



JOHN WAYNE
AIRPORT
ORANGE COUNTY

2019

ANNUAL
REPORT



Welcome

TO

ORANGE COUNTY

WELCOME TO OUR 2019 ANNUAL REPORT



JOHN WAYNE AIRPORT HAS BEEN A MAJOR CORNERSTONE OF ORANGE COUNTY FOR NEARLY 100 YEARS, AND AS SUCH, WE RECOGNIZE OUR RESPONSIBILITY TO THE COMMUNITY WE SERVE.

There's no question that we strive every day to deliver a superior guest experience, with a wide variety of services, free high-speed Wi-Fi, and gate delivered meals, among many others. In addition, we are equally as committed to being a good neighbor, which shows in several ways.

First, in **business** - We provide more than 33,000 jobs to local workers and bring billions of dollars to the local economy; and we proudly feature Orange County concessions to embrace local flavors and strengthen local business.

We also focus our efforts on providing a more eco-friendly **environment**—implementing a new, user-friendly noise information system and joining voluntary emission reduction programs. Our new jet fuel tanks and pipeline eliminate the delivery of 300,000 gallons of fuel by 38 tanker trucks daily, which improves air quality and highway safety. We invest in zero emissions vehicles, divert 71 tons of food waste from landfills, donate 11 tons of food to local food pantries, and recycle 92% of paper, metal, plastics and glass.

Finally, developing and nurturing meaningful relationships with the community through partnerships connects our business values with our **social responsibility**. We partner with Make-A-Wish Foundation to raise thousands of miles towards granting air travel wishes; and with the annual Hoag Classic as the Official Airport, supporting Hoag Memorial Hospital Presbyterian and other charitable organizations working to improve the community. We also help welcome wounded veterans with Operation Surf and we provide assistance to travelers with special needs through our Helping Hands program.

I hope you will take a few minutes to experience our annual report and discover the many ways John Wayne Airport is committed to our guests and to our Orange County community. Enjoy.

Barry A. Rondinella, A.A.E./C.A.E.
Airport Director

BEING A GOOD NEIGHBOR

Strengthening Community Ties

John Wayne Airport takes pride in sharing unique experiences with our Orange County neighbors and supporting the community we have been a part of for nearly 100 years. Whether helping to make wishes come true for children or adhering to strict regulations in consideration of local residents, we go the extra mile to be a good neighbor.



*Award
Winning*

PERSONALIZED TRAVEL ASSISTANCE

Our Helping Hands personalized travel assistance program provided assistance to 74 families/individuals with special needs or hidden disabilities, such as Autism. The program helps guide travelers through the arrival, check-in, security and boarding process. It won a California Association of Public Information Officials (CAPIO) award for Excellence in Public Information and Communications.



JWA PROMOTED THE
MAKE-A-WISH "TRIPS
THAT TRANSFORM"
CAMPAIGN, WHICH
INCREASED THE
CUMULATIVE
DONATION OF
AIRLINE MILES BY

412%

Golfing FOR A GREAT CAUSE

We partnered with Hoag Charity Sports for the inaugural 2019 Hoag Classic Golf Tournament at the Newport Beach County Club. The event helped raise funds for local charities while bringing travel and tourism dollars into the local economy. It was such a success, we are teeing off for another round!



FIRST "WISH LOUNGE" FOR CHILDREN

Through a partnership with Make-A-Wish® Orange County and Inland Empire, we debuted the first-ever North American airport children's "Wish Lounge." This children's play area—open to all children traveling through John Wayne Airport—offers child-sized tables and chairs where kids can enjoy coloring activities, reading books, playing games and taking photos with a giant teddy bear.

CHILDREN'S TRAVEL WISHES, COMING TRUE

Throughout the month of August, JWA promoted the Make-A Wish "Trips That Transform" campaign, which increased the cumulative donation of airline miles by 412%. These donated miles enable children battling critical illnesses to have their travel wishes granted.

INNOVATIVE

NOISE EVENT REPORTING



In 2019, we launched Viewpoint, a new user-friendly platform for submitting noise events that is fully integrated with the Airport Noise and Operations Management System.

Web-Based NOISE TRACKING



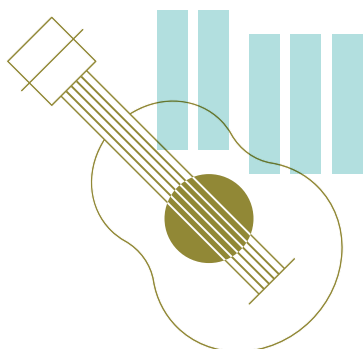
We also implemented Detailed Noise Event Reports, a system that enables community members to view correlated arrival and departure flight/noise data on a monthly basis for each of Orange County's 10 noise monitoring stations via the Airport's website.

LEARN Life-Saving Skills

Our three CPR kiosks lead the country in Hands-Only CPR Training, with more than 35,000 passengers in 2019 taking advantage of the life-saving training opportunity.

MUSIC WHILE YOU WAIT

We hosted 223 JWAlive music performances in the Thomas F. Riley Terminal. Ticketed guests enjoyed live acoustic guitar and piano performances, creating a more relaxing environment for those waiting for flights.



A SPONTANEOUS SOUND STAGE

We launched the Play Me Piano! program, which enhances the guest experience by providing a stage for spontaneous live music in the Thomas F. Riley Terminal. Airport guests are invited to sit down and share their talent on the Avant Grand piano located post security on the upper level between Terminals A and B, or simply enjoy the musical talent of others.



What's Ahead IN 2020?

NOISE EDUCATION FOR THE COMMUNITY

We'll collaborate with the City of Newport Beach on JWA access and noise informational videos for the general public and aviation community.

A NEW WEBSITE

We'll redesign the JWA web site (www.ocair.com) to add new features and be more user-friendly.

"IT'S COOL TO FLY AMERICAN"

In partnership with American Airlines, we will co-host a mock travel experience for kids with special needs, such as Autism, enabling them to go through nearly every aspect of air travel without actually taking off.

A Welcoming NEW POLICY

OC AirPASS
Coming soon, we plan to welcome non-ticketed guests to come through security to watch airplanes, enjoy live entertainment, eat at our restaurants, shop, and greet arriving loved ones at the gates.



OUR SPECIALTY:

LOCAL FLIGHTS & LOCAL FLAVORS



Every day, we offer access to a wide variety of services, newly expanded retail and dining options, art exhibits, and our most popular amenity-free, high-speed Wi-Fi—making it easy for guests to relax, recharge and stay connected to pass the time with ease. We also take special care to support the local businesses and concessions that make our community special. That includes bringing Orange County’s “local flavors” to our Terminal concessions—celebrating the tasty diversity our county has to offer.

Going Local 2019

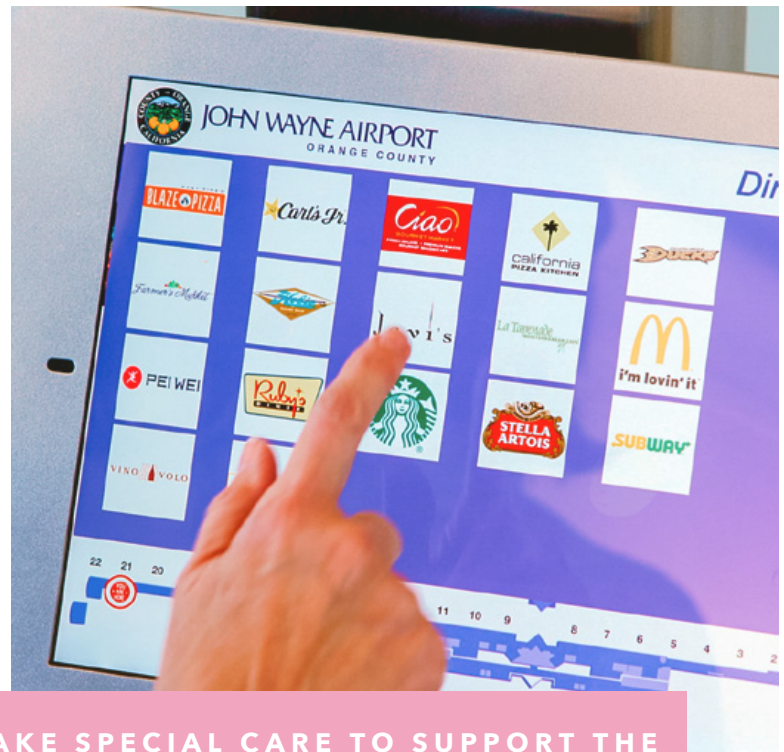
New concessions
arriving soon!

In 2019, we updated our concessions offering with additional concepts/services and more local OC retail stores and restaurants. The new concessions are scheduled to arrive in 2020.



A VIRTUAL "TOUR GUIDE"

We implemented new interactive digital wayfinding signage that helps guests easily locate gates, restaurants, stores and conveniences in the Thomas F. Riley Terminal— everything from sunglasses to water refill stations. Guests can view menus, locate vegan-friendly options and more, thanks to easy-to-use touchscreens that make traveling through John Wayne Airport even more convenient.



WE TAKE SPECIAL CARE TO SUPPORT THE LOCAL BUSINESSES AND CONCESSIONS THAT MAKE OUR COMMUNITY SPECIAL.

Meal Ordering ON-THE-GO



JWA PRIME

Busy travelers can now pre-order meals or snacks online.

Guests can easily place orders directly from their phones, computers or iPads for pickup and delivery to gates, with menus available from California Pizza Kitchen, Anaheim Ducks Breakaway Bar & Grill, Hobie Sand Bar, Ruby's Diner and several others.





What's Ahead IN 2020?

HEIGHTENED HYDRATION

We will more than double the number of water bottle refilling stations throughout the Terminals—allowing water bottles of virtually any size to be refilled with fresh, cold, filtered water at no charge.

MORE POWER OUTLETS

Enhanced accessibility, availability and visibility of electrical outlet power associated with Terminal seating.

MORE PASSENGER SEATING NEAR GATE 14

We plan to convert space previously occupied by a retail concession into a passenger seating area for passengers flying out of Gate 14.

RELAX
—
RECHARGE
—
STAY
CONNECTED

.....

Thinking SUSTAINABLY

At John Wayne Airport, we're not only committed to taking care of guests, but also protecting our planet. From our forthcoming zero emissions vehicles to our new fuel-efficient aircraft and energy-efficient lighting, we're proud to be an industry leader in environmental best practices—with example after example of our commitment to sustainability.



JWA RECEIVED
A \$2.1M GRANT
FROM THE FAA

\$2.1M

as part of our multi-year Zero Emissions Vehicle and Infrastructure Pilot Program, designed to replace compressed natural gas powered vehicles with electric counterparts, which reduce pollution.



QUIETER, MORE FUEL-EFFICIENT AIRCRAFT

Beginning October 2019, Delta Air Lines began flying the fuel-efficient, quieter Airbus A220-100 aircraft on its five daily nonstop flights between John Wayne Airport and Salt Lake City. The combination of increased fuel-efficiency, a quieter engine and a higher climb rate, achieving higher altitudes more quickly, is good news for JWA and Orange County residents.

NEW JET FUEL TANKS AND PIPELINE

We built a jet fuel pipeline and two 1.5-million gallon commercial jet fuel tanks. We now receive fuel once per week through an underground pipeline, which is transferred to the aircraft through the existing on-airport distribution system. The new process eliminates the over-the-road delivery of 300,000 gallons by 38 tanker trucks daily, which improves air quality and safety near the Airport.



"WE DIVERTED MORE THAN 90% OF OUR WASTE AND DONATED MORE THAN 8 TONS OF FOOD TO LOCAL FOOD BANKS."



WORKING TOWARD

Fewer Emissions



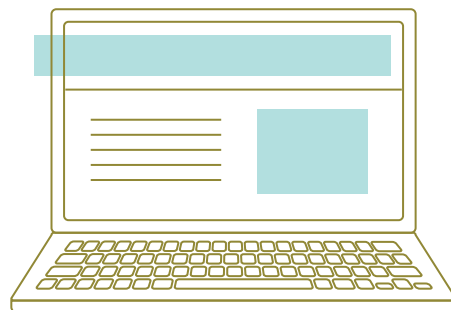
In 2019, the Orange County Board of Supervisors signed a Memorandum of Understanding with the South Coast Air Quality Management District (SCAQMD). We partnered with the SCAQMD on a voluntary emission reduction program as part of the regional Air Quality Management Plan.

WASTE DIVERSION

We diverted more than 90 percent of our waste, including recycling of construction demolition debris and paper and toner cartridges, turning cooking oil and grease into biofuel, donating more than 8 tons of surplus food to local food banks, composting more than 70 tons of food waste, and segregating waste in our Terminals for recycling.

SAVING TREES THROUGH PAPER REDUCTION

We eliminated a significant number of printed reports required by current operating agreements and other tenant lease agreements accessible through electronic means, thereby reducing handling, processing, and storage costs.



BETTER RISK MANAGEMENT AND SAFETY COMPLIANCE

In collaboration with CEO Risk Management and OC Information Technology, we implemented an innovative recordkeeping system to manage risk and safety compliance. The new electronic system, OC Safety, enables the Airport to better track employee safety training, keep consistent and efficient safety records, and make faster determinations of compliance status.



What's Ahead IN 2020?

MANAGING ENERGY

We'll upgrade the Central Utility Plant (CUP) capability to automatically re-start the generators and resume power after a planned or unplanned power disruption or outage. In addition, we'll use an Edison Self Generation Incentive Program (SGIP) to augment the CUP with solar power and electric power storage batteries to avoid spikes in energy demands.

WATER POWER

We will install new water conservation technology at the CUP that reduces water usage. Water used to cool the machinery is the largest source of water use at the Airport. The new system removes the minerals, extending the use of the water and saving approximately two million gallons a year.

MORE ENERGY-EFFICIENT LIGHTS

By replacing the lower roadway lighting with bulbs or units that are brighter, whiter and more energy and cost-efficient, we'll use less energy than traditional lights, extend their useful life, and save money.

Liquid COLLECTION STATIONS

We will implement liquid waste collection stations at all security check-points. A successful three-month pilot study collected more than eight tons of liquid, improving the quality of recyclables and reducing weight of trash, and in conjunction with our filtered water refill stations, cuts down on water bottle waste.



ENSURING SAFETY: OUR TOP PRIORITY

With safe and convenient parking, ongoing Airport emergency drills and a secure and efficient screening process, John Wayne Airport ensures the safety and security that every traveler expects. We take great care to ensure your travel security, with as little disruption as possible.



40+

FIRST RESPONDERS TRAINED

We provided seven sessions of Emergency Operations Center Responder Training to more than 40 JWA, Orange County Sheriff's Department, Airport Police Services and Orange County Fire Authority responders.





“WE TAKE GREAT CARE TO ENHANCE THE OVERALL SECURITY AND SAFETY OF OUR AIRPORT.”



EMERGENCY EXERCISES

In March, we held our annual Airport Emergency Plan (AEP) review and Communicable Disease exercise to meet Federal Aviation Regulation requirements and to ensure Airport personnel were trained and familiar with their assignments.

SUCCESSFUL TRAINING FOR DRONE RESPONSE

In partnership with the Orange County Fire Authority, Orange County Sheriff’s Department, Orange County Intelligence Assessment Center, Joint Terrorism Task Force, Transportation Security Administration and local Federal Bureau of Investigation, we developed a scenario and successful training module which covered response to an aircraft striking an Unmanned Aerial Vehicle (UAV) “drone” at JWA.



MORE *Drills*



In June, we hosted Unified Incident Command Post (ICP) drill scenarios that included an Unmanned Aerial Vehicle (UAV) "drone" strike by a commercial service aircraft on Airport property, and managing Airport operations during a long-term power outage.

EVACUATION *Training*



We restructured and completed initial/recurrent training for all members of the Airport Evacuation Team. Through multiple training sessions, we ensured that Airport personnel were prepared for an evacuation, while reviewing evacuation procedures and basic first aid.

GREAT CALIFORNIA SHAKEOUT

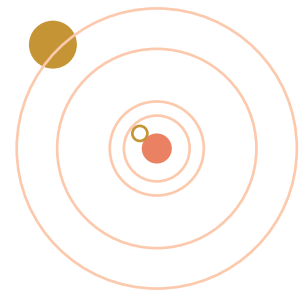


We participated in the 12th Annual Great California Shakeout Earthquake Drill, which gave us the chance to test the restructured evacuation team deployment model and response plans for the Airport Administration and Maintenance buildings.



IMPROVED LIGHTING, MORE SECURITY CAMERAS

We replaced aging light poles with new ones throughout JWA's landside roadway system; and provided lighting in the Airside Operations Area within the stairwells of aircraft gates, as well as security cameras within the commercial aircraft ramp.





RENTAL CAR EXPANSION

New leases will allow for expansion of operations, making the process safer, while providing a superior guest experience to travelers.

TAXIWAY B REHABILITATION

Over the course of several months, we replaced more than 4,300 feet of pavement on Taxiway B. The new yellow markings also create higher visibility, which are essential to safe aircraft operations.



Safer Staging Area FOR TAXIS

We completed the Terminal C taxi staging area, which provides a vehicle turnout in front of Terminal C on the lower roadway for safer and more convenient taxi/shuttle pickup.

SMARTER, SAFER RIDE PICKUPS

We created new signage and shelters for passengers using ride apps (Lyft, Uber and Wingz) to improve safety, relieve congestion and streamline the pickup process.



What's Ahead **IN 2020?**

A FULL-SCALE TRIENNIAL DISASTER EXERCISE

The exercise, held every three years, will simulate response to a commercial aircraft accident. Approximately 500 people will participate, including first responder agencies and simulated victim volunteers.

RENOVATION TO IMPROVE OVERALL EMERGENCY RESPONSE

We'll renovate the current Sheriff's Communication Center and adjacent Operations, Maintenance, and Public Affairs offices in the Terminal's administrative offices. This will enhance the overall security, safety, and emergency response function.

NETWORK UPGRADE

Starting in early 2020, we'll upgrade all JWA network components—a project that will provide better reliability, security, and performance enhancements to Airport systems.

STRENGTHENING OUR LOCAL ECONOMY

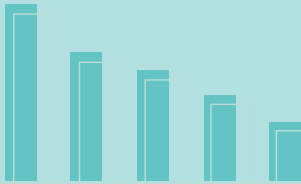
Year after year, John Wayne Airport's financial stability continues to impress analysts, the Orange County Board of Supervisors and other public stakeholders. Our conservative financial policies—plus strong reserves and bond ratings—demonstrate our commitment to maintaining first-class fiscal responsibility and solid stewardship.



IN 2019,
JOHN WAYNE AIRPORT
CONTINUED TO
MAINTAIN OUR
EXCELLENT
CREDIT RATING

CASH FLOW SAVINGS

We successfully refunded the Series 2009 Airport Revenue Bonds by partial pay-down of 2009 Bonds, reducing the bond issuance of the Series 2019 Airport Refunding Bonds to \$85 million. The refund resulted in producing cash flow savings of \$81.5 million, approximately \$38.1 million in net present value savings, and shortened the final bond maturity from 2039 to 2030.



STRATEGIC DECISION-MAKING

By executing a thoughtful strategic planning process, we enabled our executive team to identify strategic objectives and prioritized goals, which serve as decision-making guideposts.



Tapping Into Talent

Identifying talent needs is an important aspect of running an efficient airport. This year, we improved the process of evaluating talent needs Airport-wide through executive team discussions, crafting a position evaluation review document, and creating a position matrix for transparent executive team review and evaluation.



What's Ahead **IN 2020?**

NEW FIXED BASE OPERATORS

We will submit for Board consideration two full-service and one limited-service Fixed Base Operators to redevelop the General Aviation Improvement Program at JWA in 2020.

LEASE REVENUE AUDITS

The Airport will complete four revenue lease audits to ensure gross receipts are complete and fees are properly paid as defined by the lease agreements.

OPPORTUNITIES FOR EXPERIENCE

We will research and draft a unique Airport internship program, to expand knowledge transfer to the next generation of leaders.

A NEW DECADE OF ENHANCEMENTS

**NO MATTER HOW MANY
IMPROVEMENTS WE MAKE, OUR
COMMITMENT TO OUR GUESTS AND
OUR COMMUNITY NEVER ENDS.**

That's why we're always looking at new ways to improve our service—both to our guests and our neighbors.

As we advance into a new decade, you can trust that John Wayne Airport will continue to be your best travel choice for Orange County. We'll demonstrate even more ways to be a good neighbor, while we keep air travel safe, choose eco-friendly technologies, and demonstrate fiscal responsibility in all we do.

Your travel comfort, convenience, safety and security will always be our priority.