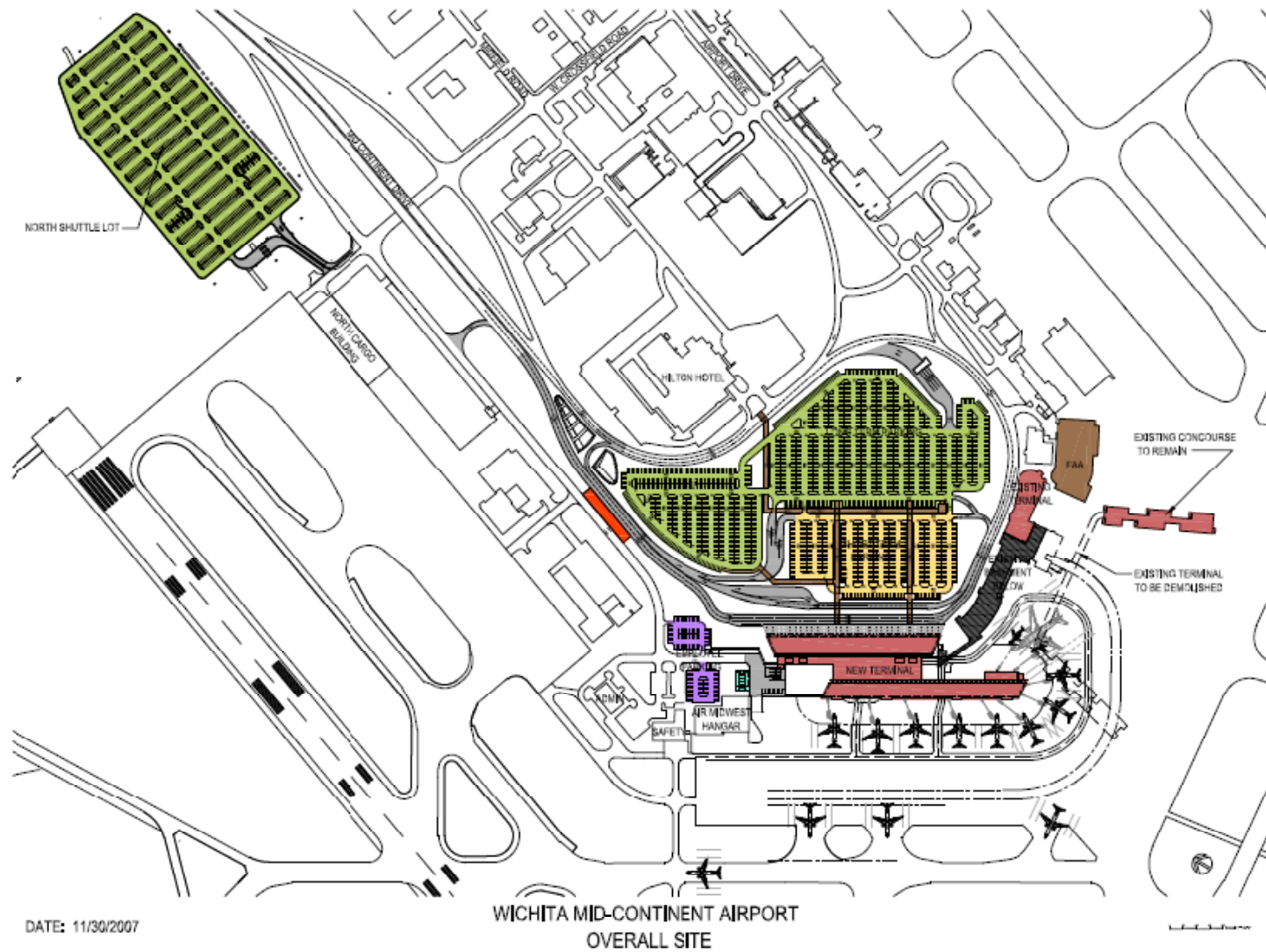


# **Public Parking and Rental Car Facility**

**February 12, 2008**

# Wichita Mid-Continent Airport Public Parking and Rental Car Facility

## Parking System



## Short Term Rate Comparison

| AIRPORT              | 0 - 1/2 Hr | 1/2 - 1 Hr | 1 - 1 1/2 Hr | Max/Day |
|----------------------|------------|------------|--------------|---------|
| Tulsa                | NC         | \$2.00     | \$2.00       | \$24.00 |
| Oklahoma City        | NC         | NC         | \$1.00       | \$23.00 |
| Kansas City          | NC         | \$2.00     | \$4.00       | \$18.00 |
| Wichita <sup>1</sup> | NC         | \$2.00     | \$4.00       | \$12.00 |

<sup>1</sup> Wichita is the only airport that **does not offer** garage parking

## Long Term Rate Comparison

| AIRPORT                           | 0 - 1/2 Hr | 1/2 - 1 Hr | 1 - 1 1/2 Hr | All Day |
|-----------------------------------|------------|------------|--------------|---------|
| <b>Kansas City</b>                | NC         | \$2.00     | \$4.00       | \$12.00 |
| <b>Tulsa <sup>1</sup></b>         | \$2.00     | \$2.00     | \$4.00       | \$10.00 |
| <b>Wichita</b>                    | \$3.00     | \$3.00     | \$5.00       | \$7.00  |
| <b>Oklahoma City <sup>1</sup></b> | \$1.00     | \$1.00     | \$2.00       | \$5.00  |

<sup>1</sup> These airports offer garage parking for Long-Term Parking

## Economy/Shuttle Lot Rate Comparison

| AIRPORT                           | 0 - 1/2 Hr | 1/2 - 1 Hr | 1 - 1 1/2 Hr | All Day |
|-----------------------------------|------------|------------|--------------|---------|
| <b>Wichita</b>                    | \$3.00     | \$3.00     | \$5.00       | \$7.00  |
| <b>Tulsa</b>                      | \$6.00     | \$6.00     | \$6.00       | \$6.00  |
| <b>Kansas City</b>                | \$5.50     | \$5.50     | \$5.50       | \$5.50  |
| <b>Oklahoma City <sup>1</sup></b> | \$5.00     | \$5.00     | \$5.00       | \$5.00  |

<sup>1</sup> Oklahoma City offers covered surface parking

## Cost of Travel to Airports

| Airport              | Roundtrip Travel Time (1) | Roundtrip Travel Cost (2) | Tolls (3) | Parking (4) | Total    |
|----------------------|---------------------------|---------------------------|-----------|-------------|----------|
| <b>Kansas City</b>   | 6 hr 22 min               | \$220.28                  | \$14.50   | \$48.00     | \$282.78 |
| <b>Tulsa</b>         | 5 hr 34 min               | \$192.10                  | \$16.00   | \$40.00     | \$248.10 |
| <b>Oklahoma City</b> | 5 hr 20 min               | \$178.52                  | \$ 3.50   | \$20.00     | \$202.02 |
| <b>Wichita</b>       | 26 min                    | \$ 8.35                   | \$ 0      | \$28.00     | \$ 36.35 |

1. Travel from/to center of Wichita Business District
2. Travel costs calculated based on nationally published cost of driving passenger vehicle (roundtrip) – AAA composite average of 52.2 cents per mile  
Consumables cost are approximately 30% (15.5 cents per mile) of total travel costs
3. Tolls calculated by KTA and OTA web sites
4. Parking costs calculated based upon airport published rates for 4 days

## Rental Car Requirements

- Current Market Share:
  - Avis 28%
  - Hertz 27%
  - Enterprise 14%
  - National/Alamo 13%
  - Budget 11%
  - Thrifty 6%
  - Dollar 1%
  
- Notes:
  - Based on Gross Receipts of Jan 2007 – Dec 2007

# Rental Car Requirements

- Ready / Return Stalls:
  - Existing (allocated today): 233
  - Desired (for efficient operation): 340
  - **Planning Horizon, 1,900,000 MAP: 390**
  - Planning Horizon, 2,475,000 MAP: 536
- Notes:
  - Based on 2007 RAC Facility Questionnaire.
  - 75% of RAC Market responded, interpolated remainder
  - Similar market (transactions) - Fresno-Yosemite (FAT)

## Rental Car Planning

- RAC Operations on one level of Garage is preferable
- Customer Service Building adjacent to Garage
- Current RAC maintenance areas to remain at individually leased sites remote from the terminal

# Community Imposed Rental Car Fees

| Airport          | Customer Facility and Other Charges |
|------------------|-------------------------------------|
| Charleston, SC   | \$3.50/day                          |
| Columbia, SC     | \$4.00/day                          |
| Jackson, MS      | \$4.00/day                          |
| Kansas City      | \$6.05/day                          |
| Myrtle Beach, SC | \$4.00/day                          |
| Oklahoma City    | N/A                                 |
| Omaha            | \$6.00/day                          |
| Pensacola        | \$6.03/day                          |
| Tulsa            | \$2.60/day                          |
| Wichita          | \$3.50/day (proposed)               |

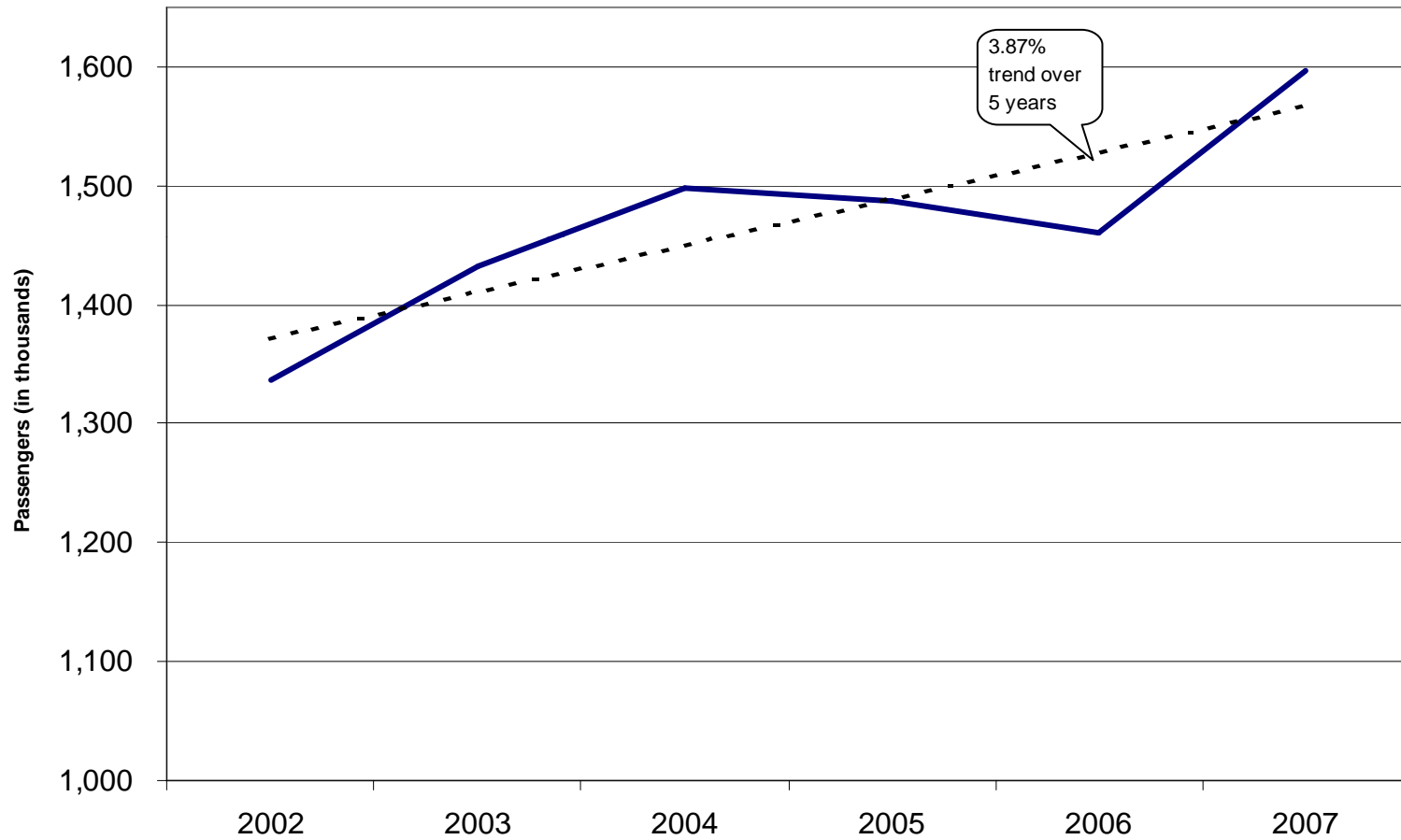
## Existing Paid Parking System

| <u>Lot</u> | <u>Spaces</u> | <u>Percent</u> | <u>Utilization</u> |
|------------|---------------|----------------|--------------------|
| Short-Term | 370           | 17.0           | 79%                |
| Long-Term  | 1,365         | 62.6           | 95%                |
| Shuttle    | <u>446</u>    | <u>20.4</u>    | 90%                |
| Total      | 2,181         | 100.0          |                    |

- More heavily weighted toward Short-Term parking than typical (most airports have 10 - 15% devoted to Short-Term/Hourly)
- During 2008, 105 net public parking spaces in the shuttle lot will be built for a total of 551 public parking spaces
- Industry rule-of-thumb – Once a parking facility reaches 85% utilization, facility expansion should occur

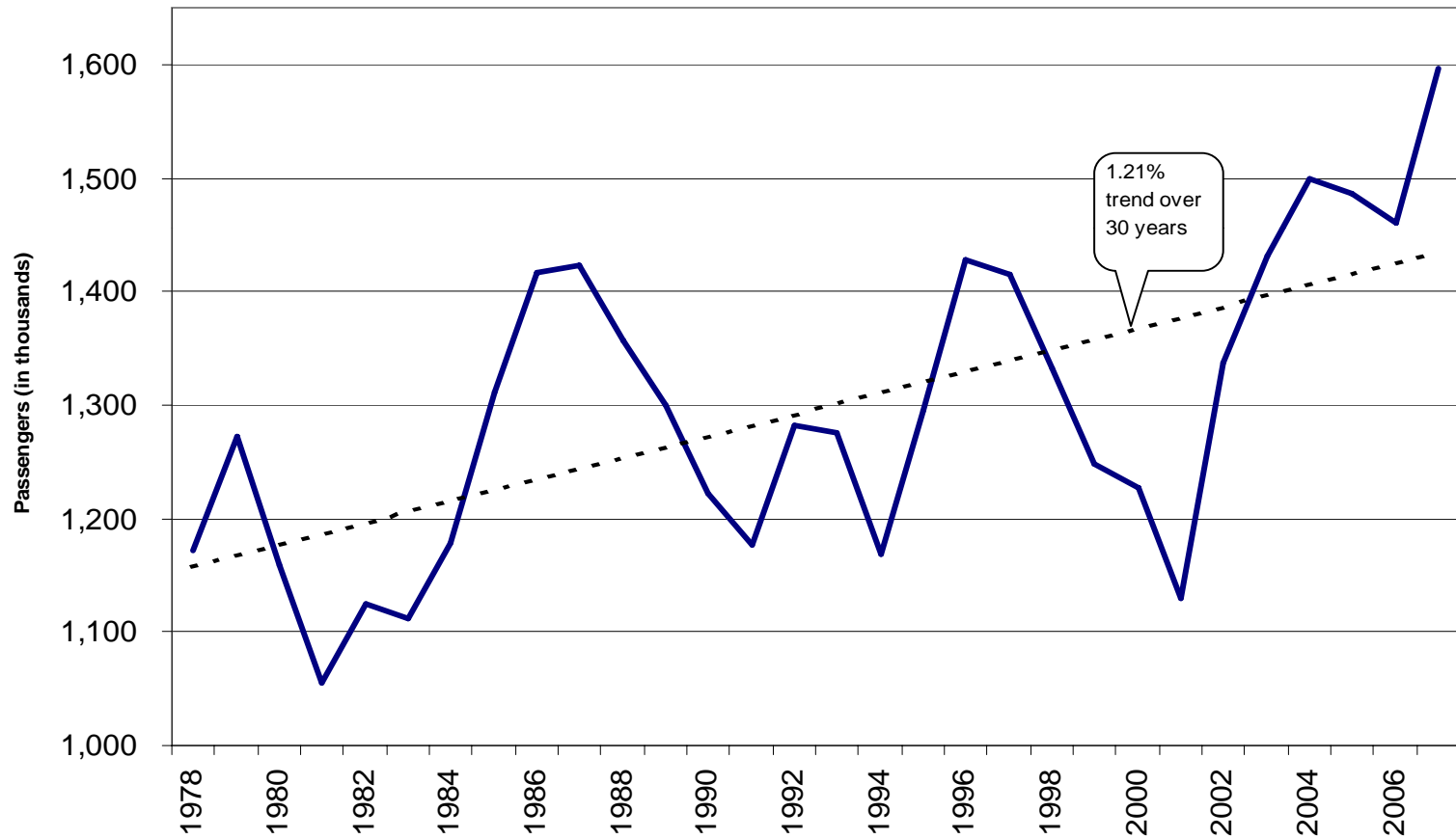
# Wichita Mid-Continent Airport Public Parking and Rental Car Facility

## Five Year (2002 – 2007) Passenger Trend

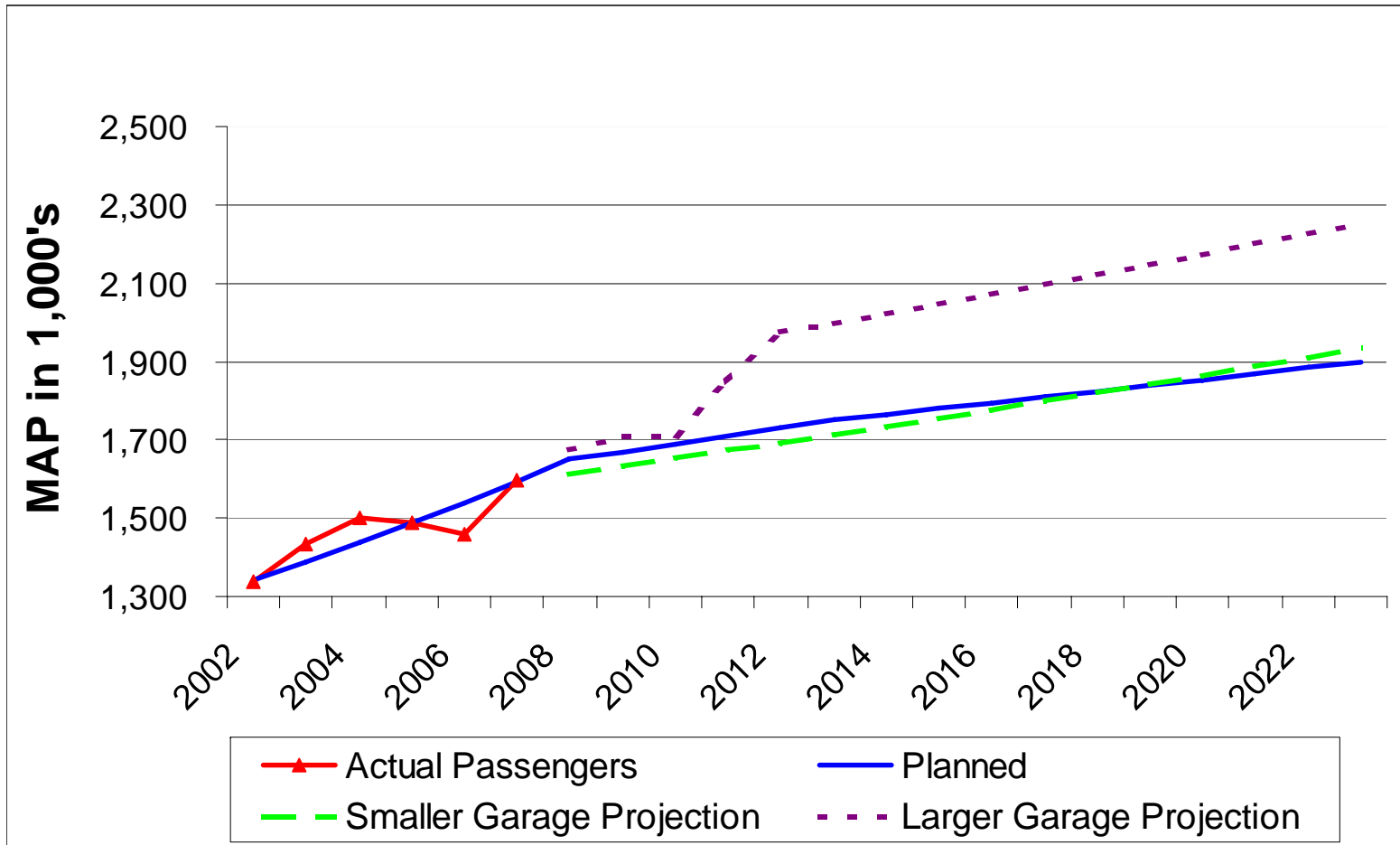


# Wichita Mid-Continent Airport Public Parking and Rental Car Facility

## Thirty Year (1978 – 2007) Passenger Trend



# Total Passengers



## Parking Expansion Options

- Option 1 – Delayed Garage
- Option 2 – 1,200 space garage
  - 300 Short-Term
  - 600 Long-Term Premium
  - 300 Rental Car
- Option 3 – 1,600 space garage
  - 400 Short-Term
  - 800 Long-Term Premium
  - 400 Rental Car

## Parking Demand and Peak Demand calculations

- Average Daily Parking Demand is calculated based upon the ratio of parking tickets to enplanements with adjustment for price elasticity.
- Demand is then adjusted for “Peak” demand during summer months which is approximately 15% higher than off-peak months
- No adjustments or calculations have been included for highest peak activity around holiday periods

# Public Parking Demand vs Supply Option 1 - Delayed Garage

## Short-Term Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 303    | 370    | 67                    | 81.9%                  | 349            | 21                    |
| 2009 | 308    | 370    | 62                    | 83.1%                  | 354            | 16                    |
| 2010 | 312    | 370    | 58                    | 84.4%                  | 359            | 11                    |
| 2011 | 317    | 370    | 53                    | 85.7%                  | 364            | 6                     |
| 2012 | 322    | 370    | 48                    | 86.9%                  | 370            | 0                     |
| 2013 | 327    | 370    | 43                    | 88.2%                  | 376            | (6)                   |
| 2014 | 331    | 370    | 39                    | 89.6%                  | 381            | (11)                  |
| 2015 | 336    | 370    | 34                    | 90.9%                  | 387            | (17)                  |
| 2016 | 341    | 370    | 29                    | 92.3%                  | 393            | (23)                  |
| 2017 | 347    | 370    | 23                    | 93.8%                  | 399            | (29)                  |
| 2018 | 352    | 370    | 18                    | 95.1%                  | 405            | (35)                  |
| 2019 | 357    | 370    | 13                    | 96.5%                  | 411            | (41)                  |
| 2020 | 362    | 370    | 8                     | 97.8%                  | 417            | (47)                  |

# Public Parking Demand vs Supply Option 1 - Delayed Garage

## Long-Term & Shuttle Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 1,853  | 1,916  | 63                    | 96.7%                  | 2,130          | (214)                 |
| 2009 | 1,880  | 1,916  | 36                    | 98.1%                  | 2,162          | (246)                 |
| 2010 | 1,909  | 1,916  | 7                     | 99.6%                  | 2,195          | (279)                 |
| 2011 | 1,937  | 1,916  | (21)                  | 101.1%                 | 2,228          | (312)                 |
| 2012 | 1,966  | 1,916  | (50)                  | 102.6%                 | 2,261          | (345)                 |
| 2013 | 1,996  | 1,916  | (80)                  | 104.2%                 | 2,295          | (379)                 |
| 2014 | 2,026  | 1,916  | (110)                 | 105.7%                 | 2,330          | (414)                 |
| 2015 | 2,056  | 1,916  | (140)                 | 107.3%                 | 2,364          | (448)                 |
| 2016 | 2,087  | 1,916  | (171)                 | 108.9%                 | 2,400          | (484)                 |
| 2017 | 2,118  | 1,916  | (202)                 | 110.5%                 | 2,436          | (520)                 |
| 2018 | 2,150  | 1,916  | (234)                 | 112.2%                 | 2,472          | (556)                 |
| 2019 | 2,182  | 1,916  | (266)                 | 113.9%                 | 2,510          | (594)                 |
| 2020 | 2,215  | 1,916  | (299)                 | 115.6%                 | 2,547          | (631)                 |

# Option 1 – Delayed Garage

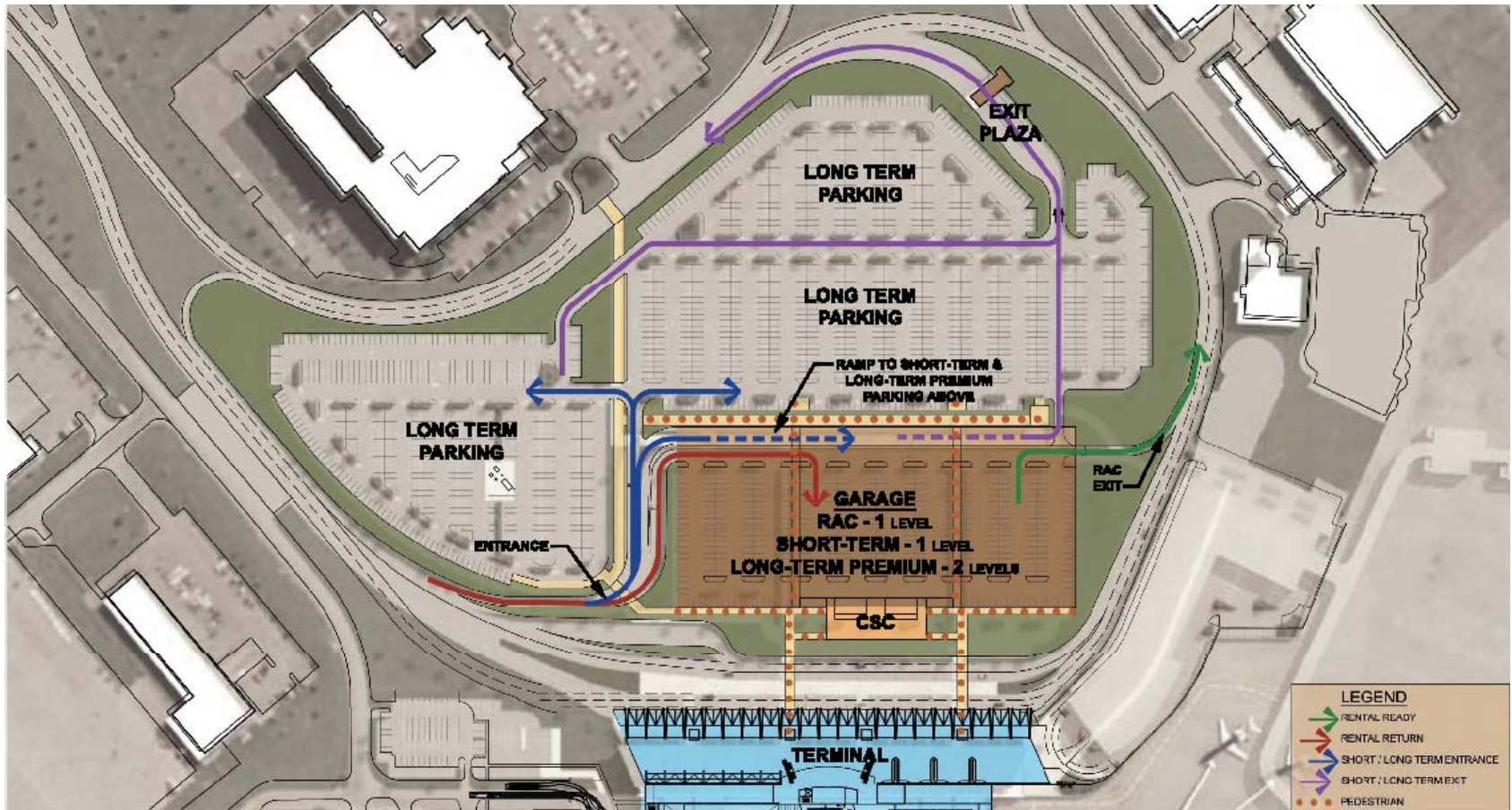
## Advantages

- No expenditures for garage structure
- Lower maintenance costs than garage structure

## Disadvantages

- Must construct new surface lot to meet demand
- Low level of customer service
- Does not satisfy rental car requests
- Deferred construction costs will escalate
- Additional capital and O & M shuttle costs incurred

# Planning Option



# Public Parking Supply vs Demand

## Option 2 - 900 Public Spaces, 300 Rental

### Short Term Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 302    | 370    | 68                    | 81.7%                  | 348            | 22                    |
| 2009 | 306    | 370    | 64                    | 82.7%                  | 352            | 18                    |
| 2010 | 310    | 370    | 60                    | 83.7%                  | 356            | 14                    |
| 2011 | 313    | 300    | (13)                  | 104.4%                 | 360            | (60)                  |
| 2012 | 317    | 300    | (17)                  | 105.7%                 | 365            | (65)                  |
| 2013 | 321    | 300    | (21)                  | 107.0%                 | 369            | (69)                  |
| 2014 | 325    | 300    | (25)                  | 108.3%                 | 374            | (74)                  |
| 2015 | 329    | 300    | (29)                  | 109.6%                 | 378            | (78)                  |
| 2016 | 333    | 300    | (33)                  | 110.9%                 | 383            | (83)                  |
| 2017 | 337    | 300    | (37)                  | 112.3%                 | 387            | (87)                  |
| 2018 | 341    | 300    | (41)                  | 113.6%                 | 392            | (92)                  |
| 2019 | 345    | 300    | (45)                  | 115.0%                 | 397            | (97)                  |
| 2020 | 349    | 300    | (49)                  | 116.4%                 | 402            | (102)                 |

# Public Parking Supply vs Demand

## Option 2 - 900 Public Spaces, 300 Rental

### Long-Term & Shuttle Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 1,847  | 1,916  | 69                    | 96.4%                  | 2,124          | (208)                 |
| 2009 | 1,870  | 1,916  | 46                    | 97.6%                  | 2,150          | (234)                 |
| 2010 | 1,892  | 1,916  | 24                    | 98.8%                  | 2,176          | (260)                 |
| 2011 | 1,915  | 2,516  | 601                   | 76.1%                  | 2,202          | 314                   |
| 2012 | 1,938  | 2,608  | 670                   | 74.3%                  | 2,229          | 379                   |
| 2013 | 1,962  | 2,608  | 646                   | 75.2%                  | 2,256          | 352                   |
| 2014 | 1,986  | 2,608  | 622                   | 76.1%                  | 2,283          | 325                   |
| 2015 | 2,010  | 2,608  | 598                   | 77.1%                  | 2,311          | 297                   |
| 2016 | 2,034  | 2,608  | 574                   | 78.0%                  | 2,339          | 269                   |
| 2017 | 2,058  | 2,608  | 550                   | 78.9%                  | 2,367          | 241                   |
| 2018 | 2,083  | 2,608  | 525                   | 79.9%                  | 2,396          | 212                   |
| 2019 | 2,109  | 2,608  | 499                   | 80.9%                  | 2,425          | 183                   |
| 2020 | 2,134  | 2,608  | 474                   | 81.8%                  | 2,454          | 154                   |

## Option 2 – 900 Public Spaces, 300 Rental

- **Advantages**

- Lower initial capital cost than Option 3 (1600 space garage)
- Provides relief to Daily Long-Term & Shuttle parking demand until 2028 based on a 1.21% annual growth rate
- Best phased in with current Terminal Development project
- Avoids building additional surface parking and increased annual shuttle service costs
- Some spaces could be used for displaced patron parking during terminal construction

- **Disadvantages**

- Does not meet Hourly Short Term parking demand
- Does not satisfy rental car needs
- Higher initial capital cost than surface lots
- Higher maintenance costs than surface lots
- More difficult to design efficient ramping system to accommodate future expansion
- Eventual expansion cost is higher due to cost of construction and economy of scale

# Public Parking Supply vs Demand

## Option 3 - 1,200 Public Spaces, 400 Rental

### Short Term Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 314    | 370    | 56                    | 84.7%                  | 361            | 9                     |
| 2009 | 320    | 370    | 50                    | 86.4%                  | 368            | 2                     |
| 2010 | 320    | 370    | 50                    | 86.4%                  | 368            | 2                     |
| 2011 | 345    | 400    | 55                    | 86.4%                  | 397            | 3                     |
| 2012 | 370    | 400    | 30                    | 92.4%                  | 425            | (25)                  |
| 2013 | 374    | 400    | 26                    | 93.5%                  | 430            | (30)                  |
| 2014 | 379    | 400    | 21                    | 94.6%                  | 435            | (35)                  |
| 2015 | 383    | 400    | 17                    | 95.8%                  | 441            | (41)                  |
| 2016 | 388    | 400    | 12                    | 97.0%                  | 446            | (46)                  |
| 2017 | 392    | 400    | 8                     | 98.1%                  | 451            | (51)                  |
| 2018 | 397    | 400    | 3                     | 99.3%                  | 457            | (57)                  |
| 2019 | 402    | 400    | (2)                   | 100.5%                 | 462            | (62)                  |
| 2020 | 407    | 400    | (7)                   | 101.7%                 | 468            | (68)                  |

# Public Parking Supply vs Demand

## Option 3 - 1,200 Public Spaces, 400 Rental

### Long-Term & Shuttle Parking

| Year | Demand | Supply | Excess/<br>(Shortage) | Percent<br>Utilization | Peak<br>Demand | Excess/<br>(Shortage) |
|------|--------|--------|-----------------------|------------------------|----------------|-----------------------|
| 2008 | 1,916  | 1,916  | (0)                   | 100.0%                 | 2,204          | (288)                 |
| 2009 | 1,955  | 1,916  | (39)                  | 102.0%                 | 2,248          | (332)                 |
| 2010 | 1,955  | 1,916  | (39)                  | 102.0%                 | 2,248          | (332)                 |
| 2011 | 2,111  | 2,800  | 689                   | 75.4%                  | 2,428          | 372                   |
| 2012 | 2,259  | 2,800  | 541                   | 80.7%                  | 2,598          | 202                   |
| 2013 | 2,286  | 2,800  | 514                   | 81.7%                  | 2,629          | 171                   |
| 2014 | 2,314  | 2,800  | 486                   | 82.6%                  | 2,661          | 139                   |
| 2015 | 2,342  | 2,800  | 458                   | 83.6%                  | 2,693          | 107                   |
| 2016 | 2,370  | 2,800  | 430                   | 84.7%                  | 2,726          | 74                    |
| 2017 | 2,399  | 2,800  | 401                   | 85.7%                  | 2,759          | 41                    |
| 2018 | 2,428  | 2,800  | 372                   | 86.7%                  | 2,792          | 8                     |
| 2019 | 2,457  | 2,800  | 343                   | 87.8%                  | 2,826          | (26)                  |
| 2020 | 2,487  | 2,800  | 313                   | 88.8%                  | 2,860          | (60)                  |

## Option 3 – 1,200 Public Spaces, 400 Rental

- **Advantages**

- Meets parking demand for Daily Long-Term and Shuttle parking until 2022 based on an average 4.4% annual growth for the first five years and a 1.21% annual growth thereafter
- Meets rental car requests
- Does not require additional shuttle lots and does not increase extent of shuttle service
- Can be constructed with Terminal Development Project
- Ramping system more efficient than Option 2 (1200 space garage)
- Some spaces could be used for displaced patron parking during terminal construction

- **Disadvantages**

- Higher initial capital cost than other options
- Higher maintenance costs than other options

## Financial Model

- Assumptions:
  - Debt Service for new garage for 30 years at 5%
  - Adjustment for elasticity of demand
  - Implementation of a Rental Car CFC in 2008

### New Parking Rates

- Short Term                                   \$2.00 per hour up to \$24.00 max
- Long-Term Premium                       \$3.00 per hour up to \$12.00 max
- Long-Term Surface remains the same until 2013
- Shuttle remains the same – As of 2013, Shuttle Lot becomes an Economy Lot with lowest price alternative





## Financial Model, Option 2 – Smaller Garage

| Annual Averages                | 2011 - 2013   | 2014 - 2016   | 2017 - 2019   | 2020 - 2022   |
|--------------------------------|---------------|---------------|---------------|---------------|
| Parking Revenues               | \$5,378,271   | \$5,928,433   | \$6,146,249   | \$6,372,068   |
| Rental Car Space Rental        | \$54,000      | \$54,000      | \$54,000      | \$54,000      |
| Facility Space Rental          | \$336,000     | \$336,000     | \$336,000     | \$336,000     |
| CFC                            | \$1,680,000   | \$1,680,000   | \$1,680,000   | \$1,680,000   |
| Adjustments                    | (\$100,811)   | \$0           | \$0           | \$0           |
| <b>Total Revenue</b>           | \$7,347,460   | \$7,998,433   | \$8,216,249   | \$8,442,068   |
| O & M                          | (\$1,455,277) | (\$1,723,375) | (\$1,855,887) | (\$1,998,587) |
| Commitments                    | (\$4,390,000) | (\$4,390,000) | (\$4,390,000) | (\$4,390,000) |
| Debt Service                   | (\$1,762,829) | (\$1,762,829) | (\$1,762,829) | (\$1,762,829) |
| Avg Excess Annual Revenues     | (\$260,646)   | \$122,228     | \$207,534     | \$290,653     |
| <br>                           |               |               |               |               |
| Avg Cash Available at Year End | \$316,516     | \$416,445     | \$954,175     | \$1,743,552   |

## Financial Model, Option 3 – Larger Garage

| Annual Averages                | 2011 - 2013        | 2014 - 2016        | 2017 - 2019        | 2020 - 2022        |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| Parking Revenues               | \$6,171,799        | \$6,922,528        | \$7,176,869        | \$7,440,554        |
| Rental Car Space Rental        | \$72,000           | \$72,000           | \$72,000           | \$72,000           |
| Facility Space Rental          | \$336,000          | \$336,000          | \$336,000          | \$336,000          |
| CFC                            | \$1,680,000        | \$1,680,000        | \$1,680,000        | \$1,680,000        |
| Adjustments                    | (\$111,413)        | \$0                | \$0                | \$0                |
| <b>Total Revenue</b>           | <b>\$8,148,386</b> | <b>\$9,010,528</b> | <b>\$9,264,869</b> | <b>\$9,528,554</b> |
| O & M                          | (\$1,725,277)      | (\$2,154,219)      | (\$2,319,858)      | (\$2,498,234)      |
| Commitments                    | (\$4,390,000)      | (\$4,390,000)      | (\$4,390,000)      | (\$4,390,000)      |
| Debt Service                   | (\$2,301,715)      | (\$2,301,715)      | (\$2,301,715)      | (\$2,301,715)      |
| Avg Excess Annual Revenues     | (\$268,606)        | \$164,594          | \$253,295          | \$338,605          |
| <br>                           |                    |                    |                    |                    |
| Avg Cash Available at Year End | \$248,640          | \$441,252          | \$1,113,123        | \$2,044,451        |

## Growth rates assumptions

- Smaller garage produces positive cumulative cash flow from Year 1 using a 1.21% annual growth rate
- Larger garage produces positive cumulative cash flow from Year 1 using an average 4.40% annual growth rate for the first five years and a 1.21% annual growth rate thereafter

## Issues with Delaying Garage

- Construction cost is estimated to rise by 5% per year
  - If 1,600 space garage opened in 2011      \$35,383,000
  - If 1,600 space garage opened in 2015      \$42,524,680
- Additional Costs:
  - Must build then demolish terminal area surface lot opened as part of Terminal Development - \$1,200,000
  - Cost of money may be higher
  - Must provide additional shuttle service until built - \$355,000/yr that will escalate annually
  - Must construct additional surface lots for temporary parking during construction of new terminal

## Issues with Delaying Garage – cont'd

- Construction will disrupt front of new terminal
- Rental car desires not met
- Rental cars will take up surface lot parking, thereby displacing additional patrons and reducing parking revenue
- Peak parking demand must be met by additional surface lot parking taking away land for development

## Advantages of Building Garage Now

- Phasing fits with Terminal Development project
- Land identified for garage is currently available and requires the displacement of fewer parkers if done before opening of new terminal
- Interest rates are currently advantageous
- Avoids construction cost escalation
- Provides enhanced customer service sooner

## Conclusions

- Cumulative cash flow covers garage shortfall in the early years
- Parking demand can support a multi-level garage
- The optimal garage footprint is dictated by Short Term Parking Demand and Rental Car ready/return needs
- Parking rates are changed to encourage appropriate parking
- A CFC is initiated in 2008
- Site available for an additional remote shuttle lot is better suited for commercial economic development opportunity

## Conclusions – cont'd

- Both Patron and Rental Car parking needs will continue to grow and should be accommodated in a manner that provides a high level of customer service and convenience
- Either garage is financially feasible as a stand-alone project based on given growth assumptions and will not negatively financially affect the terminal expansion project
- A parking garage reduces the use of prime tenant development land for parking
- Postponing the construction of the parking garage will result in increased costs, additional customer inconvenience, and unnecessary temporary construction