



SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT ONTARIO INTERNATIONAL AIRPORT AUTHORITY MEETINGS

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Ontario International Airport Authority (OIAA) board meetings are being conducted via Zoom and teleconference. Members of the public may utilize alternative measures established by OIAA to view the board meetings and/or to address the President and Commissioners. Please see instructions listed below.

Link to watch the December 17, 2020 Board Meeting*: <https://us02web.zoom.us/j/88144817402>

To dial in, call either: US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799

WEBINAR ID: 881 4481 7402

*Zoom requires you to enter a response for name and email. To remain anonymous, you may use Attendee and attendee@flyontario.com to bypass this Zoom feature.

ANY MEMBERS OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT MAY DO SO AS FOLLOWS:

E-MAIL: You may submit public comments by e-mail to clerk@flyontario.com no later than 12:00 p.m. the day of the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the record.

TELEPHONE: You may call (909) 414-1718 between 1:45 p.m. to 2:00 p.m. the day of the meeting to speak live during the public comment portion of the meeting. You will be asked to identify the Agenda item you wish to address and be placed on hold until the public comment portion of the meeting. Comments are limited to 3 minutes.

VOICEMAIL: You may record public comments at (909) 544-5307 no later than 12:00 p.m. the day of the meeting. Please identify the Agenda item you wish to address in your comments. Recorded comments are limited to 3 minutes. All voicemail comments will be included in the record.

MAIL: You may mail in public comments to the OIAA Clerk's Office at 1923 E. Avion St., Ontario, CA 91761. Comments by mail must be received the day before the meeting. Postmarks are not accepted.

Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the meeting of the OIAA Commission may contact Natalie Gonzaga at 909-544-5307 or clerk@flyontario.com.

The Ontario International Airport Authority Board of Commissioners and staff thank you for your continued patience and corporation during these unprecedented times. If you have any questions related to participation in the Board Meeting please call (909) 544-5307.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – SPECIAL MEETING



DECEMBER 17, 2020 AT 2:00 P.M.

Ontario International Airport Special Meeting

MEETING WILL BE HELD VIA LIVE STREAM AND TELECONFERENCE

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

JOHN M. SCHUBERT
Treasurer

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the meeting of the OIAA Commission may contact Natalie Gonzaga at 909-544-5307 or clerk@flyontario.com.

ORDER OF BUSINESS

The Authority meeting begins at 2:00 p.m. with Public Comment and the Special Meeting, followed by Closed Session Public Comment and Closed Session.

(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) - 2:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Public Comment: The open meeting Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

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 meeting of the Ontario International Airport Authority special meeting on November 24, 2020 and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills November 1, 2020 through November 30, 2020 and Payroll November 1, 2020 through November 30, 2020.

4. APPROVAL OF MEETING STIPENDS

That the Ontario International Airport Authority Commission approve meeting stipends for President Wapner and Commissioner Hagman for the month of November, 2020.

5. A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

That the Ontario International Airport Authority approve a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of the novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

6. A RESOLUTION APPROVING THE NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMIT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution approving the change and addition of material language to the OIAA standard form Fuel Delivery Permits at Ontario International Airport (ONT) to ensure the language reflects up-to-date industry standards and operations at ONT.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY APPROVING THE NON-EXCLUSIVE REVOCABLE
DELIVERY PERMIT AT ONTARIO INTERNATIONAL AIRPORT

7. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PAUL A. HANEY & ASSOCIATES, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Paul A. Haney & Associates, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses. Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

8. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH KENAZ DESIGNS, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Kenaz Designs, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, including CPI adjustments not to exceed 3% per extension, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses. Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

9. APPROVAL OF THE SELECTION OF A MARKETING CREATIVE AGENCY OF RECORD AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HILTACHK MARKETING GROUP FOR MARKETING AND CREATIVE ADVERTISING SERVICES AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Hiltachk Marketing Group, for a one-

year term in an amount not to exceed \$300,000, and authorize the CEO to exercise two, one-year extension options at \$300,000 annually, for an overall amount not to exceed \$900,000 over the three-year term of contract for marketing and creative advertising services at Ontario International Airport (ONT). Funding for this contract is approved under the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

10. APPROVAL OF AN AUTHORITY INCREASE TO ONTARIO INTERNATIONAL AIRPORT AUTHORITY CONTRACT NO. SCONT-000149 WITH GRIFFITH COMPANY FOR THE NORTH WEST QUADRANT DEMOLITION PROJECT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to increase the authority amount for existing OIAA Contract No. SCONT-000149 with Griffith Company for the North West Quadrant Demolition project for an amount not to exceed \$1,340,000, for an overall contract amount not to exceed \$4,305,875. Funding for this project was approved under Capital Improvement Projects in the Fiscal Year 2019-20 budget and was included in the current Fiscal Year 2020-21 budget.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

11. A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP, offering Qualified Air Carriers a waiver of landing fees to new nonstop destinations in the United States of America, Canada, and Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT). If approved, the ACIP will be provided to any airline offering new non-stop service to any points in the United States, Mexico, and Canada, for the first 12 months from when the first carrier begins new service. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the landing fees waived under the ACIP.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION ESTABLISHING AN AIR CARRIER INCENTIVE PROGRAM (A) FOR NEW NONSTOP PASSENGER SERVICE TO DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

12. A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN ASIA, EUROPE, AUSTRALIA, NEW ZEALAND, CENTRAL AMERICA, AND SOUTH AMERICA

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP (B), offering Air Carriers a waiver of fees to new nonstop destinations in Asia, Europe, Australia, New Zealand, Central America, and South America, to encourage and support the launch of new air service from the Ontario International Airport (ONT). If approved, the ACIP will be provided to any airline offering new non-stop service to any points in: (Tier 1) Asia, Europe, Australia, New Zealand, and (Tier 2) Central America, and South America. Tier 1 destinations shall receive 24 months of incentives; Tier 2 destinations shall receive 12 months of incentives. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the fees waived under the ACIP.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION UPDATING THE EXISTING AIR CARRIER
INCENTIVE PROGRAM COVERING MULTIPLE INTERNATIONAL
DESTINATIONS

MANAGEMENT REPORT

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

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.

CLOSED SESSION

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel's office as negotiator.
- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (Property: 1150 S. Vineyard Avenue, Ontario, CA 91761, 2161 E. Avion St. Building 1, Ontario, CA 91761, 2161 Avion St. Building 2, Ontario, CA 91761); OIAA General Counsel's office as negotiator.
- GC section 54956.9(b): CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; Potential litigation (1 case).

REPORT ON CLOSED SESSION

General Legal Counsel

ADJOURNMENT



DATE: DECEMBER 17, 2020

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
7	Paul A. Haney & Associates, LLC	<ul style="list-style-type: none">• None
8	Kenaz Designs, LLC	<ul style="list-style-type: none">• None
9	Hiltachk Marketing Group	<ul style="list-style-type: none">• None
10	Griffith Company	<ul style="list-style-type: none">• SECC Corp• Guida Surveying Inc.• In-Line Concrete Cutting & Coring• Matrix Environmental• Fence Corp.

STAFF MEMBER PRESENTING: Board Clerk, Natalie Gonzaga

Department: Clerk's Office

Submitted to OIAA: December 17, 2020

Item No. 01

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
NOVEMBER 24, 2020
(Not official until approved)**

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Ontario International Airport Authority (OIAA) board meetings were conducted via live stream and teleconference. Members of the public utilized alternative measures established by OIAA to view the board meeting and/or to address the President and Commissioners for the special meeting held on Tuesday, November 24, 2020.

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 11:04 a.m.

ROLL CALL

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

ABSENT: Commissioners: None

Also present via Zoom webinar were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori Ballance and Board Clerk Natalie Gonzaga.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Hagman.

PUBLIC COMMENT

The public comment was taken after the Consent Calendar.

AGENDA REVIEW/ANNOUNCEMENT

No announcements were made.

(Not official until approved)

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.

No conflicts were announced.

CONSENT CALENDAR

MOTION: Moved by Commissioner Gouw, seconded by Secretary Bowman, and carried by a roll call vote of 5-0-0, to approve the consent calendar Items No. 2-6.

2. APPROVAL OF MINUTES

Approved minutes for the meeting of the Ontario International Airport Authority regular meeting on October 22, 2020 and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills October 1, 2020 through October 31, 2020 and Payroll October 1, 2020 through October 31, 2020.

4. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for President Wapner for the month of October, 2020.

5. A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

The Ontario International Airport Authority approved a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of the novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

(Not official until approved)

RESOLUTION NO. 2020-20 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

6. APPROVAL OF AN AUTHORITY INCREASE FOR ELEVATORS ETC., LP, FOR ELEVATOR AND ESCALATOR MAINTENANCE AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer (CEO) to increase the existing OIAA Contract No. SCONT-000195 with Elevators Etc., LP for the maintenance of elevators and escalators for an amount of \$300,000. Funds for this item are included in the current Fiscal Year 2020-21 Landside Operations budget. Funding for subsequent years will be requested through the annual budget process.

PUBLIC COMMENT

Members of the public wishing to provide public comment for the items on the agenda were able to do so via email comments to clerk@flyontario.com, live via telephone at (909) 414-1718, via telephone recording comments at (909) 544-5307, or by mail.

Richard Sherman, provided an email comment expressing concerns on airplane noise.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

7. APPROVAL OF THE AIRPORT DRIVE REHABILITATION PROJECT AT THE ONTARIO INTERNATIONAL AIRPORT AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE TASK ORDERS RELATED TO DESIGN AND ENVIRONMENTAL PLANNING

The Ontario International Airport Authority (OIAA) Commission approved the Airport Drive Rehabilitation Project at Ontario International Airport (ONT), including design and environmental planning services; and authorize the Chief Executive Officer (CEO) to execute Task Orders not to exceed \$750,000 to accomplish these services. The design and environmental planning services will be assigned to consultants via existing contracts. The initial source of funds for this work will be through OIAA 2021 airport revenue bond financing. This project is not AIP grant eligible and debt service will be paid via collection of rates and charges and/or FAA Passenger Facility Charges (PFCs). The total rough order of magnitude estimated cost of this project is \$8,000,000.

CEO Thorpe presented information on the item. Commissioners asked questions regarding the project.

(Not official until approved)

MOTION: Moved by Secretary Bowman, seconded by Commissioner Gouw, and carried by a roll call vote of 5-0-0, to approve the Airport Drive Rehabilitation Project at ONT.

8. APPROVAL OF THE UPGRADES TO PARKING LOTS TWO THROUGH FIVE PROJECT AT ONTARIO INTERNATIONAL AIRPORT AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE TASK ORDERS RELATED TO DESIGN AND ENVIRONMENTAL PLANNING

The Ontario International Airport Authority (OIAA) Commission approved the Upgrades to Parking Lots Two through Five Project at Ontario International Airport (ONT), including the design and environmental planning services, and authorize the Chief Executive Officer (CEO) to execute Task Orders not to exceed \$700,000 to accomplish these services. The design and environmental planning services for the project will be completed via existing contracts and the initial source of funds for this work will be through OIAA 2021 airport revenue bond financing. This project is not AIP grant eligible and debt service will be paid via collection of rates and charges and/or FAA Passenger Facility Charges (PFCs). The total rough order of magnitude estimated cost of this project is \$9,000,000.

CEO Thorpe presented information on the item. Commissioners asked questions regarding the project.

MOTION: Moved by Commissioner Gouw, seconded by Commissioner Hagman, and carried by a roll call vote of 5-0-0, to approve the upgrades to parking lots two through five project.

9. APPROVAL OF INFORMATION TECHNOLOGY SECURITY PROJECTS AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) approved recommended information technology security projects at Ontario International Airport (ONT) from the November 2019 Security Master Plan. The total cost of recommended projects is \$6,000,000, which will be financed from the OIAA 2021 airport revenue bonds. Debt service will be paid from airport rates and charges.

CEO Thorpe presented information on the item.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman, and carried by a roll call vote of 5-0-0, to approve recommended information technology security projects.

(Not official until approved)

10. APPROVAL OF THE RETAIL BRAND PROJECT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) approved design and build for an interactive omni channel retail outlets and pop up stores project at Ontario International Airport (ONT). The estimated cost of this project is \$2,000,000. Funding will be provided through discretionary funds.

CEO Thorpe presented information on the item. Commissioners asked questions regarding the project.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Gouw, and carried by a roll call vote of 5-0-0, to approve design and build for an interactive omni channel retail outlets and pop up stores project.

11. APPROVAL OF DESIGN AND ENVIRONMENTAL PLANNING SERVICES FOR RUNWAY 8R-26L REHABILITATION AND CONNECTING TAXIWAYS PROGRAM AT THE ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) (1) approved design services and environmental planning services for the Runway 8R-26L Rehabilitation and Connecting Taxiways Program at Ontario International Airport (ONT); (2) authorized the CEO to execute Task Orders in the amount of \$9,000,000 to accomplish these services; and (3) authorized the CEO to exercise the two, one-year contract extension with Burns & McDonnell to complete the program. The design and environmental planning services for the program will be completed via existing contracts with Burns & McDonnell and HNTB, with the initial source of funds provided by OIAA 2021 airport revenue bond financing. Reimbursement for 80% of the cost of design and environmental services for the project will be requested through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Grant Entitlement. The remainder of the debt service will be paid via collection of rates and charges and/or FAA Passenger Facility Charges (PFC).

CEO Thorpe presented information on the item.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman, and carried by a roll call vote of 5-0-0, to approve design services and environmental planning services for the Runway 8R-26L Rehabilitation and Connecting Taxiways Program.

(Not official until approved)

12. FISCAL YEAR 2020-21 BUDGET UPDATE FOR THE THREE MONTHS ENDING SEPTEMBER 30, 2020

The Ontario International Airport Authority (OIAA) (1) received and filed Financial Statements for the three months ending September 30, 2020; and (2) approved Fiscal Year 2020-21 budget adjustments.

CEO Thorpe presented information on the item. Commissioners asked questions regarding the budget.

MOTION: Moved by Vice President Loveridge, seconded by Commissioner Gouw, and carried by a roll call vote of 5-0-0, to (1) receive and file Financial Statements for the three months ending September 30, 2020; and (2) approve Fiscal Year 2020-21 budget adjustments.

MANAGEMENT REPORT

Chief Executive Officer Thorpe provided updates on passenger traffic, cargo and the new Covid Clinic service in Parking Lot 3 for COVID screenings.

COMMISSIONER MATTERS

Secretary Bowman had no comments.

Commissioner Gouw had no comments.

Vice President Loveridge had no comments.

Commissioner Hagman thanked everyone for their hard work and the current projects.

President Wapner complimented staff regarding new air service.

CLOSED SESSION

President Wapner recessed the special meeting of the Ontario International Airport Authority to Closed Session at 11:57 a.m. with all Commissioners virtually in attendance.

- CONFERENCE WITH LEGAL COUNSEL— Government Claim (Government Code section 54956.9(d)(2) and (e)(3)): (1 matter)
- REAL PROPERTY NEGOTIATIONS (portions of the Airport) (Government Code Section 54956.8); OIAA General Counsel's office as negotiator.

(Not official until approved)

The Ontario International Airport Authority Commission special meeting was reconvened in public session at 12:10 p.m.

REPORT ON CLOSED SESSION

President Wapner announced there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 12:11 p.m.

RESPECTFULLY SUBMITTED:

NATALIE GONZAGA, BOARD CLERK
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

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

RELEVANT STRATEGIC OBJECTIVE: Development of Airport-Related Business.

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

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

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 November 2020, President Wapner attended eight (8) additional Authority-related business functions and Commissioner Hagman attended one (1) additional Authority-related business functions. Full Commission approval is needed to approve payment of these additional stipends.

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

Department: Clerk’s Office

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Item No. 04

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).)

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

SUBJECT: A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

RELEVANT STRATEGIC OBJECTIVE: Safety and Security: Provide Customer Friendly Facilities and Services.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA or Authority) approve a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of COVID-19, and compliance with health authorities' applicable guidance regarding responding to COVID-19.

FISCAL IMPACT SUMMARY: Possible appropriations and corresponding expenditures for equipment, materials, supplies, labor services and other items needed to address or respond to a declared local emergency will be accounted for and reported to and by the Authority.

BACKGROUND: Ontario International Airport (ONT) provides essential services and infrastructure for public commercial travel and general commerce. As part of the Aviation segment of the Transportation Systems Sector, ONT is an element of national critical infrastructure recognized by the Department of Homeland Security. The nation's transportation system is required to quickly, safely, and securely move people and goods through the country and overseas.

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

Department: Administration

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Item No. 05

Local Emergency

Pursuant to Government Code sections 8550 *et seq.* and 8630 *et seq.*, the Authority can determine to declare the existence of a local emergency under applicable circumstances threatening the lives, property or welfare of ONT passengers, employees and operators.

California and the nation are responding to the spread of a respiratory illness caused by a novel coronavirus and which has now been detected in more than 200 locations internationally, including in the United States. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (COVID-19).

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the COVID-19 outbreak a “public health emergency of international concern.” On January 31, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 4, 2020, Governor Newsom declared a statewide emergency related to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

On March 14, 2020, the City of Ontario proclaimed a local emergency, and most recently on December 1, 2020, continued the local state of emergency declaration in response to regional COVID-19 diagnoses and to mobilize the City to best serve the Ontario community. Given that ONT is a destination for passengers from across the nation and from some international locations, the potential effects of the spread of COVID-19 is a local emergency at ONT.

The U.S. Centers for Disease Control (CDC), the California Department of Public Health (CDPH), and the San Bernardino County Department of Public Health (SBCDPH) have all issued requirements, recommendations and guidelines for the public, businesses and public agencies regarding addressing the spread of COVID-19. Some of the requirements, recommendations and guidelines, however, do not apply to essential services and infrastructure such as ONT, or to operations related to air travel in general.

Available Actions by OIAA Responding to the Local Emergency

Declaration of a local emergency relating to COVID-19 enables the Authority, including its CEO under delegated power, to issue written orders and regulations necessary to provide for the protection of passengers, employees and operators at ONT, and related property, as affected by such emergency. The orders and/or regulations include those to (1) obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property at ONT and to bind the Authority for the fair value thereof, (2) require emergency services of any OIAA officer or employee, (3) requisition necessary personnel or material of any OIAA departments, and (4) modify or approve contracts as necessary to ensure and protect the life and property of the public, operators, and employees at ONT.

Exercise of local emergency powers by the OIAA CEO or his designees will be timely reported to the Authority, and the Authority must periodically review the need for continuing the local emergency until it terminates the local emergency.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

PRIOR COMMISSION ACTION: On November 24, 2020, the OIAA Commission adopted Resolution No. 2020-20 approving and declaring the continued existence of a local emergency.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

EXHIBITS & ATTACHMENTS: Attachment A - Resolution approving and declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

WHEREAS, Ontario International Airport (ONT) provides essential services and infrastructure for public commercial travel and general commerce. As part of the Aviation segment of the Transportation Systems Sector, ONT is an element of national critical infrastructure recognized by the Department of Homeland Security. The nation's transportation system is required to quickly, safely, and securely move people and goods through the country and overseas;

WHEREAS, Pursuant to Government Code sections 8550 *et seq.* and 8630 *et seq.*, the Ontario International Airport Authority (OIAA or Authority) can determine to declare the existence of a local emergency under certain circumstances;

WHEREAS, California and the nation are responding to the spread of a respiratory illness caused by a novel coronavirus and which has now been detected in more than 200 locations internationally, including in the United States. The virus has been named "SARS-CoV-2" and the disease it causes has been named "coronavirus disease 2019" (COVID-19);

WHEREAS, On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the COVID-19 outbreak a "public health emergency of international concern." On January 31, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On March 4, 2020, Governor Newsom declared a statewide emergency related to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency;

WHEREAS, On March 14, 2020, the City of Ontario proclaimed a local emergency, and most recently on December 1, 2020, continued the local state of emergency declaration in response to regional COVID-19 diagnoses and to mobilize the City to best serve the Ontario community. Given that ONT is a destination for passengers from across the nation and from some international locations, the potential effects of the spread of COVID-19 is a local emergency at ONT;

WHEREAS, The U.S. Centers for Disease Control (CDC), the California Department of Public Health (CDPH), and the San Bernardino County Department of Public Health (SBCDPH) have all issued requirements, recommendations and guidelines for the public, businesses and public agencies regarding addressing the spread of COVID-19. Some of the requirements, recommendations and guidelines, however, do not apply to essential services and infrastructure such as ONT, or to operations related to air travel in general;

WHEREAS, Declaration of a local emergency enables the Authority, including its CEO under delegated power, to issue written orders and regulations necessary to provide for the protection of ONT passengers, employees, and operators, related property, and OIAA finances as affected by such emergency. The orders and/or regulations include those to (1) obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property at ONT and to bind the Authority for the fair value thereof, (2) require emergency services of any OIAA officer or employee, (3) requisition necessary personnel or material of any OIAA departments, and (4) modify or approve contracts as necessary to ensure and protect the life and property of the public, operators, and employees at ONT;

WHEREAS, The August 21, 2012 Joint Exercise of Powers Agreement (JPA) between the City of Ontario (City) and the County of San Bernardino (County) that created the Authority stated that the Authority shall have and possess all powers common to the City and County, as well as other powers granted under California law. Both the City and County have provisions in their Municipal Codes allowing for the exercise of emergency powers and authorities;

WHEREAS, The JPA also states that, in exercising its powers for the operation, management and administration of ONT, the Authority shall exercise such powers as are restricted and applicable to the City. Accordingly, the Authority's actions and powers available under a declaration of a local emergency shall be consistent with, or shall not exceed, those powers allowed to be exercised by the City during a declared local emergency;

WHEREAS, on November 24, 2020 the OIAA approved Resolution No. 2020-20, declaring the continued existence of a local emergency.

NOW, THEREFORE BE IT RESOLVED by the Ontario International Airport Authority does hereby declare a continued local state of emergency at ONT regarding the COVID-19 outbreak, and the need to prevent and address the effects of the spread of COVID-19 at ONT; and

BE IT FURTHER RESOLVED, under this continued declaration of a local emergency at ONT by the Authority, the OIAA Chief Executive Officer (CEO) is empowered to:

- (1) Promulgate written orders and regulations necessary to provide for the protection of passengers, employees and operators at ONT, and related

- property, as affected by such emergency, including orders or regulations imposing hours of operation within the boundaries of ONT where necessary to preserve the public order and safety; provided, however, such rules and regulations shall be widely publicized and noticed and shall be confirmed at the earliest practicable time by the Authority Commission; and
- (2) Promulgate written orders and regulations relating to the requirements, recommendations and guidelines issued by the CDC, CDPH and SBCDPH that are applicable to essential services and infrastructure such as ONT, or to operations related to air travel in general, regarding preventing and addressing the spread of COVID-19;
 - (3) Make any expenditure in connection with emergency activities, including mutual aid activities, which shall be deemed conclusively to be for the direct protection and benefit of the passengers, airlines, and business partners and property of the OIAA. When necessary to address the effects of the declared emergency, the CEO or his designee may enact conditional changes in procurement processes, spending and signature authority limits, approval authorities, and allocation of Airport resources during the time of the declared emergency in order to support the OIAA required response activities; and
 - (4) Require emergency services of any OIAA officer or employee; and
 - (5) requisition necessary personnel or material of any OIAA departments; and
 - (6) Execute all ordinary powers; all special powers conferred by this Resolution; and all other powers conferred by statute, agreement approved by the Authority Commission, or by any other lawful authority; and
 - (7) Approve and modify contracts as necessary to provide for the protection of passengers, employees and operators at ONT, related property, and OIAA finances as affected by such emergency, including ad-hoc revenue agreements with a one (1) year term or less; and
 - (8) Represent the Authority in all dealings with public or private agencies on matters pertaining to this declared local emergency; and

BE IT FURTHER RESOLVED, In the absence of the OIAA CEO, the OIAA Deputy Chief Executive Officer is empowered to take on the emergency powers of the OIAA CEO authorized and described in this Resolution. The OIAA CEO shall be deemed absent where he is unavailable to participate in meetings or otherwise is unable to perform his duties during an emergency.

BE IT FURTHER RESOLVED, The Authority Commission shall review the need for continuing this declaration of a continued local emergency at least once every 30 days until the Commission terminates this local emergency declaration.

PASSED, APPROVED, AND ADOPTED at a Special Meeting this 17th day of December 2020.

ALAN D. WAPNER
OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2020-_____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held on December 17, 2020 by the following roll call vote, to wit:

AYES: COMMISSIONERS:
NOES: COMMISSIONERS:
ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2020-_____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held December 17, 2020.

SECRETARY/ASSISTANT SECRETARY

(SEAL)



DATE: DECEMBER 17, 2020
SECTION: CONSENT CALENDAR
SUBJECT: A RESOLUTION APPROVING THE NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMIT AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Develop and Grow Non-Airline Revenue Sources; Maintain Financial Accountability and Stability to Support Airport Operations.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution approving the change and addition of material language to the OIAA standard form Fuel Delivery Permits at Ontario International Airport (ONT) to ensure the language reflects up-to-date industry standards and operations at ONT.

FISCAL IMPACT SUMMARY: None. Currently, each fuel delivery permittee is required to pay a non-refundable administrative fee of \$1,000 annually, as well as five cents (\$0.05) per gallon for all aviation gasoline and aviation turbine fuel delivered to Non-Signatory Air Carriers at ONT.

BACKGROUND: On May 22, 2018, the OIAA Board authorized the CEO to negotiate and execute non-exclusive revocable fuel delivery permits with new or existing fuel delivery operators at ONT, and the fuel delivery fees were increased from three cents (\$0.03) per gallon to five cents (\$0.05) per gallon on July 1, 2020.

The fuel delivery permits are required for any company falling under the following categories:

- 1. Refineries or companies that deliver fuel by pipelines into fuel tank facilities, including those belonging to fixed base operators;

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

Department: Commercial Submitted to OIAA: December 17, 2020
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: Mark A. Thorpe

2. Fuel brokers that purchase the rights to fuel at the fuel tank facilities and conduct “in-tank trading or transfers” remotely for fuel for which they have retained the title; and
3. Trucking companies that deliver fuel to fuel tank facilities, including fixed base operators.

The Fuel Delivery Permit used since 2018 is now outdated, and staff has worked internally and with legal counsel to update the Permit to ensure such language reflects up-to-date best business practices and standards. In order to ensure consistency with this Permit for Permittees airport-wide, staff is requesting the Board to approve this standard form template to increase the efficiency of issuing such Permits. The term of such Permit shall be no more than five (5) years.

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorically Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. Operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: Attachment A – Resolution to Approve the Standard Form Non-Exclusive Revocable Fuel Delivery Permit for ONT

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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

RESOLUTION NO. ____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE THE STANDARD FORM NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMIT FOR ONTARIO INTERNATIONAL AIRPORT

WHEREAS, on May 22, 2018, the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) authorized the Chief Executive Officer (CEO) to negotiate and execute non-exclusive revocable fuel delivery permits (Permit) with new or existing fuel delivery operators at Ontario International Airport (ONT); and

WHEREAS, the Permit grants right and permits Permittees to conduct business at ONT for the sole purpose of delivering all aviation gasoline and aviation turbine fuel to said Airport, subject to all of the terms, conditions and covenants of the permit; and

WHEREAS, the Permit specifically does not include the right to conduct into-plane fueling of airplanes nor to conduct any other business at ONT, except the delivery of all aviation gasoline and aviation turbine fuel to said airport; and

WHEREAS, the Permit is required for refineries or companies that deliver fuel by pipelines into fuel tank facilities, including those belonging to fixed base operators, fuel brokers that purchase the rights to fuel at the fuel tank facilities and conduct “in-tank trading or transfers” remotely for fuel for which they have retained the title, and trucking companies that deliver fuel to fuel tank facilities, including fixed base operators; and

WHEREAS, to ensure consistency with this Permit for Permittees airport-wide, staff is requesting the Board to approve this standard form template reflecting up-to-date best business practices and standards, and to increase the efficiency of issuing such Permits.

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

SECTION 1. The Authority hereby adopts the change and addition of material language in the non-exclusive revocable fuel delivery permits to reflect up-to-date best business practices and standards, as shown and reflected in Exhibit A to this Resolution. The term of such Permit shall be no more than five (5) years.

SECTION 2. The Chief Executive Officer of the Authority and their designee, are hereby authorized, empowered, and directed, for and in the name of and on behalf of the Authority, to take any and all actions necessary to execute any and all non-exclusive revocable fuel delivery permits, under the rates, charges, and rules and regulations in effect at the time of execution.

SECTION 3. All actions heretofore taken by any officer or agent of the Authority in connection with or related to the matters set forth in this Resolution are hereby approved, confirmed, and ratified.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

SECTION 5. The Commission Clerk of the OIAA shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a special Meeting this 17th day of December 2020.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2020-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held on December 17, 2020 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2020-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held December 17, 2020.

SECRETARY/ASSISTANT SECRETARY

(SEAL)



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

SUBJECT: APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PAUL A. HANEY & ASSOCIATES, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Business, Expand Air Service & Promote Customer Friendly Facilities and Services

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Paul A. Haney & Associates, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses.

FISCAL IMPACT SUMMARY: Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: On December 13, 2017, the Commission approved a contract with Paul A. Haney & Associates, LLC, for consulting and representational services relating to the airport administration, operations, marketing, branding, development, financing, and public and community relations related matters of the OIAA, and advisory services to the OIAA Chief Executive Officer, OIAA management, other OIAA consultants, and the OIAA Commission members on all issues mutually agreed upon. This contract, however, is due to expire on December 31, 2020.

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

Department: Administration

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

Paul A. Haney & Associates, LLC desires to continue performing said representational and advisory professional services specific to the airport as well as oversee several ongoing strategic objectives proposed by the OIAA. Therefore, a new agreement is necessary to provide uninterrupted upper-level professional support services through 2021, and allow for annual extension options at the sole discretion of the CEO through 2025, as outlined in the professional services agreement, provided in its entirety as Attachment A.

PROCUREMENT: OIAA’s procurement policies allow for non-competitive purchasing if specialized services are unique and competitive proposals would be impractical or undesirable. As determined by OIAA management, Paul A. Haney & Associates, LLC, has demonstrated their unique qualifications and has proven expertise in the airport administration, operations, marketing, branding, development, financing, and public and community relations needs of ONT, airport tenants, traveling public, facilities, and leaseholds. Therefore, the internal/external knowledge gained by Haney related to the development of ONT is unique to this consultant and the nature of the contract is such that competitive proposals would not produce an advantage and the advertisement for competitive bids would be undesirable. In this case, staff recommends award of contract based on sole source, provided in Attachment B.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed Consultation Agreement with Consultant is not a “project” within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for Consultant’s consulting work to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

Attachment A – Proposed Professional Services Agreement

Attachment B - Sole Source Procurement Justification Form

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



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

SUBJECT: APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH KENAZ DESIGNS, LLC FOR CONTINUED CONSULTING SERVICES TO SUPPORT MANAGEMENT, OPERATIONS, AND DEVELOPMENT AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Business, Expand Air Service & Promote Customer Friendly Facilities and Services

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Kenaz Designs, LLC, for consulting services, for one-year in an amount not to exceed \$240,000; and, authorize the CEO to exercise four, one-year extensions, including CPI adjustments not to exceed 3% per extension, for an overall contract amount not to exceed \$1,275,000, plus authorized reimbursable expenses.

FISCAL IMPACT SUMMARY: Funding for this agreement is approved in the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: On December 13, 2017, the Commission approved a contract with Kenaz Designs, LLC, for consulting and representational services relating to the airport construction, design, maintenance and operational related matters of the OIAA, and advisory services to the OIAA Chief Executive Officer, OIAA management, other OIAA consultants, and the OIAA Commission members on all issues mutually agreed upon. This contract, however, is due to expire on December 31, 2020. Kenaz Designs desires to continue performing said representational and advisory professional services specific to the airport as well as oversee several ongoing strategic objectives proposed by the OIAA. Therefore, a new agreement is necessary to provide uninterrupted upper-level

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

Department: Administration

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

Item No. 08

professional support services through 2021, and allow for annual extension options at the sole discretion of the CEO through 2025, as outlined in the professional services agreement, provided in its entirety as Attachment A.

PROCUREMENT: OIAA’s procurement policies allow for non-competitive purchasing if specialized services are unique and competitive proposals would be impractical or undesirable. As determined by OIAA management, Kenaz Designs, LLC, has demonstrated their unique qualifications and has proven expertise in the operational needs of ONT, airport tenants, traveling public, facilities, and leaseholds. In addition, Kenaz possess specialized knowledge in aviation as well as ONT’s infrastructure, and understands and executes OIAA’s strategic objectives on an ongoing basis. Therefore, the internal/external knowledge gained by Kenaz related to the development of ONT is unique to this consultant and the nature of the contract is such that competitive proposals would not produce an advantage and the advertisement for competitive bids would be undesirable. In this case, staff recommends award of contract based on sole source, provided in Attachment B.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed Consultation Agreement with Consultant is not a “project” within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for Consultant’s consulting work to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

Attachment A – Proposed Professional Services Agreement

Attachment B - Sole Source Procurement Justification Form

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

SUBJECT: APPROVAL OF THE SELECTION OF A MARKETING CREATIVE AGENCY OF RECORD AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HILTACHK MARKETING GROUP FOR MARKETING AND CREATIVE ADVERTISING SERVICES AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a professional services agreement with Hiltachk Marketing Group, for a one-year term in an amount not to exceed \$300,000, and authorize the CEO to exercise two, one-year extension options at \$300,000 annually, for an overall amount not to exceed \$900,000 over the three-year term of contract for marketing and creative advertising services at Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: Funding for this contract is approved under the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: As Ontario International Airport seeks to reclaim its upward trajectory of growth in air service, passenger throughput, and more, the need for a consistent and seasoned creative advertising and marketing agency support has become more apparent. With recovery, surrounding the Coronavirus pandemic, becoming a more pertinent need for the airport each day, agency support in strategic marketing for both domestic and global markets is crucial to reclaiming the trajectory of growth, increased awareness, and conversion of passenger behavior that assists in revenue increases over time.

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

Department: Marketing & Communications

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Item No. 09

The airport requires marketing and advertising support services to assist in bringing awareness to ONT products and services, build brand loyalty and to maintain competitive positioning within the industry.

In January of 2020, OIAA issued a Request for Proposals (RFP) for a Marketing Creative Agency of record. Due to the Coronavirus pandemic, the RFP selection and interview process was placed on hold as the airport revenue declined. In an effort to recover from the detrimental impact on passenger numbers and air service, the decision to interview top scoring proposals proceeded in November of 2020.

The scope of work as outlined in the RFP details that: Strategic data-driven marketing planning for campaigns, creative look and feel for rebranding of the airport both internally and externally on a local (domestic) and international scale, effective internal and external marketing including, but not limited to using the following tactics: OOH, digital/Social, Experiential activations, in-terminal activations, conference booth, Print, PR opportunities, media opportunities in the terminals, B2B, B2C, Airline co-ops, leverage current sponsorships (March of Dimes, Kings/Reign, USC Athletics, among others), Radio talent selection, script, Landing page, influencers, material to share at events, presentations, conferences, media planning and buying; media negotiations, client meetings, phone calls and correspondence related to specific media plans/buys, develop original copy (text), copywriting and editing. This may also include Spanish and Mandarin marketing collateral, particularly for airline specific campaigns.

Overall, the Hiltachk Marketing Group combined scores outweighed the other proposals received and earned a unanimous recommendation from the interview panel to request approval from the OIAA Board of Commissioners. The interview panel is confident Hiltachk Marketing Group will serve ONT well, and that they will take our marketing and advertising up a notch as we recover from the pandemic and reclaim our markets.

Hiltachk Marketing Group has years of experience and are the self-proclaimed “airport marketing experts.” Kim and her team are a full-service agency that meet the demands outlined by the scope of work that was detailed in the RFP process, and have exceeded the panel’s expectations in understanding airport industry nuances. They have experience in ASD, experiential marketing tactics and focus on data-driven campaigns to drive engagement and deeper awareness of ONT’s products and services. Their team is results oriented, has relationships with media-buying entities and are equipped to handle tight deadlines and reactive content.

PROCUREMENT: On January 10, 2020, the OIAA posted a Request for Proposals (RFP #190011) for Marketing and Advertising Creative Agency for the Ontario International Airport Authority. On February 6, 2020, three responsive proposals were received and evaluated, two of which progressed to the interview phase of the process. The OIAA Evaluation Committee determined that Hiltachk Marketing Group highly demonstrated their marketing and advertising qualifications as well as their ability to meet the related marketing/advertising strategy, campaign planning, and creative execution service needs of the OIAA. Therefore, staff recommends the award of contract for Marketing and Advertising Creative Agency to Hiltachk Marketing Group as determined by the selection panel of OIAA representatives.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed contract is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 because it involves creative Advertising, Marketing and Promotional Services on an as-needed, on-call basis.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: Attachment A - Proposed Hiltachk 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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: DECEMBER 17, 2020

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE AN AUTHORITY INCREASE TO ONTARIO INTERNATIONAL AIRPORT AUTHORITY CONTRACT NO. SCONT-000149 WITH GRIFFITH COMPANY FOR THE NORTH WEST QUADRANT DEMOLITION PROJECT AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Business.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to increase the authority amount for existing OIAA Contract No. SCONT-000149 with Griffith Company for the North West Quadrant Demolition project for an amount not to exceed \$1,340,000 for an overall contract amount not to exceed \$4,305,875.

FISCAL IMPACT SUMMARY: Funding for this project was approved under Capital Improvement Projects in the Fiscal Year 2019-20 budget and was included in the current Fiscal Year 2020-21 budget.

BACKGROUND: The Northwest Quadrant (NWQD) Demolition was an enabling project for the FedEx cargo development, as outlined in the long-term lease between the OIAA and FedEx approved by the OIAA Commission June 27, 2018. Pursuant to that agreement, the OIAA was responsible for demolition of the approximate fifty-one acres, leaving the site in a rough graded condition for the FedEx development. The OIAA awarded a contract to Griffith Company in the amount of \$2,965,875 at the October 23, 2018, Commission meeting for this work, planned to be completed in 4-months.

The Notice to Proceed for the NWQD demolition enabling project was issued on December 12, 2018 to Griffith Company. The following major events listed below, in addition to other items, were necessary to enable the FedEx cargo development, and resulted in a 16-month schedule ending

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

Department: Engineering

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

April 2020, opposed to the planned 4-month schedule, resulting in this request for authority increase to the Griffith Company contract.

- Due to the NWQD Demolition enabling project's impact on the existing airport tenants, SWA Cargo and Majestic Terminal Services (Amazon) operating from the existing four hangars in the NWQD, the original 4-month demolition schedule and scope had to be significantly modified to enable the FedEx cargo development.
- In the fourth quarter of 2019, a request was approved for Amazon to remain in the NWQD hangars until mid-January 2020.
- The other FedEx enabling project, the MTS and SWA cargo relocation, under construction simultaneously with the NWQD demolition enabling project, significantly delayed the NWQD demolition to allow the MTS and SWA Cargo Relocation project to complete. MTS and SWA cargo relocation wasn't granted a Certificate of Occupancy until January 14, 2020. Afterwards, relocation occurred for the SWA Cargo and Amazon. Given this, the existing NWQD hangar demolition did not commence until after relocation of the existing tenants.

During the 16-month extended schedule, a generator needed to be provided for continuous and uninterrupted power to the NWQD hangars for existing airport tenants, after the existing SCE power poles were removed to enable the FedEx development. Griffith Company provided a 570 KVA generator to supply 24/7 temporary power to the four NWQD hangars while executing Phase 2 of the NWQD demolition enabling project. The generator was the greatest item amount for the contract authority increase.

In addition, work was added to the NWQD demolition enabling project during the extended 16-month schedule such as demolition of Taxiway B, removal of additional fiber optic cables, realignment of the AOA perimeter fence and the processing the stockpiled material at the fire station.

The following is an itemized list of the requested authority increase in the total amount of \$1,304,000.

- | | |
|---|-----------|
| • Phase 1 acceleration to provide for FedEx Contractor | \$44,530 |
| • Widening of the VSR | \$12,649 |
| • Temporary Generator to provide continuous uninterrupted service to MTS-Amazon operation | \$734,169 |
| • Additional demo work not in project scope – Fire House Demo | \$125,041 |
| • Taxiway B demo | \$60,000 |
| • Suspension Cost | \$68,957 |
| • Fiber Optic relocation | \$24,900 |
| • Additional Stripping for FedEx | \$46,604 |
| • Realigning of the AOA fence for Amazon and SWA operation | \$21,972 |
| • Misc. Extra work items | \$201,178 |

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A.

STAFFING IMPACT (# OF POSITIONS): N/A.

IMPACT ON OPERATIONS: N/A.

SCHEDULE: The original NWQD Demolition enabling project schedule was 119 calendar days (4 months). In order to enable the FedEx cargo development, the Northwest Quadrant Demolition enabling project's original 4-month schedule had to be extended to a 16 month duration ending in April, 2020.

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: DECEMBER 17, 2020

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service; Reduce Airline Costs.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP, offering Qualified Air Carriers a waiver of landing fees to new nonstop destinations in the United States of America, Canada, and Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: If approved, the ACIP will be provided to any airline offering new non-stop service to any points in the United States, Mexico, and Canada, for the first 12 months from when the first carrier begins new service. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the landing fees waived under the ACIP.

BACKGROUND: On April 24, 2018, the OIAA Board approved a resolution covering an incentive program for new nonstop passenger and cargo service between ONT and points in North America, including the contiguous United States, Hawaii, Mexico, Central America and Canada. Such

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

Department: Commercial

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

incentive was effective July 1, 2018 and has since expired on June 30, 2019 and was not extended by action of the OIAA Board.

OIAA staff is currently in discussions with multiple U.S. and foreign carriers, regarding the inauguration of nonstop service to points in the United States, Canada, and Mexico. An ACIP covering the waiver of landing fees will incentivize airlines to introduce new nonstop service that will: (1) increase total passenger traffic at ONT, (2) encourage other carriers to enter the ONT market, and (3) increase non-aeronautical revenue generated at ONT including concessions, parking and other revenues (as well as aeronautical revenue once the incentivized period ends).

The proposed Program is conformed with Federal Aviation Administration (FAA) regulations and guidelines; the ACIP provides that the incentive may be terminated if it is determined to violate any applicable laws, regulations, or 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. The ACIP also 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.

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. Operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: ATTACHMENT A – Resolution approving an Air Carriers Incentive Program A (ACIP)

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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
 INCENTIVE PROGRAM (A) FOR NEW NONSTOP PASSENGER
 SERVICE TO DESTINATIONS IN THE UNITED STATES, CANADA,
 AND MEXICO

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

WHEREAS, the previous Air Carrier Incentives Program or Policy covering new nonstop passenger and cargo service between ONT and points in North America has previously terminated and expired on June 30, 2019; and

WHEREAS, the OIAA is currently in negotiation with U.S. and foreign-owned airlines, regarding the inauguration of new nonstop passenger service between ONT and points in the United States, Canada, and Mexico; and

WHEREAS, the OIAA believes that an ACIP will incentivize airlines to introduce new nonstop passenger service to destinations in the United States, Canada, and Mexico that will: (1) increase passenger traffic at ONT and (2) promote competition at the airport.

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

SECTION 1. The ACIP (A) is provided in Exhibit A attached to this Resolution and hereby incorporated by reference.

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

SECTION 3. The Commission Clerk of the OIAA shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a special Meeting this 17th day of December 2020.

 ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

 SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2020-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held on December 17, 2020 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2020-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held December 17, 2020.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

Exhibit A

Ontario International Airport
Air Carrier Incentive Program (A)
United States, Canada, and Mexico

INTRODUCTION

This Air Carrier Incentive Program (“ACIP”) for Ontario International Airport (“ONT” or “Airport”) is designed to encourage and promote the operation of commercial passenger service by new entrant and incumbent commercial air carriers to currently unserved markets by nonstop service in the United States of America (including Alaska and Hawaii), Mexico, and Canada. This ACIP is consistent with and supports ONT’s mission to connect people, places, and create experiences.

GOALS

The goals of the Program include:

- Provide new non-stop passenger air service (hereinafter referred to as “nonstop service”) between ONT and multiple, unserved markets in the U.S., Mexico, and Canada
- Increase passenger traffic at ONT
- Promote competition at the airport

TERM

This ACIP shall be effective upon approval by the Ontario International Airport Authority’s (OIAA) Board of Commissioners (Board) and will terminate on December 31st, 2023. For service(s) eligible under the ACIP, the Air Carrier providing the service will receive the incentive for twelve (12) months from the initiation of the eligible service(s) but such period shall conclude by December 31st, 2023.

DESCRIPTION OF INCENTIVES

This ACIP is subject to all federal, state, local laws, and all other rules, regulations, and written agreements between the OIAA and the Air Carrier(s).

The incentives shall be provided for a period of 12 months beginning from the start of the eligible service as described in the following section, and include the following:

- A full waiver of Landing Fees
- Marketing incentives based on an annual budgeted amount agreed and outlined in the Commitment Letter (see Application For and Award of Incentives)

The incentive package(s) offered by the OIAA under this ACIP shall be in accordance with the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy), including Sections V.A.2 and V.A.3 of the Revenue Use Policy. The OIAA expenditure on advertising for the new qualifying service may be used to cover: (1) a share of promotional expenses such as marketing, advertising, and related activities designed to increase travel using the Airport; and (2) public and industry awareness of Airport facilities and the new qualifying service.

ELIGIBILITY

The incentives covered under this ACIP is available to both Incumbent and New Entrant Air Carrier(s). The Air Carrier must have executed an agreement with the OIAA permitting scheduled air service operations at ONT (such as an Operating Use and Terminal Lease Agreement, or Air Carrier Operating Permit) by the start of any air service in order to be eligible for this incentive package(s).

The incentivized service(s) must:

1. Be a new scheduled nonstop service to destinations in the U.S. (including Alaska and Hawaii), Mexico, and Canada that is not currently served by any carrier at ONT;
2. Be operated continuously for a period of twelve (12) months from the date of initiation of service; and
3. Be initiated during the Term of this ACIP.

Repeated seasonal service, upgrade of equipment type, or increased number of seats on existing flights are not considered new service.

Application For and Award of Incentives

In order to receive the incentive package(s), the Air Carrier must sign the written application ("Commitment Letter") attached to the end of this ACIP, agreeing to the provisions and eligibility requirements outlined in this ACIP. The Commitment Letter must be signed by an Officer and countersigned by the OIAA, and sent to:

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

or any other address as designated by the OIAA from time to time. Assuming that all eligibility criteria referenced above are met, the following conditions will apply to the award of the incentive package(s):

- An Air Carrier may receive more than one (1) incentive package provided that the Air Carrier separately meets all of the eligibility criteria referenced above for each package

- More than one (1) Air Carrier may receive incentive packages for the same eligible destination, provided that each Air Carrier separately meets all of the eligibility criteria referenced above. If more than one (1) Air Carrier proposes to initiate nonstop service to the same eligible destination, the incentivized period for the new service(s) will be 12 months from the date the first carrier begins such new nonstop service. For example, *Carrier A begins offering new nonstop service to XYZ on January 1, and Carrier B begins offering new nonstop service to XYZ on February 1. Carrier A shall receive a full 12 months of the incentive, while Carrier B will receive one month less of the incentive (February 1 versus January 1 start date)*
- Waiver of any fees or charges will be awarded in the form of credits to the Air Carrier, resulting in a payable balance of \$0.00 for such occurred charges

The allocation of the incentive package(s) shall not be transferable and no property rights are created by virtue of the allocation of incentive package(s).

The OIAA shall have no liability of any nature, or in any form, to an Air Carrier for any costs, expenses, harm, damages, or other claims which an Air Carrier might otherwise have against the OIAA, or which an Air Carrier might incur, in respect of, or arising from, incentive package allocation(s) and any capacity withdrawn due to failure to comply with the Airport rules or regulations or for any other reasons determined by ONT to be necessary and reasonable.

General Provisions

Authority

This ACIP is adopted by OIAA, acting in its capacity as the proprietor and certificated operator of ONT, and under the authority of federal law, and the laws of the State of California, which designate OIAA as the proper local entity to balance the needs of the community for adequate commercial air transportation facilities and services, including service to international destinations, and the desire of the local community for responsible air transportation operations at ONT. This ACIP reflects consideration of and by OIAA of all of its state and federal obligations and responsibilities as the proprietor of ONT.

This ACIP is adopted by OIAA in recognition of its proprietary and governmental obligations under the STATE AERONAUTICS ACT (CALIFORNIA PUBLIC UTILITIES CODE 21001, et seq.) and is particularly made in recognition of the importance of the business, tourist and recreation industry to the economic health and well-being of the regional and local community. The region is a major business, tourist and resort destination center, and a substantial portion of the economy of the region depends upon tourism and resort activities. The ability of OIAA to encourage and promote passenger air service between ONT and currently unserved markets is indispensable to the continued economic vitality of the Airport and to the business, tourism and resort segments of the local and regional economy.

General Limitations and Qualifications

All operating privileges of any type made under this ACIP are made subject to all provisions, limitations and qualifications of the Airport and are privileges revocable by OIAA at will, do not constitute “property interests” of Air Carriers affected by this Program in any form, and are not transferable directly or indirectly, or by operation of law.

Relationship to Agreements

No Commercial Air Carrier may conduct operations at ONT until it has first received approval of an operating agreement further defining its obligations to OIAA in respect of its operations at ONT. Such agreement may be either an Operating Use and Terminal Lease Agreement or Air Carrier Operating Permit. The obligations of any Air Carrier servicing ONT under this Program are in addition to any and all obligations said Carrier has to the Airport under its agreement(s) with the OIAA.

Amendments, Termination or Suspension

Unless specifically provided, this ACIP may be amended, terminated, or suspended only by approval of the OIAA Board unless specifically provided herein. In the event this ACIP is amended by the Board, the Air Carrier receiving incentives under this Program shall be deemed to have accepted all terms and provisions of such amendment immediately.

Compliance with Federal Obligations

The terms and implementation of this ACIP shall be, at all times, subordinated to applicable federal, state, and local laws and regulations, and the provisions of any existing or future agreement between the OIAA and the U.S. Government or governmental authority, relating to the operation or maintenance of the Airport. This Program may be terminated, in whole or in part, if it is determined to violate applicable laws, regulations or any assurance made by OIAA to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges.

Non-Exclusivity of Sanctions, Penalties, and Remedies

The penalties of this ACIP are non-exclusive, and are in addition (and without prejudice) to any and all other remedies, at law or at equity, civil or criminal, by contract or otherwise, which may be available to OIAA with respect to the conduct or actions of any Air Carrier using ONT.

Funding

The incentives offered by the Airport in this ACIP shall not have any effects on the rentals, fees, or charges imposed on other users of the Airport.

Penalties and Prohibitions

In the event any Air Carrier that has received, in whole or in part, an incentive offered under this ACIP: (1) ceases or abandons flight operations to the eligible destination prior to twelve (12)

months after the date of initiation of service; or (3) fails to comply with any Airport rules or regulations during the term of this Program, the Air Carrier shall be subject to the following penalties:

- (a) The Air Carrier shall immediately lose any and all operating privileges received under the incentive package(s) for which the violation(s) occurred; and
- (b) The Air Carrier shall immediately be ineligible to continue receiving incentives under this Program for the incentive package(s) for which the violation(s) occurred; and
- (c) The Air Carrier shall be required to reimburse ONT for all incentives received under the ACIP for the incentive package(s) for which the violation(s) occurred; and
- (d) The repayment of any monetary credits and expenditures must be paid not later than thirty (30) days after the date of the CEO's written notice of violation. Any Air Carrier who fails to make repayment as required by this Section within the thirty (30) day period shall be subject to an additional administrative penalty of \$1,000 per day for each day the penalty payment is late; and
- (e) The Air Carrier shall be disqualified from further participation under this ACIP, with the exception of any incentive package(s) already allocated to the Air Carrier that remains in compliance with the terms of the ACIP, until it establishes to the satisfaction of the OIAA that it is requalified for the Program. To requalify for participation in the ACIP, the Air Carrier must request, in writing, the requalification of its service under this ACIP. The request must identify the reason(s) for failing to comply with the terms of this Program, and include a statement that it has not re-qualified for the Program on more than one (1) occasion during the term of the Program. The Air Carrier's requalification must be accepted in writing by the OIAA.

Any Air Carrier may submit a written request to the OIAA's Chief Executive Officer ("CEO") for modifications to the requirements of the ACIP. The CEO may deny, grant, or grant with conditions the requested modification(s). In considering any request made, the CEO shall consider the following: (i) the reasonableness of the request under the relevant circumstances; (ii) the interests of the air traveling public and the impact of the request, if any, on the ability of OIAA to realize its goals for the Program; and (iii) the effect of the request, if any, on the goals, policies, and regulations of OIAA in its management and operation of ONT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program (A)

Dear **Enter Name Here**:

By this letter, **Enter Airline Here** (the "Airline") would like to formally acknowledge our request to participate in the Ontario International Airport ("ONT" or "Airport") Air Carrier Incentive Program (A) ("Incentive Program"). We intend to initiate non-stop service to **Enter Destination Here** beginning on **Enter Date Here**.

Consistent with the ACIP, the Airline understands that prior to commencing commercial service at the Airport, the Airline must execute an agreement with OIAA permitting scheduled air services operations at ONT. In addition, we understand that the Airline must comply with all applicable Airport rules and regulations.

This letter is intended to memorialize the Agreement between OIAA, the owner and operator of ONT, and the Airline under the terms of the Incentive Program. The OIAA and the Airline, by their respective signatures to this letter, acknowledge their understanding and agreement that:

- i.) The terms of incentives for Airline's air service to the Airport (the "Incentives") are governed by the Incentive Program.
- ii.) The service that the Airline is offering at ONT falls within all eligibility criteria described in the Incentive Program.
- iii.) The Airline commits to maintain such service for a period of twelve (12) consecutive months from the date of initiation of service.
- iv.) The incentive package will provide an OIAA expenditure on a share of advertising for the new qualifying service, in an amount of **OIAA: Enter Amount Here**. The Airline and OIAA will work together to develop an advertising campaign to raise awareness of the new qualifying service in accordance with all applicable statutes and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed.Reg. 7696). The ONT brand shall be prominently, and at least equally, represented in the creative, regardless of which entity develops the creative. All advertising shall be approved by OIAA in writing, in its sole discretion, before any public dissemination or use.
- v.) The Airline shall share with OIAA all data and key performance indicators (KPIs) associated with the Incentive Program advertising campaign on a quarterly basis throughout the term of the incentive(s), as well as at the termination of the incentive(s).

In the event the Airline ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service or fails to comply with any rule or regulation of ONT during the term of the Incentive Program, by this letter we acknowledge that the Airline will be subject to the penalties as specified in the Incentive Program including, but not limited to, losing any and all operating privileges received under the Incentive Program (for the

incentive package for which the violation occurred), disqualification from further participation under the Incentive Program, and reimbursement to OIAA for all credits, including monetary credits, and expenditures offered pursuant to the Incentive Program.

The Airline understands that this Agreement is subordinate to the provisions of any and all existing and future agreements between 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. The Airline further understands that, in the event the Federal Aviation Administration of the United States of America or its successor requires modifications or changes in the Incentive Program or to this Agreement, the Airline consents to any and all such modifications and changes as may be required; and the Airline agrees to execute an amendment to this Agreement with OIAA reflecting such modifications or changes.

If the Airline is awarded an incentive package(s) under the terms of the Incentive Program, the Airport will sign a duplicate original of this correspondence and return it to the Airline indicating that it concurs in the above.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

By: _____
Mark A. Thorpe
Chief Executive Officer

Date: _____

ENTER COMPANY NAME HERE

By: _____

Printed Name: _____

Title: _____



DATE: DECEMBER 17, 2020

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: A RESOLUTION APPROVING AN AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN ASIA, EUROPE, AUSTRALIA, NEW ZEALAND, CENTRAL AMERICA, AND SOUTH AMERICA

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service; Reduce Airline Costs.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP (B), offering Air Carriers a waiver of fees to new nonstop destinations in Asia, Europe, Australia, New Zealand, Central America, and South America, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: If approved, the ACIP will be provided to any airline offering new non-stop service to any points in: (Tier 1) Asia, Europe, Australia, New Zealand, and (Tier 2) Central America, and South America. Tier 1 destinations shall receive 24 months of incentives; Tier 2 destinations shall receive 12 months of incentives. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, in most cases, these incremental revenues will exceed the fees waived under the ACIP.

BACKGROUND: On September 26, 2017, the OIAA Board approved a resolution covering an incentive program for new nonstop international passenger and cargo service between ONT and points Asia, Europe and the South Pacific. Such incentive was amended on September 25, 2018 to

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

Department: Commercial

Submitted to OIAA: December 17, 2020

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

reflect an extended duration of the incentives offered from 12 months to the earlier of 24 months or the completion of the replacement United States Customs and Border Protection (USCBP) Federal Inspection Services (FIS) Facility. Currently, the ACIP expires on June 30, 2021.

OIAA staff is currently in discussions with multiple U.S. and foreign carriers, regarding the inauguration of nonstop international service to points not covered in the original incentive. Staff is requesting an amendment and update to the current ACIP to clarify certain terms and eligibility outlined in the original ACIP, clarifying and adding to the destinations covered under the ACIP, and extending the program term. This will help the airport: (1) increase total passenger traffic at ONT, (2) encourage other carriers to enter the ONT market, and (3) increase non-aeronautical revenue generated at ONT including concessions, parking and other revenues (as well as aeronautical revenue once the incentivized period ends).

The proposed Program is conformed with Federal Aviation Administration (FAA) regulations and guidelines; the ACIP provides that the incentive may be terminated if it is determined to violate any applicable laws, regulations, or 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. The ACIP also 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.

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorical Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. Operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: ATTACHMENT A – Resolution approving an Air Carriers Incentive Program B (ACIP)

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
 AUTHORITY COMMISSION UPDATING THE EXISTING AIR
 CARRIER INCENTIVE PROGRAM COVERING MULTIPLE
 INTERNATIONAL DESTINATIONS

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

WHEREAS, on September 26, 2017, the OIAA Board of Commissioners (Board) approved a resolution establishing an Air Carrier Incentive Program (ACIP); and

WHEREAS, on September 25, 2018, the OIAA Board approved a resolution extending the duration of incentives under such International ACIP, increasing the period from 12 months to the earlier of completion of the Airport’s U.S. Customs and Border Protection Facility Inspection Service (FIS) at Terminal 2 for international arrivals or twenty-four (24) months; and

WHEREAS, the OIAA is currently in negotiation with U.S. and foreign-owned airlines regarding the inauguration of new international nonstop passenger service; and

WHEREAS, the OIAA desires to update the previously approved ACIP to amend certain eligibility requirements, revise the incentive period, and add additional international destinations or markets to be covered under this ACIP.

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

SECTION 1. The revised ACIP (B) is provided in Exhibit A attached to this Resolution and hereby incorporated by reference.

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

SECTION 3. The Commission Clerk of the OIAA shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a special Meeting this 17th day of December 2020.

 ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2020-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held on December 17, 2020 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2020-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held December 17, 2020.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

Exhibit A

Ontario International Airport
Air Carrier Incentive Program (B)
Asia, Europe, Australia, New Zealand, Central America, and South America

INTRODUCTION

This Air Carrier Incentive Program (“ACIP”) for Ontario International Airport (“ONT” or “Airport”) is designed to encourage and promote the operation of commercial passenger service by new entrant and incumbent commercial air carriers to currently unserved markets by nonstop service in Asia, Europe, Australia, New Zealand, Central America, and South America. This ACIP is consistent with and supports the ONT’s mission to connect people, places, and create experiences.

GOALS

The goals of the Program include:

- Provide new non-stop passenger air service (hereinafter referred to as “nonstop service”) between ONT and multiple, unserved markets in Asia, Europe, Australia, New Zealand, Central America, and South America
- Increase passenger traffic at ONT
- Promote competition at the airport

TERM

This ACIP shall be effective upon approval by the Ontario International Airport Authority’s (OIAA) Board of Commissioners (Board) and will terminate on December 31st, 2023. For service(s) eligible under the ACIP, the Air Carrier providing the service will receive the incentive for the duration listed in the description below from the initiation of the eligible service(s) but such period shall conclude by December 31st, 2023.

DESCRIPTION OF INCENTIVES

This ACIP is subject to all federal, state, local laws, and all other rules, regulations, and written agreements between the OIAA and the Air Carrier(s).

The incentives shall be provided from the start of the eligible service as described in the following section and include:

- A waiver of certain rates and charges incurred relating to the eligible service(s) in accordance with the OIAA's then current fiscal year Airport System Rates and Charges as listed below:
 - Landing Fees
 - Terminal Rental Rates for Terminal Space, such as offices, ticket counter/queuing spaces, preferential gate leases, etc.
 - If the Carrier is an Incumbent Air Carrier adding additional eligible service, the waiver of Terminal Rental Rates shall be calculated based on the percentage of total weekly service frequencies. The waiver for preferential gate leases shall not be included if the carrier uses a non-preferential gate for its new service
 - Terminal Use Fees (Gate Use Charges) including Non-Preferential Gate Use Fee and Jet Bridge Utility Fee on Non-Preferential Gate(s)
 - Aircraft Parking Charges
- Marketing incentives based on an annual budgeted amount agreed and outlined in the Commitment Letter (see Application For and Award of Incentives)

The duration of the incentive period shall be dependent on the destination, as described in the following Tier Structure:

- Tier 1 (Asia, Europe, Australia, and New Zealand): 2 years / 24 months
- Tier 2 (Central America, South America): 1 year / 12 months

The incentive package(s) offered by the OIAA under this ACIP shall be in accordance with the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy), including Sections V.A.2 and V.A.3 of the Revenue Use Policy. The OIAA expenditure on advertising for the new qualifying service may be used to cover: (1) a share of promotional expenses such as marketing, advertising, and related activities designed to increase travel using the Airport; and (2) public and industry awareness of Airport facilities and the new qualifying service.

ELIGIBILITY

The incentives covered under this ACIP is available to both Incumbent and New Entrant Air Carrier(s). The Air Carrier must have executed an agreement with the OIAA permitting scheduled air service operations at ONT (such as an Operating Use and Terminal Lease Agreement, or Air Carrier Operating Permit) by the start of any air service in order to be eligible for this incentive package(s).

The incentivized service(s) must:

1. Be a new scheduled nonstop service to destinations in Asia, Europe, Australia, New Zealand, Central America, and South America that is not currently served by any carrier at ONT;
2. Be operated continuously for the duration of the incentive period from the date of initiation of service; and

3. Be initiated during the Term of this ACIP.

Repeated seasonal service, upgrade of equipment type, or increased number of seats on existing flights are not considered new service.

Application For and Award of Incentives

In order to receive the incentive package(s), the Air Carrier must sign the written application (“Commitment Letter”) attached to the end of this ACIP, agreeing to the provisions and eligibility requirements outlined in this ACIP. The Commitment Letter must be signed by an Officer and countersigned by the OIAA, and sent to:

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

or any other address as designated by the OIAA from time to time. Assuming that all eligibility criteria referenced above are met, the following conditions will apply to the award of the incentive package(s):

- An Air Carrier may receive more than one (1) incentive package provided that the Air Carrier separately meets all of the eligibility criteria referenced above for each package
- More than one (1) Air Carrier may receive incentive packages for the same eligible destination, provided that each Air Carrier separately meets all of the eligibility criteria referenced above. If more than one (1) Air Carrier proposes to initiate nonstop service to the same eligible destination, the incentivized period for the new service(s) will be 12 months or 24 months (depending on the Tier) from the date the first carrier begins such new nonstop service. For example, *Carrier A begins offering new nonstop service to XYZ (in Tier 2) on January 1, and Carrier B begins offering new nonstop service to XYZ on February 1. Carrier A shall receive a full 12 months of the incentive, while Carrier B will receive one month less of the incentive (February 1 versus January 1 start date)*
- Waiver of any fees or charges will be awarded in the form of credits to the Air Carrier, resulting in a payable balance of \$0.00 for such occurred charges

The allocation of the incentive package(s) shall not be transferable and no property rights are created by virtue of the allocation of incentive package(s).

The OIAA shall have no liability of any nature, or in any form, to an Air Carrier for any costs, expenses, harm, damages, or other claims which an Air Carrier might otherwise have against the OIAA, or which an Air Carrier might incur, in respect of, or arising from, incentive package allocation(s) and any capacity withdrawn due to failure to comply with the Airport rules or regulations or for any other reasons determined by ONT to be necessary and reasonable.

General Provisions

Authority

This ACIP is adopted by OIAA, acting in its capacity as the proprietor and certificated operator of ONT, and under the authority of federal law, and the laws of the State of California, which designate OIAA as the proper local entity to balance the needs of the community for adequate commercial air transportation facilities and services, including service to international destinations, and the desire of the local community for responsible air transportation operations at ONT. This ACIP reflects consideration of and by OIAA of all of its state and federal obligations and responsibilities as the proprietor of ONT.

This ACIP is adopted by OIAA in recognition of its proprietary and governmental obligations under the STATE AERONAUTICS ACT (CALIFORNIA PUBLIC UTILITIES CODE 21001, et seq.) and is particularly made in recognition of the importance of the business, tourist and recreation industry to the economic health and well-being of the regional and local community. The region is a major business, tourist and resort destination center, and a substantial portion of the economy of the region depends upon tourism and resort activities. The ability of OIAA to encourage and promote passenger air service between ONT and currently unserved markets is indispensable to the continued economic vitality of the Airport and to the business, tourism and resort segments of the local and regional economy.

General Limitations and Qualifications

All operating privileges of any type made under this ACIP are made subject to all provisions, limitations and qualifications of the Airport and are privileges revocable by OIAA at will, do not constitute “property interests” of Air Carriers affected by this Program in any form, and are not transferable directly or indirectly, or by operation of law.

Relationship to Agreements

No Commercial Air Carrier may conduct operations at ONT until it has first received approval of an operating agreement further defining its obligations to OIAA in respect of its operations at ONT. Such agreement may be either an Operating Use and Terminal Lease Agreement or Air Carrier Operating Permit. The obligations of any Air Carrier servicing ONT under this Program are in addition to any and all obligations said Carrier has to the Airport under its agreement(s) with the OIAA.

Amendments, Termination or Suspension

Unless specifically provided, this ACIP may be amended, terminated, or suspended only by approval of the OIAA Board unless specifically provided herein. In the event this ACIP is amended by the Board, the Air Carrier receiving incentives under this Program shall be deemed to have accepted all terms and provisions of such amendment immediately.

Compliance with Federal Obligations

The terms and implementation of this ACIP shall be, at all times, subordinated to applicable federal, state, and local laws and regulations, and the provisions of any existing or future agreement between the OIAA and the U.S. Government or governmental authority, relating to the operation or maintenance of the Airport. This Program may be terminated, in whole or in part, if it is determined to violate applicable laws, regulations or any assurance made by OIAA to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges.

Non-Exclusivity of Sanctions, Penalties, and Remedies

The penalties of this ACIP are non-exclusive, and are in addition (and without prejudice) to any and all other remedies, at law or at equity, civil or criminal, by contract or otherwise, which may be available to OIAA with respect to the conduct or actions of any Air Carrier using ONT.

Funding

The incentives offered by the Airport in this ACIP shall not have any effects on the rentals, fees, or charges imposed on other users of the Airport.

Penalties and Prohibitions

In the event any Air Carrier that has received, in whole or in part, an incentive offered under this ACIP: (1) ceases or abandons flight operations to the eligible destination prior to the ending date of the applicable incentive (i.e., twenty-four (24) months after the date of initiation of service for Tier 1 destinations, and twelve (12) months after the date of initiation of service for Tier 2 destinations); or (3) fails to comply with any Airport rules or regulations during the term of this Program, the Air Carrier shall be subject to the following penalties:

- (a) The Air Carrier shall immediately lose any and all operating privileges received under the incentive package(s) for which the violation(s) occurred; and
- (b) The Air Carrier shall immediately be ineligible to continue receiving incentives under this Program for the incentive package(s) for which the violation(s) occurred; and
- (c) The Air Carrier shall be required to reimburse ONT for all incentives received under the ACIP for the incentive package(s) for which the violation(s) occurred; and
- (d) The repayment of any monetary credits and expenditures must be paid not later than thirty (30) days after the date of the CEO's written notice of violation. Any Air Carrier who fails to make repayment as required by this Section within the thirty (30) day period shall be subject to an additional administrative penalty of \$1,000 per day for each day the penalty payment is late; and
- (e) The Air Carrier shall be disqualified from further participation under this ACIP, with the exception of any incentive package(s) already allocated to the Air Carrier that remains in compliance with the terms of the ACIP, until it establishes to the satisfaction of the OIAA that it is requalified for the Program. To requalify for participation in the ACIP, the Air Carrier must request, in writing, the requalification of its service under this ACIP. The request must identify the reason(s) for failing to comply with the terms of this Program, and include a statement that it has not re-qualified for the Program on more than one (1)

occasion during the term of the Program. The Air Carrier's requalification must be accepted in writing by the OIAA.

Any Air Carrier may submit a written request to the OIAA's Chief Executive Officer ("CEO") for modifications to the requirements of the ACIP. The CEO may deny, grant, or grant with conditions the requested modification(s). In considering any request made, the CEO shall consider the following: (i) the reasonableness of the request under the relevant circumstances; (ii) the interests of the air traveling public and the impact of the request, if any, on the ability of OIAA to realize its goals for the Program; and (iii) the effect of the request, if any, on the goals, policies, and regulations of OIAA in its management and operation of ONT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program (A)

Dear **Enter Name Here**:

By this letter, **Enter Airline Here** (the "Airline") would like to formally acknowledge our request to participate in the Ontario International Airport ("ONT" or "Airport") Air Carrier Incentive Program (A) ("Incentive Program"). We intend to initiate non-stop service to **Enter Destination Here** beginning on **Enter Date Here**.

Consistent with the ACIP, the Airline understands that prior to commencing commercial service at the Airport, the Airline must execute an agreement with OIAA permitting scheduled air services operations at ONT. In addition, we understand that the Airline must comply with all applicable Airport rules and regulations.

This letter is intended to memorialize the Agreement between OIAA, the owner and operator of ONT, and the Airline under the terms of the Incentive Program. The OIAA and the Airline, by their respective signatures to this letter, acknowledge their understanding and agreement that:

- i.) The terms of incentives for Airline's air service to the Airport (the "Incentives") are governed by the Incentive Program.
- ii.) The service that the Airline is offering at ONT falls within all eligibility criteria described in the Incentive Program.
- iii.) The Airline commits to maintain such service for a period of **OIAA: Enter Duration Here** consecutive months from the date of initiation of service.
- iv.) The incentive package will provide an OIAA expenditure on a share of advertising for the new qualifying service, in an amount of **OIAA: Enter Amount Here**. The Airline and OIAA will work together to develop an advertising campaign to raise awareness of the new qualifying service in accordance with all applicable statutes and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed.Reg. 7696). The ONT brand shall be prominently, and at least equally, represented in the creative, regardless of which entity develops the creative. All advertising shall be approved by OIAA in writing, in its sole discretion, before any public dissemination or use.
- v.) The Airline shall share with OIAA all data and key performance indicators (KPIs) associated with the Incentive Program advertising campaign on a quarterly basis throughout the term of the incentive(s), as well as at the termination of the incentive(s).

In the event the Airline ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service or fails to comply with any rule or regulation of ONT during the term of the Incentive Program, by this letter we acknowledge that the Airline will be subject to the penalties as specified in the Incentive Program including, but not limited to, losing any and all operating privileges received under the Incentive Program (for the

incentive package for which the violation occurred), disqualification from further participation under the Incentive Program, and reimbursement to OIAA for all credits, including monetary credits, and expenditures offered pursuant to the Incentive Program.

The Airline understands that this Agreement is subordinate to the provisions of any and all existing and future agreements between 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. The Airline further understands that, in the event the Federal Aviation Administration of the United States of America or its successor requires modifications or changes in the Incentive Program or to this Agreement, the Airline consents to any and all such modifications and changes as may be required; and the Airline agrees to execute an amendment to this Agreement with OIAA reflecting such modifications or changes.

If the Airline is awarded an incentive package(s) under the terms of the Incentive Program, the Airport will sign a duplicate original of this correspondence and return it to the Airline indicating that it concurs in the above.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

By: _____
Mark A. Thorpe
Chief Executive Officer

Date: _____

ENTER COMPANY NAME HERE

By: _____

Printed Name: _____

Title: _____



DATE: **DECEMBER 17, 2020**

CLOSED SESSION REPORT

OIAA// GC 54956.8 and 54956.9(b)

Page 1 of 2

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

STAFF: CEO __, General Counsel __

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel’s office as negotiator.

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (Property: 1150 S. Vineyard Avenue, Ontario, CA 91761, 2161 E. Avion St. Building 1, Ontario, CA 91761, 2161 Avion St. Building 2, Ontario, CA 91761); OIAA General Counsel’s office as negotiator.

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

- GC section 54956.9(b): CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Potential litigation (1 case)

No Reportable Action	Continue	Approved
//	//	//

Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer