

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY
COMMISSION AGENDA
MARCH 2, 2015**

Alan D. Wapner
President

Ronald O. Loveridge
Vice President

Lucy Dunn
Secretary

Jim W. Bowman
Commissioner

Curt Hagman
Commissioner



Al C. Boling
Executive Director

John E. Brown
General Counsel

Grant D. Yee
Treasurer

WELCOME to a meeting of the Ontario International Airport Authority.

- Authority meetings are held at the City of Ontario Council Chambers located at 303 East B Street, Ontario, CA 91764 or at other such places as the Commission shall designate.
- All documents for public review are on file at the Authority Secretary's offices located within City of Ontario facilities at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with California Law, remarks during public comment are to be limited to subjects within Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Commissioners and Staff need to be recognized by the Authority President before speaking.

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

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

CALL TO ORDER (OPEN SESSION)

10:00 a.m.

ROLL CALL

Loveridge, Dunn, Bowman, Hagman, Wapner

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

CLOSED SESSION

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *City of Ontario v. City of Los Angeles, Los Angeles World Airports, and Los Angeles Board of Airport Commissioners, RIC 1306498.*
- GC 54956.8, CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 2900 East Airport Drive, Ontario; Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

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

PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

PUBLIC COMMENTS

The Public Comment portion of the Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Commission, fill out one of the blue slips at the rear of the chambers and give it to the Secretary/Assistant Secretary.

CONSENT CALENDAR

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

1. APPROVAL OF MINUTES

Minutes for the meetings of the Ontario International Airport Authority of February 2, 2015, and approving same as on file with the Secretary/Assistant Secretary.

COMMISSIONER MATTERS

STAFF MATTERS

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
CLOSED SESSION REPORT**

March 2, 2015

ROLL CALL: Bowman __, Dunn __, Hagman ____, Loveridge __
President Wapner __.

STAFF: Executive Director __, Legal Counsel __

- GC 54956.9 (d)(1), CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION:
City of Ontario v. City of Los Angeles, Los Angeles World Airports, and Los Angeles Board of Airport Commissioners, RIC 1306498.

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

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

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

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

No Reportable Action	Continue	Approved
/ /	/ /	/ /

Disposition: _____

Reported by: _____
Legal Counsel / Executive Director

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION – REGULAR MEETING
MINUTES**

Monday, February 2, 2015
(Not Official Until Adopted)

The regular meeting of the Ontario International Airport Authority was held on Monday, February 2, 2015, in the City Council Chambers at Ontario City Hall, 303 East “B” Street, Ontario, California.

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

CALL TO ORDER

Commission President Wapner called the Ontario International Airport Authority Commission meeting to order at 10:00 a.m.

ROLL CALL

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

Also present were Executive Director Al C. Boling, Legal Counsel Thomas Rice and Assistant Secretary Vicki Kasad.

CLOSED SESSION

Hearing no requests to speak from the public, President Wapner adjourned the meeting to Closed Session at 10:01 a.m., for discussion of the following:

- GC 54956.9 (d)(1) CONFERENCE WITH LEGAL COUNSEL, EXISTING LITIGATION: *City of Ontario v. City of Los Angeles World Airports, and Los Angeles Board of Airport Commissioners, RIC 1306498.*
- GC 54956.8 CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Ontario International Airport, 2900 East Airport Drive, Ontario;
Authority Negotiator: Executive Director or designee; Negotiating parties: Los Angeles Mayor or his designee; Under negotiation: Price and terms of payment.

RECONVENE IN PUBLIC SESSION

The Ontario International Airport Authority Commission meeting was reconvened in public session at 10:34 a.m.

The Pledge of Allegiance was led by Commissioner Bowman.

CLOSED SESSION REPORT

President Wapner indicated that the Commission discussed the two items as listed, however, there was no reportable action.

PUBLIC COMMENTS

None.

CONSENT CALENDAR

1. APPROVAL OF MINUTES

Approved the Minutes for the meeting of the Ontario International Airport Authority of January 5, 2015, as on file with the Secretary/Assistant Secretary.

MOTION: Moved by Secretary Dunn, seconded by Commissioner Bowman and carried by unanimous vote of those present, with Vice President Loveridge absent, to approve the Minutes as presented.

2. PRESENTATION (ONTARIO INTERNATIONAL AIRPORT: AIR SERVICE PERFORMANCE UPDATE)

Executive Director Boling introduced Bob Hazel, partner at Oliver Wyman for this presentation. Mr. Hazel provided a review of airport performance for 2014 and an initial look at 2015. He indicated that passenger traffic grew 3.9% at the end of 2014, and cargo grew by about 3%. He clarified that while cargo is an important economic factor, it does not provide the additional benefits of car rental, hotel rooms or restaurant usage. Mr. Hazel compared Ontario's 3.9% growth to the region, noting that LAX had 6% growth. Overall Ontario ranked third in terms of percentage growth, but it was Ontario's second worst year. Mr. Hazel then noted that taking a longer term look comparing 2014 to 2000, Ontario has lost 38.9%. He presented a year by year comparison of airports in the region and noted that air service is less robust in this region than in the United States overall. He indicated looking at Ontario on a percentage basis, it grew; but the share of regional traffic is at its lowest point and the passenger count is half of what it was in 1990. Mr. Hazel indicated that Southwest is the largest airline at Ontario, with 61% of total seats while American is the airline that has added the most seats. He further indicated that overall there was a loss of seats, but a gain in passengers as showed by the monthly load factor for Ontario in 2014 as compared to 2013. He noted that over time the load factor is getting higher and is currently hovering in the 80% range. January and February of this year show relatively low load factors.

President Wapner questioned the impact of cancelled flights on the load factor. Mr. Hazel clarified this impact and noted the seasonal impacts and seat reductions. He indicated that he sees capacity numbers flattening out in 2015, but airlines are still cutting flights. President Wapner further addressed the load factor and reductions in plane sizes. Mr. Hazel indicated that airlines will continue to make those types of changes until they feel they have optimized the demand.

Secretary Dunn commented on the economic issues that Ontario might have fallen victim to. Mr. Hazel concurred, noting that if airlines do not provide a good service pattern or attractive flight schedules it becomes a self-perpetuating downward cycle. Secretary Dunn commented that a demonstrated demand for flights might change the overall strategy.

President Wapner noted the existing business plan for when Ontario regains ownership of the airport and asked for Mr. Hazel's advice on how to reverse the current trend. Mr. Hazel suggested focusing on commercial development and engaging the business community. He stressed the need to encourage use of the airport. President Wapner indicated that the Authority will have that opportunity and commented on the need to continue marketing to area corporations to use Ontario for travel to their corporate meetings.

3. PRESENTATION (ONTARIO INTERNATIONAL AIRPORT: GOVERNANCE, REGULATION AND CERTIFICATION)

Executive Director Boling introduced Bill Withycombe, Aviation Consultant, to provide the Federal perspective on Ontario International Airport.

Mr. Withycombe indicated that Ontario Airport is a national asset and has the potential to make larger contributions than currently seen. He explained that most airports are constrained in some way, but Ontario has large amounts of vacant land and abandoned facilities. He indicated that Ontario has longer runways than LAX. He also noted that its current capacity is over 10 million passengers, and estimated the airport's ultimate capacity at 31 million passengers. He detailed the terminal and hangar space and stressed that there is plenty of room for expansion as well as the ability to operate 24-7. He stressed the vital role of the airport and indicated that it is a key medium-sized airport in the aviation system. He addressed the Federal dollars that have been spent on the airport and clarified that it can be transferred, not sold; and that it must continue to be used as an airport. He commented that Ontario has made an offer to make LAX whole upon transfer and indicated that this would be consistent with past transfers of airports. He clarified FAA's role in the transfer including assurance that OIAA is capable and ready to fulfill its responsibilities to operate the airport in the best interests of the local communities, the Southern California region and the National Airspace System, and meet the demand for air travel well into the twenty-first century.

President Wapner noted that he had attended past FAA presentations and commented on how much importance they put on airports like Ontario. He noted emergency situations in recent days where flights were diverted from LAX and directed to land at Ontario. He commented that Ontario is also a repatriation airport for the United States. He stressed that Ontario serves an important national role and if it were to fail and close, it would impact the aviation system nationwide.

Mr. Withycombe indicated that Ontario is viewed as a medium hub airport, and the FAA wants to assure that this type of airport remains open and functional. He reiterated that Ontario Airport plays a very vital role in the airport system.

Commissioner Hagman indicated that he was struck by the statement that the transfer goals are “consistent with past actions.” He questioned how many past airport transfers have been successful. Mr. Withycombe indicated that he could not give an exact answer. The FAA is concerned with the privatization of airports and according to Whithycombe, that does not serve the public well. Commissioner Hagman questioned L.A.’s investment into the airport. Mr. Hazel indicated that all prior airport transfers have been on the basis of cost reimbursement only, not as a sale.

COMMISSIONER MATTERS

There were no Commissioner comments.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 11:18 a.m.

Respectfully submitted:

VICKI KASAD, MMC, ASSISTANT SECRETARY

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY