

**ONTARIO INTERNATIONAL AIRPORT  
AUTHORITY  
COMMISSION AGENDA  
AUGUST 5, 2013**

**Alan D. Wapner**  
President

**Gary Ovitt**  
Vice President

**Ronald O. Loveridge**  
Secretary

**Jim W. Bowman**  
Commissioner

**Lucy Dunn**  
Commissioner



**Chris Hughes**  
Executive Director

**John E. Brown**  
General Counsel

**Grant D. Yee**  
Treasurer

**WELCOME to a meeting of the Ontario International Airport Authority.**

- Commission meetings are held at the City of Ontario Council Chambers located at 303 East B Street, Ontario, CA 91764 or at other such places as the Commission shall designate.
- All documents for public review are on file at the Authority Secretary's offices located within City of Ontario facilities at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular 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 California Law, remarks during public comment are to be limited to subjects within Commission'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 Commission President before speaking.

**ORDER OF BUSINESS:** The Commission meeting begins with Public Comment at 10:00 a.m., immediately followed by the Regular Meeting.

**(EQUIPMENT FOR THE HEARING IMPAIRED IS AVAILABLE IN THE CITY OF ONTARIO'S RECORDS MANAGEMENT OFFICE)**

**CALL TO ORDER (*OPEN SESSION*)**

**10:00 a.m.**

***ROLL CALL***

Ovitt, Bowman, Dunn, Loveridge, Wapner

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

***CLOSED SESSION***

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Ontario International Airport, 2900 East Airport Drive, Ontario; Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

In attendance: Ovitt, Bowman, Dunn, Loveridge, Wapner

***PLEDGE OF ALLEGIANCE***

***REPORT ON CLOSED SESSION***

## **PUBLIC COMMENTS**

The Public Comment portion of the Commission 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.

## **DISCUSSION/ACTION ITEMS**

Each member of the public wishing to address the Commission on items listed below will be given a total of 3 minutes.

### **1. APPROVAL OF MINUTES**

Minutes for the meetings of the Ontario International Airport Authority of June 3, June 17 and July 1, 2013, and approving same as on file with the Secretary/Assistant Secretary.

### **2. PRESENTATION: ONT PERFORMANCE DECLINE SINCE 2010**

## **COMMISSIONER MATTERS**

## **STAFF MATTERS**

## **ADJOURNMENT**

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
CLOSED SESSION REPORT**

**August 5, 2013**

**ROLL CALL:** Ovitt \_\_\_\_, Bowman \_\_\_\_, Dunn \_\_\_\_, Loveridge \_\_\_\_,  
President Wapner \_\_\_\_.

**STAFF:** Executive Director \_\_\_\_, Legal Counsel \_\_\_\_

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
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Under negotiation: Price and terms of payment.

In attendance: Ovitt, Bowman, Dunn, Loveridge, Wapner

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: \_\_\_\_\_

Reported by: \_\_\_\_\_  
Legal Counsel / Executive Director

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY**

**MINUTES**

**MONDAY, JUNE 3, 2013**  
***(Not Official Until Approved)***

The Regular Meeting scheduled for Monday, June 3, 2013, was cancelled due to lack of an available quorum. The next regular meeting is scheduled for Monday, July 1, 2013, in the Ontario City Council Chambers, 303 East B Street, Ontario, California.

Respectfully submitted:

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VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

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ALAN D. WAPNER, PRESIDENT  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY  
COMMISSION MEETING**

**MINUTES**

**MONDAY, June 17, 2013**  
***(Not Official Until Approved)***

A special meeting of the Ontario International Airport Authority was held on Monday, June 18, 2013 in the City Council Chambers at Ontario City Hall, 303 East "B" Street, Ontario, CA.

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

**CALL TO ORDER**

Commission President Wapner called the Ontario International Airport Authority Commission meeting to order at 10:01 a.m.

**ROLL CALL**

PRESENT: Commissioners: Jim W. Bowman, Lucy Dunn, Gary Ovitt  
and Alan D. Wapner

ABSENT: Commissioners: Ronald O. Loveridge

Also present were: Executive Director Chris Hughes, General Counsel John Brown, and Assistant Secretary Vicki Kasad.

**CLOSED SESSION**

Hearing no requests to speak from the public, President Wapner adjourned the meeting to Closed Session at 10:02 a.m., for discussion of the following:

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Ontario International Airport, 2900 East Airport Drive, Ontario;  
Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

**RECONVENE IN PUBLIC SESSION**

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:27 a.m.

The Pledge of Allegiance was led by Vice Chairman Ovitt.

## **CLOSED SESSION REPORT**

President Wapner advised that there was no reportable action from the Closed Session discussion.

## **PUBLIC COMMENTS**

None.

## **DISCUSSION/ACTION ITEMS**

### **1. Approval of Minutes**

Approved the Minutes for the meetings of the Ontario International Airport Authority of April 1, 2013 and May 6, 2013, as on file with the Secretary/Assistant Secretary.

**MOTION:** Moved by Commissioner Bowman, seconded by Commissioner Dunn and carried by unanimous vote to approve the Minutes as presented.

### **2. Presentation (Update on Airport Performance and Outlook)**

Nick Johnson, Johnson Aviation, provided an update on airport performance and the outlook through 2013. He showed a diagram depicting a comparison of passenger growth for medium hubs across the U.S., noting that for the period from 2000 to 2007, Ontario was a leader for the region and the nation. He also noted that between 2007 and 2009 most airports showed minor drop offs, but in 2009 there were signs of recovery everywhere but Ontario. He stressed that there was obviously something different happening with Ontario airport that prevented it from being part of the economic recovery that occurred in the City and the region. He further reviewed the trends for competing airports in the region, noting that John Wayne airport continued to grow in spite of passenger caps, Long Beach had a slight downturn, but was living up to its market potential and Palm Springs was coming along steadily. He also noted that Ontario and Burbank are in much the same lack of growth pattern, but Burbank is working hard to improve their situation and convince carriers that their costs are competitive.

Mr. Johnson showed tables forecasting annual passengers at Ontario airport will decline to below four million in 2013 while LAX, Long Beach and Palm Springs airports continue their growth trends. He explained that these projections were based on the number of seats available contrasted with the filled seats. He indicated that LAX is very close to its high water mark, Burbank is still a little low,

Long Beach is seeing a little bit of a decline, John Wayne is continuing to grow and Palm Springs is staying about even. He further indicated that the number of seats available will continue to decline. He noted that looking back, the last time Ontario was in the black was in March of 2008. He then showed the trends by carrier and noted Southwest was leveling off, but Delta, United and Aeromexico were continuing to cut service. He stressed the need to recover those carriers to provide a full service airport, noting that almost 70% of the flights have come off the airport since 2007.

Commissioner Bowman noted the 1990 market share and commented that while Ontario market share was have the 1990 level, the LAX market share had exceeded the 1990 level. He suggested that LAX had grown at the cost of the region.

President Wapner questioned the current cost per emplaned passenger, and whether it was still cheaper at LAX. Mr. Johnson indicated he could look it up, but the margin was narrowing.

Commissioner Dunn questioned how much John Wayne airport had impacted Ontario. Mr. Johnson indicated that the impact was de minimus as they have a passenger cap which has rached up gradually. He indicated that from 2001 forward, they have been between ten and eleven percent of the market. Mr. Johnson indicated that if you look at all of the airports there is an equilibrium because there are not big changing factors as to who goes to which airport; it takes policy changes to make those things happen. Commissioner Dunn noted that John Wayne airport just added International flights and are adding Washington, D.C. She also addressed slide three and questioned how Burbank is working "very hard" to get back their market share from LAX. Mr. Johnson indicated that Burbank has its own airport authority, shares a lot of the same catchment area with LAX, and is pretty price and travel sensitive. For that reason they have worked closely with the carriers to point out the cost advantage and with the travelers to point out the convenience as compared to LAX. Commissioner Dunn inquired what we should be learning from Burbank. Mr. Johnson indicated that it takes market analysis and focus, along with tried and true points of working with the airports and carriers. Commissioner Dunn questioned the ownership of Burbank airport. Mr. Johnson indicated that Burbank owns and operates the airport, and offered to share the market analysis done by Burbank with the Board. Legal Counsel Brown inquired if Palm Springs was making similar efforts. Mr. Johnson confirmed, noting that very targeted incentives are necessary.

President Wapner suggested that both Burbank and Palm Springs have been beneficiaries of Ontario's lost passenger count. Mr. Johnson concurred. President Wapner commented that Ontario's capacity is twelve million and this year will dip under four million passengers. He questioned the minimum operating costs and the tipping point for survival of the airport. He stressed that people need to understand that the airport can't survive this continuing steep downward spiral, and suggested that any day a decision could mean the demise of the airport. He inquired of Executive Director Hughes if he could find out the minimum operating expense to keep the lights on. Executive Director Hughes reminded the Board that at one point LAWA suggested closing one of the terminals. He suggested that at some point that might make sense, but noted that at this point it was difficult to get anyone to give a drop dead number. President Wapner questioned using the operating costs and calculating the number for ourselves. Executive Director Hughes indicated that there were still steps LAWA could take, but he could look at the numbers cautiously while hoping for local control.

Vice President Ovitt inquired about the Charter and how it reads with regard to separating Ontario from LAX. He also questioned the convenience and cost factors between the various airports, noting that John Wayne is more appealing simply because it is not LAX. Mr. Johnson indicated that those are factors to be considered in an air service analysis. Vice President Ovitt commented that Orange County does well in controlling the airport and how much it can grow.

President Wapner noted that some airlines are trending toward reducing the size of the planes, and Southwest ends up cancelling flights. He inquired if we were to lose the Palm Springs flights, what the impact would be, and if they would move the 737's to another airport. Mr. Johnson indicated the trend would be to try to fill the unfilled capacity. President Wapner questioned the average load count at Ontario airport. Mr. Johnson indicated that he could provide that information.

President Wapner thanked Mr. Johnson for the updated outlook on the airport.

## **COMMISSIONER MATTERS**

President Wapner noted discussion at the last meeting regarding correspondence with the City of Los Angeles. He indicated that he did send a letter to Los Angeles and requested that they consider meeting with this body, which was rudely declined as an opportunity for Ontario to put down Los Angeles. He noted that this correspondence

occurred before the lawsuit was initiated. He further noted that they had no interest in coming to Ontario, but Mayor Villaraigosa met with the Chinese President in Ontario. President Wapner also indicated that he got a letter from Mayor Villaraigosa indicating that he was interested in reopening negotiations for his last week in office, if we drop our lawsuit; to which we responded that we will not drop the lawsuit.

Commissioner Bowman noted that he and Executive Director Hughes had been at the airport and observed a long line of people waiting to go through a TSA station that was abandoned. He stressed that marketing and service is everything. He also noted that the outside of the airport is atrocious with weeds around terminal four, which does not make a good statement about the asset. He commented that this confirms that Los Angeles, so far away, does not care about Ontario.

Commissioner Dunn shared a recent conversation with Gary Toebben, CEO of the Los Angeles Area Chamber of Commerce and Paul Granillo, CEO of the Inland Empire Economic Partnership, noting that they will start meeting regularly to discuss business community support for the airport.

## **STAFF MATTERS**

Executive Director Hughes noted discussion at the last meeting about the FAA sequester matter, and indicated that the issue had been cleared up and there was no further issue with the tower closing.

## **ADJOURNMENT**

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 11:13 a.m. to the next regularly scheduled meeting on Monday, July 1, 2013.

Respectfully submitted:

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ASSISTANT SECRETARY

APPROVED:

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ALAN D. WAPNER, PRESIDENT  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY**

**MINUTES**

**MONDAY, JULY 1, 2013**  
***(Not Official Until Approved)***

The Regular Meeting scheduled for Monday, July 1, 2013, was cancelled due to lack of pressing business matters. The next regular meeting is scheduled for Monday, August 5, 2013, in the Ontario City Council Chambers, 303 East B Street, Ontario, California.

Respectfully submitted:

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VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

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ALAN D. WAPNER, PRESIDENT  
ONTARIO INTERNATIONAL AIRPORT AUTHORITY