

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA - REGULAR MEETING



JUNE 26, 2018 AT 3:00 P.M.

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

ALAN D. WAPNER
President

RONALD O. LOVERIDGE
Vice President

JIM W. BOWMAN
Secretary

CURT HAGMAN
Commissioner

JULIA GOUW
Commissioner

MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

JEFF P. REYNOLDS
Treasurer

Teleconference Location Available at: 506 Golden Creek, Mammoth Lakes, CA 93546

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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

ORDER OF BUSINESS

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

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

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

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

CLOSED SESSION

- GC 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

General Legal Counsel

PUBLIC COMMENTS

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

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

AGENDA REVIEW/ANNOUNCEMENTS

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

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

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

PUBLIC HEARING

The President will open the public hearing

2. A PUBLIC HEARING TO CONSIDER A RESOLUTION TO APPROVE THE ADDENDUM TO THE PACIFIC GATEWAY CARGO CENTER FINAL ENVIRONMENTAL IMPACT REPORT, A MITIGATION MONITORING AND REPORTING PROGRAM, AND CEQA FINDINGS, FOR THE AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM.

That the Ontario International Airport Authority (OIAA) Commission adopt a Resolution that:

1. Finds that (A) the currently proposed Ontario Cargo Facility Consolidation and Improvement Program (Project) represents only minor technical changes to the previously proposed project described in the previously certified Pacific Gateway Cargo Center (PGCC) Final Environmental Impact Report (FEIR); (B) the changes to the previously proposed project would not cause new significant environmental impacts or substantially more severe significant environmental impacts in comparison to the impacts disclosed in the PGCC FEIR; and (C) none of the conditions described in State CEQA Guidelines section 15162 (Title 14 California Code of Regulations section 15162) calling for preparation of a subsequent EIR have occurred or would occur with the approval of the currently proposed Ontario Cargo Facility Consolidation and Improvement Program; and
2. Approves the Addendum to the PGCC EIR and adopt the associated Mitigation Monitoring and Reporting Program.
3. Adopts CEQA Findings, including but not limited to affirming that the OIAA agrees with and adopts the CEQA Findings and Statement of Overriding Considerations initially adopted by Los Angeles World Airports for the proposed PGCC FEIR and related air cargo project.

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.

3. APPROVAL OF MINUTES

Minutes for the regular meeting of the Ontario International Airport Authority on May 22, 2018, and the special meeting on June 19, 2018, approving same as on file with the Secretary/Assistant Secretary.

4. BILLS/PAYROLL

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

5. APPROVAL OF MEETING STIPENDS

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

6. A RESOLUTION DECLARING THAT COMMISSION MEMBERS SHALL BE DEEMED TO BE EMPLOYEES OF THE AUTHORITY FOR THE PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR SERVICES

That the Ontario International Airport Authority (OIAA) Commission adopt a resolution declaring that Commission Members are deemed to be employees of the Authority for the sole purpose of providing worker's compensation coverage. The annual premium charged by Authority's workers compensation provider will be \$97.45 (\$19.49 per person). The cost for the 2018-19 Fiscal Year will be absorbed within current budget appropriations; and the annual cost of \$97.45 will be included in future baseline budgets.

RESOLUTION NO. _____

A RESOLUTION OF THE COMMISSION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, DECLARING THAT COMMISSION MEMBERS SHALL BE DEEMED TO BE EMPLOYEES OF THE AUTHORITY FOR THE PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR SERVICES

7. REVIEW AND ADOPTION OF A RESOLUTION TO APPROVE THE ONTARIO INTERNATIONAL AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM

That the Ontario International Airport Authority (OIAA) adopt a Resolution to approve the Ontario International Airport Cargo Facility Consolidation and Improvement Program (the "Project") subject to review by the Federal Aviation Administration (FAA) under the National Environmental Policy Act (NEPA). The Project generally consists of (1) relocating existing tenants of the former Pacific Gateway Cargo Center (PGCC) site to other locations at the Ontario International Airport (ONT or Airport); (2) demolishing existing structures and paved areas within a portion of the PGCC site; (3) constructing the new air cargo facilities within a portion of the PGCC site; (4) constructing a new taxiway adjacent and parallel to the PGCC site; and (5) consolidating existing air cargo operations from other locations at ONT to the newly constructed air cargo facility at the PGCC site.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE THE ONTARIO INTERNATIONAL AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM

8. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXERCISE TWO, ONE-YEAR RENEWAL OPTIONS, TO CONTINUE MAINTENANCE AND SUPPORT SERVICES FOR THE AIRPORT NOISE AND OPERATIONS MONITORING SYSTEM AT ONT WITH BRUEL & KJAER EMS, INC. FOR AN ADDITIONAL TWO YEARS

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to exercise two, one-year contract extension options between the Ontario International Airport Authority (OIAA) and Bruel & Kjaer EMS, Inc. (Bruel & Kjaer) in the amount of \$202,718. Bruel and Kjaer provides ongoing maintenance and support services for the Ontario International Airport Noise and Operations Monitoring System (ANOMS), the key tool staff uses to comply with state airport noise standards (California Code of Regulations, Title 21, Section 5000, et seq.). Funds for this contract extension have been requested in the FY 2018-2019 OIAA operating budget and funding for subsequent years will be requested as part of the annual budget process.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

9. A RESOLUTION APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION (OIAA-18-001)

That the Ontario International Airport Authority (OIAA) approve a resolution approving and authorizing the Chief Executive Officer (CEO) to execute a Lease Agreement (Lease) between the Ontario International Airport Authority (OIAA) and Federal Express Corporation (FedEx). The current facilities include cargo buildings, former aircraft hangars, temporary trailers, aircraft parking aprons, cargo truck docks and parking, parking lots, and other amenities. If approved, FedEx's current facility lease (ONT-8787A) will be replaced by the new Lease, increase operational efficiencies at ONT and consolidate FedEx's existing cargo operations to the new location.

RESOLUTION NO. _____

A RESOLUTION APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
 Vice President Loveridge
 Secretary Bowman
 Commissioner Hagman
 Commissioner Gouw

ADJOURNMENT



DATE: JUNE 26, 2018

CLOSED SESSION REPORT
OIAA// (GC 54957.1)

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

STAFF: CEO __, General Counsel __

- GC 54957, PUBLIC EMPLOYEE PERFORMANCE REVIEW
Title: Chief Executive Officer

No Reportable Action

Continue

Approved

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Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: JUNE 26, 2018

SECTION: MINUTE ACTION

SUBJECT: RELATIVE TO POSSIBLE CONFLICT OF INTEREST

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

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

Item No	Principals & Agents	Subcontractors
Item No. 08	Bruel & kjaer	<ul style="list-style-type: none">• None
Item No. 09	FedEx	<ul style="list-style-type: none">• None

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Board Clerk

Department: Clerk's Office

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval: *Mark A. Thorne*

Item No. 01



DATE: JUNE 26, 2018

SECTION: PUBLIC HEARING

SUBJECT: A PUBLIC HEARING TO CONSIDER A RESOLUTION TO APPROVE THE ADDENDUM TO THE PACIFIC GATEWAY CARGO CENTER FINAL ENVIRONMENTAL IMPACT REPORT, A MITIGATION MONITORING AND REPORTING PROGRAM, AND CEQA FINDINGS, FOR THE AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM.

RELEVANT STRATEGIC OBJECTIVES: Develop Airport Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Commission adopt a Resolution that:

1. Finds that (A) the currently proposed Ontario Cargo Facility Consolidation and Improvement Program (Project) represents only minor technical changes to the previously proposed project described in the previously certified Pacific Gateway Cargo Center (PGCC) Final Environmental Impact Report (FEIR); (B) the changes to the previously proposed project would not cause new significant environmental impacts or substantially more severe significant environmental impacts in comparison to the impacts disclosed in the PGCC FEIR; and (C) none of the conditions described in State CEQA Guidelines section 15162 (Title 14 California Code of Regulations section 15162) calling for preparation of a subsequent EIR have occurred or would occur with the approval of the currently proposed Ontario Cargo Facility Consolidation and Improvement Program; and
2. Approves the Addendum to the PGCC EIR and adopt the associated Mitigation Monitoring and Reporting Program.
3. Adopts CEQA Findings, including but not limited to affirming that the OIAA agrees with and adopts the CEQA Findings and Statement of Overriding Considerations initially adopted by Los Angeles World Airports for the proposed PGCC FEIR and related air cargo project.

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

Department: Administration

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

Item No. 02

FISCAL IMPACT SUMMARY: Approval of the recommended actions would allow the OIAA Commission to consider approval of the proposed development of a consolidated air cargo facility in the northwest quadrant of Ontario International Airport (ONT), along with associated actions such as the relocation of tenants currently located in the northwest quadrant of ONT, demolition of existing structures and utilities, construction of a new taxiway, and execution of a lease and operating agreement with the proposed air cargo facility operator. Approving the Addendum to the PGCC FEIR and its associated Mitigation Monitoring and Report Program would not obligate the OIAA to either approve or disapprove of the proposed consolidated air cargo facility and/or other associated actions. Accordingly, this recommended action does not in and of itself have a fiscal impact, although it would help allow the OIAA to take other actions that would have a fiscal impact, as described in the agenda reports for those actions.

BACKGROUND AND PROPOSED PROJECT: In 2008, Los Angeles World Airports certified a Final EIR for the PGCC. The previously proposed project addressed in that EIR included the development of 96 acres in the northwest quadrant of ONT with an air cargo facility and associated improvements. Development was envisioned to occur in phases over the following 15 years (i.e., through 2023). In part due to the Great Recession, development of the PGCC site with an air cargo facility has not yet occurred.

The OIAA is currently considering the development of an approximately 51-acre consolidated air cargo facility within a portion of the previously addressed 96-acre PGCC site. The currently proposed Project would generate environmental impacts that are similar to or less than those addressed in the PGCC FEIR, and none of the proposed changes to the design, construction, or operation of the previously proposed project would result in new significant environmental impacts or substantially more severe significant environmental impacts under the California Environmental Quality Act (CEQA).

In general, the consolidated air cargo facility would involve (1) relocating existing tenants of the PGCC site to other locations at ONT; (2) demolishing existing structures and paved areas within a portion of the PGCC site; (3) constructing the new air cargo facilities within a portion of the PGCC site; (4) constructing a new taxiway adjacent and parallel to the PGCC site; and (5) consolidating existing air cargo operations from other locations at ONT to the newly constructed air cargo facility at the PGCC site. A more detailed discussion of the Project is found at pages A-2 through A-5 of the attached Addendum to the PGCC FEIR.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: The recommended actions entail the approval of CEQA documents consisting of (1) an Addendum to the PGCC FEIR, (2) an associated Mitigation Monitoring and Reporting Program, and (3) CEQA findings.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: Approval of the referenced CEQA documents would not affect operations. The proposed project described in the Addendum to the PGCC EIR would, however, have an effect on operations. Specifically, FedEx currently operates out of facilities located to the south of ONT's airfield and historically also leased space north of the airfield (within the PGCC site) for seasonal operations. Under the currently proposed project, following the completion of construction, FedEx's operations at ONT would be consolidated within a 51-acre portion of the PGCC site north of the airfield. This consolidation of FedEx activities to a site north of the airfield would not affect the level of aircraft operations at ONT or flight paths but would affect ground activities such as taxiing.

SCHEDULE: N/A (the schedules for various elements of the proposed project that are addressed in the Addendum to the PGCC EIR are discussed in the agenda reports for those actions)

ATTACHMENTS:

1. Addendum to the Pacific Gateway Cargo Center Final Environmental Impact Report (including a supporting Initial Study Environmental Checklist), and Mitigation Monitoring and Reporting Program.
2. A resolution to Approve the Addendum to the Pacific Gateway Cargo Center Final Environmental Impact Report, A Mitigation Monitoring and Reporting Program, and CEQA Findings, for the Ontario Cargo Facility Consolidation and Improvement Program.
3. A copy of the Pacific Gateway Cargo Center Final Environmental Impact Report, which is available for review in the office of the Commission Clerk of the OIAA, and was provided to all OIAA Commissioners on a CD.
4. A copy of the Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to development of an international air cargo center at ONT, including the Statement of Overriding Considerations, CEQA Findings, and Mitigation Monitoring and Reporting Program attached therewith.

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

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

ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM (FORMERLY THE PACIFIC GATEWAY CARGO CENTER)

MITIGATION MONITORING AND REPORTING PROGRAM

Preface

The *Final Environmental Impact Report for the Pacific Gateway Cargo Center at Ontario International Airport* was completed in June 2007 and certified by Los Angeles World Airports in January 2008. The previously proposed project addressed in that FEIR included the development of 96 acres in the northwest quadrant of Ontario International Airport (ONT) with an air cargo facility and associated improvements. Development was envisioned to occur in phases over the following 15 years (i.e., through 2023). In part due to the Great Recession, development of the Pacific Gateway Cargo Center (PGCC) site with an air cargo facility has not yet occurred.

Los Angeles World Airports was the owner/operator of ONT until November 2016, at which point the Ontario International Airport Authority (OIAA) assumed responsibility for ONT's operations. The OIAA was formed under a joint powers agreement between the City of Ontario and San Bernardino County in August 2012. The OIAA is currently considering the development of an approximately 51-acre consolidated air cargo facility within a portion of the previously addressed 96-acre PGCC site. The currently proposed project would generate environmental impacts that are similar to or less than those addressed in the PGCC EIR, and none of the proposed changes to the design, construction, or operation of the previously proposed project would result in new significant environmental impacts or substantially more severe significant environmental impacts under the California Environmental Quality Act (CEQA).

The PGCC FEIR found that the PGCC would contribute to significant traffic/transportation impacts at Airport-area intersections and on I-10 and that these impacts might not be mitigated to less-than-significant levels. In support of the analysis of the currently proposed project, a new traffic study was prepared that reflects (1) the existing roadway network, (2) current growth projections for the region, (3) the City of Ontario's plans for intersection improvements that are expected to occur before the traffic study's horizon year of 2030, and (4) the incremental contribution of the currently proposed project to the local roadway network. The 2018 traffic study found that, unlike the previously approved PGCC project, the currently proposed project would not result in significant traffic impacts. In large part, this reduction in the assessed level of impact significance reflects that the currently proposed project would generate substantially fewer truck trips than the previously approved PGCC would have generated. Also, some of the intersection improvements identified in the PGCC FEIR have been completed over the past 10 years. Additionally, the growth projections in place in 2007 did not anticipate the Great Recession and assumed an increase in airplane operations and passenger levels at ONT that was

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

not realized. Because the currently proposed project would not cause significant traffic/transportation impacts, no traffic/transportation mitigation is required or proposed for this project.

Although not required by the PGCC FEIR, the currently proposed project would include the participation of a Native American monitor during ground-disturbing activities with the potential to affect cultural resources/tribal cultural resources (measure CR-4). This measure was added at the request of the Gabrieleño Band of Mission Indians – Kizh Nation. Additional measures (CR-5 through CR-8) related to the (unanticipated) treatment of cultural resources/tribal cultural resources, should they be encountered during construction, have also been included at the request of the Gabrieleño Band of Mission Indians – Kizh Nation. As indicated in Section 15162(a)(3)(D) of the State CEQA Guidelines, if new mitigation measures are proposed which are considerably different from those analyzed in the previous EIR, and the new mitigation measures would substantially reduce one or more significant effects on the environment, a recirculated EIR is not required if the project proponent adopts the proposed new mitigation measures. In this case, the inclusion of mitigation measures requested by the Gabrieliño Band of Mission Indians – Kizh Nation would help further reduce the potentially significant impacts to cultural resources that were identified in the PGCC FEIR. This does not change the previous finding that the proposed project would have potentially significant impacts to cultural resources, and that those potential impacts would be reduced to less-than-significant levels under CEQA.

Because no new significant environmental impacts or substantially more severe significant impacts were identified for the currently proposed project, no new project mitigation measure beyond the above-noted cultural resources/tribal cultural resources measures have been identified or proposed for implementation.

This Mitigation Monitoring and Reporting Program (MMRP) addresses the mitigation measures for the proposed project that are included in the *Final EIR for the Pacific Gateway Cargo Center at Ontario International Airport*, as modified by the Addendum to that FEIR considered by the OIAA Board at its June 26, 2018 meeting. As applicable, former references in the MMRP to Los Angeles World Airports have been replaced with references to the OIAA.

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List of Acronyms

CEQA	California Environmental Quality Act
EIR	Environmental Impact Report
MLD	Most Likely Descendant
MMRP	Mitigation Monitoring and Reporting Program
NAHC	Native American Heritage Commission
NO _x	Oxides of nitrogen
OIAA	Ontario International Airport Authority
ONT	Ontario International Airport
Tribe	Gabrieleño Band of Mission Indians-Kizh Nation

Introduction

The California Environmental Quality Act (CEQA) requires that the OIAA establish a reporting and monitoring program for mitigation measures adopted as part of the environmental review process to mitigate or avoid significant effects on the environment. This Mitigation Monitoring and Reporting Program (MMRP) is designed to comply with these requirements by ensuring that the mitigation measures identified in the Final EIR are implemented.

The MMRP, as set forth in the following table, lists the mitigation measures, summarizes the significant effects being mitigated, describes the timing of mitigation implementation, and lists the actions indicating compliance for each proposed Project mitigation measure. As necessary, monitoring reports detailing, among other things, status and compliance, will be submitted to the OIAA. The MMRP's content is described briefly below.

Mitigation Measures: Each proposed Project mitigation measure in the Final EIR is listed verbatim, with minor edits to clarify context where necessary. Each measure is categorized by the environmental discipline to which it pertains.

Timing of Implementation: The appropriate time by which the proposed Project mitigation measure must be implemented in order to effectively accomplish the intended outcome. Identification of this timing is based on current information, and the timing of each mitigation measure may evolve as Project construction progresses.

Actions Indicating Compliance: The means by which the monitoring agency will verify that the measure is being carried out. Identification of these means for demonstrating compliance is based on current information. Compliance may be demonstrated through alternative means, subject to the approval of the monitoring agency. If an alternative means for demonstrating compliance is approved, the monitoring frequency may be adjusted accordingly.

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<i>Noise</i>				
Noise-1 Monitoring Agency: OIAA	Tenants at the Project site would be subject to the existing ONT noise management program and other applicable noise abatement policies mandated by the Federal Aviation Administration (FAA) and/or OIAA. Participation in the existing ONT noise management program is the most effective way to minimize the proposed Project's incremental contribution to noise effects.	Cumulative increase in noise impacts from aircraft operations on the local community	Already being implemented for existing ONT operations; would continue as Project is developed	Existing noise abatement program compliance documentation will continue
<i>Air Quality</i>				
AQ-1 Monitoring Agency: OIAA	Trucks idling on and off-site will be limited to five minutes, with the exception of concrete and cement mixer trucks, which require idling to run the mixers and maintain cement in a deliverable state while being transported to the building site.	Project construction-related generation of oxides of nitrogen (NO _x) in excess of significance thresholds	During each phase of construction	Submittal of construction documents showing idling limits
AQ-2 Monitoring Agency: OIAA	Use of construction equipment will be suspended during first stage smog alerts that encompass ONT.	Project construction-related generation of NO _x in excess of significance thresholds	During any first stage smog alerts during construction phases	Submittal of construction documents requiring suspension of construction during smog alerts
AQ-3 Monitoring Agency: OIAA	Construction plans for the Project will allocate parking areas to minimize traffic interference to the extent feasible.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each new construction phase	Submittal of construction plans allocating parking areas
AQ-4, 6 Monitoring Agency: OIAA	For each phase of construction, a construction traffic management plan will be developed to help minimize truck congestion. Specific elements to be considered include the timing and routing of construction truck trips, ride sharing for construction workers, and site access (e.g., flaggers or dedicated turn lanes, as appropriate).	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each new construction phase	Submittal of construction traffic plan
AQ-5 Monitoring Agency: OIAA	Dedicated on-site turn lanes will be provided during construction.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans showing turn lanes

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

	Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
AQ-7 Monitoring Agency: OIAA	To the extent necessary to minimize off-site traffic disruptions (on Airport Drive), a flag person will be used on site to guide trucks into or out of the Project site.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans indicating required availability of flag person for Airport Avenue
AQ-8 Monitoring Agency: OIAA	Developer will give preferential consideration to contractors who use clean fuel construction equipment, emulsified diesel fuels, construction equipment that uses low sulfur diesel and is equipped with oxidation catalysts, particulate traps, or other retrofit technologies, etc.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of preferential treatment specifications in bid documents
AQ-9 Monitoring Agency: OIAA	To the extent feasible, electricity from the power grid will be used rather than portable generators.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans showing planned connections to grid where feasible
AQ-10 Monitoring Agency: OIAA	Bid specifications for grading will require that to the extent feasible, contractors limit the size of construction equipment engines to the minimal practical size.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of equipment size limitation (as feasible) specifications in bid documents
AQ-11 Monitoring Agency: OIAA	Bid specifications for grading will require that to the extent feasible, contractors shall install NO _x emission reduction technologies on construction equipment.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion (as feasible) of NO _x reduction technology specifications in bid documents
AQ-12 Monitoring Agency: OIAA	Bid specifications for grading will require that to the extent feasible, contractors must maintain equipment according to manufacturers' specifications.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of equipment maintenance requirement, as feasible, in bid documents
AQ-13 Monitoring Agency: OIAA	To the extent feasible, bids will favor contractors with diesel-fueled equipment built in 1996 or later.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	As feasible, inclusion of preferential treatment specifications in bid documents

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
AQ-14 Monitoring Agency: OIAA	Project site tenants will be encouraged to participate in the existing Ride Share Program implemented at ONT by OIAA, which includes Vanpools, carpool matching and trip planning services for employers/employees at the Airport.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to OIAA of copy of tenant lease clause encouraging participation in Ride Share Program
AQ-15 Monitoring Agency: OIAA	Truck idling will be restricted to five minutes or less, with the exception of trucks that must idle to power on-truck equipment.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to OIAA of copy of tenant lease clause limiting idling to five minutes except where required to power on-truck equipment
AQ-16 Monitoring Agency: OIAA	To the extent feasible, the ground lessor (OIAA) and Project developer will provide incentives for tenants to reduce operational emissions (e.g., “clean” trucks, electrical service equipment, alternatively fueled aircraft-tow and cargo-tows tractors).	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to OIAA of copy of tenant lease clause providing incentives for reductions of operational emissions as feasible
AQ-17 Monitoring Agency: OIAA	Where feasible, electrical service connections will be provided, including for the majority of aircraft gates and truck docks primarily used by refrigerated trucks.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Once per each new phase of project construction	Copy of construction plans from bid package indicating installation of electrical service connections where feasible

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MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<i>Cultural Resources</i>				
<p>CR-1 Monitoring Agency: OIAA</p>	<p>The Project proponent shall prepare a Construction Phase Monitoring and Cultural Resources Treatment Plan prior to Project construction. This Plan shall outline the process by which the Project Applicant will resolve any significant impacts upon newly discovered, historically significant cultural resources, including consultation with the State Historic Preservation Officer. Specifically, the Plan shall outline the process by which cultural resource discovery notifications are made and treatment plans are implemented, describe the cultural resource classes anticipated during construction, describe the treatment options for each cultural resource class, and detail procedures for implementing treatment.</p>	<p>The proposed Project is not expected to have a significant impact on any identified archaeological or historical resources. However, previously unrecorded and/or unanticipated historic features, sites, or human remains may be encountered during implementation of the Project.</p>	<p>Prior to construction of first phase</p>	<p>Submittal of Construction Phase Monitoring and Cultural Resources Treatment Plan</p>
<p>CR-2 Monitoring Agency: OIAA</p>	<p>The Project proponent shall ensure that a qualified archaeologist will monitor ground-disturbing activities within the Project area. Ground-disturbing activities include all surface and subsurface disturbance to a depth below surface determined by the qualified archaeologist. The Project archeologist shall attend all preconstruction meetings so as to be aware of planned grading and excavation activities, to coordinate archaeological monitoring needs, and to inform construction personnel of the cultural resources monitoring procedures and requirements. The qualified archaeologist shall be empowered with the authority to temporarily halt or redirect construction equipment if cultural materials are encountered so that they may be evaluated and treated, as appropriate.</p>	<p>Previously unrecorded and/or unanticipated historic features, sites, or human remains may be encountered during implementation of the Project.</p>	<p>During ground disturbing activities (grading and trenching) for each phase of construction that could affect cultural artifacts, as outlined in the Construction Phase Monitoring and Cultural Resources Treatment Plan</p>	<p>Submittal of archaeology monitoring report(s) following each construction phase that could affect cultural artifacts, as outlined in the Construction Phase Monitoring and Cultural Resources Treatment Plan</p>
<p>CR-3 Monitoring Agency: OIAA</p>	<p>If the Project’s construction-related activities unearth potentially human bone, the procedures outlined in California Public Resources Code (5097.9) and California Health and Safety Code (7050.5) shall be implemented. The Project archaeologist and/or Resident Engineer shall immediately divert ground-disturbing activities in the area of the discovery while a temporary construction exclusion zone surrounding the site is established to</p>	<p>Previously unrecorded and/or unanticipated human remains may be encountered during implementation of the Project.</p>	<p>During ground disturbing activities (grading and trenching) for each phase of construction (if human bones are unearthed)</p>	<p>Submittal of report indicating contact with San Bernardino County Coroner’s Office if human remains are unearthed</p>

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<p>allow for further examination and treatment of the find. The Project archeologist or Resident Engineer shall also immediately notify the San Bernardino County Coroner’s Office by telephone. By law, the Coroner is required to determine within two working days of being notified if the remains are subject to his or her authority (recent burial) or if they are ancient Native American (historic or prehistoric). If the remains are determined to belong to a Native American(s), then regulations outlined in the Native American Graves Protection and Repatriation Act of 1990 (25 U.S.C. 3001 et seq.) and Native American Graves Protection and Repatriation Act Regulations (43 CFR Part 10) shall be implemented. These procedures include the coroner contacting the Native American Heritage Commission (NAHC) by telephone within 24 hours of the determination. The NAHC shall then appoint a Most Likely Descendant of the human remains and a burial treatment plan shall be negotiated and implemented. The contractor shall be responsible for restricting all construction activity from the immediate vicinity of the human remains until treatment is complete.</p>			
<p>CR-4 Monitoring Agency: OIAA</p> <p>Unanticipated Discovery of Tribal Cultural and Archaeological Resources: Upon discovery of any archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All archaeological resources unearthed by project construction activities shall be evaluated by the qualified archaeologist and tribal monitor approved by the Gabrieleño Band of Mission Indians-Kizh Nation. If the resources are Native American in origin, the Gabrieleño Band of Mission Indians-Kizh Nation shall coordinate with the landowner regarding treatment and curation of these resources. Typically, the Tribe will request reburial or preservation for educational purposes. Work may continue on other parts of the project while evaluation and, if necessary, mitigation takes place (CEQA Guidelines Section 15064.5 [f]). If a resource is determined by the qualified archaeologist to constitute a “historical resource” or “unique archaeological resource”, time allotment and funding sufficient to allow for implementation of avoidance measures, or appropriate</p>	<p>Previously unrecorded and/or unanticipated cultural resources, funerary objects, or human remains may be encountered during implementation of the Project</p>	<p>During ground disturbing activities for each phase of construction</p>	<p>Submittal of monitoring report(s) following each construction phase that could affect unanticipated cultural resources, funerary objects, or human remains</p>

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

	Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
	mitigation, must be available. The treatment plan established for the resources shall be in accordance with CEQA Guidelines Section 15064.5(f) for historical resources and Public Resources Code Sections 21083.2(b) for unique archaeological resources. Preservation in place (i.e., avoidance) is the preferred manner of treatment. If preservation in place is not feasible, treatment may include implementation of archaeological data recovery excavations to remove the resource along with subsequent laboratory processing and analysis.			
CR-5 Monitoring Agency: OIAA	Unanticipated Discovery of Human Remains and Associated Funerary Objects: Native American human remains are defined in PRC 5097.98 (d)(1) as an inhumation or cremation, and in any state of decomposition or skeletal completeness. Funerary objects, called associated grave goods in PRC 5097.98, are also to be treated according to this statute. Health and Safety Code 7050.5 dictates that any discoveries of human skeletal material shall be immediately reported to the County Coroner and excavation halted until the coroner has determined the nature of the remains. If the coroner recognizes the human remains to be those of a Native American or has reason to believe that they are those of a Native American, he or she shall contact, by telephone within 24 hours, the Native American Heritage Commission (NAHC) and PRC 5097.98 shall be followed.	Previously unrecorded and/or unanticipated human remains may be encountered during implementation of the Project	During ground disturbing activities for each phase of construction, if human remains or funerary objects are detected	Submittal of monitoring report(s) following each construction phase that could affect unanticipated cultural resources, funerary objects, or human remains Submittal of report indicating contact with San Bernardino County Coroner's Office if human remains are unearthed
CR-6 Monitoring Agency: OIAA	Resource Assessment & Continuation of Work Protocol: Upon discovery, the tribal and/or archaeological monitor will immediately divert work at minimum of 50 feet and place an exclusion zone around the burial. The monitor(s) will then notify the Tribe, the qualified lead archaeologist, and the construction manager who will call the coroner. Work will continue to be diverted while the coroner determines whether the remains are Native American. The discovery is to be kept confidential and secure to prevent any further disturbance. If the finds are determined to be Native American, the coroner will notify the NAHC as mandated by state law who will then appoint a Most Likely Descendent (MLD).	Previously unrecorded and/or unanticipated cultural resources or human remains may be encountered during implementation of the Project	During ground disturbing activities for each phase of construction, if cultural resources, human remains, or funerary objects are detected	Submittal of monitoring report(s) following each construction phase that could affect unanticipated cultural resources, funerary objects, or human remains

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
CR-7 Monitoring Agency: OIAA	Kizh-Gabrieleño Procedures for burials and funerary remains: If the Gabrieleño Band of Mission Indians – Kizh Nation is designated MLD, the following treatment measures shall be implemented. To the Tribe, the term “human remains” encompasses more than human bones. In ancient as well as historic times, Tribal Traditions included, but were not limited to, the burial of funerary objects with the deceased, and the ceremonial burning of human remains. These remains are to be treated in the same manner as bone fragments that remain intact. Associated funerary objects are objects that, as part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later; other items made exclusively for burial purposes or to contain human remains can also be considered as associated funerary objects.	Previously unrecorded and/or unanticipated cultural resources or human remains may be encountered during implementation of the Project	During ground disturbing activities for each phase of construction, if human remains or funerary objects are detected	Submittal of monitoring report(s) following each construction phase that could affect unanticipated cultural resources, funerary objects, or human remains
CR-8 Monitoring Agency: OIAA	Treatment Measures: Prior to the continuation of ground disturbing activities, the land owner shall arrange a designated site location within the footprint of the project for the respectful reburial of the human remains and/or ceremonial objects. In the case where discovered human remains cannot be fully documented and recovered on the same day, the remains will be covered with muslin cloth and a steel plate that can be moved by heavy equipment placed over the excavation opening to protect the remains. If this type of steel plate is not available, a 24-hour guard should be posted outside of working hours. The Tribe will make every effort to recommend diverting the project and keeping the remains in situ and protected. If the project cannot be diverted, it may be determined that burials will be removed. The Tribe will work closely with the qualified archaeologist to ensure that the excavation is treated carefully, ethically and respectfully. If data recovery is approved by the Tribe, documentation shall be taken which includes at a minimum detailed descriptive notes and sketches. Additional types of documentation shall be approved by the Tribe for data recovery purposes. Cremations will either be removed in bulk or by means as necessary to ensure completely recovery of all material. If the discovery of human remains includes four or more burials, the location is considered a cemetery and a	Previously unrecorded and/or unanticipated cultural resources or human remains may be encountered during implementation of the Project	During ground disturbing activities for each phase of construction, if human remains or funerary objects are detected	Submittal of monitoring report(s) following each construction phase that could affect unanticipated cultural resources, funerary objects, or human remains

**ONTARIO CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM
MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
separate treatment plan shall be created. Once complete, a final report of all activities is to be submitted to the Tribe and the NAHC. The Tribe does not authorize any scientific study or the utilization of any invasive diagnostics on human remains.			

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND ADOPT AN ADDENDUM TO THE PACIFIC GATEWAY CARGO CENTER FINAL ENVIRONMENTAL IMPACT REPORT, A MITIGATION AND MONITORING REPORTING PROGRAM, AND RELATED CEQA FINDINGS, FOR THE ONTARIO INTERNATIONAL AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM.

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

WHEREAS, the Authority has determined to facilitate and implement development of an Airport Cargo Facility Consolidation and Improvement Program in the northwest quadrant of Ontario International Airport (ONT), along with associated actions such as the relocation of tenants currently located in the northwest quadrant of ONT, demolition of existing structures and utilities, construction of a new taxiway, and execution of a lease and operating agreement with the proposed air cargo facility operator (the Project);

WHEREAS, the Project, which is more fully described and depicted at pages A-2 through A-5 of the Addendum to the Pacific Gateway Cargo Center (PGCC) Final Environmental Impact Report (FEIR) is consistent with OIAA's strategic objective to facilitate the development or ONT-related business;

WHEREAS, the Project has been designed to provide key benefits such as consolidation of existing dispersed ONT cargo operations to the northwest quadrant of ONT, improvements to support more efficient cargo processing functions and operations, and facilitating the payment of significant rental revenues to OIAA over the next many decades;

WHEREAS, the Project will enable and facilitate a new lease agreement with FedEx for a portion of the northwest quadrant of ONT. As detailed in the Agenda Report on the proposed Lease Agreement between OIAA and FedEx to be considered at the OIAA's June 26, 2018, public meeting, the Lease with FedEx would involve significant improvements to ONT property, improvements to the operational efficiency of air cargo and express mail facilities and services at ONT, and significant rental revenues paid to OIAA over the up to 50-year term of the Lease;

WHEREAS, the proposed Project is considered a "project" as defined by the California Environmental Quality Act (CEQA), Public Resources Code § 21000 *et seq.* The Authority is the lead agency for the Project under CEQA. The proposed Project is also an "action" under the National Environmental Policy Act (NEPA), as the Project will receive approval and partial funding from the U.S. Dept. of Transportation, Federal Aviation Administration (FAA). The FAA will take separate actions, as the NEPA lead agency, in determining whether to issue a Categorical Exclusion for the Project;

WHEREAS, in accordance with CEQA Guidelines §§15162 and 15164, the Authority analyzed the potential impacts of the Project and the Authority determined that the Project required preparation of an Addendum to the PGCC FEIR as the appropriate environmental review

document for the Project, and that the Addendum and Mitigation Monitoring and Reporting Program (MMRP) for the Project were prepared in compliance with the provisions of the CEQA;

WHEREAS, on June 18, 2018, the Authority provided to the OIAA Commissioners copies of the entire Agenda packet for the June 26, 2018 OIAA Commission public meeting. The materials included (1) the proposed Addendum to the PGCC FEIR, together with the Initial Study and all appendices and documents incorporated therein directly and by reference, (2) the proposed MMRP for the Project, (3) a CD that contained a copy of the full 2008 PGCC FEIR and related Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to development of an international air cargo center at ONT, including the CEQA Findings for Unavoidable and Significant Impacts and the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program attached therewith, and (4) a description and depiction of the Project;

WHEREAS, the OIAA Commission has reviewed and considered all such materials identified immediately above;

WHEREAS, on June 22, 2018, the Authority provided notice of the public hearing scheduled for June 26, 2018, in accordance with the Ralph M. Brown Act, Government Code § 54950, *et seq.*;

WHEREAS, the Commission of the OIAA has reviewed and considered all administrative record items relating to the Addendum, MMRP and the Project.

NOW, THEREFORE, BE IT RESOLVED by the OIAA Commission as follows:

SECTION 1. CEQA FINDINGS.

All Whereas clauses above are incorporated by reference into these CEQA Findings.

Further, the OIAA Commission, in light of the whole record before it including, but not limited to (1) the proposed Addendum to the PGCC FEIR, together with the Initial Study and all appendices and documents incorporated therein directly and by reference, (2) the proposed MMRP for the Project, (3) a copy of the full 2008 PGCC FEIR and related Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to development of an international air cargo center at ONT, including the CEQA Findings for Unavoidable and the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program attached therewith, (4) a description and depiction of the Project, and (5) other substantial evidence (as defined by Public Resources Code §§ 21080(e) and 21082.2) within the record and/or provided at the public meeting (all of which administrative record materials for the Project are incorporated by reference into this Resolution No. 2018-____), hereby finds and determines as follows:

1. Lead Agency: The OIAA acted as the Lead Agency pursuant to CEQA for the environmental review of the proposed Project.
2. Initial Study: The OIAA Initial Study for the Project examined the Project in detail, including all related potential impacts on the environment.

3. Compliance with CEQA: The Addendum to the PGCC FEIR, and MMRP for the Project, were prepared and processed by the OIAA in accordance with CEQA (Public Resources Code Section 21000 *et seq.*) and the CEQA Guidelines (14 California Code of Regulations Section 15000 *et seq.*). The OIAA Commission finds the proposed Addendum to the PGCC FEIR, and the MMRP for the Project, are competent, comprehensive and have been completed in compliance with CEQA and the CEQA Guidelines.
4. Independent Judgment: The OIAA independently reviewed the proposed Addendum to the PGCC FEIR, and the related MMRP for the Project, and exercised overall control and direction over the preparation of the Initial Study, the proposed Addendum to the PGCC FEIR, and the MMRP. Pursuant to CEQA Guidelines §§15090(a)(3), the proposed Addendum to the PGCC FEIR and the MMRP reflect the independent judgment and analysis of the OIAA.
5. Mitigation Monitoring and Reporting Program: Mitigation measures have been incorporated into the Project as conditions of approval and are fully enforceable as required by Public Resources Code Section 21081.6 and CEQA Guidelines § 15097. The MMRP for the Project has been designed to ensure compliance with the mitigation measures. The Project MMRP, attached as **Exhibit “1”** to this Resolution, is hereby adopted and approved by the Authority as a condition of Project approval, and shall be timely implemented by the Authority.
6. Adoption of CEQA Findings for Unavoidable Significant Impacts Identified in the PGCC FEIR: Based on substantial evidence in the record, and pursuant to CEQA Guidelines section 15091, the OIAA Commission hereby affirms, ratifies, incorporates by reference and adopts the CEQA Findings for Unavoidable Significant Impacts discussed at Section 4.B of the Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to the previous PGCC project. The OIAA Commission finds, concludes and determines that such CEQA Findings for Unavoidable Significant Impacts for (a) Traffic/Circulation, (b) Air Quality, (c) Cumulative Air Quality, (d) Cumulative Noise, and (e) Cumulative Traffic remain valid and applicable to the current Project and the related Addendum to the PGCC FEIR. Mitigation measures for these unavoidable significant impacts are either (i) within the jurisdiction and responsibility of another public agency, and can be adopted by that agency, (ii) infeasible, or (iii) would not reduce the impacts to below a level of significance. The unavoidable effects of these impact items are deemed acceptable when balanced against the overriding benefits of the current Project as set forth in the Statement of Overriding Considerations below.
7. Adoption of Statement of Overriding Considerations for the Addendum to the PGCC FEIR: Based on substantial evidence in the record, and pursuant to CEQA Guidelines section 15093(b), the OIAA Commission hereby affirms, ratifies, incorporates by reference and adopts the Statement of Overriding Considerations discussed at

Section 6 of the Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to the previous PGCC project. The OIAA Commission finds, concludes and determines that such Statement of Overriding Considerations remains valid and applicable to the current Project and the related Addendum to the PGCC FEIR. Further, based on substantial evidence in the record, the OIAA Commission finds, concludes and determines that the unavoidable potentially significant adverse environmental impacts of the current Project are acceptable in light of the various economic, social and technological benefits discussed at Section 6 of the Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to the previous PGCC project.

In addition, the currently proposed Project will result in (a) nearly \$100 million in investment by an air cargo carrier to implement significant improvements on ONT property to revitalize aircraft parking apron areas at ONT, to consolidate and construct a sorting facility, ground support staging area, secondary and maintenance buildings, install landscaping, and to enhance perimeter fencing at ONT, (b) improvements to the operational efficiency of air cargo and express mail facilities and services at ONT, and (c) significant rent revenues of up to \$80 million to OIAA over the up to 50-year term of the Lease. The Project will create economic growth and jobs, thereby enhancing the existing relationship between ONT and the local community, replace existing aged structures to enhance the visual appeal and longevity of ONT facilities, and replace aged structures with highly energy and water efficient structures that promote sustainability. Accordingly, based on substantial evidence in the record, the OIAA Commission further finds, concludes and determines that the unavoidable potentially significant adverse environmental impacts of the current Project are acceptable in light of the various economic, social and technological benefits of the Project.

8. Location and Custodian of Records: Copies of (1) the proposed Addendum to the PGCC FEIR, together with the Initial Study and all appendices and documents incorporated therein directly and by reference, (2) the proposed MMRP for the Project, (3) a copy of the full 2008 PGCC FEIR and related Los Angeles World Airport Board of Airport Commissioners Report, for meeting date October 15, 2007, relating to development of an international air cargo center at ONT, including the Statement of Overriding Considerations, CEQA Findings, and Mitigation Monitoring and Reporting Program attached therewith, (4) a description and depiction of the Project, and (5) other documents and materials which constitute the record of proceedings upon which this Project decisions are based, are available from the Clerk to the Board, Claudia Isbell, at the OIAA administrative offices located at 1923 East Avion Street, Ontario, CA 91761, and are available for inspection by any interested person.

SECTION 2. OIAA COMMISSION ACTIONS:

1. Approval of the Addendum to the PGCC FEIR: The OIAA Commission hereby approves, adopts, and certifies the Addendum to the PGCC FEIR relating to the Project. Such approval, adoption and certification incorporates by reference fully each and every of the CEQA Findings stated in Section 1 of this Resolution above.
2. Adoption of MMRP: The OIAA Commission hereby approves and adopts the Mitigation Monitoring and Reporting Program for the Project. The Project MMRP, attached as **Exhibit "1"** to this Resolution, is hereby adopted and approved by the Authority as a condition of Project approval, and shall be timely implemented by the Authority.
3. Notice of Determination: The OIAA Commission directs OIAA staff to, in compliance with Public Resources Code § 21152 and CEQA Guidelines § 15094, prepare a Notice of Determination concerning approval of the Project and to file same within five (5) business days of the Commission's date of action on the Addendum to the PGCC FEIR and the Project with the San Bernardino County Clerk-Recorder, together with payment of any applicable fees as required by State and local laws to effect the filing.

PASSED, APPROVED, AND ADOPTED this 26th day of June 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Claudia Y. Isbell, Commission Clerk of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2018-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

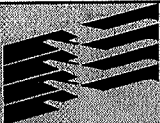
CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2018-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

 <i>Los Angeles World Airports</i> BOARD OF AIRPORT COMMISSIONERS REPORT							
APPROVED BY: <u><i>Gamon Oliver</i></u> <div style="text-align: center; font-size: small;">Division Head</div>	Meeting Date: October 15, 2007						
REVIEWED BY: <u><i>Patricia V. Subert</i></u> <div style="text-align: center; font-size: small;">Deputy Executive Director</div>	CAO Report <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> N/A						
CITY ATTORNEY: <u><i>[Signature]</i></u>	Reviewed by:						
EXECUTIVE DIRECTOR: <u><i>Jana Marie Lindsey</i></u>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Budget</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; font-size: small;">e-mail 08/13/07</td> </tr> <tr> <td>Environmental Mgt.</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; font-size: small;">e-mail 08/13/07</td> </tr> <tr> <td>Contract Services</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; font-size: small;">e-mail 08/02/07</td> </tr> </table>	Budget	e-mail 08/13/07	Environmental Mgt.	e-mail 08/13/07	Contract Services	e-mail 08/02/07
Budget	e-mail 08/13/07						
Environmental Mgt.	e-mail 08/13/07						
Contract Services	e-mail 08/02/07						

SUBJECT:**Award of Lease:**

Award of Lease to AERO ONTARIO RFP, LLC for the Development of an International Air Cargo Center at LA/Ontario International Airport (LA/ONT) and Certification of the Final Environmental Impact Report (EIR) and Adoption of the Project's Mitigation, Monitoring and Reporting Program.

RECOMMENDATION:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the staff report.
2. FIND based on the substantial evidence in the administrative record that:
 - a) The Project's EIR, which includes the Draft EIR and the Final EIR, has been completed in compliance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines;
 - b) The Project's EIR was presented to the Board of Airport Commissioners, as the decision making body of the lead agency, for its review and consideration;
 - c) The Project's EIR represents the independent judgment and analysis of the Board;

- d) The mitigation measures identified in the Project's EIR constitute all feasible mitigation measures for the Project and reduce most potentially significant impacts to a less than significant level; and
 - e) Certain impacts remain significant and unavoidable but specific economic, legal, social, technological, or other considerations outweigh the potentially significant unavoidable effects on the environment.
3. CERTIFY that the Project's Environmental Impact Report was prepared and completed in accordance with the requirements of CEQA and the Los Angeles City CEQA Guidelines; and further CERTIFY that the EIR reflects the lead agency's independent judgment and analysis.
 4. ADOPT the Statement of Overriding Considerations contained in Exhibit 1.
 5. ADOPT the CEQA Findings contained in Exhibit 1.
 6. ADOPT the Project's Mitigation Monitoring and Reporting Program contained in Exhibit 2.
 7. FIND that there are extraordinary factors that warrant awarding a 40-year ground lease to AERO ONTARIO RFP, LLC in exception to LAWA Leasing Policy.
 8. APPROVE the lease with AERO ONTARIO RFP, LLC for the development of an International Air Cargo Center at LA/ONT.
 9. AUTHORIZE the Executive Director to execute the Lease as referenced in this report upon approval as to form by the City Attorney and approval by the City Council.
 10. RECOMMEND that the City Council concur with the actions of the Board.

DISCUSSION:

1. Executive Summary

The development of adequate capacity to accommodate regional air cargo growth continues to be a major concern in the greater Los Angeles region. To prepare for anticipated growth and to position LA/Ontario International Airport (LA/ONT) to accommodate that growth, the Board of Airport Commissioners (BOAC) previously approved a Request for Qualifications (RFQ) to determine the best qualified firms to respond to a focused Request for Proposals (RFP) soliciting proposals from third-party developers that would be responsible for planning, building, marketing, operating, and managing an international air cargo center at LA/ONT. On June 16, 2003, the BOAC approved the selection of Aero Ontario RFP, LLC (Aeroterm) for the project and directed staff to negotiate the final terms of the long-term ground lease.

The proposed cargo site is located on underutilized land at LA/ONT and consists of approximately 94 acres. The site is well-suited for the development of air cargo and supporting facilities, considering its proximity to both airfield access and public roadway thoroughfares that lead to major interstate highways. The terms of the proposed 40-year lease provide that Aeroterm will construct approximately one million square feet of cargo

facilities in five phases over a period of no more than thirteen (13) years. The first phase will be completed within two years of lease commencement.

An Environmental Impact Report has been prepared to evaluate the potential environmental effects of the project.

The project is expected to result in total revenue to LAWA of approximately \$83 million Net Present Value.

2. *Prior Related Actions*

Background and Basis for Project

The development of adequate capacity to accommodate regional air cargo growth continues to be a major concern in the greater Los Angeles region, particularly with respect to the readiness of LA/ONT to handle that growth. While LA/ONT already handles regional cargo operations generated by UPS, FedEx and other cargo carriers, regional plans call for substantial growth in cargo operations at LA/ONT. The 2004 Southern California Association of Governments (SCAG) Regional Transportation Plan projects that the region will need to serve 170 million annual passengers by 2030, up from nearly 88 million in 2006. The LAX Master Plan anticipates a need for facilities to accommodate about 78.9 Million Annual Passengers in 2015. When LAX constraints are considered, both SCAG and LAWA forecasts indicate that unconstrained passenger demand at LA/ONT will be 30 to 33 million annual passengers by 2030. By comparison, during 2006, LAX and LA/ONT handled close to 61 million and 7 million passengers, respectively. SCAG projects that the region's airports will need to handle 8.7 million tons of cargo by 2030, up from 2.8 million tons in 2006. LAX Master Plan forecasts anticipate that LAX will handle 3.2 million tons by 2015. With capacity limiting growth at LAX, forecasts prepared for the LA/ONT Master Plan project show that LA/ONT could attract as much as 3.2 million annual tons of cargo by 2030 given adequate land resources and airfield capacity. During 2006, LAX and LA/ONT handled 2.1 million tons and .54 million tons of cargo, respectively.

Therefore, it is important to provide additional cargo capacity in the region to accommodate cargo demand that cannot be met by LAX. Additionally, promoting cargo operations at LA/ONT is consistent with LAWA goals regarding regionalization of passenger and cargo traffic. Moreover, although there are a number of other alternative airports, it is becoming widely accepted that LA/ONT is best-suited to accommodate cargo growth in the region.

BOAC Action and Selection of Developer

To prepare for anticipated cargo growth and to position LA/ONT to accommodate that growth, on December 18, 2001, the BOAC approved the release of an RFQ from third-party developers who would be responsible for the development of an international air cargo center at LA/ONT. At that time, it was determined that a third-party developer could provide certain advantages and resources not readily available within LAWA, such as specialty cargo expertise, comprehensive industry and logistics knowledge, industry contacts, and experience with planning and construction of cargo facilities. Ten firms responded to the RFQ, which was followed by the issuance of an RFP to seven firms deemed most qualified.

On November 25, 2002, three firms submitted proposals in response to the RFP and, following extensive reviews and evaluations, the BOAC approved the selection of Aeroterm

for the project on June 16, 2003. The BOAC also authorized staff to negotiate the final terms of a long-term land lease with Aeroterm for the development of an international air cargo center at LA/ONT.

Aero Ontario RFP, LLC is a single purpose limited liability company established by Aeroterm, Inc. U.S. for the LA/ONT project. Aeroterm is a developer, manager, and owner of on-airport facilities whose portfolio has grown significantly over the past few years. Aeroterm currently has over ten (10) million square feet of air cargo building space and ramp space at more than 35 airports in North America. Founded in 1992, Aeroterm has more than fifteen years of experience working with airports and tenants specializing in air cargo operations.

Shortly following the BOAC's selection of Aeroterm for this project, staff commenced negotiations on the long-term ground lease. The LAWA negotiation team was comprised of staff from Economic Development Services Division and the City Attorney, as well as outside legal counsel and, at various points during negotiations, a Deputy Executive Director. On an as-needed basis, the negotiation team relied on assistance of other LAWA staff, including staff from Engineering and Project Management, Environmental Management, Finance, Facilities Planning, Long Range Planning, and LA/ONT staff.

Concurrent with the start of lease negotiations, both Aeroterm and LAWA staff conducted additional research to prepare the necessary CEQA analysis and documentation and to firmly establish the feasibility of the project. LAWA staff also hired a consultant to prepare an analysis and baseline survey of the existing environmental conditions of the land.

Throughout lease negotiations, it was staff's goal to settle on a final lease that closely tracked the terms of Aeroterm's proposal as submitted to LAWA. The terms of the proposed lease substantially reflect the terms of Aeroterm's proposal as presented to and approved by the BOAC in June 2003. The lease does include some significant changes favorable to LAWA, particularly with respect to Aeroterm's commitment to construct and complete the entire project.

Project Site

The proposed cargo center site is located on underutilized land in the northwest quadrant of the airport. The site measures approximately 94 acres and currently consists of approximately 750,000 square feet of hangar and office space. With the exception of one hangar, upgraded and improved in 2001, and potentially one office building, all improvements on the site are well beyond their economic and functional lives and would be demolished as part of an overall development plan. The site is well-suited for the development of air cargo and supporting facilities, considering its proximity to both airfield access ways and public roadway thoroughfares that lead to major interstate highways.

The City of Ontario supports the development of an air cargo center at the site. Also, LAWA staff and consultants developing the LA/ONT Master Plan have determined that cargo operations at the site would be a compatible land use.

3. Current Action

Attachment 1 (Aeroterm Lease Summary) is a summary of key elements of the proposed lease with Aeroterm. Of special note are the following lease elements:

Term:

The proposed term is 40 years. The RFP provided that the term of the lease would be 30 years, but it allowed proposers to offer a longer term, provided such longer term was substantiated. Aeroterm proposed a term of 40 years. Current LAWA Leasing Policy, amended late in 2006, provides that leases not exceed five (5) years unless warranted by extraordinary factors. Staff has determined that the level of investment and risk associated with the development are exceptional enough to warrant a 40-year term. By selecting Aeroterm in June 2003, the BOAC, in effect, concurred with a proposed 40-year term. Trammell Crow, the other top proposer, also proposed a 40-year term as necessary for the success of the project.

Demised Premises:

Total land area for the entire project at full buildout is approximately 93.51 acres. However, at lease commencement, the demised premises will consist only of the first parcel, 20.15 acres. Additional parcels will be added to the demised premises upon Aeroterm's exercise of options on each parcel.

Commitment to Project:

In its proposal, Aeroterm indicated that it was committed to completing only Phase 1 of the project, with the remainder of the project being market-driven. Through the negotiation process, the lease now requires Aeroterm to meet certain milestones and target dates for development of the entire project. The lease provides that the entire project, approximately one million square feet of building space and one million square feet of ramp space, will be fully constructed within thirteen (13) years.

Project Phasing:

The project will be constructed in five (5) phases, over a period of 13 years. Aeroterm will retain the right to lease each of the remaining parcels, provided construction of prior phases is completed by specified dates. If construction is not completed, Aeroterm will begin to lose the right to future parcels in reverse order, beginning with parcel #5 and LAWA retains control.

Assignments:

LAWA policy provides that LAWA shall participate in certain economic benefits related to an assignment transaction. The objective of this policy is to provide a means by which LAWA shares in any windfall profits resulting from the transfer, or "flipping", of a lease. Through negotiations, Aeroterm has agreed to pay LAWA three percent (3%) of the gross proceeds resulting from the assignment of the lease.

Green Construction Policies:

The lease provides that AeroTerm will comply with all current and future policies regarding environmentally favorable construction and operational practices that may be adopted by the BOAC during the term of the lease.

Through-the-Fence Provision:

The lease provides that LAWA shall reimburse AeroTerm certain costs, not to exceed \$2.5 million, should LAWA grant an adjacent landowner through-the-fence access to the airfield for a newly-developed cargo development within five (5) years of lease commencement. The reimbursement amount decreases by \$500,000 each year that LAWA does NOT grant such access, commencing with the first year. This provision was not included in AeroTerm's original proposal.

Prevailing Wage:

The lease provides that AeroTerm will comply with applicable California prevailing wage laws. This is not currently required for non-public works projects in the State of California.

Rental Rates:

Land (per acre per year)*

Unpaved	\$28,036
Paved for Vehicles	\$41,605
Paved for Aircraft	\$55,175

*Up to 93.51 acres

Rent Escalation Clause: Annual CPI

Annual Rent:

(Parcel 1, only) \$759,213

Monthly Rent:

(Parcel 1, only) \$63,268

**Percentage Rent:

- a) 2.5% during first and second years following takedown of each parcel.
- b) 5.0% during third and fourth years following takedown of each parcel.
- c) 7.5% during fifth and sixth years following takedown of each parcel.
- d) 10.0% during remaining years of lease term for each parcel.

**Based on all revenues, excluding AeroTerm land rent paid by AeroTerm subtenants. Exclusion not in original proposal.

Environmental Impact Report and Findings:

An Environmental Impact Report (EIR) has been prepared to evaluate the potential environmental effects of the Proposed Project in accordance with the California Environmental Quality Act (CEQA) of 1970, the Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines) as amended to date, and the L.A. CEQA Thresholds Guide. The Draft EIR was circulated for review to agencies, local governments and interested members of the general public for review beginning in April 2006. Comments on the adequacy of the Draft EIR could be submitted to LAWA during the comment period from April 27 to September 25, 2006. In order to provide the public with an opportunity to learn more about the proposed project and to facilitate receipt of comments on the Draft EIR, a public meeting was held on May 31, 2006 from 5:30 to 8:00 PM at LA/ONT. The comments and LAWA's responses to those comments can be found in the Final EIR. No new significant impacts or substantially more severe significant impacts were identified in the comments nor were any alternatives identified that would meet the objectives of the proposed Project and reduce or avoid the significant effects of the proposed Project, as evaluated in the EIR.

The Draft EIR describes the potential environmental effects of the proposed Project. If implemented, the Project may have impacts in the areas of Traffic/Circulation, Air Quality, Cumulative Air Quality and Cumulative Noise that are potentially significant. In addition, mitigation has been identified for cultural resources because, even though no significant effects are anticipated, it is possible that buried resources may be discovered during site excavation and grading. Possible impacts are summarized below. All other areas were found to have impacts that were less than significant.

- ***Traffic/Circulation***

As described in the EIR, the Project's incremental contribution to intersection and freeway delays can be mitigated to less than significant levels through the payment of "fair share" fees to fund traffic improvements. Even though the Project will have satisfied their obligation to mitigate this impact through the payment of fees, the actual timing of the implementation of the improvements cannot be guaranteed since they are under the jurisdiction of the City of Ontario or the State of California. As such, the improvements may not be in place at the time the Project becomes operational. Thus, this impact may be potentially significant and unavoidable as there are no additional feasible measures available to mitigate these adverse traffic impacts.

- ***Air Quality***

As described in the EIR, the Project would generate air pollutant emissions during construction, particularly during grading, that with the implementation of mitigation would remain a significant, albeit short-term, air quality impact. The operation of aircraft engines and, to a lesser extent, diesel trucks would generate emissions of acrolein that exceed adopted non-cancer, acute health risk hazard thresholds that cannot be mitigated to a less than significant level. Although the health risk assessment conducted for the proposed Project probably overstates the risk from acrolein due to conservative assumptions used in the model, this would be a significant impact.

- ***Cumulative Air Quality***

As described in the EIR, the Project would generate a number of criteria air pollutants subject to regulation, including pollutants for which the South Coast Air Basin (SCAB) is currently in non-attainment with federal and/or state standards. Although the Project is not

expected to cause or contribute to a violation of air quality standards for criteria air pollutants, the Project would nonetheless generate pollutant emissions in an air basin that is in non-attainment with air quality standards. The implementation of 17 mitigation measures, as identified in the EIR, to address air quality would reduce air pollutant emissions generated by the Project during construction and operation of the Project, but not to a less than significant cumulatively considerable level and there are no additional feasible measures available to mitigate these effects.

- ***Cumulative Noise***

As described in the EIR, there will be a substantial increase in the noise levels associated with overall LA/ONT aircraft operations over the next 15 years. A substantive increase on LA/ONT noise levels would occur with or without the Project; however, the proposed Project would contribute to the incremental expansion of the CNEL noise contours at LA/ONT. Implementation of mitigation in the areas of noise monitoring, operational restrictions, and aircraft restrictions would lessen the Project's incremental contribution to cumulative noise impacts but would nonetheless remain considerable as aircraft operations increase and no other feasible measures are available at this time to mitigate these effects.

- ***Cultural Resources***

As described in the EIR, the Project is not expected to have a significant impact to cultural resources. However, because previously unrecorded and/or unanticipated historic features, sites or human remains could potentially be encountered during the site grading and excavation phases of the Project, implementation of three proposed mitigation measures is nonetheless recommended. The Project would be required to prepare a Construction Phase Monitoring and Cultural Resources Treatment Plan and be subject to those requirements and processes in addition to those required by the State Historic Preservation Officer, a qualified archaeologist, and the County Coroner's Office, as applicable. Implementation of these measures would help ensure that the potential impacts to cultural resources would be less than significant.

As described above, the EIR identified potentially significant adverse environmental impacts that cannot be mitigated to a level of insignificance by the implementation of feasible mitigation measures or alternatives in the areas of Traffic/Circulation and Air Quality. In addition, the proposed Project could contribute to the potentially significant and unavoidable Cumulative Air Quality and Cumulative Noise impacts. CEQA Guidelines 15093(b) provides that, when a public agency approves a project that may result in significant impacts that are identified in Final EIR but are not reduced to an insignificant level, the agency must state in writing the technological, legal, social or economic reasons to support its decision based on the Final EIR and/or other information in the whole Administrative Record. A Statement of Overriding Considerations would be required stating that these unavoidable effects nevertheless are acceptable when balanced against the overriding benefits of the project. Exhibit 1 has been prepared for the BOAC's consideration.

In accordance with CEQA Guidelines 15091(a), Project specific CEQA Findings were prepared for the BOAC's consideration and included as Exhibit 1. These Findings describe environmental effects of the Project, explain the rationale for each finding, and list proposed mitigation measures to be incorporated into the Project in order to avoid or substantially lessen the significant environmental effects as identified in the Final EIR.

In accordance with CEQA Guidelines 15097, a Project specific Mitigation, Monitoring and Reporting Program (MMRP) has been prepared to establish a reporting and monitoring program for mitigation measures adopted as part of the environmental review process to mitigate or avoid significant effects on the environment. The MMRP is designed to comply with these requirements by ensuring that the mitigation measures identified in the Final EIR are implemented. The MMRP lists each mitigation measure, summarizes the significant effects being mitigated, describes the timing of implementation, and lists the actions indicating compliance.

Staff recommends that the BOAC approve the 40-year lease with Aero Ontario RFP, LLC, approve the Environmental Impact Report for the project, and adopt the Findings associated with the EIR.

4. Alternatives Considered

As indicated in the report, project alternatives were considered in the evaluation of proposals submitted by the most qualified developers. If this project is not approved, there will be a cargo market shift away from LA/ONT and toward other regional airports.

5. Economics and Cost Implications

Approval of staff's recommendation will result in one-time revenue of \$1.5 million at lease execution, and \$83 million (Net Present Value) in ground and percentage rents over the 40-year term of the lease.

FISCAL IMPACT STATEMENT:

Approval of the recommended action will generate one-time revenue of \$1.5 million upon lease execution and an increase in annual revenue of approximately \$389,000 for parcel one.

STANDARD PROVISIONS:

1. An Environmental Impact Report (EIR) has been prepared for this project in compliance with the requirements of the California Environmental Quality Act (CEQA). As described in Exhibit 1, implementation of the Project will have less than significant and potentially significant environmental impacts. A Mitigation, Monitoring and Reporting Program has been prepared for adoption to mitigate or avoid significant effects on the environment. The EIR also identified unavoidable significant impacts that would result from implementation of the Project. A Statement of Overriding Considerations has been prepared for adoption stating that the Project's unavoidable impacts are acceptable in light of the Project's benefits. Pursuant to CEQA Guidelines Section 15091, the location and custodian of documents and materials for the EIR for this project is Los Angeles World Airports, Long Range Planning Division, 1 World Way, Los Angeles, California 90045.
2. Aero Ontario RFP, LLC will comply with the provisions of the Living Wage/Service Contract Worker Retention Ordinances.
3. Contract Services reviewed this item and established a 25% Minority/Women Business Enterprise level of participation for this project. Aero Ontario RFP, LLC proposes 34.7% combined Minority/Women Business levels of participation for the initial design phase

and 25% for the remainder of the project. Contract Services confirms that based on documents submitted, Aero Ontario RFP, LLC has made a good faith effort to outreach to MBE/WBE/OBE subcontractors.

4. Aero Ontario RFP, LLC must submit a current Affirmative Action Plan and comply with the provisions of the Affirmative Action Program.
5. Aero Ontario RFP, LLC must submit a Business Tax Registration Certificate number prior to execution of the lease.
6. Aero Ontario RFP, LLC has submitted the Certificate of Compliance with Child Support Obligations and will comply with the provisions of the Child Support Obligations Ordinance.
7. Aero Ontario RFP, LLC will have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to execution of the lease.
8. This action is not subject to Charter Section 1022, Use of Independent Contractors.
9. The lease with Aero Ontario RFP, LLC is subject to approval as to form by the City Attorney.
10. Action taken by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles City Charter, Section 606.
11. Aero Ontario RFP, LLC has submitted the Contractor Responsibility Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Agreements executed on or after April 6, 2005 that were procured through a competitive bid/proposal process that was initiated prior to April 6, 2005 are not subject to the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.

AEROTERM LEASE SUMMARY

ITEM	Term(s)	COMMENTS
THE PARTIES	LAWA & Aero Ontario RFP, LLC	Single purpose entity, owned by Aeroterm US, Inc.
USE	Development and operation of an air cargo center, and related uses.	
TERM	40 years	Provided development occurs as planned.
PREMISES	Up to 93.51 acres, in 5 parcels	
DEMOLITION	Lessee to demolish existing improvements (750,000SF) at Lessee expense.	
RENT (REGULAR)	Ground rent based on LAWA policy and current rates.	Current rates- \$28,036 per acre per year for unpaved; \$55,175 for paved for aircraft
PERCENTAGE RENT (based on gross receipts, excluding land rent)	<ul style="list-style-type: none"> • 2.5%- years 1 & 2 • 5.0%- years 3 & 4 • 7.5%- years 5 & 6 • 10.0%- all future years 	Percentage rent for each parcel commences once each parcel is taken down.
ADDITIONAL PAYMENT	\$1.5 Million upon lease execution	Concurrent with payment, LAWA shall assign Lessee three leases associated with Hangar 20 on the premises.
COMMITMENT TO PROJECT	Committed to entire project in five (5) phases. Phase 1 comprised of minimum 150,000 SF. Total SF- 979,000 SF of buildings & 1 million SF of aircraft ramp.	
PHASING/TAKEDOWN	Five (5) phases/parcels over 13 years. First parcel takedown to occur at lease execution. Future takedowns to occur every 2 - 3 years.	Lessee has option on takedown of all phases, provided buildout for prior phases completed by specified dates. If buildout is not completed and takedown of a parcel does not occur, Lessee to lose options on parcels in reverse order.
CAPITAL INVESTMENT	\$95/SF minimum (adjusted for inflation annually). Proposed total investment- \$156,487,465.	
LEASEHOLD MORTGAGE & FINANCING	All leasehold mortgagees to be approved by LAWA Executive Director. Lessee may mortgage/refinance up to appraised value.	Proceeds must be used for project-related items.
ASSIGNMENTS	Lessee to pay LAWA 3 % of gross proceeds, resulting from assignment of the lease.	
ENVIRONMENTAL	Lessee accepts site in as-is condition. Lessee to comply with all environmental requirements to entitle site. LAWA responsible for any prior contamination.	LAWA may terminate Lease if existing contamination clean-up exceeds \$10 million.
THROUGH THE FENCE PROVISION (LESSEE DEVELOPMENT PROTECTION)	LAWA shall reimburse Lessee certain costs, not to exceed \$2.5 million, should LAWA grant adjacent land owner through-the-fence access to the airfield for newly developed cargo development within 5 years of Lease commencement.	Reimbursement amount decreases by \$500,000 each year, commencing the first year.
GREEN POLICIES	Lessee to comply with all current and future policies regarding environmentally favorable construction and operational practices.	
M/WBE PARTICIPATION	34.7 % M/WBE for initial design; 25% remainder of project	
PREVAILING WAGES	Lessee to comply with California prevailing wage laws.	

CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS**PACIFIC GATEWAY CARGO CENTER****1. INTRODUCTION**

The Final Environmental Impact Report ("FEIR" or "PGCC FEIR") has been prepared by Los Angeles World Airports ("LAWA") to address the potential environmental effects of a proposed air cargo center at LAWA's LA/Ontario International Airport ("ONT" or "Airport"). The City of Los Angeles proposes to approve a property lease and related agreements allowing development of the Pacific Gateway Cargo Center ("PGCC" or "Project"), an aviation-oriented cargo transfer facility, at ONT. The proposed Project would serve both domestic and international air cargo flights. The proposed lessee/cargo facility operator is Aero Ontario RFP, LLC. The City of Los Angeles, which includes LAWA, is the lead agency for the proposed Project under the California Environmental Quality Act ("CEQA"), and the City of Ontario is a Responsible Agency under CEQA. The City of Ontario is a Responsible Agency because the Project will require approval of a development plan by the City of Ontario Development Advisory Board and/or Planning Commission.

This presents LAWA's CEQA findings for the approval of the PGCC Project. Under CEQA, the decision-making body of the lead agency must issue a written finding reaching one or more of three allowable conclusions. The first allowable finding is that "[c]hanges or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR" (CEQA Guidelines, § 15091, subd. (a)(1)). The second allowable finding is that "[s]uch changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency" (*id.* at § 15091, subd. (a)(2)). The third allowable conclusion is that "[s]pecific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR" (*id.* at § 15091, subd. (a)(3)).

These findings set forth the following:

- (a) A description of the Project background and objectives.
- (b) A description of the documents comprising the Record of Proceedings or "Administrative Record."
- (c) A description of the potential environmental effects of the Project, including insignificant impacts and unavoidable significant impacts.
- (d) A description of the Project alternatives analyzed in the PGCC FEIR and why those alternatives are deemed to be infeasible.
- (e) The Statement of Overriding Considerations, describing why the Project's benefits override the identified unavoidable significant impacts.

2. PROJECT BACKGROUND AND OBJECTIVES.

A. Project Planning Background

The Los Angeles Board of Airport Commissioners identified a need to (i) improve the utilization of, and increase revenue generation from, existing Airport property and (ii) improve the Airport's ability to accommodate anticipated regional growth in air cargo operations. As a result, in December 2001, LAWA released a Request for Proposals for the development of an international air cargo center on the northwest corner of ONT. In June 2003, the Board of Airport Commissioners approved the selection of Aero Ontario, RFP, LLC as the successful bidder and authorized the Executive Director to negotiate a long-term land lease and development agreement with Aero Ontario, RFP, LLC for the development of an international air cargo center. Working with LAWA, and consistent with the requirements specified in LAWA's Request for Proposals, Aero Ontario, RFP, LLC designed the proposed Project addressed in the EIR (FEIR Section 1.2, pg. 1-5).

B. Suitability of ONT for Expanded Air Cargo Facilities.

Located approximately 35 miles east of downtown Los Angeles, ONT is a medium-hub, full-service airport. The Airport encompasses approximately 1,700 acres and has two commercial-length runways that can accommodate all conventional air cargo operations. ONT is a "24 hour" airport, meaning that no curfew has been placed on the Airport's flight operations. With 2 terminals and 26 gates, ONT has over 200 scheduled flights daily that provide commercial jet service to major U.S. cities and through service to many international destinations. ONT also is the center of a rapidly developing freight movement system that includes the Airport, two railroads, four major freeways and an expanding network of freight forwarders. ONT currently is served by 11 major U.S. air freight carriers, of which United Parcel Service (UPS) is the largest, handling approximately 74 percent of ONT's cargo. UPS operations are located at the southeastern edge of ONT, with the UPS facility located primarily off Airport property. For those reasons, LAWA determined that ONT is the ideal location for development of air cargo and supporting facilities. That determination is consistent with the current, Federal Aviation Administration (FAA) approved ONT Airport Layout Plan (ALP) designation of the site as "Future Cargo Complex." (FEIR Section 1.2.2, pp. 1-5 and 1-6).

C. The Project Site.

The Project site is bordered on the north by Airport Drive and, beyond Airport property, Union Pacific railroad tracks and commercial buildings. To the east, the Project site is bordered by Vineyard Avenue and on-Airport automobile parking. To the south is ONT's airfield, including taxiways and runways. To the west, the Project site is bordered by the concrete-lined West Cucamonga Channel, beyond which are storage tanks and a parking lot.

The Project site is currently occupied by airplane hangars, unused buildings and paved areas. The buildings and hangars are primarily associated with the former use of the site by Lockheed Air Services. One of the hangars (Hangar 20) is leased to passenger airlines for belly cargo operations. Portions of other hangars have been used by a cargo airline for seasonal (winter holiday) mail operations. Other portions of the Project site are used for various, interim, ad-hoc revenue-producing activities. In general, however, the majority of structures on site are vacant and lack long-term users.

The approximately 96-acre Project site comprises ONT's northwest corner. The proposed Project would consist of roughly one million square feet of building space, as well as approximately one million square feet of aircraft parking areas ("ramps"). Development of the Project site also would include roads and surface lots for truck and automobile parking (FEIR Chapter 2.0, pp. 2-1 *et seq.*).

D. Project Objectives.

The objectives of the proposed Project (see FEIR Section 1.3, pg. 1-7) are to develop the currently underutilized 96 acre northwest corner of ONT with an air cargo facility to:

- (i) Improve the utilization of, and maximize revenue generation from, existing Airport property;
- (ii) Improve the Airport's ability to accommodate the anticipated regional growth in air cargo operations that is being driven, in part, by requirements to shift the volume of air cargo to regional facilities in order to avoid over-concentration at LAX; and
- (iii) Comply with modern (current and anticipated) security requirements for handling and transporting air cargo being implemented by the FAA and Transportation Security Administration.

E. How the Project Would Operate at the Project Site.

LAWA has determined that, based on current cargo trends, including security needs, the Project site will be best optimized via total redevelopment. The proposed Project would be developed in phases, and Project build-out is expected to take approximately 5 to 15 years to complete. The actual phasing of project construction may vary depending on market demands. In addition, the lease agreement between LAWA and Aero Ontario, RFP, LLC may mandate certain milestones to ensure that LAWA's objectives for the provision of air cargo capacity at ONT are met.

Ground traffic (cars and trucks) would enter and exit the Project site from the north via Airport Drive. From Airport Drive, ground traffic may connect via Grove Avenue or other roads to nearby regional highways, including Interstate 10 to the north and State Route 60 to the south. Grove Avenue provides grade-separated crossings (underpasses) at both of the active railroad lines that pass by ONT (e.g., the Union Pacific railroad lines north of Airport Drive and north of Mission Boulevard). For both safety and efficiency reasons, avoidance of at-grade crossings at these heavily used railroad lines is considered critical for the successful operation of the proposed Project. During peak periods (between Thanksgiving and New Year's Day), the proposed Project would be expected to generate an average of approximately 1,300 truck trips and 4,900 automobile trips each weekday. (Cargo volumes and associated traffic levels are lower on weekends.)

Aircraft arriving at ONT would taxi to the Project site (at the direction of air traffic control) and park on one of two planned Project aircraft ramps. Aircraft departing the Project site would (also at the direction of air traffic control) taxi from the respective ramp to the appropriate ONT runway for departure. ONT's standard traffic pattern is to land from the east and take off toward the west. Between the noise-sensitive hours of 10 PM to 7 AM, ONT uses contra traffic flow (aircraft land from the east and takeoff to the east), wind permitting.

At full build-out, the up to one million square feet of cargo-sorting space provided by the proposed Project would be projected to handle approximately 715,000 tons of cargo annually. This cargo would generate approximately 19,400 aircraft operations per year. (An operation is one takeoff or one landing.) During a typical weekday, an average of approximately 63 aircraft operations would be generated by the proposed Project. This would increase to an average of approximately 79 aircraft operations per weekday during the end-of-year peak season (FEIR Section 2.3, pp. 2-16 to 2-20).

3. RECORD OF PROCEEDINGS.

For purposes of the findings set forth herein, the record of proceedings (also referred to here in as the "Administrative Record") for LAWA's decision on the Project includes the following documents:

- (a) The NOP prepared for the Project;
- (b) Public notices issued in conjunction with the Project;
- (c) The Draft PGCC EIR;
- (d) All comments submitted by agencies or members of the public during the public comment period on the Draft PGCC EIR;
- (e) The FEIR, including all technical appendices, for the PGCC Project;
- (f) The Mitigation Monitoring and Reporting Program for the PGCC Project;
- (g) All findings and resolutions adopted by LAWA in connection with the proposed Program and all documents cited or referred to therein;
- (h) All reports, studies, memoranda, maps, and other planning documents relating to the PGCC prepared by LAWA, LAWA's consultants, or responsible or trustee agencies with respect to LAWA's compliance with the requirements of CEQA and with respect to LAWA's action on the Project;
- (i) All documents submitted to LAWA by agencies or members of the public in connection with the proposed Program;
- (j) Minutes and verbatim transcripts of all information sessions, public meetings and public hearings held by LAWA in connection with the Project;
- (k) Any documentary or other evidence submitted to LAWA at such workshops, public meetings, and public hearings; and
- (l) Matters of common knowledge to LAWA, including, but not limited to federal, state and local laws and regulations.

The custodian of the documents comprising the record of proceedings is the City of Los Angeles, Los Angeles World Airports, 1 World Way, Los Angeles, CA 90045.

4. ANTICIPATED ENVIRONMENTAL EFFECTS OF THE PROPOSED PROJECT.

A. Insignificant Impacts.¹

(1) Noise

Construction of the Project would generate noise as a result of heavy machinery operation. Construction noise impacts would be less than significant, however, due to the amount of noise that would be generated by construction, the distance to the nearest noise-sensitive receptor (a hotel on Holt Boulevard next to railroad tracks) and the relatively high ambient noise levels in the Airport area.

Project operations would generate noise as a result of truck traffic and aircraft operations. Modeling of anticipated Project-related aircraft noise indicates that no noise-sensitive areas would be exposed to an increase of 1.5 decibel (dB) or greater within the 65 dB Community Noise Equivalent Level ("CNEL") contour as result of the project. Noise modeling also indicated that the noise increase resulting from proposed Project vehicular traffic at all intersections and freeway segments would be less than one dBA. These changes in noise level are generally considered to be undetectable by the human ear outside of a laboratory setting, do not represent a substantial noise increase and do not constitute a significant impact.

Similarly, no residential land use, households or population would be exposed to a Sound Exposure Level above 94 dB, which is LAWA's adopted threshold for assessing the potential sleep disturbance impacts from individual aircraft flights. Accordingly, aircraft noise impacts from operation of the Project would be less than significant when evaluated against the applicable local, state and federal criteria (FEIR pp. 4-39 to 4-44).

Findings: Based on substantial evidence in the Administrative Record, including Section 4.2 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant noise impacts either from construction or operation of the Project. LAWA hereby adopts the conclusions regarding less-than-significant noise impacts. Because these impacts are less-than-significant, mitigation is not required.

(2) Land Use

The PGCC Project Site is designated for airport uses under the Ontario General Plan. Airport uses also are permitted under the M3 zoning category for the Project site. Accordingly, the Project is consistent with the local land use/density designations and the Ontario General Plan. Because the Project site currently features underutilized and aging hangars and associated structures at an established airport facility (ONT), it will not divide an established community or conflict with existing habitat conservation plan or natural community conservation plan.

¹ Impacts to agricultural resources, biological resources, mineral resources, population and housing, recreation, schools, libraries, and paleontological (fossil) resources were found not significant and did not require detailed evaluation in the PGCC EIR.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.4 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant land use impacts. LAWA hereby adopts the conclusions regarding less-than-significant land use impacts. Because these impacts are less-than-significant, mitigation is not required.

(3) Hazards and Hazardous Materials

The Hazards and Hazardous Materials section of the EIR addresses two separate topics: aviation hazards and the potential to encounter hazardous materials during Project construction.

Aviation Hazards: Project structures (e.g., buildings) would be constructed below the "imaginary surfaces" defined by the FAA for purposes of avoiding obstructions to navigable airspace. Accordingly, the proposed Project would not pose a hazard to aviation.

Hazardous Materials Contamination: The Project site was analyzed for potential soil or groundwater contamination and, as a result of that analysis, no contaminated soil or groundwater is expected to be encountered during construction. Structures on the Project site contain potentially hazardous building materials (that are no longer used in construction), including asbestos-containing materials, lead-based paint, and mercury and PCB-containing materials. Asbestos-containing materials have been identified in structures and various materials within the Project site. As part of the Project, and in compliance with South Coast Air Quality Management District ("SCAQMD") Rule 1403 and other applicable statutes and regulations, asbestos-containing materials would be removed prior to demolition and properly disposed of at appropriate landfills.

Lead-based paint is present in many structures on site. Demolition of structures containing lead-based paint would be accomplished in accordance with the regulatory guidance provided in California Code of Regulations Section 1532.1. Based on the large volume of material being demolished and removed from the site, demolition waste probably would contain correspondingly small concentrations of lead paint by volume and no special disposal or transportation requirements would be required. Still, as described in FEIR Section 4.5.2, demolition materials with lead-based paint would be tested for lead concentrations in compliance with the Resource Conservation and Recovery Act, and any batches of materials in which actionable levels of lead are found would be handled and disposed of off-site as required by applicable statutes and regulations (FEIR pg. 4-81).

Mercury-containing switches and PCB-containing materials have been identified on site. Prior to demolition of on-site structures, mercury-containing switches would be removed and managed following the requirements of the Universal Waste Rule (40 CFR Part 9 and portions of Parts 260, 273). If feasible, such materials would be recycled instead of disposed of in a landfill.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.5 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant hazard and hazardous materials impacts. LAWA hereby adopts the conclusions regarding less-than-significant hazard and

hazardous materials impacts. Because these impacts are less-than-significant, mitigation is not required.

(4) Visual Resources/Aesthetics

The PGCC Project would not block any unique scenic vistas, would comply with City of Ontario Development Code guidelines relating to landscaping and design, and would be compatible with the surrounding area (much of which is on-airport). Project lighting would not affect area residences (none of which are adjacent to the Project site). Accordingly, the proposed Project would not have an adverse visual impact.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.6 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant aesthetic impacts. LAWA hereby adopts the conclusions regarding less-than-significant aesthetic impacts. Because these impacts are less-than-significant, mitigation is not required.

(5) Cultural Resources

The Project site encompasses a former Army dump and 15 former Lockheed structures that pre-date 1959, the cutoff used in this EIR's analysis of potential National Register of Historic Places and California Register of Historical Resources eligibility. As a result of archival and other research, neither the dump or former Lockheed structures were determined to represent historic resources eligible for listing, nor were any other eligible historic resources identified on the Project site. Accordingly, as documented in the Section 4.7 of FEIR, the demolition of structures and ground disturbance associated with Project construction would not cause adverse effects or significant impacts to historic or cultural resources. Similarly, operation of the proposed Project would not adversely affect off-site cultural resources (which have been listed as historic properties of local significance) through either changes to those resources' visual setting or as a result of increased aircraft noise. Those historic properties of local significance include the Frankish Building, Hofer Ranch, Ontario State Bank Block, Euclid Avenue corridor, and Ontario Ballpark (FEIR pg. 4-109). No adverse effects are anticipated because the PGCC Project would not alter any elements of these properties' environments that contribute to their historical context (FEIR pg. 4-110).

Findings: Based on the substantial evidence in the Administrative Record, including Section 4.6 of the PGCC FEIR, the PGCC Project is not expected to adversely affect identified archaeological or historic resources. However, because previously unrecorded and/or unanticipated historic features, sites or human remains may be encountered during implementation of the Project, Mitigation Measures have been identified (CR-1, 2 and 3) that would help ensure that the Project does not cause significant cultural resources impacts. More specifically, a Construction Phase Monitoring and Cultural Resources Treatment Plan will be prepared prior to Project construction, outlining a process to resolve any newly discovered cultural resources. A qualified archaeologist will monitor ground-disturbing activities with the Project area, following guidelines within the Cultural Resources Treatment Plan and as identified in Section 4.7 of the PGCC FEIR.

(6) Public Services

As with other portions of ONT, the Project would be served by both ONT Safety Division personnel and City of Ontario emergency response (police and fire) personnel. The proposed Project would incrementally increase the number of service calls required of those departments. Because of the size and type of the proposed facility, the low level of anticipated Project site use by the general public, and the security required for an on-airport site, the increase in service calls is expected to be minor and within the existing capacity of the ONT Safety Division, City of Ontario Police Department and City of Ontario Fire Department. Accordingly, the proposed Project would have a less-than significant impact on public services.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.8 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant public services impacts. LAWA hereby adopts the conclusions regarding less-than-significant public services impacts. Because these impacts are less-than-significant, mitigation is not required.

(7) Public Utilities

Public utility providers, including water, sewer gas, electricity and telephone providers, have adequate capacity to serve the proposed Project. Accordingly, the proposed Project would have a less-than-significant impact on public utilities.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.9 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant public utilities impacts. LAWA hereby adopts the conclusions regarding less-than-significant public utilities impacts. Because these impacts are less-than-significant, mitigation is not required.

(8) Geology/Soils

The Project site is in a seismically active region (as is all of Ontario and most of southern California). No active or potentially active faults are mapped or known to occur within or adjacent to the Project site. The closest mapped active faults include the Cucamonga Fault approximately 7 miles to the north, the Chino Fault approximately 7 miles to the west-southwest, the Whittier Fault approximately 12 miles to the southwest and segments of the San Jacinto Fault Zone approximately 14.5 miles to the east-northeast. Estimated maximum potential ground acceleration levels within the Project site range between approximately 0.5g and 0.6g (where "g" represents acceleration equal to that of gravity).

Mapped/inferred geologic and surficial materials within and/or adjacent the Project site include recent fill associated with existing Airport development; Holocene (less than approximately 11,000 years old) topsoil; and Holocene to Pleistocene (between approximately 11,000 and 2 million years old) alluvial fan, wash and eolian (wind-blown) deposits. Given the age of the existing buildings on the site, it is probable that fill soils used during their construction may not meet current engineered fill standards.

Construction of the proposed Project would incorporate a number of industry standard and regulatory compliance measures to address geology and soils-related development constraints, and final design would be based on detailed geotechnical analysis. These industry standard and regulatory compliance measures do not represent mitigation, but are a component of the proposed Project's design. Project geology and soils impacts would be less than significant.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.10 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant geology and soils impacts. LAWA hereby adopts the conclusions regarding less-than-significant geology and soils impacts. Because these impacts are less-than-significant, mitigation is not required.

(9) Water Quality/Hydrology

The entire Project site has been graded and/or paved through previous development activities, with approximately 95 percent of the site encompassing impervious surfaces such as pavement and structures. The majority of the Project site (approximately 81 acres) drains to the south and east through existing ONT storm drain facilities consisting of earthen channels underlain by reinforced concrete pipeline. Runoff from an approximately 15-acre area in the northwestern portion of the site currently flows to the west via an unlined channel, and enters the concrete-lined West Cucamonga Creek Channel just west of the Project site boundary.

The Project site and vicinity have been mapped for flooding hazards by the Federal Emergency Management Agency ("FEMA"). The majority of the site (along with approximately the western half of the ONT property) is mapped as Zone X, defined as "Areas of 500-year flood, areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile, and areas protected by levees from 100 year flood." The western portion of the Project site is mapped as Zone AO, with a calculated maximum 100-year flood depth of one foot (FEMA 1997). The mapped AO zone is associated with the nearby West Cucamonga Creek Channel, and extends east into the Project site for distances of between approximately 250 feet near the northwestern site corner, and 700 feet near the southwestern site corner.

No known information is available regarding the depth of regional groundwater bodies in the Project site and immediate vicinity, although the Ontario General Plan Hazards Element states that "In Ontario, the shallowest depths are around 300 feet for significant bodies of water."

All existing and proposed on-site and downstream drainage facilities are or will be designed to accommodate post-development runoff from the Project site. In addition, the Project design includes a number of measures to facilitate on-site infiltration (e.g., landscaping and pervious pavement), with an associated net reduction in post-development runoff volumes. As a result of these conditions, no significant impacts are anticipated in relation to the capacity of on or off-site storm drain facilities.

As described above, most of the Project site (along with approximately the western half of the ONT property) is within an area mapped as 500-year floodplain or

100-year floodplain with a maximum flood depth of less than one foot or less. The proposed Project design includes a number of measures to address these potential flood hazards. Specifically, all occupied and insurable structures would be elevated above applicable floodwater depths to avoid associated potential hazards. Based on those design conditions, no significant impacts related to flood hazards are anticipated from implementation of the proposed Project.

Because Project activities would not use or otherwise result in direct water quality effects to groundwater aquifers (e.g., by underground storage of hazardous materials), potential impacts to groundwater quality would be limited to the percolation of surface runoff and associated contaminants generated within the site. In compliance with California's general construction and industrial storm water permits, and all other applicable water quality statutes and regulations, the proposed Project would incorporate a number of procedural and structural best management practices, both during construction and Project operation, to prevent degradation of water quality in the surface runoff from the site. As a result, the proposed Project would have less-than-significant water quality impacts.

Findings: Based on substantial evidence in the Administrative Record, including Section 4.11 of the PGCC FEIR, LAWA hereby finds and determines that the PGCC Project will not have potentially significant hydrology and water quality impacts. LAWA hereby adopts the conclusions regarding less-than-significant hydrology and water quality impacts. Because these impacts are less-than-significant, mitigation is not required.

(10) Growth Inducement

The Project would generate short-term employment associated with construction activities and long-term (life-of-lease) employment associated with air cargo and related operations at the Project site. Construction activities would not measurably induce growth because of the proposed construction's short-term nature, the scale of the proposed Project and the availability of construction workers, materials and equipment in the region. Long-term employment at the Project site is estimated at roughly 1,000 employees, including workers at the cargo transfer buildings and site offices. In addition, the proposed Project would indirectly generate off-site job creation at business that support Project-site tenants and at other airport-related businesses through the multiplier effect.

In addition to the creation of employment opportunities at the Project site and at businesses that serve its tenants, the proposed Project has the potential to induce growth in the Ontario area by providing an international air cargo center for businesses that depend on such air cargo service.

Findings: Based on substantial evidence in the Administrative Record, including Section 6 of the PGCC FEIR, LAWA hereby finds and determines that while the PGCC Project would help foster growth in the Ontario area, it would not lead to significant secondary environmental impacts associated with that growth. The City of Ontario's anticipated population growth by 2020 is 100,000; the Greater Ontario area has a population of 3.2 million people; and anticipated growth in the greater Ontario area by 2020 is 1.8 million people. Within the context of the anticipated regional growth, the effects of the proposed Project on growth are minor.

In terms of the jobs to housing balance, the proposed Project would not be expected to noticeably affect the supply and demand of housing because the number of jobs created would be nominal in comparison to the overall supply of housing in the Inland Empire. A substantial number of the jobs created directly or indirectly by the proposed Project are expected to be filled with existing residents of the Inland Empire, meaning that not all new employees would need new homes in the region. Because the proposed Project would not substantively induce demand for new housing, it also would not lead to significant secondary effects associated with new housing (such as the need for increased police, fire protection and schools or increases in pollutant emissions).

In terms of drawing businesses into the Ontario area, the City of Ontario is actively encouraging and planning for this growth. Given the volume of planned development, new businesses that move to or open in the Ontario area due to the proposed Project should be able to be accommodated within the existing and planned supply of industrial and commercial space.

In terms of transportation, the development of an air cargo center at ONT has already been included in regional transportation planning efforts. Associated truck traffic would be less with the consolidation of operations at ONT since it is closer to the distribution centers that would be utilizing air cargo.

Based on the above-discussion, no significant growth inducement-related impacts are expected to result from the development of the proposed Project and mitigation is not required.

B. Unavoidable Significant Impacts

(1) Traffic/Circulation

The Project would generate up to approximately 6,200 daily car and truck trips at build-out. The estimated trips would contribute to intersection and freeway delays in the Ontario area. Because some of these delays would exceed the significance thresholds adopted by applicable local jurisdictions, impacts would be significant.

The traffic impacts analysis and fair share traffic mitigation program in the Final EIR was developed in close consultation with the City of Ontario, using methodology and data acceptable to the County of San Bernardino. The impacts analysis covered many intersections and several freeway segments in the vicinity of the Project. After identifying impacted intersections and roadways through this analysis, LAWA and the City of Ontario engaged in a detailed mitigation analysis for each impacted facility that calculated appropriate traffic improvements, including fair share of the costs of improvements to the impacted facilities. FEIR, pp. 4-2 thru 4-27.

The Final EIR did not identify any other mitigation measure besides the comprehensive fair share mechanism for project traffic impacts it adopted. FEIR, pp. 4-24 thru 4-27. Further, no government agency or person commenting on the Draft EIR suggested any other traffic mitigation measure.

Findings: The Project's incremental contribution to intersection and freeway delays could be mitigated to less-than-significant levels through payment of "fair share" fees to fund traffic improvements that would address the respective delays, as required by Mitigation Measures Traffic-1 and Traffic-2. More specifically, the Project would provide its fair share to the following improvements based on its trip contribution to the affected intersections in 2030: Grove Avenue/Airport Drive/State Street (provide northbound right turn overlap phase); Grove Avenue/Mission Boulevard (provide southbound left-turn-only lane, provide eastbound left-turn-only lane, widen northbound approach, and widen westbound approach and); Grove Avenue/Philadelphia Street (provide eastbound right turn overlap phase, re-stripe eastbound to provide two through lanes and one right turn lane, and provide northbound left turn only lane); I-10 at eastbound ramps/Fourth Street (re-stripe off ramp to one left turn lane and one right turn lane and provide eastbound right turn overlap phase); Vineyard Avenue/Holt Boulevard (add southbound through lane); Vineyard Avenue/Airport Drive (provide westbound right turn overlap phase, southbound right-turn overlap phase, and eastbound left-turn-only lane); Archibald Avenue/Inland Empire Boulevard (provide northbound right turn overlap phase); and Archibald Avenue/I-10 Ramps (add southbound through lane).

The fair share payments collected by the responsible agencies for the identified improvements would be made by the developer; however, the ability to implement most of the needed traffic improvements would be outside LAWA's jurisdiction. This reflects that responsibility for most of the regional traffic facilities to which the Project would contribute are owned and operated by the City of Ontario or the State of California. LAWA and the City of Ontario agree, and LAWA finds, that implementation of a fair share mechanism that would include the payments for the PGCC project identified in the Final EIR to fund the identified traffic improvements is an appropriate mitigation measure. Because the implementation of the mitigation measure cannot be guaranteed, LAWA finds the impact to be potentially significant and unavoidable. Those unavoidable effects nevertheless are acceptable when balanced against the overriding benefits of the project as set forth in the Statement of Overriding Considerations.

The Rehabilitation and Reuse alternatives (FEIR pp. 7-1 to 7-10; see also Section 5 of these Findings), which would result less intense use of the project site, would generate fewer truck and car trips and have comparatively less of a traffic impact on Project area roadways. These alternatives would not, however, avoid significant and unmitigated impacts to traffic and circulation for reasons similar to those described for the proposed project. The No Project Alternative would not generate traffic impacts, but neither would it meet any of the objectives of the proposed project (FEIR pg. 7-10 to 7-11).

(2) Air Quality/Air Toxics

The proposed Project would generate air pollutant emissions during construction (especially grading) and as a result of cargo operations (including emissions from aircraft engines, surface vehicles and ground support equipment). The potential effects of these emissions on the environment were evaluated in two separate technical studies: an Air Quality Impact Analysis Technical Report (FEIR Appendix E) and an Air Toxics Health Risk Assessment Report (FEIR Appendix F). The results of these technical studies are summarized in FEIR Section 4.3 (FEIR pp. 4-45

to 4-69). As described below, the proposed Project would have significant and unmitigated air quality impacts.

Construction Activity Emissions: Project construction would entail the use of heavy machinery during grading. Tailpipe emissions of construction equipment would exceed adopted CEQA significance thresholds for nitrogen oxides (NOx), which are a precursor to the formation of ozone. LAWA finds that this is a significant, albeit short-term, air quality impact. NOx is produced by combustion engines and it would not be feasible to mitigate NOx emissions during Project construction to less-than-significant levels (FEIR pg. 4-67 to 4-69). No other pollutant emissions would exceed significance thresholds during Project construction, and the proposed Project would not cause or contribute to a violation of air quality standards.

Operations: Operation of the proposed Project would generate emissions of acrolein that exceed adopted non-cancer, acute health risk hazard thresholds. Acrolein is a toxic air contaminant that can irritate the eyes and respiratory system. As described in Section 4.3 and Appendix F of the FEIR, however, the health risk assessment conducted for the proposed Project probably overstates the risk from acrolein because the predicted health risks due to exposure to acrolein emissions set forth in the EIR are likely to be higher than the actual health effects that would result if the Project is constructed, due to the conservative assumptions used in the model. Acrolein is emitted from aircraft engines and, to a lesser extent, diesel trucks, and it would not be possible for LAWA to mitigate acrolein levels to below the established significance threshold. Accordingly, this impact is considered significant and unmitigated. No other air pollutants generated by the operation of the proposed Project would cause a significant air quality impact.

The Rehabilitation and Reuse alternatives (FEIR pp. 7-1 to 7-10; see also Section 5 of these Findings) could lessen or avoid the significant air quality impacts related to NOx emissions because these alternatives would not require the earthwork and construction associated with new aircraft parking aprons, and it is aircraft apron construction that generates the highest NOx emissions. (Absent new ramps, however, the project site would have substantially less potential to serve as an air cargo center [FEIR pp. 7-1 to 7-3]). The project-related acrolein emissions would result primarily from jet engine exhaust (FEIR pg. 4-67). Because the Rehabilitation and Reuse alternatives would not provide an efficient, modern air cargo facility at the project site, they would create fewer aircraft trips and correspondingly lower acrolein emissions than the proposed project. Nonetheless, as described in FEIR Section 7.2, acrolein emissions associated with these alternatives would still be considered significant under CEQA (FEIR pp. 7-4 and 7-9). The No Project Alternative would not generate air quality impacts, but neither would it meet any of the most basic objectives of the proposed project (FEIR pg. 7-10 to 7-11).

In their comments on the Draft EIR, two resource agencies – the South Coast Air Quality Management District and the California Air Resources Board - recommended many mitigation measures to further reduce the Project's air pollutant emissions. LAWA evaluated each of these proposed measures during preparation of the FEIR, and the majority of recommended measures for controlling or reducing the significant NOx emissions during project construction and acrolein emissions during project operations are being adopted by LAWA and included in the Project's Mitigation Monitoring and Reporting Program. Some of the recommended measures, however,

were determined by LAWA to either be infeasible, not applicable or otherwise inappropriate for adoption.

Two recommended measures were determined by LAWA to be infeasible. The provision of a 300-foot buffer between trucks and sensitive receptors and rerouting construction trucks away from congested areas would not be feasible because the designated truck routes leading to the Project site traverse a densely developed urban environment. There is no feasible route that would allow a 300-foot buffer between truck traffic and all sensitive human receptors. A requirement to limit truck idling to five minutes off-site was also not adopted. It is not feasible for LAWA or the Project developer to monitor truck activities that take place off-site.

Some others were determined to be otherwise inappropriate for adoption as mitigation measures. For example, some suggested measures that duplicate regulations already in place and that are enforced by another agency would not provide mitigation above what is currently exists, such as two recommended air quality mitigation measures that would have mandated the purchase of low-sulfur diesel by PGCC trucks – pursuant to state and federal law, no other type of diesel fuel is available for purchase in California. Similarly, enforcement of local truck parking restrictions, another agency-recommended air quality mitigation measure, is already conducted in the Project area by the City of Ontario. A requirement to limit truck idling to five minutes on-site is also a regulation already in place. Also, another measure suggested paving roads in the airport vicinity, but all roads leading into the airport from the developed areas around it are already paved, and paving roads on-site already is part of the PGCC project.

Measures that would not be expected to measurably reduce emissions and/or that would not be applicable at the PGCC site also were not adopted. For example, the addition of dedicated turn lanes at the access to the PGCC site also was recommended. Since the Project site fronts Airport Drive, an improved street with three lanes in each direction and dedicated turn pockets (and a relatively low volume of surface traffic); the addition of more dedicated turn lanes would not be expected to reduce air pollutant emissions and this measure was not adopted. The provision of on-site services to reduce truck traffic in residential areas also was recommended. The provision of on-site services would have a negligible effect, if any, on acrolein levels which are the primary source of PGCC acrolein emissions. Although the provision of some on-site services is likely given the potential market for such services by future tenant employees, the provision of these services will be market driven. Accordingly, these measures are not being adopted. Pages RC-30 to RC-73 of the FEIR list all of the mitigation measures recommended by the South Coast Air Quality Management District and the California Air Resources Board. For each recommended measure, the FEIR indicates whether the measure is being adopted and, if not, the reason that the measure was determined not to be a feasible means of further reducing the significant air quality impacts of the proposed Project.

Findings: Mitigation would be implemented to reduce the severity of significant air quality effects related to NO_x and acrolein, including measures AQ-1 through AQ-17 as described in the PGCC FEIR (pp. 4-68 to 4-69). The majority of these mitigation measures were included in the FEIR at the request of the South Coast Air Quality Management District (FEIR pg. RC-30 to RC-68) and/or the California Air Resources Board (FEIR pg. RC-70 to RC-73) These mitigation measures include restrictions on

Project construction and operations; however, they would not be able to substantively reduce emissions from the largest source of NO_x during construction (combustion-powered construction equipment) or the largest source of acrolein emissions during Project operations (jet engine exhaust).

SCAQMD suggested two related mitigation measures for project emissions from truck traffic: reroute construction trucks away from congested areas and provide a buffer zone between truck traffic and sensitive receptors. Because of the highly developed land uses surrounding Ontario Airport, it is impossible for project truck traffic to avoid some congested areas and sensitive receptors altogether. Therefore, LAWA finds that these factors of existing land uses, surface transportation facilities and traffic at and around Ontario Airport make both of these proposed mitigation measures infeasible. The remaining unavoidable effects are acceptable when balanced against the overriding benefits of the project as set forth in the Statement of Overriding Considerations.

(3) Cumulative Air Quality/ Air Toxics

The proposed Project would generate a number of criteria air pollutants subject to regulation, including pollutants for which the South Coast Air Basin ("SCAB") is currently in non-attainment with federal and/or state standards. Although the proposed Project is not expected to cause or contribute to a violation of air quality standards for criteria air pollutants, the proposed Project would nonetheless generate criteria pollutant emissions in an air basin that is in non-attainment with air quality standards. Over the years, as the SCAB achieves attainment with all federal and state air quality standards, the cumulative effect of all air quality emissions may be less than significant. Until such a time, however, the FEIR conservatively assesses that the proposed Project would incrementally contribute to the SCAB's significant existing air quality problems. In addition, projections of air cargo operations associated with PGCC cargo operations have been accounted for in the Southern California Association of Governments' Regional Transportation Plan, and are therefore included in the SIP emissions budget for the SCAB (FEIR pp.4-61 to 4-62). Because the emissions associated with the operations are included in the SIP, emissions are accounted for in the attainment demonstration for ozone and would thus not contribute to violations of the ozone standard in the SCAB (FEIR pp. 4-67 and 5-14).

Findings: Mitigation measures AQ-1 through AQ-17 identified in the PGCC FEIR would reduce air pollutant emissions generated by the Project, but not to a less than cumulatively considerable level. The remaining unavoidable effects are acceptable when balanced against the overriding benefits of the project as set forth in the Statement of Overriding Considerations.

(4) Cumulative Noise

There will be a substantial increase in the noise levels associated with ONT aircraft operations over the next 15 years (when the proposed Project is expected to be complete and fully operational). The number of total air carrier passengers at ONT is expected to rise from 6.6 million in 2003 to 25.4 million in 2020 (FEIR pg. 3-4 and Appendix B). Air cargo tonnage at ONT is expected to increase from 572,000 tons in 2003 to between 1.2 million and 2.5 million tons in 2020 (FEIR pg. 3-8 and

Appendix B). These increases are forecasted to occur irrespective of the Project. In order to accommodate this growth in traffic, LAWA is in the process of developing a new master plan for ONT to guide its development through 2030. For purposes of cumulative noise analysis, a substantive increase in ONT noise levels would occur with or without the proposed Project; however, the proposed Project would incrementally expand the CNEL noise contours at ONT.

Mitigation of ONT noise impacts is being achieved by LAWA through an ongoing noise management program administered by the ONT Noise Management Office. This program includes noise monitoring, operational restrictions, and aircraft restrictions. Tenants at the Project site would be subject to the existing ONT noise management program and other applicable noise abatement policies mandated by the FAA and/or LAWA. LAWA intends to assure Project tenant compliance with these programs and policies through, among other things, enforcement of applicable PGCC lease terms. Participation in the existing ONT noise management program is the most effective way to minimize the proposed Project's incremental contribution to noise effects. As indicated above, however, the growth in operations at ONT will nonetheless increase noise levels over current conditions, which may be perceived as a significant cumulative noise effect even with the implementation of noise management and abatement measures.

The Final EIR did not identify any other cumulative noise mitigation measures. Further, no government agency or person commenting on the Draft EIR suggested any other mitigation measure for cumulative noise impacts.

Findings: All ONT aircraft operators must comply with FAA regulations and procedures for noise management and emission standards as well as all rules, policies, procedures, resolutions, and ordinances established by the City of Los Angeles Board of Airport Commissioners and LAWA, relative to noise management. These regulations, policies, procedures, resolutions, and ordinances also would apply to the Project and its tenants, thereby lessening the Project's incremental contribution to cumulative noise impacts as the number of aircraft operations at ONT increase over time. The cumulative increase in noise levels at ONT is nonetheless expected to be considerable as (Project and non-Project related) aircraft operations increase. Those unavoidable effects nonetheless are acceptable when balanced against the overriding benefits of the project as set forth in the Statement of Overriding Considerations.

(5) Cumulative Traffic

The Project's traffic impact analysis addressed the effects of Project traffic in consideration of ambient (background) project levels projected to occur in both 2020 (full Project buildout) and 2030 (the horizon year for regional planning efforts). That traffic impact analysis—summarized above and included as Section 4.1 of the FEIR—concluded that the Project would incrementally contribute to significant traffic impacts. Accordingly, the Project also would be considered to incrementally contribute to a cumulatively considerable traffic impact (FEIR pg. 5-5).

The Final EIR did not identify any mitigation measure for cumulative traffic impacts other than the fair share mechanism it adopted. FEIR, pp.4-24 thru 4-27. Further, no government agency or other person commenting on the Draft EIR suggested any other cumulative traffic mitigation measure.

Findings: Mitigation for the Project's incremental contribution to cumulative traffic impacts would be identical to the traffic mitigation measures described above ("fair share" payments as required by Mitigation Measures Traffic-1 and Traffic-2). As noted above, the fair share payments would be made by the Project provided that a mechanism exists to commit those fair share payments to the identified improvements; however, the ability to implement most of the needed traffic improvements would be outside LAWA's jurisdiction. This reflects that responsibility for most of the regional traffic facilities to which the Project would contribute are owned and operated by the City of Ontario or the State of California. LAWA and the City of Ontario agree, and LAWA finds, that implementation of a fair share mechanism that would include the payments for the PGCC project identified in the Final EIR to fund the identified traffic improvements is an appropriate mitigation measure (see Section 4.B(1) of these Findings). Still, because the implementation of the mitigation measure cannot be guaranteed, LAWA further finds the impact to be potentially significant and unavoidable. Those unavoidable effects nevertheless are acceptable when balanced against the overriding benefits of the project as set forth in the Statement of Overriding Considerations.

5. ALTERNATIVES

Alternatives to the proposed Project addressed in the FEIR include the rehabilitation and reuse of the existing Lockheed structures on the Project site, either as a stand-alone action or in concert with the rehabilitation and reuse of other Airport buildings for air cargo. Pursuant to CEQA and the State CEQA Guidelines, the FEIR also evaluated a No Project Alternative.

A. Rehabilitation and Reuse Alternatives: The Rehabilitation and Reuse alternatives (FEIR pp. 7-1 to 7-10) would utilize existing structures at the Project site, including existing parking lots, hangars, paved areas, buildings, and roads. The Rehabilitation and Reuse alternatives would avoid Project site grading and the associated significant air quality impacts during construction due to NOx emissions above established significance thresholds. Those alternatives therefore would result in reduced air pollutant emissions, but acrolein concentrations during Project operations would not be reduced to less-than-significant levels. Surface traffic impacts could be mitigated to less-than-significant levels through fair share payments. As with the proposed Project, however, the locations of most of the necessary traffic improvements would be outside the jurisdiction of LAWA, and traffic impacts would be considered significant and unmitigated. Also like the proposed Project, other impacts associated with site rehabilitation and reuse would be less-than-significant, but rehabilitation and reuse of the existing buildings would incrementally contribute to significant noise and air quality impacts (although to a lesser extent than would the proposed Project). Because rehabilitation and reuse of the existing buildings on the Project site would generate fewer environmental effects than the proposed Project, it is considered the environmentally preferable alternative under CEQA (FEIR pg. 7-14)

B. No Project Alternative: Under the No Project Alternative, existing uses at the Project site would continue. No demolition of existing structures would occur and no rehabilitation of existing facilities would take place. As a consequence, this alternative would preclude any use of the site for new air cargo service to the region. The No Project Alternative would avoid the significant impacts of the proposed Project (FEIR pp. 7-10 to 7-12).

C. Reasons Alternatives Are Not Feasible

Based on the considerations contained in the FEIR, substantial evidence contained in the Administrative Record, and the reasons cited below, LAWA hereby finds and determines that each of the above alternatives is not feasible. Therefore, LAWA rejects both the Rehabilitation and Reuse and the No Project alternatives.

As noted in greater detail in the Statement of Overriding Considerations, below, regional demand for air cargo service are projected to accelerate dramatically by 2030 – increasing from 2.6 million air cargo tons (“MAT”) to 8.7 MAT. LAWA determines that ONT is the logical location at which regional air cargo services will be consolidated and expanded. This assessment also is consistent with the results of independent and airport-specific air cargo market studies focused on ONT, including the *Air Cargo Market Study for ONT* (Leigh Fisher Associates 2002) and *Cargo Market Assessment for Ontario International Airport* (SH&E 2002). The Project furthers LAWA’s goals of (a) improving the utilization of, and increase revenue generated from, existing airport property; and (b) improving the Airport’s ability to accommodate anticipated demand for air cargo service in the SCAG area. The PGCC Project will also result in substantial economic and employment benefits.

The Rehabilitation and Reuse and the No Project alternatives would not adequately accommodate increasing air cargo service needs, thereby failing to meet the above regional plans and also to meet LAWA’s objective of this project for more fully utilizing the existing ONT property. The Rehabilitation and Reuse alternatives would fall short of meeting the Project objective of meeting cargo capacity needs in two ways. First, these alternatives would not provide modern air cargo facilities and would not be able to accommodate as many medium and large wide-body jets. Accordingly, those alternatives would accommodate much less cargo and would result correspondingly in fewer cargo-related aircraft operations than would the PGCC Project. Second, while the Rehabilitation and Reuse alternatives would increase the utilization of the 96 acre project site on the northwest side of the airport somewhat, they would result in much less development of new surface area and interior volume of cargo-related buildings across the 96-acre project site than would the PGCC Project (FEIR pp 7-3 and 7-7 to 7-8).

As for LAWA’s goal of increased revenue generation at ONT, the Rehabilitation and Reuse alternatives would generate less revenue from developing the project site with cargo facilities in large part because it will foster the development of much less useable and rentable cargo space at the 96-acre project site than would the PGCC Project. In addition, it is likely that, even on an equivalent square foot basis, the Rehabilitation and Reuse alternatives would generate less revenue because air cargo tenants probably will pay less per square foot to lease remodeled space in old buildings originally designed decades ago for aircraft maintenance than they would for the new, modern buildings in the PGCC Project that will be designed specifically for air cargo operations (FEIR pp. 7-7 to 7-8).

As for the No Project Alternative, it would result in the development of no new cargo space on the 96-acre project site to lease to air cargo users. Thus, this alternative obviously fails to meet LAWA’s objectives of improving the use of existing land at Ontario Airport, and maximizing generation of revenue from that land (pp. 7-10 to 7-11).

6. STATEMENT OF OVERRIDING CONSIDERATIONS

The Draft EIR was made available for public review from April 27 through September 11, 2006. That document identified potentially significant adverse environmental impacts that cannot be mitigated to a level of insignificance by the implementation of feasible mitigation measures or

alternatives. Those unavoidable significant impacts occur in the areas of air quality and traffic/circulation. In addition, the PGCC Project could contribute to potentially significant and unavoidable cumulative noise, air quality and traffic impacts.

CEQA Guidelines 15093 subdivision (b) provides that, when a public agency approves a project that may result in significant impacts that are identified in the FEIR but are not reduced to an insignificant level, the agency must state in writing the technological, legal, social or economic reasons to support its decision based on the FEIR and/or other information in the whole of the Administrative Record. Accordingly, LAWA and the City of Los Angeles, as the Lead Agency for the PGCC EIR, adopts the following Statement of Overriding Considerations.

Based on substantial evidence in the whole of the Administrative Record for the PGCC, LAWA hereby finds, concludes and determines that the unavoidable potentially significant adverse environmental impacts of the PGCC are acceptable in light of the following benefits of the project. Each project benefit described below constitutes an overriding consideration warranting approval of the PGCC, independent of the other benefits, despite each and every potentially significant unavoidable impact.

A. Accommodation of Increased Demand for Air Cargo Service

Regional demand for air cargo service has increased dramatically over the past two decades. That trend will only accelerate in the future. The Southern California Association of Governments' ("SCAG") 2004 Regional Transportation Plan ("RTP") projects that air cargo in the SCAG area will increase from 2.6 million air cargo tons ("MAT") to 8.7 MAT in 2030. Los Angeles International Airport ("LAX") handled approximately 2.02 MAT in 2003. ONT and Long Beach (respectively) handled approximately 0.57 MAT and 0.06 MAT in 2003. Air cargo infrastructure at LAX is constrained. The LAX master plan "preferred alternative" proposed by the City of Los Angeles and Federal Aviation Administration ("FAA") would not expand LAX's cargo area beyond a 1996 baseline level of 197 acres. Moreover, the cost of operating at or near LAX also presents a constraint to the expansion of air cargo facilities there. Accordingly, LAWA and SCAG project that other airports will have to accommodate the anticipated demand for air cargo service (FEIR pp. 1-6 to 1-7).

SCAG's 2004 RTP projects that increases in air cargo will be distributed over six airports in the SCAG region, with air cargo operations at ONT increasing to 1.54 MAT by the year 2020 (RTP Appendix D-6:12). LAWA anticipates that a proportionately larger amount of the regional increase in air cargo operations will be consolidated at ONT. That assessment reflects market conditions and operational benefits associated with consolidating freight operations at one location. ONT has over nine times the cargo volume of the next largest air cargo airport in the SCAG region, over 200 daily scheduled passenger flights and existing service from 11 major U.S. freight carriers. In addition, the recent "open skies" agreement between the United States and the European Union may support non-stop flights between ONT and Europe, with an associated potential for belly cargo service and associated businesses (freight forwarders) at ONT. LAWA therefore determines that ONT is the logical location at which regional air cargo services will be consolidated and expanded. This assessment also is consistent with the results of independent and airport-specific air cargo market studies focused on ONT, including the *Air Cargo Market Study for ONT* (Leigh Fisher Associates 2002) and *Cargo Market Assessment for Ontario International Airport* (SH&E 2002).

Both SCAG and LAWA have adopted plans and policy goals to direct a large share of this growth in cargo demand to Ontario Airport. As explained in Section 5.C. of these Findings, the

PGCC Project will maximize development of air cargo capacity within the 96-acre project site to meet these plans and goals, and is therefore consistent with SCAG's current Regional Transportation Plan and LAWA's LAX Master Plan, while the Rehabilitation and Reuse and No Project alternatives are not. In addition, as also explained in Section 5.C. above, the project substantially fulfills LAWA's policy goals of improving the utilization of the existing property at Ontario Airport, and of maximizing the generation of revenue from the airport's property.

B. Economic Benefits

PGCC has the potential to induce growth in the Ontario area by providing an international air cargo center for businesses that depend on such air cargo services (FEIR pp. 6-1 to 6-3). In other words, businesses that rely on convenient access to air cargo service may choose to locate their offices and/or distribution centers near ONT because of the expanded availability of air cargo service at the airport. Business that are not in the air cargo industry, but that rely on access to air cargo, also are likely to be drawn to ONT because of the accessibility of an international air cargo center. The PGCC project therefore has the potential to draw new businesses to—and spur significant economic activity in—the Ontario area. Based on preliminary estimates, it is anticipated that at buildout the PGCC project facilities may generate up to \$750,000 annually in property tax revenue (assuming a property value of \$75 million and one percent tax rate), as well as business license fee revenues. In addition, the project would indirectly contribute toward the generation of other tax revenues (such as sales taxes). These revenues would benefit local- and state-funded departments and programs. Because of the comparative capacity and revenue-generating considerations discussed in Section 5.C. above, the Rehabilitation and Reuse and No Project alternatives will not produce these economic benefits.

In its response to the RFP issued by LAWA, Aero Ontario RFP, LLC forecasted lease payments of \$1.5 million on signing, in excess of \$150 million in ground lease payments over a 40-year period, and 10 percent participation in rental revenues from subtenants of the PGCC. These monies will accrue to the direct benefit of LAWA to be used as appropriate to further LAWA's goals.

C. Employment Benefits

The construction of the PGCC would provide significant employment benefits to the region. It is estimated that PGCC will directly generate approximately 1,000 jobs over the long-term (FEIR pg. 6-2). In addition, it is estimated that PGCC will support job-creation at business that provide support for tenants at the Project site. The Project would also indirectly generate off-site job creation by supporting other airport-related business, such as off-airport freight forwarders (FEIR pg. 6-2 to 6-3). Considering the multiplier effect to account for the indirect effects on other industries, the total employment impact within the region would be even higher. (The induced growth impacts of the Project are presented in 6.3 of the FEIR.) Again, because of the capacity and revenue-generating considerations discussed in paragraph 5.C. above, the Rehabilitation and Reuse and No Project alternatives cannot provide these employment benefit.

Preface

LA/Ontario International Airport (ONT; formerly Ontario International Airport) is a medium-hub, full-service airport with commercial jet service to major U.S. cities and through service to many international destinations. The airport is operated by Los Angeles World Airports (LAWA), a self-supporting department of the City of Los Angeles. Located approximately 35 miles east of downtown Los Angeles, ONT encompasses approximately 1,700 acres and has two commercial-length runways. ONT's immediate service area includes a population of six million people living in San Bernardino and Riverside Counties and portions of northern Orange County and eastern Los Angeles County. Passenger traffic at ONT has been increasing steadily for the past 10 years. In 2005, 7.2 million passengers used the airport and 561,756 tons of air freight were shipped. ONT is also the center of a rapidly developing freight movement system that includes the airport, two railroads, four major freeways, and an expanding network of freight forwarders.

In 2001, the Los Angeles Board of Airport Commissioners identified a need to (A) improve the utilization of, and increase revenue generation from, existing ONT property and (B) improve ONT's ability to accommodate anticipated regional growth in air cargo operations. As a result, in December 2001, LAWA released a Request for Proposals for the development of an international air cargo center on the northwest corner of ONT. Ten firms responded to the Request for Proposals. In June 2003, the Board of Airport Commissioners approved the selection of Aero Ontario, RFP, LLC as the successful proposer and authorized the Executive Director to negotiate a long-term land lease and development agreement with Aero Ontario, RFP, LLC for the development of an international air cargo center ("proposed Project").

LAWA evaluated the proposed Project in an Environmental Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA; California Public Resources Code §§ 21000 *et seq.*) and the *State CEQA Guidelines* (California Code of Regulations §§ 15000 *et seq.*). A Notice of Preparation of a Draft EIR was published and distributed in October 2003. In April 2006, LAWA distributed a Draft EIR for public and agency review. The public comment period extended from April 27, 2006 through September 25, 2006.

The *Final EIR for the Pacific Gateway Cargo Center at Ontario International Airport* was completed in June 2007. The Final EIR includes responses to comments on the Draft EIR and, as applicable, revisions to the Draft EIR made in response to those comments. No new or substantially more severe significant impacts were identified in the Final EIR.

This Mitigation Monitoring and Reporting Program (MMRP) addresses the mitigation measures for the proposed Project that are included in the *Final EIR for the Pacific Gateway Cargo Center at Ontario International Airport*.

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List of Acronyms

CEQA California Environmental Quality Act
EIR Environmental Impact Report
LAWA Los Angeles World Airports
LOS Level of Service (traffic)
MMRP Mitigation Monitoring and Reporting Program
NAHC Native American Heritage Commission
NO_x Oxides of nitrogen
ONT LA/Ontario International Airport
V/C Volume to capacity (ratio)

Introduction

The California Environmental Quality Act (CEQA) requires that the City of Los Angeles establish a reporting and monitoring program for mitigation measures adopted as part of the environmental review process to mitigate or avoid significant effects on the environment. This Mitigation Monitoring and Reporting Program (MMRP) is designed to comply with these requirements by ensuring that the mitigation measures identified in the Final EIR are implemented.

The MMRP, as set forth in the following table, lists the mitigation measures, summarizes the significant effects being mitigated, describes the timing of mitigation implementation, and lists the actions indicating compliance for each proposed Project mitigation measure. As necessary, monitoring reports detailing, among other things, status and compliance, will be submitted to the City of Los Angeles Board of Airport Commissioners. The MMRP's content is described briefly below.

Mitigation Measures: Each proposed Project mitigation measure in the Final EIR is listed verbatim, with minor edits to clarify context where necessary. Each measure is categorized by the environmental discipline to which it pertains.

Timing of Implementation: The appropriate time by which the proposed Project mitigation measure must be implemented in order to effectively accomplish the intended outcome. Identification of this timing is based on current information. Although project-level analysis is provided in the Final EIR, the proposed Project would be constructed in phases and the exact size and configuration of project facilities is not known. As such, the timing of each mitigation measure may evolve as Project construction progresses.

Actions Indicating Compliance: The means by which the monitoring agency will verify that the measure is being carried out. Identification of these means for demonstrating compliance is based on current information. Compliance may be demonstrated through alternative means, subject to the approval of the monitoring agency. If an alternative means for demonstrating compliance is approved, the monitoring frequency may be adjusted accordingly.

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MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<p>Traffic-1</p> <p>Monitoring Agency: LAWA</p> <p><i>Note: Mitigation for 2030 traffic impacts is included in this MM/RP because this mitigation represents greater (higher "fair share") mitigation relative to the 2020 mitigation.</i></p> <p>The proposed Project would provide its fair share to the improvements as outlined below based on the Project's trip contribution to the significantly impacted intersections in 2030.</p> <p>a. Grove Avenue/Airport Drive/State Street. Provide northbound right turn overlap phase.</p> <p>b. Grove Avenue/Mission Boulevard. Provide southbound left-turn-only lane; provide eastbound left-turn-only lane; widen northbound approach and departure (provide three through lanes and one right turn lane); and, widen westbound approach and departure (provide four through lanes and one right turn lane with overlap phase).</p> <p>c. Grove Avenue/Philadelphia Street. Provide eastbound right turn overlap phase; re-stripe eastbound to provide two through lanes and one right turn lane; and, provide northbound left turn only lane.</p> <p>d. I-10 Eastbound Ramps/Fourth Street. Re-stripe off ramp to one left turn lane and one right turn lane (no through movement) and provide eastbound right turn overlap phase (overlap with southbound right/left)</p> <p>e. Vineyard Avenue/Holt Boulevard. Add southbound through lane.</p> <p>f. Vineyard Avenue/Airport Drive. Provide westbound right turn overlap phase; provide southbound right-turn overlap phase; and, provide eastbound left-turn-only lane.</p> <p>g. Archibald Avenue/Inland Empire Boulevard. Provide northbound right turn overlap phase.</p> <p>h. Archibald Avenue/I-10 Ramps. Add southbound through lane.</p>	<p>Decline in level of service (LOS) at intersections affected by Project traffic</p>	<p>Prior to opening of Project facilities that would generate sufficient traffic to cause a drop in LOS</p>	<p>Submittal of proof of payment of fair share to the City of Ontario</p>

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Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
Traffic-2 Monitoring Agency: LAWA	Specific mitigation measures for the I-10 freeway mainline should be developed as part of a broader regional improvement program. Both the eastbound and westbound directions of I-10 would require at least one additional general purpose, mixed-flow lane between Archibald Avenue and Milliken Avenue. A second westbound lane would be necessary between Haven Avenue and Milliken Avenue. Two additional lanes in each direction would be needed between Milliken Avenue and I-15.	Decline LOS on freeway segments affected by Project traffic	Prior to opening of Project facilities that would generate sufficient traffic to cause drop in LOS	Submittal of proof of payment of fair share to San Bernardino Associated Governments or Caltrans, as applicable, provided that a mechanism exists to commit fair share payment to the identified freeway improvement program
Noise				
Noise-1 Monitoring Agency: LAWA	Tenants at the Project site would be subject to the existing ONT noise management program and other applicable noise abatement policies mandated by the Federal Aviation Administration (FAA) and/or LAWA. Participation in the existing ONT noise management program is the most effective way to minimize the proposed Project's incremental contribution to noise effects.	Cumulative increase in noise impacts from aircraft operations on the local community	Already being implemented for existing ONT operations; would continue as Project is developed	Existing noise abatement program compliance documentation will continue
Air Quality				
AQ-1 Monitoring Agency: LAWA	Trucks idling on and off-site will be limited to five minutes, with the exception of concrete and cement mixer trucks, which require idling to run the mixers and maintain cement in a deliverable state while being transported to the building site.	Project construction-related generation of oxides of nitrogen (NO _x) in excess of significance thresholds	During each phase of construction	Submittal of construction documents showing idling limits
AQ-2 Monitoring Agency: LAWA	Use of construction equipment will be suspended during first stage smog alerts that encompass ONT.	Project construction-related generation of NO _x in excess of significance thresholds	During any first stage smog alerts during construction phases	Submittal of construction documents requiring suspension of construction during smog alerts
AQ-3 Monitoring Agency: LAWA	Construction plans for the Project will allocate parking areas to minimize traffic interference to the extent feasible.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each new construction phase	Submittal of construction plans allocating parking areas
AQ-4, 6 Monitoring Agency: LAWA	For each phase of construction, a construction traffic management plan will be developed to help minimize truck congestion. Specific elements to be considered include the timing and routing of construction truck trips, ride sharing for construction workers, and site access (e.g., flaggers or dedicated turn lanes, as appropriate).	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each new construction phase	Submittal of construction traffic plan

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Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
AQ-5 Monitoring Agency: LAWA	Dedicated on-site turn lanes will be provided during construction.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans showing turn lanes
AQ-7 Monitoring Agency: LAWA	To the extent necessary to minimize off-site traffic disruptions (on Airport Drive), a flag person will be used on site to guide trucks into or out of the Project site.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans indicating required availability of flag person for Airport Avenue
AQ-8 Monitoring Agency: LAWA	Developer will give preferential consideration to contractors who use clean fuel construction equipment, emulsified diesel fuels, construction equipment that uses low sulfur diesel and is equipped with oxidation catalysts, particulate traps, or other retrofit technologies, etc.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of preferential treatment specifications in bid documents
AQ-9 Monitoring Agency: LAWA	To the extent feasible, electricity from the power grid will be used rather than portable generators.	Project construction-related generation of NO _x in excess of significance thresholds	During each phase of construction	Submittal of construction plans showing planned connections to grid where feasible
AQ-10 Monitoring Agency: LAWA	Bid specifications for grading will require that to the extent feasible, contractors limit the size of construction equipment engines to the minimal practical size.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of equipment size limitation (as feasible) specifications in bid documents
AQ-11 Monitoring Agency: LAWA	Bid specifications for grading will require that to the extent feasible, contractors shall install NO _x emission reduction technologies on construction equipment.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion (as feasible) of NO _x reduction technology specifications in bid documents
AQ-12 Monitoring Agency: LAWA	Bid specifications for grading will require that to the extent feasible, contractors must maintain equipment according to manufacturers' specifications.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	Inclusion of equipment maintenance requirement, as feasible, in bid documents

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Mitigation Measures		Potential Impact Being Addressed	Timing of Implementation	Actions/Indicating Compliance
AQ-13 Monitoring Agency: LAWA	To the extent feasible, bids will favor contractors with diesel-fueled equipment built in 1996 or later.	Project construction-related generation of NO _x in excess of significance thresholds	Prior to each phase of construction	As feasible, inclusion of preferential treatment specifications in bid documents
AQ-14 Monitoring Agency: LAWA	Project site tenants will be encouraged to participate in the existing Ride Share Program implemented at ONT by LAWA, which includes Vanpools, carpool matching and trip planning services for employers/employees at the Airport.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to LAWA of copy of tenant lease clause encouraging participation in Ride Share Program
AQ-15 Monitoring Agency: LAWA	Truck idling will be restricted to five minutes or less, with the exception of trucks that must idle to power on-truck equipment.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to LAWA of copy of tenant lease clause limiting idling to five minutes except where required to power on-truck equipment
AQ-16 Monitoring Agency: LAWA	To the extent feasible, the ground lessor (LAWA) and Project developer will provide incentives for tenants to reduce operational emissions (e.g., "clean" trucks, electrical service equipment, alternatively fueled aircraft-tow and cargo-tows tractors).	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Prior to signing each tenant lease	Submittal to LAWA of copy of tenant lease clause providing incentives for reductions of operational emissions as feasible
AQ-17 Monitoring Agency: LAWA	Where feasible, electrical service connections will be provided, including for the majority of aircraft gates and truck docks primarily used by refrigerated trucks.	Project operations (primarily aircraft engines) would generate pollutants in excess of health risk assessment significance thresholds	Once per each new phase of project construction	Copy of construction plans from bid package indicating installation of electrical service connections where feasible

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Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<i>Cultural Resources</i>			
<p>CR-1 Monitoring Agency: LAWA</p> <p>The Project proponent shall prepare a Construction Phase Monitoring and Cultural Resources Treatment Plan prior to Project construction. This Plan shall outline the process by which the Project Applicant will resolve any significant impacts upon newly discovered, historically significant cultural resources, including consultation with the State Historic Preservation Officer. Specifically, the Plan shall outline the process by which cultural resource discovery notifications are made and treatment plans are implemented, describe the cultural resource classes anticipated during construction, describe the treatment options for each cultural resource class, and detail procedures for implementing treatment.</p>	<p>The proposed Project is not expected to have a significant impact on any identified archaeological or historical resources. However, previously unrecorded and/or unanticipated historic features, sites, or human remains may be encountered during implementation of the Project.</p>	<p>Prior to construction of first phase</p>	<p>Submittal of Construction Phase Monitoring and Cultural Resources Treatment Plan</p>
<p>CR-2 Monitoring Agency: LAWA</p> <p>The Project proponent shall ensure that a qualified archaeologist will monitor ground-disturbing activities within the Project area. Ground-disturbing activities include all surface and subsurface disturbance to a depth below surface determined by the qualified archaeologist. The Project archaeologist shall attend all preconstruction meetings so as to be aware of planned grading and excavation activities, to coordinate archaeological monitoring needs, and to inform construction personnel of the cultural resources monitoring procedures and requirements. The qualified archaeologist shall be empowered with the authority to temporarily halt or redirect construction equipment if cultural materials are encountered so that they may be evaluated and treated, as appropriate.</p>	<p>Previously unrecorded and/or unanticipated historic features, sites, or human remains may be encountered during implementation of the Project.</p>	<p>During ground disturbing activities (grading and trenching) for each phase of construction that could affect cultural artifacts, as outlined in the Construction Phase Monitoring and Cultural Resources Treatment Plan</p>	<p>Submittal of archaeology monitoring report(s) following each construction phase that could affect cultural artifacts, as outlined in the Construction Phase Monitoring and Cultural Resources Treatment Plan</p>

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Mitigation Measures	Potential Impact Being Addressed	Timing of Implementation	Actions Indicating Compliance
<p>CR-3 Monitoring Agency: LAWA</p> <p>If the Project's construction-related activities unearth potentially human bone, the procedures outlined in California Public Resources Code (5097.9) and California Health and Safety Code (7050.5) shall be implemented. The Project archaeologist and/or Resident Engineer shall immediately divert ground-disturbing activities in the area of the discovery while a temporary construction exclusion zone surrounding the site is established to allow for further examination and treatment of the find. The Project archaeologist or Resident Engineer shall also immediately notify the San Bernardino County Coroner's Office by telephone. By law, the Coroner is required to determine within two working days of being notified if the remains are subject to his or her authority (recent burial) or if they are ancient Native American (historic or prehistoric). If the remains are determined to belong to a Native American(s), then regulations outlined in the Native American Graves Protection and Repatriation Act of 1990 (25 U.S.C. 3001 et seq.) and Native American Graves Protection and Repatriation Act Regulations (43 CFR Part 10) shall be implemented. These procedures include the coroner contacting the Native American Heritage Commission (NAHC) by telephone within 24 hours of the determination. The NAHC shall then appoint a Most Likely Descendant of the human remains and a burial treatment plan shall be negotiated and implemented. The contractor shall be responsible for restricting all construction activity from the immediate vicinity of the human remains until treatment is complete.</p>	<p>Previously unrecorded and/or unanticipated human remains may be encountered during implementation of the Project.</p>	<p>During ground disturbing activities (grading and trenching) for each phase of construction (if human bones are unearthed)</p>	<p>Submittal of report indicating contact with San Bernardino County Coroner's Office if human bones are unearthed</p>

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
TUESDAY, MAY 22, 2018
(Not Official Until Approved)**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, May 22, 2018, at 1923 E. Avion Street, Room 100, Ontario, California.

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

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 3:00 p.m.

ROLL CALL

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

ABSENT: Commissioners: Ronald O. Loveridge (excused).

Also present were: Chief Executive Officer Mark A. Thorpe, Assistant General Counsel Kevin P. Sullivan (via teleconference) and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Commissioner Hagman.

PUBLIC COMMENT

There were no public comments.

POSSIBLE CONFLICT OF INTEREST ISSUES

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

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

President Wapner reported a conflict of interest for Item No. 06.

MOTION: Moved by President Wapner, seconded by Secretary Bowman and carried by a vote of 4-0-1, to approve the Consent Calendar as presented, except Item No. 06, with Vice President Loveridge absent.

CONSENT CALENDAR

2. APPROVAL OF MINUTES

Approved minutes for the special meeting of the Ontario International Airport Authority on April 24, 2018, approving same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills for April 1, 2018 through April 30, 2018 and Payroll April 1, 2018 through April 30, 2018.

4. APPROVAL OF MEETING STIPENDS

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

5. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE NON-EXCLUSIVE REVOCABLE FUEL DELIVERY PERMITS BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND NEW OR EXISTING FUEL DELIVERY OPERATORS AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to negotiate and execute Non-Exclusive Revocable Fuel Delivery Permits between the OIAA and new or existing fuel delivery operators at Ontario International Airport (ONT) for five (5)-year terms. This authorization allows form permit agreements to be entered so that OIAA can charge fuel delivery operators a fee to deliver fuel at ONT. Currently, the OIAA charges \$0.03 per gallon to all aviation gasoline and turbine fuel delivery companies, except for deliveries to signatory air carriers and the military. Each fuel delivery permittee will be required to pay a non-refundable \$1,000 administrative fee, plus a performance guarantee of three (3) times the highest monthly amount of fuel fees, or \$5,000, whichever is greater.

ITEMS PULLED

President Wapner declared a conflict of interest and recused himself.

President Wapner left the board room.

6. AUTHORIZE THE CEO TO NEGOTIATE AND ENTER INTO A LISTING AGREEMENT WITH CBRE AS THE REAL ESTATE BROKER TO REPRESENT THE AUTHORITY IN TAKING THE APPROXIMATELY 200 ACRES OR A PORTION THEREOF OF AUTHORITY OWNED NON-AERONAUTICAL PROPERTY EAST OF HAVEN TO MARKET FOR POSSIBLE LONG-TERM LEASE

The Ontario Airport Authority (“OIAA” or Authority”) Commission authorized the Authority CEO to negotiate and enter into a “Listing Agreement” with CBRE to represent the Authority in the listing and marketing of approximately 200 acres or a portion thereof of Authority owned non-aeronautical property east of Haven Avenue for long-term lease and to manage a competitive selection process in order to assist staff in making a recommendation to the Commission for the selection of a lessee of such property. No negative impact on ONT finances, as any compensation of the broker will be by the lessee as part of the transaction. However, a successful selection process and entrance into a long-term lease would result in millions of dollars of annual revenue to the Authority which could be utilized for capital improvements and to reduce costs to the airlines.

Secretary Bowman opened the discussion.

Chief Executive Officer Thorpe amended Item No. 06 to state “approximately 200 acres or a portion thereof...”

Commissioner Hagman inquired about the cost and term dates.

Chief Executive Officer Thorpe indicated a term date would be included in the agreement and the agreement was at no cost to the airport.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Gouw and carried by a vote of 3-1-1, with President Wapner abstained and Vice President absent, to authorize the Chief Executive Officer to negotiate and enter into a “Listing Agreement: with CBRE.

STAFF MATTERS

Chief Executive Officer Thorpe presented a short video clip regarding media highlights at ONT.

COMMISSIONER MATTERS

Secretary Bowman stated partners are engaged in making the airport the most comfortable experience in Southern California.

Commissioner Hagman stated he is working towards creating a policy that will specify handling government officials at ONT. He also requested status updates on departments such as the Film desk, specifically what’s being filmed.

Commissioner Gouw inquired about permanent signage for China Airlines.

Chief Executive Thorpe described the signage efforts made to accommodate international passengers.

President Wapner noted the new restaurants opened at ONT such as Rock N Brew's and thanked Delaware North. He also acknowledged staff for doing a great job. He personally thanked Steve Lambert for his work with press releases.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 3:23 p.m.

RESPECTFULLY SUBMITTED:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
TUESDAY, JUNE 19, 2018
(Not Official Until Approved)**

A special meeting of the Ontario International Airport Authority was held on Tuesday, June 19, 2018, at 1923 E. Avion Street, Room 100, Ontario, California.

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

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 11:03 a.m.

ROLL CALL

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

ABSENT: Commissioners: None.

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Bowman.

PUBLIC COMMENT

Paul Binting, Managing Director of AviAirpros, and liaison between ONT and the airlines, stated his comments today were his alone, however he believed that his comments would be supported by the airlines. He thanked CEO Thorpe, CFO Reynolds, and Director of Finance Bottini for their work on the budget. He added that he is confident that the budget model developed will be a great success. He stated that it was a good budget and looks forward to the growth and development of the airport.

DISCUSSION/ACTION/ADMINISTRATIVE REPORT

1. REVIEW AND ADOPTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S FISCAL BUDGET YEAR 2018-2019 AND APPROVAL OF THE SCHEDULE OF AIRLINE LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2018-2019

That the Ontario International Airport Authority Commission adopt a resolution approving and adopting the Budget for Fiscal Year 2018-2019; and the Schedule of Airline Landing Fees and Terminal Rents for Fiscal Year 2018-2019.

RESOLUTION NO. 2018-09 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2018-19

President Wapner opened the FY 2018-19 discussion among Commissioners.

Director of Finance Bottini stated that the OIAA has cash available in the Local Agency Investments Fund (LAIF) of about \$45 million, presently approximately \$10 million in operating.

Vice President Loveridge requested that the Commission receive quarterly updates regarding marketing.

President Wapner stated the motion before the Commission was approval of the budget, schedule of landing fees, terminal rents, and salary ranges.

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by a unanimous vote of 5-0, to approve Resolution No. 2018-09 including the employee positions and salary ranges as presented.

STAFF MATTERS

Chief Executive Officer Thorpe provided a brief traffic report.

COMMISSIONER MATTERS

There were no Commissioner matters.

ADJOURNMENT

President Wapner adjourned the special Ontario International Airport Authority Commission meeting at 11:30 a.m.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: JUNE 26, 2018

SECTION: CONSENT CALENDAR

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

RELEVANT STRATEGIC OBJECTIVE: Development of Airport-Related Businesses.

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

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

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

During the month of April 2018, President Wapner attended six (5) additional Authority-related business functions and Commissioner Hagman attended seven (6) additional Authority-related business functions. Full Commission approval is needed to approve payment of stipends.

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

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

STAFF MEMBER PRESENTING: Board Clerk, Claudia Y. Isbell

Department: Clerk’s Office

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Shope

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

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

ATTACHMENTS:

N/A

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

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

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: JUNE 26, 2018

SECTION: CONSENT CALENDAR

SUBJECT: A RESOLUTION OF THE COMMISSION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, DECLARING THAT COMMISSION MEMBERS SHALL BE DEEMED TO BE EMPLOYEES OF THE AUTHORITY FOR THE PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR SERVICES.

RELEVANT STRATEGIC OBJECTIVE: Separate Airport finances from the City of Ontario and San Bernardino County finances.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Commission adopt a resolution declaring that Commission Members are deemed to be employees of the Authority for the sole purpose of providing worker's compensation coverage

FISCAL IMPACT AND SOURCE OF FUNDS: The annual premium charged by Authority's workers compensation provider will be \$97.45 (\$19.49 per person). The cost for the 2018-19 Fiscal Year will be absorbed within current budget appropriations; and the annual cost of \$97.45 will be included in future baseline budgets.

BACKGROUND: Members of the OIAA Commission voluntarily provide their services to the Authority and are not employees of the Authority per California Labor Code. The Authority desires to provide workers compensation coverage to Commissioners while performing services on behalf of OIAA. This coverage would be distinct from any workers compensation coverage provided to the Commissioner by the Agency/Board or private firm from which they are appointed.

Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for sole the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code.

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

Department: Administration Department

Submitted to OIAA: June 26, 2018

Approved: _____

Chief Executive Officer Approval: 

Continued to: _____

Denied: _____

Item No. 06

Following the approval of the Resolution, OIAA will contract with the Authority's workers compensation provider to provide workers compensation coverage for Commission Members.

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

EXHIBITS & ATTACHMENTS:

Attachment A – Resolution declaring that Board Members shall be deemed to be employees of the Authority for the purpose of providing worker's compensation coverage for said certain individuals while providing their services.

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

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, DECLARING THAT COMMISSION MEMBERS SHALL BE DEEMED TO BE EMPLOYEES OF THE AUTHORITY FOR THE PURPOSE OF PROVIDING WORKERS' COMPENSATION COVERAGE FOR SAID CERTAIN INDIVIDUALS WHILE PROVIDING THEIR SERVICES

WHEREAS, the Ontario International Airport Authority utilizes the services of appointed Commissioners; and

WHEREAS, Section 3363.5 of the California Labor Code provides that a person who performs voluntary service for a public agency as designated and authorized by the Governing Body of the agency or its designee, shall, upon adoption of a resolution by the Governing Body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

WHEREAS, the Governing Body wishes to extend Workers' Compensation coverage as provided by State law to all members of the Commission of the Ontario International Airport Authority as presently or hereafter constituted.

NOW, THEREFORE, BE IT RESOLVED that all members of the Commission of the Ontario International Airport Authority, including the duly appointed replacements of any Commission Member be deemed to be employees of the Ontario International Airport Authority for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said Commission Members will not be considered an employee of the Ontario International Airport Authority for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of such Commission Members, nor allow such persons to claim any other benefits or rights given to paid employees of the Ontario International Airport Authority.

PASSED, APPROVED, AND ADOPTED this 26th day of June.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Claudia Y. Isbell, Commission Clerk of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. ____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. ____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)



DATE: JUNE 26, 2018

SECTION: CONSENT CALENDAR

SUBJECT: REVIEW AND ADOPTION OF A RESOLUTION TO APPROVE THE ONTARIO INTERNATIONAL AIRPORT CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM.

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Business

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) adopt a Resolution to approve the Ontario International Airport Cargo Facility Consolidation and Improvement Program (the "Project") subject to review by the Federal Aviation Administration (FAA) under the National Environmental Policy Act (NEPA). The Project generally consists of (1) relocating existing tenants of the former Pacific Gateway Cargo Center (PGCC) site to other locations at the Ontario International Airport (ONT or Airport); (2) demolishing existing structures and paved areas within a portion of the PGCC site; (3) constructing the new air cargo facilities within a portion of the PGCC site; (4) constructing a new taxiway adjacent and parallel to the PGCC site; and (5) consolidating some existing air cargo operations from other locations at ONT to the newly constructed air cargo facility at the PGCC site.

FISCAL IMPACT SUMMARY: The newly constructed consolidated cargo facility would include a new lease for an approximately 51-acre parcel of land located on the PGCC site. The lease term will be 30 years with two ten-year options exercisable by the tenant, for a potential term of fifty years. OIAA will receive an initial base ground rent from the lessor at the fair market rate on the "Commencement Date" of the Lease (the date the tenant substantially completes its tenant improvements). Thereafter, rent will be adjusted annually to no less than the Consumer Price Index, with periodic market rate adjustments every fifth Lease year. OIAA will recover fair market rent revenue for the primary leasehold area, and potentially additional fair market rent if the adjacent space is also rented to the tenant.

OIAA will incur costs associated with (1) relocating existing tenants of the PGCC site to other locations at the Airport estimated to be \$4.5 Million, (2) demolition and site preparation costs before the lessor can make improvements and relocate its current facilities, and those costs are estimated to be approximately

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

Department: Administration Department

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

\$10 million, and (3) OIAA would also construct a new taxiway, tentatively referred to as Taxiway A, using FAA Airport Improvement Program (AIP) grant funds with the estimated taxiway construction cost being \$28,000,000 and the OIAA share of estimated construction cost totaling approximately \$5.6 Million.

BACKGROUND: The proposed Project would improve the efficiency of air cargo operations at the Airport and better accommodate both existing and future demand for cargo services within a single, modern facility. The cargo carrier's existing Airport facilities (totaling approximately 34 acres) are split between several areas located in the southwest and northwest portions of the Airport.

Currently, the cargo carrier's current facilities at the Airport include:

- Eight widebody freighter aircraft parking positions located in three different areas to the north and south of the two-runway airfield.
- 15 commuter freighter aircraft parking positions.
- Package handling and warehousing at two different buildings split between the north and south sides of the Airport, partly in a repurposed airplane hangar.
- Maintenance and Administrative office space.
- Truck and automobile parking and circulation dispersed across the Airport, including truck parking within the airside secure area and automobile parking along ancillary on-airport roads.
- Ancillary facilities to support the cargo processing function, some housed in portable trailers.

New consolidated air cargo operations facilities under the Project would include:

- Aircraft Parking Apron Areas (approximately 17 acres of replacement pavement) that would accommodate approximately eight widebody and 16 commuter freighter aircraft.
- A Leadership in Energy and Environmental Design (LEED)-certified Main Sorting Facility structure with administrative office space.
- A Secondary Maintenance Building structure for vehicle and Ground Support Equipment (GSE) maintenance.
- A Secondary Building structure for aircraft maintenance and storage and support activities.
- A truck circulation and parking area.
- An employee parking area
- Ancillary improvements would also be constructed to support the cargo processing function.

A more detailed discussion of the Project is found at Attachment 1 to this Report.

PROCUREMENT: Procurement by OIAA of design and construction services associated with the program conform to OIAA and Federal Aviation Administration policies as applicable.

CEQA COMPLIANCE AND LAND USE APPROVALS: At this meeting the OIAA Commission will consider adoption of an Addendum to the Pacific Gateway Cargo Center FEIR, and Mitigation Monitoring and reporting Program, for the Project.

STAFFING IMPACT (# OF POSITIONS): Not-Applicable

IMPACT ON OPERATIONS: Airport operations will be impacted during certain phases of taxiway and facility construction. OIAA staff and contractors are working in coordination with airport tenants and operators to ensure impacts are minimized and/or mitigated to the greatest practicable extent.

SCHEDULE: Initial construction activity associated with preparing for the Project will begin upon possible OIAA Commission approval of the Addendum to the PGCC FEIR, and possible FAA approval of a submitted Categorical Exclusion (CATEX) under NEPA relating to the Project. Design, construction and related Project activities are anticipated to continue through the end of 2020 or until the proposed facilities are completed.

ATTACHMENTS:

1. Project Description.
2. A Resolution of the Ontario International Airport Authority to Approve the Ontario International Airport Cargo Facility Consolidation and Improvement Program.

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

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. 2018-_____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO APPROVE THE ONTARIO INTERNATIONAL AIRPORT
CARGO FACILITY CONSOLIDATION AND IMPROVEMENT PROGRAM

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

WHEREAS, to achieve OIAA's strategic objective of developing Airport-related businesses;

WHEREAS, to facilitate the entering into of a long-term lease for a portion of the northwest quadrant of the Airport with a major air cargo carrier;

WHEREAS, to facilitate the installation and construction of new Airport improvements to benefit Airport operations;

WHEREAS, to improve the efficiency of air cargo operations at the Airport through the consolidation and improvement of air cargo facilities; and

WHEREAS, in accordance with CEQA Guidelines §§15162 and 15164, on June 26, 2018, the Authority considered, approved, adopted and certified an Addendum to the Pacific Gateway Cargo Center (PGCC) Final Environmental Impact Report for the Ontario International Airport Cargo Facility Consolidation and Improvement Program (Project), and considered, approved, and adopted a Mitigation Monitoring and Reporting Program (MMRP) for the Project.

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

SECTION 1: The Ontario International Airport Authority Commission approves and authorizes the Ontario International Airport Cargo Facility Consolidation and Improvement Program (Project), which generally involves (1) relocating existing tenants of the former PGCC site to other locations at the Airport; (2) demolishing existing structures and paved areas within a portion of the PGCC site; (3) constructing the new air cargo facilities within a portion of the PGCC site; (4) constructing a new taxiway adjacent and parallel to the PGCC site; and (5) consolidating existing air cargo operations from other locations at the Airport to the newly constructed air cargo facility at the PGCC site. A more detailed description and depiction of the Project is found at Attachment 1 to this Resolution.

SECTION 2: The Ontario International Airport Authority Commission includes and incorporates the MMRP for the Project as a condition of this Project approval, which MMRP is fully enforceable by the OIAA.

SECTION 3: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to implement the Project.

PASSED, APPROVED, AND ADOPTED this 26th day of June 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Claudia Y. Isbell, Commission Clerk of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. ____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held June 26, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. ____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held June 26, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)



DATE: JUNE 26, 2018

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXERCISE TWO, ONE-YEAR RENEWAL OPTIONS, TO CONTINUE MAINTENANCE AND SUPPORT SERVICES FOR THE AIRPORT NOISE AND OPERATIONS MONITORING SYSTEM AT ONT WITH BRUEL & KJAER EMS, INC. FOR AN ADDITIONAL TWO YEARS IN THE AMOUNT OF \$202,718.00.

RELEVANT STRATEGIC OBJECTIVES: OPERATIONAL SAFETY AND COMPLIANCE

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to exercise two, one-year contract extension options between the Ontario International Airport Authority (OIAA) and Bruel & Kjaer EMS, Inc. (Bruel & Kjaer).

FISCAL IMPACT SUMMARY: Funds for this contract extension have been requested in the FY 2018-2019 OIAA operating budget and funding for subsequent years will be requested as part of the annual budget process.

BACKGROUND: Bruel and Kjaer provides ongoing maintenance and support services for the Ontario International Airport Noise and Operations Monitoring System (ANOMS), the key tool staff uses to comply with state airport noise standards (California Code of Regulations, Title 21, Section 5000, et seq.). ANOMS capture noise data using permanently installed noise monitors in communities surrounding the airport, and correlates aircraft noise events with aircraft operations data obtained by ANOMS from the Federal Aviation Administration (FAA) radar system and/or from PASSUR (Passive Surveillance Radar) data. Staff uses ANOMS to measure the aircraft noise levels and reports the Noise Impact Area for the airport on a quarterly basis.

The Bruel & Kjaer contract was entered into on November 1, 2016 between OIAA and Bruel & Kjaer. It was originally procured under Los Angeles World Airport’s procurement procedures covering ONT and as part of the LAWA-wide contract list as outlined in the Settlement Agreement with LAWA. The

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

Department: Finance

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

contract allows for optional extensions and staff recommends concurrently exercising two one-year extensions to allow for uninterrupted service through June 30, 2020. This will achieve three goals. First, it will allow OIAA to achieve full service life of the hardware and software components it invested in the system. Second, it will allow ONT to continue complying with state airport noise standards and related variance conditions both in the near and longer term. Lastly, the OIAA will receive more favorable pricing by exercising two one-year options.

CEQA COMPLIANCE AND LAND USE APPROVALS: Issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, or other entitlements granting use of an existing airport facility involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA).

EXHIBITS & ATTACHMENTS:

Attachment A – Agreement between Bruel & Kjaer

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

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



DATE: JUNE 26, 2018

SECTION: CONSENT CALENDAR

SUBJECT: A RESOLUTION APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION (OIAA-18-001).

RELEVANT STRATEGIC OBJECTIVES: Improve Airport Business and Property, and Improve Operational Efficiencies

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve a resolution approving and authorizing the Chief Executive Officer (CEO) to execute a Lease Agreement (Lease) between the Ontario International Airport Authority (OIAA) and Federal Express Corporation (FedEx).

FISCAL IMPACT SUMMARY: The rental revenue from FedEx to OIAA will be set at the market rate on the “Commencement Date” of the Lease (the date FedEx substantially completes its tenant improvements). Thereafter, rent will be adjusted annually to the Consumer Price Index, and market adjusted every fifth Lease year. Once FedEx completes its improvements and shifts its operations to the northwest quadrant, its current leasehold area at the south side of ONT will revert back to the OIAA for further utilization. OIAA will incur site preparation costs before FedEx can make improvements and relocate its current facilities, and those costs are estimated to be approximately \$10 million. At the end of the Lease, title to FedEx’s improvements will become the OIAA’s. In addition, if OIAA can secure funding sources, supportive improvements also may be made to the airfield (outside of FedEx’s leasehold) to improve adjacent taxiways. The costs for these supportive improvements are not yet ascertainable but will be considered and evaluated by OIAA once a funding source is secured.

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

Department: Administration Department

Submitted to OIAA: June 26, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

BACKGROUND: FedEx has been a long-time tenant at ONT for the past 31 years, and currently operates cargo and express mail facilities at ONT under two leases - a facility lease (ONT-8787A) and an Airline Use and Lease Agreement (ONT-7903). The current facilities include cargo buildings, former aircraft hangars, temporary trailers, aircraft parking aprons, cargo truck docks and parking, parking lots, and other amenities. If approved, FedEx's current facility lease (ONT-8787A) will be replaced by the new Lease, increase operational efficiencies at ONT and consolidate FedEx's existing cargo operations to the new location.

SUMMARY OF LEASE TERMS

Leasehold Area(s). FedEx will relocate its existing operations to a +/- 51.1 acre site located in the northwest quadrant of ONT suitable for cargo and express mail facilities and aircraft ramp use (the Premises). FedEx will also receive a ten (10) year right of first refusal to rent approximately an additional +/- 39.6 acres adjacent to the Premises for additional cargo facilities.

Term(s). The initial term of the Lease will be thirty (30) years, with two ten (10) year options exercisable by FedEx, for a potential term of a total of fifty (50) years.

Rent. OIAA will receive an initial base ground rent from FedEx at the fair market rate on the "Commencement Date" of the Lease (the date FedEx substantially completes its tenant improvements). Thereafter, rent will be adjusted annually to no less than the Consumer Price Index, with periodic market rate adjustments every fifth Lease year. OIAA will recover fair market rent revenue for the primary leasehold area, and potentially additional fair market rent if the adjacent space is also rented to FedEx.

FedEx's Responsibilities. FedEx is committing to invest nearly \$100 million to revitalize aircraft parking apron areas at ONT, by consolidating and constructing a sorting facility, ground support staging area, secondary and maintenance buildings, installing landscaping, and enhancing perimeter fencing. These activities are anticipated to be completed by November 30, 2020, at which point FedEx will move out of its current leasehold at the south side of ONT and it will revert back to OIAA for further utilization. Title to the improvements will remain with FedEx during the Lease term (including any option terms) until expiration or earlier termination of the ground lease interest, at which point the improvements will become the property of OIAA. FedEx will be responsible for all maintenance and operational costs of the facilities during the term(s), including taxes and utilities related to the Premises. FedEx also will be required to comply with all laws and shall defend, indemnify, and hold OIAA harmless against all claims arising out of its use of the Premises, as well as provide liability coverage in favor of OIAA.

OIAA's Responsibilities. OIAA will clear the site by removing existing above and below ground improvements, perform surface grading, and coordinate the environmental analysis and assessments, including for soil conditions, and its removal and management. Best efforts will be made to complete OIAA's site preparation work by January 31, 2019. If funding is secured, OIAA will construct supportive improvements such as a parallel FAA Aircraft Design Group V Taxiway A (Phase 1), full-strength aircraft pavement north of the north edge of new Taxiway A and associated connector taxiways. Target completion of these supportive improvements is anticipated by September 30, 2020 (assuming funding sources are timely secured).

Termination. OIAA may terminate the lease if there is an “event of default” by FedEx (either a monetary or non-monetary obligation) if it fails to cure within a prescribed period in the Lease (generally within 30 days).

FAA Requirements. Special consideration was given to ensure compliance with federal statute, airport sponsor obligations, and FAA policy. While the FAA is not required to approve all leases, concurrence by the FAA is encouraged in this situation, especially given there potentially is a fifty (50) year term. OIAA is consulting with the FAA to receive concurrence on this Lease.

CEQA COMPLIANCE AND LAND USE APPROVALS: Issuance of this ground Lease, granting use of existing facilities, is Categorically Exempt (Class 1) from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301. Moreover, the OIAA is concurrently considering approval of the proposed tenant improvements by FedEx at the Premises under a separate agenda item; therefore, a separate CEQA compliance determination will be made by OIAA during consideration of that item.

EXHIBITS & ATTACHMENTS:

Attachment A - Lease Agreement by and between Ontario International Airport Authority and Federal Express Corporation

Attachment B – Resolution approving the Lease Agreement with Federal Express Corporation

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

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

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND FEDERAL EXPRESS CORPORATION

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

WHEREAS, the Authority has determined strategic economic planning of the Airport includes improving the cargo and express mail facilities in the northwest quadrant of the Airport;

WHEREAS, the Authority has determined that improving effectiveness of the cargo operations at the Airport will consolidate existing dispersed cargo operations, allow for a more efficient cargo processing operations at the Airport, and facilitate the payment of significant rental revenues to Authority over the next thirty (30) years;

WHEREAS, the Authority wishes to authorize the Chief Executive Officer to execute on behalf of the Authority a lease agreement with Federal Express Corporation for purpose of achieving and securing those key strategic planning and economic objectives for the Airport and the region;

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

SECTION 1: The Ontario International Airport Authority Commission approves the Lease Agreement (OIAA-18-001) between the Ontario International Airport Authority and Federal Express Corporation at Ontario International Airport.

SECTION 2: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to execute the Lease between the Ontario International Airport Authority and Federal Express Corporation at Ontario International Airport.

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

PASSED, APPROVED, AND ADOPTED this 26th day of June 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Claudia Y. Isbell, Commission Clerk of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. ____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. ____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held June 26, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)