AGENDA STAFF REPORT

Control: 26001922

MEETING DATE:	11/17/2026
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 Hector Gomez, 949-252-5198

SUBJECT: Approve New and Revised Airport User Fees at John Wayne Airport

CEO CONCUR	**COUNTY COUNSEL REVIEW**	**CLERK OF THE BOARD**
Concur	Approve resolution to form	PUBLIC HEARINGS 3 Votes Board Majority

Budgeted: No	**Current Year Cost:** N/A	**Annual Cost:** N/A
Staffing Impact: No		**Sole Source:** N/A
Current Fiscal Year Revenue: See Financial Impact Section	**Funding Source:** N/A	**County Audit in Last 3 years:** No
Levine Act Review Completed? N/A		

Prior Board Action: 8/14/2018 #S27F, 3/12/2002 #28, 12/8/1987 #49

RECOMMENDED ACTION(S):

1. Find that the proposed new and revised Airport user fees are Statutorily Exempt from the provisions of the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273 of the CEQA Guidelines as CEQA does not apply as the establishment or modification, structuring, restructuring or approval of rates, tolls, fares, and other charges by a public agency which are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or materials as set forth herein.

2. Conduct the public hearing.

3. Approve the new and revised John Wayne Airport user fees, effective January 1, 2027, including the ground transportation trip fees, effective March 1, 2027, with all fees to be adjusted every two years to reflect Consumer Price Index increases, beginning January 1, 2029.

4. Adopt a Resolution that:

a. Approves the new and revised user fees for Airport Identification Badging, Special Event Application Review, Conference Room Use and Line Service Fuel Safety Training, effective January 1, 2027, and the ground transportation trip fees, effective March 1, 2027, with all fees to be adjusted every two years to reflect Consumer Price Index increases, beginning January 1, 2029, for John Wayne Airport to continue to operate as a self-sustaining business enterprise pursuant to 49 U.S.C. section 47107, Orange County Codified Ordinance section 2-1-1(a) and Board resolutions No. 82-1539 and No. 87-825, and, consistent with 49 U.S.C. section 47133, revenues generated by John Wayne Airport shall be used solely for the capital or operating costs of the Airport, the local airport system, or other qualifying airport-related facilities.

b. Find that the new and revised user fees meet the requirements set forth in subdivision (e)(1), (e)(2), (e) (3) and (e)(4) of Section 1 of Article XIII C of the California Constitution, and are therefore exempt from the definition of a tax as used therein.

c. Find that the new and revised user fees are for the purposes of meeting operating expenses and are, therefore, exempt from compliance with the California Environmental Quality Act.

d. Find that the new and revised user fees are consistent with the criteria established in Board resolutions No. 82-1539 and No. 87-825 for the Airport Enterprise Fund and are not imposed for taxation and/or County general revenue purposes.

e. Find that the new and revised user fees will provide for cost recovery for John Wayne Airport's operations and related Capital Improvement Plan needs, while also upholding safety and security and maintaining high-quality services for its guests.

f. Rescinds Resolution No. 87-1628, effective January 1, 2027.

g. Rescinds Resolution No. 18-084, effective March 1, 2027.

SUMMARY:

Approval of the new and revised airport user fees will provide cost recovery for John Wayne Airport's operations and related Capital Improvement Plan needs while upholding safety and security and maintaining high-quality services for its guests.

BACKGROUND INFORMATION:

John Wayne Airport (JWA) operates as a financially self-sustaining business enterprise at no cost to the taxpayers through the imposition of fair and reasonable rentals, fees, and charges to ensure sufficient revenues to cover all costs in accordance with JWA's Revenue Planning Policy established under Board Resolutions No. 82-1539 and No. 87-825, Orange County Codified Ordinance section 2-1-1, and Federal Aviation Administration (FAA) Policy on Rates and Charges.

Board of Supervisor (Board) Actions are summarized below:

Board Date	Action Taken
10/12/1982	Resolution No. 82-1539 adopted by the Board approving the JWA Revenue Planning Policy.

6/9/1987 #98	Resolution No. 87-825 adopted by the Board approving certain fees and charges as an element of revenue requirements in compliance with the Bond Indenture securing JWA Revenue Bonds and the JWA Revenue Planning Policy, effective 7/1/1987.
12/8/1987 #49	Resolution No. 87-1628 adopted by the Board, which adjusts JWA tiedown and T-Hangar fees, adjusts charges on overdue tiedown and T-Hangar fees, adjusts and establishes automobile parking fees, and establishes a security badge fee, effective 02/01/1988.
3/12/2002 #28	Resolution No. 02-062 adopted by the Board approving new and revised rates and fees for public parking, parking permits, County tiedowns, County hangars, ground transportation, effective 04/01/2002
8/14/2018 #S27F	Resolution No. 18-084 adopted by the Board to establish pick-up and drop-off fees effective 09/1/2018, and adjusting those fees effective 03/1/2019.

A. Airport Identification (ID) Badging Fees

JWA's Airport Identification Badging program administers the security identification credentials required for authorized individuals accessing secure areas of JWA. The program currently supports approximately 5,700 credentialed individuals. Airport ID Badge fees have remained unchanged at $10 since 2008. Over time, changes in federal security requirements have increased the processing, recordkeeping and compliance activities associated with administering the badging program.

The annual cost of administering the badging program is approximately $994,000, primarily consisting of personnel and supplies necessary to operate the program. Current fees generate approximately $67,000 annually and recover approximately 6.7 percent of program costs, with the remaining cost supported by other JWA revenues.

JWA reviewed badging fees charged by comparable airports and found the proposed fees to be consistent with peer airport rates. JWA recommends increasing the Airport ID Badge fee from $10 to $60, establishing a flat $100 lost badge fee, and establishing $25 fees for endorsement changes and missed appointment/reactivation. The flat lost badge fee would replace the current tiered structure and simplify administration. Endorsement changes, which include changes to badge privileges and require issuance of a new badge, account for approximately 400 requests annually. JWA also averages approximately 35 missed appointments per month, resulting in unused appointment capacity and additional administrative workload.

At the proposed rates, annual badging fee revenue is estimated to increase from approximately $67,000 to $413,000, increasing recovery of program costs from approximately 6.7 percent to 42 percent. The remaining program costs will continue to be supported by other JWA revenues.

Fee	Current Fee	Proposed Fee
Airport ID Badge	$10	$60
Lost Airport ID Badge	$31 / $56 / $106	$100
Badging Endorsement	N/A	$25
Missed Badging Appointment / Reactivation	N/A	$25

The proposed fees have been reviewed by the Auditor-Controller and the County Executive Office (Attachment B).

B. Special Event Application Review Fee

The Special Event Application Review Fee is intended to recover the administrative costs associated with reviewing and processing requests from JWA tenants to conduct special events or activities outside the uses permitted under their agreements. These requests require coordination among several JWA divisions to evaluate operational, safety, insurance, and other requirements associated with the proposed events. Based on the staff resources required to review and process these requests, JWA recommends establishing a Special Event Application Review Fee of $290. With approximately 28 applications annually, the proposed fee is estimated to generate approximately $8,120 in annual cost recovery revenue.

Fee	Proposed Fee
Special Event Application Review	$290

C. JWA Conference Room Use Fee

JWA maintains conference rooms primarily to support JWA operations. Conference rooms may also be made available to County departments and non-County entities for uses not directly related to the airport. Consistent with federal requirements governing the use of JWA revenue, JWA seeks to appropriately recover costs associated with the use of Airport property and related resources, estimated to generate approximately $5,280 in annual cost recovery revenue.

Fee	Proposed Fee
Basic Room Reservation	$55 hourly
Extended Set Up	$135 fixed
Audio / Visual Set Up	$440 fixed
JWA Onsite Personnel	$165 hourly
Custodial	$35 fixed

D. Line Service Fuel Safety Training Fee

The Line Service Fuel Safety Training Fee recovers the cost of off-airport personnel participating in JWA's fuel safety training, estimated to generate approximately $4,275 in annual cost recovery revenue. The training is available to personnel engaged in aircraft fueling operations and covers essential fuel-handling safety practices and orientation to Aircraft Rescue and Firefighting (ARFF) procedures, consistent with the safety and operational standards of certificated Part139 airports.

The proposed fee has been reviewed by the Auditor-Controller and the County Executive Office (Attachment B).

Fee	Proposed Fee
Line Service Fuel Safety Training	$150

E. Ground Transportation Fee

The ground transportation fee is a uniform per-trip fee charged to commercial ground transportation operators for each passenger pick-up and drop-off at JWA. These operators include all commercial modes, such as transportation network companies (TNCs), taxis, shared-ride shuttles, limousines, and hotel and other courtesy shuttles. On August 14, 2018, the Board adopted Resolution No. 18-084, to implement two-phased changes to the ground transportation fee. The fee was first extended to apply to both passenger pick-ups and drop-offs and then increased to $3.00 effective March 1, 2019, where it has remained unchanged.

As part of the current fee review, JWA's financial advisor, Frasca & Associates, LLC (Frasca), conducted a market study of ground transportation trip fees at five other Southern California airports. The study benchmarked per-trip fees charged to TNCs, which provides a comparable basis across airports, and found that JWA's current $3.00 fee is the lowest among the airports surveyed, as shown below:

Airport	Current Fee
John Wayne Airport (SNA)	$3.00
Burbank (BUR)	$3.50
Long Beach (LGB)	$5.00
Los Angeles (LAX)	$4.00, increasing to $6.00 and $12.00 upon SkyLink activation
Ontario (ONT)	$5.00
San Diego (SAN)	$5.00

Based on the market study, Frasca recommended a uniform fee of $5.00 per trip, which brings JWA to current market levels, consistent with rates charged at comparable airports. JWA proposes to adopt this fee effective March 1, 2027, to allow time for implementation. At the proposed fee, annual ground transportation revenue is estimated to increase by approximately $5,132,566. The fee will continue to recover JWA's operating costs associated with the ground transportation cost center, including Capital Improvement Program (CIP) projects that impact ground transportation. This approach is consistent with JWA's operation as a self-sustaining business enterprise.

Fee	Current Fee	Proposed Fee
Ground Transportation Per Trip Fee	$3	$5

CPI Adjustments

To ensure cost recovery and the ability to align with incremental labor and material cost increases, JWA recommends adjusting the fees every two years based on changes in the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim (All Urban Consumers - All Items), rounded to the nearest whole dollar, except the ground transportation fee, which shall be rounded to the nearest five cents. In no event will the CPI adjustment result in the rates being reduced, and any increase to the rates will not be more than five percent per year.

Compliance with Proposition 26:

The proposed Airport User Fees fall within exceptions to the definition of "tax" under Article XIII, C, section 1, subdivision (e), of the California Constitution. The Airport Identification Badging Fees and Line

Service Fuel Safety Training Fee fall within the exemption under subdivision (e)(2) for charges imposed for a specific government service or product provided directly to the payor, that is not provided to those not charged, and that do not exceed the reasonable costs to the local government of providing the service or product. The Special Event Application Review Fee falls within the exemption under subdivision (e)(3) for charges imposed for the reasonable regulatory costs of issuing licenses and permits, and conducting other related regulatory activities, including the review and processing of tenant requests for authorization to conduct special events or activities outside the uses permitted under JWA lease agreements. The Conference Room Use Fee falls within the exemption under subdivision (e)(4) for charges imposed for entrance to or use of local government property. Each proposed fee is structured to recover no more than the reasonable costs associated with providing the applicable service, regulatory activity, or the use of JWA property. The Ground Transportation Fee falls within the exemptions under subdivisions (e)(1) and (e)(4). Under subdivision (e)(1), the fee is imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged and does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

Compliance with CEQA: The subject activity is statutorily exempt from review under CEQA pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273 of the CEQA Guidelines as the establishment or modification of rates, fees and charges which are for the purpose of meeting operating expenses, including employee wage rates and fringe benefits; purchasing or leasing supplies, equipment, or materials.

FINANCIAL IMPACT:
Approval of the proposed Airport User Fees is estimated to generate approximately $5,496,538 in additional annual cost recovery revenue to Airport Operating Fund 280. The anticipated additional revenue from the proposed fees is not included in the FY 2026-27 Budget for Airport Operating Fund 280 but will be absorbed in the FY 2026-27 Budget. The revenue from the revised fees will be included in the budgeting process for future years.

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:
N/A

ATTACHMENTS:
Attachment A – Draft Board Resolution
Attachment B – Fee Checklists
Attachment C – 49 U.S.C section 47107
Attachment D – 49 U.S.C section 47133
Attachment E – Resolution No. 87-1628
Attachment F – Resolution No. 02-062
Attachment G – Resolution No. 18-084