

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

**Monday, May 7, 2012**

Present: Dave Bayouth, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Steve Harris, Willis Heck, John Hennessy, Dr. Thom Rosenberg, Bill Ward, Brent Wooten, Kurt Yowell

Absent: Thomas Pryor

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

City Staff: Jay Hinkel, Deputy City Attorney  
Branden Hall, Budget Analyst, Finance Department  
Lauragail Locke, Marketing Services Director

Others: Pat McCollom, Program Manager, AECOM  
Michael Johnson, Sr. Project Manager, Carl Walker, Inc.  
Sam Frey, Schaefer Johnson Cox Frey Architecture  
Tami Bradley, Managing Partner, Bothner and Bradley, Inc.  
Melissa Carduff, Stucky Nolte  
Cindy Nolte, Stucky Nolte  
Doug Stucky, Stucky Nolte

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

**Approval of Minutes**

*Motion by Bayouth, second by Fletcher, to approve the minutes of the April 2, 2012, Wichita Airport Advisory Board meeting. Motion carried unanimously.*

**Director's Report**

Director of Airports Victor White informed the Board of recent Airport business activity. The groundbreaking ceremony for the Bombardier Learjet 85 aircraft production program was held on April 30. The WAA is partnering with Bombardier to construct a parking area to accommodate workforce growth related to the Learjet 85. The parking design and construction are being funded with \$2 million in federal grants, and \$2 million from the City of Wichita and Sedgwick County. Assistant Director of Airports Brad Christopher and Airport Engineering and Planning Manager John Oswald attended, as did City, Sedgwick County, State of Kansas, and federal officials. Mr. Oswald stated the parking lot should be complete in early July. The

Airport will receive approximately \$100,000 in rental income for the use of the parking lot by Bombardier.

Air Service and Business Development Manager Valerie Wise invited the Board to the celebration of AirTran's tenth anniversary of air service at Mid-Continent Airport on May 8. Refreshments and entertainment will be provided throughout the day, ending with a press conference with Mayor Brewer and other city leaders at 4 p.m.

Steve Harris asked about the possible impact of the Hawker Beechcraft bankruptcy on the Airport. Finance Manager Jean Zogelman stated that there are outstanding fees, most of which are rent charges. She expects the leases to be assumed in the bankruptcy proceedings, so there should not be an adverse affect to the Airport. Mr. White stated the Airport has not received formal notice from the company about the bankruptcy. The Hawker Beechcraft facilities at the Airport are all related to the service center and maintenance business, which continues to be strong.

### **Parking & Rental Car Facility Schematic Design**

Michael Johnson, Senior Project Manager with Carl Walker, Inc., spoke to the Board about the schematic design for the Parking and Rental Car Facility that will be built in conjunction with the new terminal. Carl Walker, Inc. are specialists in parking design, operations, and renovation. They are leading the project design team, which also includes: Wichita firm Schaefer Johnson Cox Frey Architects (SJCF); parking design specialists Coover Clark of Denver; civil engineers Ruggles & Bohm of Wichita; mechanical engineers Midwest Engineering; blast risk analysis engineers Karagozian & Case of Burbank; electrical engineering firm Insight; geotechnical engineers Terracon; and public relations firm Bothner and Bradley, Inc. that will handle informing the public of parking access and availability changes throughout the process.

The Parking and Rental Car Facility as proposed is a four level parking garage, a rental car center, and surface parking lots. The total budget for the facility construction is \$40 million, which covers design and construction costs. The parking garage will house 1,600 cars, of which 400 will be reserved for rental car parking. There will be an additional 1,535 surface parking spaces. The capacity of the parking facility and the surface lots was designed based on projected growth over the next twenty years, and incorporates features that will allow for possible future operational changes. The various levels of the parking garage will be connected via a spiraling ramp that has been designed to accommodate two car widths. The rental car center will be a separate, but attached structure on the front of the parking garage, accessible from the second level of the parking facility. Arriving passengers will be able to conveniently access the parking facility via covered walkways. The parking facility will be located in approximately the same area as the current terminal parking. The parking facility project also includes development of a new parking access and revenue control system (PARCS) that will help the Airport manage parking pricing and vehicle access for the entire Airport campus. The garage will be constructed in Phase I of the project, then the surface lots will be constructed. It is expected that the new parking facilities will be complete mid to late 2014, prior to the opening of the terminal.

Sam Frey, Landscape and Design Architect with SJCF, spoke about the design plans for the Parking and Rental Car Facility. The construction materials and placement of the parking facility were chosen to complement the architecture of the new terminal, and to provide as little obstruction to the view of the terminal as possible. The exterior structure of the rental car center will be glass and steel. The design team plans to incorporate color and pattern embellishments reminiscent of the prairie landscape into the materials of the facility to increase the aesthetic appeal of the facility and, when appropriate, themes recognizing Wichita's aviation history. Embellishments could be incorporated into floors, counters, exterior screens, and canopies, for instance. The landscape design also draws upon the themes of gentle rolling topography, prairie grasses, wildflowers, and indigenous, low water consumption plant material. The design team will also look at possible locations for the sculpture *Magic Flight*, which is currently located in the terminal, but could possibly be placed as an outdoor landscape feature. An important goal of the landscape design is to provide the visitor leaving the terminal a positive first impression of the exterior environment.

The schematic design is considered to be approximately 15% completed. The design team will continue to work with the Airport and the rental car agencies to develop the facility design to address questions and concerns raised by the stakeholders before the facility design is complete. The Board raised concerns about parking capacity, location of rental car facilities in relation to the parking garage and terminal, ease of movement through the garage levels, parking access after dropping off passengers, commercial vehicle access, ability of pedestrians to reach the terminal from remote surface parking, and parking availability during the course of the construction project.

### **Rental Car Customer Facility Charge Program**

Finance Manager Jean Zoglman presented information about the proposed Customer Facility Charge Program (CFC), which is a facility use charge for rental car customers. It is imposed by the Airport sponsor, in this case Wichita Airport Authority, and it requires the rent-a-car companies to collect the fee from customers, and then remit it to the Airport. The use of those funds will be obligated for use on rent-a-car program expenses, which does include the new rental car center previously discussed, as well as operation and maintenance costs directly related to rental car facility uses. The rental car companies have been consulted about the adoption of the CFC, and have all accepted supplemental agreements to institute the fee at an initial rate of \$4 per transaction day for a maximum of 14 transaction days. This rate was selected based on a comparison of CFC charges at other facilities in similar markets. There are currently 106 airports that charge a CFC, of which 42 are small hub airports, like Mid-Continent. The rate at the small hub airports ranges from \$0.62 to \$6.00. One of the benefits to rental car agencies in the CFC arrangement is that some of the costs of opening and maintaining the new facility will be directly paid by rental car customers, in contrast to additional increases in facility rent fees.

Charles Fletcher asked if the rental car companies will receive a handling fee for collecting the CFC. Ms. Zoglman answered that they will not. In addition, the Airport will receive any interest that was earned in the month until the CFC should be remitted to the Airport. The rental car companies were offered the option of keeping the interest, and remitting only the CFC principal

amount, but they declined on the basis of recent challenges to this practice in other markets. The CFC rate can be adjusted in the future, at the Director's discretion and only as it relates directly to rent-a-car program expenses, according to the supplemental agreements accepted by the rental car companies. U.L. Gooch asked Ms. Zoglman to review the rate schedule. Ms. Zoglman said it is a daily \$4 charge, up to 14 days, after which it drops off. The average rent-a-car contract length for customers at rent-a-car desks located at Mid-Continent is 3.82 days, so the 14 day threshold will not be reached often. The CFC schedule that was chosen was a compromise that was fairly normal for the industry, and acceptable to the rent-a-cars at Mid-Continent, since the companies expressed different preferences for rates and periods of collection. The supplemental agreements with the rental car agencies and the CFC program authorization will be considered on the May 8 City Council agenda. Bill Ward asked when the CFC charge collection will begin. Ms. Zoglman said it will begin on July 1, 2012. It is expected that the CFC Program will bring in about \$2 million a year, based on current passenger activity.

*Motion by Fletcher, second by Bayouth to approve the \$4 CFC charge. Motion carried unanimously.*

### **ACT 3 Project Update**

Program Manager Pat McCollom informed the Board of recent work related to the ACT 3 Project. Mr. McCollom and Ms. Wise met with the Library Curator and the Engineering Department at Wichita State University the previous week. The Curator provided guidance on collecting and preserving historical documentation of the ACT 3 Project. They met with the Engineering Department to discuss the possibility of offering tours, lectures, or other educational opportunities to students related to the construction phase. It is planned that the University of Kansas and Kansas State University will also be contacted regarding similar activities.

Mr. McCollom met with the engineering technicians of KWCH News to review the accommodations planned for broadcasting from the new terminal, and to discuss any other needs they may foresee in that area. Additional background research will be done by both the news station and the program management team as a result of the meeting to address questions that arose.

Jim Armour joined the ACT 3 team in April. Mr. Armour was previously the City Engineer, and he will now be working as the Resident Engineer for the ACT 3 Project, of which the primary responsibility is liaison between the Airport and the contractor.

A meeting was held with Federal Aviation Administration (FAA) officials from various levels of the organization to provide information about the construction logistics for the terminal project, which is in essence the information already provided to the FAA on Form 7460-Notice of Proposed Construction, and is also part of the safety risk assessment. As a result of the meeting, the FAA made the request that, as part of the construction process, one of the runway/taxiway connections be demolished that the FAA foresees will be a high risk location for incidents on the airfield.

Next week planning will begin for the new terminal groundbreaking ceremony. The planning committee will include Airport staff and other City of Wichita employees. Also next week, the Airport will make presentations to a delegation of high level officials from Ghana about the project development process of ACT 3.

### **Stucky Nolte Airport Advertising Program Update**

Doug Stucky with Stucky Nolte spoke to the Board about the work done over the last 13 months related to Airport marketing. The types of advertising and promotional activities utilized were chosen based on the goals of targeting audiences that are shown to make most travel decisions and increasing the reach of social media advertising.

Mid-Continent Airport customers come from not only Wichita and the surrounding area (primary catchment area), but also most of Kansas and northern Oklahoma (secondary catchment area). Research provided by Sabre reveals that the leakage rate to the secondary catchment area has dropped to 5.9% since 2009, which is at its lowest recorded level. Ninety-five percent of travelers flying in the Wichita metro area are flying out of Mid-Continent Airport. The purpose for travel out of Mid-Continent is about 50% business travel and 50% leisure travel.

There were five major promotional campaigns during the past year. Awareness of Frontier Airlines and increasing Facebook fans was targeted in October with Frontier Airlines promotional cards. A total of 726,740 Facebook users was the audience size for the campaign, and as a result, 48 new fans were added for Mid-Continent and 32 new Twitter followers. In December, 12 Days of Airport Giving targeted social media users as well. This was chosen because, during the holiday season, it is more cost effective and easier to engage the audience via social media. Several prizes were offered to Facebook fans and Twitter followers. As a result, 371,000 Kansas residents saw the promotion, and 299 additional Facebook fans were added. In January, the Airport was the sponsor of the fashion stage show at the Wichita Bridal Expo. This event was chosen as a promotional activity because females are the primary decision maker in honeymoon travel, and about 78% of honeymoons are to flight destinations. The Airport was able to give away tickets to the event, which was advertised through social media, radio, and television. About 6,000 people attended the Expo, and couples that registered provided e-mail contact data, which can be used in targeted campaigns for future travel. In February, a Valentine's Day promotion targeted 3,000 travelers in the terminal. Chocolate bars with promotional wrappers were given out, which bore a QR code that smart phone users could scan to be directed to a Website to register for a trip to Las Vegas, which was offered in partnership with Allegiant Air. The chocolate bar give away had been used in previous years, but the addition of the QR code and vacation sweepstakes were added to the promotion this year. Ninety-two people scanned the QR code from the chocolate bars, 1,275,000 Facebook fans saw the promotion, and 1,200 new Facebook fans were added. The college affinity program with Wichita State University (WSU), Kansas State University (K-State), and the University of Kansas (KU) continued, based on work done in previous years with some modifications to promotional activities. The teacher of the week recognition program with KU continued, which offered the winning teacher game tickets and a gift certificate to a restaurant. Airport advertising was also included in the digital magazine that KU distributes to 120,000 subscribers in

conjunction with the March Madness basketball tournament, of which three issues were distributed this year. The Airport sponsored a student of the week program at K-State, which offered sports events tickets. The KU and K-State recognition programs were advertised through live reads during game breaks, which reached the arena and radio audience, and commercials. The Airport sponsored the WuShock reading program, which was a new campaign this year. WSU mascot WuShock visits area elementary schools, reads to the students, and bookmarks are provided to the students. Similar programs have been successful in other markets, as suggested by Bruce Tarletsky from Sabre, and the Airport was able to partner with WSU to start a program in Wichita. Ticket giveaway promotions were also used with WSU fans.

To help continue to reach the sports fans after the regular season, the Take Off to Tip Off promotion was created. It promoted all of the March Madness championship game locations and how to reach those locations through Mid-Continent to target a greater audience of college basketball fans, not just Kansas teams. In addition, basketballs signed by the three Kansas teams that competed in the championship rounds were offered. This campaign was an online promotion, which was part of the social media focus.

The future goals of the advertising program are: strengthening the brand positions of convenience and affordability, positioning Mid-Continent as top of mind to the travelers in the primary and secondary catchment areas, increasing social media engagement to improve brand loyalty, and managing public information during the terminal construction process to maintain the public's confidence in the convenience and affordability brand message. It is expected that there will be new campaigns in partnership with Southwest Airlines to promote its entry into the Wichita market. The media that will be used in these efforts will continue to be billboards, television, radio, and Internet. In the last year, the Airport has increased the number of billboard advertisement locations throughout Wichita, with little change to the cost of that media for the Airport's program, but a great increase in the number of people targeted. Television advertisement increased as well, to target a greater audience and help direct people to social media outlets. The television spots are designed to be easily modified for changes in airline destinations and ticket promotions, and seasonal changes in travel preferences. The social media focus will continue to be important, as it is the greatest growth area for media engagement in the air traveler sector.

### **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 relating to legal advice, and that the Board return from executive session no earlier than 20 minutes, at 5:15 p.m., and reconvene in this Board Room. Second by Greenlee and Yowell. Motion carried unanimously.*

The Board recessed for Executive Session at 4:55 p.m.

The Board reconvened at 5:30 p.m., and subsequently adjourned the meeting.

The next WAAB meeting will be Monday, June 4, 2012 at 2:30 p.m.

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Kathryn Keathley, Clerk