

**SOUTHERN CALIFORNIA REGIONAL AIRPORT AUTHORITY  
BOARD MEETING, JANUARY 11, 2007**

**AGENDA ITEM #5A  
PROPOSED REVISION OF THE SCRAA JOINT POWERS AGREEMENT**

This memorandum highlights key provisions of the Joint Powers Agreement (JPA) that the Southern California Regional Airport Authority (SCRAA) Board of Directors (Board) may wish to review and possibly revise. Because of the complexity and length of the current JPA, staff has not attempted to submit a proposed revision of the JPA to the Board at the January 11, 2007 meeting. Instead, staff believed it would be more efficient to seek direction from the Board by first preparing this issues memorandum for Board consideration. Staff anticipates that (if requested by the Board) it will subsequently prepare a draft revision of the JPA consistent with Board direction that is received at the January 11, 2007 meeting. The draft revision of the JPA then could be considered by the Board for possible adoption at a subsequent SCRAA meeting.

**1. FUNDAMENTAL GOVERNANCE ISSUES**

**A. PURPOSES AND POWERS**

As currently written, SCRAA's JPA provides broad purposes and powers that would allow SCRAA to finance, acquire, construct, operate, and manage Southern California airports. (See JPA "Whereas" clauses and §1 for SCRAA "purposes" and §5 for SCRAA "powers".) Although SCRAA never sought to exercise these broad powers, they remain controversial and potentially divisive.

Staff recommends that the Board consider deletion of these broad powers and instead limit SCRAA's powers to planning for, the marketing of and regionalization of Southern California air commerce. The following purposes and powers are recommended for discussion:

**Purposes (Proposed)**

SCRAA shall:

- seek to encourage cooperation and coordination among the Southern California region's local governments, airport operators, ground transportation agencies, the Southern California Association of Governments and other transportation planning agencies;
- function as an information clearinghouse for regional commercial airport operators;
- develop and adopt a vision for aviation in Southern California and develop a regional aviation plan on a five year basis;
- function as an advocate for federal, state and local legislative changes to promote and support regionalization for air traffic operations (passenger and cargo) and ground transportation;

- conduct joint planning and joint marketing efforts to promote regional air traffic;
- formulate ideas/strategies to promote regional dispersion of air traffic, both passenger and cargo;
- promote regionalization of air traffic among Southern California airports;
- promote the improvement of on- and off-site ground access facilities that link to the regional transportation system;
- document and monitor airport planning in Southern California; and
- submit joint applications with member jurisdictions for state and federal grants for ground transportation projects and/or airport related projects, including safety

### **Powers (Proposed)**

Current SCRAA powers are listed in §5 of the JPA. Powers recommended for deletion include:

- acquiring and operating airports and airport facilities (subsections (a), (d)(1), (d)(13) and (d)(15))
- issuance of revenue bonds (subsections (c) and (d)(9))
- the power to grant franchises and leases for airport facilities (subsection (d)(10))
- establishment of rules governing use of airport facilities (subsection (d)(11))
- eminent domain power (subsection (d)(14))
- acquisition of parking facilities, roads, etc. (subsection (d)(16))
- owning and operating aircraft (subsection (d)(18))

Current SCRAA powers are listed in §5 of the JPA. Necessary powers recommended for retention include:

- execute contracts
- lease office space
- hire employees including legal counsel
- sue and be sued
- prepare plans and reports, including regional aviation plan
- apply for state and federal grants

- act to promote commerce and tourism
- establish a treasury
- adopt a budget

## **B. MEMBERSHIP & GOVERNANCE**

This section provides options for expanding Board membership, retention of existing structure, creating new standing committees, defining categories for the standing committee members and expanding the non-voting Board representation.

Current SCRAA Board membership consists of one member for each of the member counties: County of Los Angeles, San Bernardino, Riverside and Orange; one member from the City of Los Angeles, and one non-voting member of the Southern California Association of Governments. All voting Board members are required to be elected officials. (See JPA §6) There is an alternate position for each elected position from each jurisdiction. An invitation has been extended to Ventura, San Diego and Imperial Counties to join as voting Board members with an alternate.

The First Amendment to the JPA added §6(b)(3) creating associate, non-voting membership by local government entities located within the noise impact area of all airports. However, the role of associate members was undefined.

The addition of new Board members was discussed at the October 12, 2006 SCRAA meeting. The existing Board members charged staff with preparing recommendations on how to amend the JPA. The following options for increasing Board and SCRAA membership could be adopted separately or combined.

### **Option I**

- Add one additional voting Board member (and alternate) from each current county and from the City of Los Angeles. As one example, the additional voting member could represent airport management or an airport community within the respective jurisdiction.

### **Option II** (could be done in addition to Option I)

- Retain current voting Board membership with member counties and the City of Los Angeles as the Executive Committee while creating various SCRAA standing committees where committee members would have voting rights only within their respective standing committee to make recommendations to the Board;
  - Create standing committees to include air operations, ground transportation, local municipalities/government entities and various committees of technical experts
  - Standing committee members, as approved by the Board, could include:

Associate Members (expanded definition) to include:

- airport management
- official airport sponsors/owners (cities, joint power authorities and/or counties)
- municipalities who are host cities to airports
- municipalities impacted by airport operations within the noise contours of a commercial airport
- municipalities expressing an interest in aviation

Technical Advisors/Experts (Voting/Non-voting?)

- Federal Aviation Administration
- transportation planning agencies (i.e. Metropolitan Transportation Authority, California High Speed Rail Authority)
- commercial airlines
- air cargo representatives

**Option III (Non-voting Board Members)**

SCAG is currently the only non-voting member on the Board.

Non-voting members could be expanded by one or more of the following:

- FAA, Regional Director or his designee
- Representative from the airlines association(s) with international and domestic operations
- If San Diego County joins as a voting member, then SANDAG should be invited

**Option IV**

Add one additional voting Board member (and alternate) from each municipality or other local government entity that owns, operates or hosts a commercial airport in Southern California.

This Option would allow the following to be voting Board Members of SCRAA:

- All Counties and Cities that operate commercial airports in the Southern California Region.
- All Counties and Cities that host but do not operate a commercial airport in the Southern California Region.
- All Counties and Cities that own commercial airports within the Southern California Region.

- All JPA's or similar type agencies (e.g. MOU type) that operate commercial airports in the Southern California Region

(The addition of any "separate political entities" is currently permitted by §3(g) of the JPA, upon unanimous consent of the voting Board members and consent of the governing body of the joining political entity)

## **Option V**

After consultation with the Chairman of the Board, the following option was added for consideration.

This Option proposes a 2 tiered organizational structure comprised of:

- An Executive Committee (Board) consisting of one representative from each of the 8 Counties in Southern California and one from the City of Los Angeles.
  - Members must be elected officials.
- Three (I thought it was Four) Standing Committees: Air Operations, Ground Transportation, (Host Cities and Impacted Cities) Local Municipalities/Government Entities, with an option to split the latter into two separate committees.
  - Members of the Standing Committees must be elected officials or appointed members of a public agency.
  - The Chairperson of each Standing Committee must be an elected official.
  - The Vice Chair of each can be either elected or appointed.
  - The term of office for either Chairperson or Vice Chair shall not exceed two (2) years.
  - The Chairperson of each Standing Committee holds a voting seat on the Executive Committee.
  - The Vice Chair of each Standing Committee functions as an alternate to the Chairperson on the Executive Committee.

## **C. REAFFIRMATION OF THE ABILITY OF EACH AIRPORT OPERATOR TO FREELY MANAGE ITS OWN AIRPORT**

The current JPA, at §18, states that the JPA will not affect the rights of SCRAA members to operate their respective airports. Staff recommends that this provision be expanded and clarified to make it clear that SCRAA does not intend to acquire any airport of either a member or a non-member, and that the rights of airport operators, including but not limited to the rights of charter cities that operate airports, shall not be affected by SCRAA without their consent.

A current JPA provision, §5(f), provides for a veto power over SCRAA's acquisition of an airport that a SCRAA member owns, operates or controls (this provision is proposed for deletion because SCRAA will no longer have this power to acquire airports). If, under an amended JPA, adoption of SCRAA's aviation plan or other major SCRAA planning actions will not require a unanimous vote (see Board Voting Requirements, below), then a similar provision could be

added allowing an airport operator to veto an aviation plan or other planning action that it believes adversely affects its own airport.

## **2. OTHER JPA ISSUES**

### **A. AMOUNT OF MEMBER DUES**

The JPA currently provides that voting members pay an annual contribution of \$20,000 (see §9(a)) and associate members pay an annual contribution of \$500 (see §6(b)(3) added by First Amendment to JPA). These figures were established in 1985 and 1988, respectively, and may need to be adjusted for inflation and also to reflect changes in SCRAA's mission. If a committee structure is implemented, contribution requirements could also be established for participation in a committee. Finally, the current JPA (see §9(a), 2<sup>nd</sup> ¶) provides that unanimous consent is required to continue collecting the \$20,000 voting member contribution beyond the first five years of the JPA, which has now occurred. These provisions of the JPA may require revision.

#### Recommend

The Board increase dues as follows:

- Voting Board members annual dues are raised from \$20,000 to \$\_\_\_\_\_
- Non-voting Board members annual dues are not required
- Associate members annual dues are raised from \$500 to \$\_\_\_\_\_
- Technical Advisors/Experts such as the FAA, MTA – Annual dues are not required

Dues are recommended to increase every year or every two years based on CPI index by a vote of the majority of the voting members.

### **B. BOARD VOTING REQUIREMENTS**

A Board quorum is defined as a majority of voting members (§6(d)). The current JPA provides that certain actions of the Board must be taken by unanimous vote:

- act to terminate SCRAA (§3(e));
- amend the JPA (§3(e));
- add new voting Board members (§3(g));

Other actions of the Board (including adding associate members (§6(b)(3))), require a majority vote of the total membership (with the exception of adjournment which only requires a majority of members present (§6(d)))

#### Recommend

The Board may wish to reconsider and refine these requirements.

Options to consider:

- Action to add new voting Board members
  - super-majority vote (2/3 or 60%, of all members/ members present?)
  - majority vote (of all members/ members present?)
  - unanimous vote of all voting Board members - current JPA provision
- Action to add non-voting Board members/Associate members
  - super-majority vote (2/3 or 60%, of all members/ members present?)
  - majority vote (of all members/ members present?) - current JPA provision for Associate members
  - unanimous vote of all voting Board members
- Adoption of the regional aviation plan or other major SCRAA planning actions
  - super-majority vote (2/3 or 60%, of all members/ members present?)
  - majority vote (of all members/ members present?)
  - unanimous vote of all voting Board members
- Action on all other matters of the Board such as hiring of staff, contracts, application for grants, etc.
  - majority of the members present
  - by a majority of all members – current JPA provision

### **C. SCRAA “PHASES”**

The current JPA anticipates two phases of the SCRAA. The first phase is a “feasibility, investigation, and study period.” (See §5(e).) This first phase would end automatically if SCRAA issued any bonded indebtedness, began to acquire or construct aviation facilities, or entered grant agreements or other contracts that prevented unilateral withdrawal from SCRAA. (See §3(h), 2<sup>nd</sup> ¶.) We understand that none of these events have occurred and that SCRAA remains in the first “study period” phase.

The second phase was to be the operational period, where SCRAA actually took over operation of airports and other aviation facilities. (See §3(h).)

Recommend

Staff recommends that the Board direct redrafting of the JPA to delete all references to the first and second phases of SCRAA, recognizing that SCRAA will permanently remain a regional aviation planning and promotional agency and is recommended to not become an operational agency.

**D. WITHDRAWAL OF SCRAA MEMBERS**

During this ongoing first phase “feasibility, investigation, and study period” any SCRAA member can withdraw unilaterally upon giving 60 days prior notice (see §3(h)). If the second “operational” phase had occurred, SCRAA members would not have been allowed to withdraw unless they obtained unanimous consent of all members (see §3(f)). There is potential negative impact of withdrawal upon long-term planning efforts on SCRAA and therefore a longer notice for submitting the withdrawal is proposed.

Recommend

That the Board extend the written withdrawal notice required for unilateral withdrawal by a voting member:

- 180 days or
- one year

**E. RALPH M. BROWN ACT**

The JPA requires that Board meetings comply with the open meeting requirements of the Ralph M. Brown Act. Staff recommends that this requirement be extended to all meetings of standing and technical committees or other advisory bodies that may be created by the Board.