



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

**MINUTES OF REGULAR MEETING
JUNE 4, 2025
5:00 PM**

COMMISSIONERS PRESENT: Susan Dvorak, Vice Chair, Fifth District
Kevin Elliott, Commissioner, First District
Bruce Junor, Commissioner, Third District
Brendan O'Reilly, Commissioner, Fourth District

COMMISSIONERS ABSENT: Sal Tinajero, Chair, Second District

AIRPORT STAFF PRESENT: Charlene Reynolds, Airport Director
Komal Kumar, Assistant Director
Mark Sanchez, Deputy County Counsel
Christine Nguyen, Deputy County Counsel
Evanna Barbic, Senior Real Estate Manager, Commercial & Revenue
Antonio Vega, Real Property Agent, Commercial & Revenue
Hector Gomez, Fiscal Deputy Director
Elizabeth Gallegos, ASR Manager

CALL TO ORDER: Vice Chair Dvorak called the meeting to order at 5:00 PM

PLEDGE OF ALLEGIANCE: Commissioner O'Reilly led the assembly in the Pledge of Allegiance

1. **APPROVAL OF MINUTES:** On Commissioner Junor's motion and Commissioner Elliott's second, the Regular Meeting Minutes of May 7, 2025, were approved by a unanimous vote.

2. **APPROVE BIOMETRIC VERIFICATION SERVICES LICENSE WITH AICLEAR, LLC (ASR 25-000440)**

Recommended Action: Approve and execute a Biometric Verification Services License with AIClear, LLC (Clear) to provide expedited passenger security screening services effective upon Board of Supervisors approval for one year, and authorize the Airport Director to renew the term of this License for two additional two-year terms; 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.

Senior Real Estate Manager Evanna Barbic presented Item #2 to the Airport Commission, providing an overview of the Agenda Staff Report. Her presentation included the recommended action, the proposed contract term, and the estimated revenue. She summarized the scope of services, presented a map of Terminal B showing the location of Clear's checkpoint, and reviewed the benefits of Clear's services.

In response to Commission questions, Evanna stated that the cost for an individual to join Clear is \$199 per year. She noted this would be the first time Clear services would be offered at John Wayne Airport (JWA). Commissioner Junor invited audience members to share their experience with Clear; one attendee responded positively.

When asked about the solicitation process, Evanna explained that Clear had approached JWA directly. She noted that the proposal would still be brought before the Board of Supervisors for approval, requiring a four-fifths vote. Airport Director Charlene Reynolds further clarified that Clear is the only provider of this type of service, qualifying it as a sole-source provider and exempting the Airport from a

formal procurement process. She also stated that Clear has been vetted by the Transportation Security Administration (TSA).

In response to a question about whether Clear members would use the employee entrance, Evanna clarified that members would access the secure area via the same employee lane used by staff and exclusively utilize Clear's dedicated kiosks.

When asked whether Board of Supervisors approval would be required to expand Clear's services beyond Terminal B, Evanna explained that, based on the outcome of the one-year pilot program, the airport may expand the service to other terminals without returning to the Board for approval.

Director Reynolds addressed whether the Airport would return to the Commission following the pilot program. She explained that, under the terms of the agreement, the Airport is not required to return to the Commission or the Board to exercise the option to renew the License for two additional two-year terms. However, she offered to provide the Commission with a one-year update.

Director Reynolds clarified and offered an example in response to a question about the term "minor modifications" in Recommended Action #2, such as needing an additional kiosk.

AIClear, LLC (Clear) representative George Urch responded to a Commission question regarding whether data on how the service could reduce passenger wait times was available. Mr. Urch likened the service to the Toll Roads in Orange County and the 91 Express Lanes, stating that Clear expedites the airport security process by moving members through smaller, faster lanes. He noted that Clear is a popular service offered at 59 airports, including every major airport in California except John Wayne Airport and Burbank, and that Orange County has approximately 80,000 Clear members.

Mr. Urch also addressed concerns about whether the service could be perceived as a form of line-cutting for those who can afford to pay. He responded that Clear expedites only part of the process and is particularly popular among frequent flyers and business travelers.

In response to a question regarding any costs to the Airport, Evanna clarified that the license agreement is revenue-generating. She noted that the revenue terms would remain unchanged at the pilot program's conclusion. Space rental fees would also stay the same, adjusting annually in accordance with the Airport's standard rates and charges.

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

APPROVE OTHER DENIED

Unanimous (1) Elliott: Y (2) Tinajero: X (3) Junor: Y (4) O'Reilly: X (5) Dvorak: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

3. APPROVE BOND FINANCING AND RELATED DOCUMENTS FOR CLAY LACY AVIATION, INC. (ASR 25-000459)

Recommended Action: Adopt a Resolution approving the issuance of California Municipal Finance Authority to issue revenue obligations for the purpose of financing the cost of the acquisition, construction, renovation, equipping and furnishing of certain Fixed Base Operation Aviation Facilities, not to exceed \$120,000,000, for the benefit of Clay Lacy Aviation Inc.; Approve and execute Third Amendment to the Northwest Full-Service Fixed Base Operation Lease with Clay Lacy Aviation, Inc. to facilitate the financing of the improvement project effective upon Board of Supervisors approval,

through December 31, 2055; Approve and execute the Consent to Assignment of Interest in Lease from Clay Lacy Aviation, Inc. to Clay Lacy Santa Ana, LLC; Approve and execute the Guaranty of Lease Obligations by Clay Lacy Aviation, Inc. in favor of the County of Orange; Approve and execute the Indemnification Agreement by Clay Lacy Aviation, Inc. in favor of the County of Orange.

Senior Real Estate Manager Evanna Barbic presented Item #3 to the Airport Commission, providing an overview of the recommended actions in the Agenda Staff Report. Evanna reviewed the background and summarized Clay Lacy Aviation's award of a 35-year lease, commencing January 1, 2021, for the redevelopment and improvement of its Northwest Full-Service Fixed Base Operator (FBO) leasehold. She noted that the company broke ground on the project in November 2024.

Evanna reported that the estimated redevelopment costs have more than doubled, increasing from approximately \$56 million to \$120 million. To support financing for the project, the approval of a Resolution and the Third Amendment to the Lease will enable Clay Lacy to obtain funding through the issuance of revenue obligations by the California Municipal Finance Authority (CMFA), in an aggregate amount of \$120 million.

In support of the bond financing package being submitted to the Board of Supervisors, the following documents will also be included:

- Consent to Assignment – Transfers the Lease from Clay Lacy Aviation, Inc. to CLA Santa Ana, LLC.
- Guaranty of Lease Obligations – Provides a guarantee from Clay Lacy, Inc. to the County of Orange for the full, faithful, and timely performance of lease obligations.
- Indemnification Agreement – Offers additional protections for the County from Clay Lacy, Inc.

Additionally, Clay Lacy will reimburse the County \$210,000 for all costs associated with preparing and processing the related documents, including County staff time, attorney fees, and public hearing notice expenses.

Evanna responded to the Commission's questions regarding the increase in redevelopment costs, whether the County's prevailing wage requirement needed to be followed, and whether prevailing wage was part of the increased costs. Evanna stated that partial reasons include inflation, the COVID-19 pandemic, delays in approval of the Airport Layout Plan (ALP), and the cost of goods and labor, all contributing to increased costs. Evanna also stated that there are prevailing wage requirements within the FBO leases, which state that although this is not a public project and is publicly funded, the project still must abide by the prevailing wage rates as if it were a County project.

Commissioner Elliott asked Clay Lacy staff who were present if it was standard for private development to be required to utilize prevailing wages in airport development. Clay Lacy Chief Financial Officer Brad Wright stated that it is on a case-by-case basis, and in standard construction, the prevailing wage requirement is not found. However, it is not uncommon when dealing with public works or public projects. Airport Director Charlene Reynolds added that the facilities revert to the Airport and therefore, it is a County facility, which is why prevailing wage is required. Additionally, Commissioner Elliott asked if it would revert back to the Airport at the end of the 35-year lease term, to which Brad Wright stated that upon completion of construction of the facility, the entire project reverts back to the ownership of John Wayne Airport (JWA).

Evanna responded to additional questions from the Commission regarding when the lease term began, stating the Lease started January 1, 2021, and ends December 31, 2055. The reason for the Consent to Assignment of Interest in Lease from Clay Lacy Aviation, Inc. to Clay Lacy Santa Ana, LLC, and stated

that Clay Lacy Aviation, Inc. will be the parent company and the assignee with no other changes will be Clay Lacy Santa Ana, LLC and must comply with all obligations and responsibilities of the Lease.

Commissioner Dvorak asked whether the proposed financing would be tied to other Clay Lacy projects or properties. Deputy County Counsel Mark Sanchez responded that it would not.

Commissioner Dvorak inquired whether transferring Clay Lacy's lease obligations to another entity during the lease term would require County approval and whether Clay Lacy would remain responsible for fulfilling the lease terms. Evanna Barbic confirmed this, noting that JWA leases include an assignment clause that requires County Airport approval for any such transfer.

Commissioner Dvorak also asked whether, in the event that Clay Lacy is unable to meet its financial obligations, the financial agreement is strictly between Clay Lacy and CMFA and does not involve the County of Orange. Mark Sanchez confirmed that this is correct.

Additionally, Commissioner Dvorak asked whether it was originally anticipated that the County would own the improvement project upon its completion or if this represents a change. Airport Director Charlene Reynolds responded that this type of financing was not contemplated during the original RFP process.

Commissioner Elliott asked Clay Lacy representatives about the implications of the increase in renovation costs, both positive and negative, on Clay Lacy's overall business. Clay Lacy President Scott Cutshall explained that the original proposal, submitted in 2019, was for \$56 million. Due to factors such as the COVID-19 pandemic, supply chain disruptions, increased materials and labor costs, and record inflation in 2022 and 2023, the project is now operating under a significantly different cost basis. These changes are putting upward pressure on pricing. However, he noted that demand at the airport remains strong and the improved facility would offer significantly more than what is currently available.

Commissioner Elliott also asked whether the proposed capital improvements would increase capacity. Scott Cutshall clarified that they would not, as the project must remain consistent with the Environmental Impact Report completed in 2018, which maintains the current capacity limits.

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

APPROVE OTHER DENIED

Unanimous (1) Elliott: Y (2) Tinajero: X (3) Junor: Y (4) O'Reilly: Y (5) Dvorak: Y

Vote Key: Y=Yes; N=No; A=Abstain; X=Excused

- 4. SUMMARY OF RELEVANT ACTIONS BY THE BOARD OF SUPERVISORS (Board)** Airport Director Charlene Reynolds reported that since the last Airport Commission Meeting, the Board approved various items which included the Extension of Contract for the Common-Use Passenger Processing System (CUPPS), the approval of a Job Order Contract for Pavement Maintenance and Repair Services, the approval of a Peer-to-Peer Vehicle Sharing License with Turo Inc., the approval of Amendment Three for Facility Security Systems, Equipment, and Software, and the approval of a Contract for Landscape Maintenance Services.

5. ADDITIONAL BUSINESS

- A. PUBLIC COMMENTS – None
- B. AIRPORT DIRECTOR COMMENTS – Airport Director Charlene Reynolds recognized and commended airport staff for their efforts in securing the Clay Lacy Bond financing. She noted that the process required extensive work and expressed her appreciation for the team's contribution.
- C. AIRPORT COMMISSION COMMENTS – Commissioner O'Reilly reported on the success of Fullerton Airport's Airport Day, held on May 31, which drew approximately 4,000 attendees from the community. Vice Chair Dvorak noted that she attended the event the previous year and encouraged continued participation in future Airport Day events.

6. ADJOURNMENT OF PUBLIC MEETING The meeting adjourned at 5:38 PM.