

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY
COMMISSION AGENDA
REGULAR MEETING**

**January 23, 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

Welcome to the Regular 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.

(EQUIPMENT FOR THE HEARING IMPAIRED IS AVAILABLE UPON REQUEST AT THE REGULAR MEETING.)

CALL TO ORDER (*OPEN SESSION*)

3:00 p.m.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

CLOSED SESSION PUBLIC COMMENT: The Closed Session Public Comment portion of the 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 54956.9(d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION: *One (1) case.*

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

General Legal Counsel

PUBLIC COMMENTS

3:00 p.m.

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.

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.

2. APPROVAL OF MINUTES

Minutes for the cancelled meetings of the Ontario International Airport Authority on April 25, 2017, June 27, 2017, November 28, 2017 and December 26, 2017 and the special meeting on December 13, 2017, approving same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills December 1, 2017 through December 31, 2017 and Payroll December 1, 2017 through December 31, 2017.

4. APPROVAL OF MEETING STIPENDS

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

5. APPROVAL TO AMEND THE CONTRACT FOR A 2 MONTH EXTENSION BETWEEN MEAD & HUNT AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY FOR MONTH-TO-MONTH ENGINEERING, ARCHITECTURAL, SURVEY, AND CONSTRUCTION INSPECTION SUPPORT SERVICES AT THE ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority authorize the CEO to execute a 2-month contract extension with Mead & Hunt for as-needed engineering, architectural, survey, and construction inspection support services at the airport, for a not-to-exceed monthly amount of (up to) \$60,000 until OIAA staff is in position to procure similar services from one or more firms via an Request For Qualifications process. Approval of this contract amendment will not require the use of additional funds in the 2017/18 OIAA budget, or any other budget adopted, continued, or approved by the OIAA Commission.

6. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A MANAGEMENT AGREEMENT FOR AIRPORT OPERATIONS MAINTENANCE BETWEEN TBI AIRPORT MANAGEMENT, INC. AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

That the Ontario International Airport Authority (OIAA) authorize the CEO to negotiate and execute a management agreement with TBI Airport Management Inc. (TBI), a Florida corporation, for airport operations and airfield management services for ten (10) years with the mutual option to extend for one five-year period. This effort will increase efficiencies to airport and airfield operations and result in a substantial cost savings for the OIAA over the 10-year term of TBI management agreement. The basic terms of the TBI agreement will be generally consistent with those contained in similar agreements at U.S. airports including reimbursement of employee salaries and benefits, and expenses, and an annual management fee to be paid to TBI.

7. AMENDMENT OF THE T.Y. LIN INTERNATIONAL INC. CONTRACT FOR CIVIL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES

That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a contract amendment with T.Y. Lin International Inc. (TY Lin), in the amount of \$52,946.87 to revise plans and documents and provide bidding support and to provide construction administration services related to the Taxiway S&W Intersection Repair and New Taxiway S5 Construction project. The additional requested amount will provide bidding support and construction administration services for the project. The cost for these additional services are to be paid for with OIAA appropriations.

8. APPROVAL OF A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND GRIFFITH COMPANY

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute the First Amendment to a Contract between the Ontario International Airport Authority and Griffith Company. The amendment will incorporate required Department of Transportation regulations (49 CFR Part 26) and OIAA's Disadvantaged Business Enterprise (DBE) Program language to ensure continued compliance with regulations and policies.

9. APPROVAL OF THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE KENNARD DEVELOPMENT GROUP

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute the First Amendment to a Professional Services Agreement between the Ontario International Airport Authority and Kennard Development Group dba KDG Construction Consulting. The amendment will incorporate required Department of Transportation regulations (49 CFR Part 26) and OIAA's Disadvantaged Business Enterprise (DBE) Program language to ensure continued compliance with regulations and policies.

10. A RESOLUTION TO APPROVE AND EXECUTE THIRD AMENDMENT TO LEASE ONT-7994 BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND GUARDIAN AIR SERVICES, LLC RELATED TO THE JET CENTER EXPANSION PROJECT

That the Ontario International Airport Authority (OIAA) adopt a resolution to approve and execute a Third Amendment to lease ONT-7994 between the Ontario International Airport Authority and Guardian Air Services, LLC (“Guardian”) to implement the Guardian Jet Center Expansion Project (“Expansion Project”) approved by the Commission by Resolution 2017-18 on December 13, 2017. The OIAA will provide rent abatements or rent credits to Guardian in the estimated amount of \$40,000 to \$50,000 for Guardian’s costs to demolish and remove the existing OIAA structures at the Expansion Project site. Further, the OIAA will receive market rate rental payments from Guardian once Guardian takes possession of the Expansion Project site area and additional temporary aircraft parking area and hangar space at the Airport displaced by the Expansion Project.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND EXECUTE THE GUARDIAN AIR SERVICES THIRD AMENDMENT TO LEASE ONT-7994.

11. A RESOLUTION ADOPTING THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PURCHASING POLICIES AND PROCEDURES MANUAL

That the Ontario International Airport Authority adopt a resolution for the Ontario International Airport Authority Purchasing Policies and Procedures Manual. The purpose of the Ontario International Airport Authority (OIAA) Procurement Manual (Manual) is to provide procedural guidelines on the application of Federal, State, and Municipal laws, rules, and regulations as well as the rules, regulations, and procedures established by the OIAA.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO ADOPT THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PURCHASING POLICIES AND PROCEDURES MANUAL.

12. PURSUANT TO TREASURY REGULATION §1.150-2 INTER-ALIA, ADOPTING A RESOLUTION THAT PROVIDES CERTAIN COSTS INCURRED BY THE AUTHORITY PRIOR TO THE ISSUANCE OF A TAX-EXEMPT OBLIGATION SHALL QUALIFY FOR REIMBURSEMENT FROM THE OBLIGATION PROCEEDS

That the Ontario International Airport Authority OIAA authorize the intention to issue tax exempt obligations and adopt a resolution enabling the reimbursement of certain capital improvement project costs incurred prior to the issuance of tax exempt obligations.

RESOLUTION NO. _____

RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

13. A RESOLUTION TO APPROVE AND AUTHORIZE THE FEDERAL INSPECTION SERVICES AND INTERNATIONAL TERMINAL REPLACEMENT FACILITY PROJECT AT ONTARIO INTERNATIONAL AIRPORT, AND THE RELATED REQUEST FOR PROPOSAL PROCESS FOR PROJECT DESIGN SERVICES AND CONSTRUCTION

That the Ontario International Airport Authority Commission adopt a resolution to approve the Federal Inspection Services and International Terminal Replacement Facility Project at Ontario International Airport, as well as a Request for Proposal process for Project design services and construction.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND AUTHORIZE THE FEDERAL INSPECTION SERVICES AND RELATED INTERNATIONAL TERMINAL REPLACEMENT FACILITIES PROJECT, AS WELL AS A REQUEST FOR PROPOSAL PROCESS RELATING TO THE DESIGN SERVICES AND CONSTRUCTION FOR THE PROJECT.

14. FISCAL YEAR 2017-18 BUDGET UPDATE AND ANALYSIS OF OPERATING AND MAINTENANCE BUDGET VS. ACTUAL FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2017

That the Ontario International Airport Authority approve the budget adjustments and recommendations as listed in the Fiscal Year 2017-18 Budget Update. The analysis shows that the Authority is performing well from a financial perspective, overall, in comparison with Budget. For the 5-months to November 30, 2017, the Authority' Net Operating Income is approximately \$2.4 million higher than budget.

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
Vice President Loveridge
Secretary Bowman
Commissioner Hagman
Commissioner Gouw

ADJOURNMENT

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
CLOSED SESSION REPORT
OIAA// (GC 54957.1)
JANUARY 23, 2018

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

STAFF: CEO ___, General Counsel ___

- GC 54956.9(d)(2), CONFERENCE WITH LEGAL COUNSEL, ANTICIPATED LITIGATION:
One (1) case.

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
January 23, 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. 06	Mead & Hunt	<ul style="list-style-type: none"> • C&S Companies • PSOMAS
Item No. 07	TBI Airport Management	<ul style="list-style-type: none"> • None at the moment.
Item No. 08	TY Lin	<ul style="list-style-type: none"> • None.
Item No. 09	Griffith Company	<ul style="list-style-type: none"> • Adkan Engineers • Blast Deflectors • Matich • RJ Lalonde • Austine Enterprises • Ferreria • Cal Stripe • Aldridge

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Board Clerk

Prepared by: Claudia Y. Isbell
 Department: _____
 OIAA _____

Submitted to OIAA: January 23, 2018
 General Counsel
 Review: January 23, 2018
 Approved: _____
 Continued to: _____

Chief Executive
 Officer Approval: *Mark A. Hoopes*

Denied: _____

Item No. 1

Item No. 10	KENNARD DEVELOPMENT GROUP	<ul style="list-style-type: none">• Kleinfelder• IDS
Item No. 11	Guardian Jet Center	<ul style="list-style-type: none">• None.
Item no. 14	CSG Associates	<ul style="list-style-type: none">• None.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MINUTES
Tuesday, April 25, 2017
(Not Official Until Approved)

The Regular Meeting scheduled for Tuesday, April 25, 2017 was cancelled due to lack of an available quorum.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MINUTES
Tuesday, June 27, 2017
(Not Official Until Approved)

The Regular Meeting scheduled for Tuesday, June 27, 2017 was cancelled due to lack of an available quorum.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MINUTES
Tuesday, November 28, 2017
(Not Official Until Approved)

The Regular Meeting scheduled for Tuesday, November 28, 2017 was cancelled due to lack of an available quorum.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

ONTARIO INTERNATIONAL AIRPORT AUTHORITY
MINUTES
Tuesday, December 26, 2017
(Not Official Until Approved)

The Regular Meeting scheduled for Tuesday, December 26, 2017 was cancelled due to lack of an available quorum.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
WEDNESDAY, DECEMBER 13, 2017
(Not Official Until Approved)**

A special meeting of the Ontario International Airport Authority was held on Wednesday, December 13, 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 3:04 p.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, Asst. General Counsel Kevin P. Sullivan, and Assistant Secretary Claudia Y. Isbell.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Therese Andrews.

PUBLIC COMMENT

Therese Andrews, Director of Traveler's Aid at ONT, gave a brief update regarding Traveler's Aid's current success and future at the airport.

ITEM PULLED FROM CONSENT CALENDAR: Item No. 06 was pulled from Consent Calendar by Vice President Loveridge for further discussion.

MOTION: Moved by Secretary Bowman, seconded by Commissioner Hagman and carried by a unanimous vote of 5-0, to approve the Consent Calendar as presented, except Item No. 06.

CONSENT CALENDAR

1. APPROVAL OF MINUTES

Approved minutes for the regular meeting of the Ontario International Airport Authority on October 24, 2017, as on file with the Secretary/Assistant Secretary.

2. BILLS/PAYROLL

Approved bills October 1, 2017 through October 31, 2017 and Payroll October 1, 2017 through October 31, 2017.

3. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority (OIAA) Commission approved meeting stipends for Commissioner Hagman.

4. AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH MANCHESTER AIRPORT GROUP (MAG) TO DESIGN, CONSTRUCT, OPERATE AND MAINTAIN COMMON USE AIRPORT LOUNGES IN TERMINALS 2 AND 4, AND PROVIDE CAR PARKING YIELD MANAGEMENT AND MARKETING SERVICES

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to negotiate and execute a contract with Manchester Airport Group (MAG USA) to provide design, demolition, construction, operation, maintenance, financing, and other services for the common use airport lounges for Terminals 2 and 4. This project is subject to FAA approval. The cost to provide services for this project will be borne by Manchester Airport Group (MAG USA).

5. APPROVE A CONSULTATION AGREEMENT WITH KENAZ DESIGNS LLC FOR CONSULTING SERVICES RELATING TO AIRPORT CONSTRUCTION, DESIGN, MAINTENANCE AND OPERATIONS-RELATED MATTERS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

The Ontario International Airport Authority (OIAA) approved a Consultation Agreement with Kenaz Designs LLC (Consultant) for consulting services relating to airport construction, design, maintenance and operations-related matters of The Ontario International Airport Authority. Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised.

7. A RESOLUTION APPROVING AN INCREASE TO THE ADMINISTRATIVE FEES FOR FINGERPRINTING AND BADGING

The Ontario International Airport Authority (OIAA) approved a resolution increasing administrative fees for fingerprinting and badging. Approval results in the collection of an additional \$30,500 per year to recover the costs of additional TSC fees, badge supplies such as cards, lanyards, armbands, printer ribbons and existing staff costs (not including lost badge fees).

RESOLUTION NO. 2017-16 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING AN INCREASE OF ADMINISTRATIVE FEES FOR FINGERPRINTING AND BADGING.

8. A RESOLUTION AUTHORIZING ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO ACCESS STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES

The Ontario International Airport Authority Commission adopted a resolution allowing the OIAA to access state and federal summary criminal history information from the California Department of Justice and Federal Bureau of Investigation for employment purposes. The proposed related agreement with the California Department of Justice is estimated to cost \$2,640 for the remainder of the Fiscal Year 2017-18. The cost for the remainder of the Fiscal Year will be absorbed within current budget appropriations; and the estimated annual cost of \$1,320 will be included in future baseline budgets.

RESOLUTION NO. 2017-17 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, AUTHORIZING ACCESS TO STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES.

9. AMEND CONTRACT DA-5077 WITH ALL AMERICAN ASPHALT FOR THE PROVISION OF ASPHALT CONCRETE MIXES AND RELATED SERVICES BY INCREASING THE ANNUAL AUTHORITY AMOUNT TO \$750,000 PER CONTRACT YEAR FOR AN OVERALL CONTRACT AMOUNT NOT TO EXCEED \$2.975 MILLION AND REQUEST AUTHORIZATION FOR THE CHIEF EXECUTIVE OFFICER TO EXERCISE THE REMAINING ONE-YEAR RENEWAL OPTION

The Ontario International Airport Authority (OIAA) Commission approved the amendment to Contract DA-5077 between the OIAA and All American Asphalt increasing the annual authority amount by \$250,000 per contract year for an overall amount not to exceed \$2.975 million for the life of the contract and authorized the Chief Executive Officer to Exercise the remaining one-year renewal option.

ITEM PULLED FOR DISCUSSION

6. APPROVE A CONSULTATION AGREEMENT WITH PAUL A. HANEY & ASSOCIATES LLC FOR CONSULTING SERVICES RELATING TO AIRPORT ADMINISTRATION, OPERATIONS, MARKETING, BRANDING, DEVELOPMENT, FINANCING, AND PUBLIC AND COMMUNICATIONS RELATIONS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

The Ontario International Airport Authority (OIAA) approved a Consultation Agreement with Paul A. Haney & Associates LLC (Consultant) for consulting services relating to airport administration, operations, marketing, branding, development, financing, and public and communications relations of The Ontario International Airport Authority. Approval of this recommendation requires the use of funds in the 2017/18 and any other budget adopted, continued, or approved by the OIAA Commission. Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised.

President Wapner declared a conflict of interest and recused himself from the discussion.

Vice President Loveridge asked how performance is monitored and questioned the evaluation process.

Chief Executive Officer Thorpe stated that consultants are given specific tasks and completed in a specific time frame.

Vice President Loveridge asked if the contract would come back for Commission approval after the one (1) year mark.

CEO Thorpe indicated he would conduct the evaluation and added he can provide the Commission with an update.

Commissioner Hagman suggested that there be quantifiable measurements in place to keep consultants accountable and asked that the CEO bring back any contract that is not an automatic renewal with an update to justify the need.

Vice President Loveridge stated he agreed with Commissioner Hagman that there needs to be an evaluation and the item needs to come back to the board.

MOTION: Moved by Vice President Loveridge, seconded by Commissioner Hagman and carried by a vote of 4-0, with President Wapner recused, to approve an Agreement with Paul A. Haney with an amendment to bring any optional renewal agreements back for discussion for CEO justification.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

10. A RESOLUTION TO APPROVE AND AUTHORIZE GUARDIAN JET CENTER EXPANSION AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) Commission adopted a resolution to approve and authorize the Guardian Jet Center Expansion Project at Ontario International Airport. OIAA will provide rent abatements or rent credits to Guardian Air Services, LLC (Guardian) in the estimated amount of \$40,000 - \$50,000 for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site. All other costs for construction of the Guardian Jet Center Expansion Project will be borne solely by Guardian.

RESOLUTION NO. 2017-18 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND AUTHORIZE THE GUARDIAN AIR SERVICES, LLC, JET CENTER EXPANSION PROJECT

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by a vote of 5-0, to approve Resolution No. 2017-18.

11. PURCHASE THREE 3,000-GALLON COMMERCIAL GRADE ROSENBAUER AIRCRAFT RESCUE FIRE FIGHTING (ARFF) APPARATUS AT A COST OF \$1.2 MILLION PER UNIT AND ONE ROSENBAUER RAPID INTERVENTION VEHICLE ("RIV") AT A COST OF \$670,000 FOR A TOTAL COST OF \$4.3 MILLION

That the Ontario International Airport Authority (OIAA) (1) approve and authorize the CEO to execute agreements to purchase and finance the ARFF equipment; and (2) approve and authorize the CEO to enter into a cooperative purchase contract between OIAA and the Houston-Galveston Area Council ("H-GAC"). The procurement and related costs over the next six years will be funded in the FY2018 through FY2023 operating budgets; total expense is \$4.62 million.

Secretary Bowman expressed his support of the item and requested that a vehicle replacement fund be established to replace vehicles in the future.

MOTION: Moved by Commissioner Hagman, seconded by Commissioner Gouw and carried by a vote of 5-0, to approve the purchase three 3,000-gallon commercial grade Rosenbauer Aircraft Rescue Fire Fighting (ARFF) apparatus at a cost of \$1.2 Million per unit and one Rosenbauer Rapid Intervention Vehicle ("RIV") at a cost of \$670,000 for a total cost of \$4.62 million, including related costs .

STAFF MATTERS

Chief Executive Officer Thorpe provided an update regarding the Business Advisory Group, and set a deadline for the February 27, 2018 board Meeting. He also provided an update on passenger growth.

COMMISSIONER MATTERS

Commissioner Hagman thanked staff for a great year, and is excited for next year.

Vice President Loveridge stated he is looking forward to February.

Secretary Bowman stated that next year will be phenomenal.

President Wapner thanked CEO Thorpe and staff and announced the approval of an agreement to fund transportation from Metrolink stations to the airport by the San Bernardino County Transit Authority (SBCTA). He also mentioned Riverside Transit will commence service to ONT in January 2018.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 3:29 p.m.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

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

**RELEVANT STRATEGIC OBJECTIVE: Expansion of Air Services
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:

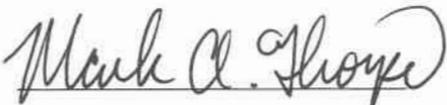
"No salary. Reimbursement for Expenses. Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, commissioners 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 November 2017, OIAA Commissioner Hagman attended two (2) additional Authority-related business functions. Full Commission approval is needed to approve payment of stipends.

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

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

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Clerk of the Board

Prepared by:	<u>Claudia Y. Isbell</u>	Submitted to OIAA:	<u>January 23, 2018</u>
Department:	<u>OIAA</u>	General Counsel	
		Review:	<u>January 23, 2018</u>
		Approved:	_____
		Continued to:	_____
Chief Executive Officer Approval:		Denied:	_____

Item No. 4

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).)

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

EXHIBITS AND 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**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVAL TO AMEND THE CONTRACT FOR A 2 MONTH EXTENSION BETWEEN MEAD & HUNT AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY FOR MONTH-TO-MONTH ENGINEERING, ARCHITECTURAL, SURVEY, AND CONSTRUCTION INSPECTION SUPPORT SERVICES AT THE ONTARIO INTERNATIONAL AIRPORT

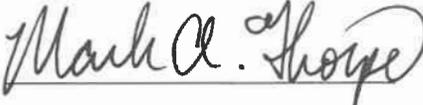
RELEVANT STRATEGIC OBJECTIVE: Expansion of Air Services.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority authorize the CEO to execute a 2-month contract extension with Mead & Hunt for as-needed engineering, architectural, survey, and construction inspection support services at the airport, for a not-to-exceed monthly amount of (up to) \$60,000 until OIAA staff is in position to procure similar services from one or more firms via an RFQ process. The approval of a contract amendment is only for a 2-month extension of time and not for any increase in the contract amount.

FISCAL IMPACT SUMMARY: If approved, Mead & Hunt would be retained on an as-needed additional 2-month not-to-exceed amount of (up to) \$60,000 per month. The original overall Mead & Hunt contract not-to-exceed amount was \$60,000 per month for 6 months for a total of \$360,000. Mead & Hunt's current cost thru November 2017 is estimated to be \$143,800. Mead & Hunt's December 2017 invoice estimate is \$45,000 resulting in an estimated cost through December 2017 of \$188,800. This results in \$171,200 estimated as the contract amount remaining. Approval of this contract amendment will not require the use of additional funds in the 2017/18 OIAA budget, or any other budget adopted, continued, or approved by the OIAA Commission.

BACKGROUND: The OIAA was formed in August 2012, under a Joint Powers Agreement (JPA) between the City of Ontario and the County of San Bernardino, to provide overall direction for the management, operations, development, and marketing of Ontario International Airport (ONT). As part of the preparation for transfer of ownership, the OIAA identified a need for engineering support services during this transition period. After transfer of ownership, the OIAA identified the critical need for immediate engineering support services for ongoing projects as LAWA did not have any engineering staff

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operating Officer

Prepared by:	<u>Keith Owens</u>	Submitted to OIAA:	<u>January 23, 2018</u>
Department:	<u>OIAA</u>	General Counsel	
		Review:	<u>January 23, 2018</u>
		Approved:	_____
		Continued to:	_____
Chief Executive Officer Approval:		Denied:	_____

Item No. 5

located at ONT to manage tenant improvement or capital improvement projects, and would have no engineering staff that would be transferred as part of the Staff Augmentation Agreement.

The OIAA entered into a contract with Mead & Hunt in August 2016, prior to the transfer of airport ownership, so that critical engineering support services could be performed until permanent OIAA staff could be hired to fill these roles. OIAA staff has determined that out-sourcing most of its engineering, architectural, and survey needs is a cost-effective alternative to hiring a full complement of OIAA staff to carry out these functions, particularly in light of the variable nature of the workload required for these tasks.

OIAA Staff is currently evaluating proposals under the qualifications-based solicitation process to identify three firms each for AIP and NON-AIP projects, to provide similar services, for a longer term, on a similar on-call, as-needed basis. OIAA staff expects to have the firms selected through this RFQ process replace Mead & Hunt once the two-month contract extension period covered by this action has expired.

SCOPE OF WORK: If this Consultation Agreement is approved, Consultant will assist OIAA with consulting and representational services relating to airport administration, operations, marketing, branding, development, financing, and public and communications relations of Ontario International Airport Authority. and advisory services to the OIAA Chief Executive Officer, OIAA management, other OIAA consultants, and the OIAA Commission members on all matters mutually agreed upon, and as provided in the Consultation Agreement. (*See, Attachment A, Exhibit A (Scope of Services)*).

CEQA COMPLIANCE: The proposed staffing services decision is not a "project" under CEQA and does not require environmental review. To the extent the staffing services decision could be deemed a "project" for purposes of CEQA, it would be Categorical Exempt (Class 1) from the provisions of CEQA pursuant to (1) CEQA Guidelines section 15309 for project inspection services, (2) CEQA Guidelines section 15301 for the operations, repair, maintenance, permitting, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and (3) CEQA Guidelines section 15303 for new construction, installation or conversion of a limited number of small structures, facilities or equipment.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: The proposed staffing services are to ensure airport operations and airport projects, and tenant improvement projects continue uninterrupted.

SCHEDULE: N/A

EXHIBITS AND ATTACHMENTS

Attachment A – Change Order Form

This 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 General Counsel.



1923 E. Avion St.

AUTHORITY

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

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
CHANGE ORDER**

Project: Engineering Services

Change Order Number: 001

Change Order Date: 01/23/2018

Contract Date: 07/26/2017

To: Mead & Hunt, Inc.
Attn: Charles S. McCormick
3110 E. Guasti Road Suite 330
Ontario, CA 91761

THIS CHANGE ORDER FORM SHALL BE USED FOR ALL CHANGE ORDERS ASSOCIATED WITH THE WORK. NO ADDITIONS OR DELETIONS TO THIS FROM SHALL BE ALLOWED, EXCEPT WITH THE PERMISSION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY.

The Contract is changed as follows:

Mead & Hunt would be retained for an additional two (2) months.

NOT VALID UNTIL SIGNED BY OWNER

In consideration of the of the change(s) described above, the Contract Price is adjusted as follows:

The original Contract Price was	\$ 360,000
Net change by previously authorized Change Orders	\$ 0
The Contract Price prior to this Change Order was	\$ 360,000
The Contract Price will be changed by this Change Order in the amount of	\$ 0
The new Contract Price including this Change Order will be	\$ 360,000

In consideration of the change(s) described above the Contract Time is adjusted as follows:

The Contract Time will be: increased <input checked="" type="checkbox"/> decreased <input type="checkbox"/> unchanged <input type="checkbox"/> by	60 Days
The Contract Time prior to this Change Order was	180 Days
The new Contract Time including this Change Order will be	240 Days

Attachments:

Contractor accepts the terms and conditions stated herein as full and final settlement of any and all claims arising from this Change Order. The adjustments to the Contract Price and Contract Time in this Change Order constitutes the entire compensation and/or adjustment thereto due to Contractor, including direct, indirect, consequential, and overhead (field and home office) costs, due to Contractor arising out of or related to the change in the Work covered by this Change Order. By signing this Change Order, Contractor agrees to accept the amount of the adjustment to the Contract Price, and the adjustment of the Contract Time, as payment in full for all costs, including direct, indirect, consequential, and overhead (field and home office) costs, related to the change in the Work covered by this Change Order.

Accepted:

President

Date

Approved:

Mark A. Thorpe, Chief Executive Officer

Date

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A MANAGEMENT AGREEMENT FOR AIRPORT OPERATIONS MAINTENANCE BETWEEN TBI AIRPORT MANAGEMENT, INC. AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

RELEVANT STRATEGIC OBJECTIVE(S): To reduce airline costs and increase efficiency to airport and airfield operations and maintenance.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the CEO to negotiate and execute a management agreement with TBI Airport Management Inc. (TBI), a Florida corporation, for airport operations and airfield management services for ten (10) years with the mutual option to extend for one five-year period.

FISCAL IMPACT AND SOURCE OF FUNDS: Approval of this recommendation will allow the OIAA to discontinue utilization of the remaining Los Angeles World Airports employees who are performing airport and airfield operational and maintenance duties at ONT by March 31, 2018. This effort will increase efficiencies to airport and airfield operations and result in a substantial cost savings for the OIAA over the 10-year term of TBI management agreement. The basic terms of the TBI agreement to be will be generally consistent with those contained in similar agreements at U.S. airports including reimbursement of employee salaries and benefits, and expenses, and an annual management fee to be paid to TBI.

BACKGROUND: On October 27, 2017, the OIAA issued a Request for Qualifications (RFQ) for Airport Operations and Airfield Maintenance Services. The RFQ process was utilized because OIAA staff, in consultation its airline partners, wanted to ensure only the most qualified companies, rather than lowest bidder(s) would be selected for the contract. Three companies responded to the solicitation: TBI, AvPORTS and KDG Airport Consulting. A three-member OIAA panel comprised of the CEO, COO and CFO evaluated the submissions and ranked TBI as the leading firm with which to negotiate. The panel concluded that TBI had a proven track record in airport management, operations and maintenance, and a long history of compliance with Federal Aviation Regulations Part 139 governing commercial airports.

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

Prepared by: Mark A. Thorpe
Department: OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive
Officer Approval:



Item No. 6

SCOPE OF WORK: The contractor shall provide necessary support staff and services to perform airport operational and maintenance services on a seven-day-per-week, 24-hour-per-day basis in the following areas: (1) Airport operations including supervision of airfield managers-on-duty; (2) Maintenance of airfield facilities and equipment including but not limited to airfield lighting, aircraft operations area pavement and airfield grounds keeping; (3) Compliance with all Federal Aviation Administration (FAA) regulations; (4) Coordination with ONT-TEC LLC, the airline consortium that has taken over maintenance responsibilities for most of the ONT Land Side, and coordination with the Ontario Fire Department and Ontario Police Department for compliance with FAA and Transportation Security Administrations regulations pertaining to the ONT Air Side.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed management agreement is not a “project” within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for TBI’s work to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.

STAFFING IMPACT (# OF POSITIONS): Approximately 10 OIAA employees currently working in airport operations and airfield maintenance positions will be offered comparable positions with TBI.

IMPACT ON OPERATIONS: A 60-day transition period will ensure a smooth transition as the remaining LAWA employees become employees of TBI or transfer to open positions at Los Angeles International Airport.

SCHEDULE: OIAA staff expects the TBI contract will be fully implemented by April 1, 2018, following the above-mentioned 60-day transition period.

EXHIBITS AND ATTACHMENTS: None

This 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 General Counsel.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: AMENDMENT OF THE T.Y. LIN INTERNATIONAL INC. CONTRACT FOR CIVIL DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES

RELEVANT STRATEGIC OBJECTIVE: This request supports the Taxiway S&W Intersection Repair and New Taxiway S5 project, which maintains exceptional safety, security, and operational efficiency.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a contract amendment with T.Y. Lin International Inc. (TY Lin), for the amount of \$52,946.87 to revise plans and documents and provide bidding support and to provide construction administration services related to the Taxiway S&W Intersection Repair and New Taxiway S5 Construction project.

FISCAL IMPACT AND SOURCE OF FUNDS: This is an additional requested amount to provide bidding support and construction administration services for the above project. The cost for these additional services are to be paid for with OIAA appropriations. The recommended action will enable staff to ensure uninterrupted Construction Administration services for this project.

BACKGROUND: The OIAA Commission unanimously approved an agreement with TY Lin on April 27, 2017 in the amount of \$130,524.25 to prepare the bid documents and plans for the Taxiway S&W Intersection Repair and provide construction administration services during construction. TY Lin has provided outstanding support to OIAA since that time and has completed the bidding support services and enabled OIAA to successfully complete its first major airfield construction bidding process. However, TY Lin provided additional, unforeseen, bidding support necessary to prepare a full set of specifications, including General Conditions, Special Conditions and other bid support documentation, to support the bid package. TY Lin completed this work under a very tight, FAA regulated bidding deadline in early May 2017 to ensure the project would remain eligible for FAA grant funds, which totaled over \$6.5 Million. The requested additional funds will enable TY Lin to fulfill its scope of services for Construction Administration during the construction of the Taxiway S&W Intersection Repair and New Taxiway S5.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Prepared by: Keith Owens
Department: OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive Officer Approval: 

Item No. 7

CEQA COMPLIANCE: The amendment to the agreement is not a "project" within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for the amendment to the agreement to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action would not impact ONT operations.

SCHEDULE: N/A

EXHIBITS & ATTACHMENTS:

Attachment A – First Amendment.

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.

FIRST AMENDMENT TO AGREEMENT
BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
AND T.Y. LIN INTERNATIONAL
FOR PROFESSIONAL SERVICES

THIS FIRST AMENDMENT (“First Amendment”) to the Professional Services Agreement, is made and entered into this ___ day of _____, 2018, at Ontario, California by and between the ONTARIO INTERNATIONAL AIRPORT AUTHORITY, a joint powers authority created by the City of Ontario and San Bernardino County (“OIAA”), and T.Y. LIN INTERNATIONAL, INC. (“TYLI”). The OIAA and TYLI are sometimes individually referred to as “Party” and collectively as “Parties” in this First Amendment.

RECITALS

WHEREAS, the OIAA, by action of the Commission, on April 27, 2017, approved and authorized the Professional Services Agreement (“Agreement”) between the OIAA and TYLI for construction administration, design services, and bidding support services related to the “Taxiway S & W Intersection Repair and New Taxiway S5 Construction” project (“Project”) at the Ontario International Airport (“Airport”);

WHEREAS, TYLI is engaged in the business of providing construction administration, design services, and bidding support services for the Project and has been doing so pursuant to the Agreement entered into with the OIAA;

WHEREAS, the OIAA is responsible for the management and administration of this Agreement;

WHEREAS, additional construction administration, design services, and bidding support services are required to continue the Project and to prepare a new set of project specifications to support additional bidding packages for the Project.

NOW, THEREFORE, the Parties hereto, for and in consideration of the terms, covenants, and conditions hereinafter to be contained to be kept and performed by the respective parties hereto, do mutually agree that the Agreement between the Parties BE AMENDED AS FOLLOWS:

1. Attachment “A,” as referenced in paragraph 6.1 of the Agreement, shall now also include the following in the Fee Proposal:

“Additional Construction Administration, Bidding Support Services, and Preparation of Specifications in Support of Bid Package – shall not exceed \$52,946.87, inclusive of costs.”

2. It is understood and agreed by and between the Parties hereto that, except as specifically provided herein, this First Amendment shall not, in any manner alter, change, modify, or affect any of the rights, privileges, duties or obligations of either of the Parties hereto under or by reason of said Agreement, and, except as expressly amended herein, all of the terms, covenants, and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this First Amendment is duly executed on the day and year first above written, by the parties hereto, intending themselves to be legally bound hereby.

TYLI:

T.Y. LIN INTERNATIONAL, INC.

BY: _____
Signature

Print Name

Title

ONTARIO INTERNATIONAL AIRPORT
AUTHORITY

BY: _____
Mark A. Thorpe
Chief Executive Officer

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVAL OF A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND GRIFFITH COMPANY

RELEVANT STRATEGIC OBJECTIVE(S): Maintains exceptional safety, security, and operational efficiency.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute the First Amendment to a Contract between the Ontario International Airport Authority and Griffith Company.

FISCAL IMPACT AND SOURCE OF FUNDS: The First Amendment has no impact on the cost to construct this project and the original Contract was approved by action of the OIAA Commission on September 28, 2017.

BACKGROUND: On September 28, 2017, the OIAA Commission approved and authorized the Contract Agreement between the OIAA and Griffith Company to repair the Taxiway S&W intersection and construction of Taxiway S5 at Ontario International Airport. All contractors and consultants are required to comply with the Department of Transportation's ("DOT") regulations (49 CFR Part 26) and the OIAA's Disadvantaged Business Enterprise ("DBE") Program for federally funded projects, including this taxiway project. The DOT regulations and the OIAA's DBE Program already require all contractors and consultants to comply with certain prompt payment provisions and nondiscrimination policies. However, staff recommends the proposed amendment to incorporate those provisions directly into the contract to further ensure continued compliance with these regulations and policies.

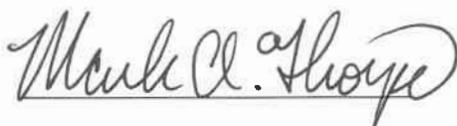
CEQA COMPLIANCE: The proposed agreement is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301, because it provides for the exemption from environmental review relating to the operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Amy Goethals
Department: OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive
Officer Approval:



Item No. 8

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: This action will have no impact to operations.

SCHEDULE N/A

EXHIBITS & ATTACHMENTS:

Attachment A – First Amendment

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

FIRST AMENDMENT TO CONTRACT AGREEMENT
BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
AND GRIFFITH COMPANY
FOR THE TAXIWAY S & W INTERSECTION REPAIR PROJECT
AT ONTARIO INTERNATIONAL AIRPORT

THIS FIRST AMENDMENT (“First Amendment”) to the Contract Agreement, is made and entered into this 23rd day of January, 2018, at Ontario, California by and between the ONTARIO INTERNATIONAL AIRPORT AUTHORITY, a joint powers authority created by the City of Ontario and San Bernardino County (“OIAA”), and GRIFFITH COMPANY (“CONTRACTOR”). The OIAA and CONTRACTOR are sometimes individually referred to as “Party” and collectively as “Parties” in this First Amendment.

RECITALS

WHEREAS, the OIAA, by action of the Commission, on September 28, 2017, approved and authorized the Contract Agreement between the OIAA and CONTRACTOR for the construction of a project entitled “Taxiway S & W Intersection Repair” (“Project”) at the Ontario International Airport (“Airport”);

WHEREAS, CONTRACTOR is engaged in the business of providing construction services and will do so pursuant to the Contract Agreement entered into with the OIAA;

WHEREAS, the OIAA is responsible for the management and administration of this Contract Agreement;

WHEREAS, on or about April 27, 2017, the Commission authorized the implementation of a Disadvantaged Business Enterprise (“DBE”) program in accordance with regulations of the U.S. Department of Transportation (“DOT”), 49 CFR Part 26;

WHEREAS, pursuant to the Contract Agreement CONTRACTOR agreed to utilize the services of DBE firms designated in its bid on the level designated in its bid;

WHEREAS, the OIAA and CONTRACTOR desire to amend the Contract Agreement to incorporate prompt payment and nondiscrimination provisions as is required by DOT’s regulations and the OIAA’s DBE program.

NOW, THEREFORE, the Parties hereto, for and in consideration of the terms, covenants, and conditions hereinafter to be contained to be kept and performed by the respective parties hereto, do mutually agree that the Contract Agreement BE AMENDED AS FOLLOWS:

1. Section 7.0 Disadvantaged Business Enterprise, shall now include the following:

“7.6 Authority Non-Discrimination. The Authority shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any Department of Transportation (“DOT”) assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Authority shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in the award and administration of DOT-assisted contracts. The Authority’s DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Authority of its failure to carry out its approved program, the DOT may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. §1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §3801 et seq.)”

“7.7 Contractor and Subcontractor Non-Discrimination. The Contractor and subcontractor(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Contract Agreement. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this Contract Agreement, which may result in the termination of this Contract Agreement or such other remedy as the Authority deems appropriate.”

“7.8 Prompt Payment. The Authority has established, as part of its DBE program, a requirement that prime contractors pay subcontractors for satisfactory performance of their contracts. The Authority will ensure prompt and full payment of retainage from the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed.”

“7.8.1. The Authority will use the following method to comply with this requirement: Decline to hold retainage from prime contractors and require a contract clause obligating prime contractors to make prompt and full payment of any retainage kept by prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed.”

“7.8.2. The Authority will consider a subcontractor’s work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the Authority. When the Authority has made

incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.”

“7.8.3. Contractor agrees to pay each subcontractor under this Contract Agreement for satisfactory performance of its contract no later than 30 days from the receipt of each payment the Contractor receives from the Authority. Any delay or postponement of payment from the above referenced timeframe may occur only for good cause following written approval of the Authority. This clause applies to both DBE and non-DBE subcontractors.”

“7.8.4. Any violation of these provisions shall subject the violating Contractor or subcontractor to the penalties, sanctions, and remedies as provided by law. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to the Contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the Contractor, deficient subcontractor performance and/or noncompliance by a subcontractor.”

“7.9. Monitoring Payments to DBEs. The Authority will require Contractor to maintain records and documents of payments to DBEs for three (3) years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Authority or DOT. This reporting requirement also extends to any certified DBE subcontractor.

The Authority will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amounts paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.”

2. It is understood and agreed by and between the Parties hereto that, except as specifically provided herein, this First Amendment shall not, in any manner alter, change, modify, or affect any of the rights, privileges, duties or obligations of either of the Parties hereto under or by reason of said Contract Agreement, and, except as expressly amended herein, all of the terms, covenants, and conditions of the Contract Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this First Amendment is duly executed on the day and year first above written, by the parties hereto, intending themselves to be legally bound hereby.

CONTRACTOR:

GRIFFITH COMPANY

BY: _____

Signature

Print Name

Title

ONTARIO INTERNATIONAL AIRPORT
AUTHORITY

BY: _____

Mark A. Thorpe

Chief Executive Officer

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVAL OF THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND THE KENNARD DEVELOPMENT GROUP

RELEVANT STRATEGIC OBJECTIVE(S): Maintains exceptional safety, security, and operational efficiency.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to execute the First Amendment to a Professional Services Agreement between the Ontario International Airport Authority and Kennard Development Group dba KDG Construction Consulting.

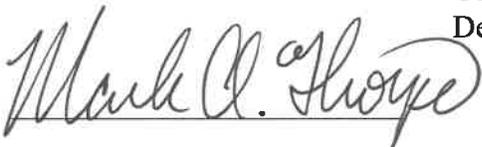
FISCAL IMPACT AND SOURCE OF FUNDS: The First Amendment has no impact on the cost to construct this project and the original Contract was approved by action of the OIAA Commission.

BACKGROUND: On October 24, 2017, the OIAA Commission approved and authorized a Professional Services Agreement between the OIAA and KDG Construction Consulting to provide construction management services for the project entitled "Taxiway S & W Intersection Repair" at Ontario International Airport. All contractors and consultants are required to comply with the Department of Transportation's ("DOT") regulations (49 CFR Part 26) and the OIAA's Disadvantaged Business Enterprise ("DBE") Program for federally funded projects, including this taxiway project. The DOT regulations and the OIAA's DBE Program already require all contractors and consultants to comply with certain prompt payment provisions and nondiscrimination policies. However, the staff recommends the proposed amendment to incorporate those provisions directly into the contract to further ensure continued compliance with these regulations and policies.

CEQA COMPLIANCE: The proposed agreement is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301, because it provides for the exemption from environmental review relating to the operations, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by:	<u>Amy Goethals</u>	Submitted to OIAA:	<u>January 23, 2018</u>
Department:		General Counsel	
		Review:	<u>January 23, 2018</u>
	<u>OIAA</u>	Approved:	_____
		Continued to:	_____
		Denied:	_____

Chief Executive Officer Approval: 

Item No. 09

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: This action will have no impact to operations.

SCHEDULE N/A

EXHIBITS & ATTACHMENTS:

Attachment A – First Amendment

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

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
AND THE KENNARD DEVELOPMENT GROUP, A CALIFORNIA CORPORATION, dba
KDG CONSTRUCTION CONSULTING

THIS FIRST AMENDMENT (“First Amendment”) to Professional Services Agreement (“Agreement”), is made and entered into this 23rd day of January, 2018, at Ontario, California by and between the ONTARIO INTERNATIONAL AIRPORT AUTHORITY, a joint powers authority created by the City of Ontario and San Bernardino County (“OIAA”), and The Kennard Development Group, a California Corporation, dba KDG Construction Consulting (“CONSULTANT”). The OIAA and CONSULTANT are sometimes individually referred to as “Party” and collectively as “Parties” in this First Amendment.

RECITALS

WHEREAS, the OIAA, by action of the Commission, on October 24, 2017, approved and authorized the Agreement between the OIAA and CONSULTANT to provide construction management services for the project entitled “Taxiway S & W Intersection Repair” (“Project”) at the Ontario International Airport (“Airport”);

WHEREAS, CONSULTANT is engaged in the business of providing construction management services and will do so pursuant to the Agreement entered into with the OIAA;

WHEREAS, the OIAA is responsible for the management and administration of this Agreement;

WHEREAS, on or about April 27, 2017, the Commission authorized the implementation of a Disadvantaged Business Enterprise (“DBE”) program in accordance with regulations of the U.S. Department of Transportation (“DOT”), 49 C.F.R. Part 26;

WHEREAS, the OIAA and CONSULTANT desire to amend the Agreement to incorporate prompt payment and nondiscrimination provisions as is required by DOT’s regulations and the OIAA’s DBE program.

NOW, THEREFORE, the Parties hereto, for and in consideration of the terms, covenants, and conditions hereinafter to be contained to be kept and performed by the respective parties hereto, do mutually agree that the Agreement BE AMENDED AS FOLLOWS:

1. The Agreement shall now include the following:

“30. OIAA Non-Discrimination. The OIAA shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any Department of Transportation (“DOT”) assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The OIAA shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in the award and administration of DOT-assisted contracts. The OIAA’s DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the OIAA of its failure to carry out its approved program, the DOT may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. §1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §3801 et seq.)”

“31. Consultant and Subcontractor Non-Discrimination. The Consultant and subcontractor(s) shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the Consultant to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the OIAA deems appropriate.”

“32. Prompt Payment. The OIAA has established, as part of its DBE program, a requirement that prime contractors pay subcontractors for satisfactory performance of their contracts. The OIAA will ensure prompt and full payment of retainage from the prime contractor to the subcontractor within 30 days after the subcontractor’s work is satisfactorily completed.”

“32.1. The OIAA will use the following method to comply with this requirement: Decline to hold retainage from prime contractors and require a contract clause obligating prime contractors to make prompt and full payment of any retainage kept by prime contractor to the subcontractor within 30 days after the subcontractor’s work is satisfactorily completed.”

“32.2. The OIAA will consider a subcontractor’s work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished and documented as required by the OIAA. When the OIAA has made incremental acceptance of a portion of a prime contract, the work of a subcontractor covered by that acceptance is deemed to be satisfactorily completed.”

“32.3. Consultant agrees to pay each subcontractor under this Agreement for satisfactory performance of its contract no later than 30 days from the receipt of each payment the Consultant receives from the OIAA. Any delay or postponement of payment from the above referenced timeframe may occur only for good cause following written approval of the OIAA. This clause applies to both DBE and non-DBE subcontractors.”

“32.4. Any violation of these provisions shall subject the violating Consultant or subcontractor to the penalties, sanctions, and remedies as provided by law. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to the Consultant or subcontractor in the event of a dispute involving late payment or nonpayment by the Consultant, deficient subcontractor performance and/or noncompliance by a subcontractor.”

“33. Monitoring Payments to DBEs. The OIAA will require Consultant to maintain records and documents of payments to DBEs for three (3) years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the OIAA or DOT. This reporting requirement also extends to any certified DBE subcontractor.

The OIAA will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amounts paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.”

2. It is understood and agreed by and between the Parties hereto that, except as specifically provided herein, this First Amendment shall not, in any manner alter, change, modify, or affect any of the rights, privileges, duties or obligations of either of the Parties hereto under or by reason of said Agreement, and, except as expressly amended herein, all of the terms, covenants, and conditions of the Agreement shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this First Amendment is duly executed on the day and year first above written, by the parties hereto, intending themselves to be legally bound hereby.

CONSULTANT:

THE KENNARD DEVELOPMENT
GROUP, A CALIFORNIA
CORPORATION, dba KDG
CONSTRUCTION CONSULTING

BY: _____

Signature

Print Name

Title

ONTARIO INTERNATIONAL AIRPORT
AUTHORITY

BY: _____

Mark A. Thorpe
Chief Executive Officer

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: A RESOLUTION TO APPROVE AND EXECUTE A THIRD AMENDMENT TO LEASE ONT-7994 BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND GUARDIAN AIR SERVICES, LLC RELATED TO THE JET CENTER EXPANSION PROJECT

**RELEVANT STRATEGIC OBJECTIVE(S): Develop Airport Related Businesses.
Create the Most Competitive, Efficient, and Innovative Cargo and Business Airport.**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) adopt a resolution to approve and execute a third amendment to lease ONT-7994 between the Ontario International Airport Authority and Guardian Air Services, LLC (“Guardian”) to implement the Guardian Jet Center Expansion Project (“Expansion Project”) approved by the Commission by resolution 2017-18 on December 13, 2017.

FISCAL IMPACT AND SOURCE OF FUNDS: The OIAA will provide rent abatements or rent credits to Guardian in the estimated amount of \$40,000 to \$50,000 for Guardian’s costs to demolish and remove the existing OIAA structures at the Expansion Project site. Further, the OIAA will receive market rate rental payments from Guardian once Guardian takes possession of the Expansion Project site area and additional temporary aircraft parking area and hangar space at the Airport displaced by the Expansion Project.

BACKGROUND: On July 26, 2017, the Ontario International Airport Authority (OIAA) Commission approved the Second Amendment to the lease (ONT-7994) between the OIAA and Guardian. The existing lease requires Guardian to provide a plan for the Expansion Project which includes a new hangar, offices and related improvements. The existing lease also requires the OIAA to clear all OIAA buildings and structures from the land to be used for Guardian’s Expansion Project.

On December 13, 2017, the Ontario International Airport Authority (OIAA) Commission approved and authorized the Expansion Project by resolution 2017-18. The lease now requires an amendment to provide for the following: (1) rent abatements and/or rent credits to Guardian resulting from Guardian’s agreement to incur OIAA approved demolition costs for the removal of existing OIAA structures at the project site;

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Amy Goethals
Department: OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive
Officer Approval:



Item No. 10

(2) add terms to the lease to govern Guardian's demolition and removal of OIAA structures at the project site; (3) add temporary additional space into the lease for aircraft parking and hangar space displaced by the Expansion Project; and (4) amend the lease exhibits to incorporate all areas occupied by Guardian into the lease.

CEQA COMPLIANCE: The issuance of this lease amendment, granting the use of an existing facilities are Categorical Exempt (Class 1) from the requirements of the California Environment Quality Act (CEQA) pursuant to Section 15301. Furthermore, on November 30, 2017, the OIAA Issued a Notice of Exemption (NOE) for the Expansion Project itself. The NOE was based upon 14 Cal Code Regs Section 15332, which addresses in-fill development projects.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: This action will have no impact to operations

SCHEDULE: Construction of the Project is expected to be completed by about November 2018.

EXHIBITS & ATTACHMENTS:

Attachment A – Third Amendment to Lease ONT-7994

Attachment B – Resolution approving the Third Amendment with Guardian Air Services, LLC.

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

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO APPROVE AND EXECUTE THE GUARDIAN AIR
SERVICES THIRD AMENDMENT TO LEASE ONT-7994.

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 (the “Joint Powers Agreement”) pursuant to the Joint Exercise of Powers Act of the State of California (the “Joint Powers Act”), for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the “Airport”) and related Airport facilities; and

WHEREAS, the City of Los Angeles (a municipal corporation, acting by order of and through its Executive Director of the Department of Airports also known as Los Angeles World Airports or LAWA, “City of Los Angeles”) and Lessee entered into that certain Lease ONT-7994, dated January 21, 2003 (“Original Lease”), and was amended as follows: (1) by a First Amendment, dated October 5, 2009 (“First Amendment”); (2) by a Full Assignment and Novation Agreement, dated October 20, 2016, by and between OIAA, Los Angeles World Airports (“LAWA”) and Lessee (“Assignment”); and (3) by a Second Amendment, dated July 26, 2017, by and between the OIAA and Lessee. The Original Lease, First Amendment, Assignment, and the Second Amendment are all collectively referred to as the “Lease”;

WHEREAS, on July 26, 2017, the Authority Commission approved the Second Amendment to Lease (ONT-7994) between OIAA and Guardian Air Services, LLC (“Guardian”). The amended Guardian Lease requires the company to provide a concept plan to OIAA for a new hangar, offices and related improvements totaling at least \$3,000,000 in value, as well as to obtain all necessary governmental permits and appropriate environmental review under CEQA to construct those improvements; and

WHEREAS, the amended Guardian Lease also requires OIAA to clear all OIAA buildings and structures from the land to be used for Guardian’s Jet Center Expansion Project; and

WHEREAS, Guardian recently provided its Jet Center Expansion Project improvement plans to OIAA, which plans have been reviewed by OIAA Staff and appropriate consultants to ensure consistency with the terms of the Second Amendment to Lease between OIAA and Guardian, as well as consistency and compatibility with Airport operations. The proposed Guardian Jet Center Expansion Project will be located on an approximately two-acre site within Ontario International Airport (“ONT” or “Airport”), along the northern edge of the existing Guardian Jet Center site. The proposed project site is south of the Airport’s runways, just north of Avion Drive, and just west of South Vineyard Avenue. Attachment 1 shows the Project location; and

WHEREAS, the proposed Guardian Jet Center Expansion Project consists of the construction and operation of an approximately 28,000-square-foot airplane hangar; 14,630-square-foot, two-story office and machine shop building; and associated site improvements such as the extension of existing utilities and addition of new parking spaces. Attachment 2 shows the proposed site plan for the Project; and

WHEREAS, the airplane hangar will be built to accommodate the Raytheon Multiprogram

Testbed (RMT), which is a modified Boeing 727 aircraft owned and operated by Raytheon. The RMT tests products that are developed by Raytheon and typically flies on military ranges or special use airspace granted under letters of agreement with local controlling agencies; and

WHEREAS, Lessee recently provided improvement plans to the OIAA for the Expansion Project, which were reviewed by OIAA staff and consultants, and the OIAA's Board of Commissioners approved the Expansion Project's improvements on December 13, 2017 by resolution 2017-18; and

WHEREAS, the Parties now desire to further amend the Lease to: (1) provide rent abatements and/or rent credits to reimburse Lessee costs to demolish and remove existing OIAA structures at the Expansion Project site instead of the OIAA; (2) add terms and conditions to the Lease to govern Lessee's demolition and removal of OIAA structures at the Expansion Project site; (3) add temporary additional space into the Lease for aircraft parking and hangar space displaced by the Expansion Project; and (4) amend the Lease exhibits to incorporate all areas occupied by Lessee into the Lease.

WHEREAS, following a thorough review by OIAA Staff, consultants and General Counsel's office, on November 30, 2017, the OIAA issued a Notice of Exemption (NOE) for the Guardian Jet Center Expansion Project. The NOE is based upon 14 Cal Code Regs Section 15332, which addresses in-fill development projects.

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

SECTION 1: The Ontario International Airport Authority Commission approves the First Amendment to Second Amendment to Lease ONT-7994 between the Ontario International Airport Authority and Guardian Air Services, LLC at Ontario International Airport.

SECTION 3: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to impose on and collect from Guardian all reasonable costs and fees as necessary for OIAA or any other applicable agency to perform all monitoring, inspection, permitting, and approval actions relating to the Guardian Jet Center Expansion Project.

SECTION 4: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to provide rent abatements or rent credits to Guardian for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site.

SECTION 5: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to work with Guardian in good faith to address the company's short-term and long-term additional space needs at the Airport resulting from the Jet Center Expansion Project.

PASSED, APPROVED, AND ADOPTED this 23rd day of January 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 January 23, 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 January 23, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: A RESOLUTION ADOPTING THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY PURCHASING POLICIES AND PROCEDURES MANUAL

**RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Businesses.
Create the Most Competitive, Efficient, and Innovative Cargo and Business Airport.**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority adopt a resolution for the Ontario International Airport Authority Purchasing Policies and Procedures Manual.

FISCAL IMPACT AND SOURCE OF FUNDS: N/A

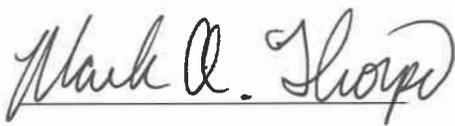
BACKGROUND: The purpose of the Ontario International Airport Authority (OIAA) Procurement Manual (Manual) is to provide procedural guidelines on the application of Federal, State, and Municipal laws, rules, and regulations as well as the rules, regulations, and procedures established by the OIAA. It was established that the initial Procurement Manual would be subject to change, as required by the Procurement Services Division.

On September 28, 2017 at an adjourned meeting, the OIAA authorized an initial Procurement Manual. The current Procurement Manual does not contain the best rules, regulations, or company policies to ensure procedural efficiency, responsibility and purchasing capability for the OIAA. OIAA annually procures a wide range of goods, equipment, and services, each requires a distinct procurement method with transparency and accountability as guiding principles. To better fit the needs and requirements of the OIAA moving forward, the establishment of a Purchasing Policies and Procedures Manual is essential.

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).)

STAFFING IMPACT (# OF POSITIONS): N/A

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

Prepared by:	<u>Claudia Y. Isbell</u>	Submitted to OIAA:	<u>January 23, 2018</u>
Department:		General Counsel	
		Review:	<u>January 23, 2018</u>
		Approved:	_____
		Continued to:	_____
Chief Executive Officer Approval:		Denied:	_____

Item No. 11

IMPACT ON OPERATIONS: The FAA requires that an airport sponsor have policies, procedures, and information technology infrastructure supporting internal procurement and accounting controls, specifically for AIP grant oversight, but also for all contracts regardless of funding source. The penalty for not having such policies, procedures, and infrastructure is a potential loss of the OIAA's eligibility to receive federal funds.

SCHEDULE: N/A

EXHIBITS AND ATTACHMENTS

Attachment A – Resolution adopting the Ontario International Airport Authority Purchasing Policies and Procedures Manual.

This 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 General Counsel.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO ADOPT THE ONTARIO INTERNATIONAL
AIRPORT AUTHORITY PURCHASING POLICIES AND
PROCEDURES MANUAL.

WHEREAS, the Ontario International Airport Authority (the “Authority”) was established under a 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 (the “Joint Powers Act”), for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the “Airport”); and

WHEREAS, On September 28, 2017 the OIAA adopted Resolution No. 2017-10 approving the Procurement Manual; and

WHEREAS, the current Manual does not contain the best rules, regulations, or company policies to ensure the procedural efficiency, responsibility, and purchasing capability for the OIAA; and

WHEREAS, the Purchasing Policies and Procedures Manual (“Manual”) will provide those OIAA employees responsible for goods and services acquisition with procedural guidelines on the application of Federal, State, Municipal laws, rules, and regulations as well as the rules, regulations, and procedures established by the OIAA; and

WHEREAS, the Manual will provide for circumstances where OIAA can directly contract with vendors who have been selected through a formal tender process by the City of Ontario, the County of San Bernardino, or other acceptable government entity.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby approves and authorizes the use of the Purchasing Policies and Procedures Manual.

SECTION 1. The Ontario International Airport Authority hereby adopts the Purchasing Policies and Procedures Manual (Exhibit A) to facilitate best value purchasing transactions; compliment and reinforce fiscal control measures; and to define procurement roles and responsibilities of Purchasing and Departmental staff and serve as a tool for employee training and development.

SECTION 2. The policy statements contained in this manual represent the foundation upon which the City of Ontario operates in the procurement of goods and services. The Purchasing Policies and Procedures Manual will be revised and supplemented, as required, to meet OIAA requirements.

SECTION 3. The adoption of this Resolution shall rescind all previously adopted procurement policies.

SECTION 4. The Board Clerk of the Ontario International Airport Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 23rd day of January 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, Assistant Secretary 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 January 23, 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 January 23, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
CONSENT CALENDAR**

SUBJECT: PURSUANT TO TREASURY REGULATION §1.150-2 INTER-ALIA, ADOPTING A RESOLUTION THAT PROVIDES CERTAIN COSTS INCURRED BY THE AUTHORITY PRIOR TO THE ISSUANCE OF A TAX-EXEMPT OBLIGATION SHALL QUALIFY FOR REIMBURSEMENT FROM THE OBLIGATION PROCEEDS

RELEVANT STRATEGIC OBJECTIVE(S): Develop Airport Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority OIAA authorize the intention to issue tax exempt obligations and adopt a resolution enabling the reimbursement of certain capital improvement project costs incurred prior to the issuance of tax exempt obligations.

FISCAL IMPACT AND SOURCE OF FUNDS: Not applicable

BACKGROUND: Staff is pursuing various capital projects (Refer to EXHIBIT A of the Resolution) and will finance a portion of the construction and developments costs of the projects by issuing tax-exempt bonds. A portion of the project costs, such as architectural and engineering professional services, will be paid directly by the Authority to the service providers as the costs are incurred and prior to the issuance of tax-exempt bonds. The Authority will seek reimbursement of these costs from the proceeds of issuance(s) of tax-exempt bonds. The enclosed resolution will provide the Authority with the legal right, under Internal Revenue Code, to reimburse itself for its eligible project cost expenditures. The benefit of this reimbursement mechanism to the Authority is that project costs will be appropriately financed and will not be funded from the operating budget.

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Jeff Reynolds
Department: _____
OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive Officer Approval: Mark A. Shroye

Item No. 12

SCHEDULE: In February, staff will begin incurring project costs that will ultimately be funded, in part, by tax-exempt bonds.

EXHIBITS & ATTACHMENTS:

Exhibit A - A Resolution of the Ontario International Airport Authority Regarding its Intention to Issue Tax-Exempt Obligations

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. _____

RESOLUTION OF THE ONTARIO INTERNATIONAL
AIRPORT AUTHORITY REGARDING ITS
INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS

WHEREAS, the Commissioners of the Ontario International Airport Authority (the “Issuer”) desire to finance the costs of acquiring and constructing certain public facilities and improvements or a portion thereof for the Ontario International Airport, as provided in Exhibit A attached hereto and incorporated herein (the “Project”);

WHEREAS, the Issuer intends to finance a portion of the acquisition of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”);

WHEREAS, the Issuer intends that a portion of the Project costs will be financed with the proceeds of Obligations the interest upon which is expected to be excluded from gross income for federal income tax purposes; and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer, which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations;

NOW, THEREFORE, THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A provides a general description and allocated cost of each component project that in aggregate comprises the Project. The Issuer may fund all or a portion of each component project from the issuance of the Obligations depending on for each component project: the final construction schedule, additional funding requirements, or other factors which may affect timing.

SECTION 2. Assuming all of the Project is financed from proceeds of the sale of the Obligations, the reasonably expected maximum principal amount of the Obligations is \$450,000,000.

SECTION 3. This resolution is being adopted on or prior to the date (the “Expenditures Date or Dates”) that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Commission is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finance the Project for which the preliminary expenditures were incurred.

SECTION 8. This Resolution is adopted as an official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

SECTION 9. All the recitals in this Resolution are true and correct and this Commission so finds, determines and represents.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 23rd day of January, 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, BOAR CLERK/
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, Board 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 January 23, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, BOARD CLERK/
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 January 23, 2018.

CLAUDIA Y. ISBELL, BOARD CLERK/
ASSISTANT SECRETARY

(SEAL)

DESCRIPTION OF PROJECT

Project Description	Estimated Total Cost
T1 Apron Reconstruction	\$1,500,000
South Cargo Ramp Reconstruction	\$1,500,000
Airport Layout Plan (ALP)	\$500,000
Pavement Management Program (PMP)	\$1,000,000
Taxiway S – Reconstruction	\$7,500,000
Runway 26R TDZ Lighting	\$5,000,000
Taxiway A – Reconstruction (West Segment)	\$12,000,000
Runway 8R-26L Shoulder Rehab.	\$18,592,000
Runway 8R-26L Rehab.	\$72,500,000
Taxiway N-1 Centerline Lighting	\$2,400,000
Common Use Terminal Equipment (CUTE)	\$200,000
Part 150 Update	\$1,500,000
Terminal Security – Biometrics	\$5,000,000
International Arrivals Facility	\$100,000,000
Terminal Planning Study	\$500,000
NW Property Acquisition and Demolition	\$10,000,000
Facility Demolition (LAS, ANG, GE, Cinco)	\$60,000,000
NW Cargo Area – Demo. And Site Prep.	\$15,000,000
Parking Lot Rehabilitation	\$2,500,000
Airport Drive Rehabilitation	\$2,500,000
ARFF Building Renovations	\$2,500,000
ACAMS Security System Rehabilitation	\$10,000,000
Hydrant Fuel System Activation	\$5,000,000
New Fuel Farm	\$25,000,000

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
ADMINISTRATIVE
REPORTS/DISCUSSION/ACTION**

SUBJECT: RESOLUTION TO APPROVE AND AUTHORIZE THE FEDERAL INSPECTION SERVICES AND INTERNATIONAL TERMINAL REPLACEMENT FACILITY PROJECT AT ONTARIO INTERNATIONAL AIRPORT, AND THE RELATED REQUEST FOR PROPOSAL PROCESS FOR PROJECT DESIGN SERVICES AND CONSTRUCTION

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service. Provide Customer-Friendly Facilities and Services.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission adopt a resolution to approve the Federal Inspection Services and International Terminal Replacement Facility Project at Ontario International Airport, as well as a Request for Proposal process for Project design services and construction. (Attachment 1 is an aerial view and site plan for the replacement IT/FIS facility.)

FISCAL IMPACT: There is no cost associated with the issuance of an RFP. If approved, Staff will return to the Commission with an agreement to include total costs and source of funds.

BACKGROUND: Current FIS and International Terminal Facilities. The International Terminal (IT) and Federal Inspection Services (FIS) facility was built in 1994 (nearly 25 years ago). The current IT/FIS facility was designed to process approximately 700 international passengers in the peak hour.

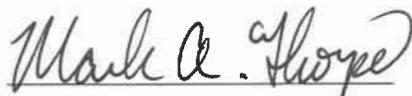
The existing IT/FIS facility has a footprint of about 44,370 gross square feet (GSF) with the single-level building, a long arrivals walkway, and a landside curb for arrivals passenger pick-ups with an adjoining 43 space employee lot of approximately 0.6 acres. OIAA currently supports separate facilities for international arrivals and departures, which support includes towing aircraft between the current IT/FIS facility and Terminal 2. International flights land at the existing facility and separately depart from Terminal 2, which requires extra Airport operations to tow planes for international flights between the two

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

Prepared by: Mark A. Thorpe
Department: _____

OIAA _____

Chief Executive
Officer Approval:



Submitted to OIAA: January 23, 2018

General Counsel

Review: January 23, 2018

Approved: _____

Continued to: _____

Denied: _____

Item No. 13

terminals, and to operate mobile jet stairways for deplaning international passengers at the current IT/FIS facility.

Operations at the existing IT/FIS facility include the following primary components:

- US CBP Federal Inspection Services processing facilities,
- Aircraft parking of up to nine (9) jet parking positions/gates served by a ground-level concourse,
- Baggage make-up facilities and one (1) flat plate baggage claim unit
- Public meeter-greeter arrivals hall with basic amenities, such as information booths, hotel directories, currency exchange booths and public toilets, and
- Curbside accommodations for seven (7) standard personal vehicles

The 23-year old FIS facility at ONT does not provide the level of service or passenger amenities expected by modern travelers, nor is it optimal for passenger and baggage screening. The OIAA's stated mission includes operating ONT as one of the most efficient and passenger-friendly airports in the U.S., and the existing IT/FIS facility is not conducive to that goal.

New Federal requirements, State codes, and passenger service requirements for the Replacement IT/FIS Terminal.

A Replacement IT/FIS Terminal is needed at the Airport to meet current Department of Homeland Security / U.S. Customs and Border Protection (CBP) requirements and other key regulatory guidance defined in the U.S. CBP Airport Technical Design Standard (herein referred to as "ATDS"). Since the terrorist events of September 11th, 2001 – over 16 years ago – many regulatory changes have occurred in the US domestic aviation industry resulting in new passenger security screening, checked baggage screening, as well as customs and immigrations systems, technologies and protocols. Additionally, with the passage of the Air Transportation Security Act of 2001, new agencies such as the Department of Homeland Security have institutionalized a series of new operational requirements and protocols including the screening of incoming international passengers that significantly impact the design and planning of the Replacement IT/FIS facility.

US CBP has stated a strong preference that the Replacement IT/FIS Terminal at ONT be operated using the new "bags-first" protocol; meaning that passengers reclaim their checked baggage *in advance* of queuing for primary immigration inspection. This represents a major change from the current IT/FIS facility operations and necessitates operational and physical modifications to meet current CBP performance standards. In addition, International Airport Transport Association (IATA) Level of Service (LoS) "C" standards for baggage claim operations require larger-sized facilities and areas for baggage claim operations.

Moreover, State of California Building Code requirements and other key regulatory guidance relating to current construction and access standards require larger-sized facilities and areas for structural requirements, paths of travel, and restrooms. Further, international passenger service expectations now require larger-sized terminal areas for corridors with "swing gates" that accommodate both deplaning and enplaning passengers, meeting and greeting rooms, passenger concourse, duty free shops and other retail space.

In addition to replacing the existing IT/FIS facility footprint of about 44,370 GSF, the new Replacement IT/FIS Terminal would therefore need to address the above-described new standards and related current space deficiencies to comply with applicable (1) CBP facility regulations and IATA Level of Service (LoS) “C” baggage operations standards, (2) current California Building Code and related disabled access and safety regulations, and (3) international passenger service and amenities expectations.

NOTICE OF EXEMPTION UNDER CEQA:

Following a thorough review by OIAA Staff, consultants and General Counsel’s office, on January ___, 2018, the OIAA issued a Notice of Exemption (NOE) for the Replacement IT/FIS Terminal Project. The NOE is based upon 14 Cal Code Regs (CEQA Guidelines) §15302 (replacement facilities) and §15332 (in-fill development projects).

The Project qualifies for an exemption under CEQA Guidelines §15302 because the Replacement FIS/IT Terminal project (1) will be on the same Airport site as the current international terminal and FIS facilities, and (2) will have substantially the same capacity and purpose as the current international terminal and FIS facilities. The size of the Replacement FIS/IT Terminal results from the replacement of the existing FIS facility footprint, compliance with current codes and standards for replacement facility design and construction, the need to increase the efficiency of airport operations, and the need to improve the passenger experience and meet changed passenger service expectations.

The Project also qualifies for an exemption under CEQA Guidelines §15332 because (1) the proposed development is consistent with the City of Ontario General Plan, and all applicable General Plan policies, as well as with all applicable City zoning designation and regulations, (2) the proposed development occurs within the Ontario City limits on a project site of no more than five acres that is substantially surrounded by urban uses, (3) the proposed development site has no value as habitat for endangered, rare, or threatened species, (4) approval of the Project would not result in any significant effects relating to traffic, noise, air quality, or water quality, and (5) the development site can be adequately served by all required utilities and public services. Attachment 3 is a copy of the NOE.

STAFFING IMPACT (# OF POSITIONS): No net change in staffing positions is expected. While some minor janitorial staff increase may be required, there should be a corresponding reduction in maintenance staff due to the updated and consolidated building system.

IMPACT ON OPERATIONS: Net operational impacts should be reduced. OIAA will no longer need to support separate facilities for international arrivals and departures, which support includes towing aircraft between the current IT/FIS facility and Terminal 2. International flights will land and depart from the same facility.

SCHEDULE: Construction of the Project is expected to start in about the first quarter of 2018, and will be completed in about the first quarter of 2020.

EXHIBITS AND ATTACHMENTS:

Attachment 1 – Aerial view and site plan for the replacement IT/FIS facility.

Attachment 2 - Aerial view and site plan for the existing IT/FIS facility.

Attachment 3 – Notice of Exemption under CEQA issued on January ___, 2018.

Attachment 4 – A Resolution to approve the FIS and International Terminal Replacement Facility Project and Related RFP Process.

This 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 General Counsel.]



NOTICE OF EXEMPTION

To: Clerk of the Board
County of San Bernardino
385 N. Arrowhead Ave., 2nd Fl.
San Bernardino, CA 92415

From: Ontario International Airport Authority
(Public Agency) Administration Building
1923 E. Avion Ave.
Ontario, CA 91761

Post Date:

Removal:
(30 days)

Project Title: Replacement Federal Inspection Services Facility at Ontario International Airport

Project Location – Specific: Terminal 2, 2500 E Airport Drive, Ontario, CA 91761. The proposed project would be re-located at the eastern end of Terminal 2 at Ontario International Airport (ONT or Airport). The proposed project site is north of the Airport's runways, west of Terminal 4, and south of East Terminal Way. Figure 1 shows the project location.

Project Location – City: Ontario **Project Location – County:** San Bernardino

Description of Nature, Purpose and Beneficiaries of Project:

The proposed project consists of the replacement of the existing Federal Inspection Services (FIS) and international arrivals terminal facility at ONT with a new FIS facility and associated international departure/arrivals-related passenger-serving facilities at the eastern end of Terminal 2. Figure 2 shows the location of the existing FIS facility and the location of the proposed replacement FIS facility.

Existing FIS Facility to be Closed. The existing FIS facility is in a stand-alone building located to the west of Terminal 2, as shown on Figure 2. The existing FIS facility was built in 1994 to accommodate up to 700 passengers per peak hour. It is housed within a 0.6-acre site and consists of a 35,840-square-foot (SF) building, attached 6,600-SF arrivals walkway, 1,680-SF landside curb for arrivals passenger pick-ups, and adjoining 43-space employee parking lot. Figure 2 shows the footprint of the existing FIS facility. The existing FIS facility accommodates the following:

1. United States Custom and Border Patrol (U.S. CBP) FIS processing facilities;
2. Aircraft parking positions for up to nine jets, served by a ground-level concourse;
3. A 450-SF baggage make-up (airport/airline employee baggage processing) facility and one flat-plate baggage claim unit (baggage carousel);
4. Public meeter-greeter arrivals hall with basic amenities, such as information booths, hotel directories, currency exchange booths, and public toilets; and

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5. Curbside accommodations for seven standard personal vehicles.

The 1994-constructed FIS facility predates the terrorist attacks of September 2001 and was completed only two years after the Americans with Disabilities Act (ADA) came into effect. Over the past 23 years, there have been significant changes to building codes (including fire safety and plumbing codes), ADA accessibility requirements, airport design standards, and airport security requirements. As an existing building, the current FIS facility is not legally required to be retrofitted to meet all of the code changes and airport design standards that have occurred since it was first built, and the OIAA is able to provide legally mandated levels of fire safety, ADA compliance, and security at the existing FIS facility. Nonetheless, the existing FIS facility is not a modern facility sized or designed to current standards, resulting in inefficient operations, passenger processing delays, long restroom queues, and a generally sub-par international arrivals experience in comparison to other similarly sized U.S. airports.

For example, the FIS facility only provides ground-level passenger deplaning, meaning that passengers must descend a mobile stairway leading from the jet door down to ground level and then enter the FIS facility after traversing open tarmac. There are no passenger boarding bridges (also referred to as “jetways”) or equivalent ADA-compliant passenger boarding ramp solutions. Passengers who require mobility assistance are helped to the ground level by airline/airport personnel, which is inefficient and substantially less accommodating to mobility-impaired passengers than a boarding bridge. Ground-level boarding is also inconsistent with the passenger experience associated with most international arrivals to a mid-sized hub airport such as ONT.

Additionally, the existing FIS facility is not connected to any of the ONT's passenger terminals. As a result, after incoming international passengers are discharged at the FIS facility, the aircraft that delivered those passengers must be towed to Terminal 2 to be serviced and boarded by departing passengers. Similarly, passengers discharged at the existing FIS facility who are transferring to other flights must take a shuttle to their terminal after they have cleared customs and exited the FIS facility.

In short, the 23-year old FIS facility at ONT does not provide the level of comfort or passenger amenities expected by modern travelers, nor is it optimal for passenger and baggage screening. The OIAA's stated mission includes operating ONT as one of the most efficient and passenger-friendly airports in the U.S., and the existing FIS facility is not conducive to that goal.

Upon construction of the proposed replacement FIS facility, described below, the existing FIS building would close and cease operations. No future use of the existing FIS facility is currently proposed. Any future use, or the demolition of the existing building, would be subject to additional analysis under CEQA prior to implementation.

Proposed Replacement FIS Facility. The proposed replacement FIS facility would be constructed at the eastern end of Terminal 2, encompassing parts of the ornamental grass lawn

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area south of East Terminal Way and also occupying a portion of the existing aircraft parking apron to the east of Terminal 2 (see Figure 1). The replacement FIS facility would be sized and designed to provide compliance with the following:

- U.S. CBP Airport Technical Design Standard (ATDS) 2017 (90% draft version)
- California State Building Code, Title 24
- Current ADA Accessibility Guidelines
- International Air Transport Association standards for baggage claim service
- International Plumbing Code, 2006
- Leadership in Energy and Environmental Design, Version 4.0
- National Fire Protection Association (NFPA) Life Safety Code (NFPA 101)

For FIS facilities designed to process fewer than 1,000 passengers per hour, the U.S. CBP provides design standards based on increments of 200 passengers per hour (i.e., 200, 400, 600, or 800 passengers per hour). In order to replace the 700-passenger-per-peak hour capacity existing FIS facility, the OIAA relied on the closest design standard that would not result in a capacity reduction, the 800-passenger-per-peak hour design standard. This represents an approximately 14% increase in passenger-per-peak hour processing capacity, which is not a substantial change compared to the existing condition. This level of planned passenger throughput also guided other aspects of the proposed project design, such as the required sizes, types, and locations of restroom facilities.

Additionally, the OIAA is proposing to increase the space dedicated to passenger waiting areas and passenger amenities. This change is not being provided to increase capacity (beyond the above-noted approximately 14 percent increase required to match the facility's design with current U.S. CBP standards), rather the proposed replacement facility's larger size is reflective of two factors:

1. In order to be efficient, the new FIS facility would service both departing and arriving passengers, while the facility it is replacing serves only arriving passengers. Arriving passengers have less need for holdrooms (gate-adjacent passenger waiting areas) or amenities such as retail shops in comparison to passengers waiting to board an aircraft for departure. Accordingly, the replacement FIS facility would include provisions for departing passengers that are not required at the current FIS facility.
2. In order to provide a passenger-friendly experience in accordance with the OIAA's mission statement (and to remain competitive with other airports in the region), the proposed project would provide more space in passenger-serving areas such as lounges, holdrooms, and retail shops than the minimum areas that are required by code.

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The proposed square footage of the replacement FIS facility is shown in Table 1 by functional area. The proposed replacement FIS facility would also include two to three new aircraft gates, instead of the nine jet aircraft parking positions at the existing FIS facility. The aircraft gates at the replacement FIS facility would be served by ADA-compliant passenger boarding bridges.

Table 1. Proposed Replacement FIS Facility Size

<u>Function</u>	<u>Square Footage</u>
Primary Processing & Inspection	18,888
Unified Secondary Processing & Inspection	2,639
Detention Suite	1,612
Agricultural Inspection	548
Canine Enforcement Spaces & Kennels	1,628
Operational Support Spaces	4,398
Staff Support Spaces	661
Baggage Claim	16,029
Holdrooms & Holdroom Restrooms	17,355
Meeter/Greeter Hall	6,670
Retail	4,152
Indoor Passenger Lounge	2,742
Outdoor Passenger Lounge	3,682
Misc. Other	6,752
Circulation/Structure/Skin	16,114
Total	103,870

Construction. Construction is planned to start in 2018 and be completed in 2020.

Operations. The proposed replacement FIS facility would reflect modern airport security and passenger processing standards. Departing passengers would utilize Terminal 2's existing ticketing, check-in, bag check, and Transportation Security Agency (TSA) security screening areas. Upon clearing security, international passengers would head to the eastern end of Terminal 2, where they would enter the FIS facility. At the FIS facility, they would have options for food and retail (potentially including duty-free shopping) and access to adequately sized holdrooms prior to boarding their flights.

Arriving passengers would be processed through the replacement FIS facility using the U.S. CBP's preferred "bags first" system, in which arriving international passengers claim their bags prior to being processed by U.S. CBP personnel. After clearing CBP, arriving passengers would exit the FIS facility and either proceed west to the main (domestic) portion of Terminal 2 or exit the terminal to the north, where they could access the passenger pickup curbside along East Terminal Way, airport parking lots, the shuttle to Terminal 4, or other ground transportation. Passengers entering the main body of Terminal 2 would have the opportunity recheck their

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baggage prior to boarding domestic flights. For security reasons, they would need to proceed through a TSA checkpoint before entering the Terminal 2's secure domestic aircraft gate areas.

The proposed project is not anticipated to increase aircraft operations at ONT; rather, it is proposed to comply with current codes and standards for replacement facility design and construction, to increase the efficiency of airport operations, and to improve the passenger experience and meet changed passenger service expectations. Because there would not be an increase in aircraft operations associated with the proposed project, it would not increase surface traffic or parking requirements. The existing parking lots at ONT can easily accommodate the shift of employee vehicles from the 43-vehicle employee parking lot adjacent to the existing FIS facility to a location closer to Terminal 2. Although the replacement FIS facility would be larger than the existing FIS facility, because it would be a modern facility connected to an existing terminal building, rather than an isolated structure, there would be little to no need to increase maintenance and janitorial employees to service the facility. Similarly, although the replacement FIS facility would be designed to accommodate 800 passengers per peak hour, a 14 percent increase compared to the existing facility, the improved efficiency of the replacement FIS facility would likely mean that few or no new US CBP employees would be required at ONT.

In terms of airline personnel, the replacement FIS facility would allow the consolidation of departure and arrival services in one location. Accordingly, existing airline staffing would not need to be increased with the operation of the proposed project. Aircraft ground operations would become more efficient because airplanes would no longer need to be towed from the existing FIS facility to Terminal 2 following the deplanement of arriving international passengers.

Name of Public Agency Approving the Project: Ontario International Airport Authority (OIAA)

Name of Person or Agency Carrying out the Project: OIAA

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 2, Replacement or Reconstruction, and Class 32, In-fill Development Projects, 14 California Code Regulations Sections 15302 and 15332, respectively**
- Statutory Exemptions. State code number:

NOTICE OF EXEMPTION

Reasons why project is exempt:

Conformance with Class 2, Replacement or Reconstruction. The proposed project is consistent with the Class 2 exemption for the replacement of an existing structure because the replacement FIS facility would be located at substantially the same site (the northern portion of ONT), have the same purpose (processing international airline passengers), and have substantially the same capacity (800 passengers per peak hour compared to 700 passengers per peak hour) as the existing FIS facility.

The size of the replacement FIS facility results from the replacement of the existing FIS facility footprint, compliance with current codes and standards for replacement facility design and construction, the need to increase the efficiency of airport operations, and the need to improve the passenger experience and meet changed passenger service expectations.

Conformance with Class 32, Infill Development Projects, Categorical Exemption Requirements. The proposed project is consistent with the requirements of Categorical Exemption Class 32, Infill Development Projects, as described below. For each specific requirement listed in Section 15332 of the State California Environmental Quality Act (CEQA) Guidelines, the regulatory guidance is presented in *italics*, followed by a discussion of the proposed project's conformance with that guidance.

- (a) *The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.*

The proposed project site is designated as "Airport" in the City of Ontario General Plan (*The Ontario Plan, A Framework for the Future*; Exhibit LU-01, Land Use Plan). Pursuant to the City of Ontario General Plan Land Use Element, the intention for the Airport land use designation is, "Airport, including terminals, parking, service commercial, distribution, hangers [sic], repair, and warehousing" (Exhibit LU-02, Land Use Designations Summary Table). The proposed project, which consists of the replacement of existing passenger terminal uses, is consistent with the general plan's stated intention of the Airport land use designation.

The project site is zoned as "Ontario International Airport (ONT)." Pursuant to the City of Ontario Development Code, Division 5.01, Zoning Districts and Boundaries,

The ONT zoning district is hereby established to accommodate Ontario International Airport and surrounding properties directly impacted by airport operations. This zoning district includes uses such as airport terminals (including commercial and service uses related to the terminals), car rental agencies, and airport-related industrial, and delivery uses developed at a maximum intensity of 0.55 [Floor Area Ratio] FAR. The ONT zoning district is consistent with, and implements, the Ontario International Airport land use designation of the Policy Plan component of The Ontario Plan.

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The proposed project would be consistent with the ONT zoning designation because it would be a replacement terminal use developed at a maximum intensity or FAR of less than 0.55 (when considered with other on-airport land uses).

- (b) *The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.*

The proposed project site is approximately two acres. The project site is fully surrounded by urban uses in the City of Ontario, including Terminal 2, airport parking lots 2 and 3, runways and taxiways, as well as a railroad line north across East Airport Drive, and off-airport light industrial, retail and office buildings to the north, across East Gausti Road.

- (c) *The project site has no value as habitat for endangered, rare, or threatened species.*

The project site consists of paved surfaces and an ornamental grass lawn located between the existing aircraft apron (aircraft parking area) and East Terminal Way, within an active airport. As such, the project site has no value as habitat for endangered, rare, or threatened species.

- (d) *Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.*

Construction of the proposed project would generate a short-term (up to two-year) increase in traffic levels in the vicinity of the airport. Because the proposed project site is on the north side of ONT, construction traffic would generally access the site from ONT's north entrances. The northern portion of the Airport is served by major roadways that provide easy access to Interstate 10, which is less than ½ mile from ONT's northern boundary by way of North Archibald Avenue. North Archibald Avenue also provides a grade-separated crossing of the railway line that runs just north of the Airport. In comparison to regional traffic levels and the historically higher traffic levels associated with past Airport operations, the addition of temporary construction traffic to the roads around the northern edge of ONT would not constitute a significant traffic impact.

Because the proposed project would not generate increased aircraft operations, and few if any additional employees would be required to staff the replacement FIS facility in comparison to existing conditions, operation of the proposed project would not cause or contribute to a significant traffic impact.

With regard to noise, the proposed project would be located between two existing ONT Terminals (2 and 4) at an active airport. The project site is separated from off-airport land uses by parking lots, a railroad line, and the six-lane East Airport Drive. The replacement FIS building would shield off-airport locations to the north from direct line-of-site noise impacts associated with the two to three new aircraft gates, and there would be a reduction in aircraft ground operations where the existing FIS facility is located.

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Because the proposed project would not increase aircraft flight operations, there would be no project-related change to the aircraft noise contours associated with ONT's aircraft operations.

In terms of air quality, the proposed project would not require extensive grading or unusual construction activities that would cause a significant air quality impact, and construction projects of this nature and magnitude typically do not exceed air quality significance thresholds. As described above, the proposed project would eliminate the need to tow aircraft from the existing FIS facility to Terminal 2, and to use mobile stairways to deplane arriving international passengers, both of which would reduce ground support equipment (GSE) air pollutant emissions at ONT. Because there would be no increase in aircraft operations as a result of the proposed project, the long-term operation of the replacement FIS facility would not cause or contribute to a significant air quality impact.

The proposed project would be constructed in compliance with existing laws and regulations protecting water quality as project design features, including (1) General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit, National Pollutant Discharge Elimination System No. CAS000002, State Water Resources Control Board Order 2009-0009-DWQ; as amended by Order Nos. 2010-0014-DWQ and 2012-0006-DWQ); (2) San Bernardino County Regional Municipal Separate Stormwater Sewer System (MS4) Permit (under the jurisdiction of the City of Ontario as a co-permittee under that MS4 permit), and (3) Ontario Municipal Code. As part of this compliance effort and as a project design feature, a Storm Water Pollution Prevention Plan (SWPPP) would be prepared and implemented during construction. This SWPPP would be consistent with the *SWPPP Associated with Industrial Activities for Ontario International Airport* (Waste Discharge Identification No. 8 361026885) adopted by the OIAA in 2016. Changes to impervious surfaces associated with the placement of a building on what is currently grass lawn (between East Terminal Way and the existing aircraft parking area east of Terminal 2) would be addressed through a project-specific stormwater management plan that ensures post-project runoff volumes can be adequately handled by the Airport's stormwater runoff systems. The proposed FIS facility site does not contain, and is not adjacent to, drainages or streams. Accordingly, compliance with applicable laws and regulations related to the protection of water quality and management of stormwater flows (as project design features) would prevent the proposed project from contributing to or causing a significant water quality impact.

(e) The site can be adequately served by all required utilities and public services.

Utilities. Based on an OIAA review of existing utilities leading to/from the proposed project site, the proposed project site can be adequately served by existing utilities,

NOTICE OF EXEMPTION

including water, sewer, electrical service, and stormwater drainage. **[This information has not been verified. Need verification from OIAA.]**

Public Services. The City of Ontario currently provides police, fire protection, and solid waste services at ONT. This reflects both that the City of Ontario has police and fire jurisdiction over the entire city, as well as special arrangements between the City and the OIAA whereby the city provides on-airport services under contract to the OIAA. Because the proposed project would consolidate existing airport operations into a new, more secure location, the proposed project would not significantly alter the requirement for police, fire or sanitation services at ONT or city-wide.

Section 15300.2 Exceptions. Section 15300.2 identifies situations in which an activity that might normally be Categorical Exempt from detailed analysis under CEQA would not qualify for the respective exemption. None of the potential exceptions identified in Section 15300.2 would apply to the proposed project, as described below.

- (a) *Location.* The proposed project site is not located in an environmentally sensitive location. As noted above, the project site consists of pavement and an ornamental grass lawn with little to no biological resources value. The site is not scenic or located between a public viewpoint and a scenic vista. Additionally, the site is not adjacent to residences, schools, recreational areas, or other land uses that might be particularly sensitive to project-related noise or air pollutant emissions.
- (b) *Cumulative Impact.* CEQA Categorical Exemptions are inapplicable when the cumulative impact of successive projects of the same type in the same place over time is significant. The proposed replacement FIS facility is a stand-alone project and not part of a series of projects proposed for implementation. No other projects at the same site (including the existing FIS facility and the area between Terminals 2 and 4) are currently proposed or envisioned for implementation. Although other improvements to the Airport are likely to occur in the future, no successive projects of the same type as the proposed replacement FIS facility are currently anticipated. Accordingly, this potential exception to the use of a Categorical Exemption would not apply to the proposed project.
- (c) *Significant Effect.* There are not unusual circumstances associated with the proposed project that would cause it to cause or contribute to a significant environmental effect. Refer to the above discussion for the reasons why the proposed project would not result in significant effects related to biology, noise, traffic, air quality, water quality, or scenic resources.
- (d) *Scenic Highways.* Based on information provided by the California Scenic Highway Mapping System, there are no designated or eligible state scenic highways with views to the proposed project site.

NOTICE OF EXEMPTION

- (e) *Hazardous Materials*. The proposed project site is not located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code. **[This information has not been verified. Need verification from OIAA.]**
- (f) *Historical Resources*. The City of Ontario recently approved a study of potentially historic resources at ONT: *Ontario International Airport Historic Context Statement*, prepared by ASM Affiliates, September 2017. (This *Historic Context Statement* prepared by the City is for informational purposes only regarding ONT and does not have a binding effect given the Ontario International Airport Authority's land use jurisdiction and lead agency status for all ONT land and facilities.) That study did not identify any potentially historic resources that would be affected by the proposed replacement FIS facility, nor did it find the existing FIS facility to be a potentially historic resource. The OIAA concurs with these findings. Accordingly, the proposed project would not affect any historical resources listed on or recommended as eligible for the National Register of Historic Places, California Register of Historical Resources, and/or City of Ontario List of Designated Historic Landmarks.

Based on the factors discussed above, the proposed project meets each of the requirements of Categorical Exemption Classes 2, Replacement of Reconstruction, and 32, Infill Development Projects. Additionally, none of the potential Section 15300.2 exceptions that would preclude the use of a Categorical Exemption would apply to the proposed project.

Lead Agency Contact Person: MARK A. THORPE Area Code/Telephone/Extension: (949) 735-1271

If filed by applicant: N/A

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?
 - Yes
 - No

Mark A. Thorpe CHIEF EXEC. OFFICER 01/08/2018
Signature Title Date

Signed by Lead Agency

NOTICE OF EXEMPTION

- Signed by Applicant

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AND AUTHORIZE THE FEDERAL INSPECTION SERVICES AND RELATED INTERNATIONAL TERMINAL REPLACEMENT FACILITIES PROJECT, AS WELL AS A REQUEST FOR PROPOSAL PROCESS RELATING TO THE DESIGN SERVICES AND CONSTRUCTION FOR THE PROJECT.

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 (the "Joint Powers Agreement") pursuant to the Joint Exercise of Powers Act of the State of California (the "Joint Powers Act"), for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the "Airport") and related Airport facilities;

WHEREAS, the existing International Terminal and Federal Inspection Services (FIS) facility at the Airport was built in 1994, nearly 25 years ago. The current FIS facility was designed to process approximately 700 international passengers in the peak hour. The existing FIS facility is a single-level building located to the west of Terminal 2 at the Airport. The Airport currently supports separate facilities for international arrivals and departures, which support efforts include towing aircraft between the current FIS facility and Terminal 2. International flights land at the existing FIS facility and separately depart from Terminal 2, which requires extra Airport operations to tow planes for international flights between the two terminals, and to operate mobile jet stairways for deplaning international passengers at the current IT/FIS facility;

WHEREAS, because the existing FIS facility is not connected to any of the Airport's other passenger terminals, incoming international passengers are discharged at the current FIS facility, and the aircraft that delivered those passengers must be towed to Terminal 2 to be serviced and boarded by departing passengers. Similarly, passengers discharged at the existing FIS facility who are transferring to other flights must take a shuttle to another Airport terminal after they have cleared customs and exited the current FIS facility;

WHEREAS, the 1994-constructed existing FIS facility predates the terrorist attacks of September 2001 and was completed only two years after the Americans with Disabilities Act (ADA) came into effect. Over the past 23 years, there have been significant changes to building codes (including fire safety and plumbing codes), ADA accessibility requirements, airport design standards, and airport security requirements. While the Airport provides legally mandated levels of fire safety, ADA compliance, and security at the existing FIS facility, the building is not a modern facility that is sized or designed to current standards and to the expectations of international passengers;

WHEREAS, the existing FIS facility only provides ground-level passenger deplaning where passengers must descend a mobile stairway leading from the jet door down to ground level and then enter the FIS facility after traversing open tarmac. There are no passenger boarding bridges or equivalent ADA-compliant passenger boarding ramp solutions. Passengers who require mobility assistance are helped to the ground level by airline/Airport personnel, which is inefficient and substantially less accommodating to mobility-impaired passengers than a boarding bridge. Ground-level boarding is also inconsistent with the passenger experience associated with most international arrivals to a mid-sized hub airport such as the Airport;

WHEREAS, the Authority has determined that the existing FIS facility needs to be replaced to address, among other items, current ADA requirements for Airport passengers, as well as to enable efficient Airport operations;

WHEREAS, the Authority has determined that the 23-year old existing FIS facility at the Airport needs to be replaced to provide the level of comfort or passenger amenities expected by modern travelers, and to provide optimal operations for passenger and baggage screening. The Authority's stated mission includes operating the Airport as one of the most efficient and passenger-friendly airports in the U.S., and the existing FIS facility is not conducive to that goal relating to international passengers;

WHEREAS, the Authority has determined that a replacement International Terminal is also needed at the Airport to meet current Department of Homeland Security/U.S. Customs and Border Protection (CBP) requirements. Since the terrorist events of September 11th, 2001 – over 16 years ago – many regulatory changes have occurred in the US domestic aviation industry resulting in new passenger security screening, checked baggage screening, as well as customs and immigrations systems, technologies and protocols. Additionally, with the passage of the Air Transportation Security Act of 2001, new agencies such as the Department of Homeland Security have institutionalized a series of new operational requirements and protocols including the screening of incoming international passengers that can be accommodated with the design of a replacement International Terminal;

WHEREAS, the US CBP has stated a strong preference that any Replacement International Terminal at Airport be operated using the new “bags-first” protocol; meaning that passengers reclaim their checked baggage in advance of queuing for primary immigration inspection. This would represent a major change from the current FIS facility operations and necessitates operational and physical modifications to meet current CBP performance standards. In addition, International Airport Transport Association level of service standards for baggage claim operations require larger-sized facilities and areas for baggage claim operations. These regulatory requirements and service standards can be accommodated and addressed by a replacement International Terminal;

WHEREAS, State of California Building Code requirements and other key regulatory guidance relating to current construction and access standards require larger-sized facilities and areas for structural requirements, paths of travel, and restrooms, which can be accommodated and addressed by a replacement International Terminal. Further, international passenger service expectations now require larger-sized terminal areas for corridors with “swing gates” that accommodate both deplaning and enplaning passengers, meeting and greeting rooms, passenger concourse, duty free shops and other retail space. These passenger expectations also can be accommodated and addressed by a replacement International Terminal;

WHEREAS, to address and accommodate the changed regulatory requirements and passenger expectations related to international aviation travel, the Authority proposes the Federal Inspection Services and International Terminal Replacement (Replacement International Terminal) Project as described in this Resolution and other accompanying documents. The Replacement International Terminal proposed by the Authority would be able to process approximately 800 international passengers in the peak hour, and would be about 103,870 gross square feet in size as shown on Attachment 1;

WHEREAS, the proposed Replacement International Terminal would have three (3) gates for international passenger flights. Moreover, international flights would land and depart from the same facility; the aircraft gates at the Replacement International Terminal would be served by ADA-compliant passenger boarding bridges. The Airport would no longer need to support separate facilities for international arrivals and departures, which support efforts include towing aircraft between the current FIS facility and Terminal 2, or to transport and utilize mobile stairways to deplane arriving international passengers;

WHEREAS, to be efficient, the Replacement International Terminal would service both departing and arriving passengers, while the old FIS facility serves only arriving passengers. Further, to provide a passenger-friendly experience in accordance with the Authority's mission statement (and to remain competitive with other airports in the region), the Replacement International Terminal would provide more space in passenger-serving areas such as lounges, holdrooms, and retail shops than the minimum areas that are required by code;

WHEREAS, the Replacement International Terminal would reflect modern airport security and passenger processing standards. Departing passengers would utilize Terminal 2's existing ticketing, check-in, bag check, and Transportation Security Agency (TSA) security screening areas. Upon clearing security, international passengers would head to the eastern end of Terminal 2, where they would enter the Replacement International Terminal FIS area. At the FIS area, they would have options for food and retail (potentially including duty-free shopping) and access to adequately sized holdrooms prior to boarding their flights. Arriving passengers would be processed through the Replacement International Terminal using the U.S. CBP's preferred "bags first" system, in which arriving international passengers claim their bags prior to being processed by U.S. CBP personnel. After clearing CBP, arriving passengers would exit the Replacement International Terminal and either proceed west to the main (domestic) portion of Terminal 2 or exit the terminal to the north, where they could access the passenger pickup curbside along East Terminal Way, airport parking lots, the shuttle to Terminal 4, or other ground transportation. Passengers entering the main body of Terminal 2 would have the opportunity recheck their baggage prior to boarding domestic flights;

WHEREAS, upon construction of the Replacement International Terminal the existing FIS building would close and cease operations. No future use of the existing FIS facility is currently proposed; and

WHEREAS, following a thorough review by OIAA Staff, consultants and General Counsel's office, on January ____, 2018, the OIAA issued a Notice of Exemption (NOE) for the Replacement International Terminal Project. The NOE is based upon 14 Cal Code Regs Section 15302 (replacement facilities) and Section 15332 (in-fill development projects.)

NOW, THEREFORE, be it resolved by the Ontario International Airport Authority as follows:

SECTION 1: The Replacement International Terminal Project as described in this Resolution, as described in the accompanying Agenda Report and NOE, and as shown on Attachment 1, is approved and authorized to be developed.

SECTION 2: The Ontario International Airport Authority Commission authorizes the Chief Executive Officer to take all actions reasonable and necessary to move forward expeditiously with a Request for Proposal process relating to the selection of qualified firms and contractors, consistent with the OIAA's Procurement Manual, to provide design services and construction services for the Replacement International Terminal.

SECTION 3: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to monitor, inspect, permit, and approve design and construction elements of, the Replacement International Terminal Project, and to file the NOE for the Project with the appropriate agency. The Chief Executive Officer shall also ensure that all Project-related development and improvements remain consistent and compatible with Airport operations.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 23rd day of January 2018.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, COMMISSION CLERK/
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 January 23, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, CLERK TO THE
BOARD/ 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 January 23, 2018.

_ CLAUDIA Y. ISBELL, CLERK TO THE
BOARD/ ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
January 23, 2018

**SECTION:
ADMINISTRATIVE REPORTS/
DISCUSSION/ACTION**

SUBJECT: FISCAL YEAR 2017-18 BUDGET UPDATE AND ANALYSIS OF OPERATING AND MAINTENANCE BUDGET VS. ACTUAL FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2017

RELEVANT STRATEGIC OBJECTIVE(S): Develop Airport Related Businesses.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority approve the budget adjustments and recommendations as listed in the Fiscal Year 2017-18 Budget Update.

FISCAL IMPACT AND SOURCE OF FUNDS: The analysis shows that the Authority is performing well from a financial perspective, overall, in comparison with Budget. For the 5-months to November 30, 2017, the Authority's Net Operating Income is approximately \$2.4 million higher than budget. Staff notes in the Staffing Impact section (below) that it is recommending four new positions to be added to the organization chart approved by the Commission on September 28, 2017. Furthermore, it is projected that the full fiscal year cost for Salaries and Benefits will not exceed the Budgeted amount, even with the addition of the new positions.

BACKGROUND: *Airline Revenue.* The Actual Airline Revenues for the 5-month period was \$14,713k vs. Budget of \$16,639k, representing a negative variance of \$1,926k. In the formation of Budgeted figures, a partial year's actual was grossed up to the full year; however, the partial year amounts were overstated and this had a compounding effect. It should be noted that the negative variance for the balance of the year will be partially mitigated from growth in airline activity in the latter 7 months of the fiscal year.

Concessions and Parking. The actual Concessions and Parking Revenues for the 5-month to November 30, 2017 was \$12,654k vs. Budget of \$12,109k, representing a positive variance of \$545k. The variance of 4.5% reflects results that were very much in line with expectations. The revenues over the remainder of the year may not be as positive as results to date because several of the concession areas are being redeveloped. The most important concession by value is Auto Parking which had results of \$8,133M vs. Budget of \$7,613k, a positive variance of \$520k (6.83%). This is significant because there was concern during the Budget preparation that TNC could materially impact Auto Parking Revenues. TNC's are grouped with the other ground transportation categories, including Bus, Limos & Taxi. Ground
STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Jeff Reynolds
Department: _____
OIAA

Submitted to OIAA: January 23, 2018
General Counsel
Review: January 23, 2018
Approved: _____
Continued to: _____
Denied: _____

Chief Executive Officer Approval: Mark A. Hoyle

Item No. 14

Transportation Revenues were \$504k, which was more than double the Budgeted amount of \$236k. Staff believes that the TNC's, at least to date, have had a greater impact on taxi's and other ground transportation categories than Auto Parking. The next most important category, by value, is Rent-A-Car (RAC). The Actual Revenue for RAC over the 5-month period was \$3,033k, virtually equal to the Budgeted amount of \$3,045 with a negative variance of less than 0.4%.

Total Operating and Maintenance Expenses (O&M). Total O&M over the five-months analysis period were \$27,787k vs. the Budgeted amount of \$31,608k, representing a positive variance of \$3,821k (or, 12.1%). Personnel Expenses for the five months were \$2,322k vs. the Budgeted amount of \$2,809k, representing a positive variance of \$487k or 17.4%. The variance results from items Budgeted but not expended and conservative accruals. The addition of employees from December and a general salary increase (GSI) that took place January 1, 2018 will reduce the variance over the balance of the fiscal year. The LAWA Staff Augmentation costs for the five months were \$12,005k compared to the Budgeted amount of \$11,068k, which represents a negative variance of \$936k or 8.5%. The negative variance occurred because the projected dates for LAWA Staff redundancy notices were not issued as early as anticipated. Also, it should be noted that there was no LAWA Staff Augmentation amount Budgeted in the second half of the fiscal year and it is apparent that the Actual amount of LAWA Staff Augmentation costs could be significant. Total Operations (and Maintenance) costs for the five-months was \$10,955k compared to the Budgeted amount of \$14,710k, representing a positive variance of \$3,755k or 25.5%. The most significant item in this category was with Public Safety (OPD/OFD). Actual contract OPD costs were nominal because LAWA Police costs (imbedded in the LAWA Staff Augmentation costs) exceed the amount Budgeted for OPD. Also, non-labor maintenance costs were \$455k compared to the Budgeted amount of \$1,052k, representing a positive variance of \$597k resulting, in part, from lead times incurred to follow OIAA procurement procedures. On the other side of the ledger, Aviation Consultants and Services expenses were \$1,274k compared to the pro-rated Budget amount of \$715k, a negative variance of \$559k. The large variance is partially the result of these services being concentrated in the early part of the year.

Total General and Administrative Expenses (G&A). Total G&A expenses for the five-month period was \$2,505k compared to the Budgeted amount for the same period of \$2,610k, representing a small positive variance of \$105k or 4%. G&A expenses tend to be less volatile than O&M because these costs are more predictable and controllable. The largest variance in a single line item was Software & Support where the Actual amount was \$547k compared to the Budgeted amount of \$346k, representing a negative variance of \$201k. The negative amounts arose because there were unforeseen IT maintenance and repairs to the airport systems and because the City of Ontario IT department provided more support than anticipated to complete the airport's lease management system and Workday ERP implementation.

Finally, although there was Budget of \$411k for the purchase of equipment and vehicles, the actual amount was zero with a positive variance of \$411k. Although the Authority is planning to acquire several units of equipment and vehicles in the remaining months of the fiscal year, it will likely procure these through leases or multi-year financings.

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): Staff is recommending the addition of three positions to the OIAA organization chart that were not included in the Budget adopted by the Commission on September 28, 2017. As previously mentioned in the Fiscal Impact. Staff believes that these positions are very important for it to reach its near and medium-term goals. The three positions are as follows:

Planning Director: This senior staff member will manage the planning activities involved in the development of capital assets, environmental remediation and regulatory matter, among other things.

Social Media Manager: This key individual will develop the airport's social media channels with proactive content and build the ONT brand while providing a positive customer experience through online engagement.

Administrative Assistant: This individual will support the Sr. Director of Marketing providing a wide range of services broadly related to Marketing, Advertising, Public Relations, Community Engagement, and IT.

Graphic Designer & Digital Brand Specialist: This individual will illustrate and execute aesthetic concepts, design, and the overall brand implementation of ONT to create synergy and brand awareness.

IMPACT ON OPERATIONS: The addition of the individuals listed above will measurably enhance the operating performance of the company.

SCHEDULE: Staff commits to provide quarterly financial updates on a regular basis. Please note that the capacity to generate financial information remains somewhat limited until the core financial module of Workday is successfully implemented in April/May of 2018.

EXHIBITS & ATTACHMENTS:

Attachment A - PowerPoint report for the Five Months Ended November 30, 2017.

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.