

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
TUESDAY, MAY 23, 2017**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, May 23, 2017, 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

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

ROLL CALL

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

ABSENT: Commissioners: None

Also present were: Chief Executive Officer Kelly J. Fredericks, General Counsel Lori D. Ballance, and Commission Clerk and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Dunn.

Hearing no requests to speak, President Wapner recessed the regular meeting of the Ontario International Airport Authority to Closed Session at 3:01 p.m. with all members present.

CLOSED SESSION

- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: 1923 E. Avion Street, Terminals #1 and #2, Ontario, CA; Negotiator: Kelly J. Fredericks; Negotiating Parties: Hudson Group Retail Specialist; Under Negotiation: Price and terms of payment.
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: 1150 S. Vineyard Avenue, Ontario, CA 91761; Negotiator: Kelly J. Fredericks; Negotiating Parties: Guardian Air Services, LLC; Under Negotiation: Price and terms of payment.

- GC 54956.9(d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *Three (3) cases.*

The Ontario International Airport Authority Commission meeting was reconvened in public session at 3:26 p.m.

CLOSED SESSION REPORT

General Legal Counsel Ballance announced there was no reportable action.

PUBLIC COMMENTS

Nicholas Chang, Senior Vice President of NAI Capital, stated his firm has assembled a team that developed a best in class marketing strategy, brokerage strategy, and entitlement and due diligence strategy designed to maximize the value of the land, identify buyers, and that the buyer's and the Authority's goals align. Mr. Chang asked for individual meetings with the Commissioners so that he may share more information.

President Wapner spoke on the Brown Act and asked that Mr. Chang check with Legal Counsel regarding the specifics.

Bryan Bentrott, stated his interest in helping the Authority with their land holdings. He stated there was an opportunity for outright sale, joint ventures as well as ground leases. He added that when developers compete, the Authority will win.

Bob Spence, Commercial Broker, stated he represents Chinese logistics companies and other companies who have expressed a large interest in locating facilities at the airport and added that there were plenty of people who wanted to talk to Commissioners whenever they were ready to engage in that process.

CONSENT CALENDAR

MOTION: Moved by Secretary Dunn, seconded by Commissioner Hagman and carried by unanimous vote to approve the Consent Calendar as presented.

1. APPROVAL OF MINUTES

Minutes for the special meetings of the Ontario International Airport Authority on April 27, 2017 and May 6, 2017, approving same as on file with the Secretary/Assistant Secretary.

2. APPROVAL OF MEETING STIPENDS

The OIAA Commission approved meeting stipends for Commissioner Hagman.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

3. APPROVE AND AUTHORIZE PERMANENT REMOVAL FROM CONSIDERATION ON FUTURE COMMISSION AGENDAS REGARDING THE PROFESSIONAL SERVICES CONTRACT FOR C&S ENGINEERS, INC. TO PREPARE AN AIRPORT MASTER PLAN AND ENVIRONMENTAL ANALYSIS FOR ONTARIO INTERNATIONAL AIRPORT CONTINGENT UPON SIGNATORY AIRLINE SUPPORT – ITEM 04 CONTINUED FROM APRIL 27, 2017

The OIAA Commission: (1) Approved and authorized permanent removal from consideration on future Commission agendas the Professional Services Contract with C&S ENGINEERS, INC. to prepare an airport master plan and environmental analysis for Ontario International Airport contingent upon signatory airline support; (2) Authorized OIAA staff to modify and re-scope the Airport Master Plan project and related environmental analysis, subject to Commission approval; and (3) Authorized OIAA staff to initiate, at the appropriate time, a new RFQ and bid process for professional consulting services to prepare a modified and re-scoped Airport Master Plan project and related environmental analysis as approved by the Commission.

Chief Executive Officer Fredericks apologized for the language stating that it appeared the Master Plan was being permanently removed and clarified permanent removal was not the case. He stated that based on the comments at the last Commission meeting as well as information received from other stakeholders such as the air carriers, the City of Ontario and the County of San Bernardino, staff thought it best to restart the process. He clarified that this process had to be terminated and removed from the agenda before starting a new process. Mr. Fredericks indicated staff's recommendation was to approve permanent removal of this item from the agenda and allow for a new process in partnership with the stakeholders. This would allow them to develop a new scope of services for the Master Plan and authorize staff to go through a qualification based selection process. He added that the Commission would be informed of the process and mentioned that staff would come back with a new recommendation at a future meeting.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by unanimous vote to permanently remove the item from consideration.

4. AUTHORIZE APPROVAL OF (1) THE CEO TO EXECUTE A CONTRACT BETWEEN SAN BERNARDINO COUNTY AND THE OIAA TO RECEIVE GENERAL FUNDS FROM THE COUNTY IN THE AMOUNT OF \$250,000.00; (2) CEO TO USE THOSE FUNDS SPECIFICALLY FOR A SECURITY LANE EXPANSION PROJECT IN TERMINAL 4; AND (3) CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH HAFNER COMPANY, INC. FOR THE SECURITY LANE PROJECT

The Ontario International Airport Authority: (1) authorized the CEO to sign an agreement between the Ontario International Airport Authority and the County of San Bernardino authorizing the County's contribution to the Ontario International Airport Authority for the security lane expansion project at Terminal 4; (2) authorized the CEO to use those funds for the security lane expansion project in Terminal 4; and, (3) authorized the CEO to negotiate and sign a contract with Hafner Company, Inc. for the security lane expansion project in Terminal 4 in the amount of \$250,000.00.

Chief Executive Officer Fredericks provided a staff report stating that staff has made an attempt to improve customer service throughout the facility. He noted that the County of San Bernardino is providing \$250,000 which will cover the costs of an additional security lane at the Terminal 4 security check point. He added that this will dramatically enhance the customer experience. He stated this was reducing the cost of the air carriers and mentioned they were excited about the project. He stated that the additional lane should be in operation on or before September 30, 2017.

President Wapner asked who was paying for staffing and equipment.

Chief Executive Officer Fredericks indicated that staffing and equipment will be provided by the Transportation Security Administration (TSA).

President Wapner asked if TSA was guaranteeing staff for the additional lane, how Hafner Company, Inc. was selected, and if there was a process.

Chief Executive Officer Fredericks stated TSA has committed the staff and added that the firm was inherited as part of the transfer agreement and noted that this was one of the firms that was on-call previously selected by Los Angeles World Airport (LAWA).

Commissioner Hagman commented that it was his understanding that this was partially paid for already by LAWA and has started implementation of the project.

Chief Executive Officer Fredericks indicated he was unsure as to whether this was partially paid for by LAWA, but he did know this went through a procurement process.

President Wapner asked if LAWA's procurement process matched OIAA's and asked if the Commission had approved a procurement process.

Chief Executive Officer Fredericks stated that the OIAA inherited and adopted LAWA's policies when the airport was transferred and added he was very confident that it was a good procurement process.

President Wapner asked how much the contractor was charging for construction.

Chief Executive Officer Fredericks indicated the entire package was a total of \$250,000.

President Wapner asked if it was a coincidence the company was charging the exact amount being approved.

Chief Executive Officer Fredericks indicated it was not a coincidence and that staff had the amount well in advance.

President Wapner asked if the amount would have been \$150,000 would they have agreed to construction.

Chief Executive Officer Fredericks indicated that staff had an estimate and asked for a specific amount from the County of San Bernardino in advance.

Secretary Dunn asked how long it would take to have the new lane installed.

Chief Executive Fredericks indicated, per the agreement, that the project would be completed on or before September 30, 2017.

Secretary Dunn added that this was another great sign of visible improvement to the airport.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Bowman and carried by a unanimous vote, to execute a contract with the County of San Bernardino and Hafner Company, Inc.

PUBLIC HEARING

5. A PUBLIC HEARING TO CONSIDER AN ORDINANCE ESTABLISHING A CONFLICTS OF INTEREST CODE

The Ontario International Airport Authority Commission introduced and read the title, and waived further reading by regular motion, of an Ordinance establishing a Conflict of Interest Code as required by the Political Reform Act (Government Code Section 81000, et seq); and directed staff to place the Ordinance on the Agenda for the next available regular meeting of the Commission for final consideration and passage.

Notice of public hearing was duly given and affidavits of compliance are on file with the Clerk of the Board.

President Wapner opened the public hearing at 3:41 p.m. Seeing no one wishing to speak he closed the public hearing at 3:41 p.m.

MOTION: Moved by Commissioner Bowman, seconded by Secretary Dunn and carried by a unanimous vote, to introduce an Ordinance Establishing a Conflict of Interest Code.

STAFF MATTERS

6. ONTARIO INTERNATIONAL AIRPORT AUTHORITY TEAM UPDATE

- Chief Executive Officer report, Kelly Fredericks

Chief Executive Officer announced the ONT was up 4.3 percent for the month of April with 3.6 percent increase in domestic flights and 26.6 in international service. He added that domestic flights were up 6.4 percent with a decrease in international flights of 3.8 percent but expects that to increase as Volaris is increasing flights. He noted that cargo flights are up 17 percent for the month and added that all carriers are growing.

Mr. Fredericks indicated that staff has met with the air carriers to review a draft of the preliminary budget and noted that there are some minor changes that were made because of that meeting. He stated more information would be coming to Commissioners, and noted that an attempt was being made to schedule a special meeting in June to review the budget, rates and charges.

President Wapner noted that all the documents relating to the budget were in draft format and encouraged his colleagues to reach out to the Chief Executive Officer with any questions.

Mr. Fredericks also announced that staff intends to put out a Request for Proposals for On-call Architectural and plans on selecting three firms that will be utilized to implement the Capital Improvement Program. He noted that these items would be brought back to the Commission for approval.

Mr. Fredericks indicated that the staff was meeting with stakeholders regarding Transportation Network Companies (TNC) and added that staff was preparing to present a policy to the Commission at the June 27, 2017 meeting during a public hearing.

Mr. Fredericks noted that he is working on developing an Economic Development Advisory Group comprised of 15 members and intends to have the list by the end of May and plans to update the Commission at the June 27, 2017 meeting regarding the goals of the advisory group.

Mr. Fredericks noted the air carriers were briefed on the property generally bounded by Airport Drive to the north, Jurupa Street to the south, Haven Avenue to the west, and Doubleday Avenue to the east. He added that staff has met with the Federal Aviation Administration to have the property designated as surplus property and stated that the appraisal should be completed in July.

President Wapner indicated that he may have a potential conflict with TNCs. He added that he has not received contributions from TNCs, but he has received contributions from taxi cab companies and noted that he would abstain from any discussion pertaining to this item.

COMMISSIONER MATTERS

Secretary Dunn announced that the Inland Empire is the fastest growing community with a population projection of over 7 million by 2020. She added that the demographics are in favor of the airport. She also stated that she spent the day in Sacramento discussing Senate Bill 1 which is the newly passed Road Repair and Accountability Act of 2017 and shared that the California Transportation Commission is very dedicated to getting funds out as quickly as possible and asked that partners have projects ready and encouraged all to talk to partners to see if there was a way to help the airport.

President Wapner stated that San Bernardino Associated Governments and Southern California Association of Governments were working on connectors that would also benefit the airport.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 3:51 p.m.

Respectfully submitted:



CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:



ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY