



SPECIAL AND URGENT NOTICE ELIMINATING IN-PERSON PUBLIC PARTICIPATION AT ONTARIO INTERNATIONAL AIRPORT AUTHORITY MEETINGS

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Ontario International Airport Authority (OIAA) board meetings are being conducted via Zoom and teleconference. Members of the public may utilize alternative measures established by OIAA to view the board meetings and/or to address the President and Commissioners. Please see instructions listed below.

Link to watch the February 25, 2021 Board Meeting*: <https://us02web.zoom.us/j/87433011027>

To dial in, call either: US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782

WEBINAR ID: 874 3301 1027

*Zoom requires you to enter a response for name and email. To remain anonymous, you may use Attendee and attendee@flyontario.com to bypass this Zoom feature.

ANY MEMBERS OF THE PUBLIC WISHING TO PROVIDE PUBLIC COMMENT MAY DO SO AS FOLLOWS:

E-MAIL: You may submit public comments by e-mail to clerk@flyontario.com no later than 12:00 p.m. the day of the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.

TELEPHONE: You may call (909) 414-1718 between 1:45 p.m. to 2:00 p.m. the day of the meeting to speak live during the public comment portion of the meeting. You will be asked to identify the Agenda item you wish to address and be placed on hold until the public comment portion of the meeting. Comments are limited to 3 minutes.

VOICEMAIL: You may record public comments at (909) 544-5307 no later than 12:00 p.m. the day of the meeting. Please identify the Agenda item you wish to address in your comments. Recorded comments are limited to 3 minutes. All voicemail comments will be included in the meeting record.

MAIL: You may mail in public comments to the OIAA Clerk's Office at 1923 E. Avion St., Ontario, CA 91761. Comments by mail must be received no later than 12:00 p.m. the day of the meeting. Postmarks are not accepted.

Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the meeting of the OIAA Commission may contact Natalie Gonzaga at 909-544-5307 or clerk@flyontario.com.

The Ontario International Airport Authority Board of Commissioners and staff thank you for your continued patience and corporation during these unprecedented times. If you have any questions related to participation in the Board Meeting please call (909) 544-5307.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – REGULAR MEETING



FEBRUARY 25, 2021 AT 2:00 P.M.

Ontario International Airport Regular Meeting

MEETING WILL BE HELD VIA LIVE STREAM AND TELECONFERENCE

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

JOHN M. SCHUBERT
Treasurer

WELCOME TO THE MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

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MAIL: You may mail in public comments to the OIAA Clerk's Office at 1923 E. Avion St., Ontario, CA 91761. Comments by mail must be received no later than 12:00 p.m. the day of the meeting. Postmarks are not accepted.

Any members of the public who require special assistance or a reasonable accommodation to participate telephonically in the meeting of the OIAA Commission may contact Natalie Gonzaga at 909-544-5307 or clerk@flyontario.com.

ORDER OF BUSINESS

The Authority meeting begins at 2:00 p.m. with Public Comment and the Regular Meeting, followed by Closed Session Public Comment and Closed Session.

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

CALL TO ORDER (OPEN SESSION) - 2:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Public Comment: The open meeting Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

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 regular meeting of the Ontario International Airport Authority on January 28, 2021, and approving the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills January 1 through January 31, 2021 and Payroll January 1 through January 31, 2021.

4. APPROVAL OF MEETING STIPENDS

That the Ontario International Airport Authority Commission approve meeting stipends for President Wapner and Commissioner Hagman for the month of January, 2021.

5. A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

That the Ontario International Airport Authority approve a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of the novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

6. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH JABRRBOX, INC, FOR TECHNOLOGY ENABLED PODS IN TERMINALS 2 AND 4 AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a five (5) year term concession lease agreement with Jabrrbox, Inc, to provide technology enabled pods in Terminals 2 and 4 at Ontario International Airport. Upon the Rent Commencement Date of this agreement, Jabrrbox shall pay the OIAA an ten percent (10%) Concession Fee of its annual Gross Revenues payable monthly. Annual rent of \$124.23 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, if required to support their operations.

7. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO CONTINUE HOLDOVER STATUS OF RENTAL CAR CONCESSION AND LEASE AGREEMENTS

That the Ontario International Airport Authority authorize the Chief Executive Officer to continue negotiations with rental car concessionaires culminating with new concession/lease agreements by July 1, 2021. This extension will ensure that ONT will continue to receive car rental concessionaire revenue through June 30, 2021.

8. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO APPROVE THE FIRST CONTRACT EXTENSION FOR BURNS & MCDONNELL, JACOBS, MEAD & HUNT AND TY LIN INTERNATIONAL FOR ON-CALL NON-AIP ENGINEERING, ARCHITECTURE AND SUPPORT SERVICES AT THE ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority authorize the Chief Executive Officer to approve contract extensions through the end of Fiscal Year (FY) 2020-21, for Burns & McDonnell, Jacobs, Mead & Hunt and TY Lin International for On-Call Non-AIP Engineering, Architecture and Support Services at Ontario International Airport (ONT). Funding is available in the FY 2020-21 Budget. No funding or authority increase is required for the extension of the on-call Non-AIP contracts through June 30, 2021.

9. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A 12 MONTH AGREEMENT WITH CBRE AS THE REAL ESTATE BROKER TO REPRESENT THE AUTHORITY IN TAKING THE APPROXIMATELY 150 ACRES OF AUTHORITY OWNED NON-AERONAUTICAL PROPERTY EAST OF HAVEN TO MARKET FOR POSSIBLE GROUND LEASE

That the Ontario Airport Authority (“OIAA” or “Authority”) Commission authorize the CEO to adjust a previously executed twelve-month agreement with CBRE to represent the Authority in the listing and marketing of approximately 150 acres of Authority owned non-aeronautical property east of Haven Avenue. The adjusted agreement allows CBRE the right to list and market the Property for ground lease only, to negotiate potential agreements for the property, and manage a competitive selection process in order to assist staff in making a recommendation to the Commission for the selection of a lessee of such property.

10. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION AGREEMENT WITH PARKING CONCEPTS, INC. FOR CAR PARKING OPERATIONS AND SHUTTLE BUS SERVICES AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority authorize the Chief Executive Officer to execute a five-year concession agreement with Parking Concepts Inc. (PCI), to provide car parking and shuttle bus operations at Ontario International Airport, and authorize the CEO to exercise one, five-year extension option. The new concession agreement for car parking and shuttle bus operations at ONT will bring an expected cost reduction of approximately \$2,000,000 per annum.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

11. FISCAL YEAR 2020-21 BUDGET UPDATE FOR THE SIX MONTHS ENDING DECEMBER 31, 2020

That the Ontario International Airport Authority (1) receive and file Financial Statements for the six months ending December 31, 2020 and (2) approve amended budget for Fiscal Year (FY) 2020-21.

12. A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to update and approve the newly proposed ACIP (A), offering Qualified Air Carriers a waiver, up to 12 months, of landing fees and marketing incentives to 28 new nonstop destinations in the United States of America, 2 in Canada, and 3 in Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO UPDATE AN EXISTING AIR CARRIER INCENTIVE PROGRAM FOR NEW NONSTOP PASSENGER SERVICE TO DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

13. A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP INTERNATIONAL DESTINATIONS

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP (B), offering qualifying Air Carriers a waiver of certain fees to 11 new nonstop international destinations in Asia, Europe, Central America, and the Caribbean, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

RESOLUTION NO. ____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO UPDATE AN EXISTING AIR CARRIER INCENTIVE PROGRAM COVERING MULTIPLE INTERNATIONAL DESTINATIONS

SPECIAL CEREMONIES

Remembrance of Nicholas R. Bottini

MANAGEMENT REPORT

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner

Vice President Loveridge

Secretary Bowman

Commissioner Hagman

Commissioner Gouw

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.

CLOSED SESSION

CLOSED SESSION

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel's office as negotiator.

REPORT ON CLOSED SESSION

General Legal Counsel

ADJOURNMENT

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: FEBRUARY 25, 2021

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 |
|---------|---------------------|---|
| 06 | Jabrrbox | <ul style="list-style-type: none">• None |
| 08 | Burns & McDonnell | <ul style="list-style-type: none">• Global Geo-Engineering• Salful Bouguet• PBS Engineers• Michael Baker• Connico• Tammy Edmonds Design• RDM• Mead & Hunt• Lean Engineering |
| 08 | Jacobs | <ul style="list-style-type: none">• Diaz-Yourman & Associates• WLC Architects• RDM International |

STAFF MEMBER PRESENTING: Board Clerk, Natalie Gonzaga

Department: Clerk's Office

Submitted to OIAA: February 25, 2021

ITEM NO. 01

| | | |
|----|------------------------------|--|
| | | <ul style="list-style-type: none"> • CH2M • ARB Electrical, Inc • AE Consulting, Inc. • Lee Andrews Group • Lynn Capouya, Inc. • Birdi & Associates |
| 08 | Mead & Hunt | <ul style="list-style-type: none"> • Twining • Argus (SBE) • Psomas • Valued Engineering (SBE) • Cage • GPSI (SBE) • Lynn Capouya (SBE) • SWCA |
| 08 | TY Lin International | <ul style="list-style-type: none"> • Diaz-Yourman • Wagner Engineering • Rivers & Christian • American Infrastructure • VCA • Kleinfelder • Mead and Hunt |
| 09 | CBRE | <ul style="list-style-type: none"> • None |
| 10 | Parking Concepts, Inc. (PCI) | <ul style="list-style-type: none"> • None |

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
JANUARY 28, 2021
(Not Official Until Approved)**

In accordance with the Governor's Declarations of Emergency for the State of California (Executive Orders N-25-20 and N-29-20) and the Governor's Stay at Home Order (Executive Order N-33-20), the Ontario International Airport Authority (OIAA) board meetings were conducted via live stream and teleconference. Members of the public utilized alternative measures established by OIAA to view the board meeting and/or to address the President and Commissioners for the regular meeting held on Thursday, January 28, 2021.

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

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 2:05 p.m.

ROLL CALL

PRESENT VIA ZOOM: Commissioners: Curt Hagman, Ronald O. Loveridge,
and Alan D. Wapner

ABSENT: Commissioners: Julia Gouw and Jim. W. Bowman (excused)

Also present via Zoom webinar were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori Ballance and Board Clerk Natalie Gonzaga.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chief Operations Officer Bruce Atlas.

PUBLIC COMMENT

Members of the public wishing to provide public comment for the items on the agenda were able to do so via email comments to clerk@flyontario.com, live via telephone at (909) 414-1718, via telephone recording comments at (909) 544-5307, or by mail.

Richard Sherman, provided an email comment expressing concerns on airplane noise.

AGENDA REVIEW/ANNOUNCEMENT

General Counsel Lori Ballance made an announcement regarding clarifying edits on agenda Item No. 10.

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.

No conflicts were announced.

CONSENT CALENDAR

MOTION: Moved by Vice President Loveridge, seconded by Commissioner Hagman, and carried by a roll call vote of 3-0-2, to approve the consent calendar Items No. 2-8, including Resolution No. 2021-01, with Secretary Bowman and Commissioner Gouw absent (excused).

2. APPROVAL OF MINUTES

Approved minutes for the special meeting of the Ontario International Airport Authority on December 17, 2020, and the cancelled meetings on November 26, 2020 and December 24, 2020, and approved the same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills December 1, 2020 through December 31, 2020 and Payroll December 1, 2020 through December 31, 2020.

4. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for President Wapner for the month of December, 2020.

5. A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

(Not Official Until Approved)

The Ontario International Airport Authority approved a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of the novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

RESOLUTION NO. 2021-01 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

6. AWARD OF CONTRACT TO M. WILSON COMPANY CONTRACTORS, INC. FOR THE TRANSPORTATION SECURITY ADMINISTRATION RECAPITALIZATION CONSTRUCTION PROJECT IN TERMINAL 2 AND TERMINAL 4 AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to execute a contract with M. Wilson Company Contractors, Inc. in the amount of \$4,346,810 for Transportation Security Administration (TSA) Recapitalization Construction Project in Terminal 2 and Terminal 4 at the Ontario International Airport. The total construction cost of \$4,346,810, plus a 10% contingency in the amount of \$434,681 for this project has been requested through a TSA Other Transaction Agreement (OTA) Grant.

7. APPROVE THE SELECTION OF A DIGITAL MEDIA AGENCY OF RECORD AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FRUITION GROWTH, LLC DBA FRUITION FOR DIGITAL WEB SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer (CEO) to execute a professional services agreement with Fruition Growth, LLC for a one-year term in an amount not-to-exceed \$350,000, and authorize the CEO to exercise two, one-year extension options at \$350,000 annually, for an overall not-to-exceed amount of \$1,050,000, if all options are exercised, for digital web services at Ontario International Airport (ONT). Funding for this contract is approved under the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

8. AWARD OF CONTRACT TO PROSEUR SECURITY USA FOR SECURITY SERVICES AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute a one-year term services contract with Proseur Security USA, with a spending authority of up to \$650,000 annually, and authorize the CEO to exercise up to four, one-year extensions, for an overall not-to-exceed spending authority of \$3,250,000, if all options are

(Not Official Until Approved)

exercised, for a services contract to fulfill security requirements at loading docks, North and South SAAP's, lost and found, and other assigned security functions as required by OIAA. Funding for this contract is approved under the Fiscal Year 2020-21 budget. Funding for subsequent years will be requested through the annual budget process.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

9. APPROVAL OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2020

The Ontario International Airport Authority approved the Audited Financial Statements for the fiscal year ending June 30, 2020.

CEO Thorpe presented this item, announcing OIAA CFO John Schubert and Auditor Bryan S. Gruber, CPA of LSL, who were available for questions.

MOTION: Moved by Commissioner Hagman, seconded by President Wapner, and carried by a roll call vote of 3-0-2, to approve the Audited Financial Statements for the fiscal year ending June 30, 2020, with Secretary Bowman and Commissioner Gouw absent (excused).

10. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF SERIES 2021 REVENUE BONDS

The Ontario International Airport Authority (OIAA) adopted a resolution authorizing and providing for the issuance Revenue Bonds, Series 2021 not to exceed \$150 million. Refinancing of OIAA outstanding debt and financing of additional projects.

General Counsel Lori Ballance previously announced two clarifying edits to the agenda item to delete the references to "subordinated" and a change to track the board resolution "to authorize bonds not to exceed \$150 million".

CEO Thorpe presented this item providing an overview of the bond issuance. Commissioners asked clarifying questions regarding the current market and the timeline.

RESOLUTION NO. 2021-02 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE OF ONTARIO INTERNATIONAL AIRPORT AUTHORITY REVENUE BONDS AND CERTAIN RELATED DOCUMENTS AND ACTIONS

MOTION: Moved by Commissioner Hagman, seconded by Vice President Loveridge, and carried by a roll call vote of 3-0-2 to adopt Resolution 2021-02 authorizing the issuance of Series 2021 bonds, with Secretary Bowman and Commissioner Gouw absent (excused).

(Not Official Until Approved)

The OIAA Commission made a motion to continue both Item No. 11 ACIP A and Item No. 12 ACIP B to the February regular board meeting, or sooner if needed, in order to make further amendments.

MOTION: Moved by Vice President Loveridge, seconded by Commissioner Hagman, and carried by a roll call vote of 3-0-2, to continue Items No. 11 and 12 to the February board meeting, or sooner if needed, with Secretary Bowman and Commissioner Gouw absent (excused).

11. A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to update and approve the newly proposed ACIP (A), offering Qualified Air Carriers a waiver, up to 12 months, of landing fees and marketing incentives to 33 new nonstop destinations in the United States of America, 2 in Canada, and 3 in Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO UPDATE AN EXISTING AIR CARRIER INCENTIVE PROGRAM FOR NEW NONSTOP PASSENGER SERVICE TO DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

12. A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP INTERNATIONAL DESTINATIONS

That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to approve the newly proposed ACIP (B), offering qualifying Air Carriers a waiver of fees to 10 new nonstop international destinations in Asia, Europe and Central America, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY UPDATING THE EXISTING AIR CARRIER INCENTIVE PROGRAM COVERING MULTIPLE INTERNATIONAL DESTINATIONS

MANAGEMENT REPORT

Chief Executive Officer Thorpe provided updates on passenger traffic recovery and cargo growth compared to other Southern California Airports.

COMMISSIONER MATTERS

Vice President Loveridge had no comments.

Commissioner Hagman had no comments.

President Wapner had no comments.

CLOSED SESSION

No closed session was held.

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

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 2:28 p.m.

RESPECTFULLY SUBMITTED:

NATALIE GONZAGA, BOARD CLERK
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

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

RELEVANT STRATEGIC OBJECTIVE: Development of Airport-Related Business.

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

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

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 January 2021, President Wapner attended ten (10) additional and Commissioner Hagman attended two (2) additional Authority-related business functions. Full Commission approval is needed to approve payment of these additional stipends.

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

Department: Clerk’s Office

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

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).)

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

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

ATTACHMENTS: N/A

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: A RESOLUTION DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

RELEVANT STRATEGIC OBJECTIVE: Safety and Security: Provide Customer Friendly Facilities and Services.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA or Authority) approve a resolution declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to the outbreak of COVID-19, and compliance with health authorities' applicable guidance regarding responding to COVID-19.

FISCAL IMPACT SUMMARY: Possible appropriations and corresponding expenditures for equipment, materials, supplies, labor services and other items needed to address or respond to a declared local emergency will be accounted for and reported to and by the Authority.

BACKGROUND: Ontario International Airport (ONT) provides essential services and infrastructure for public commercial travel and general commerce. As part of the Aviation segment of the Transportation Systems Sector, ONT is an element of national critical infrastructure recognized by the Department of Homeland Security. The nation's transportation system is required to quickly, safely, and securely move people and goods through the country and overseas.

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

Department: Administration

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

ITEM NO. 05

Local Emergency

Pursuant to Government Code sections 8550 *et seq.* and 8630 *et seq.*, the Authority can determine to declare the existence of a local emergency under applicable circumstances threatening the lives, property or welfare of ONT passengers, employees and operators.

California and the nation are responding to the spread of a respiratory illness caused by a novel coronavirus and which has now been detected in more than 200 locations internationally, including in the United States. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (COVID-19).

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the COVID-19 outbreak a “public health emergency of international concern.” On January 31, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 4, 2020, Governor Newsom declared a statewide emergency related to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

On March 14, 2020, the City of Ontario proclaimed a local emergency, and most recently on January 15, 2021, continued the local state of emergency declaration in response to regional COVID-19 diagnoses and to mobilize the City to best serve the Ontario community. Given that ONT is a destination for passengers from across the nation and from some international locations, the potential effects of the spread of COVID-19 is a local emergency at ONT.

The U.S. Centers for Disease Control (CDC), the California Department of Public Health (CDPH), and the San Bernardino County Department of Public Health (SBCDPH) have all issued requirements, recommendations and guidelines for the public, businesses and public agencies regarding addressing the spread of COVID-19. Some of the requirements, recommendations and guidelines, however, do not apply to essential services and infrastructure such as ONT, or to operations related to air travel in general.

Available Actions by OIAA Responding to the Local Emergency

Declaration of a local emergency relating to COVID-19 enables the Authority, including its CEO under delegated power, to issue written orders and regulations necessary to provide for the protection of passengers, employees and operators at ONT, and related property, as affected by such emergency. The orders and/or regulations include those to (1) obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property at ONT and to bind the Authority for the fair value thereof, (2) require emergency services of any OIAA officer or employee, (3) requisition necessary personnel or material of any OIAA departments, and (4) modify or approve contracts as necessary to ensure and protect the life and property of the public, operators, and employees at ONT.

Exercise of local emergency powers by the OIAA CEO or his designees will be timely reported to the Authority, and the Authority must periodically review the need for continuing the local emergency until it terminates the local emergency.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

PRIOR COMMISSION ACTION: On January 28, 2021, the OIAA Commission adopted Resolution No. 2021-01 approving and declaring the continued existence of a local emergency.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

EXHIBITS & ATTACHMENTS: Attachment A - Resolution approving and declaring the continued existence of a local emergency in connection with preparations the Authority is making, and actions it is taking, in response to novel coronavirus (COVID-19), and compliance with health authorities' applicable guidance regarding responding to COVID-19.

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. 2021-_____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL EMERGENCY IN CONNECTION WITH PREPARATIONS THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY IS MAKING, AND ACTIONS IT IS TAKING, IN RESPONSE TO NOVEL CORONAVIRUS (COVID-19), AND COMPLIANCE WITH HEALTH AUTHORITIES' APPLICABLE GUIDANCE REGARDING RESPONDING TO COVID-19

WHEREAS, Ontario International Airport (ONT) provides essential services and infrastructure for public commercial travel and general commerce. As part of the Aviation segment of the Transportation Systems Sector, ONT is an element of national critical infrastructure recognized by the Department of Homeland Security. The nation's transportation system is required to quickly, safely, and securely move people and goods through the country and overseas;

WHEREAS, Pursuant to Government Code sections 8550 *et seq.* and 8630 *et seq.*, the Ontario International Airport Authority (OIAA or Authority) can determine to declare the existence of a local emergency under certain circumstances;

WHEREAS, California and the nation are responding to the spread of a respiratory illness caused by a novel coronavirus and which has now been detected in more than 200 locations internationally, including in the United States. The virus has been named "SARS-CoV-2" and the disease it causes has been named "coronavirus disease 2019" (COVID-19);

WHEREAS, On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the COVID-19 outbreak a "public health emergency of international concern." On January 31, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the nation's healthcare community in responding to COVID-19. On March 4, 2020, Governor Newsom declared a statewide emergency related to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency;

WHEREAS, On March 14, 2020, the City of Ontario proclaimed a local emergency, and most recently on January 15, 2021, continued the local state of emergency declaration in response to regional COVID-19 diagnoses and to mobilize the City to best serve the Ontario community. Given that ONT is a destination for passengers from across the nation and from some international locations, the potential effects of the spread of COVID-19 is a local emergency at ONT;

WHEREAS, The U.S. Centers for Disease Control (CDC), the California Department of Public Health (CDPH), and the San Bernardino County Department of Public Health (SBCDPH) have all issued requirements, recommendations and guidelines for the public, businesses and public agencies regarding addressing the spread of COVID-19. Some of the requirements, recommendations and guidelines, however, do not apply to essential services and infrastructure such as ONT, or to operations related to air travel in general;

WHEREAS, Declaration of a local emergency enables the Authority, including its CEO under delegated power, to issue written orders and regulations necessary to provide for the protection of ONT passengers, employees, and operators, related property, and OIAA finances as affected by such emergency. The orders and/or regulations include those to (1) obtain vital supplies, equipment, and such other properties found lacking and needed for the protection of life and property at ONT and to bind the Authority for the fair value thereof, (2) require emergency services of any OIAA officer or employee, (3) requisition necessary personnel or material of any OIAA departments, and (4) modify or approve contracts as necessary to ensure and protect the life and property of the public, operators, and employees at ONT;

WHEREAS, The August 21, 2012 Joint Exercise of Powers Agreement (JPA) between the City of Ontario (City) and the County of San Bernardino (County) that created the Authority stated that the Authority shall have and possess all powers common to the City and County, as well as other powers granted under California law. Both the City and County have provisions in their Municipal Codes allowing for the exercise of emergency powers and authorities;

WHEREAS, The JPA also states that, in exercising its powers for the operation, management and administration of ONT, the Authority shall exercise such powers as are restricted and applicable to the City. Accordingly, the Authority's actions and powers available under a declaration of a local emergency shall be consistent with, or shall not exceed, those powers allowed to be exercised by the City during a declared local emergency;

WHEREAS, on January 28, 2021 the OIAA approved Resolution No. 2021-01, declaring the continued existence of a local emergency.

NOW, THEREFORE BE IT RESOLVED by the Ontario International Airport Authority does hereby declare a continued local state of emergency at ONT regarding the COVID-19 outbreak, and the need to prevent and address the effects of the spread of COVID-19 at ONT; and

BE IT FURTHER RESOLVED, under this continued declaration of a local emergency at ONT by the Authority, the OIAA Chief Executive Officer (CEO) is empowered to:

- (1) Promulgate written orders and regulations necessary to provide for the protection of passengers, employees and operators at ONT, and related

- property, as affected by such emergency, including orders or regulations imposing hours of operation within the boundaries of ONT where necessary to preserve the public order and safety; provided, however, such rules and regulations shall be widely publicized and noticed and shall be confirmed at the earliest practicable time by the Authority Commission; and
- (2) Promulgate written orders and regulations relating to the requirements, recommendations and guidelines issued by the CDC, CDPH and SBCDPH that are applicable to essential services and infrastructure such as ONT, or to operations related to air travel in general, regarding preventing and addressing the spread of COVID-19;
 - (3) Make any expenditure in connection with emergency activities, including mutual aid activities, which shall be deemed conclusively to be for the direct protection and benefit of the passengers, airlines, and business partners and property of the OIAA. When necessary to address the effects of the declared emergency, the CEO or his designee may enact conditional changes in procurement processes, spending and signature authority limits, approval authorities, and allocation of Airport resources during the time of the declared emergency in order to support the OIAA required response activities; and
 - (4) Require emergency services of any OIAA officer or employee; and
 - (5) requisition necessary personnel or material of any OIAA departments; and
 - (6) Execute all ordinary powers; all special powers conferred by this Resolution; and all other powers conferred by statute, agreement approved by the Authority Commission, or by any other lawful authority; and
 - (7) Approve and modify contracts as necessary to provide for the protection of passengers, employees and operators at ONT, related property, and OIAA finances as affected by such emergency, including ad-hoc revenue agreements with a one (1) year term or less; and
 - (8) Represent the Authority in all dealings with public or private agencies on matters pertaining to this declared local emergency; and

BE IT FURTHER RESOLVED, In the absence of the OIAA CEO, the OIAA Deputy Chief Executive Officer is empowered to take on the emergency powers of the OIAA CEO authorized and described in this Resolution. The OIAA CEO shall be deemed absent where he is unavailable to participate in meetings or otherwise is unable to perform his duties during an emergency.

BE IT FURTHER RESOLVED, The Authority Commission shall review the need for continuing this declaration of a continued local emergency at least once every 30 days until the Commission terminates this local emergency declaration.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this 25th day of February 2021.

ALAN D. WAPNER
OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO
HEREBY CERTIFY that foregoing Resolution No. 2021-_____ was duly passed and
adopted by the Commission of the Ontario International Airport Authority at their regular
meeting held on February 25, 2021 by the following roll call vote, to wit:

AYES: COMMISSIONERS:
NOES: COMMISSIONERS:
ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2021-_____ duly passed and adopted
by the Commission of the Ontario International Airport Authority at their regular meeting
held February 25, 2021.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION LEASE AGREEMENT WITH JABRRRBOX, INC, FOR TECHNOLOGY ENABLED PODS IN TERMINALS 2 AND 4 AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: (1) Provide Customer-Friendly Facilities and Services; and (2) Develop and Grow Non-Airline Revenue Sources.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a five-year (5) term concession lease agreement with Jabrrrbox, Inc, to provide technology enabled pods in Terminals 2 and 4 at Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: Upon the Rent Commencement Date of this agreement, Jabrrrbox shall pay the OIAA an ten percent (10%) Concession Fee of its annual Gross Revenues payable monthly. Annual rent of \$124.23 per square foot shall be paid monthly upon occupancy for any office or storage space rented in the Terminals, if required to support their operations.

BACKGROUND: ONT is a medium hub airport serving more than 5.5 million passengers per year and is a major air-cargo facility in Southern California, with more than 750,000 tons being carried to and from the airport each year. The OIAA wishes to provide passengers traveling through ONT with a friendly environment that helps reduce the stress of travel, while providing them with a superior travel experience and productivity-enhancing amenities. The OIAA is confident that the development of a broad width and breadth of food and beverage outlets in each of its terminals will be an important step to provide such highly-sought-after amenities.

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

Department: Commercial

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval: Mark A. Thorpe

ITEM NO. 06

The proposed term of the proposed concession will be five (5) years from Date of Beneficial Occupancy. Jabrrbox will provide 'space-as-a-service' soundproof technology-enabled pods for a quiet escape for consumers for privacy, productivity and wellness post-security in both Terminals at Ontario International Airport (ONT). Therefore, staff recommends the OIAA Board to authorize the CEO to execute a concession lease agreement with Innovative Vending Solutions.

PROCUREMENT: After receiving very few proposals to the RFP for Retail in 2019, Staff contacted local, regional and national businesses to procure additional amenity options in ONT and recommends approval of this concession lease agreement.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorically Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. 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.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

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



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO CONTINUE HOLDOVER STATUS OF RENTAL CAR CONCESSION AND LEASE AGREEMENTS

RELEVANT STRATEGIC OBJECTIVE: Develop and Grow Non-Airline Revenue Sources.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to continue negotiations with rental car concessionaires culminating with new concession/lease agreements by July 1, 2021.

FISCAL IMPACT SUMMARY: This extension will ensure that ONT will continue to receive car rental concessionaire revenue through June 30, 2021.

BACKGROUND: In January 2020, the Commercial Division requested a six (6) month extension through July 2020 to negotiate new concession and lease agreements with the rental car concessionaires. The Commercial Division started the negotiation process, however as a result of the effects of the COVID-19 pandemic, and at the request of the rental car concessionaires, negotiations were suspended in March 2020. All existing concession and lease agreements remain in holdover tenancy status since agreement expiration in February 2019. Once negotiations for new agreements have completed, the Commercial Division will present the negotiated terms back to the OIAA Commission for final approval.

Holdover Tenancy for an additional six (6) months will allow the Commercial Division staff to continue negotiations with the rental car concessionaires to align concession and lease agreements

STAFF MEMBER PRESENTING:

Department: Commercial

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval: Mark A. Thorpe

ITEM NO. 07

by family groups and ensure the OIAA is creating opportunities to increase revenues through graduated rates over the life of the new negotiated agreements/leases. To that end, the extension will provide time to resume and develop a long-term strategy and framework for rental car operations at ONT.

PROCUREMENT: During Holdover Tenancy Status staff is evaluating and producing a Rental Car Business Plan for future non-airline revenue growth.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed action is Categorically Exempt from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. 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.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO APPROVE THE FIRST CONTRACT EXTENSION FOR BURNS & MCDONNELL, JACOBS, MEAD & HUNT AND TY LIN INTERNATIONAL FOR ON-CALL NON-AIP ENGINEERING, ARCHITECTURE AND SUPPORT SERVICES AT THE ONTARIO INTERNATIONAL AIRPORT

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

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to approve contract extensions through the end of Fiscal Year (FY) 2020-21, for Burns & McDonnell, Jacobs, Mead & Hunt and TY Lin International for on-call non-AIP Engineering, Architecture and Support Services at Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: Funding is available in the FY 2020-21 Budget. No funding or authority increase is required to extend the on-call non-AIP contracts through June 30, 2021.

BACKGROUND: On February 27, 2018, the OIAA Commission approved the award of four contracts for on-call professional services for Non-AIP funded engineering, architecture, and support services to Burns & McDonnell, Jacobs, Mead & Hunt, and T.Y. Lin International. The initial three-year term of these contracts is due to expire in March 2021. Although these contracts include two one-year extensions, the Program Management Department determined that establishing a new list of consultants for future on-call Non-AIP projects is in OIAA’s best interest. Therefore, staff requests to exercise the first extension of the existing on-call agreements through this fiscal year ending June 30, 2021. In the interim, a revised Request for Qualifications (RFQ), meeting the specific needs of the Program Management Department and upcoming projects, will be prepared and solicited via OIAA’s procurement process.

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

Department: Engineering

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

PROCUREMENT: It is anticipated that a RFQ will be drafted and posted on Planet Bids in March 2021. After responses are received, responsive proposers will be evaluated based on the criteria of the RFQ, and the highest-ranking firms will be interviewed and shortlisted to make award recommendations and scheduled as an agenda item for Commission approval.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed staffing services decision is not a “project” under CEQA and does not require environmental review.

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

IMPACT ON OPERATIONS: The proposed time extension of staffing services is to ensure airport operations and airport projects, and tenant improvement projects continue uninterrupted to the end of the FY 2020-21, ending June 30, 2021.

SCHEDULE: N/A

ATTACHMENTS: N/A

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This Agenda Report has been reviewed by OIAA General Counsel.



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A 12 MONTH AGREEMENT WITH CBRE AS THE REAL ESTATE BROKER TO REPRESENT THE AUTHORITY IN TAKING THE APPROXIMATELY 150 ACRES OF AUTHORITY OWNED NON-AERONAUTICAL PROPERTY EAST OF HAVEN TO MARKET FOR POSSIBLE GROUND LEASE

RELEVANT STRATEGIC OBJECTIVE: Develop Airport-Related Businesses.

RECOMMENDED ACTION(S): That the Ontario Airport Authority (“OIAA” or “Authority”) Commission authorize the CEO to adjust a previously executed twelve-month agreement with CBRE to represent the Authority in the listing and marketing of approximately 150 acres of Authority owned non-aeronautical property east of Haven Avenue. The adjusted agreement allows CBRE the right to list and market the Property for ground lease only, to negotiate potential agreements for the property, and manage a competitive selection process in order to assist staff in making a recommendation to the Commission for the selection of a lessee of such property.

FISCAL IMPACT SUMMARY: N/A. Any compensation of the broker will be paid from the non-refundable deposit made by the lessee as part of the transaction.

BACKGROUND: The “Boot Property” is generally bounded by Airport Drive to the north, Jurupa Street to the south, Haven Avenue to the west, and Doubleday Avenue to the east and consists of twenty-four (24) separate parcels totaling approximately 240 acres within the boundaries of the Ontario International Airport (“ONT” or “Airport”). Historically the Boot Property is further split between “buildable” parcels totaling approximately 149 acres, and parcels on which it was mistakenly believed that structures were not permitted, but could be used for parking or “yard space” of approximately 62

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

Department: Administration

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

acres that are proximate to the final approach to Airport Runways 26L and 26R and just over 27 acres on which nothing whatsoever could be constructed.

Recently, while preparing to take the “buildable” property to market, it was discovered that the “limited build” zone had mistakenly been expanded in response to a proposal by LAWA to extend the runways sometime between 2000 and 2010. Therefore, there are 53 acres suitable for structures and another 9 which could be utilized for parking associated with the buildings, that were not included in the discussion regarding marketing the “boot” properties.

OIAA Staff has determined that the Boot Property currently is not being utilized, and is not needed in the future, for any aeronautical purposes.

The Authority acquired the Boot Property in the transfer of ONT from the City of Los Angeles in November 2016. OIAA Staff informs that (1) the City of Los Angeles had acquired the Boot Property in stages from January 1998 to June 1999 using airport revenues, (2) no Airport Improvement Program (“AIP”) grant funds were used for the purchase of the Boot Property, and (3) no part of the Boot Property was acquired by a Federal deed.

Taking the property to market was delayed in order to complete environmental reviews and comply with FAA regulations, including the two-year study for the Delhi Sand Fly completed recently on September 15, 2020, and the Airport Layout Plan (ALP) update. During this time CBRE has continued to work with airport and city staff, create and update marketing materials and coordinate the gathering of development requirements and information that will help the airport achieve the highest lease price possible from the property.

OIAA Staff has also determined that all existing aeronautical land uses of ONT property are located west of South Haven Avenue, which divides the Airport from north to south. The Boot Property parcels are all east of South Haven Avenue. South Haven Avenue is an eight-lane, principal arterial, divided highway that directly connects to Interstate 10 at an interchange north of the Airport and to Interstate 60 south of the Airport. South Haven Avenue cannot be closed or relocated. While land on both sides of South Haven Avenue is relatively level, the land to the east (where the Boot Property is located) has a slightly higher elevation, and there is an embankment along much of the east side of South Haven Avenue while the land to the west side is approximately twelve (12) feet lower than the road elevation with a retaining wall and embankment along much of the west side.

OIAA Staff determined that Airport land uses abutting to the west side of South Haven Avenue cannot be feasibly connected to the Boot Property for aircraft access east of South Haven Avenue. The central portion of Airport land along South Haven Avenue is in the Federal Aviation Administration (“FAA”) Runway Protection Zones (“RPZs”) for Runways 26L and 26R. The area along the west side of the South Haven Avenue north of the RPZs is currently occupied by the Airport rental car facility (a non-aeronautical use). The parcel along the west side of South Haven Avenue south of the RPZs has an east-west, stub taxiway that is dedicated to through-the-fence access to a privately-owned, exclusive-use aircraft parking ramp for United Parcel Service (“UPS”) aircraft.

Multiple parties have expressed interest to the OIAA about buying or leasing the Boot Property.

PROCUREMENT: OIAA Staff has determined, consistent with the Authority's Procurement Manual at page 5 and at Section 3, page 14, that the nature of the real estate broker services is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for competitive bid is therefore undesirable. There are many qualified, licensed, experienced area real estate brokers known to the OIAA, and the broker fees are fairly standard across the industry. Instituting a public RFP or RFQ process for broker services would require a significant expenditure of OIAA staff time to prepare, and would likely result in an overwhelming number of responses, which responses would require an inordinate amount of OIAA Staff time to review. All of this effort would not materially improve the supply of qualified broker candidates already known to OIAA.

The CEO established the review committee approved at the March 23, 2018 special OIAA meeting. That committee was made up of Greg Devereaux, Consultant to the Authority, Mary Jane Olhasso, Assistant Executive Officer of the San Bernardino County, Terry Thompson, Director of Real Property for San Bernardino County, and John Andrews, Economic Development Director for the City of Ontario. The committee solicited proposals from 6 well qualified firms and interviews were held with 5 of those firms, as one firm was unable to participate due to the unavailability of personnel. The committee unanimously decided to recommend CBRE to the Commission.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed action is not a project under the California Environmental Quality Act (CEQA). Even if the action was deemed to be a project under CEQA, it would be exempt from environmental review pursuant to CEQA Guidelines Section 15312 because the action relates to the possible long-term lease of surplus Authority property.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: Improvement of facilities through projects funded by income from the lease revenue.

SCHEDULE: Staff will return to the Commission for approval of a potential lessee.

ATTACHMENTS: Attachment A: CBRE Exclusive Listing Agreement

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



DATE: FEBRUARY 25, 2021

SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONCESSION AGREEMENT WITH PARKING CONCEPTS INC. FOR CAR PARKING OPERATIONS AND SHUTTLE BUS SERVICES AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: (1) Provide Customer-Friendly Facilities and Services; and (2) Develop and Grow Non-Airline Revenue Sources.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to execute a five-year concession agreement with Parking Concepts Inc. (PCI), to provide car parking and shuttle bus operations at Ontario International Airport (ONT), and authorize the CEO to exercise one, five-year extension option.

FISCAL IMPACT SUMMARY: The new concession agreement for car parking and shuttle bus operations at ONT will bring an expected cost reduction of approximately \$2,000,000 per annum.

BACKGROUND: The current car park and shuttle bus services are contracted out across three companies, Manchester Airport Group, Parking Concepts, In. (PCI) and ABM Parking Services (ABM), who interface with customers while managing these operations at ONT. A Request for Proposals (RFP) was issued for car park, car park services, and shuttle bus operations, with a goal to ensure operational synergies, provide cost savings, and improve profitability returns to the OIAA. After receiving three valid proposals to the RFP, PCI and ABM were selected as preferred bidders. Further negotiations with the preferred bidders resulted in the recommendation to award the concession agreement to PCI.

PCI's proposed negotiated annual costs for all car park and shuttle bus services are \$4,900,000 inclusive of \$350,000 year-one management fee. Negotiations with PCI have resulted in the recommendation of a concession agreement to PCI, with an agreed upon fixed management fee of \$350,000 per year, down

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

Department: Commercial

Submitted to OIAA: February 25, 2021

Approved: _____

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Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

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from the current fee of \$1,860,000 resulting in a savings of \$1,510,000. OIAA management will work with PCI to lease/incorporate into their agreement the equipment and services necessary to provide shuttle services on a transitional basis while the OIAA evaluates long-term solutions for the vehicles that are consistent with OIAA's efforts to establish and grow its commitment to a sustainable energy program. At a future date, OIAA staff will bring to the Board its recommendation for shuttle vehicles that is consistent with meeting OIAA's long-term sustainability goals.

As pre-COVID-19 levels of traffic return, the OIAA Commercial Team will re-negotiate based on a management fee as a percentage of net revenue, with a bonus percentage potential for performance against strict key performance indicators (KPI) and service level agreements (SLA). This will ensure PCI focuses on managing all costs and expenses, driving gross revenue. Overall savings in year-one of this agreement is estimated at approximately \$2,000,000 which will increase as traffic returns to pre-COVID-19 levels.

OIAA management will continuously work closely with PCI to further reduce costs. One additional OIAA staff member will be requested within the FY 2021-22 budget and will be assigned as a dedicated PCI account manager. The contract will require close management with a focus on ensuring costs are optimized and invoicing reflects actuals without mark-up, in addition to managing the KPI and SLA performance by the PCI team. In addition, all online parking booking revenue will no longer be offset against the Escape Lounge capital expenditure and be included within our gross revenues.

The OIAA is confident that the award to PCI will deliver significantly improve financial returns and incorporate a plan for the development of a broader width and breadth of car park operations and services, linked to a coordinated shuttle bus operation across the airport property. This will be an important step to provide such highly-sought-after services and amenities to ONT passengers.

PROCUREMENT: The Car Park, Car Park Services, Shuttle Bus Operations Request for Proposals (RFP #20005) was posted on Planet Bids on August 14, 2020, and resulted in three responsive proposals that were reviewed, evaluated, and interviewed by an OIAA selection panel based on the criteria set forth in the RFP. Therefore, per staff's review and advice, Management recommends that the proposer offering the best and final offer negotiations be awarded to PCI.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed project is Categorically Exempt (Class 1) from the provisions of CEQA pursuant to Section 15301, because it provides for the exemption of existing facilities. 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.

STAFFING IMPACT (# OF POSITIONS): One OIAA position (To be requested in FY 2021-22 Budget).

SCHEDULE: The target date for commencement of the new concession agreement is April, 1, 2021 following the transition period.

ATTACHMENTS: Proposed concession agreement with Parking Concepts, Inc.

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

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



DATE: FEBRUARY 25, 2021
SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT
SUBJECT: FISCAL YEAR 2020-21 BUDGET UPDATE FOR THE SIX MONTHS ENDING DECEMBER 31, 2020

RELEVANT STRATEGIC OBJECTIVE: Reduce Airline Costs: Maintain Financial Accountability and Stability to Support Airport Operations.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) (1) receive and file Financial Statements for the six months ending December 31, 2020, and (2) approve the amended budget for Fiscal Year (FY) 2020-21.

FISCAL IMPACT SUMMARY: The amended budget will increase total operating expenses by \$1.2M, offset by a net increase in operating revenues of \$1.2M for the FY 2020-21.

BACKGROUND: Aviation Activity and Financial Statements: In August 2020, the OIAA adopted the FY 2020-21 budget. With the substantial decrease in aviation activity and related operating revenues resulting from the COVID-19 Pandemic, a budget was developed based on conservative forecasts for primary aviation activities, passenger enplanements, and landed weights. This forecast resulted in substantially reduced revenues, especially in the first six months of FY 2020-21. These operating revenue decreases were offset by CARES Act funding, which has been fully invoiced. Passenger activity and landed weights were significantly greater than forecast, resulting in a net operating income that exceeded the budget by \$9.0M.

Management committed to the OIAA Commissioners to bring back an amended FY 2020-21 budget updated for actual results and trends in financial and statistical data and current industry and economic

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

Department: Finance

Submitted to OIAA: February 25, 2021

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Chief Executive Officer Approval: Mark A. Thorpe

conditions. Management recommends an increase in total operating expenses of approximately \$1.2M to be covered through a corresponding increase in operating revenues.

Aviation Activity: Aviation activity is measured predominately as a function of commercial enplanements and landed weights. These activities act as direct and indirect drivers of most operating revenues for the Airport. For the six months ending December 31, 2020, enplanements totaled 592K, which exceeded the budget of 374K by 218K (58.2%).

Landed weights (in thousand-pound units) for the six months ending December 31, 2020, totaled 3.7M, which exceeded the budget of \$3.2M by 0.5M (15.6%). Cargo landed weight units during the period totaled 367K, an increase of 0.5M units compared to the previous fiscal year, and exceeded the budget by 15.2%. Passenger landed weights, which totaled 181K, exceeded the budget by 19.1%. In addition, cargo landed weights increased by \$3M (12.0%) for the same period in the prior fiscal year.

Financial Results Six-Months Ending December 31, 2020

Operating Revenues: Operating revenues exceeded the budget by \$9.0M or 22.3% with favorable variances in aeronautical and non-aeronautical revenues.

Aeronautical revenues exceeded the budget by \$4.4M (25.3%), primarily due to higher landing fees, land rents, and airline fees. Higher-than-expected landed weights resulted in favorable variances in landing fee revenues of \$941K (15.5%). Land rents exceeded budget by \$3.1M (110.5%), driven by the recently completed Federal Express facility, which began operating November 1, 2020; rent recoveries; and seasonal increases. Airline fees also exceeded budget, which was primarily a function of airplane parking.

Non-aeronautical revenues were greater than the budget by \$4.6M (20.0%), with favorable variances in all non-aeronautical categories. These favorable variances were driven by higher than planned passenger carrier activities.

Non-terminal rents exceeded budget by \$226K (18.7%). There were favorable variances in all concession revenue categories. The largest of these favorable variances included parking revenues \$2.3 (76.9%), Rental cars of \$826K (41.4%), and other non-aeronautical revenues \$860K. All additional terminal concession revenues exceeded the budget by \$388K.

Operating Expenses: Total operating expenses of \$28M are favorable to budget by \$3.2M (10.3%). There were favorable variances in all operating expense categories. Personnel expenses for FY 2020-21 are relatively flat compared to 2020. Other favorable operating expense variances include public safety \$649K (7.5%); contractual services \$1.3M (9.9%); materials and supplies \$517K (50.1%); utilities and administration \$378K (11.1%); and other operating expenses \$392K (20.7%).

Budget Amendment for the Year Ending June 30, 2021

There is no impact on the organization's overall net budget as operating expense increases of \$1.2M were offset by a corresponding increase in operating revenues. The net increase in operating revenues

resulted from decreases in landing fee and terminal rents, due to lower-than-anticipated levels of aviation and non-aeronautical activity, at rates that were lower than the previous fiscal year. However, management does not propose to adjust rates at this time, as any surplus created through existing the existing landing fee and the terminal rental rate will be credited to the signatory carriers through the year-end reconciliation process.

Operating expense increases are primarily associated with increases in contractual services of \$1.2M, which include \$725K for planning, engineering, and consulting services; \$128K for security services, based on current utilization of contract security; and \$533K for air service development, to support current air service planning and analysis. These increases of \$1.4M are offset by net estimated savings of \$0.2M based on current trends in spending through June 30, 2021.

Additional budget increases include \$42K for personnel increases reflected in previously approved personnel requests, as well as the requested new position listed below. \$20K for other operating expenses is related to costs associated with OIAA's new advertising and promotion sales efforts.

STAFFING IMPACT (# OF POSITIONS): Management seeks authorization to promote the Financial Analyst position to a Budget Manager position. The additional net costs will be funded through realized savings from staff vacancies as well as expected reductions in professional services.

Budget Manager: The request is to replace the current Financial Analyst level position with a Manager level position to reflect additional responsibilities performed by the OIAA staff member currently assigned to the Financial Analyst position, commensurate with their experience and performance. There is no change in total FTE's associated with this request. The additional annual costs from this change are estimated to be \$10,962. The estimated additional cost for the FY 2020-21 is \$3,654. Additional costs will be covered through existing personnel savings from current fiscal year vacancies. These changes will provide other resources for the Finance Division to expand financial modeling and improve statistical and financial reporting.

ATTACHMENTS: Attachment A: OIAA Financial Statements for the Six Months Ending December 31, 2020

Attachment B: OIAA Amended Budget FY 2020-21

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.



DATE: FEBRUARY 25, 2021

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM A (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service; Reduce Airline Costs.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to update and approve the newly proposed ACIP (A), offering Qualified Air Carriers a waiver, for up to 12 months, of landing fees and marketing incentives for 28 new nonstop destinations in the United States of America, 2 in Canada, and 3 in Mexico, to encourage and support the launch of new air service from the Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: If approved, the new ACIP will be available to any airline offering new non-stop service to specified points in the United States, Mexico, and Canada, for up to the first twelve (12) months from when an air carrier begins new service. A maximum of twenty (20) incentive packages will be offered under this ACIP. Only one (1) incentive package shall be offered for each of twenty (20) new non-stop United States, Canada, and Mexico destinations identified in the ACIP not served by ONT at the time the new service begins. New service introduced to markets with existing service or any new service introduced to one of the destinations identified in the ACIP after the initial five (5) United States, Canada, and Mexico markets will not qualify for an incentive package under the terms of the ACIP. These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, OIAA management estimates

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

Department: Commercial

Submitted to OIAA: February 25, 2021

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Chief Executive Officer Approval: *Mark A. Thorpe*

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that, in almost all instances, these incremental revenues will exceed the landing fees waived under the ACIP, several times over.

BACKGROUND: On April 24, 2018, the OIAA Board approved a resolution covering an incentive program for new nonstop passenger and cargo service between ONT and points in North America, including the contiguous United States, Mexico, Central America and Canada. Such incentive was effective July 1, 2018 and has since expired on June 30, 2019 and was not extended by action of the OIAA Board. Unlike the previous program approved by the Board, which provided waivers of landing fees, terminal rents, and marketing incentives, this proposed action will offer only landing fee waivers and marketing incentives. This more fiscally responsible approach will help the OIAA continue to manage the financial challenges that it faces during the current SARS-COV-2 pandemic.

The OIAA goals of the program include:

- Restoration of nonstop service in previously served markets.
- Connecting the Airport to major connecting hubs and/or international gateway airports.
- Connecting the Airport to important business destinations.
- Connecting the Airport to major leisure markets.
- Provide new non-stop passenger air service (hereinafter referred to as “nonstop service”) between ONT and multiple, unserved markets in the U.S., Mexico, and Canada.
- Increase passenger traffic at ONT.
- Promote competition at the Airport.

The 33 air travel markets/airport destinations in which air carriers may qualify for landing fee waivers if, among other requirements, they provide at least 2 weekly round-trip operations, subject to revision by Board approval for time to time, are:

Connection to Major Connecting Hubs and/or International Gateways

- *New York City:* Newark Liberty (EWR)
- *Chicago:* Chicago O’Hare (ORD)
- *Washington, DC/Baltimore:* Washington Dulles (IAD)
- *South Florida:* Miami Dade County (MIA)
- Minneapolis/St. Paul (MSP)
- Detroit Wayne County (DTW)
- Philadelphia (PHL)
- Charlotte (CLT)
- Vancouver (YVR)
- Toronto Pearson (YYZ)

Restoration of Service Markets

- Austin (AUS)
- Nashville (BNA)
- San Antonio (SAT)

- Kansas City (MCI)
- Reno (RNO)
- St. Louis (STL)
- Boise (BOI)
- Albuquerque (ABQ)
- Spokane (GEG)
- El Paso (ELP)
- Oklahoma City (OKC)
- Eugene (EUG)
- Omaha (OMA)
- Tulsa (TUL)
- San José del Cabo (SJD)

Connection to Important Business Destinations

- *Washington, DC/ Baltimore:* Washington Reagan National (DCA); Baltimore Thurgood Marshall (BWI)
- Boston Logan (BOS)
- Indianapolis (IND)
- Cincinnati (CVG)
- Memphis (MEM)

Connection to Large Leisure Destinations

- *South Florida:* Fort Lauderdale/Hollywood (FLL)
- Puerto Vallarta (PVR)
- Cancún (CUN)

OIAA staff is currently in discussions with multiple U.S. and foreign carriers, regarding the inauguration of nonstop service to each of these destinations. Staff is requesting to revise and replace the previously approved ACIP to clarify certain terms and eligibility and add to the destinations covered under the ACIP. This ACIP will incentivize airlines to introduce new nonstop service that will: (1) increase total passenger traffic at ONT, (2) encourage other carriers to enter the ONT market, and (3) increase non-aeronautical revenue generated at ONT including concessions, parking and other revenues (as well as aeronautical revenue once the incentivized period ends).

From time to time the approval of this ACIP by the Board and as directed by the Chief Executive Officer (CEO), OIAA may submit to the Board for approval a revised list of unserved markets for which incentives will be offered. This will allow the OIAA to regularly re-calibrate the effectiveness of this ACIP, by adjusting the incentives to match constantly changing market conditions and opportunities.

The proposed Program conforms with Federal Aviation Administration (FAA) regulations and guidelines; the ACIP provides that the incentive may be terminated if it is determined to violate any applicable laws, regulations, or assurance made by the airport to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges. The ACIP also provides penalties and

prohibitions for failure to comply with the terms and conditions of the Program, including, but not limited to, losing any and all operating privileges received under the Program, disqualification from further participation under the ACIP for a specified time period, and reimbursement to ONT for all credits, including monetary credits received under the ACIP.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: ATTACHMENT A – Resolution approving an Air Carriers Incentive Program A (ACIP)

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. 2021- _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO APPROVE AN AIR CARRIER INCENTIVE PROGRAM FOR NEW NONSTOP PASSENGER SERVICE TO DESTINATIONS IN THE UNITED STATES, CANADA, AND MEXICO

WHEREAS, the Ontario International Airport Authority (“OIAA”) was established for the purpose of operating, maintaining, managing, and developing the Ontario International Airport (“ONT” or “Airport”), including developing air commerce and transportation; and

WHEREAS, the previous Air Carrier Incentives Program (“ACIP” or “Incentive Program”) covering new nonstop passenger and cargo service between ONT and points in North America has previously terminated and expired on June 30, 2019; and

WHEREAS, the OIAA is currently in negotiation with U.S. and foreign-owned Air Carriers, regarding the inauguration of new nonstop passenger service between ONT and points in the United States, Canada, and Mexico; and

WHEREAS, the OIAA desires to update the previously approved ACIP to amend certain eligibility requirements, revise the incentive period and add additional destinations or markets to be covered under this ACIP.

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

SECTION 1. The revised ACIP (A) is provided in Exhibit A attached to this Resolution and hereby incorporated by reference.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

SECTION 3. The Commission Clerk of the OIAA shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a regular meeting this 25th day of February 2021.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2021-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held on February 25, 2021 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2021-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held February 25, 2021.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

Exhibit A

Ontario International Airport
Air Carrier Incentive Program (A)
United States, Canada, and Mexico

INTRODUCTION

This Air Carrier Incentive Program A (“ACIP” or “Program”) for Ontario International Airport (“ONT” or “Airport”) is designed to encourage and promote the operation of nonstop commercial passenger service by new entrant and incumbent commercial air carriers to thirty-three (33) currently unserved markets in the United States of America (including Alaska), Mexico, and Canada. This ACIP is consistent with and supports ONT’s mission to connect people, places, and create experiences.

GOALS

The goals of the Program include:

- Restoration of nonstop service in previously served markets.
- Connecting the Airport to major connecting hubs and/or international gateway airports.
- Connecting the Airport to important business destinations.
- Connecting the Airport to major leisure markets.
- Provide new non-stop passenger air service (hereinafter referred to as “nonstop service”) between ONT and multiple, unserved markets in the U.S., Mexico, and Canada.
- Increase passenger traffic at ONT.
- Promote competition at the Airport.

TERM

This ACIP shall be effective upon approval by the Ontario International Airport Authority’s (“OIAA”) Board of Commissioners (“Board”) and will terminate on December 31, 2023. For service(s) eligible under the ACIP, the Air Carrier providing the service will receive the incentive for twelve (12) months from the initiation of the eligible service(s) but such period shall conclude by December 31st, 2023. Any privileges granted to any person in connection with or as a result of the implementation of this ACIP, shall be subject to the Air Carrier’s operating or lease agreement and may be revoked, suspended, or terminated at any time at the sole discretion of the Board.

From time to time after the approval of this ACIP by the Board and as directed by the Chief Executive Officer (“CEO”), OIAA may submit to the Board for approval a revised list of unserved markets for which incentives will be offered under this ACIP. This will allow the OIAA to regularly re-calibrate the effectiveness of this ACIP, by adjusting the incentives to match

constantly changing market conditions and opportunities. Upon approval by the Board, the revised list shall be attached to this Incentive Program A, and incorporated by reference, and take effect immediately.

DESCRIPTION OF INCENTIVES

This ACIP is subject to all federal, state, local laws, and all other rules, regulations, and written agreements between the OIAA and the Air Carrier(s).

There shall be a maximum of twenty (20) incentive packages offered under this ACIP. Only one (1) incentive package shall be offered for each of twenty (20) new non-stop United States, Canada, and Mexico destinations identified below not served by ONT at the time the new service begins. New service introduced to markets with existing service or any new service introduced to one of the destinations identified below after the initial five (5) United States, Canada, and Mexico markets will not qualify for an incentive package under the terms of the ACIP.

The incentives shall be provided from the start of the eligible service as described in the following section, and include the following:

- A full waiver of Landing Fees
- Marketing incentives based on an annual budgeted amount agreed and outlined in the Commitment Letter (see Application For and Award of Incentives)

The duration of the incentive period shall be twelve (12) months immediately following the first day that qualifying nonstop service begins. "Qualifying nonstop service" shall consist of no less than two (2) roundtrip operations each seven (7)-day weekly period as provided in the eligibility section below and must be flown from the Airport to one of the destinations identified below.

The incentive package may be applied at the start of service or a credit may be applied at the conclusion of the twelve (12) month service period. Carriers choosing to begin applying the incentive package at the start of service will be required to provide an instrument of credit or a performance bond for \$10,000.

The thirty-three (33) destination airports from ONT for which incentives will be available, subject to revision by Board approval from time to time, are:

Connection to Major Connecting Hubs and/or International Gateways

- *New York City:* Newark Liberty (EWR)
- *Chicago:* Chicago O'Hare (ORD)
- *Washington, DC/Baltimore:* Washington Dulles (IAD)
- *South Florida:* Miami Dade County (MIA)
- Minneapolis/St. Paul (MSP)
- Detroit Wayne County (DTW)
- Philadelphia (PHL)
- Charlotte (CLT)
- Vancouver (YVR)

- Toronto Pearson (YYZ)

Restoration of Service Markets

- Austin (AUS)
- Nashville (BNA)
- San Antonio (SAT)
- Kansas City (MCI)
- Reno (RNO)
- St. Louis (STL)
- Boise (BOI)
- Albuquerque (ABQ)
- Spokane (GEG)
- El Paso (ELP)
- Oklahoma City (OKC)
- Eugene (EUG)
- Omaha (OMA)
- Tulsa (TUL)
- San José del Cabo (SJD)

Connection to Important Business Destinations

- *Washington, DC/ Baltimore:* Washington Reagan National (DCA); Baltimore Thurgood Marshall (BWI)
- Boston Logan (BOS)
- Indianapolis (IND)
- Cincinnati (CVG)
- Memphis (MEM)

Connection to Large Leisure Destinations

- *South Florida:* Fort Lauderdale/Hollywood (FLL)
- Puerto Vallarta (PVR)
- Cancún (CUN)

The incentive package(s) offered by the OIAA under this ACIP shall be in accordance with the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy), including Sections V.A.2 and V.A.3 of the Revenue Use Policy. The OIAA expenditure on advertising for the new qualifying service may be used to cover: (1) a share of promotional expenses such as marketing, advertising, and related activities designed to increase travel using the Airport; and (2) public and industry awareness of Airport facilities and the new qualifying service.

ELIGIBILITY

The incentives covered under this ACIP are available to both incumbent and new entrant Air Carrier(s). The Air Carrier must have executed an agreement with the OIAA permitting scheduled

air service operations at ONT (such as an Operating Use and Terminal Lease Agreement, or Air Carrier Operating Permit) by the start of any air service in order to be eligible for this incentive package(s). In addition, the proposing Air Carrier(s) must have obtained or be able to obtain before the proposed start date of the service, necessary route authority from the United States and the proposed destination and must comply with all statutory and regulatory requirements imposed by the Governments of the United States and/or the proposed destination for the operation of the proposed service.

The incentivized service(s) must:

1. Be a new scheduled and operated nonstop service to one of the thirty-eight (38) destinations in the United States of America, Canada, and Mexico identified above, as may be modified from time to time subject to approval by the Board;
2. Not be currently served by any Air Carrier at ONT (subsequent market entrants will not receive incentives). If multiple Air Carriers announce new non-stop service to the same destination, only the Air Carrier initiating service the earliest shall be eligible for the incentive(s) for such destination;
3. Be operated continuously for the twelve (12) months from the date of initiation of service;
4. Be operated on a roundtrip basis at least an average of two (2) days per week during the first twelve (12) month period for which incentives are provided; and
5. Be initiated during the period from February 26, 2021 to December 31, 2022.

Repeated seasonal service, upgrade of equipment type, or increased number of seats on existing flights are not considered new service.

Application for and Award of Incentives

The initial incentive package allocation process will begin on February 26, 2021. Any Air Carrier(s) that are eligible and interested in receiving one (1) or more incentive packages during the initial allocation process must complete, sign, and submit to the Chief Executive Officer the written application (“Commitment Letter”) attached to the end of this ACIP not more than ninety (90) days prior the first departing flight from ONT of new service qualifying for the incentives. In order to receive the incentive package(s), the Air Carrier must sign the written application (“Commitment Letter”) attached to the end of this ACIP, agreeing to the provisions and eligibility requirements outlined in this ACIP, and provide the following documents: (1) the ONT Air Service Development Incentive Program Application (“Program Application”); and (2) the Commitment Letter Regarding Participation in the ONT Air Service Development Incentive Program (“Commitment Letter”) agreeing to the provisions and eligibility requirements outlined in this ACIP. The Program Application and Commitment Letter are attached to the end of this ACIP and must be signed by an Officer and countersigned by the OIAA, and sent to:

Ontario International Airport Authority
Attn: Chief Executive Officer
1923 East Avion Street
Ontario, CA 91761

or any other address as designated by the OIAA from time to time.

If more than one (1) Air Carrier proposes to initiate service to the same destination, the Airport will award the incentive package to the Air Carrier proposing the earliest date on which service will begin.

If more than one (1) Air Carrier proposed to initiate service to the same destination, the Air Carriers propose the same start date for initiation of service, and one (1) of the Air Carriers is a new entrant Air Carrier at ONT, the Airport will award the incentive package to the new entrant Air Carrier at ONT consistent with the Incentive Program goal of providing new non-stop air service between ONT and the destination by promoting competition at the Airport.

If more than one (1) Air Carrier proposes to initiate service to the same destination, the Air Carriers propose the same start date for initiation of service and none of the Air Carriers are new entrant Air Carriers (or more than one (1) of the Air Carriers is a new entrant Air Carrier), the Airport will conduct a lottery to select the Air Carrier that will receive the incentive package for that destination.

Assuming that all eligibility criteria referenced above are met, the following conditions will apply to the award of the incentive package(s):

- An Air Carrier may receive more than one (1) incentive package provided that the Air Carrier separately meets all of the eligibility criteria referenced above for each package
- Waiver of any fees or charges will be awarded in the form of credits to the Air Carrier, resulting in a payable balance of \$0.00 for such occurred charges.

If an Air Carrier that has been awarded one or more incentive package(s) chooses to apply the applicable credits at the outset of the required twelve (12) month service period (rather than at the conclusion of the service period), the Air Carrier to receive such credit shall provide the Airport with an instrument of credit or a performance bond in the amount of US\$10,000 to be received under this Incentive Program. The form of credit or bond must be approved by the Chief Financial Officer. The allocation of the incentive package(s) shall not be transferable and no property rights are created by virtue of the allocation of incentive package(s).

The OIAA shall have no liability of any nature, or in any form, to an Air Carrier for any costs, expenses, harm, damages, or other claims which an Air Carrier might otherwise have against the OIAA, or which an Air Carrier might incur, in respect of, or arising from, incentive package allocation(s) and any capacity withdrawn due to failure to comply with the Airport rules or regulations or for any other reasons determined by ONT to be necessary and reasonable.

General Provisions

Authority

This ACIP is adopted by OIAA, acting in its capacity as the proprietor and certificated operator of ONT, and under the authority of federal law, and the laws of the State of California, which designate OIAA as the proper local entity to balance the needs of the community for adequate

commercial air transportation facilities and services, including service to international destinations, and the desire of the local community for responsible air transportation operations at ONT. This ACIP reflects consideration of and by OIAA of all of its state and federal obligations and responsibilities as the proprietor of ONT.

This ACIP is adopted by OIAA in recognition of its proprietary and governmental obligations under the STATE AERONAUTICS ACT (CALIFORNIA PUBLIC UTILITIES CODE 21001, et seq.) and is particularly made in recognition of the importance of the business, tourist and recreation industry to the economic health and well-being of the regional and local community. The region is a major business, tourist and resort destination center, and a substantial portion of the economy of the region depends upon tourism and resort activities. The ability of OIAA to encourage and promote passenger air service between ONT and currently unserved markets is indispensable to the continued economic vitality of the Airport and to the business, tourism and resort segments of the local and regional economy.

General Limitations and Qualifications

All operating privileges of any type made under this ACIP are made subject to all provisions, limitations and qualifications of the Airport and are privileges revocable by OIAA at will, do not constitute “property interests” of Air Carriers affected by this Program in any form, and are not transferable directly or indirectly, or by operation of law.

Relationship to Agreements

No Commercial Air Carrier may conduct operations at ONT until it has first received approval of an operating agreement further defining its obligations to OIAA in respect of its operations at ONT. Such agreement may be either an Operating Use and Terminal Lease Agreement or Air Carrier Operating Permit. The obligations of any Air Carrier servicing ONT under this Program are in addition to any and all obligations said Carrier has to the Airport under its agreement(s) with the OIAA.

Amendments, Termination or Suspension

Unless specifically provided, this ACIP may be amended, terminated, or suspended only by approval of the OIAA Board unless specifically provided herein. In the event this ACIP is amended by the Board, the Air Carrier receiving incentives under this Program shall be deemed to have accepted all terms and provisions of such amendment immediately.

Compliance with Federal Obligations

The terms and implementation of this ACIP shall be, at all times, subordinated to applicable federal, state, and local laws and regulations, and the provisions of any existing or future agreement between the OIAA and the U.S. Government or governmental authority, relating to the operation or maintenance of the Airport. This Program may be terminated, in whole or in part, if it is determined to violate applicable laws, regulations or any assurance made by OIAA to the U.S.

Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges.

Non-Exclusivity of Sanctions, Penalties, and Remedies

The penalties of this ACIP are non-exclusive, and are in addition (and without prejudice) to any and all other remedies, at law or at equity, civil or criminal, by contract or otherwise, which may be available to OIAA with respect to the conduct or actions of any Air Carrier using ONT.

Funding

The incentives offered by the Airport in this ACIP shall not have any effects on the rentals, fees, or charges imposed on other users of the Airport.

Penalties and Prohibitions

In addition to any and all regulations, ordinances, policies, leases, and agreements of the Authority adopted or entered into in its capacity as the proprietor and certificated operator of ONT, the following prohibitions and penalties shall be applicable to all actual or potential operations at ONT under this ACIP.

In the event any Air Carrier that has been allocated, in whole or in part, an incentive package under this ACIP: (1) ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service; (2) conducts its operations in a manner which causes the person to operate less than an average of two (2) days per week over a continuous period of twelve (12) months, beginning on the date of service; (3) fails to initiate the proposed service as required by its Program Application and Commitment Letter; or (4) fails to comply with any regulations, ordinances, policies, leases, and agreements of the Airport, the Air Carrier shall be subject to the following penalties:

- (a) The Air Carrier shall be disqualified from further participation under the Incentive Program, with the exception of any incentive package(s) already allocated to the Air Carrier that remain(s) in compliance with the terms of the Incentive Program, until the person requesting requalification establishes, in writing, to the satisfaction of the Chief Executive Officer (“CEO”), that it has identified the reason(s) for the failure to comply with the terms of the Incentive Program.
- (b) The Air Carrier shall be required to reimburse ONT for all credits received under the Incentive Program for the incentive package(s) for which the violation(s) occurred including, but not limited to, all monetary credit(s); and the repayment of any monetary credits must be paid not later than sixty (60) days after the date of the Airport Director’s written notice of violation. Any person who fails to make repayment as required by this Section within the sixty (60) day period shall be subject to an additional administrative penalty of \$1,000 per day for each day the penalty payment is late.
- (c) Any Air Carrier may submit a written request to the OIAA’s CEO for modifications to the requirements of the ACIP including, but not limited to, the service period and frequency of operations, of the Incentive Program. If the request is granted in whole

or in part, the CEO shall specify the modified use requirement authorized by him, and the modifications will then be binding on the applicant operator for the period for which the request has been granted as if contained in the Incentive Program.

The CEO may deny, grant, or grant with conditions the requested modification(s). In considering any request made, the CEO shall consider the following: (i) the reasonableness of the request under the relevant circumstances; (ii) the interests of the air traveling public and the impact of the request, if any, on the ability of OIAA to realize its goals for the Program; and (iii) the effect of the request, if any, on the goals, policies, and regulations of OIAA in its management and operation of ONT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program (A)

Dear Enter Name Here:

By this letter, Enter Airline Here (the "Airline") would like to formally acknowledge our request to participate in the Ontario International Airport ("ONT" or "Airport") Air Carrier Incentive Program (A) ("Incentive Program"). We intend to initiate non-stop service to Enter Destination Here beginning on Enter Date Here.

Consistent with the ACIP, the Airline understands that prior to commencing commercial service at the Airport, the Airline must execute an agreement with OIAA permitting scheduled air services operations at ONT. In addition, we understand that the Airline must comply with all applicable Airport rules and regulations.

This letter is intended to memorialize the Agreement between OIAA, the owner and operator of ONT, and the Airline under the terms of the Incentive Program. The OIAA and the Airline, by their respective signatures to this letter, acknowledge their understanding and agreement that:

- i.) The terms of incentives for Airline's air service to the Airport (the "Incentives") are governed by the Incentive Program.
- ii.) The service that the Airline is offering at ONT falls within all eligibility criteria described in the Incentive Program.
- iii.) The Airline commits to maintain such service for a period of twelve (12) consecutive months from the date of initiation of service and be operated at an average frequency of two (2) days per week over the first twelve (12) consecutive months from the date of initiation of service.
- iv.) The incentive package will provide an OIAA expenditure on a share of advertising for the new qualifying service, in an amount of _____ [OIAA to enter amount here]. The Airline and OIAA will work together to develop an advertising campaign to raise awareness of the new qualifying service in accordance with all applicable statutes and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed.Reg. 7696). The ONT brand shall be prominently, and at least equally, represented in the creative, regardless of which entity develops the creative. All advertising shall be approved by OIAA in writing, in its sole discretion, before any public dissemination or use.
- v.) The Airline shall share with OIAA all data and key performance indicators (KPIs) associated with the Incentive Program advertising campaign on a quarterly basis throughout the term of the incentive(s), as well as at the termination of the incentive(s).

In the event the Airline ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service or fails to comply with any rule or

regulation of ONT during the term of the Incentive Program, by this letter we acknowledge that the Airline will be subject to the penalties as specified in the Incentive Program including, but not limited to, disqualification from further participation under the Incentive Program, and reimbursement to OIAA for all credits, including monetary credits, and expenditures offered pursuant to the Incentive Program.

The Airline understands that this Agreement is subordinate to the provisions of any and all existing and future agreements between OIAA and the United States of America relative to the operation, maintenance, or development of the Airport, the execution of which may be required as a condition precedent to the expenditure of funds for the development of the Airport, or any part thereof. The Airline further understands that, in the event the Federal Aviation Administration of the United States of America or its successor requires modifications or changes in the Incentive Program or to this Agreement, the Airline consents to any and all such modifications and changes as may be required; and the Airline agrees to execute an amendment to this Agreement with OIAA reflecting such modifications or changes.

If the Airline is awarded an incentive package(s) under the terms of the Incentive Program, the Airport will sign a duplicate original of this correspondence and return it to the Airline indicating that it concurs in the above.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

By: _____
Mark A. Thorpe
Chief Executive Officer

Date: _____

ENTER AIRLINE NAME HERE

By: _____

Printed Name: _____

Title: _____



DATE: FEBRUARY 25, 2021

SECTION: ADMINISTRATIVE DISCUSSION/ACTION/REPORT

SUBJECT: A RESOLUTION UPDATING AIR CARRIER INCENTIVE PROGRAM B (ACIP) TO ENCOURAGE AND PROMOTE THE OPERATION OF COMMERCIAL PASSENGER AIR SERVICE TO NEW NONSTOP INTERNATIONAL DESTINATIONS

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service; Reduce Airline Costs.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Board of Commissioners (Board) adopt a resolution to update and approve the newly proposed ACIP (B), offering qualifying Air Carriers a waiver of certain fees to 11 new nonstop international destinations in Asia, Europe, Central America, and the Caribbean to encourage and support the launch of new air service from the Ontario International Airport (ONT).

FISCAL IMPACT SUMMARY: If approved, the ACIP will provide up to twelve (12) months of landing fee waivers, terminal rent rebates, and marketing incentives to any airline that launches a minimum of two (2) flights each week offering new non-stop service to any of eleven (11) high priority markets in Asia, Europe, Central America and the Caribbean. There shall be a maximum of five (5) incentive packages offered under this ACIP. Only one (1) incentive package shall be offered for each of five (5) new non-stop international destinations identified in the ACIP not served by ONT at the time the new service begins. New service introduced to markets with existing service or any new service introduced to one of the international destinations identified in the ACIP after the initial five (5) international markets will not qualify for an incentive package under the terms of the ACIP.

These new services will result in incremental passenger traffic growth, with increases in non-aeronautical revenue (i.e. parking, food and beverage, retail, etc.), as well as real estate lease revenue. The amount of incremental revenue generated by such new services will depend on the frequency of flights, aircraft seat capacity, and the percentage of seats filled by passengers. However, OIAA management estimates

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

Department: Commercial

Submitted to OIAA: February 25, 2021

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

ITEM NO. 13

that, in almost all instances, these incremental revenues will exceed the landing fees waived under the ACIP, several times over.

BACKGROUND: On September 26, 2017, the OIAA Board approved a resolution covering an incentive program for new nonstop international passenger and cargo service between ONT and points Asia, Europe and the South Pacific. Such incentive was amended on September 25, 2018 to reflect an extended duration of the incentives offered from 12 months to the earlier of 24 months or the completion of the replacement United States Customs and Border Protection (USCBP) Federal Inspection Services (FIS) Facility. Currently, the ACIP expires on June 30, 2021.

The revised incentive policy proposed in this action will replace the current policy with a more limited 12-month incentive period, reflecting the OIAA's need to exercise financial prudence during the current SARS-COV-2 pandemic, while still providing a competitive offer to airlines as they rebuild their global networks.

The OIAA goals of the Program include:

- Connect to major global connecting hubs and gateways.
- Connect to important international business markets.
- Connect to large leisure and visiting-friends-and-relatives (VFR) markets.
- Provide new non-stop passenger air service (hereinafter referred to as "nonstop service") between ONT and multiple, unserved markets in Asia, Europe, Central America and the Caribbean.
- Increase passenger traffic and revenue at ONT.
- Promote competition at the Airport.

The eleven (11) air travel markets in Asia, Europe, Central America, and the Caribbean, in which air carriers may qualify for landing fee waivers and terminal rent rebates for a 12-month period if, among other requirements, they provide at least two (2) weekly round-trip operations, subject to revision by Board approval from time to time, are:

Connection to Major Global Connecting Hubs and Gateways

- *London:* London Heathrow (LHR); London Gatwick (LGW)
- Seoul Incheon (ICN)
- *Beijing:* Beijing Capital (PEK); Beijing Daxing (PKX)
- Frankfurt (FRA)
- Dublin (DUB)

Connection to Important International Business Markets

- Shanghai PuDong (PVG)
- *Tokyo:* Tokyo Narita (NRT); Tokyo Haneda (HND)
- Manila (MNL)

Connection to Large Leisure and VFR Markets

- San Salvador (SAL)
- Guatemala City (GUA)
- Grand Cayman (GCM)

OIAA staff is currently in discussions with multiple U.S. and foreign carriers, regarding the inauguration of nonstop international service to points not covered in the original incentive. Staff is requesting to revise and replace the current ACIP, to clarify certain terms and eligibility outlined in the original ACIP, clarifying and adding to the destinations covered under the ACIP, and extending the program term. This will help the airport: (1) increase total passenger traffic at ONT, (2) encourage other carriers to enter the ONT market, and (3) increase non-aeronautical revenue generated at ONT including concessions, parking and other revenues (as well as aeronautical revenue once the incentivized period ends).

The proposed Program is conformed with Federal Aviation Administration (FAA) regulations and guidelines; the ACIP provides that the incentive may be terminated if it is determined to violate any applicable laws, regulations, or assurance made by the airport to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges. The ACIP also provides penalties and prohibitions for failure to comply with the terms and conditions of the Program, including, but not limited to, losing any and all operating privileges received under the Program, disqualification from further participation under the ACIP for a specified time period, and reimbursement to ONT for all credits, including monetary credits received under the ACIP.

PROCUREMENT: N/A.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: ATTACHMENT A – Resolution approving an Air Carriers Incentive Program B (ACIP)

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, although these hours and review procedures may be modified due to COVID-19 precautions. In that case, the documents may be requested by email at clerk@flyontario.com.

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. 2021-__

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO UPDATE AN EXISTING AIR CARRIER INCENTIVE
PROGRAM COVERING MULTIPLE INTERNATIONAL
DESTINATIONS

WHEREAS, the Ontario International Airport Authority (“OIAA”) was established for the purpose of operating, maintaining, managing, and developing the Ontario International Airport (“ONT” or “Airport”), including developing air commerce and transportation; and

WHEREAS, on September 26, 2017, the OIAA Board of Commissioners (“Board”) approved a resolution establishing an Air Carrier Incentive Program (“ACIP” or “Incentive Program”); and

WHEREAS, on September 25, 2018, the OIAA Board approved a resolution extending the duration of incentives under such International ACIP, increasing the period from twelve (12) months to the earlier of completion of the Airport’s U.S. Customs and Border Protection Facility Inspection Service (“FIS”) at Terminal 2 for international arrivals or twenty-four (24) months; and

WHEREAS, the OIAA is currently in negotiation with U.S. and foreign-owned Air Carriers regarding the inauguration of new international nonstop passenger service; and

WHEREAS, the OIAA desires to update the previously approved ACIP to amend certain eligibility requirements, revise the incentive period, and add additional international destinations or markets to be covered under this ACIP.

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

SECTION 1. The revised ACIP (B) is provided in Exhibit A attached to this Resolution and hereby incorporated by reference.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

SECTION 3. The Commission Clerk of the OIAA shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a regular meeting this 25th day of February 2021.

ALAN D. WAPNER
OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

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

I, Natalie Gonzaga, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. 2021-__ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held on February 25, 2021 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2021-__ duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held February 25, 2021.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

Exhibit A

Ontario International Airport
Air Carrier Incentive Program (B)
Asia, Europe, Central America, and the Caribbean

INTRODUCTION

This Air Carrier Incentive Program (B) (“ACIP”) for Ontario International Airport (“ONT” or “Airport”) is designed to encourage and promote the operation of commercial passenger service by new entrant and incumbent commercial air carriers to eleven (11) markets in Asia, Europe, Central America, and the Caribbean that are currently unserved from the Airport. This ACIP is consistent with, and supports, the Airport’s mission to connect people, places, and create experiences.

GOALS

The goals of the Program include:

- Connect to major global connecting hubs and gateways.
- Connect to important international business markets.
- Connect to large leisure and visiting-friends-and-relatives (VFR) markets.
- Provide new non-stop passenger air service (hereinafter referred to as “nonstop service”) between ONT and multiple, unserved markets in Asia, Europe, Central America, and the Caribbean.
- Increase passenger traffic and revenue at ONT.
- Promote competition at the Airport.

TERM

This ACIP shall be effective upon approval by the Ontario International Airport Authority’s (“OIAA”) Board of Commissioners (“Board”) and will terminate on December 31st, 2023. For service(s) eligible under the ACIP, the Air Carrier(s) providing the service will receive the incentive for twelve (12) months from the initiation of the eligible service(s) but such period shall conclude by December 31st, 2023. Any privileges granted to any person in connection with, or as a result of the implementation of this ACIP, shall be subject to the Air Carrier’s operating or lease agreement and may be revoked, suspended, or terminated at any time at the sole discretion of the Board.

From time to time after the approval of this ACIP by the Board and as directed by the Chief Executive Officer (“CEO”), OIAA may submit to the Board for approval a revised list of unserved markets for which incentives will be offered under this ACIP. This will allow the OIAA to

regularly re-calibrate the effectiveness of this ACIP, by adjusting the incentives to match constantly changing market conditions and opportunities. Upon approval by the Board, the revised list shall be attached to this Incentive Program, and incorporated by reference, and take effect immediately.

DESCRIPTION OF INCENTIVES

This ACIP is subject to all federal, state, local laws, and all other rules, regulations, and written agreements between the OIAA and the Air Carrier(s).

There shall be a maximum of five (5) incentive packages offered under this ACIP. Only one (1) incentive package shall be offered for each of five (5) new non-stop international destinations identified below not served by ONT at the time the new service begins. New service introduced to markets with existing service or any new service introduced to one of the international destinations identified below after the initial five (5) international markets will not qualify for an incentive package under the terms of the ACIP.

The incentives shall be provided from the start of the eligible service as described in the following section and include:

- A waiver of certain rates and charges incurred relating to the eligible service(s) in accordance with the OIAA's then current fiscal year Airport System Rates and Charges as listed below:
 - Landing Fees
 - Terminal Rental Rates for Terminal Space, such as offices, ticket counter/queuing spaces, and preferential gate leases
 - If the Carrier is an incumbent Air Carrier adding additional eligible service, the waiver of Terminal Rental Rates shall be calculated based on the percentage of total weekly service frequencies. The waiver for preferential gate leases shall not be included if the carrier uses a non-preferential gate for its new service
 - Terminal Use Fees (Gate Use Charges) including Non-Preferential Gate Use Fee and Jet Bridge Utility Fee on Non-Preferential Gate(s)
 - Aircraft Parking Charges
- Marketing incentives based on an annual budgeted amount agreed and outlined in the Commitment Letter (*see*, Application For and Award of Incentives).

The duration of the incentive period shall be twelve (12) months immediately following the first day that qualifying nonstop international service begins. "Qualifying nonstop service" shall consist of no less than two (2) roundtrip operations each seven (7)-day weekly period as provided in the eligibility section below and must be flown from the Airport to one of eleven (11) international destinations identified below.

The incentive package may be applied at the start of service or a credit may be applied at the conclusion of the twelve (12) month service period. Carriers choosing to begin applying the incentive package at the start of service will be required to provide an instrument of credit or a performance bond for \$10,000.

The eleven (11) international destinations from ONT for which incentives will be available during the first twelve (12) months of this policy, subject to revision from time to time by Board action, are:

- London, England
 - London Heathrow Airport (“LHR”)
 - London Gatwick Airport (“LGW”)
- Seoul, South Korea
 - Incheon International Airport (“ICN”)
- Shanghai, China
 - Shanghai PuDong International Airport (“PVG”)
- Beijing, China
 - Beijing Capital International Airport (“PEK”)
 - Beijing Daxing International Airport (“PKX”)
- San Salvador, El Salvador
 - El Salvador International Airport (“SAL”)
- Frankfurt, Germany
 - Frankfurt Airport (“FRA”)
- Tokyo, Japan
 - Tokyo Narita International Airport (“NRT”)
 - Tokyo Haneda Airport (“HND”)
- Guatemala City, Guatemala
 - La Aurora International Airport (“GUA”)
- Dublin, Ireland
 - Dublin Airport (“DUB”)
- Manila, Philippines
 - Ninoy Aquino International Airport (“MNL”)
- Grand Cayman, Cayman Islands
 - Owen Roberts International Airport (“GCM”)

The incentive package(s) offered by the OIAA under this ACIP shall be in accordance with the FAA’s Policy and Procedures Concerning the Use of Airport Revenue (64 Fed. Reg. 7696, February 16, 1999) (Revenue Use Policy), including Sections V.A.2 and V.A.3 of the Revenue Use Policy. The OIAA expenditure on advertising for the new qualifying international service may be used to cover: (1) a share of promotional expenses such as marketing, advertising, and related

activities designed to increase travel using the Airport; and (2) public and industry awareness of Airport facilities and the new qualifying service.

ELIGIBILITY

The incentives covered under this ACIP are available to both incumbent and new entrant Air Carrier(s). The Air Carrier must have executed an agreement with the OIAA permitting scheduled air service operations at ONT (such as an Operating Use and Terminal Lease Agreement, or Air Carrier Operating Permit) by the start of any air service in order to be eligible for this incentive package(s). In addition, the proposing Air Carrier(s) must have obtained, or be able to obtain before the proposed start date of the service, necessary route authority from the United States and the proposed international destination, and must comply with all statutory and regulatory requirements imposed by the Governments of the United States and/or the proposed international destination for the operation of the proposed service.

The incentivized service(s) must:

1. Be a new scheduled and operated nonstop service to one of the eleven (11) international destinations in Asia, Europe, Central America, and the Caribbean identified above, as may be modified from time to time subject to approval by the Board;
2. Not be currently served by any Air Carrier at ONT (subsequent market entrants will not receive incentives). If multiple Air Carriers announce new non-stop service to the same international destination, only the Air Carrier initiating service the earliest shall be eligible for the incentive(s) for such destination;
3. Be operated continuously for the twelve (12) months from the date of initiation of service;
4. Be operated on a roundtrip basis at least an average of two (2) days per week during the first twelve (12) month period for which incentives are provided; and
5. Be initiated during the period from February 25, 2021 to December 31, 2022.

Repeated seasonal service, upgrade of equipment type, or increased number of seats on existing flights are not considered new service.

Application for and Award of Incentives

The initial incentive package allocation process will begin on February 26, 2021. Any Air Carrier that is eligible and interested in receiving one (1) or more incentive packages during the initial allocation process must complete, sign and submit to the Chief Executive Officer, no more than ninety (90) days before the first departing flight from ONT of new service qualifying for incentives under the terms set forth in this Exhibit, the following documents: (1) the ONT Air Service Development Incentive Program Application (“Program Application”) (attached); and (2) the Commitment Letter Regarding Participation in the ONT Air Service Development Incentive Program (“Commitment Letter”) attached to the end of this ACIP, agreeing to the provisions and eligibility requirements outlined in this ACIP. The Program Application and Commitment Letter must be signed by an Officer and countersigned by the OIAA, and sent to:

Ontario International Airport Authority
Attn: Chief Executive Officer
1923 East Avion Street
Ontario, CA 91761

or any other address as designated by the OIAA from time to time.

If more than one (1) Air Carrier proposes to initiate service to the same international destination, the Airport will award the incentive package to the Air Carrier proposing the earliest date on which service will begin.

If more than one (1) Air Carrier proposes to initiate service to the same international destination, the Air Carriers propose the same start date for initiation of service, and one (1) of the Air Carriers is a new entrant Air Carrier at ONT, the Airport will award the incentive package to the new entrant Air Carrier consistent with the Incentive Program goal of providing new non-stop air service between ONT and the international destination and promoting competition at the Airport.

If more than one (1) Air Carrier proposes to initiate service to the same international destination, the Air Carriers propose the same start date for initiation of service and none of the Air Carriers are new entrant Air Carriers (or more than one (1) of the Air Carriers is a new entrant Air Carrier), the Airport will conduct a lottery to select the Air Carrier that will receive the incentive package for that destination.

Assuming that all eligibility criteria referenced above are met, the following conditions will apply to the award of the incentive package(s):

- An Air Carrier may receive more than one (1) incentive package, provided that the Air Carrier separately meets all of the eligibility criteria referenced above for each package.
- Waiver of any fees or charges will be awarded in the form of credits to the Air Carrier, resulting in a payable balance of \$0.00 for such occurred charges.

If an Air Carrier that has been awarded one or more incentive package(s) chooses to apply the applicable credits at the outset of the required twelve (12) month service period (rather than at the conclusion of the service period), the Air Carrier to receive such credit shall provide the Airport with an instrument of credit or a performance bond in the amount of US\$10,000 to be received under this Incentive Program. The form of credit or bond must be approved by the Chief Financial Officer. The allocation of the incentive package(s) shall not be transferable and no property rights are created by virtue of the allocation of incentive package(s).

The OIAA shall have no liability of any nature, or in any form, to an Air Carrier for any costs, expenses, harm, damages, or other claims which an Air Carrier might otherwise have against the OIAA, or which an Air Carrier might incur, in respect of, or arising from, incentive package allocation(s) and any capacity withdrawn due to failure to comply with the Airport rules or regulations or for any other reasons determined by ONT to be necessary and reasonable.

General Provisions

Authority

This ACIP is adopted by OIAA, acting in its capacity as the proprietor and certificated operator of ONT, and under the authority of federal law, and the laws of the State of California, which designate OIAA as the proper local entity to balance the needs of the community for adequate commercial air transportation facilities and services, including service to international destinations, and the desire of the local community for responsible air transportation operations at ONT. This ACIP reflects consideration of and by OIAA of all of its state and federal obligations and responsibilities as the proprietor of ONT.

This ACIP is adopted by OIAA in recognition of its proprietary and governmental obligations under the STATE AERONAUTICS ACT (CALIFORNIA PUBLIC UTILITIES CODE 21001, et seq.) and is particularly made in recognition of the importance of the business, tourist and recreation industry to the economic health and well-being of the regional and local community. The region is a major business, tourist and resort destination center, and a substantial portion of the economy of the region depends upon tourism and resort activities. The ability of OIAA to encourage and promote passenger air service between ONT and currently unserved markets is indispensable to the continued economic vitality of the Airport and to the business, tourism and resort segments of the local and regional economy.

General Limitations and Qualifications

All operating privileges of any type made under this ACIP are made subject to all provisions, limitations and qualifications of the Airport and are privileges revocable by OIAA at will, do not constitute “property interests” of Air Carriers affected by this Program in any form, and are not transferable directly or indirectly, or by operation of law.

Relationship to Agreements

No Commercial Air Carrier may conduct operations at ONT until it has first received approval of an operating agreement further defining its obligations to OIAA in respect of its operations at ONT. Such agreement may be either an Operating Use and Terminal Lease Agreement or Air Carrier Operating Permit. The obligations of any Air Carrier servicing ONT under this Program are in addition to any and all obligations said Carrier has to the Airport under its agreement(s) with the OIAA.

Amendments, Termination or Suspension

Unless specifically provided, this ACIP may be amended, terminated, or suspended only by approval of the OIAA Board unless specifically provided herein. In the event this ACIP is amended by the Board, the Air Carrier receiving incentives under this Program shall be deemed to have accepted all terms and provisions of such amendment immediately.

Compliance with Federal Obligations

The terms and implementation of this ACIP shall be, at all times, subordinated to applicable federal, state, and local laws and regulations, and the provisions of any existing or future agreement between the OIAA and the U.S. Government or governmental authority, relating to the operation or maintenance of the Airport. This Program may be terminated, in whole or in part, if it is determined to violate applicable laws, regulations or any assurance made by OIAA to the U.S. Government in connection with the receipt of federal grants-in-aid or the approval of Passenger Facility Charges.

Non-Exclusivity of Sanctions, Penalties, and Remedies

The penalties of this ACIP are non-exclusive, and are in addition (and without prejudice) to any and all other remedies, at law or at equity, civil or criminal, by contract or otherwise, which may be available to OIAA with respect to the conduct or actions of any Air Carrier using ONT.

Funding

The incentives offered by the Airport in this ACIP shall not have any effects on the rentals, fees, or charges imposed on other users of the Airport.

Penalties and Prohibitions

In addition to any and all regulations, ordinances, policies, leases, and agreements of the Authority adopted or entered into in its capacity as the proprietor and certificated operator of ONT, the following prohibitions and penalties shall be applicable to all actual or potential operations at ONT under this ACIP.

In the event any Air Carrier that has been allocated, in whole or in part, an incentive package under this ACIP: (1) ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service; (2) conducts its operations in a manner which causes the person to operate less than an average of two (2) days per week over a continuous period of twelve (12) months, beginning on the date of service; (3) fails to initiate the proposed service as required by its Program Application and commitment Letter; or (4) fails to comply with any regulations, ordinances, policies, leases, and agreements of the Airport, the Air Carrier shall be subject to the following penalties:

- (a) The Air Carrier shall be disqualified from further participation under the Incentive Program, with the exception of any incentive package(s) already allocated to the Air Carrier that remain(s) in compliance with the terms of the Incentive Program, until the person requesting requalification establishes, in writing, to the satisfaction of the Chief Executive Officer, that it has identified the reason(s) for the failure to comply with the terms of the Incentive Program.
- (b) The Air Carrier shall be required to reimburse ONT for all credits received under the Incentive Program for the incentive package(s) for which the violation(s) occurred including, but not limited to, all monetary credit(s); and

- (c) The repayment of any monetary credits must be paid not later than sixty (60) days after the date of the Airport Director's written notice of violation. Any person who fails to make repayment as required by this Section within the sixty (60) day period shall be subject to an additional administrative penalty of \$1,000 per day for each day the penalty payment is late.

Any Air Carrier may submit a written request to the OIAA's Chief Executive Officer ("CEO") for modifications to the requirements of the ACIP, including, but not limited to, the service period and frequency of operations, of the Incentive Program. If the request is granted in whole or in part, the CEO shall specify the modified use requirement authorized by him, and the modifications will then be binding on the applicant operator for the period for which the request has been granted as if contained in the Incentive Program.

The CEO may deny, grant, or grant with conditions the requested modification(s). In considering any request made, the CEO shall consider the following: (i) the reasonableness of the request under the relevant circumstances; (ii) the interests of the air traveling public and the impact of the request, if any, on the ability of OIAA to realize its goals for the Program; and (iii) the effect of the request, if any, on the goals, policies, and regulations of OIAA in its management and operation of ONT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SUBJECT: Commitment Letter Regarding Participation in the Ontario International Airport's Air Carrier Incentive Program (B)

Dear Enter Name Here:

By this letter, Enter Airline Here (the "Airline") would like to formally acknowledge our request to participate in the Ontario International Airport ("ONT" or "Airport") Air Carrier Incentive Program (B) ("Incentive Program"). We intend to initiate non-stop service to Enter Destination Here beginning on Enter Date Here.

Consistent with the ACIP, the Airline understands that prior to commencing commercial service at the Airport, the Airline must execute an agreement with OIAA permitting scheduled air services operations at ONT. In addition, we understand that the Airline must comply with all applicable Airport rules and regulations.

This letter is intended to memorialize the Agreement between OIAA, the owner and operator of ONT, and the Airline under the terms of the Incentive Program (B). The OIAA and the Airline, by their respective signatures to this letter, acknowledge their understanding and agreement that:

- i.) The terms of incentives for Airline's air service to the Airport (the "Incentives") are governed by the Incentive Program.
- ii.) The service that the Airline is offering at ONT falls within all eligibility criteria described in the Incentive Program.
- iii.) The Airline commits to maintain such service for a period of twelve (12) consecutive months from the date of initiation of service and be operated at a minimum frequency of two (2) days per week over the first twelve (12) consecutive months from the date of initiation of service.
- iv.) The incentive package will provide an OIAA expenditure on a share of advertising for the new qualifying service, in an amount of OIAA: Enter Amount Here. The Airline and OIAA will work together to develop an advertising campaign to raise awareness of the new qualifying service in accordance with all applicable statutes and the FAA's Policy and Procedures Concerning the Use of Airport Revenue (64 Fed.Reg. 7696). The ONT brand shall be prominently, and at least equally, represented in the creative, regardless of which entity develops the creative. All advertising shall be approved by OIAA in writing, in its sole discretion, before any public dissemination or use.
- v.) The Airline shall share with OIAA all data and key performance indicators (KPIs) associated with the Incentive Program advertising campaign on a quarterly basis throughout the term of the incentive(s), as well as at the termination of the incentive(s).

In the event the Airline ceases or abandons flight operations to the proposed destination prior to twelve (12) months after the date of initiation of service or fails to comply with any rule or regulation of ONT during the term of the Incentive Program, by this letter we acknowledge that

the Airline will be subject to the penalties as specified in the Incentive Program including, but not limited to, losing any and all operating privileges received under the Incentive Program (for the incentive package for which the violation occurred), disqualification from further participation under the Incentive Program, and reimbursement to OIAA for all credits, including monetary credits, and expenditures offered pursuant to the Incentive Program.

The Airline understands that this Agreement is subordinate to the provisions of any and all existing and future agreements between OIAA and the United States of America relative to the operation, maintenance, or development of the Airport, the execution of which may be required as a condition precedent to the expenditure of funds for the development of the Airport, or any part thereof. The Airline further understands that, in the event the Federal Aviation Administration of the United States of America or its successor requires modifications or changes in the Incentive Program or to this Agreement, the Airline consents to any and all such modifications and changes as may be required; and the Airline agrees to execute an amendment to this Agreement with OIAA reflecting such modifications or changes.

If the Airline is awarded an incentive package(s) under the terms of the Incentive Program, the Airport will sign a duplicate original of this correspondence and return it to the Airline indicating that it concurs in the above.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

By: _____
Mark A. Thorpe
Chief Executive Officer

Date: _____

ENTER AIRLINE NAME HERE

By: _____

Printed Name: _____

Title: _____



DATE: FEBRUARY 25, 2021

CLOSED SESSION REPORT

OIAA// (GC 54956.8)

Page 1 of 1

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

STAFF: CEO __, General Counsel __

- GC section 54956.8: REAL PROPERTY NEGOTIATIONS (portions of the Airport); OIAA General Counsel's office as negotiator.

No Reportable Action

Continue

Approved

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Disposition: _____

Reported by:

General Legal Counsel / Chief Executive Officer