

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
TUESDAY, AUGUST 16, 2016**

A special meeting of the Ontario International Airport Authority was held on Tuesday, August 16, 2016, in the City Council Chamber of Ontario City Hall, 303 East B Street, Ontario, California.

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 10:06 a.m.

ROLL CALL

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

ABSENT: Commissioners: Lucy Dunn (Secretary Dunn arrived at 10:25 a.m.) and Ronald O. Loveridge

Also present were: CEO Kelly J. Fredericks, Legal Counsel Jonathan O'Brien and Assistant Secretary Vicki Kasad.

CLOSED SESSION

- GC 54956.9 (D) (1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: City of Ontario v. City of Los Angeles, Los Angeles World Airports and Los Angeles Board of Airport Commissioners, RIC 1306498.
- GC 54957 (b), PUBLIC EMPLOYMENT; GC 54957.6, CONFERENCE WITH LABOR NEGOTIATORS.
Title: Chief Operating Officer
Title: Chief Financial Officer
Title: Chief Development Officer
Title: Chief Marketing Officer

Hearing no requests to speak, President Wapner recessed the special meeting of the Ontario International Airport Authority to Closed Session at 10:07 a.m.

Secretary Dunn joined the Closed Session discussion at 10:25 a.m.

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:55 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Dunn.

CLOSED SESSION REPORT

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

PUBLIC COMMENTS

Ruthee Goldkorn, representing No Barriers Disabled Access Consulting and Advocacy Services, expressed concern that ADA access issues had not yet been addressed for the airport and stressed the need for a complete inspection of the facilities for compliance.

President Wapner noted that everything at the airport was subject to approval by the FAA, and there was no ability to bring in a consultant to address the issues yet. He stressed that CEO Fredericks was the only staff hired to date. Ms. Goldkorn indicated that she would have hoped that the RFP could have been drafted in advance.

CONSENT CALENDAR

MOTION: Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote of those present with Vice President Loveridge absent and Commissioner Hagman abstaining from vote on Item 1, to approve the Consent Calendar as presented.

1. APPROVAL OF MINUTES

Approved the Minutes for the special meeting of the Ontario International Airport Authority of July 11, 2016, and the regular meeting of the Ontario International Airport Authority of August 1, 2016, as on file with the Secretary/Assistant Secretary. (This item was approved by a vote of 3-1-1 with Vice President Loveridge absent and Commissioner Hagman abstaining.)

2. ENGAGEMENT OF LARSON O'BRIEN, LLP AS THE GENERAL COUNSEL TO THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

The OIAA Board approved the engagement of Larson O'Brien LLP to serve as the General Counsel to the OIAA through December 31, 2016.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

3. AIR SERVICE PERFORMANCE UPDATE

CEO Fredericks thanked City staff for their ongoing assistance in preparation for the transfer of the airport. He indicated that domestic passenger traffic has increased .4% so far this year, which he considers breaking even; and international traffic is up .6%. With regard to seat load factors ONT is down 3.6%. He advised that the air carriers say the financial performance is quite healthy and the total passenger count continues to grow for Southern California. He advised that it was projected that there would be 103 million passengers in the region for 2016, and suggested that ONT gaining 9% of those was a realistic future goal. He also conveyed that the number of seats is projected to increase 4 to 5% by the end of the year. He noted that from the cargo perspective, growth is continuing and there is an immense opportunity for ONT going forward. He further noted that Southwest was temporarily adding flights to Las Vegas and Jet Blue announced non-stop service to San Jose. He stressed the benefit that ONT had as the only unconstrained airport in Southern California. He commented on an article last week on cheapflights.com listing the 101 most searched airports for airfares, showing Long Beach first, ONT 71st, John Wayne 31st and LAX 32nd. He stressed the importance of fares and indicated that as we grow the passenger number, we will get lower cost fares in the market. He advised that he would be providing a sample Board package for review which would be intended to provide monthly updates, and a weekly update to the Board on the activities at the airport. He indicated that he would be notifying LAWA on September 1st of the intent to initiate transfer of the airport for November 1, 2016. He also indicated that he would bring back the air service development consultant, and a separate stand-alone project regarding China and the Pacific Rim.

4. THE DO'S AND DON'TS OF AIRPORT PROPERTY DEVELOPMENT

Nick Johnson, Johnson Aviation and Dave Bennett, both representing the transfer team, provided an overview of airport development steps. They explained the need to establish a strategy and build a plan, focusing on master planning and identification of areas ready for development and redevelopment. Mr. Johnson noted the success of the air cargo operations and their efforts to expand. He explained that they would be forecasting to determine the number of planes that will ultimately be on site, noting that general aviation is not fully tapped at the airport right now. He indicated that the next 18 to 24 months will be a very intense planning cycle, with the need to develop the plan, prepare environmental documents and the airport layout plan.

Mr. Bennett explained the requirements for aeronautical and non-aeronautical land; and the related technical restriction under RSA, RPZ and Part 77. He noted that FAA determines hazards and potential interference factors. He also noted

that any significant development would require a change in the airport layout plan and a CEQA review. He indicated that FAA defines the acceptable noise levels for residential, commercial and industrial uses.

President Wapner suspended this discussion noting his need to leave for another meeting.

COMMISSIONER MATTERS

AD HOC COMMITTEES

President Wapner requested the creation of Ad Hoc Committees to assist with policy direction for the Board. He recommended the creation of five such committees with a Chair and one member on each as follows:

Development – Chairman Loveridge/Member Dunn
Public Safety – Chairman Bowman/Member Hagman
International Trade – Chairman Hagman/Member Wapner
Marketing – Chairman Dunn/Member Bowman
Bylaws and Budget – Chairman Wapner/Member Loveridge

President Wapner inquired if there were any changes requested to the recommendation. He indicated that the meetings could be held by teleconference and the final policies would come back for approval by the Board. Secretary Dunn inquired if any member could attend any of the committee meetings. President Wapner indicated that they could not because it would then constitute a majority and that would require the meetings to be noticed and posted, pursuant to the Brown Act.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote of those present to approve the appointment of Ad Hoc Committees as recommended.

President Wapner left the meeting at 11:30 a.m.

Secretary Dunn assumed the Chair.

4. THE DO'S AND DON'TS OF AIRPORT PROPERTY DEVELOPMENT (Continued)

Mr. Bennett further discussed the noise level restrictions and showed the noise contour map as submitted by LAWA.

Mr. Johnson explained the efforts to determine compatible land uses.

Commissioner Hagman expressed concern that LAWA has discussed a General Plan update, but never completed one, and stressed the needs of the airport. He inquired if the need arose to expand the shipping operation or terminals, if it would take 18-24 months to get started. Mr. Johnson indicated that a lot of preliminary work has been done to get started, so the operators can be accommodated. Commissioner Hagman inquired if UPS wanted to build a module on their land, if they could go through the regulatory process in parallel. Mr. Johnson indicated that it could be done, at some risk. He stressed the importance of balancing the air quality within the basin. Commissioner Hagman questioned the air credit requirements and where we are with the old study. Mr. Johnson clarified that none of the documents were ever completed so there is nothing in place. He noted that in some ways this was good because the airport land use plan the City has adopted is broader with regard to the runways and has created some potential opportunities.

CEO Fredericks inquired of Mr. Johnson if the request for proposals was ready to go. Mr. Johnson clarified that it was a request for qualifications and confirmed that it was ready to go as required by the FAA. He indicated that it could be sent out at any time, but the selection could not happen until after the November 1st transfer. CEO Fredericks questioned the intent of "fair market value". Mr. Bennett indicated that it was generally based on independent appraisals.

Ruthee Goldkorn commented that there were a lot of common terms in her work and the work required with master plans, such as self-assessments, inspections and transition plans. She indicated that she would love to serve as a facilitator for the transition, and offered her assistance in the process.

STAFF MATTERS

There were no staff comments.

COMMISSIONER COMMENTS

Commissioner Hagman noted past discussion of a packet of materials for security clearances. CEO Fredericks indicated that they were sent out, but another could be provided today.

Commissioner Hagman commented that he went to China twice last month for the County and the Airport and there is a lot of interest about the air routes and possible partners.

ADJOURNMENT

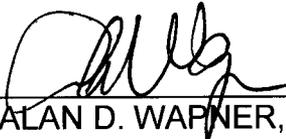
Secretary Dunn adjourned the Ontario International Airport Authority Commission meeting at 12:01 p.m.

Respectfully submitted:



VICKI KASAD, ASSISTANT SECRETARY

APPROVED:



ALAN D. WARNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY