

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – REGULAR MEETING



July 25, 2024, at 2:00 P.M.

Ontario International Airport Authority Administration Offices
1923 East Avion Street, Room 100, Ontario, CA 91761

MEETING WILL BE A HYBRID MEETING HELD IN PERSON AND BY TELECONFERENCE

Teleconference will be held for Treasurer Loveridge, whom will be teleconferencing from:
506 Golden Creek Road, Mammoth Lakes, CA.

To Join by Link: <https://us02web.zoom.us/j/87691143077?pwd=aWxfR1iOHDonw14Dm81zE86hbzuMar.1>
To dial in, call: Zoom: (669) 900-6833 or (253) 215-8782 – Meeting ID: 876 9114 3077 – Passcode: 071684

Live YouTube Streaming for Listening Only: <https://www.youtube.com/@flyont/streams>

ALAN D. WAPNER President	CURT HAGMAN Vice President	RONALD O. LOVERIDGE Treasurer	JIM W. BOWMAN Secretary	JULIA GOUW Commissioner
ATIF ELKADI Chief Executive Officer	LORI D. BALLANCE General Counsel	NORMA I. ALLEY, MMC Board Clerk/Assistant Secretary		

THIS MEETING WILL BE HELD VIA IN PERSON AND TELECONFERENCE

The Ontario International Airport Authority (OIAA) Commission Meeting is being conducted as a hybrid in person and teleconference. Members of the public may utilize alternative measures established by OIAA to view the meetings and/or to address the Commission members. Please see participation instructions below.

To dial in, call: Zoom: (669) 900-6833 or (253) 215-8782 – Meeting ID: 876 9114 3077 – Passcode: 071684

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

LIVE VIA TELEPHONE: You may call (669) 900-6833 or (253) 215-8782 the day of the meeting to speak during the meeting. Comments will be limited to 3 minutes.

E-MAIL: You may submit public comments by e-mail to publiccomment@flyontario.com no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting 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 no later than 12:00 p.m. the day before the meeting. Postmarks are not accepted. All written comments will be included in the meeting record.

Any members of the public who require special assistance or reasonable accommodation to participate telephonically in the meeting may contact the Board Clerk at (909) 544-5307 or clerk@flyontario.com. 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.

WELCOME TO A MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- This meeting is streamed live from our YouTube channel at <https://www.youtube.com/@flyont/streams>. Streaming will be for listening only and not participation. Public Comments will be taken by email or in-person only. This is a pilot stream, so errors and bugs may occur. If you have any issues, feel free to email clerk@flyontario.com for resolution after the meeting.
- Anyone wishing to speak during public comment, or on an agenda item, will be required to fill out a Request to Address Card (blue slip). Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- You may submit public comments by e-mail to publiccomment@flyontario.com no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when their time is up and no further comments will be permitted. Speakers are then to return to their seats.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of the Board Room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.
- 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. Any members of the public who require special assistance or a reasonable accommodation to participate may contact the Board Clerk at (909) 544-5307 or clerk@flyontario.com.

CALL TO ORDER (OPEN SESSION)

ROLL CALL

PLEDGE OF ALLEGIANCE

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

Agenda item contractors, subcontractors and agents 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.

PUBLIC COMMENTS

The 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.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION

CLOSED SESSION

- GC § 54956.9: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (1 matter)
- GC § 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: ONT Property
Agency Negotiator: OIAA General Counsel's Office
Under Negotiation: Use and Lease Agreement

REPORT ON CLOSED SESSION

General Legal Counsel

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. Members of the public wishing to address the Commission on items listed on the Consent Calendar will be given a total of 3 minutes each to address the items collectively.

2. APPROVAL OF MINUTES

Approve minutes for the OIAA meeting on June 27, 2024.

3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended June 30, 2024.

4. RESOLUTIONS IMPLEMENTING A NEW AIR CARRIER INCENTIVE PROGRAM B (ACIP B), AND EXTENDING THE VALIDITY OF THE EXISTING AIR CARRIER INCENTIVE PROGRAM A (ACIP A)

Approve a resolution approving a new Air Carrier Incentive Program B (ACIP B), offering qualifying Air Carriers various incentives to promote the entry of new international carriers at ONT, as well as new nonstop service to unserved destinations outside of the United States, Canada and Mexico, and approve a six-month extension of the existing Air Carrier Incentive Program A (ACIP A), covering new entrant carriers and new nonstop service to destinations within the United States, Canada and Mexico.

RESOLUTION NO. 2024-05

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY EXTENDING THE EXISTING AIR CARRIER INCENTIVE PROGRAM A (ACIP A)

RESOLUTION NO. 2024-06

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING A NEW AIR CARRIER INCENTIVE PROGRAM B (ACIP B) COVERING NEW ENTRANT CARRIERS AND DESTINATIONS OUTSIDE THE UNITED STATES, CANADA AND MEXICO

5. CONTRACT WITH CONTROLTOUCH SYSTEMS, LLC., FOR THE TERMINALS 2 AND 4 UPPER AND LOWER BAGGAGE HANDLING SYSTEMS CONTROLS PROJECT

Authorize the Chief Executive Officer (CEO) to execute a contract with ControlTouch Systems, LLC., in the amount of \$4,789,695.78 for the Terminal 2 (T2) and Terminal 4 (T4) Upper and Lower Baggage Handling System (BHS) Controls; and approve the amount of \$333,227.00 for program and construction management (PMCM) services; and execute budgeted amendments to the contract for additional related services, if needed, up to 15% of the contract value.

CEO REPORT

CHIEF EXECUTIVE OFFICER UPDATES

COMMISSION MATTERS

PRESIDENT WAPNER

VICE PRESIDENT HAGMAN

TREASURER LOVERIDGE

SECRETARY BOWMAN

COMMISSIONER GOUW

ADJOURNMENT

AFFIDAVIT OF POSTING

I, Norma I. Alley, MMC, Board Clerk of the Ontario International Airport Authority (OIAA), do hereby declare under penalty of perjury that the foregoing agenda has been posted at the administrative office and on the OIAA website in compliance to the Brown Act.

Date Posted: July 22, 2024

Posted Prior To: 2:00 P.M.

Signature: _____

Norma I. Alley

Norma I. Alley, MMC

Ontario International Airport Authority Board Clerk

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MEETING DATE: JULY 25, 2024

AGENDA SECTION: AGENDA REVIEW/ANNOUNCEMENTS

SUBJECT: RELATIVE POTENTIAL CONFLICT OF INTEREST

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

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

FISCAL IMPACT SUMMARY: N/A

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
05	ControlTouch Systems, LLC	<ul style="list-style-type: none">None
06	PrimeFlight Aviations Services, Inc.	<ul style="list-style-type: none">None

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: Norma I. Alley, MMC

Originating Dept.: Clerk's Office

Director Review: *Norma I. Alley*

Chief Review: *Atif Elkadi*

CEO Approval: *Atif Elkadi*

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____



MEETING DATE: JULY 25, 2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT: APPROVAL OF MINUTES

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Approve minutes for the OIAA Board of Commissioners meeting on June 27, 2024.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: The OIAA Board of Commission held a public meeting and minutes were recorded in text. In accordance with OIAA’s Records Retention Schedule, the OIAA must preserve these historical records in hard copy form for permanent retention.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Minutes

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: Norma I. Alley, MMC, Board Clerk

Originating Dept.: Clerk's Office

Director Review: *Norma I. Alley*

Chief Review: *Atif Elkadi*

CEO Approval: *Atif Elkadi*

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION MEETING
MINUTES
JUNE 27, 2024

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 2:00 p.m.

ROLL CALL

COMMISSIONERS:

PRESENT:

Alan D. Wapner, President
Ronald D. Loveridge, Treasurer
Julia Gouw, Commissioner

Curt Hagman, Vice President
Jim W. Bowman, Secretary

A quorum of the Board of Commissioners was present.

STAFF:

Chief Executive Officer Atif Elkadi
Board Clerk/Assistant Secretary Norma I. Alley, MMC

General Counsel Lori D. Balance
Assistant Legal Counsel Kevin P. Sullivan

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

AGENDA REVIEW/ANNOUNCEMENTS

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

No conflicts of interests were declared.

PUBLIC COMMENT

This item was heard out of order and was held after Closed Session.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION

President Wapner called for public comment. Seeing no one come forward, he closed public comment.

CLOSED SESSION

- GC § 54956.9: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (1 matter)
- GC § 54956.8: CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: ONT Terminal 4.
Agency negotiator: OIAA General Counsel’s Office
Under negotiation: Lease Negotiation/Tenant Improvements

President Wapner announced the closed session items.

President Wapner recessed the Open Session and called the Closed Session to order at 2:03 p.m. The Open Session reconvened at 2:28 p.m.

REPORT ON CLOSED SESSION

Assistant Legal Counsel Sullivan announced there was no reportable action regarding the Closed Session on GC § 54956.9: Conference with Legal Counsel – Existing Litigation.

MOTION: Moved by Vice President Hagman, seconded by Commissioner Gouw, approving renovations in Terminal 4 in an amount not to exceed \$3.5M. Motion carried by 5 Yes/0 No vote.

PUBLIC COMMENT

This item was heard out of order.

President Wapner called for public comment.

Board Clerk Alley noted one written comment was received from Richard Sherman regarding plane noise.

Seeing no one come forward, President Wapner closed public comment.

CONSENT CALENDAR

2. APPROVAL OF MINUTES

Approved minutes for the OIAA Board of Commissioners meeting on May 23, 2024.

3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Received and filed the Cash Disbursement Report (Bills/Payroll) for the month ended May 31, 2024.

4. AGREEMENT WITH THE CITY OF ONTARIO TO PROVIDE POLICE, FIRE, AND DISPATCH SERVICES

Authorized the Chief Executive Officer to execute the Municipal Services Agreement with the City of Ontario in the amount of \$24,501,401.00 for the provision of services for Year 1 and execute negotiated and budgeted amendments for future contract years, including up to two (2) one-year extensions.

5. AGREEMENT AMENDMENT WITH MOSS ADAMS, LLP FOR INTERNAL AUDITING SERVICES

Authorized the Chief Executive Officer to execute a second amendment to Agreement No. SCONT-000421 with Moss Adams, LLP (Moss Adams) to extend the time of performance for one additional year through June 30, 2025.

6. CONTRACT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA), ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS), WILDLIFE SERVICES (WS) FOR WILDLIFE HAZARD MANAGEMENT SERVICES

Authorized the Chief Executive Officer (CEO) to execute a one-year contract extension with USDA-APHIS-WS, to provide wildlife management for Ontario International Airport (ONT), in an amount not to exceed \$170,000 for one year.

7. AGREEMENT AMENDMENT WITH DIGITAL319, LLC, FOR SOCIAL MEDIA AND DIGITAL SERVICES

Authorized the Chief Executive Officer (CEO) to execute a third amendment to Agreement Number SCONT-000390 with Digital319, LLC, extending the agreement to January 31, 2025, and adding \$276,000.

8. CONTRACT WITH PASLAY MANAGEMENT GROUP ADVISORY SERVICES, LLC FOR THREE-YEAR CONCESSIONS CONSULTING AND STAFF AUGMENTATION SERVICES

Authorized the Chief Executive Officer (CEO) to execute a contract with Paslay Management Group Advisory Services (PMG) in the amount of \$500,000 a year for three years.

9. CONTRACT AMENDMENT WITH OSSI FOR THE REHABILITATION OF LED DISPLAYS FOR THE TWO FREEWAY SIGNS ON ARCHIBALD AT THE I-10

Authorized the Chief Executive Officer (CEO) to amend the existing OSSI Contract No. SCONT-000644, by increasing their annual authority by \$1,100,000, for an overall annual spend of \$1,600,000 to approve added project scope.

10. SPEND AUTHORITY AUTHORIZATION FOR THE PURCHASE OF THE GOLDEN BRIDGE PROJECT

Authorized the spend authority for the purchase of the Golden Bridge Project in the amount of up to \$364,580 for future development.

11. EASEMENT TO THE CITY OF ONTARIO FOR A NEW WELL WITHIN THE “HUB” DEVELOPMENT FOR WATER ACCESS AND QUIT CLAIM AN EXISTING EASEMENT

Authorized the Chief Executive Officer (CEO) to grant easements on behalf of the Ontario International Airport Authority (OIAA) to the City of Ontario (City) for a new well located within the “HUB” development for water access and quit claim an easement to an existing well.

12. AMEND THE CAPITAL BUDGET AND AUTHORIZE THE CEO TO AMEND RELATED CONTRACT(S) FOR THE REPLACEMENT OF THE AIRPORT EMERGENCY PHONE SYSTEMS PROJECT

Amended the Capital Budget authorizing an increase of \$200,000 for the replacement of the Airport Emergency Phone System Project for a total project amount not to exceed \$700,000 and authorize the CEO to amend contract(s) related to, and/or necessary for, the completion of the project up to the \$200,000 requested in the Capital Budget.

MOTION: Moved by Vice President Hagman, seconded by Secretary Bowman, to approve the Consent Calendar. Motion carried by 5 Yes/0 No vote.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

13. RESOLUTION ADOPTING THE FYE 2025 BUDGET

RESOLUTION NO. 2024-03: A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2024-2025

Chief Executive Officer Elkadi presented the FYE2025 Budget and fielded inquiry from the Commissioners.

Finance and Audit Committee Chair/Treasurer Loveridge reported the Finance and Audit Committee met twice to review the Budget and recommend approval.

President Wapner called for public comment. Seeing no one come forward, he closed public comment.

MOTION: Moved to by Vice President Hagman, seconded by Secretary Bowman, to approve Resolution No. 2024-03. Motion carried by a 5 Yes/0 No vote.

14. RESOLUTION APPROVING THE ONTARIO INTERNATIONAL AIRPORT SYSTEM RATES AND CHARGES FOR FISCAL YEAR 2024-2025

RESOLUTION NO. 2024-04: A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION APPROVING THE AIRPORT SYSTEM RATES AND CHARGES FOR FISCAL YEAR 2024-2025

Chief Executive Officer Elkadi presented the System Rates and Charges highlighting the Landing Fees and Terminal Use Fee and fielded inquiry from the Commissioners.

President Wapner called for public comment. Seeing no one come forward, he closed public comment.

MOTION: Moved to by Vice President Hagman, seconded by Commissioner Gouw, to approve Resolution No. 2024-04. Motion carried by a 5 Yes/0 No vote.

CEO REPORT

UPDATE ON KEY PERFORMANCE INDICATORS (KPI)

Chief Executive Officer Elkadi presented the new Key Performance Indicators (KPI) and fielded inquiry from the Commissioners.

Treasurer Loveridge requested quarterly updates.

CHIEF EXECUTIVE OFFICER UPDATES

Chief Executive Officer Elkadi provided updates on passenger traffic numbers, changes to flights, and general airport matters, accompanied by a PowerPoint.

Commissioner Gouw inquired on new terminal update and valet parking. Chief Executive Director Elkadi responded staff was looking into valet parking and a future report would be provided on the Capital Projects and future development.

President Wapner complimented staff on their hard work and dedication to the Airport and requested staff prioritize installation of EF charging stations at the Administration building.

COMMISSIONER MATTERS

There were no Commissioner matters to report.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Board of Commissioners Meeting at 2:48 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

NORMA I. ALLEY, MMC, BOARD CLERK

ALAN D. WAPNER, PRESIDENT

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MEETING DATE: JULY 25, 2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT: CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended June 30, 2024.

FISCAL IMPACT SUMMARY: The funding is approved in the Fiscal Year 2023-2024 budget.

BACKGROUND: Fiscal Year Financial Performance: In June 2023, the OIAA Board of Commissioners adopted an operating budget that is driven by strong aviation activity and financial performance realized by OIAA in FYE 2023. The operating budget was developed from OIAA goals and objectives and includes significant increases in resources to meet current and expected near term growth.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Cash Disbursement Report (Bills/Payroll) for the month ended June 30, 2024.

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: Chief Financial Officer Celeste Heinonen

Originating Dept.: Financial Accounting and Reporting

Director Review: N/A

Chief Review: *Celeste Heinonen*

CEO Approval: *Atif Elkadi*

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____



MEETING DATE: JULY 25, 2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT: RESOLUTIONS IMPLEMENTING A NEW AIR CARRIER INCENTIVE PROGRAM B (ACIP B), AND EXTENDING THE VALIDITY OF THE EXISTING AIR CARRIER INCENTIVE PROGRAM A (ACIP A)

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Approve a resolution approving a new Air Carrier Incentive Program B (ACIP B), offering qualifying Air Carriers various incentives to promote the entry of new international carriers at ONT, as well as new nonstop service to unserved destinations outside of the United States, Canada and Mexico, and approve a six-month extension of the existing Air Carrier Incentive Program A (ACIP A), covering new entrant carriers and new nonstop service to destinations within the United States, Canada and Mexico.

FISCAL IMPACT SUMMARY: If approved, the new ACIP B will provide up to twenty-four (24) months of full (100%) landing fee waivers, up to twenty-four (24) months of partial (50%) terminal rent rebates, plus designated marketing support for new qualifying nonstop service to destinations outside the United States, Canada and Mexico. In addition, this ACIP provides certain incentives for up to twelve (12) months for new entrant carriers from outside the United States, Canada and Mexico, including a credit towards terminal rents and terminal use fees of USD 6.00 per deplaned passenger (in an amount not to exceed USD 500,000), plus designated marketing support. There shall be a maximum of ten (10) incentive packages offered under this ACIP. Each new entrant carrier incentive shall count as one (1) package, and each new qualifying nonstop destination offered from ONT shall count as one (1) package.

New qualifying nonstop service and new qualifying entrant carriers are both expected to increase passenger traffic at ONT, with related increases in non-aeronautical revenue (parking, food and beverage, retail, etc.). Generally, the amount of service (e.g. weekly departures) a new entrant carrier or a carrier offering new qualifying nonstop service offers will directly correlate to the value of the waivers, rebates and marketing incentives provided by ONT, with the result that air carriers offering lower service levels will receive a lower value of incentives compared to air carriers offering higher service levels.

BACKGROUND: On September 26, 2017, the OIAA Board approved a resolution covering an incentive program for new nonstop international passenger service between ONT and points in Asia, Europe and the South Pacific. This incentive was amended on September 25, 2018, to reflect an extended duration of the incentives offered from twelve (12) months to the earlier of twenty-four (24) months or the completion of the replacement United States Customs and Border Protection (USCBP) Federal Inspection Services (FIS) Facility. The previous ACIP was initially set to expire on June 30, 2021.

On February 25, 2021, the OIAA Board approved a revised incentive program with a twelve (12) month incentive period for 11 specified international markets that were unserved at ONT at the time of adoption. On May 26, 2022, the OIAA Board approved additional revisions to the incentive program that included an extension of the incentive period from twelve (12) to twenty-four (24) months, and offering incentives for all unserved destinations outside the United States, Canada and Mexico. The final date to add new qualifying service under the previous program was June 30, 2024, and as of that date no airlines were receiving incentives under the terms of the program.

OIAA staff proposes this new ACIP B, which upon approval by the Board, would be valid for all qualifying service which launches from ONT between September 1, 2024, and June 30, 2026. While this new ACIP B follows several of the same parameters as the previous program, a few key differences OIAA staff would like to highlight include:

- Offering a separate type of incentive for new entrant carriers at ONT
- Providing a 100% waiver of landing fees for twenty-four (24) months for new qualifying nonstop destinations, compared to 100% during the first twelve (12) months and 50% during the second twelve (12) months in the previous program.
- Providing a 50% waiver of terminal rents for twenty-four (24) months for new qualifying nonstop destinations, compared to 100% during the first twelve (12) months and 50% during the second twelve (12) months in the previous program.
- Incentivizing increased frequencies by offering higher marketing incentives for higher service levels (e.g. weekly departures).
- Offering different marketing incentive amounts for carriers and destinations in Central America and the Caribbean, and those in South America, Middle East, Africa, India, Asia and Australasia.

This new ACIP B is recommended by the staff as a reflection of the continued competitive nature of securing international passenger air service, and includes the goals outlined below:

- Connect ONT to additional international destinations.
- Attract new international entrant carriers at ONT.
- Increase passenger traffic and related non-aeronautical revenues at the airport.
- Promote competition at the airport.
- Provide economic growth throughout the airport's catchment area by stimulating additional international visitor traffic and corresponding spend in the region.

Separately, OIAA staff requests the Board to approve a six-month extension of the existing Air Carrier Incentive Program A (ACIP A), which was approved by the OIAA Board on February 23, 2023, covering new entrant carriers and new qualifying nonstop service within the United States, Canada and Mexico. This program is currently valid for new entrant carriers and new qualifying nonstop service which launches from ONT on or before September 30, 2024. OIAA staff seeks an extension of this program under the same terms as previously approved, but to cover new entrant carriers and new qualifying nonstop service which launches from ONT on or before March 31, 2025.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A


ATTACHMENTS:

1. Resolution No. 2024-05 – ACIP A
2. Resolution No. 2024-06 – ACIP B

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: Quinn Annelin, Air Service Development Director

Originating Dept.: Air Service Development

Director Review: 

Chief Review: 

CEO Approval: 

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____

RESOLUTION NO. 2024-05

**A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY EXTENDING THE EXISTING AIR CARRIER INCENTIVE
PROGRAM A (ACIP A)**

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 February 25, 2021, the Board approved Resolution 2021-04, establishing Air Carrier Incentive Program A (“ACIP A”) for new nonstop passenger service between ONT and unserved airports in the United States, Canada and Mexico; and

WHEREAS, on February 23, 2023, the Board approved Resolution 2023-05, establishing a revised Air Carrier Incentive Program, valid for new qualifying service that begins from the Airport on or before September 30, 2024; and

WHEREAS, the OIAA desires to extend the validity of the existing ACIP A, which provides incentives for air carriers offering qualifying nonstop service to destinations across the United States, Canada and Mexico, and for new entrant air carriers from those countries which begin passenger service at ONT.

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

SECTION 1. The Ontario International Airport Authority Commission hereby approves an extension of the existing ACIP A, under the same terms as stated in the “Exhibit A” to Resolution 2023-05 and approved by the Board, to include new qualifying service that begins from the Airport on or before March 31, 2025.

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

SECTION 3. Certification. The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 25th day of July, 2024.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

APPROVED AS TO LEGAL FORM:

NORMA I. ALLEY, MMC, ASSISTANT SECRETARY

LORI D. BALLANCE, GENERAL COUNSEL

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

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2024-05 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held July 25, 2024, by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

(SEAL)

NORMA I. ALLEY, MMC
BOARD CLERK/ASSISTANT SECRETARY

RESOLUTION NO. 2024-06

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING A NEW AIR CARRIER INCENTIVE PROGRAM B (ACIP B) COVERING NEW ENTRANT CARRIERS AND DESTINATIONS OUTSIDE 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, on about September 26, 2017, the OIAA Board of Commissioners (“Board”) approved a resolution establishing an Air Carrier Incentive Program (“ACIP” or “Incentive Program” for international passenger service; and

WHEREAS, on February 25, 2021, the Board approved Resolution 2021-04 establishing Air Carrier Incentive Program A (“ACIP B”) for new nonstop passenger service between ONT and unserved airports in the United States, Canada and Mexico; and

WHEREAS, on May 26, 2022, the Board approved Resolution 2022-10, making certain revisions to the existing ACIP B; and

WHEREAS, the OIAA desires to implement a new ACIP B which provides incentives for air carriers offering qualifying nonstop service to destinations outside the United States, Canada and Mexico, and for new entrant air carriers from those countries which provide passenger service at ONT.

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

SECTION 1. The Ontario International Airport Authority Commission hereby repeals Resolution 2022-10, effective immediately.

SECTION 2. The Ontario International Airport Authority Commission hereby approves the continuation of incentives for any carriers which are currently receiving incentives under the existing ACIP B, as of July 25, 2024.

SECTION 3. The Ontario International Airport Authority Commission hereby approves the new ACIP B, for new qualifying service that begins from the Airport between September 1, 2024 and June 30, 2026 (inclusive).

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

SECTION 5. Certification. The Secretary/Assistant Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 25th day of July, 2024.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

NORMA I. ALLEY, MMC, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE, GENERAL COUNSEL

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

I, Norma I. Alley, MMC, Board Clerk/Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY the foregoing Resolution No. 2024-06 is the original and was duly passed and adopted by the Commission of the Ontario International Airport Authority at their Regular Meeting held July 25, 2024, by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

(SEAL)

NORMA I. ALLEY, MMC
BOARD CLERK/ASSISTANT SECRETARY



Exhibit “A”

Ontario International Airport
Air Carrier Incentive Program B (ACIP B)
Covering airlines and destinations outside the United States, Canada, and Mexico

INTRODUCTION

This Air Carrier Incentive Program A (“ACIP” or “Program”) for the Ontario International Airport (“ONT” or “Airport”) is designed to encourage and promote additional nonstop commercial passenger service by both new entrant and current incumbent commercial air carriers to international destinations outside the United States of America, Mexico, and Canada.

GOALS

The goals of the Program include:

- Connect ONT to additional international destinations.
- Attract new international entrant carriers at ONT.
- Increase passenger traffic and related non-aeronautical revenues at the Airport.
- Promote competition at the Airport.
- Provide economic growth throughout the Airport’s catchment area by stimulating additional international visitor traffic and corresponding spend in the region.

TERM

This ACIP shall be effective upon approval by the Ontario International Airport Authority’s (“OIAA”) Board of Commissioners (“Board”), and will terminate on June 30, 2028. For service(s) eligible under the ACIP, the Air Carrier providing the service will receive the incentive for up to twenty-four (24) months from the initiation of the eligible service(s) but such period shall conclude by June 30, 2028. Any privileges granted to any person in connection with or as a result of the implementation of this ACIP, shall be subject to the Air Carrier’s operating or lease agreement and may be revoked, suspended, or terminated at any time at the sole discretion of the Board.

After the approval of this ACIP by the Board, the Chief Executive Officer (“CEO”) shall have the authority to modify the eligibility requirements of the program, so long as such modification has a fiscal impact at or below the current signing authority of the CEO at the time that such modification is made. This will allow the OIAA to regularly re-calibrate the effectiveness of this ACIP, by adjusting the incentives to match constantly changing market conditions and opportunities.

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).

There shall be a maximum of ten (10) incentive packages offered under this ACIP.

Incentives for “new qualifying nonstop service” shall be provided from the start of the eligible service as described in the following section, and only for the new eligible service, and include the following:

- A full (100%) waiver of Landing Fees
- A partial (50%) waiver of:
 - Terminal Rental Rates for Terminal Space, such as offices, ticket counter/queuing spaces, and preferential gate leases
 - 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)

“New qualifying nonstop service” shall consist of no less than two (2) roundtrip operations each seven (7)-day weekly period as provided in the eligibility section below, and must be flown from the Airport to a currently unserved destination. A “currently unserved destination” shall be defined as a destination outside the United States, Canada and Mexico which has not been served with scheduled nonstop passenger service from the Airport by any carrier for any duration of time within the previous twenty-four (24) months. New service introduced to markets with existing service shall not be eligible for the incentives listed above.

If the “new qualifying nonstop service” is considered seasonal (e.g. more than three (3) months but less than seven (7) months in duration), the Airport shall provide Marketing incentives only, at an amount less than what would be provided for twenty-four (24) months of service, prorated based on the actual duration of the service offered, for up to two (2) seasons of service. No waivers of Landing Fees or Terminal Rents shall apply for service less than twenty-four (24) months in duration.

Separate incentives for “new entrant carriers” shall be provided from the start of the eligible service, and include the following:

- A credit towards certain terminal rental rates and use fees of USD 4.00 per deplaned passenger at ONT, in an amount not to exceed either that Air Carrier’s total terminal-related payments due to ONT during the incentive period, or USD 500,000 per carrier, whichever is lower (see Application For and Award of Incentives), in accordance with the OIAA’s then current fiscal year Airport System Rates and Charges as listed below:
 - Terminal Rental Rates for Terminal Space, such as offices, ticket counter/queuing spaces, and preferential gate leases
 - Terminal Use Fees (Gate Use Charges) including Non-Preferential Gate Use Fee
 - 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)

A “new entrant carrier” shall be defined as any carrier utilizing an air operator certificate (“AOC”) from outside the United States, Canada and Mexico, which has not provided any scheduled passenger service from the Airport within the previous thirty-six months, nor is flying under the marketing name of another carrier which currently provides passenger service at the Airport, either as a capacity purchase agreement or other similar

arrangement.

For new entrant carriers, the duration of the incentive period shall be up to twelve (12) months immediately following the first day that the new entrant carrier begins qualifying passenger service from the Airport. "Qualifying passenger service" shall consist of no less than two (2) roundtrip operations each seven (7)-day weekly period as provided in the eligibility section below.

New entrant carriers providing nonstop service to a new qualifying destination shall be eligible for both types of incentives: those offered for new qualifying nonstop service and those offered for new entrant carriers. The new entrant carrier incentive shall count as one (1) package, and each new qualifying nonstop destination offered from the Airport shall count as one (1) package. For example, if a new entrant carrier commences services from the Airport with two (2) new qualifying nonstop services and two (2) existing nonstop services, this shall count as three (3) incentive packages. New entrant carriers providing nonstop service only to destination(s) which are currently served or have been served with nonstop service from the Airport during the previous twenty-four (24) months shall not receive any waiver of landing fees or Marketing incentives related to new qualifying nonstop service. Only the new entrant carrier incentives shall apply. The total incentive program value for a new entrant carrier providing nonstop service to a new qualifying destination shall not exceed the amount of the fees and/or charges that the carrier would otherwise have incurred for its operations at ONT.

No part of the FIS Use Fees will be waived under the terms of this program. If the Carrier is an incumbent Air Carrier adding new qualifying nonstop service, the rates and charges waivers shall apply only to the new eligible service and, as applicable, shall be calculated based on the percentage of total weekly service frequencies.

The incentive package may be applied at the start of service, or a credit may be applied at the conclusion of the service period. Carriers choosing to begin applying the incentive package at the start of service will be required to provide an instrument of credit or a performance bond for \$10,000.

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 are 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). In addition, the proposing Air Carrier(s) must have obtained or be able to obtain before the proposed start date of the service, necessary route authority from the United States and the proposed destination and must comply with all statutory and regulatory requirements imposed by the Governments of the United States and/or the proposed destination for the operation of the proposed service.

For incentives related to new qualifying nonstop service, the incentivized service(s) must:

1. Be a new scheduled and operated nonstop service from ONT to an unserved destination outside the United States of America, Canada, and Mexico;
2. Not be currently served by any Air Carrier at ONT (subsequent market entrants will not receive incentives). If multiple Air Carriers announce new non-stop service to the same destination, only the Air Carrier initiating service the earliest shall be eligible for the incentive(s) for such destination;
3. Be operated continuously for at least three (3) months from the date of initiation of service (for seasonal service, or twenty-four (24) months for year-round service);
4. Be operated on a roundtrip basis at least an average of two (2) days per week during the period for which incentives are provided; and
5. Be initiated during the period from September 1, 2024 to June 30, 2026.

Upgrade of equipment type or increased number of seats on existing flights are not considered new service.

For incentives related to new entrant carriers, the carrier(s) must:

1. Provide continuous scheduled passenger service from ONT for at least twelve (12) months from the date of initiation of service;
2. Operate an average of at least two (2) weekly roundtrip services during the twelve (12) month period;
3. Initiate passenger service from ONT during the period from September 1, 2024 to June 30, 2026; and
4. Not have provided passenger service at ONT during the previous thirty-six (36) months.

GEOGRAPHIC SCOPE

The Airport seeks to obtain qualifying nonstop service and attract new entrant carriers from around the world. For purposes of landing fee waivers, terminal rent waivers, and credits towards terminal rental rates and use fees, there shall be no geographic differentiation between destinations and carriers outside the United States, Canada and Mexico. However, for purposes of determining the amount of marketing incentives, differing amounts shall apply, based upon the destination of the new qualifying nonstop service, or the country of registration of the new entrant carrier. Marketing incentives for new qualifying nonstop service and for new entrant carriers shall vary based upon the below geographies, and outlined in the Commitment Letter (see Application For and Award of Incentives):

- Central America and the Caribbean
- South America, Europe, Middle East, Africa, Asia, and Australasia (including New Zealand and the South Pacific)

In the event that clarification is required to determine which region the new qualifying nonstop service or the country of registration of the new entrant carrier belongs to, the CEO shall make the final determination.

Application for and Award of Incentives

The initial incentive package allocation process will begin on September 1, 2024. Any Air Carrier(s) that are eligible and interested in receiving one (1) or more incentive packages during the initial allocation process must complete, sign, and submit to the Chief Executive Officer the written application (“Commitment Letter”) attached to the end of this ACIP not more than one hundred eighty (180) days prior the first departing flight from ONT of new service qualifying for the 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, and provide the following documents: (1) the ONT Air Service Development Incentive Program Application (“Program Application”); and (2) the

Commitment Letter Regarding Participation in the ONT Air Service Development Incentive Program (“Commitment Letter”) agreeing to the provisions and eligibility requirements outlined in this ACIP. The Program Application and Commitment Letter are attached to the end of this ACIP and 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.

For incentive packages awarded for new qualifying nonstop service, if more than one (1) Air Carrier proposes to initiate service to the same destination, the Airport will award the incentive package to the Air Carrier proposing the earliest date on which service will begin.

If more than one (1) Air Carrier proposes to initiate service to the same destination, the Air Carriers propose the same start date for initiation of service, and one (1) of the Air Carriers is a new entrant Air Carrier at ONT, the Airport will award the incentive package to the new entrant Air Carrier at ONT consistent with the Incentive Program goal of providing new non-stop air service between ONT and the destination by promoting competition at the Airport.

If more than one (1) Air Carrier proposes to initiate service to the same destination, the Air Carriers propose the same start date for initiation of service and none of the Air Carriers are new entrant Air Carriers (or more than one (1) of the Air Carriers is a new entrant Air Carrier), the Airport will conduct a lottery to select the Air Carrier that will receive the incentive package for that destination.

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.
- 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.

If an Air Carrier that has been awarded one or more incentive package(s) chooses to apply the applicable credits at the outset of the required service period (rather than at the conclusion of the service period), the Air Carrier to receive such credit shall provide the Airport with an instrument of credit or a performance bond in the amount of US\$10,000 to be received under this Incentive Program. The form of credit or bond must be approved by the Chief Financial Officer. 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

After the approval of this ACIP by the Board, the OIAA CEO shall have the authority to modify the eligibility requirements of the Program, so long as such modification has a fiscal impact at or below the current signing authority of the CEO at the time that such modification is made. Unless specifically provided, this ACIP may also be amended, terminated, or suspended by approval of the Commission. In the event this ACIP is amended by either the OIAA Commission or the CEO, the Air Carrier receiving incentives under this Program shall be deemed to have accepted all terms and provisions of such amendment immediately.

Interpretation of Program

The OIAA shall solely and reasonably interpret and implement the Program.

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 addition to any and all regulations, ordinances, policies, leases, and agreements of the Authority adopted or entered into in its capacity as the proprietor and certificated operator of ONT, the following prohibitions and penalties shall be applicable to all actual or potential operations at ONT under this ACIP.

In the event any Air Carrier that has been allocated, in whole or in part, an incentive package under this ACIP: (1) ceases or abandons flight operations to the proposed destination prior to the end of the required service period; (2) conducts its operations in a manner which causes the Air Carrier to operate less than an average of two (2) days per week continuously during the required service period, beginning on the date of service; (3) fails to initiate the proposed service as required by the Program Application and Commitment Letter; or (4) fails to comply with any regulations, ordinances, policies, leases, and agreements or the Airport, the Air Carrier shall be subject to the following penalties:

- (a) The Air Carrier shall be disqualified from further participation under the Incentive Program, with the exception of any incentive package(s) already allocated to the Air Carrier that remain(s) in compliance with the terms of the Incentive Program, until the person requesting requalification establishes, in writing, to the satisfaction of the Chief Executive Officer (“CEO”), that it has identified the reason(s) for the failure to comply with the terms of the Incentive Program.
- (b) The Air Carrier shall be required to reimburse ONT for all credits received under the Incentive Program for the incentive package(s) for which the violation(s) occurred including, but not limited to, all monetary credit(s); and the repayment of any monetary credits must be paid not later than sixty (60) days after the date of the Airport Director’s written notice of violation. Any person who fails to make repayment as required by this Section within the sixty (60) day period shall be subject to an additional administrative penalty of \$1,000 per day for each day the penalty payment is late.
- (c) Any Air Carrier may submit a written request to the OIAA’s CEO for modifications to the requirements of the ACIP including, but not limited to, the service period and frequency of operations, of the Incentive Program. If the request is granted in whole or in part, the CEO shall specify the modified use requirement authorized by him, and the modifications will then be binding

on the applicant operator for the period for which the request has been granted as if contained in the Incentive Program.

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.

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SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program B (ACIP B) – New Qualifying Destination

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 B (ACIP B) ("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 twenty-four (24) consecutive months from the date of initiation of service and be operated at an average frequency of two (2) days per week over the first twenty-four (24) consecutive months from the date of initiation of service (for Landing Fee waivers, Terminal Rent waivers and Marketing incentives).
- iv.) The Airline commits to maintain such service for a period of _____ consecutive months from the data of initiation of service and be operated at an average frequency of two (2) days per week over the first _____ consecutive months from the data of initiation of service (for Marketing incentives related to seasonal service).
- v.) The incentive package will provide an OIAA expenditure on a share of advertising for the new qualifying service, in an amount of _____ [OIAA to 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 the OIAA in writing, in its sole discretion, before any public dissemination or use. The OIAA will pay its agreed amount and share for the advertising campaign directly to the vendor.
- vi.) 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 the end of the required service period 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, 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: _____
Atif J. Elkadi
Chief Executive Officer

Date: _____

ENTER AIRLINE NAME HERE

By: _____

Printed Name: _____

Title: _____

SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program B (ACIP B) – New Entrant Carrier

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 B (ACIP B) ("Incentive Program"). We intend to initiate non-stop service from ONT 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 scheduled service from the Airport for a period of twelve (12) consecutive months from the date of initiation of service and operate at an average frequency of two (2) flights per week over the first twelve (12) consecutive months from the date of initiation of service.
- iv.) The incentive package will provide the Airline with a credit towards certain terminal rental payments and use fees of USD 6.00 per deplaned passenger at the Airport, in an amount not to exceed either the Airline's total terminal-related payments due to ONT during the incentive period, or USD 500,000, whichever is lower. The credit shall be applied on a monthly basis as a credit towards the Airline's total outstanding balance owed to the Airport.

In the event the Airline ceases or abandons flight operations from the Airport 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, 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: _____
Atif J. Elkadi
Chief Executive Officer

Date: _____

ENTER AIRLINE NAME HERE

By: _____

Printed Name: _____

Title: _____



MEETING DATE: JULY 25, 2024

AGENDA SECTION: CONSENT CALENDAR

SUBJECT: CONTRACT WITH CONTROLTOUCH SYSTEMS, LLC., FOR THE TERMINALS 2 AND 4 UPPER AND LOWER BAGGAGE HANDLING SYSTEMS CONTROLS PROJECT

RELEVANT STRATEGIC OBJECTIVE: Invest in ONT Master the Basics Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to execute a contract with ControlTouch Systems, LLC., in the amount of \$5,131,279.21 for the Terminal 2 (T2) and Terminal 4 (T4) Upper and Lower Baggage Handling System (BHS) Controls; and approve the amount of \$333,227.00 for program and construction management (PMCM) services; and execute budgeted amendments to the contract for additional related services, if needed, up to 15% of the contract value.

FISCAL IMPACT SUMMARY: The cost for this project is accounted for in the Ontario International Airport Authority (OIAA) Fiscal Year 2023-2024 capital budget, is not expected to exceed \$5,841,377.00, the total project budget, and will be paid with OIAA appropriations or local funds.

BACKGROUND: The Terminals 2 and 4 existing upper and lower BHS controls were originally installed in the terminals in late 1998 and have not been upgraded since the original installation. Award of this contract will comprise of a design/build delivery involving the design, permitting, procurement of upper and lower baggage handling controls, removal of existing baggage controls, performing associated improvements due to the primary components no longer being available, and installation within both Terminals 2 and 4.

PROCUREMENT: On January 31, 2024, the OIAA issued an Invitation for Bids (IFB) for the replacement of the Baggage Handling System Controls in Terminals 2 and 4. The deadline for proposal submissions was April 4, 2024, by which time four responsive proposals were received. The IFB evaluation panel reviewed and graded all submitted proposals, subsequently recommending that three firms proceed to the interview stage. These interviews were conducted on May 30, 2024. Upon the completion of all evaluations, the panel unanimously recommended awarding the contract to ControlTouch Systems.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is exempt under California Environmental Quality Act (CEQA) and does not require environmental review. The project is Categorical Exempt (Class 1) from provisions of CEQA pursuant to (1) CEQA Guidelines section 15309 for project inspection services, (2) CEQA Guidelines section 15301 for the operations, repair, maintenance, permitting, 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, and (3) CEQA Guidelines section 15303 for new construction, installation or conversion of a limited number of small structures, facilities or equipment.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: The T2 and T4 Upper and Lower BHS Controls work will involve both night or off-peak hour construction and installation to avoid disruption to airport operations and minimize conflicts with passengers and the customer experience.

SCHEDULE: Design and procurement for the project is anticipated to begin in October 2024 and anticipated to be completed in 9 to 12 months due to design, procurement, delivery, and off-hour/night-time installation.

ATTACHMENTS: N/A

STAFF MEMBER PRESENTING: Chief Executive Officer Atif Elkadi

Originator Name: Keith Owens, Director of Program Management

Originating Dept.: Program Management

Director Review: *Keith A Owens*

Chief Review: *Haroon B. Khan*

CEO Approval: *Atif Elkadi*

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Board. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

BOARD DISPOSITION: Approved Denied Continued to _____