

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA - REGULAR MEETING



APRIL 24, 2018 AT 3:00 P.M.

Ontario International Airport Administration Offices
1923 E. Avion Street, Room 100, Ontario, CA 91761

ALAN D. WAPNER
President

RONALD O. LOVERIDGE
Vice President

JIM W. BOWMAN
Secretary

CURT HAGMAN
Commissioner

JULIA GOUW
Commissioner

MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

JEFF P. REYNOLDS
Treasurer

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- Anyone wishing to speak during public comment or on a item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1-minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.

ORDER OF BUSINESS

The Authority meeting begins with Closed Session and Closed Session Comment at 3:00 p.m., immediately followed by Public Comment and the Regular Meeting.

(Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended.)

CALL TO ORDER (OPEN SESSION) - 3:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

CLOSED SESSION - 3:00 P.M.

CLOSED SESSION PUBLIC COMMENT: The Closed Session Public Comment portion of the Authority meeting is limited to a maximum of 3 minutes for each speaker and comments will be limited to matters appearing on the Closed Session. Additional opportunities for further Public Comment will be given at the end of the meeting.

CLOSED SESSION

- GC54956.9(d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One (1) Case*

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

General Legal Counsel

PUBLIC COMMENTS

The Public Comment portion of the Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Commission, fill out one of the blue slips at the rear of the chambers and give it to the Secretary/Assistant Secretary.

AGENDA REVIEW/ANNOUNCEMENTS

The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the Authority on items listed on the Consent Calendar will be given a total of 3 minutes.

2. APPROVAL OF MINUTES

Minutes for the special meeting of the Ontario International Airport Authority on March 23, 2018, and the cancelled meeting minutes of March 27, 2018, approving same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills March 1, 2018 through March 31, 2018 and Payroll March 1, 2018 through March 31, 2018.

4. APPROVAL OF MEETING STIPENDS

That the Ontario International Airport Authority Commission approve meeting stipends for President Wapner and Commissioner Hagman.

5. ADOPT THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES

That the Ontario International Airport Authority (OIAA) adopt the OIAA NEPA/CEQA Guidelines. The purpose of these Guidelines is to provide objectives, criteria, and procedures for the environmental evaluation and approval for projects and the preparation of documents to support and comply with NEPA and CEQA. The OIAA NEPA/CEQA Guidelines are intended to supplement, and to be used in conjunction with, these federal and state laws and policies for practical application to projects on and within Ontario International Airport (ONT) property.

6. APPROVAL OF AN AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE SAN BERNARDINO COUNTY FOR AIRPORT RELATED MARKETING PROJECTS

That the Ontario International Airport Authority (OIAA) approve an agreement between the OIAA and the San Bernardino County for \$250,000 for a China Airlines regional market media plan to promote ONT as a gateway to Southern California. If approved the agreement between the OIAA and the San Bernardino County will be effective upon approval and execution by both parties and terminating on December 31, 2018.

7. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE OPERATING USE AND TERMINAL LEASE AGREEMENTS BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND NEW OR EXISTING AIR CARRIERS DESIRING TO OPERATE AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to negotiate and execute Operating Use and Terminal Lease Agreements between the OIAA and passenger and/or cargo air carriers electing to operate at Ontario International Airport (ONT) as “signatory” air carriers for a fixed term. By becoming a signatory air carrier, an airline commits to long-term use and operation at ONT in exchange for reduced operating costs. Over time, this partnership incentivizes increased operations at ONT and additional revenue opportunities for the OIAA.

8. A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO CERTIFY AND ACCEPT DEEDS AND GRANTS OF AVIGATION EASEMENTS OR SIMILAR INSTRUMENTS ON BEHALF OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY.

That the Ontario International Airport Authority (OIAA) adopt a resolution to authorize the Chief Executive Officer (CEO) to certify and accept deeds and grants of avigation easements or similar instruments on behalf of the OIAA pursuant to Government Code section 27281. There is no fiscal impact to authorize the CEO to certify and accept deeds and grants of avigation easements by property owners pursuant to Government Code section 27281 on behalf of the OIAA.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO CERTIFY AND ACCEPT DEEDS AND GRANTS OF AVIGATION EASEMENTS OR SIMILAR INSTRUMENTS ON BEHALF OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

9. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (SNDA) BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND RAYTHEON COMPANY, (SUBLESSEE)

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute a Subordination, Non-disturbance and Attornment Agreement (SNDA) between the Ontario International Airport Authority and Raytheon Company, (“Sublessee”) under the Guardian Air Services, LLC, Master Lease ONT-7994. In the Sublease, Raytheon has agreed to rent a portion of the Expansion Project area from Guardian for ten (10) years, with three five (5) year options at market rates with periodic market adjustments.

10. FISCAL YEAR 2017-18 BUDGET UPDATE AND ANALYSIS OF OPERATING AND MAINTENANCE BUDGET VS. ACTUAL FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2018

That the Ontario International Airport Authority review the results of operation for the eight months ended February 28, 2018 and the comparison the budget for the corresponding period.

11. A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AND CARGO AIR SERVICE TO NEW NONSTOP TRANS-CONTINENTAL AND OTHER LONG-HAUL AIR SERVICE IN NORTH AMERICA AT LEAST 1,750 NAUTICAL MILES FROM ONTARIO, CALIFORNIA

That the Ontario International Airport Authority (OIAA) adopt a resolution approving an Air Carrier Incentive Program (ACIP), offering Qualified Air Carriers (as that term is defined in the ACIP) a waiver of landing fees, rent credit, as well as advertising and marketing support, to encourage and support the launch of transcontinental and other long-haul non-stop passenger and all cargo (i.e., freighter) services between ONT and new destinations in North America that are at least 1,750 nautical miles from Ontario, California.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION ESTABLISHING AN AIR CARRIER INCENTIVES POLICY FOR TRANSCONTINENTAL, LONG-HAUL NON-STOP PASSENGER, AND CARGO FLIGHTS

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
Vice President Loveridge
Secretary Bowman
Commissioner Hagman
Commissioner Gouw

ADJOURNMENT



DATE: **APRIL 24, 2018** |

CLOSED SESSION REPORT
OIAA// (GC 54957.1)

ROLL CALL: Gouw __, Bowman __, Hagman __, Loveridge __, President Wapner __.

STAFF: CEO __, General Counsel __

- GC 54956.9(d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION:
One (1) case.

No Reportable Action

Continue

Approved

/ /

/ /

/ /

Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer |

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: APRIL 24, 2018

SECTION: MINUTE ACTION

SUBJECT: RELATIVE TO POSSIBLE CONFLICT OF INTEREST

RECOMMENDED ACTION(S): Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

BACKGROUND: In accordance with California Government Code 84308, members of the Ontario International Airport Authority may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No	Principals & Agents	Subcontractors
Item No. 08	Raytheon Company (Sublessee)	• None

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Board Clerk

Department: Clerk's Office

Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: 

Item No. 01

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
FRIDAY, MARCH 23, 2018
(Not Official Until Approved)**

A special meeting of the Ontario International Airport Authority was held on Friday, March 23, 2018, at 1923 E. Avion Street, Room 100, Ontario, California.

Notice of said meeting was duly given in the time and manner prescribed by law.

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 3:04 p.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Curt Hagman, Julia Gouw, Ronald O. Loveridge and Alan D. Wapner.

ABSENT: Commissioners: None.

Also present were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori D. Ballance, and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by General Counsel Ballance.

PUBLIC COMMENT

There were no public comments.

POSSIBLE CONFLICT OF INTEREST ISSUES

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note: agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

There were no conflict of interests reported.

Vice President Loveridge requested that at least one item be added to Discussion stating that it is important to highlight what is important.

President Wapner suggested that the item be addressed during an Ad Hoc Committee meeting and be brought back to the Commission for consideration. There was consensus among the Commissioners to proceed as suggested.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by a unanimous vote of 5-0, to approve the Consent Calendar as presented.

CONSENT CALENDAR

1. APPROVAL OF MINUTES

Approved minutes for the regular meeting of the Ontario International Airport Authority on February 27, 2018, approving same as on file with the Secretary/Assistant Secretary.

2. BILLS/PAYROLL

Approved bills for February 1, 2018 through February 28, 2018 and Payroll February 1, 2018 through February 28, 2018.

3. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for Commissioner Hagman.

4. APPROVAL TO AWARD AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE CONTRACTS FOR THREE (3) YEAR TERMS BETWEEN OIAA AND THE FOLLOWING FIRMS: BURNS & MCDONNELL, HNTB CORPORATION, AND TY LIN INTERNATIONAL, FOR ON-CALL ENGINEERING, ARCHITECTURE, AND SUPPORT SERVICES FOR AIP-FUNDED PROJECTS AT ONTARIO INTERNATIONAL AIRPORT.

The OIAA authorized the Chief Executive Officer to execute contracts with Burns & McDonnell, HNTB Corporation, and with T.Y. Lin International Inc. (TYLI), for as-needed engineering, architecture, and support services for Airport Improvement Program (AIP) funded projects to be defined through OIAA's capital planning and programming process and approved through OIAA's budgeting process. Burns & McDonnell, HNTB, and TY LI will be retained on a list of on-call, as-needed engineering service providers for AIP-funded projects at ONT for a period of three years. Engineering services assignments will be assigned to the firms as projects that are recommended by OIAA staff and incorporated into OIAA's capital budget.

5. APPROVAL OF A CONTRACT AMENDMENT WITH HELIX ENVIRONMENTAL PLANNING, INC. FOR PREPARATION OF ENVIRONMENTAL DOCUMENTATION FOR ONTARIO INTERNATIONAL AIRPORT.

The OIAA authorized the Chief Executive Officer to execute a contract amendment with Helix Environmental Planning, Inc. (Helix) for additional scope of work, in the amount of \$49,547 for the preparation of environmental documentation that conforms to the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) for development projects at Ontario International Airport. This requested amount is for increased scope of work related to the preparation of environmental analysis and documentation for development projects at ONT.

6. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO AWARD AND EXECUTE A CONTRACT WITH ASIA GENERAL CONTRACTORS, INC.

The OIAA authorized the Chief Executive Officer to award and execute a contract with Asia General Contractors, Inc. (Asia), in the amount of \$251,500. The cost is to be paid for with OIAA appropriations from the 2017/2018 OIAA budget.

7. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN EASEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND SOUTHERN CALIFORNIA EDISON AS PART OF THE GUARDIAN JET CENTER EXPANSION PROJECT.

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to negotiate and execute an easement between the Ontario International Airport Authority and Southern California Edison as part of the Guardian Jet Center Expansion Project. The easement is being prepared by Southern California Edison (SCE) based on engineering drawings prepared by SCE for the construction of new electrical equipment as part of the Guardian Jet Center Expansion Project. The OIAA and its counsel will review and provide comments to SCE as part of its standard procedures for a tenant improvement project, therefore there will not be any fiscal impact.

8. AUTHORIZE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT WITH AIRPORT AND AVIATION PROFESSIONALS, INC. IN CONNECTION WITH IMPLEMENTATION OF WORKDAY ENTERPRISE RESOURCE PLANNING (ERP) FINANCIAL SYSTEMS.

The Ontario International Airport Authority authorized the Chief Executive Officer (CEO) to execute Amendment No. 1 to a Professional Services Agreement with Airport and Aviation Professionals, Inc in connection with implementation of Workday Enterprise Resource Planning (ERP) Financial Systems. The original contract with Airport and Aviation Professionals, Inc. (AvAirPros) in January 2018 was in the amount of approximately \$66,000 and was executed under the authority of the CEO's signing authority. The Amendment provides for additional professional services in the amount of up to approximately \$133,000 for a total contract amount of not more than \$199,000.

9. APPROVAL OF FIRST AMENDMENT TO CONCESSION AGREEMENT ONT-8706 WITH BANK OF AMERICA.

The Ontario International Airport Authority authorized the Chief Executive Officer to execute the Amendment to Agreement ONT-8706 with Bank of America. The current agreement provides for a concession to include five bank ATM units. The concessionaire is Bank of America, who agrees to pay the Authority \$7,500 annually or \$1.75 per transaction, whichever is greater. The commercial terms are Amended to include a sixth ATM and the minimum annual guarantee (MAG) shall be increased from \$7,500 to \$9,000. On an annualized basis, the MAG will be increased from \$90,000 to \$108,000; i.e., an increase of \$18,000 per annum.

10. APPROVAL OF THE AUTHORITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE 12-MONTH PERIOD ENDED JUNE 30, 2017.

The Ontario International Airport Authority approved the Comprehensive Financial Report (CAFR) in accordance with the Joint Powers Agreement, Section 9, Accounts and Reports states that management make an annual audit of the accounts and records of the Authority, and a complete written report filed as a public record with the Commission, Clerk of Ontario, San Bernardino Board of Supervisors and the Municipal Securities Rulemaking Board.

11. AUTHORIZE THE AUTHORITY CHIEF EXECUTIVE OFFICER (CEO) AND DESIGNEES TO REVIEW PROPOSALS FOR REAL ESTATE BROKERS TO REPRESENT THE AUTHORITY FOR THE POSSIBLE LONG-TERM LEASE OF NON-AERONAUTICAL USE REAL PROPERTY AT ONTARIO INTERNATIONAL AIRPORT (ONT), AND RECOMMEND TO THE AUTHORITY COMMISSION THE POSSIBLE SELECTION OF A BROKER FOR SUCH PURPOSE.

The Ontario International Airport Authority ("OIAA" or "Authority") Commission authorized the Authority Chief Executive Officer and his designees to review proposals for licensed real estate brokers to represent the Authority in the possible long-term lease of ONT real property that is not used for aeronautical purposes (generally bounded by Airport Drive to the north, Jurupa Street to the south, Haven Avenue to the west, and Doubleday Avenue to the east), and recommend to the Authority Commission a qualified broker or brokers to be retained and selected for such purpose located at Possible retention or selection of a qualified real estate broker(s) to represent the Authority in the possible long-term lease of ONT real property that is not used for aeronautical purposes would not have any negative impact on ONT finances. The fees for any real estate broker services would only be paid out of any possible long-term lease transaction.

STAFF MATTERS

Chief Executive Officer Thorpe announced the Non-stop flights to Taipei, Taiwan commencing on March 25, 2018 and noted that the LAWA staff transfer will be complete as of April 2, 2018.

COMMISSIONER MATTERS

Commissioner Gouw did not have comments.

Commissioner Hagman noted his trip to Taipei and his efforts to bring more cargo flights to OIAA from Wuxi, China.

Vice President Loveridge requested an update on how the Leadership Committee was doing and asked that a time be scheduled to discuss making the airport an exciting place.

Sr. Director of Marketing, Communications and External Affairs Elkadi provided a brief update.

Secretary Bowman thanked staff for the hard work and acknowledged that the airport is headed in the right direction.

President Wapner thanked Ontario I.T. staff for getting the Federal Inspection Services facility ready on time for the China Airlines' flight.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting in memory of Pomona Police Officer Gregory Casillas, at 3:23 p.m.

RESPECTFULLY SUBMITTED:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



NOTICE OF CANCELLATION

NOTICE IS HEREBY GIVEN that the regular meeting of the Ontario International Airport Authority scheduled for Tuesday, March 27, 2018 is hereby cancelled due to a lack of quorum. A special meeting of the Ontario International Airport Authority is scheduled for March 23, 2018.

Dated: March 6, 2018

Claudia Y. Isbell, CMC
Clerk of the Board

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: APRIL 24, 2018

SECTION: CONSENT CALENDAR

SUBJECT: ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION APPROVAL OF STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

RELEVANT STRATEGIC OBJECTIVE: Development of Airport-Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission approve additional stipends per Article IV, Section 6 of the Authority’s Bylaws.

BACKGROUND: Article IV, Section 6 of the Authority’s Bylaws states as follows:

“No salary: Reimbursement for Expenses; Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, commissioners will receive a stipend in the amount of one hundred fifty dollars (\$150.00) for attendance at each Commission meeting, standing committee meeting, ad hoc committee meeting, and any Authority-related business function. A maximum of six (6) stipends are permitted per month. An additional two (2) stipends are permitted with prior approval of the President. More than eight (8) stipends per month will require approval by the full Commission.”

During the month of February 2018, President Wapner attended six (6) additional Authority-related business functions and Commissioner Hagman attended seven (7) additional Authority-related business functions. Full Commission approval is needed to approve payment of stipends.

CEQA COMPLIANCE: Exclusion from the definition of “project”: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines §15378(b)(4).)

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Board Clerk

Department: Clerk’s Office

Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval:

Item No. 04

PRIOR COMMISSION ACTION: On December 8, 2016, the OIAA Commission adopted Resolution No. 2016-14 approving and adopting the OIAA Bylaws.

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

ATTACHMENTS:

N/A

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.



DATE: APRIL 24, 2018

SECTION: CONSENT CALENDAR

SUBJECT: ADOPT THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES

RELEVANT STRATEGIC OBJECTIVE: Maintain a Safe and Secure Operational Environment.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) adopt the OIAA NEPA/CEQA Guidelines.

FISCAL IMPACT AND SOURCE OF FUNDS: The NEPA/CEQA Guidelines were prepared by consultants and counsel under existing contract with the OIAA, therefore there will not be any fiscal impact.

BACKGROUND: The purpose of these Guidelines is to provide objectives, criteria, and procedures for the environmental evaluation and approval for projects and the preparation of documents to support and comply with NEPA and CEQA. The OIAA NEPA/CEQA Guidelines are intended to supplement, and to be used in conjunction with, these federal and state laws and policies for practical application to projects on and within Ontario International Airport (ONT) property.

These Guidelines apply to any activity at ONT which constitutes a "project" as defined by NEPA or CEQA and to any activity for which the OIAA is a Lead Agency. These Guidelines are also intended to assist the OIAA and project proponents in determining whether a proposed activity does not constitute a project that is subject to NEPA/CEQA review, or whether the activity is exempt from NEPA/CEQA.

CEQA COMPLIANCE: The OIAA NEPA/CEQA Guidelines is not a "project" under CEQA and does not require environmental review.

STAFFING IMPACT (# OF POSITIONS): N/A

STAFF MEMBER PRESENTING: Mark Thorpe, Chief Executive Officer

Department: Administration Submitted to OIAA: April 24, 2018
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: Mark A. Thorpe

IMPACT ON OPERATIONS: This action will have no impact to operations.

SCHEDULE: Once the NEPA/CEQA Guidelines are adopted they will be in effect immediately as part of the project approval process at ONT.

ATTACHMENTS:

Attachment A – OIAA NEPA/CEQA Guidelines.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.



Ontario International Airport Authority NEPA/CEQA Guidelines

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1 PURPOSE

The purpose of these guidelines is to provide objectives, criteria, and procedures for the environmental evaluation of projects and the preparation of documents to support and comply with the National Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA). The Ontario International Airport Authority (OIAA) NEPA/CEQA Guidelines (Guidelines) are intended to supplement and be used in conjunction with these federal and state laws and policies for practical application to projects seeking to occur within airport property. If the application of any procedure or recommendation contained in these Guidelines conflicts with any provision of NEPA/CEQA, the provisions of the federal and state laws shall control. These guidelines are focused on determining whether a project can be categorically excluded (CATEX) under NEPA and/or whether a notice of exemption (NOE) can be filed under CEQA. A CATEX refers to a category of actions that do not individually or cumulatively have a significant impact on the environment. A NOE can be filed if the project is defined as ministerial, emergency, with no possible significant effect, statutorily exempt, or categorically exempt. These guidelines shall be updated as necessary.

2 APPLICABILITY

These Guidelines apply to any activity at the Ontario International Airport (ONT) which constitutes a “project” as defined by NEPA or CEQA and to any activity for which the OIAA is a Responsible Agency. (See Sections 5 and 6 of these Guidelines below for more discussion about what constitutes a “project” under NEPA and CEQA). These Guidelines are also intended to assist the OIAA and project proponent in determining whether a proposed activity does not constitute a project that is subject to NEPA/CEQA review, or whether the activity is exempt from NEPA/CEQA.

3 OIAA PROJECT APPROVAL PROCESS

Projects seeking approval and a Notice-To-Proceed must fill out a Project Request Form and CEQA-Environmental Permitting Questionnaire, available on the ONT website (also provided as **Appendix A**): <http://www.flyontario.com/corporate/project-request>.

The OIAA is allowed 30 days to review the Questionnaire for completeness. (CA Gov. Code, §§65920–65964.) While conducting this review for completeness, the OIAA might require additional explanation by the project applicant, such as a complete project description along with a site and plot plan, any special studies completed, and other information that may be helpful for further evaluation. The OIAA will review all information provided to determine whether a project is subject to CEQA and/or NEPA, requires discretionary action and the level of CEQA and/or NEPA clearance required. Comments from this initial environmental review will be sent to the project proponent in writing within 30 days after the application is submitted.

The project proponent is responsible for responding to OIAA’s written comments. Once those responses have been received a secondary review will commence. The OIAA is allowed 30 days to review all additional material received for completeness. Once the OIAA has completed its review, it will determine whether: 1) existing environmental documentation is sufficient to address the potential impacts of the project; 2) if existing environmental documentation may be used to tier off from, to provide additional necessary environmental review; or 3) an exemption from CEQA and/or NEPA applies to the project. The OIAA will provide direction to the project proponent on the level of CEQA and/or NEPA review required for the project (e.g. Negative Declaration, Environmental Impact Report (“EIR”), etc.).

4 LEAD AND RESPONSIBLE AGENCIES

The OIAA is the Lead Agency and has principal responsibility for carrying out or approving a project on airport property.

Where a project is to be carried out or approved by more than one public agency, only one agency shall be responsible for the preparation of environmental documents.

Where two or more public agencies will be involved with a project, the Lead Agency shall be designated according to the following criteria:

- a) If the project will be carried out by a public agency, that agency shall be the Lead Agency even if the project will be located within the jurisdiction of another public agency; or
- b) If the project will be carried out by a nongovernmental person or entity, the Lead Agency shall be the public agency with the greatest responsibility for supervising and approving the project as a whole. The Lead Agency will normally be the agency with general governmental powers, rather than an agency with a single or limited purpose.

If two or more public agencies have a substantial claim to be the Lead Agency under either (a) or (b), they may designate one agency as the Lead Agency by agreement. If the agencies cannot agree which agency should be the Lead Agency for preparing the environmental document, any of the disputing public agencies or the project applicant may submit the dispute to the Office of Planning and Research. Within 21 days of receiving the request, the Office of Planning and Research will designate the Lead Agency. CA Public Resources Code § 21165(a) and CEQA Guidelines § 15053(c).

4.1 Duties of the Lead Agency

As a Lead Agency, the OIAA shall decide the extent of environmental review required for a project, to include whether a CATEX, NOE, Negative Declaration, Mitigated Negative Declaration or an EIR will be required for a project. The OIAA shall prepare, or cause to be prepared, and consider all submitted or prepared environmental documentation before making its decision on whether and how to approve the project.

Environmental documents may be prepared by Staff or by private consultants pursuant to a contract with the OIAA. However, the OIAA shall independently review and analyze all draft and final documents, including NOEs, CATEXs, EIRs or Negative Declarations prepared for a project. Final environmental documentation shall reflect the independent judgment of the OIAA prior to approval of a project.

As Lead Agency, the OIAA may charge the Chief Executive Officer (CEO) with the responsibility of making a finding of exemption or adopting, certifying or authorizing environmental documents. This environmental determination may be appealed to the Airport Commission by the project proponent.

When a project is to be carried out or approved by more than one public agency, all public agencies other than the Lead Agency which have discretionary approval power over the project shall be identified as Responsible Agencies and be given the time required to review the project.

5 THE NATIONAL ENVIRONMENTAL PROTECTION ACT (NEPA)

Enacted in 1969 to provide review of Federal projects to identify significant impacts, NEPA applies to a project that requires discretionary actions by a Federal agency which intends to approve, build or fund the project. As per ARP SOP 5.1, “Specific Federal Aviation Administration (FAA) actions subject to NEPA review include, but are not limited to, grants, loans, contracts, leases, construction and installation actions, procedural actions, research activities, rulemaking and regulatory actions, certifications, licensing, permits, plans requiring approval, and legislation proposed by the FAA”.

FAA Order 5050.4B, states:

A Federal action involving an airport project, which would trigger NEPA review, may include (but is not limited to) one or more of the following:

- (1) Conditional, unconditional, or mixed approval of Federal funding for airport planning and development projects, including separate funding of plans and specifications for those projects.
- (2) Conditional, unconditional, or mixed approval a location for a new, public use airport.
- (3) Conditional, unconditional, or mixed approval of a first-time or changed airport layout plan (ALP).
- (4) Authorizing an airport sponsor to impose and use Passenger Facility Charges (PFC).
- (5) Conditional, unconditional, or mixed approval of an airport sponsor’s request under 49 USC, section 47125, to use or transfer Federally-owned land to carry out an action under 49 USC Chapter 471, Subchapter I, at a public-use airport or to support the airport's operations.
- (6) Conditional, unconditional, or mixed approval an airport sponsor’s request to release airport land from a Federally-obligated, public-use airport when the land would be used for non-aeronautical purposes.
- (7) Conditional, unconditional, or mixed approval of the use of a facility as public-use airport when the facility becomes available under the Surplus Property Act.
- (8) Approving noise compatibility programs under 14 CFR, Part 150.
- (9) Approving an airport sponsor to restrict the use of Stage 3 aircraft at public-use airports under 14 CFR Part 161.
- (10) Issuing a Part 139 certification. and (11) Conditional, unconditional, or mixed approval of funding for measures in an FAA-approved Wildlife Hazard Management Plan or approving ALP changes to accommodate those measures.

The three levels of NEPA review are Categorical Exclusion (CATEX), Environmental Assessment (EA), and Environmental Impact Statement (EIS).

There are three main NEPA guidance documents for projects at the airport: 1) FAA Order 5050.4B, 2) FAA Order 1050.1F, and 3) ARP Standard Operating Procedure (SOP) 5.1.

FAA Order 5050.4B, *NEPA Implementing Instructions for Airport Actions*, provides information on fulfilling NEPA requirements for airport actions under FAA’s authority. This Order is part of FAA’s effort to ensure that potential environmental effects resulting from major airport actions are addressed. Actions unlikely to involve extraordinary circumstances (not reasonably expected to

change land use or cause environmental impacts), and some actions that may involve extraordinary circumstances (the proposed action can be modified to eliminate the extraordinary circumstances), may be categorically excluded under NEPA review. For quick reference, **Appendix B** is Chapter 6, Categorical Exclusions, from this Order, which includes Tables 6-1 and 6-2, annotated listings of the airport-specific portions of the categorically excluded actions in FAA Order 1050.1F paragraphs 307 through 312.

FAA Order 1050.1F, *Environmental Impacts: Policies and Procedures*, serves as the FAA's policy and procedures for compliance with NEPA and implementing regulations issued by the Council on Environmental Quality (CEQ). The provisions of this Order and the CEQ regulations apply to actions directly undertaken by the FAA, as well as to actions undertaken by a non-Federal entity where the FAA has authority to condition a permit, license, or other approval. The requirements in this Order apply to, but are not limited to, the following actions: grants, loans, contracts, leases, construction and installation actions, procedural actions, research activities, rulemaking and regulatory actions, certifications, licensing, permits, plans submitted to the FAA by state and local agencies for approval, and legislation proposed by the FAA.

Section 5-6 of FAA Order 1050.1F, describes the FAA's Categorical Exclusions. The FAA has determined that certain actions normally do not individually or cumulatively have a significant effect on the human environment. The CATEXs are organized by the following functions:

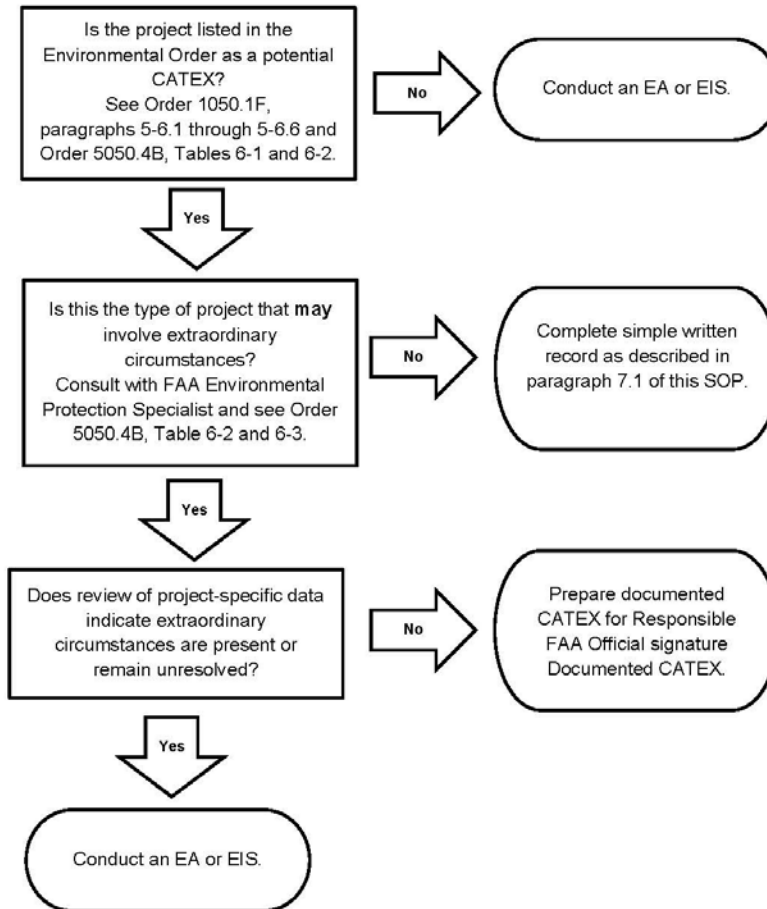
- Administrative/General: Actions that are administrative or general in nature;
- Certification: Actions concerning issuance of certificates or compliance with certification programs;
- Equipment and Instrumentation: Actions involving installation, repair, or upgrade of equipment or instruments necessary for operations and safety;
- Facility Siting, Construction, and Maintenance: Actions involving acquisition, repair, replacement, maintenance, or upgrading of grounds, infrastructure, buildings, structures, or facilities that generally are minor in nature;
- Procedural: Actions involving establishment, modification, or application of airspace and air traffic procedures; and
- Regulatory: Actions involving establishment of, compliance with, or exemptions to, regulatory programs or requirements.

ARP SOP 5.1, *CATEX Determinations*, is intended to: 1) provide clear instruction to FAA employees on how to appropriately document a CATEX for actions by the FAA Airports Division; and 2) clarify the circumstances one must consider when documenting a CATEX as described in FAA Environmental Orders 1050.1F, 5050.4B, and the Desk Reference for Airports Actions.

A CATEX refers to a category of actions that do not individually or cumulatively have a significant impact on the environment. A CATEX is not an exemption or waiver of NEPA review; it is a level of NEPA review. An EA or EIS is not required if a proposed action falls within the scope of a CATEX described in FAA Order 1050.1F and 5050.4B and the following conditions can be met: 1) there are no extraordinary circumstances; 2) any extraordinary circumstances that are present can be eliminated or resolved through conservation measures included in the project design; or 3) any extraordinary circumstances that are present can be otherwise resolved through the completion of special purpose law requirement(s).

5.1 Nepa Catex Decision-Making Process

Figure 1. CATEX Decision-Making Process



6 THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Any project requiring discretionary action by the State or a local municipality/public agency is subject to CEQA review.

The purpose of CEQA is to:

- Disclose to decision makers and the public the significant environmental effects of proposed activities;
- Identify ways to avoid or reduce environmental impacts;
- Require implementation of feasible alternatives or mitigation; and
- Provide for public input.

As per CEQA, Public Resources Code § 21068, “Significant effect on the environment” means a substantial, or potentially substantial, adverse change in the environment. The State CEQA statutes and guidelines can be viewed at: <https://www.califaep.org/policy/statute-and-guidelines>.

All projects on OIAA property must receive a final determination in regards to their environmental impact and must define actions that will avoid or mitigate against potentially significant impacts. Significant impacts of a project are to be avoided or mitigated and any mitigation measures imposed must be enforceable. A determination is required prior to OIAA Environmental and OIAA Engineering issuing a Notice-To-Proceed.

The CEQA process generally consists of three steps. First, the agency conducts a preliminary review to determine whether CEQA applies to the activity. When an application for project approval has been filed, the public agency conducts a preliminary review. (CEQA Guidelines, §§ 15060–15061.) As part of the preliminary review, the agency must determine whether the proposed action is a “project” potentially subject to CEQA and, if so, whether the project is exempt from CEQA. (CEQA Guidelines, §§ 15060(c), 15061(a).) Projects that are not exempt from CEQA require environmental review. Second, the agency prepares an initial study to determine whether it may adopt a negative declaration. Third, if the initial study uncovers substantial evidence that a project may cause a significant environmental impact, the agency prepares a full environmental impact report (EIR).

6.1 Project Definition

A public agency must comply with CEQA when it undertakes an activity defined by CEQA as a “project”. Generally, a project is an activity which must receive discretionary approval, and which may cause a physical change to the environment. (Pub. Resources Code, § 21065; CEQA Guidelines, §15378.) More specifically, under Public Resources Code § 21065, “Project” means an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and which is any of the following:

- a) An activity directly undertaken by any public agency.
- b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
- c) An activity that involves the issuance to a person of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies.

6.2 Projects exempt from CEQA

Once the OIAA has determined that an activity is a project subject to CEQA, it will determine whether the project is exempt from CEQA.

As per Section 15060 of the CEQA Guidelines, an activity is not subject to CEQA if:

- 1) The activity does not involve the exercise of discretionary powers by a public agency;
- 2) The activity will not result in a direct or reasonably foreseeable indirect physical change in the environment; or
- 3) The activity is not a project as defined in Section 15378 of the CEQA Guidelines.

CEQA has determined that certain projects will not cause either a direct or indirect physical change in the environment. Projects defined as ministerial, emergency, with no possible significant effect, statutorily exempt, or categorically exempt will typically not require further action under CEQA.

Continuing administrative, maintenance and personnel-related activities, and any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of these Guidelines will also not require further action under CEQA (when a Negative Declaration or Environmental Impact Report was prepared for the underlying project).

As per Section 15061 of the CEQA Guidelines, a project is exempt from CEQA if:

- 1) The project is exempt by statute (see CEQA Guidelines §§ 15260-15285).
- 2) The project is exempt pursuant to a categorical exemption (see CEQA Guidelines §§ 15301-15333) and the application of that categorical exemption is not barred by one of the exceptions set forth in CEQA Guidelines Section 15300.2.
- 3) The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (See CEQA Guidelines §§15061(b)(3)).
- 4) The project will be rejected or disapproved by a public agency (CEQA Guidelines § 15270(b)).

After determining that a project is exempt, either the project proponent or the OIAA will prepare a Notice of Exemption for review and approval by the OIAA CEO. If the OIAA determines that the project is not exempt, it will follow the process outlined in the CEQA Statute and to determine whether the project does, or does not have a significant effect on the environment (Section 6.7 provides an overview of the CEQA review process for non-exempt projects).

The OIAA will work with the project proponent to complete the CEQA review in-house to the extent possible. Should the need arise for studies or an EIR beyond staff's ability to complete, the OIAA will recommend further actions to the project proponent.

Upon successful completion of the CEQA review, the OIAA shall retain copies of pertinent CEQA information, including, but not limited to, CEQA documents and Notice of Determinations. The central CEQA repository will provide ease of access to previous CEQA documents that may be needed for future actions (e.g. grant applications, project modifications, new projects, etc.).

6.3 Statutory Exemptions – CEQA Guidelines §§ 15260-15285

The legislature has exempted many types of projects from CEQA by statute. Most of CEQA’s statutory exemptions are listed in the CEQA Guidelines, Article 18 (14 Cal. Code Regs., §§15260–15285). The following table lists the statutory exemptions that are discussed in the CEQA Guidelines, together with citations to the authorizing statutes, and that have likely or possible relevance to OIAA operations and projects.

Statutory Exemptions in CEQA Guidelines

14 Cal. Code Regs. §§	Exemption	Authorizing Statute
15261	Ongoing Project	Pub. Resources Code (PRC), §§21169–21171
15262	Feasibility and Planning Studies	PRC, §§21102, 21150
15263	Discharge Requirements	Wat. Code, §13389
15268	Ministerial Projects	PRC, §21080(b)(1)
15269	Emergency Projects	PRC, §21080(b)(2)–(4), 21080.33, 21172; Sts. & Hy. Code, §180.2
15270	Projects Which are Disapproved	PRC, §21080(b)(5)
15273	Rates, Tolls, Fares, and Charges	PRC, §21080(b)(8)
15275	Specified Mass Transit Projects	PRC, §21080(b)(10)–(12)
15276	Transportation Improvement and Congestion Management Programs	PRC, §21080(b)(13)
15282(a)	Discovery Notification for Native American Burial Sites	PRC, §5097.98(c)
15282(j)	Street or Highway Restriping	PRC, §21080.19
15282(k)	Pipeline installation, Maintenance, Repair, Restoration, Demolition, or Removal	PRC, §21080.21
15282(n)	Shade Control Act Ordinances	PRC, §25985
15284	Pipelines	PRC, §21080.23

In addition, the following table lists code sections creating statutory exemptions that are not listed in the CEQA Guidelines but that may have likely or possible relevance to OIAA operations and projects.

Statutory Exemptions in Public Resources and Other Codes

CEQA and Other Public Resources Code §§	Exemption
21080.11	Title and boundary settlements
21080.19	Restriping streets or highways
21080.21	Pipelines
21080.23	Specified pipeline projects
21080.35	Rooftop and parking lot solar projects
21155.1	Specified "transit priority projects" under SB 375
21155.4	Certain "transit priority projects" within specific plans consistent with sustainable communities strategies
25985	Shade control ordinances
Government Code §§	Exemption
5956.6(b)(1)	Selecting proposed project or private contractor under infrastructure financing provisions of Govt. Code §§5956–5956.10
15455	Bonds and refunding of bonds
Water Code §§	Exemption
13554(c)	Recycled water use at existing structures

6.4 Categorical Exemptions – CEQA Guidelines §§15301-15333

Categorical exemptions are classes of projects that have been determined not to have a significant effect on the environment and which are, therefore, exempt from the provisions of CEQA (Pub. Resources Code, §21084; CEQA Guidelines, §15300). If a project is subject to a categorical exemption, no formal environmental evaluation is required, although a sufficiently detailed explanation and justification for the exemption determination, based on substantial evidence, shall be prepared by OIAA for the NOE. The agency need not consider alternatives or mitigation measures for a project determined to be categorically exempt.

The categorical exemptions are set forth in the CEQA Guidelines sections 15301–15333. The classes of projects that are categorically exempt and that have likely or possible relevance to OIAA operations and projects are listed in the following table.

Categorical Exemptions

14 Cal Code Regs §§	Class Number	
15301	Class 1	Operation, Repair, Maintenance, Permitting, Leasing, Licensing, or Minor Alteration of Existing Structures or Facilities
15302	Class 2	Replacement or Reconstruction of Existing Structures or Facilities
15303	Class 3	New Construction or Conversion of Small Structures
15304	Class 4	Minor Alterations to Land
15305	Class 5	Minor Alterations in Land Use Limitations
15306	Class 6	Information Collection
15309	Class 9	Inspections
15310	Class 10	Loans
15311	Class 11	Accessory Structures
15312	Class 12	Surplus Government Property Sales
15315	Class 15	Minor Land Divisions
15320	Class 20	Changes in Organization of Local Agencies
15321	Class 21	Enforcement Actions by Regulatory Agencies
15322	Class 22	Educational or Training Programs Involving No Physical Changes
15323	Class 23	Normal Operations of Facilities for Public Gatherings
15324	Class 24	Regulations of Working Conditions
15327	Class 27	Leasing of New Facilities
15330	Class 30	Minor Actions to Prevent, Minimize, Stabilize, Mitigate or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substances
15331	Class 31	Historical Resource Restoration/Rehabilitation
15332	Class 32	In-Fill Development Projects

6.4.1 Exceptions to Categorical Exemptions

Categorical exemptions are subject to exceptions that defeat the use of the exemption. Thus, when considering use of a categorical exemption, a lead agency considers both whether the activity fits within the terms of the exemption and whether one of the exceptions might apply to defeat use of the exemption.

As per Section 15300.2 of the CEQA Guidelines, the following exceptions apply:

- a. Location - Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply to all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant

to law by federal, state, or local agencies.

- b. Cumulative Impact - All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.
- c. Significant Effect - A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.
- d. Scenic Highways - A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.
- e. Hazardous Waste Sites - A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
- f. Historical Resources - A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

6.5 “Common Sense” Exemption

Even if a project does not fit within a statutory or a categorical exemption, it can be exempt from CEQA under the general rule that “CEQA applies only to projects which have the potential for causing a significant effect on the environment.” (CEQA Guidelines, §15061(b)(3).) This “common sense exemption” acts as a “catchall” provision, since a project that qualifies for neither a statutory nor a categorical exemption may nonetheless be found exempt if it fits within the terms of this exemption. In making the required determination that there is no possibility that the activity in question may have a significant effect, the agency must make a factual review of the record to determine whether the exemption applies. Thus, when the lead agency can determine, based on record evidence, that it is certain that the activity cannot have a significant effect on the environment, the common sense exemption applies, and no further evaluation by the agency is required.

6.6 CEQA Review of Non-Exempt Projects

Projects that are not exempt from CEQA require environmental review. An Initial Study is prepared, based on Appendix G of the CEQA Guidelines, to determine if the project may have a significant effect on the environment. (CEQA Guidelines, §15063.) The lead agency must prepare an Initial Study within 30 days after the project application is complete. (CEQA Guidelines, §15102.) The preparation of the Initial Study should be based on a comprehensive project description, initial research, site visit, technical studies (if determined necessary), and other available and relevant documentation. The results of

that study will determine whether a Negative Declaration, Mitigated Negative Declaration or Environmental Impact Report (EIR) is prepared.

6.6.1 Initial Study

If the Initial Study shows there is no possible significant environmental impact, a Negative Declaration must be completed before the project is approved. (CEQA Guidelines, §§ 15063, 15102.) A Mitigated Negative Declaration may be prepared when a possible significant impact can be avoided or substantially mitigated to insignificance by changing the project (usually by adopting or imposing a mitigation measure or condition of approval). (See Pub. Resources Code, § 21080(c); CEQA Guidelines, § 15070.) The process for preparing a (Mitigated) Negative Declaration can be found in Article 6 (Sections 15070 to 15075) of the State CEQA Guidelines. A Negative Declaration must be completed within 180 days after the application is complete. The Lead Agency must circulate a Notice of Intent to Adopt a Negative Declaration, and the proposed Negative Declaration, for public comment for a period of 20 days if the document is not submitted to the State Clearinghouse for review and 30 days for Negative Declarations that are submitted to the Clearinghouse.

The Lead Agency shall appropriately post a copy of the Notice of Intent to Adopt, as well as mail the Notice to appropriate parties and organizations, as required in CEQA Guidelines § 15072. The Lead Agency may hold a public hearing to adopt the Negative Declaration. CEQA Guidelines § 15202. If so, then appropriate notice of the public hearing is required pursuant to the Brown Act (Government Code § 54950 *et seq*) and CEQA Guidelines § 15202.

6.6.2 Environmental Impact Report

If the Initial Study shows that the project may have a significant environmental impact, an EIR must be completed before the project is approved. The process for preparing an EIR can be found in Article 7 (Sections 15080 to 15097) of the State CEQA Guidelines. The process includes a consultation and scoping process to identify the major issues to be identified and analyzed in the EIR, and includes sending a Notice of Preparation to the State Clearinghouse and each responsible and trustee agency notifying them that an EIR will be prepared.

Responses from agencies and the public will help determine the scope of the EIR and the significant environmental issues and reasonable alternatives and mitigation measures that will need to be explored in the Draft EIR. Once the Draft EIR has been completed, it is released for public review and comment for a period of 45 to 60 days. Public Resources Code §§21091.

The purpose of the public review period for both the (Mitigated) Negative Declaration and the EIR is to ensure the sufficiency of the document in identifying and analyzing possible significant environmental impacts and how they may be avoided or mitigated. Comments are most constructive if they disclose additional possible impacts, alternatives, or mitigation measures. The review by other agencies and the public helps to ensure that the document is as complete as possible so that decision-maker can make an informed decision on the project.

After the public review period, the Lead Agency evaluates comments on the draft

EIR and prepares responses to those comments. The Lead Agency then prepares a final EIR, which consists of the draft EIR plus the comments and responses, and any revisions to the draft EIR that are made in response to the submitted comments. A project cannot be considered for approval unless the decision-maker receives and reviews the document prior to making a decision.

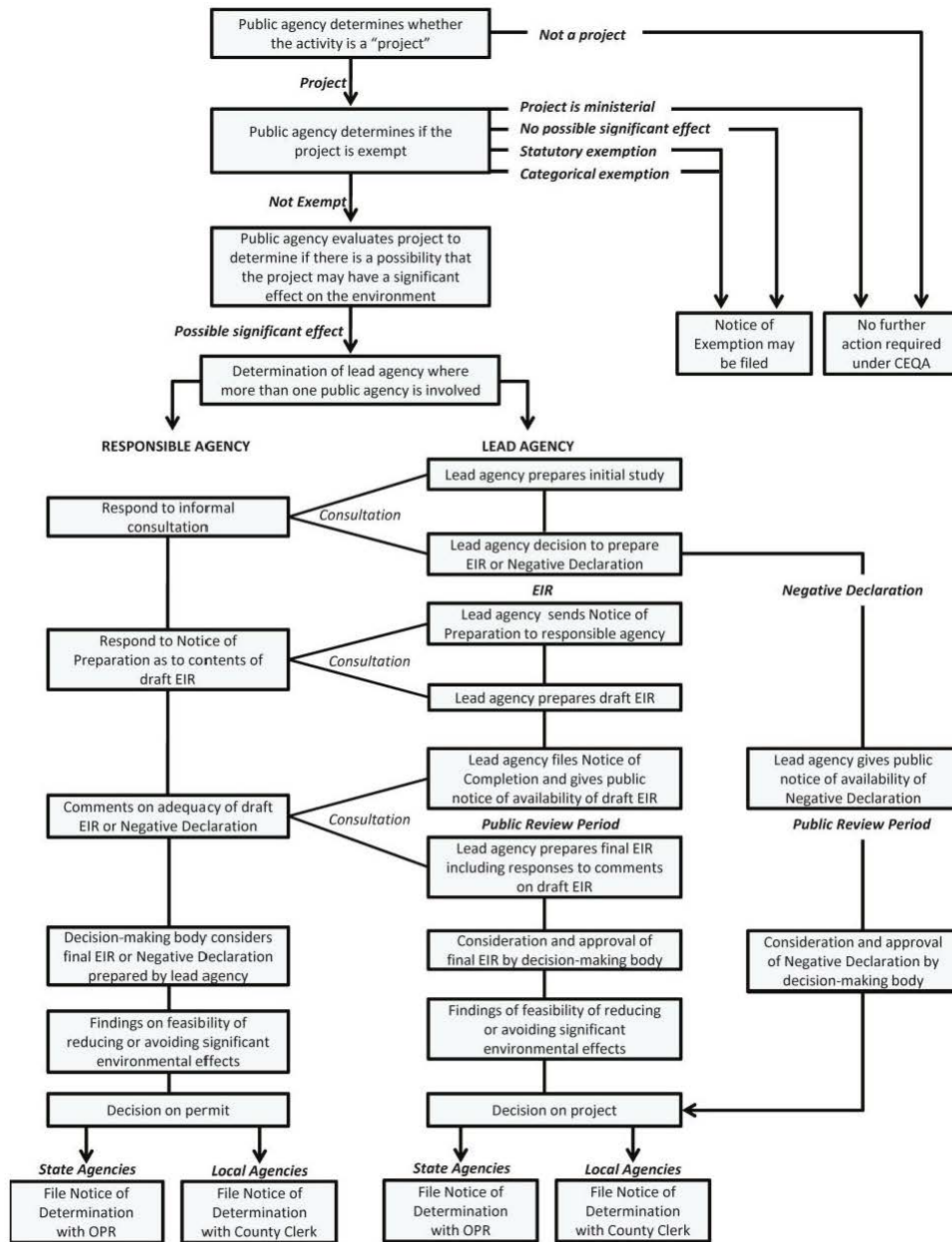
The Lead Agency shall appropriately post a copy of the notice that the Draft EIR is available for review and comment, as well as mail the notice to appropriate parties and organizations, as required in Public Resources Code §§21092, 21092.2 and 21092.3, and CEQA Guidelines §15087. The Lead Agency may hold a public hearing to adopt the EIR. CEQA Guidelines §§15087(g) and 15202. If so, then appropriate notice of the public hearing is required pursuant to the Brown Act (Government Code §54950 *et seq*), Public Resources Code §§21092.5, and CEQA Guidelines §15202.

Significant requirements apply under CEQA for certification of an EIR and approval of a related project.

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6.7 CEQA Process

APPENDIX A: CEQA PROCESS FLOW CHART



6.8 NEPA Document Ready before CEQA Document

Section 15221 of the CEQA Guidelines states: When a project will require compliance with both CEQA and NEPA, state or local agencies should use the EIS or Finding of No Significant Impact rather than preparing an EIR or Negative Declaration if the following two conditions occur:

- 1) An EIS or Finding of No Significant Impact will be prepared before an EIR or Negative Declaration would otherwise be completed for the project; and
- 2) The EIS or Finding of No Significant Impact complies with the provisions of these Guidelines.

Because NEPA does not require separate discussion of mitigation measures or growth inducing impacts, these points of analysis will need to be added, supplemented, or identified before the EIS can be used as an EIR.

6.9 Preparation of Joint Documents

Section 15222 of the CEQA Guidelines states: If a Lead Agency finds that an EIS or Finding of No Significant Impact for a project would not be prepared by the federal agency by the time when the Lead Agency will need to consider an EIR or Negative Declaration, the Lead Agency should try to prepare a combined EIR-EIS or Negative Declaration-Finding of No Significant Impact. To avoid the need for the federal agency to prepare a separate document for the same project, the Lead Agency must involve the federal agency in the preparation of the joint document.

This involvement is necessary because federal law generally prohibits a federal agency from using an EIR prepared by a state agency unless the federal agency was involved in the preparation of the document.

Appendix A – CEQA Environmental Permitting Questionnaire

Appendix B – FAA Order 5050.4B - Chapter 6, Categorical Exclusions

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: APRIL 24, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVAL OF AN AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE SAN BERNARDINO COUNTY FOR AIRPORT RELATED MARKETING PROJECTS

RELEVANT STRATEGIC OBJECTIVE: Develop Airport-Related Business. Expand Air Service.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve an agreement between the OIAA and the San Bernardino County for \$250,000 for a China Airlines regional market media plan to promote ONT as a gateway to Southern California.

FISCAL IMPACT AND SOURCE OF FUNDS: If approved the agreement between the OIAA and the San Bernardino County will be effective upon approval and execution by both parties and terminating on December 31, 2018, pursuant to which the County will fund the OIAA with \$250,000 for the China Airlines regional market media plan to promote ONT.

BACKGROUND: On May 23, 2017 the OIAA entered into an agreement with the San Bernardino County to accept funds in the amount of \$250,000 to assist the OIAA in completing a security lane expansion at Terminal 4 of the Airport. The funds were transferred to OIAA on July 2017.

On March 25, 2018, China Airlines commenced the first Transoceanic passenger flight to and from ONT. The inaugural event for China Airlines is being funded by ONT. The OIAA has established a regional media marketing plan for China Airlines which began in late January 2018 and will continue through May 2018. The regional market media plan is estimated to cost \$540,000. The recommended agreement will allow the OIAA to recuperate \$250,000 of the cost. The regional marketing media plan includes radio advertising, newspaper advertising, and billboards.

CEQA COMPLIANCE: The OIAA NEPA/CEQA Guidelines is not a "project" under CEQA and does not require environmental review.

STAFF MEMBER PRESENTING: Atif Elkadi, Sr. Director of Marketing and Communications

Department: Marketing and Communication Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval:

A handwritten signature in blue ink, appearing to read "Mark A. Hoyle", written over a horizontal line.

Item No. 06

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: This action will have no impact to operations.

SCHEDULE: Effective upon execution of both parties.

ATTACHMENTS:

Attachment A – Agreement between the OIAA and County of San Bernardino

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.

FUNDING AGREEMENT 2018-1

BETWEEN

COUNTY OF SAN BERNARDINO AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

THIS FUNDING AGREEMENT 2018-1 (this “Agreement”) is entered into by and between the **County of San Bernardino (“County”)**, a political subdivision of the State of California duly organized and existing under the Constitution and laws thereof and the **Ontario International Airport Authority (“Authority”)** (singularly, a **“Party”**, collectively, the **“Parties”**).

RECITALS

WHEREAS, the County and the City of Ontario (**“City”**) entered into a Joint Exercise of Powers Agreement (**“JPA”**) in August 2012 to provide overall direction and the continuing operation, maintenance, management, administration, development and marketing of the Ontario International Airport (**“Airport”**) for the benefit of the citizens of the City and the County; and

WHEREAS, Section 8 of the JPA authorizes the City and the County to make contributions, payments or advances of public funds to the Authority for the purposes identified in the JPA; and

WHEREAS, Section 4 of the JPA provides that the Authority possesses the powers common to the Parties “necessary or convenient to the operation, maintenance, management, development, and marketing of the Airport;” and Section 4(q) specifically states that the Authority’s powers include “to develop, advertise and promote commerce and tourism.”

WHEREAS, the Authority has established a media market plan (the “Media Market Plan”) related to the commencement of trans-Atlantic passenger flights by China Airlines. The Media Market Plan was initially implemented in late January 2018 and will continue through May 2018 at an estimated total cost of \$540,000. Through this Agreement, the County wishes to contribute the sum of \$250,000 towards these costs of the Media Market Plan. Specifically, these funds will be applied to the Media Market Plan costs identified as follows: 30-second radio advertisements on radio stations within the Los Angeles metropolitan area; billboards; digital advertising, and; newspaper advertising. Such radio stations will be located within the Los Angeles metropolitan area, preferably those of which can be heard throughout San Bernardino County, Riverside County, and Orange County. The bulletin boards in this Media Market Plan include a combination of digital and print bulletin boards, such as high-profile billboards, for example along freeways and smaller billboards, for example as seen on bus shelters. The digital advertisements are intended to be display ads or banners that appear on certain websites, such as Expedia. Digital advertising will also direct customers to a website that assists with booking tickets for upcoming travel. Advertisements will also be placed in local newspapers that are distributed to areas whose residents were identified by studies done by or for the Authority as having a high rate of travel to Asia; and

WHEREAS, the County desires to contribute to the Media Market Plan and to utilize \$250,000 in funds allocated to the Economic Development budget during the County 2017-18 budget process to provide future support of the Airport; and

WHEREAS, Section 8 of the JPA requires that either the City or County must enter into an agreement with the Authority for any funds provided, setting forth the method and manner of payment, disbursement and repayment of the funds; and

WHEREAS, the Parties desire to enter into this Agreement to provide the Authority with funds for use in the Media Market Plan and to comply with the JPA.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein, the Parties agree as follows:

Section 1. Recitals Correct. All of the above Recitals are true and correct and are incorporated herein by this reference.

Section 2. Assistance to the Authority. Pursuant to Section 8 of the JPA, the County desires to provide \$250,000 ("**County Funds**") to the Authority to assist in implementing the Media Market Plan. The County Funds will be allocated from the 2017-18 Economic Development budget. County will transmit the County Funds within 60 days of the full execution of this Agreement by both the County Board of Supervisors and the Authority Commission. The Authority will provide any necessary information requested by County staff for the transmission of the County Funds.

Section 3. Use of the County Funds and Repayment. The Authority shall use the County Funds only to implement the Media Market Plan. The County Funds shall be paid to the OIAA who will provide evidence to the County for the use of such funds, as set forth in Section 4 below.

3.1 Return of County Funds. If the Authority Commission does not approve the expenditure of the County Funds for the Media Market Plan or does not use the County Funds to pay appropriate costs associated with the Media Market Plan by December 31, 2018, the Authority shall return the County Funds, or any unused portion thereof, to the County in accordance with any directions issued by County staff, within 60 days of written demand for the return of the County Funds.

3.2 Repayment. No repayment of the County Funds is required, except as provided in Section 3.1 or if the County, in its sole discretion, determines that the Authority has inappropriately expended the County Funds.

Section 4. Demonstration of Compliance. The Authority will provide the County with documentation to demonstrate that it has used the County Funds to implement the Market Media Plan. Such documentation shall be provided to the County no later than January 31, 2019 and will include, but not be limited to, an approved budget for the Market Media Plan; invoices which evidence payment(s) for all costs totaling \$250,000. In accordance with Section 9 of the JPA, the Authority agrees to make available

the books and records of the Authority relating to this Agreement available for County inspection and review upon reasonable notice.

Section 5. Term. The term of this Agreement shall commence when it has been approved and executed by both Parties and will terminate on December 31, 2018.

Section 6. Indemnification. The Authority shall indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents and volunteers (“Indemnitees”) from any and all claims, actions, losses, damages and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification will not apply to the negligence or willful misconduct of County or Indemnitees.

Section 7. Authorization. The County Chief Executive Officer, on behalf of the County is authorized to provide any notices required pursuant to this Agreement.

Section 8. Miscellaneous.

8.1 Americans with Disabilities Act. The Authority agrees to comply with the Americans with Disabilities Act.

8.2 Assignment. The Authority may not assign or transfer this Agreement or any of its rights or delegate any of its duties without the prior written consent of the County. Any attempted assignment, transfer or delegation in contravention of this Section of the Agreement shall be null and void. This Agreement shall inure to the benefit of and be binding on the Parties hereto and their permitted successors and assigns.

8.3 Counterparts. This Agreement may be executed in counterparts or in duplicate originals. Each counterpart or each duplicate shall be deemed an original copy of this Agreement signed by each Party for all purposes.

8.4 Cooperation of Parties. The Parties agree to fully cooperate with each other in connection with the performance of their respective obligations and covenants under this Agreement.

8.5 Entire Agreement. County and the Authority acknowledge that they have read this Agreement and any attached Exhibits which are incorporated herein by this reference, understand them and agree to be bound by their terms and conditions. Further, this Agreement, including any Exhibits, is the complete and exclusive statement of the agreement between the Parties relating to the subject matter of this Agreement and supersede all letters of intent or prior contracts, oral or written, between the Parties relating to the subject matter of this Agreement.

8.6 Governing Law. This Agreement shall be governed in all respects by the law and statutes of the State of California, without reference to conflict of law principles. The exclusive jurisdiction and venue of any action hereunder shall be in the State courts of San Bernardino County, California. The Authority accepts the jurisdiction of such courts.

8.7 Headings. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

8.8 Independent Status. The Parties in the performance of this Agreement will be acting in their individual, corporate or governmental capacities and not as agents, employees, partners, joint venturers, or associates of one another. The Parties intend that an independent contractor relationship will be created by this Agreement. The employees or agents of one Party shall not be deemed or construed to be the employees or agents of the other Party for any purpose whatsoever.

8.9 Modifications and Amendments.

8.9.1 No modification, amendment, alteration, addition or waiver of any Section or condition of this Agreement shall be effective or binding unless it is in writing and signed by an authorized representative of the Authority and County.

8.9.2 Only the County Board of Supervisors and the Authority Commission shall have the express, implied, or apparent authority to alter, amend, modify, or waive any substantive clause or condition of this Agreement on behalf of their respective Parties. Furthermore, any alteration, amendment, modification, or waiver of any substantive clause or condition of this Agreement is not effective or binding until made in writing and signed by the Board of Supervisors and the Authority Commission unless otherwise provided herein.

8.9.3 The Authority shall notify County of the names of individuals, if any, who have authority to bind the Authority to modifications to the Agreement and of the limits of such authority at the time the Authority executes this Agreement and at such other times as required.

8.10 Non-Discrimination. During the term of this Agreement, the Authority shall not discriminate against any employee or applicant for employment or service recipient because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age or military and veteran status. The Authority shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

8.11 Non-waiver. Except as otherwise specifically provided herein, any failure or delay by either Party to exercise or partially exercise any right, power or privilege under this Agreement shall not be deemed a waiver of any such right, power, or privilege under this Agreement. Any waivers granted by either Party for breaches hereof shall not indicate a course of dealing of excusing other or subsequent breaches. Either Party's pursuit nor non-pursuit of a remedy under this Agreement for other Party's breach of its obligations will neither constitute a waiver of any such remedies or any other remedy that the non-breaching Party may have at law or equity for any other occurrence of the same or similar breach, nor estop the non-breaching Party from pursuing such remedy.

8.12 Notice of Address Change. The Authority shall notify County in writing of any change in mailing address listed in the Notice section of the Agreement and/or physical location within five (5) days of the change, and shall immediately notify County of changes in telephone or facsimile numbers or email addresses.

8.13 Notice of Delay. When either Party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that Party shall, within two working days, give Notice thereof, including all relevant information with respect thereto, to the other Party.

8.14 Notices.

8.14.1 Any notice or demand or other communication required or permitted to be given under this Agreement or applicable law shall be effective if and only if it is in writing, properly addressed, and either delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class certified mail, postage prepaid, certified mail, return receipt requested, via facsimile or by electronic mail, to the Parties at the addresses and fax number, and email addresses (if provided) set forth below:

County of San Bernardino
385 N. Arrowhead Avenue, 5th Floor
San Bernardino, CA 92415
Attn: Chief Executive Officer
(909) 387-5430 (facsimile)

Ontario International Airport Authority
Chief Executive Officer
Ontario International Airport Authority
1923 East Avion Street
Ontario, CA 91761

8.14.2 Notices shall be effective upon receipt or four (4) business days after mailing, whichever is earlier. The Notice address as provided herein may be changed by Notice given as provided above.

8.15 Remedies. Unless a remedy is specifically designated as exclusive, no remedy conferred by any of the specific provisions of the Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies by either Party shall not constitute a waiver of the right to pursue other available remedies.

8.16 Severability. If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

SIGNATURES ON FOLLOWING PAGE

COUNTY OF SAN BERNARDINO

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

By _____
Robert A. Lovingood, Chairman, Board of Supervisors

By _____
Mark A. Thorpe, Chief Executive Officer

Dated: _____

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

Address: _____

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

By _____
Deputy

2HF0809

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: APRIL 24, 2018

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE OPERATING USE AND TERMINAL LEASE AGREEMENTS BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND NEW OR EXISTING AIR CARRIERS DESIRING TO OPERATE AT ONTARIO INTERNATIONAL AIRPORT.

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to negotiate and execute Operating Use and Terminal Lease Agreement between the OIAA and passenger and/or cargo air carriers electing to operate at Ontario International Airport (ONT) as “signatory” air carriers for a fixed term.

FISCAL IMPACT SUMMARY: This authorization would approve the CEO’s use of a form agreement already in use by the various signatory airlines currently operating at ONT. New air carriers are expressing a desire to enter into the existing Operating Use and Terminal Lease Agreement (Agreement) to receive signatory (lower) air carrier landing and terminal rates, rather than continuing to pay non-signatory rates which are higher. By becoming a signatory air carrier, an airline commits to long-term use and operation at ONT in exchange for reduced operating costs. Over time, this partnership incentivizes increased operations at ONT and additional revenue opportunities for the OIAA.

BACKGROUND: After the transfer from LAWA, OIAA was assigned existing signatory air carrier Agreements with each signatory carrier serving ONT. Under this Agreement, a signatory air carrier (either a passenger and/or cargo carrier) pays OIAA terminal rental fees and landing fees at lower rates than non-signatory air carriers. Generally, non-signatory airlines pay a landing fee that is approximately 1.25 times higher and a lease rate that is approximately 1.10 times higher than rates paid by signatory Airlines. Under the signatory Agreements there are three categories of space leased at ONT: (1) exclusive-use space, such as queuing areas, ticket counters, office space, bag service offices and airlines operations space; (2) preferential-use space, such as hold-rooms and gates; and (3) joint-use space, such as baggage claim areas and other specifically identified screening and roadway areas.

STAFF MEMBER PRESENTING: Mark A. Thorpe, Chief Executive Officer

Department: Administration Department Submitted to OIAA: April 24, 2018

Chief Executive
Officer Approval:

A handwritten signature in blue ink that reads "Mark A. Thorpe". The signature is written over a horizontal line.

Approved: _____
Continued to: _____
Denied: _____

Item No. 07

Fees paid by airlines who enter into signatory agreements, are calculated on a residual rate-setting methodology, whereby the rental rates and landing fees are calculated to provide revenue in an amount equal to the difference between ONT's total expenses and the revenues collected from other, non-airline sources, such as concession and parking revenue.

In exchange for entering into the Agreement, each signatory air carrier commits to operating and leasing space at ONT for the remaining basic fixed term until September 30, 2024, subject to earlier termination under certain circumstances. By approving use of these Agreements, it will enable the CEO to offer lower rate structures to air carriers who are already operating at ONT as non-signatory carriers or to new carriers willing to commit operating longer-term at ONT. This partnership has worked already at ONT with several major partners, and by offering signatory rates to existing or new air carrier partners, it will incentivize those carriers to operate at ONT at a lower cost, while encouraging greater revenue opportunities.

CEQA COMPLIANCE AND LAND USE APPROVALS: The agreement is not a "project" within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for a direct or indirect physical change in the environment. As a result, the authorization is not subject to CEQA.

ATTACHMENTS:

Attachment A - Operating Use and Terminal Lease Agreement

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |



DATE: APRIL 24, 2018

SECTION: CONSENT CALENDAR

SUBJECT: A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO CERTIFY AND ACCEPT DEEDS AND GRANTS OF AVIGATION EASEMENTS OR SIMILAR INSTRUMENTS ON BEHALF OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY.

RELEVANT STRATEGIC OBJECTIVE: Maintain a Safe and Secure Operational Environment.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) adopt a resolution to authorize the Chief Executive Officer (CEO) to certify and accept deeds and grants of avigation easements or similar instruments on behalf of the OIAA pursuant to Government Code section 27281.

FISCAL IMPACT SUMMARY: There is no fiscal impact to authorize the CEO to certify and accept deeds and grants of avigation easements by property owners pursuant to Government Code section 27281 on behalf of the OIAA. In the event an expenditure is required by the OIAA to accept and certify a particular avigation easement or right-of-way, staff will present those specific terms and provisions to the OIAA for further approval.

BACKGROUND: Avigation easements are real property rights from owners of real property to owners of airports. These easements convey rights-of-way to airport owners for the unobstructed passage of aircraft through airspace above property, as well as overfly rights related to the normal use and operation of aircraft in the proximity of airports. Avigation easements also function as disclosures to future property owners, as they are recorded in the chain of title informing owners that airplanes have the right to fly above property.

Whenever deeds or grants of avigation easements are provided by property owners to public agencies, Government Code section 27281 requires a representative on behalf of the public agency to certify and accept the avigation easement. If approved, the authorization and resolution will allow the CEO of the OIAA to accept and certify avigation easements on behalf of the OIAA and consent to the property rights conveyed.

STAFF MEMBER PRESENTING: Mark A. Thorpe, Chief Executive Officer

Department: Administration Department

Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed authorization for the CEO to certify and accept grants and deeds of avigation easements is not a "project" within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for a direct or indirect physical change in the environment. As a result, the authorization is not subject to CEQA.

EXHIBITS & ATTACHMENTS:

Attachment A - Resolution Authorizing the CEO to Certify and Accept Avigation Easements

Attachment B - Grant of Avigation Easement

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO CERTIFY AND ACCEPT DEEDS AND GRANTS OF AVIGATION EASEMENTS OR SIMILAR INSTRUMENTS ON BEHALF OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

WHEREAS, the Ontario International Airport Authority (the “OIAA” or “Authority”) was formed through the Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino (the “Joint Powers Agreement”) pursuant to the Joint Exercise of Powers Act of the State of California, for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the “Airport”); and

WHEREAS, from time-to-time the OIAA is offered avigation easements and rights-of-way by property owners within the vicinity of the Ontario International Airport for the use and benefit of the public and for the free and unobstructed passage of aircraft in, through, and across all the airspace above said real property;

WHEREAS, Government Code Section 27281 requires that no deed or grant conveying any interest in or easement upon real estate to a political corporation or government agency for public purposes shall be accepted for recordation without the consent of the grantee evidenced by its certificate or resolution of acceptance attached to or printed on the deed;

WHEREAS, the OIAA wishes to accept grants of avigation easements, as they serve a public purpose and are in the best interest of Ontario International Airport; and

WHEREAS, the OIAA wishes to authorize the Chief Executive Officer to execute and certify the acceptance, on behalf of the OIAA, deeds and grants of avigation easements for the benefit the OIAA and Ontario International Airport.

NOW, THEREFORE, BE IT RESOLVED by the Ontario International Airport Authority as follows:

SECTION 1: The Chief Executive Officer shall be authorized pursuant to Government Code Section 27281 to certify and execute on behalf of the Ontario International Airport Authority deeds and grants of avigation easements or other instruments necessary or convenient to obtain rights-of-way from property owners within the vicinity of the Ontario International Airport.

SECTION 2: This Resolution shall take effect immediately upon its adoption.

SECTION 3: The Commission Clerk of the Ontario International Airport Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 24th day of April 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Claudia Y. Isbell, Commission Clerk of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. ____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held April 24, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. ____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held April 24, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: APRIL 24, 2018

SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (SNDA) BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND RAYTHEON COMPANY, (SUBLESSEE).

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute a Subordination, Non-disturbance and Attornment Agreement (SNDA) between the Ontario International Airport Authority and Raytheon Company, ("Sublessee") under the Guardian Air Services, LLC, Master Lease ONT-7994.

FISCAL IMPACT SUMMARY: Not Applicable.

BACKGROUND: On July 26, 2017, the OIAA Commission approved the Second Amendment to the lease (ONT-7994) between the OIAA and Guardian Air Services, LLC ("Master Lease"). On January 23, 2018, the OIAA approved a Third Amendment to the Master Lease to implement the Guardian Expansion Project, which entails a new hangar, offices, and related improvements. Consistent with all sublease provisions in the Master Lease and specifically Sections 1 and 18 of Article 2, the OIAA consented to a Sublease between Guardian Air Services, LLC ("Sublessor") and Raytheon Company ("Sublessee") on January 31, 2018, subject to delivery and written consent by the OIAA of the SNDA.

In the Sublease, Raytheon agreed to rent a portion of the Expansion Project area from Guardian for ten (10) years, with three five (5) year options at market rates with periodic market adjustments. The Sublease is also a net Sublease, subject to the same terms and provisions of the Master Lease that are applicable to a subtenant. The SNDA was requested by Raytheon as a precaution in the event Guardian defaults or terminates under the Master Lease. Pursuant to the SNDA, Raytheon agrees to remain as a tenant in the rented area subject to the Sublease for the remainder of the Sublease term. This provides stability for both OIAA and Raytheon, as well

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Department: Finance Department Submitted to OIAA: April 24, 2018

Chief Executive Officer Approval:  Approved: _____

Continued to: _____

Denied: _____

Item No. 09

as certainty of OIAA's ability to recover rents and ensure maintenance obligations are met in the unforeseen event Guardian terminates or defaults under the Master Lease.

CEQA COMPLIANCE AND LAND USE APPROVALS: The issuance of this SNDA, granting the use of an existing facility are Categorical Exempt (Class 1) from the requirements of the California Environment Quality Act (CEQA) pursuant to Section 15301. Furthermore, on November 30, 2017, the OIAA issued a Notice of Exemption (NOE) for the Expansion Project itself. The NOE was based upon 14 Cal Code Regs Section 15332, which addresses in-fill development projects.

ATTACHMENTS:

Attachment A - Subordination, Non-Disturbance and Attornment Agreement

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.



DATE: APRIL 24, 2018

SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION

SUBJECT: FISCAL YEAR 2017-18 BUDGET UPDATE AND ANALYSIS OF OPERATING AND MAINTENANCE BUDGET VS. ACTUAL FOR THE FIVE MONTHS ENDED FEBRUARY 28, 2018

RELEVANT STRATEGIC OBJECTIVE: Maintain Financial Accountability and Stability to Support Airport Operations.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority review the results of operation for the eight months ended February 28, 2018 and the comparison the budget for the corresponding period.

FISCAL IMPACT AND SOURCE OF FUNDS: None.

BACKGROUND: The OIAA periodically provides to the Commission with the results of operation during the fiscal with a comparison. Key highlights are as follows:

Airline Revenue. Total Airline Revenues for the 8months was \$26,677 compared to \$26,622 budgeted for the period a variance of \$55. Landing Fees resulted in a negative variance of \$1,398 due to overestimated budget amounts; Airline terminal rents resulted in a positive variance of \$835 due to an increase in occupancy; contract services and other aviation revenue exceeded budgeted amounts by \$618.

Concessions and Parking. Concession revenues for the 8 months was \$19,314 compared to \$19,374 a negative variance of \$60. Auto Parking for the period resulted in a negative variance of \$175; Rent-A-Car resulted in a positive variance of 300; TNC's for the period resulted in revenue of \$387 and Bus, Taxi & Limo provided \$127 resulting in a positive variance of \$136; Advertising revenue resulted in a negative variance \$259.

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Department: Finance Department Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval:

Personnel Costs. Total personnel costs for the period amounted to \$18,107 compared to budget of \$16,669 a negative variance of \$1,438. OIAA personnel costs resulted in a positive variance of \$582; LAWA personnel costs resulted in a negative variance of 2,000. The LAWA was prorated on an 11/12 basis to coincide with the termination of the remaining LAWA personnel as of March 31, 2018.

Operating. Operating costs for the period ended February 28,2018 were \$20,751 compared to the budgeted amount of 23,537 a positive variance of \$2,785. Police and Fire resulted in a positive variance of 686; the remaining operating costs resulted in a positive variance of 2,099 primarily attributable the continuing transfer of operational duties to the airline consortium.

Total General and Administrative Expenses (G&A). General and administrative expenses for the period amounted to \$4513, compared to the busget of \$4,175 a negative variance of \$337. Advertising costs resulted in a positive variance of \$245; computer expenses resulted in a negative variance of \$388. The remaining G&A costs resulted ina negative variance of \$194.

Net Operating Income. Net Operating Income for the eight months ended February amounted to \$3,590 as compared to the budgeted amount of \$1,765 a positive variance of \$1,825 due to the factors described above.

SCHEDULE: The OIAA Staff is committed to reporting accurate and timely financial information to the commission for their review.

IMPACT ON OPERATIONS: None.

EXHIBITS & ATTACHMENTS:

Attachment A - PowerPoint report for the Eight Months Ended February 28, 2018.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.



DATE: APRIL 24, 2018

SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION

SUBJECT: A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AND CARGO AIR SERVICE TO NEW NONSTOP TRANS-CONTINENTAL AND OTHER LONG-HAUL AIR SERVICE IN NORTH AMERICA AT LEAST 1,750 NAUTICAL MILES FROM ONTARIO, CALIFORNIA

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to establish an Air Carrier Incentive Program (ACIP), offering Qualified Air Carriers (as that term is defined in the ACIP) a waiver of landing fees, rent credit, as well as advertising and marketing support, to encourage and support the launch of transcontinental and other long-haul non-stop passenger and all cargo (i.e., freighter) services between ONT and new destinations in North America that are at least 1,750 nautical miles from Ontario, California.

FISCAL IMPACT SUMMARY: If approved, the ACIP will be provided to the first airline offering new non-stop transcontinental and other long-haul air service between ONT and each unserved airport(s) in North America that are at least 1,750 nautical miles from Ontario, California. These new services will result in incremental passenger and air cargo traffic growth, with increases in revenue (e.g., parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such services depends on the frequency of flights, aircraft seat capacity (or freighter capacity, in the case of all-cargo operations), and the percentage of seats filled by passengers. However, in most cases, these incremental concessions and lease revenues exceed the charges waived under the incentives policy. Moreover, after the short-term period during which incentives are provided is complete, the OIAA will benefit from the aforementioned revenue growth, as well as no-longer-waived aeronautical charges (e.g., landing fees, and terminal rents and fees).

STAFF MEMBER PRESENTING: Mark A. Thorpe, Chief Executive Officer

Department: Administration Department

Submitted to OIAA: April 24, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approva:

No additional expenditures of OIAA funds will be required to fund this ACIP; the program commits the OIAA to waive and provide rent credit, for a specified limited period of time, certain aeronautical revenue for landing aircraft and utilizing existing ticket counter and passenger hold-room space, and allocating a certain share of general advertising and marketing expenditures to support an airline's qualifying operations at ONT.

BACKGROUND: For many years, airports throughout the United States have instituted air carrier incentive programs to enhance the service offerings available to their customers. More recently, airports are revisiting incentive programs in response to the increased competition for air service. Federal law and the FAA policies and procedures concerning the use of airport revenue and its policies concerning rates and charges provide guidance concerning the permissible provisions and scope for these incentive programs.

In summary, the FAA allows promotional incentives to air carriers for new service to increase travel using an airport and/or to promote competition at an airport. An incentive is any fee reduction, fee waiver, or use of airport revenue for acceptable promotional costs, where the purpose is to encourage an air carrier to increase service at the airport. According to FAA's guidance, incentives may not be limited to a type of carrier (such as a low-cost carrier) or to a specific carrier. Incentives may only be offered for one year for new entrants and for two years for all carriers.

OIAA staff is currently in discussions with multiple U.S. airlines, regarding the inauguration of nonstop transcontinental and other long-haul air service between ONT and points in the Eastern United States and Hawaii as well as Mexico, Central America and Canada that are at least 1,750 nautical miles from Ontario. The OIAA CEO believes that a carefully-tailored ACIP will incentivize airlines to introduce new nonstop transcontinental and other long-haul air service that will (1) increase total passenger and air cargo traffic at ONT, (2) encourage other carriers to enter the market, and (3) increase non-aeronautical revenue generated at ONT including concessions, parking and other revenues (as well as aeronautical revenues once the incentivized period ends).

The proposed Program has been designed to conform with Federal Aviation Administration regulations and guidelines. The ACIP provides that the Program may be terminated if it is determined to violate applicable laws, regulations, or any assurance made by the airport to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges.

In addition, the ACIP provides penalties and prohibitions for failure to comply with the terms and conditions of the Program including, but not limited to, losing any and all operating privileges received under the Program, disqualification from further participation under the ACIP, and reimbursement to ONT for all credits, including monetary credits received under the ACIP.

A summary of the benefits offered under this ACIP is presented in the table below:

Rates and Charges Eligible for Incentive	Incentive (Percentage Waiver) *	Incentive Period	
		Year-round Daily or Less-than-daily	Seasonal Daily or Less-than-daily
Rent credit for terminal space associated with new service	100%	1 year	1 season
Expenditure on advertising of new qualifying service	See ACIP		
Waiver of landing Fees	100%		

*- Waivers will be applied against amounts due in the same month as the ACIP Qualifying Service is flown and only against Fees or Rentals that would otherwise have been incurred.

As shown in the table above, ACIP incentives provide a waiver of landing fees, rent credit, and an OIAA expenditure on advertising of new qualifying service in an amount generally proportionate to the seat-miles offered by the new service. These incentives may last up to one year (i.e., 12 consecutive months from the start of service) for year-round service and one season (i.e., the period of less than 12 consecutive months during which service is provided) for seasonal service. Participation will be subject to an application and approval process, as reasonably determined by the OIAA Chief Executive Officer.

Waiver of terminal rentals, terminal use fees and landing fees offered by ONT this ACIP shall not have the effect of increasing rentals, fees, or charges imposed on other aeronautical users of ONT including other airlines.

In addition to the waiver of airline charges, qualifying air service will also be eligible to receive advertising and marketing support from the OIAA. This shall include paying for OIAA advertisements that feature the new service/destination or contribute to joint advertisements with the air carrier. This shall not, however, include providing airport funds to a carrier for its marketing.

To qualify, an airline (1) must be an incumbent or a new entrant airline at ONT that has entered into a signatory agreement or other written agreement with the CEO permitting scheduled air carrier operations at ONT; (2) must be a member (or have applied and be in the process of becoming a member) of the ONT-TEC airline consortium; (3) must be current in all its financial and other obligations to the OIAA; (4) must apply to the OIAA CEO in writing and demonstrate that it proposes ACIP-qualifying service; and (5) must commit to maintain such service for a period of twelve (12) consecutive months from the date of initiation of service and be operated at the specified frequency over the first twelve (12) months of service (or for a period of three (3) consecutive months from the date of initiation of service operated at the specified frequency over the three (3) months of service for seasonal service).

Once qualified and approved by the OIAA CEO, an airline shall be required to (1) continue to provide ACIP-qualifying air service; (2) maintain an executed ONT signatory or other written airline agreement, (3) remain current in all its financial and other OIAA obligations, and (4) cure any deficiency in its financial or other OIAA obligations within thirty (30) days after receiving notice of such deficiency.

In the event an airline fails to initiate the proposed service on the date certain proposed (must initiate service between July 1, 2018, and June 30, 2019), ceases or abandons flight operations to the proposed destination prior to twelve months after the date of initiation of service (or prior to three months for seasonal service), or conducts its operations for less than the average days/week required, beginning with the date of initiation of service, the airline may be subject to the penalties including, but not limited to, losing any and all operating privileges received under the ACIP (for the incentive package for which the violation occurred), disqualification from further participation in the ACIP, and reimbursement to ONT for all credits, including monetary credits received under the ACIP.

As with all of ONT agreements, the ACIP is subordinate to the provisions of any and all existing and future agreements between the OIAA and the United States of America relative to the operation, maintenance, or development of the Airport, the execution of which may be required as a condition precedent to the expenditure of funds for the development of the Airport, or any part thereof. In the event the FAA or its successor requires modifications or changes in the ACIP, the ACIP requires the airlines to consent to any and all such modifications and changes as may be required.

The incentives will be granted to only the first airline providing qualifying service to an airport without existing service from ONT. If more than one airline proposed to initiate service to the same destination, the airline proposing the earliest start date for initiation of service will receive the incentive package for that destination. If more than one airline proposes to initiate service to the same destination and the airlines propose the same start date for initiation of service, ONT will conduct a lottery to select the airline that will be the recipient of the incentive package for that destination.

The allocation of an incentive program shall not be transferable and no property rights are created by virtue of the allocation of an incentive package. In addition, ONT shall have no liability of any nature, or in any form, to an airline for any costs, expenses, harm, damages, or other claims which an airline might otherwise have against the OIAA, or which an airline might incur, in respect of, or arising from, incentive package allocation.

The ACIP shall be effective July 1, 2018, and terminate June 30, 2019, unless extended by action of the OIAA Board of Commissioners. This ACIP may be revoked, suspended or terminated at any time at the sole discretion of the OIAA Board of Commissioners.

CEQA COMPLIANCE AND LAND USE APPROVALS: The ACIP is not a "project" within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for a direct or indirect physical change in the environment. As a result, the authorization is not subject to CEQA.”; and (2) the ACIP needs to be attached as an Exhibit to the Resolution.

ATTACHMENTS:

Attachment A – Resolution Establishing An Air Carrier Incentive Policy for Transcontinental and other Long-haul Non-Stop and all Cargo Services

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel. |

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION ESTABLISHING AN AIR CARRIER
INCENTIVES POLICY FOR TRANSCONTINENTAL, LONG-HAUL
NON-STOP PASSENGER, AND CARGO FLIGHTS

WHEREAS, the Ontario International Airport Authority (OIAA) was established for the purpose of operating, maintaining, managing, and developing the Ontario International Airport ("Airport"), including developing air commerce and transportation; and

WHEREAS, the OIAA does not currently have an Air Carrier Incentives Program (ACIP);
and

WHEREAS, OIAA staff is currently in negotiation with U.S. and foreign-owned airlines, regarding the inauguration of passenger and cargo service between ONT and points in North America, including the contiguous United States, Hawaii, Mexico, Central America and Canada; and

WHEREAS, the OIAA CEO believes that a carefully-tailored ACIP will incentivize airlines to introduce new nonstop transatlantic and other long-haul air service to destinations at least 1,750 nautical miles from Ontario that will (1) increase total passenger and air cargo traffic at ONT, (2) encourage new entrant carriers to enter the market, and (3) increase non-aeronautical revenue including concession, parking and other revenues generated by ONT.

NOW, THEREFORE, BE IT RESOLVED by the Ontario International Airport Authority as follows:

SECTION 1. Approves the ACIP as provided in Exhibit A attached to this Resolution and hereby incorporated by reference.

SECTION 2. The ACIP incentives provide a waiver of landing fees and a rent credit for terminal space as provided in the terms and conditions of the ACIP (Exhibit A).

SECTION 3. In addition to the waiver of landing fees and a rent credit for terminal space, qualifying air service will also be eligible to receive advertising and marketing support from the OIAA as part of general airport marketing in an amount generally proportionate to the seat-miles offered by the new service that promotes the new destination so long as funding has been approved by the OIAA Board of Commissioners in a budget process.

SECTION 4. The ACIP will be effective July 1, 2018, and will terminate June 30, 2019, unless extended by action of the OIAA Board of Commissioners.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

SECTION 5. The Commission Clerk of the Ontario International Airport Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 24th day of April day of 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, COMMISSION CLERK/
ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Claudia Y. Isbell, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. _____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, COMMISSION CLERK/
ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. _____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held on April 24, 2018.

CLAUDIA Y. ISBELL, COMMISSION CLERK/
ASSISTANT SECRETARY

(SEAL)