cleared customs in Bangor, Maine, and then came to Wichita.

Mr. Christopher provided an update on the parking garage design process. The Airport and the design team have been working diligently to prepare a schematic design of the rental car return lots and customer service areas. Mr. White stated that Board approval of the customer facility charge (CFC) for car rentals will be discussed at the May meeting. The rental car companies have had the opportunity to review the proposed contract amendment that would initiate the CFC, and no objections were raised. Pending approval by the Board and City Council, it will become effective July 1. Mr. Christopher added that the parking garage schematic design will also be on the Board meeting agenda in May. Mr. White stated that the City's Design Council has asked that an aesthetic enhancement consultant be added to the parking garage design team to advise on the visual appeal of the design. Based on the information received so far, the architects have a good design; it is not just going to look like a standard box parking garage. The rental car lobby and customer service center area, which will be a two-story facility on the front of the garage, will provide the greatest design opportunities. Mr. Fletcher asked if an alternative energy source is still being considered. Mr. White answered that solar is the most likely possibility, but that a decision has not been made; the cost and compatibility with FAA design standards are factors that have not been determined. Engineering and Planning Manager John Oswald has been talking to Westar about their participation with us on that.

ACT 3 Project Update

Pat McCollom, Program Manager, AECOM, summarized the work that has been done since the February meeting. Phil Hannon of HNTB gave a nice presentation at the SCC-AAAE conference on the new terminal facility. The ACT 3 management team has been working with

HNTB to reduce the number of communications packages for the terminal construction by combining several packages, and will produce a white paper to justify those changes. The team has been in contact with LeighFisher to review the financial modeling, which will provide the necessary background information to develop the appropriate schedules of charges for tenant design guidelines and leases that should be ready later this year. The bond sale to support the terminal construction is planned for August. A separate bond sale will occur six months later for the parking facility. If needed, a third bond sale could be considered a couple of years in the future.

Mr. McCollom and Ms. Wise will meet with the curator at Wichita State University to help plan the historical recording of the groundbreaking ceremony and terminal construction process. This would be shared with WSU and the Kansas Aviation Museum. Additionally, we would like to work with the WSU Engineering Department to provide learning opportunities in conjunction with the terminal construction.

Mr. McCollom will meet with several representatives of local television stations next week to answer questions about the new terminal and to learn what features should be included in the second floor media room that can be used for media broadcasts.

As a result of the bid review process, the expected date of the groundbreaking has been pushed back about a month, but still allows for a November/December 2014 terminal opening date. The financial model and budget will be updated based on the most recent cost data by the end of 2012. In the long term, final plans for the concessions areas will begin in approximately a year.

Executive Session

Motion by Fletcher that the Wichita Airport Advisory Board recess into executive session to consider consultation with legal counsel on matters privileged in the attorney client relationship related to legal advice and matters relating to bids and related documents considered at a time prior to acceptance of a bid or rejection of all bids, and that the Board return from executive session no earlier than 15 minutes, at 3:30 p.m., and reconvene at the same Airport Administration Board Room, 1st floor of the Airport Administration Building, 2173 Air Cargo Road, Wichita, KS. Second by Greenlee. Motion carried unanimously.

The Board recessed for Executive Session at 3:13 p.m.

The Board reconvened at 3:30 p.m., and subsequently adjourned the meeting.

The next WAAB meeting will be Monday, May 7, 2012 at 2:30 p.m.