



ORANGE COUNTY AIRPORT COMMISSION
AIRPORT COMMISSION HEARING ROOM
3160 AIRWAY AVENUE
COSTA MESA, CA 92626

JOHN WAYNE
AIRPORT
ORANGE COUNTY

**MINUTES OF REGULAR MEETING
JULY 17, 2024
5:00 PM**

COMMISSIONERS PRESENT: Brendan O'Reilly, Chair, Fourth District
P. Alberto Sandoval, Commissioner, First District
Sal Tinajero, Vice Chair, Second District
Bruce Junor, Commissioner, Third District
Susan Dvorak, Commissioner, Fifth District

COMMISSIONERS ABSENT:

AIRPORT STAFF PRESENT: Charlene Reynolds, Airport Director
Christine Nguyen, Deputy County Counsel
Eric Freed, Deputy Airport Director, Public Affairs
Nick Gaskins, Access and Noise Manager, Public Affairs
Amy Goethals, Deputy Airport Director, Commercial & Revenue
Evanna Barbic, Real Estate Manager, Commercial & Revenue
Jessica Dixon, Real Property Agent III, Commercial & Revenue
Antonio Vega, Real Property Agent III, Commercial & Revenue
Amer Moujtahed, Deputy Airport Director, Maintenance
Tyler Polidori, Programming Manager, Maintenance
Polymeris Koliagis, Project Management, Maintenance
Innessa Zvulun, Airport Technical Associate, Commercial & Revenue
Elizabeth Gallegos, ASR Manager

CALL TO ORDER: Chair O'Reilly called the meeting to order at 5:07 PM

PLEDGE OF ALLEGIANCE: Commissioner Tinajero led the assembly in the Pledge of Allegiance

1. **APPROVAL OF MINUTES:** On Commissioner Dvorak's motion and Commissioner Sandoval's second, the Regular Meeting Minutes of June 19, 2024, were approved as amended by a unanimous vote.
2. **JOHN WAYNE AIRPORT CAPACITY ALLOCATIONS FOR 2025 PLAN YEAR (ASR 24-000492)**
Recommended Action: Director to allocate Class A and Class E Average Daily Departures and Seat Capacity to Qualified Commercial Passenger and Commercial Cargo Air Carriers and Passenger Capacity to Qualified Commuter Passenger Air Carriers for the 2025 Plan Year (January 1, 2025, through December 31, 2025), as reflected on Attachments A and B, and in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation; Authorize the Airport Director to withdraw Seat Capacity during the 2025 Plan Year if it becomes necessary to ensure compliance with the 11.8 million annual passenger limitation at John Wayne Airport, consistent with the requirements set forth in Section 6 of the Phase 2 Commercial Airline Access Plan and Regulation; Authorize the Airport Director to allocate or reallocate any additional Regular or Supplemental Average Daily Departures and any necessary associated Seat Capacity, which may become available during the 2025 Plan Year, in a manner consistent with the terms of the Phase 2 Commercial Airline Access Plan and Regulation; Authorize the Airport Director to allocate additional Supplemental Seat Capacity to Qualified Commercial Passenger Air Carriers during the 2025 Plan Year if it is determined that such allocations can be made without jeopardy to the 11.8 million annual passenger limitation of the 1985 Settlement Agreement, as amended, entered into by and between the County and the Orange County Board of Supervisors, the City of Newport Beach, Stop Polluting Our Newport, and the Airport Working Group of Orange County, Inc. and the Phase 2 Commercial Airline Access Plan and Regulation;

Authorize the Airport Director to waive Section 5.1.1 of the Phase 2 Commercial Airline Access Plan and Regulation and allocate 28 Remain Overnight positions for Commercial Air Carrier use during the 2025 Plan Year, pursuant to Section 5.1.1, as reflected in Attachment A, and provide authority to withdraw the additional Remain Overnight position for safety or operational purposes, as required; Authorize the Airport Director to allocate Passenger Capacity and Remain Overnight positions and authorize the Airport Director to allocate any additional Supplemental Passenger Capacity and Remain Overnight positions to Qualified Commuter Carriers during the 2025 Plan Year if it is determined that such allocations can be made without jeopardy to the 11.8 million annual passenger limitation; Find that the County retains and reaffirms its sole and exclusive discretion to require mandatory withdrawals of operational capacity in any form if the County determines such action to be appropriate to ensure continued compliance with the 11.8 million annual passenger limitation or for any other reason, consistent with the requirements set forth in Section 6 of the Phase 2 Commercial Airline Access Plan and Regulation.

Access and Noise Manager Nick Gaskins discussed the Recommended Action and presented an overview of Item #2 to the Airport Commission. Nick discussed the Airport's capacity constraints and recommendations for Plan Year 2025.

Nick Gaskins responded to questions from the Commission regarding emergencies where the Director could allow additional aircraft to remain overnight, the Class E Average Daily Departures (ADDs) for Spirit Airlines, whether supplemental ADDs are allocated at the same time as regular seat allocations or awarded as the year progresses, and whether supplemental ADDs are allocated on a short term basis.

Deputy County Counsel Christine Nguyen responded to a question from the Commission regarding the Airport's continued request to waive Section 5.1.1.

Airport Director Charlene Reynolds responded to a question from the Commission asking if Delux (JSX) has found another location at the Airport to conduct their business. Charlene responded to further questions from the Commission regarding an option for a new location for JSX at the Airport.

Nick Gaskins and Charlene Reynolds responded to additional questions regarding whether JSX meets the definition of a regularly scheduled commercial carrier, if JSX must go through the same TSA security measures as other carriers, the different security process JSX has for screening their passengers, if JSX were to move locations would their passenger allocation remain at 95 thousand, and if the airlines are happy with the capacity allocations for the plan year 2025.

Public Comment: Newport Beach resident Jim Mosher had questions for Airport staff regarding American Airlines Class E seat capacity and ADDs, as well as the model of aircraft that would be used, the performance of carriers operated by SkyWest, and whether a noise violation would be given to the carrier that SkyWest operates or only to SkyWest if it were to exceed noise limits. Jim Mosher also commented that the Settlement Agreement limits passengers, not seats and that anticipating seats is covered within the Access Plan. Jim Mosher requested that the Access Plan be reevaluated in a way that is consistent with the Settlement Agreement.

Nick Gaskins responded to the public comment and stated that American Airlines did qualify for Class E operations with their A321 Neo. However, due to Class E noise limitation challenges experienced in Quarter 1 of 2024, American made the decision to block seats, which would prevent full capacity departures. Nick stated that currently, and for the upcoming year, American must ensure their take-off weight is not too high to avoid exceeding the Class E noise limitations. Nick stated that in 2025, SkyWest will operate for United and Delta. Horizon is an AOG with Alaska, and that SkyWest is not flying for Horizon. If SkyWest were to incur a violation, or one of its carriers, it would still go to SkyWest and that aircraft, potentially affecting all other operations. Lastly, Nick stated that his office and Airport

management have reviewed numerous ways to fine-tune seats versus passenger allocations, but more research must be done.

The following is the action taken by the Orange County Airport Commission: On Commissioner Dvorak's motion and Vice Chair Tinajero's second, Item No. 2 was approved by a unanimous vote.

APPROVE OTHER DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: Y (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

3. APPROVE BIOMETRIC VERIFICATION SERVICES LICENSE WITH AICLEAR, LLC (ASR 24-000249)

Recommended Action: Approve and execute a Biometric Verification Services License with AIClear, LLC to provide expedited passenger security screening services effective upon Board of Supervisors approval for one year; Authorize the Airport Director or designee to make minor modifications and amendments to the license that do not materially alter the terms or financial obligations to the County and perform all activities under the terms of the license; and make CEQA findings.

Commercial & Revenue Development Real Estate Manager Evanna Barbic presented an overview of the services AIClear, LLC (Clear) would provide, the optional fee, and the anticipated revenue to the Airport.

Evanna Barbic stated that Clear ambassadors and Airport staff will be onsite to onboard this pilot program.

Public Comment: Orange County Business Council (OCBC) Government Affairs Manager George Boutros spoke to the Commission in support of Clear's Biometric Verification Services License at John Wayne Airport.

The following is the action taken by the Orange County Airport Commission: On Chair O'Reilly's motion and Commissioner Sandoval's second, Item No. 3 was approved by a unanimous vote.

APPROVE OTHER DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: Y (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

4. APPROVE AMENDMENTS FOR ON-AIRPORT RENTAL CAR CONCESSIONS (ASR 24-000529)

Recommended Action: Approve and execute Amendment Number 5 to the On-Airport Rental Car Concession Lease with Avis Budget Car Rental, LLC, dba Budget, effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 8 to the On-Airport Rental Car Concession Lease with Avis Budget Car Rental, LLC, dba Avis, effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 5 to the On-Airport Rental Car Concession Lease with The Hertz Corporation d/b/a Hertz, effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 3 to the On-Airport Rental Car Concession Lease with Enterprise Rent-A-Car Company of Los Angeles, LLC, d/b/a Alamo Rent A Car, effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 3 to the On-Airport Rental Car Concession Lease with Enterprise Rent-A-Car Company of Los Angeles, LLC d/b/a National Car Rental, effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 5 to the On-Airport Rental Car Concession Lease with The Hertz Corporation d/b/a Dollar Rent A Car effective September 1, 2024, through November 30, 2031; Approve and execute Amendment Number 3 to the On-Airport Rental Car Concession Lease with Enterprise Rent-A-Car Company of Los Angeles, LLC d/b/a Enterprise Rent-A-Car, effective September 1, 2024,

through November 30, 2031; Approve and execute Amendment Number 3 to the On-Airport Rental Car Concession Lease with The Hertz Corporation d/b/a Thrifty effective September 1, 2024, through November 30, 2031; Authorize the Airport Director or designee to make minor modifications to the Lease Agreements and additional rental fees for the unassigned areas in the Level Zero Garage with On-Airport Rental Car Concessions.

Commercial & Revenue Development Real Estate Manager Evanna Barbic presented an overview of the Rental Car Amendments with eight existing operators at John Wayne Airport.

Public Comments:

- Avis Budget Group Western US Properties Director Aaron Schwarzkopf expressed his support on behalf of Avis Budget Group and thanked Evanna Barbic and Amy Goethals for their hard work and collaboration on the lease amendments. Aaron Schwarzkopf stated that the result was far from ideal, but throughout the process, the Airport made it clear that they were listening to them, so for that reason, they support the approval.
- Enterprise Rent A Car Los Angeles VP of Finance Thomas Klingler thanked Airport Director Reynolds and her staff for listening to the rental car industry's concerns and working with them as a group of concessionaires to resolve these issues going forward. Thomas Klingler expressed support for the lease amendments and their partnership with the Airport.

Commissioners Junor, Dvorak, and Chair O'Reilly commended Amy Goethals, Evanna Barbic, and the Commercial Revenue & Development team for working on a better rental car facility, thanked staff for the tour that was provided to the Commission, and for their hard work on the RAC amendments.

The following is the action taken by the Orange County Airport Commission: On Vice Chair Tinajero's motion and Commissioner Junor's second, Item No. 4 was approved by a unanimous vote.

APPROVE OTHER DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: Y (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

5. **AWARD ON-AIRPORT RENTAL CAR CONCESSION LEASE WITH SIXT RENT A CAR, LLC (ASR 24-000527)** Recommended Action: Award and execute an On-Airport Rental Car Concession Lease with Sixt Rent A Car, LLC for a term effective September 1, 2024, through November 30, 2031; Authorize the Airport Director or designee to make minor modifications and amendments to the Lease that do not materially alter the terms or financial obligations to the County and perform all activities under the lease terms; and make CEQA findings.

Commercial & Revenue Development Real Estate Manager Evanna Barbic presented an overview of the new lease agreement with Sixt Rent A Car. Evanna discussed the term, location, the three components of rent, and the capital improvements for Level 0.

Evanna Barbic answered a question regarding how Sixt's capital improvement share was determined.

Public Comments:

- Enterprise Rent A Car Los Angeles VP of Finance Thomas Klingler expressed concern over the Airport selecting Sixt Rent A Car without a competitive bid, which he stated all other onsite providers were required to do so to operate at Orange County Airport. He stated that Enterprise believes a competitive bid would serve the Airport best but commended Airport Director Reynolds and her staff for being capable professionals, giving their concerns attention, and

providing willingness to consider changes, including leasing some of the additional garage space to the existing operators to serve their customers better.

- Sixt Rent A Car Area Director Mikaela Azuaga thanked the Airport Commission for the opportunity to speak with them and shared her excitement about working with John Wayne Airport.

Commissioner Sandoval thanked Evanna Barbic and the Commercial Revenue & Development team for providing the Commission with a tour of the rental car area.

The following is the action taken by the Orange County Airport Commission: On Commissioner Sandoval's motion and Commissioner Junor's second, Item No. 5 was approved by a unanimous vote.

APPROVE OTHER DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: Y (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

6. APPROVE RENEWAL TO CONTRACT FOR AIRSIDE SURFACE MAINTENANCE (ASR 24-000596)

Recommended Action: Authorize the County Procurement Officer or Deputized designee to execute Amendment Two to renew the contract for Airside Surface Maintenance with WGJ Enterprises, Inc., dba PCI, effective September 1, 2024, through August 31, 2026, in an amount not to exceed \$2,800,000, for a new cumulative total amount not to exceed \$7,000,000.

Maintenance Programming Manager Tyler Polidori discussed the Recommended Action and services provided in the Contract.

Tyler Polidori responded to questions regarding the rubber removal process and the frequency of service.

The following is the action taken by the Orange County Airport Commission: On Commissioner Junor's motion and Vice Chair Tinajero's second, Item No. 6 was approved by a unanimous vote.

APPROVE OTHER DENIED

Unanimous (1) Sandoval: Y (2) Tinajero: Y (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y
Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

7. SUMMARY OF RELEVANT ACTIONS BY THE BOARD OF SUPERVISORS (Board)

Airport Director Charlene Reynolds stated that the Board Approved as Recommended, the Contracts for the Extension of Concession Consulting Services and the Renewal for Plumbing, Repairs, and Alterations on June 25, 2024.

8. ADDITIONAL BUSINESS

- A. PUBLIC COMMENTS – Newport Beach resident Jim Mosher spoke to the Commission regarding the Airport's record retention policy approved by the Board of Supervisors in 2020. He expressed concern over the length of time the Airport is required to retain documents, primarily meeting Minutes and noise history data such as noise violations, quarterly Noise Abatement Reports, and ANOMS data. He urged the Commission to review the policy to determine whether they are proper standards.

Airport Director Charlene Reynolds responded to the public comment and stated that the Board had made the decision prior to her arrival but that most governmental agencies have some standardized record retention policy for several viable reasons. Deputy County Counsel Christine Nguyen added that the FAA only requires records to be retained for three years.

- B. AIRPORT DIRECTOR COMMENTS – Airport Director Charlene Reynolds informed the Commission that US Representative Katie Porter presented the Airport with a ceremonial check for \$3.8 million, which represented entitlement funds the Airport received from the FAA and will be used to cover some of the costs for the replacement of one escalator. Charlene also announced that the airport is in the process of putting together its grant application for the competitive Bipartisan Infrastructure Law (BIL) Airport Terminal Program grant and plans to aggressively pursue all other grant opportunities.
- C. AIRPORT COMMISSION COMMENTS – Commissioner Junor requested an update for the general aviation improvement program (GAIP) from staff.

Airport Director Charlene Reynolds responded to Commissioner Junor's comment and stated that Airport staff provided a GAIP update to the Commission a few months ago and will continue to provide updates as the projects progress. Charlene shared that Clay Lacy has a groundbreaking ceremony tentatively scheduled for September.

9. ADJOURNMENT OF PUBLIC MEETING The meeting adjourned at 6:32 PM.