

SECOND COMMITTEE SUBSTITUTE FOR RESOLUTION NO. 120342

Establishing the Council's strategic initiatives for the Aviation Department and directing the City Manager to initiate appropriate actions to implement said initiatives and report periodically on the implementation efforts.

WHEREAS, the City of Kansas City, Missouri strives to have Kansas City International Airport and Charles B. Wheeler Downtown Airport be the best managed airports possible through continued improvements in efficiency, governance, security, customer satisfaction and air services offered; and

WHEREAS, as part of the City's efforts to continue to effectively respond to the changing dynamics of the aviation industry and maintain competitive airline rates and charges, the City Council desires to develop strategic initiatives for the Aviation Department that fit the unique development and evolution of the City's airports; and

WHEREAS, Kansas City International Airport and Charles B. Wheeler Downtown Airport are significant economic development assets for the City and the metropolitan region as a whole; and

WHEREAS, the City of Kansas City is about to undertake a construction of a new terminal with a total project cost in excess of \$1 billion; NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the following strategic initiatives for the Aviation Department are established:

A. Governance. The City Manager shall, in coordination with the Mayor and the City Council, conduct a Governance Study to identify and outline the governance models used to operate aviation facilities worldwide that could be applied to the operations of the City's aviation facilities. The governance models shall include, but not be limited to, aviation authorities, not-for-profit corporations, municipal governance, and public/private partnerships. The study shall be conducted by a professional consulting team, at the direction of the City Manager and equipped to complete a full governance study of the City's aviation operations, and its objectives shall be as follows:

- 1) To identify and rank practices and structures that would be of the highest benefit to the City in its operation of its aviation facilities;
- 2) To maximize the economic development potential of the airports to the City and region as a whole;

3) To identify any changes to federal, state or local laws necessary to implement each governance model to its fullest benefit; and

4) To identify the recommended governance model for implementation by the City and support the same with a comprehensive business case. If no change in governance is recommended, the current governance structure shall likewise be supported by a comprehensive business case.

B. Maintain and expand KCI's significance as the dominant airport in the region. As a new terminal will provide new enterprise opportunities, this study should also seek to determine the value of Kansas City International (KCI) Airport as a regionally dominant airport (in conjunction with its primary function of a local origin and destination point) to the citizens of Kansas City, KCI's customers, KCI's business model, and the long-range economic development climate of the City. The City should also undertake a long-term business plan for KCI to help achieve this goal. The determination and plan shall be conducted by a professional consulting team equipped to complete such a study of the aviation industry and its effects on local economic activity.

C. Performance Measures. The City Manager shall establish several performance measures for evaluating the performance of Kansas City International Airport and Charles B. Wheeler Downtown Airport that shall be incorporated into this long-term business plan. The performance measures shall be designed to establish benchmarks for gauging customer and airline satisfaction, including the availability of non-stop flights and fare comparisons to industry standards. Such measures shall be applicable regardless of terminal configuration in order to effectively benchmark and measure the success of a new terminal. The Aviation Department shall report these measures, including current and historical information, on a regular basis to the City Council.

D. Non-Aeronautical Activities. The City Manager shall assess and recommend to the Mayor and the City Council any changes that should be undertaken for the airport's non-aeronautical activities and the manner in which such changes should occur.

Section 2. That the City Manager is directed to initiate appropriate actions to implement said initiatives, including any necessary appropriation requests from Aviation funds and report periodically on the implementation efforts to the appropriate Council body.