



AGENDA STAFF REPORT

Control: 26001588

MEETING DATE: 08/25/2026

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): District 5

SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport

DEPARTMENT CONTACT PERSON(S): Charlene Reynolds, 949-252-5183
Evanna Barbic, 949-252-5232

SUBJECT: Approve Second Amendment to Biometric Verification Services License

CEO CONCUR

Concur

COUNTY COUNSEL REVIEW

Approve agreement to form

CLERK OF THE BOARD

CONSENT CALENDAR

3 Votes Board Majority

Budgeted: Yes

Current Year Cost: N/A

Annual Cost: N/A

Staffing Impact: No

Sole Source: No

Current Fiscal Year

Funding Source: N/A

County Audit in Last 3

Revenue: See Financial

years: No

Impact Section

Levine Act Review

Completed? Yes

Prior Board Action: 6/24/2025 #55

RECOMMENDED ACTION(S):

Approve and execute the Second Amendment to Biometric Verification Services License with Alclear, LLC, effective September 1, 2026, to extend the License term through September 23, 2028.

SUMMARY:

Approval of the Second Amendment to Biometric Verification Services License with Alclear, LLC will extend the License's term and provide an additional option for expedited security screening for passengers at John Wayne Airport.

BACKGROUND INFORMATION:

On June 24, 2025, the Board of Supervisors (Board) approved a Biometric Verification Services License (License) with Alclear, LLC (Clear) for a one-year pilot program at John Wayne Airport (JWA). On August 9, 2025, JWA executed the First Amendment to the License, revising the commencement date to September 24, 2025, through September 23, 2026.

Over the past year, Clear has been operating at the Terminal B security checkpoint, providing biometric identity verification services to JWA passengers. Passenger security screening generally consists of two

steps: verification of a passenger's identity and physical screening conducted by the Transportation Security Administration (TSA). Clear is a Registered Traveler Program that uses biometric technology, such as iris or fingerprint recognition, to verify a traveler's identity, allowing members to bypass the manual document-check process. Following identity verification, Clear members are directed to a modified screening process that does not require the removal of shoes, laptops, liquids, belts, or light jackets. Currently, Clear enrollment and verification services are conveniently located adjacent to the Terminal B security checkpoint, with representatives available to assist passengers.

JWA currently offers TSA PreCheck, which provides passengers with expedited physical screening. The addition of Clear has expanded the range of passenger screening options available at JWA, offering enhanced convenience, personalized service, and efficient identity verification. The pilot program has also generated revenue for JWA while allowing the County of Orange to evaluate the effectiveness and customer acceptance of a new passenger service before making a longer-term commitment. Clear remains the only expedited travel service provider approved by the Department of Homeland Security (DHS) to perform ticket document verification using biometric technology. Participation in Clear is optional and available through an annual membership fee of \$199.

Performance data from the pilot program demonstrates growing passenger utilization and positive customer experiences. During the first three full months of operation (October through December 2025), Clear averaged approximately 18,600 unique member verifications per month. In comparison, during the most recent three-month period (March through May 2026), average monthly verifications increased to approximately 22,400, reflecting an increase of more than 20 percent. Since commencing operations, Clear has averaged approximately 864 new member enrollments per month and has maintained an average lane experience score exceeding 94 percent. Customer feedback reported through Clear's monthly surveys has been consistently positive, with passengers citing the convenience and efficiency of the service. Survey responses have also indicated demand for expanded Clear services in Terminals A and C.

Given the positive results of the pilot program, JWA is requesting approval of the Second Amendment to extend the License term through September 23, 2028, and to revise the fee structure payable to JWA. The new term begins on September 1, before the first term expires on September 23, 2026, for ease of enforcement, rent calculation, and reconciliation of the new rent.

License Agreement Terms:

The Second Amendment will extend the License term two years and continue Clear's use of approximately 662 square feet of support space, together with four enrollment and four verification kiosks at Terminal B. The effective date of the amendment is September 1, 2026 and will extend the License term through September 23, 2028.

License Agreement Fees:

Under the current License, Clear pays terminal rates and charges for the use of terminal space, totaling approximately \$53,006 annually. In addition, Clear pays JWA a Unique Member Verification Fee (UMVF) of \$0.75 for each unique member verification conducted at JWA.

The Second Amendment will modify the UMVF structure. Clear will pay the greater of: 1) the Monthly UMVF calculated based on actual usage, or 2) a Minimum Monthly UMVF of \$18,750. The Minimum Monthly UMVF is based on 25,000 monthly member verifications at the current rate of \$0.75 per verification and establishes a guaranteed minimum monthly revenue stream for JWA.

Clear's Usage & Experience Reporting:

	Total Verifications	New Enrollments	Avg. Lane Experience
Sept. '25	3,980	163	92.4
Oct. '25	19,750	754	92.1
Nov. '25	17,300	702	92.7
Dec. '25	18,877	1109	93.6
Jan. '26	18,798	770	93.6
Feb. '26	19,637	778	93.9
March '26	22,252	1064	95.3
April '26	22,110	947	96.0
May '26	22,822	789	94.4

Compliance with CEQA: The proposed project was previously determined to be Categorically Exempt from CEQA pursuant to Section 15301 (Class 1 - Existing Facilities) of the CEQA Guidelines on June 24, 2025, when it was originally approved. CEQA Guidelines Section 15301 provides for the exemption of the leasing and licensing of public facilities involving negligible or no expansion of the existing use.

FINANCIAL IMPACT:

The estimated revenue to JWA for Clear's two-year extension is \$557,946. Revenue for this License is included in the FY 2026-27 Budget for Airport Operating Fund 280 and will be included in the budgeting process for future years.

The County may terminate this License and all of its obligations hereunder with or without prior notice to Licensee. As a courtesy, the Airport Director will attempt to give 30 days' written notice to Licenses.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A – Second Amendment to the Biometric Verification Services License with Alclear, LLC

SECOND AMENDMENT TO BIOMETRIC VERIFICATION SERVICES LICENSE

THIS SECOND AMENDMENT TO BIOMETRIC VERIFICATION SERVICES LICENSE ("Second Amendment") is made and entered into as of _____, by and between the COUNTY OF ORANGE, a political subdivision of the State of California ("County") and ALCLEAR, LLC ("LICENSEE"). County and Tenant may sometimes hereinafter individually be referred to as "Party" or jointly as "Parties."

RECITALS

WHEREAS, County, through its Board of Supervisors, is the owner and proprietor of John Wayne Airport ("JWA" or "Airport"), located in the County of Orange, State of California, and operates and maintains the Airport as a governmental function for the primary purpose of providing air transportation to the public; and

WHEREAS, COUNTY and LICENSEE entered into Biometric Verification Services License, dated June 24, 2025 ("Existing License"); and

WHEREAS, COUNTY and LICENSEE entered into First Amendment to revise the term commencement date; and

WHEREAS, COUNTY and LICENSEE now desire to further amend the Existing License to extend the term of the License two (2) additional years.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Licensee hereby agree as follows:

AGREEMENTS

1. **Term of License.** Section 2.01 shall be deleted and replaced with the following:

"SECTION 2.01 TERM OF LICENSE

This License shall become effective on June 24, 2025. The term of this License shall commence on September 24, 2025, and shall remain in effect through September 23, 2028, unless terminated earlier. This License may be extended for an additional two-year term upon approval of the Board of Supervisors."

2. **Fees.** Section 4.01 shall be deleted and replaced with the following:

"SECTION 4.01 FEES

LICENSEE shall pay the following fees:

1) License Area Annual Fee

LICENSEE agrees to pay COUNTY the following fee, payable monthly in advance on the first day of each month with a 15-day grace period, and LICENSEE agrees that the COUNTY will not invoice for such fees.

An annual fee equal to the square footage of the Office Space shown on Exhibit A, multiplied by the rate for Terminal Rental Rate per the Terminal and Operations Rates established by the Airport for the space known as Terminal Rental Rate. The current rate is \$81.53 (eighty-one dollars and fifty-three cents).

2) Unique Member Verification Fee ("UMVF")

LICENSEE agrees to pay COUNTY monthly, in arrears, on or before the twentieth (20th) day of the following month, the greater of (a) the Minimum Monthly UMVF or (b) the Monthly UMVF, as defined below.

a. **Minimum Monthly UMVF.** LICENSEE agrees to pay COUNTY a Minimum Monthly UMVF of \$18,750 (eighteen thousand seven hundred fifty dollars) pursuant to the required minimum usage set forth in Section 5.07(2).

b. **Monthly UMVF.** LICENSEE agrees to pay COUNTY \$0.75 (seventy-five cents) per Unique Member Verification, as defined in Section 1.17, performed by LICENSEE at the Airport.

3) Statement of Monthly Unique Member Verifications

On or before the twentieth (20th) day of each month, LICENSEE shall deliver to Auditor-Controller a correct statement showing the daily number of Unique Member Verifications performed at LICENSEE's lane at the Airport during the preceding calendar month. Each statement shall reflect the dollar amount of UMVF due to COUNTY. The statement shall be signed by LICENSEE or LICENSEE's authorized agent.

Notwithstanding anything in this License to the contrary, all amounts payable by LICENSEE to or on behalf of COUNTY under this License, whether or not expressly denominated as fees, shall constitute fees for the purposes of the U.S. BANKRUPTCY CODE, 11 U.S.C. §502(b)(6). LICENSEE shall notify Airport in writing within thirty (30) days of filing a petition for Bankruptcy.

In the event the obligation to pay the fee begins or terminates on some day other than the first or last day of the month, the fee shall be prorated to reflect the actual period of use based on a thirty (30) day month. The fee for any partial calendar month during which this License becomes effective will be payable on such effective date.

Fee Payments shall be made in accordance with the provisions of the section in this License entitled "PAYMENT PROCEDURE."

3. **Effective Date.** This Second Amendment shall become effective September 1, 2026.

4. **No Other Amendments; This Second Amendment Governs and Controls.** Except as expressly modified by this Second Amendment, the Existing License, as amended by the First Amendment, shall remain unmodified and in full force and effect and is hereby reinstated, ratified, and affirmed. To the extent any provision of this Second Amendment is inconsistent with any provision of the Existing License and First Amendment, the provisions of this Second Amendment shall govern and control. Any reference to the "Agreement," "hereunder," "hereof," "herein," or words of similar import in the Existing License, First Amendment, or this Second Amendment shall mean and refer to the Existing License as hereby amended, and the Existing License, First Amendment, and this Second Amendment shall be read and interpreted as though they constitute one agreement.

5. **Authority.** Each Party represents to the other Party or Parties that the individual executing this Second Amendment on behalf of such Party has the capacity and authority to execute and deliver this Second Amendment on behalf of such Party, and that this Second Amendment, once executed and delivered, is the legal, valid and binding obligation of such Party.

6. **Governing Law.** This Second Amendment shall be governed by and construed in accordance with the laws of the State of California.

7. **Counterparts and Execution.** This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Second Amendment by facsimile or as a Portable Document Format ("PDF") or similar attachment to an e-mail shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

8. **Severability.** If any provision of this Second Amendment is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Second Amendment shall nonetheless remain in full force and effect.

9. **Contractual Obligations.** Licensee shall be current on all contractual obligations, including but not limited to, insurance, security deposit, late fees, penalties, and fines through July 31, 2026, except as otherwise provided for herein. Licensee shall maintain JWA-approved locations and hours of operation.

[Signatures appear on the following page]

IN WITNESS WHEREOF, County and Licensee have executed this Second Amendment as of the day and year first above written.

*LICENSEE:

ALCLEAR, I.I.C.

Signed by:

By: Kyle McLaughlin

Its: Executive Vice President, Aviation

Name: Kyle McLaughlin

By: _____

Its: _____

Name: _____

APPROVED AS TO FORM:

COUNTY COUNSEL

By: Mark Sanchez
DocuSigned by:
5EE66EC8DA7B48F...

APPROVED AS TO AUDIT AND
ACCOUNTING

AUDITOR-CONTROLLER

By: Jim Christiansen
Signed by:
CF4DED05FD11491...

COUNTY OF ORANGE

By: Charlene Reynolds
Signed by:
A1A526A921AF49F...
Charlene V. Reynolds
Airport Director

Attest:

COUNTY
COUNTY OF ORANGE

Robin Stieler
Clerk of the Board of Supervisors
of Orange County, California

By: _____
Chairman, Board of Supervisors