

AMENDED IN ASSEMBLY JUNE 9, 2011

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 7, 2011

SENATE BILL

No. 446

Introduced by Senator Dutton

(Principal coauthor: Senator Negrete McLeod)

(Coauthor: Senator Huff)

(Coauthors: Assembly Members Carter, Donnelly, Hagman, Jeffries,
Knight, *Morrell*, Nestande, and Torres)

February 16, 2011

An act to add Division 17.5 (commencing with Section 175000) to the Public Utilities Code, relating to airports.

LEGISLATIVE COUNSEL'S DIGEST

SB 446, as amended, Dutton. Ontario International Airport.

Existing law provides for creation of airport districts. Existing law provides for transfer of the San Diego International Airport from the San Diego Unified Port District to the San Diego County Regional Airport Authority.

This bill would establish the Ontario International Airport Authority as a local entity of regional government. The bill would establish the membership of the board of directors of the authority and set forth the powers of the authority. The bill would authorize the authority to enter into an agreement with the City of Los Angeles to facilitate the sale of, or the transfer of management and operational control of, the Ontario International Airport to the authority. The bill would require the authority, in cooperation with the City of Los Angeles and the City of Ontario, to develop a transition plan to facilitate the sale of, or the

transfer of management and operational control of, the Ontario International Airport to the authority. The bill would also require the authority, the City of Los Angeles, the City of Ontario, the County of San Bernardino, other local and regional agencies, and the Department of Transportation to cooperate to develop effective surface transportation access to the Ontario International Airport.

To the extent these provisions would impose additional duties on entities of local government, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Division 17.5 (commencing with Section 175000)
2 is added to the Public Utilities Code, to read:

3
4 DIVISION 17.5. ONTARIO INTERNATIONAL AIRPORT
5 AUTHORITY
6

7 175000. This division shall be known and may be cited as the
8 Ontario International Airport Authority Act.

9 175001. The Legislature finds and declares all of the following:

10 (a) Airports help to link local, regional, statewide, national, and
11 global economic activities. Airports are also essential features of
12 comprehensive transportation systems that include streets and
13 highways, rail transit, transit over water, and mass transit.

14 (b) It is essential to the public health, safety, and welfare that
15 local and regional government officials jointly plan, develop, and
16 operate the Ontario International Airport so as to promote economic
17 development, protect environmental quality, and enhance social
18 equity.

1 (c) The significant local and regional consequences of airport
2 planning, development, and operations require the creation of a
3 regional airport authority.

4 175002. (a) There is hereby established the Ontario
5 International Airport Authority, as a local governmental entity of
6 regional government.

7 (b) The area of jurisdiction of the Ontario International Airport
8 is the area described in the “Agreement between the City of Los
9 Angeles and the City of Ontario for the Acquisition of the Ontario
10 International Airport by the City of Los Angeles dated June 19,
11 1985.”

12 175003. (a) The Ontario International Airport Authority shall
13 be governed by a board of seven directors, appointed as follows:

14 (1) The City Council of the City of Ontario shall appoint four
15 directors, *two of whom shall be elected officials of the City of*
16 *Ontario. The remaining two directors shall be representatives of*
17 *the primary air service market served by Ontario International*
18 *Airport and need not be persons residing in the City of Ontario*
19 *or the County of San Bernardino.*

20 (2) The Board of Supervisors of the County of San Bernardino
21 shall appoint three directors, *one of whom shall be an elected*
22 *official of the County of San Bernardino representing a district in*
23 *which the Ontario International Airport is located. The remaining*
24 *two directors shall be representatives of the primary air service*
25 *market served by Ontario International Airport and need not be*
26 *persons residing in the City of Ontario or the County of San*
27 *Bernardino.*

28 (b) The term of office of a member of the board of directors
29 appointed pursuant to subdivision (a) is three years or until his or
30 her successor qualifies and takes office, whichever date occurs
31 last; provided, however, that the initial term of one of the initial
32 directors appointed by the City Council of the City of Ontario and
33 one of the initial directors appointed by the Board of Supervisors
34 of the County of San Bernardino shall each be one year, and the
35 initial term of another of the initial directors appointed by the City
36 Council of the City of Ontario and another of the initial directors
37 appointed by the Board of Supervisors of the County of San
38 Bernardino shall each be two years.

39 (c) If a member of the board of directors is appointed to be a
40 member as a result of holding another public office, as indicated

1 by resolution adopted at the time of appointment, and that person
2 no longer holds that other public office, then that person shall no
3 longer serve on the board of directors and a vacancy shall exist.

4 (d) A director shall hold membership on the board during the
5 term for which he or she was appointed and until his or her
6 successor has been appointed and qualified; provided, however,
7 that a director may resign voluntarily or may be removed by and
8 at the pleasure of the authority that appointed him or her.

9 (e) In case of a vacancy in membership on the board, the
10 vacancy shall be promptly filled by the authority that appointed
11 the vacating member. An appointment to fill a vacancy during an
12 unexpired term shall be for the period of the unexpired term.

13 175004. (a) At the first meeting of the board of directors, and
14 at the first meeting of the board on or after the first Monday in
15 July of each even-numbered year thereafter, the board of directors
16 shall meet and elect its officers.

17 (b) The officers of the board of directors are a chair, a vice chair,
18 and those additional officers created by the board of directors
19 pursuant to subdivision (c). The chair shall preside over meetings
20 of the board of directors, and the vice chair shall serve during the
21 chair's absence or inability to serve.

22 (c) The board of directors may create additional offices and
23 elect members to those offices, provided that no member of the
24 board of directors shall hold more than one office.

25 (d) The board shall appoint a general manager, a chief counsel,
26 and a chief financial officer. The general manager may enter into
27 contracts on behalf of the board, consistent with policies adopted
28 by the board.

29 175005. (a) Meetings of the board of directors are subject to
30 the provisions of the Ralph M. Brown Act (Chapter 9 (commencing
31 with Section 54950) of Part 1 of Division 2 of Title 5 of the
32 Government Code).

33 (b) A majority of the total voting membership of the board of
34 directors shall constitute a quorum for the transaction of business.
35 In the absence of a quorum at any meeting of the board, a majority
36 of the members present may adjourn the meeting from time to time
37 without further notice, but no other business may be transacted.

38 (c) Any action taken by the board at a meeting shall require the
39 affirmative vote of a majority of the members of the board.

175006. (a) The authority may enter into an agreement with the City of Los Angeles to facilitate the acquisition of the Ontario International Airport by the authority, or the transfer of management and operational control of the Ontario International Airport from the City of Los Angeles to the authority, upon the approval of the Federal Aviation Administration and the federal Transportation Security Administration. Upon the agreement of the City of Los Angeles, the authority, in cooperation with the City of Los Angeles and the City of Ontario, shall develop a transition plan to facilitate either the sale of, or the transfer of management and operational control of, the Ontario International Airport to the authority, including appropriate amendments to the existing contract between the City of Los Angeles and the City of Ontario for the joint exercise of powers in relation to the Ontario International Airport.

(b) The authority, the City of Ontario, the County of San Bernardino, the City of Los Angeles, other local and regional agencies, and the Department of Transportation shall cooperate to develop effective surface transportation access to the Ontario International Airport.

175007. (a) Upon the completion of the transfer pursuant to Section 175006, the authority shall assume all revenue streams from the operation of the Ontario International Airport to fund its activities, operations, and investments consistent with its purposes.

(b) To the extent practicable, the authority shall endeavor to maximize the revenues generated from enterprises located on the property of the authority.

(c) The authority may receive state and federal grants for purposes of planning, constructing, and operating an airport and for providing ground access to airports under its control.

(d) The transfer of the Ontario International Airport to the authority shall not in any way relieve the authority from all liabilities and obligations that are secured by revenues generated from airport activities.

175008. (a) The authority may sue and be sued in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

(b) All claims for money or damages against the authority shall be governed by Part 3 (commencing with Section 900) and Part 4

1 (commencing with Section 940) of Division 3.6 of Title 1 of the
2 Government Code.

3 175009. The authority may take by grant, purchase, devise, or
4 lease, or otherwise acquire, hold, enjoy, lease, and dispose of, real
5 and personal property within its area of jurisdiction in order to
6 further its purposes. The authority may acquire property outside
7 of its area of jurisdiction for the purpose of installing equipment
8 related to the safe operation of the airport and the aircraft using
9 the airport, environmental mitigation, or environmental
10 remediation.

11 175010. The authority may contract with any department or
12 agency of the United States, with any state or local governmental
13 agency, or with any person upon those terms and conditions that
14 the authority finds are in its best interests.

15 175011. ~~(a)~~—The authority may issue bonds, from time to time,
16 payable from revenue of any facility or enterprise operated,
17 acquired, or constructed by the authority, for any of the purposes
18 authorized by this division in accordance with the Revenue Bond
19 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part
20 1 of Division 2 of Title 5 of the Government Code), excluding
21 Article 3 (commencing with Section 54380) of Chapter 6 of Part
22 1 of Division 2 of Title 5 of the Government Code.

23 175012. The authority may levy special benefit assessments
24 consistent with the requirements of Article XIII D of the California
25 Constitution to finance capital improvements.

26 175013. The authority may borrow money in accordance with
27 Article 7 (commencing with Section 53820) of, Article 7.6
28 (commencing with Section 53850) of, or Article 7.7 (commencing
29 with Section 53859) of, Chapter 4 of Part 1 of Division 2 of Title
30 5 of the Government Code.

31 175014. The authority may bring an action to determine the
32 validity of any of its bonds, equipment trust certificates, warrants,
33 notes, or other evidences of indebtedness or any of its revenues,
34 rates, or charges pursuant to Chapter 9 (commencing with Section
35 860) of Title 10 of Part 2 of the Code of Civil Procedure.

36 SEC. 2. If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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