

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY IN SUPPORT OF THE TRANSFER OF ONTARIO INTERNATIONAL AIRPORT (ONT) TO LOCAL CONTROL

Summary Statement:

The City of Ontario is soliciting support for its efforts to gain control of Ontario International Airport (ONT). Located within the city limits of Ontario, ONT is currently operated by Los Angeles World Airports (LAWA), a city of Los Angeles agency, under terms of a Joint Powers Agreement.

Ontario International Airport is located 50-miles west of Apple Valley, in the City of Ontario within San Bernardino County. Originally established in 1923, much of its activity in the 1960s was dealing with diverted traffic from Los Angeles International Airport (LAX). Consequently, the cities of Ontario and Los Angeles felt it would be in the best interest of the Southern California region if Los Angeles took responsibility for operating the airport. Both cities signified their support of this cooperative effort by signing the joint powers agreement in 1967.

Over the past three years, ONT has lost one-third of its passenger traffic, costing the Inland Empire economy approximately \$400 million annually and a total of 8,000 jobs. Based upon local control principles previously adopted by the Town Council, staff believes that, under local control, ONT can more quickly rebound and position itself for long-term market share growth – just as other regional airports under local control in the Southland have achieved over the past decade.

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Recommended Action:

That the Town Council adopt Resolution No. 2011-17, A Resolution of the Town Council of the Town of Apple Valley in Support of the Transfer of Ontario International Airport (ONT) to Local Control.

Proposed by: Council Member Coleman **Item Number** _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

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After significant growth from the 1980s to 2007, ONT passenger traffic plummeted to levels not seen in over 20 years. In fact, in 2010, the airport was serving 28.9% fewer passengers than in 2000. Its passenger share of Southern California secondary airports fell from 7.6% in 2000 to 5.9% in 2010, while other secondary airports at Palm Springs, Long Beach, Orange County and Burbank increased during the same period.

A market analysis of the airport suggests that a significant reason for the decline is that ONT has the highest costs in the region and among the highest in the country.

The analysis pinpoints three causes: 1) a relatively large workforce; 2) relatively high compensation levels; and 3) LAWA's administrative charge. Additionally, LAWA has drastically reduced ONT's marketing budget. Transferring the airport back to the City of Ontario would give local governments the ability to restructure the airport's operations, reduce costs, and increase marketing and promotion of the airport to ensure that Southern California has the airport capacity it needs in the long term to protect its economy. Today, ONT serves a population of 5 million people in San Bernardino and Riverside Counties, and portions of north Orange County and east Los Angeles County. For the broader region, ONT is generally considered the most promising solution for Southern California's future airport capacity needs because of its ability to accommodate a large increase in air service in a region where other airports have very limited capacity to grow.

Based on the foregoing, staff recommends adoption of the attached resolution.

RESOLUTION NUMBER 2011-17

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY IN SUPPORT OF THE TRANSFER OF ONTARIO INTERNATIONAL AIRPORT (ONT) TO LOCAL CONTROL.

WHEREAS, local control of airports in Southern California has been shown to be conducive to development of successful regional airports because the airport sponsor has a vested interest in the airport making the greatest contribution to its economy.

WHEREAS, local control of ONT will help ensure that all of Southern California will have sufficient airport capacity to meet the long-term demand for air travel in the region.

WHEREAS, on January 7, 2011, the Los Angeles Economic Development Corporation called on Los Angeles World Airports (LAWA) to shift control of ONT – as well as the responsibility and risk that comes with that control – to another entity so LAWA can focus more of its energy on modernizing Los Angeles International Airport.

WHEREAS, on September 2, 2010, the Southern California Association of Governments (SCAG) Regional Council enacted a resolution recommending the transfer of ONT to local control as being in the best interests of Los Angeles and the Southern California region. SCAG further stated that under local control, ONT can recover from the economic downturn of the past several years while positioning itself for long-term growth, consistent with the reorganization of air traffic contemplated in SCAG's Regional Transportation Plan.

WHEREAS, after transfer to local control, ONT can operate on the same basis as airports in Burbank, Orange County, Long Beach and Palm Springs - as low-cost secondary airports under local control.

THEREFORE, BE IT RESOLVED, the Town Council of the Town of Apple Valley hereby supports the transfer of ONT to local control in furtherance of airport regionalization and the region's economy.

BE IT FURTHER RESOLVED, the Town Council of the Town of Apple Valley requests the cities of Los Angeles and Ontario commit the necessary resources and effort to affect the transfer of ONT to local control at the earliest possible date.

BE IT FURTHER RESOLVED, the Town Clerk of the Town of Apple Valley shall communicate this action of the Town Council to the Mayors of Los Angeles and Ontario, and to the Administrator of the Federal Aviation Administration.

PASSED, APPROVED AND ADOPTED this 24th day of May, 2011.

Mayor

ATTEST:

Town Clerk