

ORANGE COUNTY BOARD OF SUPERVISORS

A g e n d a R e v i s i o n s a n d S u p p l e m e n t a l s

Note: *This supplemental agenda is updated daily showing items that have been added, continued, deleted or modified. No new supplemental items will be added to the agenda following close of business on Friday immediately prior to a Board meeting.*

December 2, 2025

PRESENTATIONS (9:00 A.M.)

Chair Chaffee will be presenting a proclamation recognizing the 25th Anniversary of OC Watersheds Program

Supervisor Nguyen will be presenting a resolution recognizing Huntington Beach Fire Department, Marine Safety Division

DISCUSSION

- 35. **Deleted**
Revised Title to read:
County Executive Office - Approve recommended positions on introduced or amended legislation and/or consider other legislative subject matters; *and consider 2026 County sponsored legislation proposals* - All Districts
- 38. Revised Title to read:
County Executive Office - Approve grant applications/awards submitted by *Health Care Agency* in 12/2/25 grant report and other actions as recommended - All Districts
- 41. Continued to 12/16/25, 9:30 a.m.

THE FOLLOWING AGENDA ITEMS HAVE HAD CHANGES TO THEIR RECOMMENDED ACTIONS SINCE RELEASE OF THE AGENDA TO THE PUBLIC:

Items: 35 and 38

S u p p l e m e n t a l I t e m (s)

- S41A. **Chair Chaffee** – Approve sponsorship of various nonprofit entities from Fourth District events funds; approve addition or revision of events to FY 2025-26 County Events Calendar; make related findings under Government Code Section 26227; and authorize Auditor-Controller to make related payments
- S41B. **Vice Chair Foley** - Approve allocation of \$10,000 from Fifth District discretionary funds to support Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments

ORANGE COUNTY BOARD OF SUPERVISORS

A g e n d a R e v i s i o n s a n d S u p p l e m e n t a l s

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- S41C. **Vice Chair Foley** - Approve allocation of \$5,071 from Fifth District discretionary funds to Girls Incorporated of Orange County; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments
- S41D. **Vice Chair Foley** - Approve allocation of \$20,000 from Fifth District discretionary funds to Coastal Corridor Alliance; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments
- S41E. **Vice Chair Foley** - Approve sponsorship of various nonprofit entities from Fifth District events funds; approve addition or revision of events to FY 2025-26 County Events Calendar; make related findings under Government Code Section 26227; and authorize Auditor-Controller to make related payments
- S41F. **Supervisor Sarmiento** - Approve sponsorship of various nonprofit entities from Second District events funds; approve addition or revision of events to FY 2025-26 County Events Calendar; make related findings under Government Code Section 26227; and authorize Auditor-Controller to make related payments
- S41G. **Supervisor Nguyen** - Approve allocation of \$10,000 from First District discretionary funds to Project Eli; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments
- S41H. **Supervisor Nguyen** - Approve allocation of \$5,000 from First District discretionary funds to Huntington Beach International Surfing Museum; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments
- S41I. **Supervisor Nguyen** - Approve allocation of \$5,000 from First District discretionary funds to Tran Hung Dao Foundation; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments
- S41J. **Supervisor Nguyen** - Approve allocation of \$5,000 from First District discretionary funds to Vietnamese American Federation of Southern California; make related findings under Government Code Section 26227; authorize County Executive Officer or designee to negotiate and enter into agreement as necessary; and authorize Auditor-Controller or designee to make related payments

ORANGE COUNTY BOARD OF SUPERVISORS

A g e n d a R e v i s i o n s a n d S u p p l e m e n t a l s

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- S41K. **John Wayne Airport** - Public Hearing to consider adopting resolution approving issuance of revenue obligations by California Municipal Finance Authority for acquisition, construction, renovation, equipping, and furnishing Fixed Base Operation Aviation Facilities (\$120,000,000); approve amendment 3 to Northwest Full-Service Fixed Base Operation Lease with Clay Lacy Aviation, Inc., term ending 12/31/55; approve Consent to Assignment of Interest in Lease from Clay Lacy Aviation, Inc. to Clay Lacy Santa Ana, LLC; and approve Guaranty of Lease Obligations and Indemnification Agreement by Clay Lacy Aviation, Inc. and CLA Real Estate Holdings, LLC - District 5
- SCS1. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - SIGNIFICANT EXPOSURE TO LITIGATION - Pursuant to Government Code Section 54956.9(d)(2):
Number of Cases: Multiple
- SCS2. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(d)(1):
Name of Case: Richard Smith v. County of Orange, et al., United States District Court Case No. 8:23-cv-01920-FWS-DFM
- SCS3. **County Counsel** - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1):
Name of Cases: California Department of Forestry and Fire Protection v. County of Orange, Todd Gillespie, Ismael Huizar et al., Orange County Superior Court Case No.: 30-2025-01508686-CU-MC-CJC; Albert Ivan Larios and Candelaria Salinas Santiago v. County of Orange et al., Orange County Superior Court Case No. 30-2025-01514118-CU-PO-NJC; Luis Ceja Ochoa, Samantha Nicole Larios, and Arthur King Ceja, a minor, by and through his Guardian ad Litem, Luis Ceja Ochoa v. County of Orange et al., Orange County Superior Court Case No. 30-2025-01515014-CU-PO-NJC
- SCS4. **County Executive Office** - PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code Section 54957(b):
Title: Public Guardian



RECEIVED

2025 NOV 19 PM 4:46

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

TO: Robin Stieler, Clerk of the Board

FROM: Supervisor Janet Nguyen, First District

DATE: November 19, 2025

RE: **Resolution to Recognize Huntington Beach Fire Department, Marine Safety Division**

Doug Chaffee
Janet Nguyen

Please add the following presentation to the December 2, 2025 Board of Supervisors meeting:

Supervisor Janet Nguyen presenting a resolution recognizing Huntington Beach Fire Department, Marine Safety Division.

By the authority of the Orange County Board of Supervisors, the following resolution is hereby issued:

WHEREAS, the Huntington Beach Fire Department Marine Safety Division (Division) is entrusted with the critical responsibility of protecting the lives of residents and visitors along 3.5 miles of Huntington Beach coastline and Sunset Beach; and

WHEREAS, through exceptional vigilance and proactive prevention efforts, the Division plays a vital role in ensuring that Huntington Beach remains one of the safest coastal communities in California; and

WHEREAS, in the summer of 2025, while responding to more than 125,000 calls for service between January 1 and October 16, the Division achieved a historic milestone by recording zero drowning deaths - the first such summer in seven years; and

WHEREAS, during peak season the Division staffed up to 65 highly trained lifeguards, ensuring comprehensive coverage and rapid response capabilities across the city's beaches; and

WHEREAS, the Division implements robust training and public education programs, including full-scale rescue simulations and community outreach campaigns, to promote water safety and underscore the importance of adult supervision; and

WHEREAS, the Division was awarded a federal grant from the U.S. Consumer Product Safety Commission to support drowning prevention efforts, making Huntington Beach one of only eight jurisdictions nationwide to receive this distinguished funding; and

WHEREAS, the Division maintains a long-standing legacy of excellence in marine safety, continually strengthening its training, outreach, and operational readiness to meet the demands of thousands of annual incidents; and

WHEREAS, the Division's collaborative partnerships with schools, civic organizations, and national safety agencies have further elevated its reputation as a model of coastal public safety across the nation; and

WHEREAS, this landmark achievement is the result of sustained dedication, strategic innovation, and deep community engagement, reflecting the Division's unwavering commitment to excellence in public service;

NOW, THEREFORE BE IT RESOLVED THAT THE ORANGE COUNTY BOARD OF SUPERVISORS, does hereby honor the Huntington Beach Fire Department's Marine Safety Division, for its exemplary service and its extraordinary accomplishment in achieving a drowning-free summer in 2025.



BOARD OF SUPERVISORS

MEMORANDUM

2025 NOV 24 PM 1:14

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

11/24/2025

To: Robin Stieler, Clerk of the Board

From: Chair Doug Chaffee, Fourth District

Subject: Presentation Item for December 2, 2025, Board of Supervisors Meeting – 25th Anniversary of the OC Watersheds Program

Doug Chaffee

Chair Doug Chaffee requests a presentation be added to the agenda for the December 2, 2025, Board of Supervisors meeting. The title should read:

Chair Chaffee will be presenting a proclamation recognizing the 25th Anniversary of the OC Watersheds Program

25th Anniversary of the OC Watersheds Program

WHEREAS, On December 12, 2000 the Board of Supervisors formed a new Watershed Programs Agency, subsequently named OC Watersheds, to manage watershed projects and support the Board's leadership in creating partnerships to address watershed issues. This milestone is an opportunity to recognize OC Watersheds Program accomplishments to fulfill this Board directive; and

WHEREAS, in 2002, the Water Pollution Response Unit was formed to provide skilled staff who respond to an average of 230 emergency water pollution incidents per year, on behalf of 31 Orange County cities, unincorporated Orange County and the Orange County Flood Control District; and

WHEREAS, in 2004, the South OC Watershed Integrated Regional Watershed Management (IRWM) Group was formed with 22 member agencies. The IRWM Plan for South Orange County seeks a balanced watershed through improving water quality, increasing water supply, reliability and efficiency, integration of flood management and enhancement of natural resources; and

WHEREAS, in 2007, OC Watersheds began IRWM planning for the Newport Bay and Coyote Creek watersheds. The OC Plan for North and Central Orange County seeks to increase water supply, protect water quality, enhance the environment and habitat, provide flood risk management, improve quality of life and address climate change scale; and

WHEREAS, in 2014, the countywide Adopt-A-Channel Program began, which has harnessed the volunteer efforts of 23 companies, groups and individuals who have adopted 29 channel locations and organized 2,692 volunteers to remove over 87,000 pounds of trash and abate over 158,000 square feet of graffiti in Orange County Flood Control District channels; and

WHEREAS, in 2016, the OC Mitigation Program was created to establish native habitat sites to compensate for construction and maintenance project impacts. Currently covering 400 acres, 55 sites support 25 special status species including the coastal California Gnatcatcher, least Bell's vireo and coastal cactus wren; and

WHEREAS, in 2020, the OC Green Infrastructure Unit was created to identify opportunities to retrofit County infrastructure to support stormwater capture and infiltration and provide leadership in new applications of green construction and maintenance technologies; and

WHEREAS, throughout its 25-year history, the OC Watersheds outreach program, H₂OC, has developed award-winning public education campaigns, such as *The Ocean Begins at Your Front Door*, *Overwatering is Out*, and *The Good, the Bad and the Bugly*, to help Orange County citizens adopt behaviors that protect our environment; and

WHEREAS, the cumulative efforts of OC Watersheds, its City and Special District Partners, environmental groups and citizen volunteers, are seen throughout Orange County, at our Heal The Bay Honor Roll beaches, in acres of enhanced habitat, in millions of gallons of water conserved, treated and saved and in daily actions by residents to protect and preserve our amazing water resources.

NOW, THEREFORE, BE IT RESOLVED that the Orange County Board of Supervisors formally commends and congratulates OC Watersheds on the occasion of its 25th anniversary, in recognition of their enduring commitment to environmental stewardship and service to the community.



Continuation or Deletion Request

Date: 12/1/2025
To: Clerk of the Board of Supervisors
From: Michelle Aguirre, County Executive Officer
Re: ASR Control #: 24-001107, Meeting Date 12/2/25 Agenda Item No. # 35
Subject: Legislative Issues

Digitally signed
by Michelle
Aguirre
Date: 2025.12.01
14:58:44 -08'00'

☐ Request to continue Agenda Item No. # _____ to the _____ Board Meeting.

Comments:

☒ Request deletion of Agenda Item No. # 35

Comments:

RECEIVED
2025 DEC -1 PM 3:20
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS



Legislative Bulletin

DRAFT

A Publication of the County Executive Office/Legislative Affairs

December 2, 2025
Item No. 35

County of Orange Positions on Proposed Legislation

The Legislative Bulletin provides the Board of Supervisors with analyses of measures pending in Sacramento and Washington that are of interest to the County. Staff provides recommended positions that fall within the range of policies established by the Board. According to the County of Orange Legislative Affairs Program Guidelines adopted by the Board of Supervisors on January 25, 2022, staff recommendations for formal County positions on legislation will be agendaized and presented in this document for Board action at regular Board of Supervisors meetings. When the Board takes formal action on a piece of legislation, the CEO will direct the County's legislative advocates to promote the individual bills as approved by the Board. The Legislative Bulletin also provides the Board of Supervisors with informative updates on State and Federal issues.

The 2025-2026 Legislative Platform was adopted by the Board of Supervisors on November 19, 2024.

On December 2, 2025, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

1. **Consider 2026 County-Sponsored Legislative Proposal(s) and provide direction on which proposal(s) to designate as County-Sponsored Legislation.**
 - **CalOptima Alternate Board Members (Attachment A)**
 - **Joint Legislative Audit Committee (JLAC) Request on Funding Equity (Attachment B)**
 - **Regional Housing Needs Allocation (RHNA) Credits for Small-Scale Housing (Attachment C)**
 - **Trap-Neuter-Return (TNR) Authorization (Attachment D)**
 - **CalOptima Board of Directors (Attachment E)**
 - **Elections Administration (Attachment F)**
 - **Jury Commissioner Information Sharing (Attachment G)**
 - **Veterans Warm Handoff (Attachment H)**
 - **Nitrous Oxide (NOx) Sales Ban (Attachment I)**
 - **Homekey+ Project Completion Period Extension (Attachment J)**
 - **Landfill Methane Monitoring Technology Modernization (Attachment K)**
2. **Direct CEO Legislative Affairs to work with the Orange County legislative delegation to author any Board-approved legislative proposal(s).**

3. Receive and File Legislative Bulletin

INFORMATIONAL ITEMS

- 1. County Position Matrix: CEO-LA**
- 2. Sacramento Legislative Report**
- 3. Washington DC Legislative Report**

RECOMMENDED ACTIONS

- 1. Consider 2026 County-Sponsored Legislative Proposal(s) and provide direction on which proposal(s) to designate as County-Sponsored Legislation. (Attachments A-K)**

SUMMARY:

In August, CEO-LA met with county departments to solicit proposals for County-sponsored legislation for the second year of the 2025-2026 Legislative Session. Departments were asked to consider the operational or fiscal impacts of a potential bill, determine whether immediate legislative action is required, and identify the nexus to the Board's legislative priorities and/or the Legislative Platform.

In September, CEO-LA met with each Board office to discuss potential Board-requested legislative proposals. Following these meetings, CEO-LA researched and drafted ten Board-requested state legislative proposals and one Department-requested state legislative proposal for your consideration. Proposals approved by your Board will officially be designated as an "Orange County-Sponsored Bill" and CEO-LA will work with Precision Advocacy to identify a member(s) of the Orange County legislative delegation to author the proposal(s). The proposed 2026 County-sponsored legislative proposals are listed below, and write-ups can be found in Attachments A-K.

BACKGROUND:

CEO-LA is bringing these legislative proposals before the Board now to provide ample time to secure delegation authors for legislation before the Legislature reconvenes on January 5th. Delegation authors are required to submit bill language to Legislative Counsel by January 23rd, ahead of the final deadline to introduce bills on February 20th.

2026 COUNTY LEGISLATIVE PROPOSALS:

- *CalOptima Alternate Board Members* (Attachment A) – Allow alternate members of the CalOptima Board of Directors to have access to confidential information, such as items discussed in closed session.
- *Joint Legislative Audit Committee (JLAC) Request on Funding Equity* (Attachment B) - Secure approval for a JLAC audit to assess the County's fiscal capacity to fulfill both state-mandated obligations and crucial local responsibilities, while receiving comparatively lower funding than other large counties. The objective of the audit is to identify and propose solutions for any financial inequities discovered during the examination.
- *Regional Housing Needs Allocation (RHNA) Credits for Small-Scale Housing* (Attachment C) – Ensure local jurisdictions subject to the RHNA process are allowed to receive RHNA credits for all small-scale housing units.

- *Trap-Neuter-Return (TNR) Authorization* (Attachment D) – Authorize a carve out for county and city animal shelters within existing law, clarifying these public agencies may support TNR programs for felines in their jurisdictions without violating existing animal abandonment statutes.
- *CalOptima Board of Directors* (Attachment E) – Stagger the terms of the seven members of the CalOptima Board of Directors who serve four-year terms to ensure that no more than four board members' terms expire simultaneously.
- *Elections Administration* (Attachment F) - Align the standards for first-time voters in federal and non-federal elections to remove a discrepancy in current requirements, which require voter identification for certain first-time voters in a federal election but not in a non-federal election.
- *Jury Commissioner Information Sharing* (Attachment G) – Require jury commissioners to provide the Secretary of State with data regarding registered voters who report on jury questionnaires a lack of qualification for jury service due to reasons that could concurrently impact their eligibility to vote.
- *Veterans Warm Handoff* (Attachment H) – Establish a comprehensive "warm handoff" program designed to improve the reintegration process for service members transitioning from military to civilian life. This proposal aims to strengthen coordination between military discharge points and state and local providers, ensuring earlier connection to available resources and enhanced support.
- *Nitrous Oxide (NOx) Sales Ban* (Attachment I) – Fully ban the sale of NOx, except for limited authorized retailers for legitimate culinary and medical purposes.
- *Homekey+ Project Completion Period Extension* (Attachment J) - Under future Homekey+ rounds, allow longer completion periods for projects involving major demolition and rebuild, which are currently limited to twelve months, to expand eligibility to additional housing projects.
- *Landfill Methane Monitoring Technology Modernization* (Attachment K) – Allow the use of alternative methane monitoring technologies, including methane detecting drones and other remote sensing systems, to satisfy compliance obligations, and establish performance-based criteria for the use of these advanced emissions monitoring technologies.

2. Direct CEO Legislative Affairs to work with the Orange County legislative delegation to author any Board-approved legislative proposal(s).

Proposals approved by your Board will officially be designated as an “Orange County-Sponsored Bill” and CEO-LA will work with Precision Advocacy to identify a member(s) of the Orange County legislative delegation to author the proposal(s).

INFORMATIONAL ITEMS

1. County Position Matrix: CEO-LA

The tables below list the bills the Board of Supervisors has taken positions on in the 2025-26 legislative session.

State Legislation

As of Thursday, November 20, 2025

Bill No.	Author	Subject	Position	Date of Board Action	Status
<u>AB 28</u>	<u>Schiavo</u>	Solid Waste Landfills: subsurface temperatures.	Oppose	6.24.25	2-Year Bill
<u>AB 70</u>	<u>Aguiar-Curry</u>	Solid Waste: Organic Waste Diversion: Biomethane.	Support	6.24.25	Chaptered
<u>AB 81</u>	<u>Ta</u>	Veterans: Mental Health	Support	3.25.25	Vetoed
<u>AB 91</u>	<u>Harabedian</u>	State and local agencies: demographic data	Support	4.22.25	Chaptered
<u>AB 226</u>	<u>Calderon</u>	California FAIR Plan Association	Support	4.08.25	Chaptered
<u>AB 282</u>	<u>Pellerin</u>	Discrimination: housing: source of income.	Support	5.06.25	2-Year Bill
<u>AB 283</u>	<u>Haney</u>	In-Home Supportive Services Employer-Employee Relations Act	Support if amended	8.26.25	2-Year Bill
<u>AB 339</u>	<u>Ortega</u>	Local public employee organizations: notice requirements	Oppose	4.22.25	Chaptered
<u>AB 349</u>	<u>Dixon</u>	Foster care supplement	Support	4.08.25	Chaptered
<u>AB 370</u>	<u>Carrillo</u>	California Public Records Act: cyberattacks	Support	4.22.25	Chaptered
<u>AB 394</u>	<u>Wilson</u>	Crimes: public transportation providers	Support	3.25.25	Chaptered
<u>AB 424</u>	<u>Davies</u>	Alcohol and other drug programs: complaints	Support	3.25.25	Chaptered
<u>AB 462</u>	<u>Lowenthal</u>	Land use: coastal development permits: accessory dwelling units	Support	4.08.25	Chaptered
<u>AB 492</u>	<u>Valencia</u>	Alcohol and drug programs: licensing	Support	3.25.25	Chaptered
<u>AB 571</u>	<u>Quirk-Silva</u>	California Environmental Quality Act: exemption: Gypsum Canyon Veterans Cemetery	Co-Sponsor	2.25.25	Chaptered
<u>AB 607</u>	<u>Rodriguez</u>	CalWORKs: Home Visiting Program.	Support	6.24.25	Chaptered
<u>AB 615</u>	<u>Davies</u>	Power facilities: emergency response and action plan	Support	3.25.25	Vetoed
<u>AB 689</u>	<u>Rubio</u>	Foster Youth: Disaster aid assistance.	Support	6.24.25	Vetoed
<u>AB 1288</u>	<u>Addis</u>	Registered environmental health specialists	Support	4.22.25	Chaptered
<u>AB 1356</u>	<u>Dixon</u>	Alcohol and other drug programs	Support	3.25.25	Chaptered
<u>AB 1387</u>	<u>Quirk-Silva</u>	Mental health multidisciplinary personnel team.	Support	5.06.25	Vetoed
<u>SB 71</u>	<u>Wiener</u>	California Environmental Quality Act: exemptions: transit projects	Support	3.25.25	Chaptered
<u>SB 283</u>	<u>Laird</u>	Energy storage systems	Support	4.08.25	Chaptered

<u>SB 346</u>	<u>Durazo</u>	Local Agencies: Transit Occupancy Taxes: Short-Term Rental Facilitator.	Support	6.24.25	Chaptered
<u>SB 577</u>	<u>Laird</u>	State Government	Support	8.26.25	2-Year Bill
<u>SB 634</u>	<u>Pérez</u>	Local government: homelessness	Oppose	5.06.25	Chaptered

Federal Legislation

As of Thursday, November 20, 2025

Bill No.	Author	Subject	Position	Date of Board Action	Status
<u>H.R. 965</u>	<u>Sherman</u>	Housing Unhoused Disabled Veterans Act	Support	5.20.25	Senate Committee on Banking, Housing, and Urban Affairs
<u>H.R. 1012</u>	<u>Levin</u>	Spent Fuel Prioritization Act of 2025	Support	5.20.25	House Committee on Energy and Commerce
<u>H.R. 2483</u>	<u>Guthrie</u>	SUPPORT for Patients and Communities Reauthorization Act of 2025	Support	6.24.25	Senate Committee on Health, Education, Labor, and Pensions
<u>S. 1462</u>	<u>Curtis</u>	Fix Our Forests Act	Support	9.23.25	Senate Committee on Agriculture, Nutrition, and Forestry
<u>S. 2212</u>	<u>Padilla</u>	Visible Identification Standards for Immigration-Based Law Enforcement (VISIBLE) Act of 2025	Support	8.26.25	Senate Committee on the Judiciary



Highlighted sections symbolize a status change.

2. Sacramento Legislative Report

Prepared by Precision Advocacy Group LLC

Legislative Analyst's Office 2026-27 Fiscal Outlook

The Legislative Analyst's Office (LAO) released its [Fiscal Outlook for 2026-27](#) on November 19, along with a separate [Medi-Cal fiscal outlook](#) outlined in the next section of this report. The annual outlook provides the legislature with independent estimates and analysis of the state's General Fund budget condition based on current state and federal law and policy. It serves as a baseline for the 2026-27 budget process, assessing spending and revenues assuming no new laws are enacted. This year's outlook includes estimated effects of H.R. 1: One Big Beautiful Bill Act but it avoids assumptions about future federal policy changes.

Revenues. Weak economic conditions, including high borrowing costs, new tariffs, and federal uncertainty, have led to no job growth and flat taxable spending in California. Consequently, sales and corporation tax collections are below average.

In contrast, income tax collections are surging, driven by excitement over Artificial Intelligence (AI). This AI enthusiasm has pushed the stock market (S&P 500) up 50% in two years, boosting compensation for tech workers and increasing state income tax receipts.

Despite this income tax strength, the stock market appears overheated, much like during the dot-com era. Historically high stock valuations, increased investor borrowing, and high household stock investment suggest a strong risk of a market downturn in the next couple of years.

Reflecting this risk, the LAO's forecast incorporates a small, temporary revenue upgrade that reverses in 2026-27, keeping those revenues in line with the enacted budget. This "middle-ground approach" acts as insurance against a significant stock market drop, although it will likely under-predict revenue if a downturn does not occur. The LAO continues to advise that the legislature treat any extra revenues as temporary.

Budget Problem. The state faces a growing budget problem, now projected at nearly \$18 billion for 2026-27, \$5 billion more than anticipated in June, continuing a three-year trend of deficits. Despite the LAO's revenue estimates being \$11 billion higher across 2024-25 to 2026-27, constitutional requirements, mainly Proposition 98 (school/community college funding) and Proposition 2 (reserves/debt), absorb nearly all this gain (\$10 billion+). Over 60% of the revenue increase (\$7 billion) goes to Proposition 98, including formula-driven increases and a settle-up obligation from the 2025 Budget Act. Additionally, \$2.8 billion is required for Proposition 2 true up reserve deposits and \$600 million more for debt payments. If the 2026-27 reserve deposit isn't suspended, constitutional requirements will exceed the revenue gains.

Other program costs increase the budget problem by nearly \$6 billion as compared to the 2025 budget:

- **Statewide Expenditures (\$2.4 billion higher):** Costs like retiree health care, pensions, and administrative expenses are higher because the administration's anticipated savings were not included in the LAO's outlook.
- **H.R. 1 (\$1.3 billion higher):** Changes to Medi-Cal (\$1 billion) and CalFresh (\$300 million) from H.R. 1 are expected to decrease beneficiaries but increase state costs. This estimate depends on maintaining current provider tax levels, despite recent preliminary federal guidance suggesting changes may be required starting July 2026.
- **Corrections Costs (\$850 million higher):** The higher estimates reflect an ongoing imbalance between the California Department of Corrections and Rehabilitation's costs and its budget,

due to an unaddressed gap from 2024-25 and less savings than anticipated from assumed efficiencies in the 2025-26 budget.

- **All Other Costs (\$1.1 billion higher):** Includes an \$800 million solutions erosion related to employee compensation changes and approximately \$300 million in other costs, mainly within health and human services.

Ongoing structural deficits are projected at about \$35 billion annually starting in 2027-28, larger than previous estimates. While some recent solutions, primarily in Medi-Cal, slowed spending growth (now anticipated at 4.1% on average), overall spending growth remains high. The widening gap between spending and revenue, particularly in 2027-28, is driven by factors including the ramping up of H.R. 1 costs, expiring one-time solutions (like furloughs), planned repayment of budgetary borrowing, and program expansions (childcare, foster care reform). These larger deficits are primarily due to lower-than-projected revenues since 2022-23 and the state's failure to fully adjust ongoing service levels to this reduced capacity, partly because assumed savings from operational efficiencies were overly optimistic.

LAO Comments

- **Budget Position Is Weak:** The legislature must use ongoing solutions, spending cuts and/or revenue increases, to address the larger-than-anticipated and growing structural deficit. This is critical because the problem is bigger, the estimates don't account for a recession, and most budget resilience tools are already used. If current estimates hold, the state faces a fourth consecutive year of deficits despite overall revenue growth.
- **Budget Resilience Waning:** Past deficits were solved with temporary fixes (reducing one-time spending, borrowing, using reserves, temporary revenue hikes), avoiding cuts to core programs. Now, temporary options are exhausted, over \$20 billion in borrowing has been used, and reserves are halved. With larger forecasted deficits and fewer tools, California's budget is less prepared for downturns.
- **Ignoring Risks Could Create Serious Challenges Later:** Although revenues are not falling (avoiding an outright recession), ongoing solutions are vital. Continuing temporary measures, like borrowing, only defers the problem and leaves the state ill-equipped for a recession or stock market downturn. Building the budget with the LAO's forecast, which factors in potential downturns, is a step toward structural balance before a crisis.
- **Higher Revenue Unlikely to Balance Budget:** Even significantly higher revenue is unlikely to close future deficits. Due to Proposition 98 and Proposition 2, revenue improvement must be almost double the deficit size. Closing the projected out-year gaps would require an improbable \$60 billion annual revenue increase above the LAO's forecast.
- **Increased Revenues Should Be Considered Temporary:** Any near-term revenue increases, likely from stock market strength, should be considered temporary. The LAO advises using any additional revenues to enhance budget stability, either by replenishing reserves or settling outstanding debts, while concurrently working towards a structurally balanced budget.

Responses to the LAO's Fiscal Outlook

Senate President pro Tempore Monique Limón: *California's economy remains steady, despite some self-inflicted economic wounds from our own federal government, including harmful tariffs, attacks on our workforce, and shortsighted federal budget actions.*

While the Legislative Analyst forecasts a budget shortfall, the upcoming January and May forecasts will also inform the Senate's work in crafting a responsible state budget that protects core programs, including education, childcare, safety net, health care, and public safety.

Assembly Speaker Robert Rivas and Assembly Committee on Budget Chair Jesse Gabriel: *Trump's cuts and tariffs are squeezing California's budget even harder. And the cautious LAO*

forecast is a reminder: Today's revenue surge won't last. We must invest limited dollars on sustainable, vital essentials — health care, food aid, housing, education. When Republican policies raise prices and fall short, Democrats will keep fighting for real affordability and lasting prosperity.

Assembly Republican Leader Heath Flora: *While the LAO lays out the damage in plain terms, Governor Gavin Newsom and legislative Democrats are pretending none of it is their fault. They blamed the federal government in a press release meant to distract from decades of one-party budget control. The problem is their spending. Period.*

The facts aren't up for debate:

Newsom inherited a budget that had already recovered from the Great Recession, a booming stock market, and record tax revenue.

He spent through a pandemic surplus and ignored warnings during years of economic growth.

Now California's back in recession-level deficits. This time, they're self-inflicted.

California State Association of Counties (CSAC): *The LAO's report is grim, and county budget forecasts are even grimmer. The only way through this crisis is for the state to partner with counties to preserve California's safety net: Medi-Cal, CalFresh, indigent care and homelessness funding. Otherwise, the pain will hit the millions of Californians whose very survival depends on hospitals, shelters and schools.*

LAO 2026-27 Medi-Cal Fiscal Outlook

The Medi-Cal program, currently the state's largest with a nearly \$200 billion budget (40% of all spending, over half from federal funds), is facing significant fiscal and policy shifts. The LAO's Medi-Cal fiscal outlook for the coming years is shaped by baseline trends, state budget solutions, and the impacts of H.R. 1.

Projected Medi-Cal spending is expected to reach \$51.6 billion by 2029-30, a growth rate slower than the overall state budget. The largest driver of this growth is an estimated \$12.8 billion increase in baseline spending due to higher utilization and increased provider rates, with rising senior caseloads also contributing. The state's General Fund share for Medi-Cal in 2025-26 will hit an all-time high of \$44.9 billion, representing 20% of the total General Fund, up from a historical 15% due to these rising costs.

While state budget solutions enacted in 2025-26 are anticipated to offset a large part of the baseline increase (an estimated \$9.3 billion), federal policy changes under H.R. 1 introduce a net cost increase of \$3.2 billion. This federal effect is the result of a \$5.1 billion increase from financing changes, partially mitigated by an estimated \$1.9 billion saving from a projected 1.6 million reduction in caseload.

The combined impact of state and federal policy shifts means Medi-Cal spending will likely continue to rise. However, the exact timing and magnitude of this increase, which could vary by billions, remains highly uncertain. Given the state's broader fiscal challenges, the legislature will need to continue prioritizing Medi-Cal discussions.

LAO Fiscal Outlook

- General Fund spending on Medi-Cal is projected to be lower in the current year (2025-26) at \$43.9 billion, a \$1 billion decrease from the enacted budget.
- Baseline trends show spending initially falls in 2025-26 due to a reduction in the family and children caseload (nearly 500,000 people).

- Spending will increase steadily in subsequent years, with an average annual growth rate of 3.5%. Medi-Cal will remain around 19% of the total General Fund budget.
- After 2025-26, spending rises significantly (\$11.1 billion) primarily due to annual increases in provider rates and utilization. Increased senior caseload, a higher-cost population, also contributes to net General Fund costs (\$3.1 billion). An additional cost (\$1.3 billion) is a General Fund backfill required by Proposition 35 (2024), which dedicates more Managed Care Organization (MCO) Tax revenue to provider rates instead of existing program costs.
- The outlook projects fewer enrollees (falling from nearly 15 million to 12 million) but higher monthly per-enrollee costs (rising from \$298 to \$355, a 19% increase). H.R. 1 is expected to reduce caseload, but costs continue to climb.

2025 Budget Solutions. To address the structural deficit and curb Medi-Cal spending, the legislature adopted policy changes in the 2025 budget, including tighter eligibility and benefit rules, most effective in 2026 and beyond.

The state's budget solutions yield \$9.3 billion in net multiyear savings, primarily (\$10.6 billion) from changes affecting adults with unsatisfactory immigration status (UIS). The state is freezing comprehensive coverage eligibility (for undocumented adults) and implementing monthly premiums (for all UIS adults ages 19-59). These measures are projected to reduce UIS comprehensive coverage enrollment by 1.5 million (64%) by 2029-30, with those individuals retaining limited Medi-Cal coverage. Other UIS-related savings include clinic payment changes and ending adult dental coverage.

Remaining ongoing savings (\$2.7 billion) come from reducing pharmacy spending (ending certain weight loss drug coverage, negotiating higher rebates, and new utilization management) and reinstating an asset limit for seniors and persons with disabilities, estimated to reduce this caseload by 90,000 (4%) by 2029-30.

Ongoing savings are partially offset by the end of limited-term solutions (\$4 billion), mainly due to a one-time cash loan to Medi-Cal in 2025-26 that will require General Fund coverage moving forward, and the phase-down of utilizing Proposition 35 funds to offset General Fund spending.

Overall, the ongoing solutions lower per-enrollee costs by \$83 (21%) per month by 2029-30 relative to the baseline. Most solutions save money by reducing per-enrollee costs through utilization management, benefit cuts, and provider rate reductions, rather than directly reducing overall caseload (except for the asset limit). A \$1 monthly per enrollee cost reduction saves an estimated \$150 million to \$180 million for the General Fund annually.

H.R. 1 Impacts. The state's General Fund will need to backfill \$5 billion in Medi-Cal spending due to H.R. 1 federal policy changes.

The largest factor (\$3.3 billion) is a substantial reduction in the state's MCO tax, expected to take effect in January 2027. This tax currently disproportionately taxes Medi-Cal enrollment (\$274/month) compared to commercial enrollment (\$2/month), a structure intended to maximize federal funds. H.R. 1 prohibits this disproportionality. Since Proposition 35 (2024) limits increasing the commercial rate, the state must significantly reduce the Medi-Cal rate, causing tax revenue to plummet and requiring a large General Fund backfill.

The second factor is a reduction in the Hospital Quality Assurance fee (\$600 million backfill), also anticipated around January 2027. H.R. 1's proportionality rule, a new, lower revenue limit (3.5% by fiscal year 2032), and a lower payment limit (Medicare rates) will all pressure the state to reduce this fee.

Third, reduced federal cost sharing for immigrant emergency services decreases the federal match from 90% to 50% for certain undocumented adults, requiring a \$1.2 billion General Fund backfill.

Finally, H.R. 1 introduces new eligibility requirements for childless adults - an 80-hour monthly community engagement mandate and more frequent 6-month eligibility determinations, which are expected to cut the childless adult caseload by 1.6 million (40%) by 2029-30. However, because this group has a high 90% federal match, the resulting state savings are limited (\$1.9 billion), with most savings accruing to the federal government.

Risks and Uncertainties. Budget solutions will likely slow, but not fully offset, Medi-Cal spending growth. Without these solutions, Medi-Cal's share of state spending would rise to 23% by 2029-30, four percentage points higher than projected with the solutions. However, baseline cost increases and new costs from H.R. 1 will probably exceed the savings from state budget solutions. The ultimate size and timing of increased net spending are highly uncertain, potentially making General Fund spending billions of dollars higher or lower than projected.

The implementation timeline for H.R. 1's federal policy changes remains unclear, contingent on forthcoming federal guidance and, for provider tax changes, ranging from July 2025 to as late as 2028. Recent guidance suggests July 2026 for the MCO tax and July 2028 for other provider taxes. California might also get up to a two-year extension (until January 2029) to implement the new community engagement requirement, shifting associated disenrollment savings.

The size of the effects from state and federal policy changes also remains unpredictable. Savings are particularly sensitive to immigrant-related solutions, where small changes to assumptions yield billions in cost differences. Key unknowns include:

- **Immigrant Caseloads and Costs:** Data for people with UIS are limited, making cost projections imprecise.
- **Short- and Long-Term Effect of Freeze:** The January 2026 freeze on comprehensive coverage for undocumented adults could temporarily increase pre-freeze enrollment or depend on long-term exits.
- **Effect of Premiums:** The impact of new premiums on the undocumented population is unknown; they may be more sensitive to costs or incentivized to pay to avoid being locked out.
- **Implementation of New Clinic Finance Change:** This large solution's savings are at risk due to implementation hurdles, like requiring clinics to track immigration status.
- **Administrative Requirements of Reinstated Asset Limit:** Uncertainty exists around disenrollments caused by the asset limit itself and the administrative burden of demonstrating compliance.
- **Pharmacy-Related Savings:** These rely on the unpredictable prescription drug market and the state's success in negotiating rebates.
- **Community Engagement Requirement:** Since Medi-Cal is new to requiring employment, the disenrollment effect from lack of employment and administrative burden is uncertain and depends on implementation.
- **Spending on Emergency Care for Immigrants:** Volatile spending trends for emergency care for undocumented immigrants make the effect of H.R. 1's decreased federal match uncertain.
- **Flexibilities:** State choices to exempt groups from new eligibility requirements could mitigate disenrollments and associated savings.
- **Other H.R. 1 Changes:** Though four core changes are assumed to be most significant, the full fiscal effects of H.R. 1's dozens of policy changes will take years to understand. Other key changes to track include: a change in the UIS definition (impacting cost-sharing for some immigrant groups), a new \$1 million home equity limit for long-term care, a prohibition on payments to certain family planning providers (e.g., Planned Parenthood), a new cost-sharing requirement for childless adults above the federal poverty level, a moratorium on new rules aimed at streamlining eligibility, and the elimination of waivers for recoupments on high Medicaid payment error rates.

The spending reductions in the 2025-26 Budget Act are projected to moderate the growth of Medi-Cal spending, which would otherwise have increased significantly. However, the exact amount of these savings is uncertain and could differ from the LAO's projections. This uncertainty is compounded by the fact that the complete fiscal and programmatic impact of H.R. 1 is still becoming clear as the federal government issues new guidance. Given these variables and the state's ongoing negative fiscal trend, the legislature will likely need to continue evaluating its Medi-Cal priorities in the near future.

UCSF Benioff Homelessness and Housing Initiative Report: Health and Homelessness

UCSF Benioff Homelessness and Housing Initiative released a [new report on health and homelessness](#), "Toward Thriving: Understanding Health and Homelessness," based on its [California Statewide Study of People Experiencing Homelessness \(CASPEH\)](#). The report examines the connection between poor health and homelessness, the barriers people face in accessing care, and provides recommendations for policymakers, healthcare leaders, public health agencies, Continuum of Care leaders, and social service systems.

Summary of Findings. Not surprisingly, the study confirms that individuals with extensive life-course adversity, limited access to healthcare, and prolonged exposure to poverty and discrimination face the highest risk of poor physical health. Many enter homelessness already in poor health; and homelessness worsens health outcomes. The study found that:

- **Poor health is pervasive:** Nearly half (45%) of adults experiencing homelessness rated their health as poor or fair - four times higher than the general population.
- **Chronic disease is common:** 60% reported at least one chronic condition, and more than one in four (28%) reported two or more. Hypertension (30%), chronic lung disease (25%), and heart disease or stroke (15%) were most frequent.
- **Tobacco use is common and contributes to poor health:** 70% of adults experiencing homelessness smoke - six times the national rate.
- **Physical limitations are widespread:** 34% of adults reported difficulty with at least one daily activity (ADL) such as bathing, dressing, or eating. Among adults aged 50 and older, nearly half (43%) had at least one ADL limitation.
- **Access to care is limited despite insurance:** While most (83%) had health insurance, primarily Medi-Cal, only 52% had a regular place for care and 39% had a primary care provider.
- **High rates of acute care use:** 37% visited an emergency department in the past six months without being admitted, and 21% were hospitalized.

The findings underscore how those facing homelessness face a disproportionate burden of poor health while confronting high barriers to care. Based on the findings of the report, researchers provided the following recommendations for the healthcare system (including Medicaid) and the homelessness and housing response system:

- Expand and stabilize Medicaid coverage for people experiencing homelessness.
- Scale street medicine and shelter-based care models that deliver primary and urgent care in non-traditional settings.
- Enhance medical respite programs for people discharged from hospitals without stable housing.
- Create accessible, supportive housing designed for people with disabilities and chronic disease.
- Invest in culturally and linguistically responsive care to build trust and equity across diverse communities.

Background. The California Statewide Study of People Experiencing Homelessness (CASPEH) is the largest representative study of homelessness in the United States since the mid-1990s. Researchers at the University of California, San Francisco Benioff Homelessness and Housing

Initiative (UCSF BHHI) recruited a representative sample of adults experiencing homelessness; all respondents (3,200) completed an administered questionnaire. A subset participated in in-depth interviews. UCSF BHHI has released a series of reports, including a comprehensive report; focused reports on intimate partner violence, racial equity (with separate analyses of Black people and Latine people experiencing homelessness), older adults, and behavioral health. BHHI additionally released several shorter topic briefs, including one on pregnancy and unsheltered homelessness. This report looks at the intersection of health and homelessness.

Uncertain Future for Funding. In its conclusion, the report acknowledges that there are many efforts underway to improve healthcare for those experiencing homelessness. This includes the work of Federally Qualified Health Centers and other safety net care systems, street medicine teams, and recuperative care programs. The expansion of Medi-Cal in California to fund these efforts is promising, but changes in federal policy are expected to significantly reduce funding resources.

BHHI plans to host a webinar discussing the report's findings on December 4.

Upcoming Hearings

Agendas are typically posted on the committee websites in the [Assembly](#) and [Senate](#) a few days prior to the hearings. To view hearings after they take place, you may access them in the [Assembly](#) or [Senate](#) media archives where they are generally available within a few hours of committee adjournment.

Tuesday, December 02, 2025, 10:00 a.m.

Assembly Select Committee on California's Mental Health Crisis

Informational Hearing: Implementing the 988 Suicide and Crisis Line

Grant Opportunities

Deadline: 1/15/26 00:00

Title: [Round 11a Sustainable Agricultural Lands Conservation Program \(SALC\) Planning Grants](#)

State Agency / Department: [Department of Conservation](#)

Match Funding? 10%

Estimated Total Funding: Funding availability is dependent on auction revenues from the Cap-and-Trade Program's Greenhouse Gas Reduction Fund (GGRF).

Funding Method: Other

Deadline: 12/1/25 00:00

Title: [Round 11a Sustainable Agricultural Lands Conservation Program \(SALC\) Agricultural Conservation Acquisition Grants](#)

State Agency / Department: [Department of Conservation](#)

Match Funding? 10%

Estimated Total Funding: Approximately \$58 million in funding will be made available for Round 11, but the amount of funding is subject to change based on final calculations from the FY2025-2026 Cap-and-Invest auction proceeds and residual funds that become available from disencumbered projects.

Funding Method: Other

Deadline: 2/2/26 17:00

Title: [Division of Boating and Waterways Shoreline Erosion Control Grant Program FY27](#)

State Agency / Department: [Department of Parks and Recreation](#)

Match Funding? 50%

Estimated Total Funding: \$1,500,000

Funding Method: Reimbursement(s)

Deadline: 1/30/26 23:59

Title: [Explore the Coast](#)

State Agency / Department: [Coastal Conservancy](#)

Match Funding? No

Estimated Total Funding: Applicants may request a grant amount of up to \$100,000. Approximately \$700,000 is available for this grant round. Up to \$50,000 of the \$700,000 is available for participants to access the San Francisco Bay shoreline. Due to limited funding, projects with trips to the San Francisco Bay shoreline will be extremely competitive. The funding source for the remaining \$650,000 is available for projects that provide access to the outer coast.

Funding Method: Advances & Reimbursement(s)

Deadline: 2/2/26 17:00

Title: [Division of Boating and Waterways Public Beach Restoration Grant Program FY27](#)

State Agency / Department: [Department of Parks and Recreation](#)

Match Funding? 15%

Estimated Total Funding: There is no predetermined amount of funds or number of awards that will be available through this program in any fiscal year. Projects are approved and funded individually through the annual state budget process.

Funding Method: Reimbursements

Governor's Press Releases

Below is a list of the governor's press releases beginning November 19.

November 22: [Governor Newsom announces appointments 11.21.2025](#)

- Claudia Quiroz, of Mill Valley, has been appointed as General Counsel at the California Department of Financial Protection and Innovation
- Jane Sadler, of Sacramento, has been appointed Senior Policy Advisor at the California Air Resources Board
- Paulette Brown-Hinds, of Riverside, has been appointed to the California Transportation Commission
- Martin Muoto, of Los Angeles, has been appointed to the California Housing Finance Agency Board of Directors
- Preston Prince, of San Jose, has been reappointed to the California Housing Finance Agency Board of Directors
- James "Jim" Cervantes, of Lafayette, has been reappointed to the California Housing Finance Agency Board of Directors
- Dr. Cedric "Jamie" Rutland, of Lake Forest, has been appointed to the South Coast Air Quality Management District Board
- Antoinette "Toni" Marengo, of San Diego, has been appointed to the Protect Access to Health Care Stakeholder Advisory Committee
- Kasheica McKinney, of Oakland, has been appointed to the California Architects Board. McKinney has been the Director of Transit-Oriented Development at the Bay Area Rapid Transit District since 2024
- Christopher Ferguson, of West Sacramento, has been appointed to the California Student Aid Commission
- Brian Haynes, of Rancho Cucamonga, has been reappointed to the California Student Aid Commission

November 21: [Governor Newsom advances efficiency efforts, announces five new projects completed to improve state government](#)

November 20: [First Partner Jennifer Siebel Newsom leads Gender Equity Summit on technology and well-being](#)

November 20: [Amid public safety improvements, Governor Newsom's expanded CHP efforts yield](#)
November 20: [2,000 pounds of illicit drugs recovered in three months](#)
November 20: [Governor Newsom issues statement on Trump's idiotic offshore oil drilling proposal](#)
November 20: [Governor Newsom honors fallen Alhambra Police Department Officer](#)
November 20: [Governor Newsom proclaims Transgender Day of Remembrance](#)
November 20: [Governor Newsom announces next round of film and TV tax credits, hit series](#)
[Baywatch returning to California](#)
November 19: [Governor Newsom cuts red tape to help communities clean up and rebuild faster](#)
[following the TCU Lightning Complex fires](#)
November 18: [Governor's actions and local efforts push permit approvals for LA fire recovery forward](#)
[at rapid pace](#)

3. Washington, D.C. Legislative Report

Prepared by Townsend Public Affairs

LEGISLATIVE BRANCH ACTIVITY

Congress Makes Further Movement Towards Finalizing Appropriations Process

The Senate moved towards finalizing the Fiscal Year (FY) 2026 appropriations process this week, releasing their versions of the [Energy and Water](#) and [Financial Services and General Government](#) bills. Congress has until January 30 to pass the nine remaining full-year appropriations bills and avert another, albeit partial, government shutdown.

Senators are also reported to be planning to set up a larger minibus of five appropriations bills, containing the majority of discretionary spending, though House Appropriations Committee Chairman Tom Cole has expressed skepticism at the House's willingness to pass a minibus of that size.

Congress is also considering a full year CR for any bills they are unable to negotiate before the January 30 deadline, though appropriators have made it clear that is a last resort. The first two weeks of session in December will likely be consumed by attempts to pass a health care package before December 12, as Senate Democrats were promised a vote on health insurance premiums in order to end the government shutdown. That leaves one week of session in December and three in January before the deadline. It generally takes committee staff six weeks from finalized negotiations on topline numbers to compose floor-ready bills. With the holidays, it may take additional leaving the House and Senate on a tight timeline to resolve the differences between their funding bills.

House Committee on Natural Resources Advances Permitting Reform Bill

On November 20, The House Committee on Natural Resources held a [markup](#) of a number of bills, including [HR 4776](#), the Standardizing Permitting and Expediting Economic Development Act or the SPEED Act. The SPEED Act was ordered reported out of committee on a bipartisan basis. The bill would represent the most significant reforms to federal environmental permitting in years and would notably create equivalency between California Environmental Quality Act (CEQA) reviews and National Environmental Policy Act (NEPA) reviews.

This means a completed CEQA review, since California has higher environmental standards, could satisfy the requirements of NEPA for federally funded projects. This would save developers and local jurisdictions significant time and resources in building housing and other infrastructure using federal dollars.

Natural Resources Chairman Bruce Westerman has expressed optimism the bill will see a floor vote by the end of the year, though it will likely be pushed into 2026.

Congress Readies Health Care Package for December Vote

In the compromise with eight Senate Democrats to reopen the government, Senate Majority Leader John Thune committed to holding a vote on the central issue in the shutdown, a series of Affordable Care Act health insurance premium subsidies set to expire at the end of the year.

As premiums could drastically increase, Republicans in Congress have felt pressure to propose an alternative to the subsidies. Senator Bill Cassidy has [proposed](#) shifting the subsidy amount into individual Health Savings Accounts (HSAs) and subsidy recipients into lower-tier higher-deductible health plans, while Rep. Brian Fitzpatrick has [floated](#) a compromise extension of the subsidies with new income limitations and additional flexibilities for HSAs. Senator Rick Scott [released](#) his own plan, creating a modified form of HSAs called Trump Health Freedom Accounts that could be used to pay both premiums and deductibles and introduces a state waiver program.

The competition between these plans, along with the President's short-lived [proposal](#) to extend the health insurance premium subsidies with additional limitations on eligibility will likely consume the

legislature for the first two weeks of December, as the self-imposed deadline for action is December 12.

EXECUTIVE BRANCH ACTIVITY

EPA Announces New Definition of Waters of the United States

On November 21, the Environmental Protection Agency (EPA) and the Army Corps of Engineers (USACE) [announced](#) a new proposed definition of Waters of the United States (WOTUS). The definition of WOTUS determines which waterways and ultimately projects are subject to the [Clean Water Act](#) (CWA).

The proposed definition [revises](#) and limits the definitions of relatively permanent, continuous surface connection, and tributary, establishes new standards for tributary connections to navigable waters, increases local jurisdiction authority, clarifies exclusions for certain ditches, prior converted cropland, and waste treatment systems, and addresses natural seasonal changes in water quantity in an area.

The revised definition is intended to bring EPA into compliance with the Supreme Court's 2023 [decision](#) in Sackett v EPA. The proposal is open for [public comment](#) in the Federal Register through January 5, 2026.

DOT Announces Bus Grant Awards

On November 20, the Department of Transportation (DOT) [announced](#) \$2 billion in grant awards from the Federal Transit Administration's (FTA) [Grants for Buses and Bus Facilities Program](#) and the [Low or No Emission Grant Program](#) (Low/No).

The funding includes support for both rural and urban transit providers. Active FY 2025 funding for these programs totals about \$1.5 billion, with an additional \$518 million in FY 2026 funding available through advance appropriations.

The grants previously prioritized the replacement of diesel busses with zero-emission alternatives. Awards under this round included a number of hybrid bus programs and compressed natural gas (CNG). The funding was made available through the [2022 Infrastructure Investment and Jobs Act](#), which included the last Surface Transportation Reauthorization Act.

Orange County Delegation Press Releases

- Rep. Mike Levin – November 20, 2025: [Rep. Mike Levin Criticizes the Trump Administration's Announcement to Allow More Offshore Drilling in California](#)
- Rep. Young Kim – November 21, 2025: [Reps. Kim, Beatty Introduce Resolution Recognizing October as National Financial Planning Month](#)
- Rep. Dave Min – November 21, 2025: [Reps. Min, Chu Lead 43 Representatives in Letter Demanding Answers on Systemic Pattern of Deaths in ICE Detainment Facilities](#)
- Rep. Dave Min – November 19, 2025: [Reps. Dave Min, Gabe Evans Introduce Bipartisan, Bicameral Legislation to Reduce Wildfire Risk](#)
- Rep. Derek Tran – November 21, 2025: [Representative Tran Issues Statement Following Vote on House Resolution 58](#)
- Sen. Alex Padilla – November 21, 2025: [Padilla, Davids Lead 88 Lawmakers in Urging Protection of Electric Vehicle Investments in Bipartisan Surface Transportation Negotiations](#)
- Sen. Alex Padilla – November 21, 2025: [Ranking Members Padilla, Durbin, Raskin, Jayapal: Trump Admin Too Cowardly to Defend Shocking Decision to Abandon Refugees](#)
- Sen. Alex Padilla – November 21, 2025: [Senate Passes Padilla, Schiff Resolution Congratulating Los Angeles Dodgers on Back-to-Back World Series Championships](#)
- Sen. Alex Padilla – November 20, 2025: [Padilla, Booker Call on DHS to Provide Information on Hiring Standards and Training Protocols for Newly Hired ICE Agents](#)

- Sen. Alex Padilla – November 20, 2025: [Padilla, Huffman Denounce Trump Administration's Plan to Sell Off California's Pristine Coastline](#)
- Sen. Alex Padilla – November 19, 2025: [Padilla Joins Bill to Repeal Senate Republicans' Cash Grab in Government Funding Bill](#)
- Sen. Alex Padilla – November 19, 2025: [WATCH: Padilla Walks Out of Sham Immigration Subcommittee Hearing on Attacks by the "Radical Left"](#)
- Sen. Alex Padilla – November 18, 2025: [Padilla, Schiff Announce Nearly \\$300 Million for Low-Emission California Commuter Buses](#)
- Sen. Adam Schiff – November 22, 2025: [STATEMENT: Sen. Schiff Statement on President Trump's Plan for Ukraine](#)
- Sen. Adam Schiff – November 21, 2025: [Schiff Resolution Congratulating Los Angeles Dodgers on Back-to-Back World Series Championships](#)
- Sen. Adam Schiff – November 20, 2025: [NEWS: Sen. Schiff Joined Senators McCormick and Coons to Introduce Bill to Boost U.S. AI Leadership with Energy-Efficient Liquid Cooling Technology](#)
- Sen. Adam Schiff – November 20, 2025: [NEWS: Sens. Schiff, Blumenthal, Warren Demand Answers from Trump Fundraiser and Lobbyists Soliciting Hundreds of Millions in Private Donations for White House Ballroom Project](#)
- Sen. Adam Schiff – November 19, 2025: [WATCH: Sen. Schiff Calls on Trump Administration to Release Full Epstein Files After Trump Signs Bill, Raises Alarm on Trump Loyalists at DOJ Doing President's Bidding](#)
- Sen. Adam Schiff – November 18, 2025: [NEWS: Sens. Schiff, Padilla Announce Nearly \\$300 Million for Low-Emission California Commuter Buses](#)

Legislation Introduced by the Orange County Delegation

Bill Number	Bill Title	Introduction Date	Sponsor	Bill Description	Latest Major Action
H.RES.908	No Short Title Available.	11/21/25	Rep. Young Kim (R-CA-40)	Expressing support for the designation of October 2025 as "National Financial Planning Month".	Referred to the House Committee on Oversight and Government Reform., 11/21/25
S.RES.515	No Short Title Available.	11/20/25	Sen. Alex Padilla (D-CA)	A resolution congratulating the Los Angeles Dodgers for winning the 2025 Major League Baseball World Series.	Submitted in the Senate, considered, and agreed to without amendment and with a preamble by Unanimous Consent. (consideration: CR S8399; text: CR S8282), 11/20/25
H.R.6154	Regional Leadership in Wildland Fire Research Act	11/19/25	Rep. Dave Min (D-CA-47)	To provide for the establishment of regional wildland fire research centers, and	Referred to the Committee on Natural Resources, and in addition to the Committees on Agriculture, and Science, Space, and

				for other purposes.	Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned., 11/19/25
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If you or your staff have any questions or require additional information on any of the items in this bulletin, please contact Peter DeMarco at 714-834-5777.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Janet Nguyen, First District

SUBJECT: CalOptima Alternate Board Members

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Allow alternate members of the CalOptima Board of Directors to have access to confidential information, such as items discussed in closed session.

PROBLEM: Under the current structure, two members of the CalOptima Board of Directors must also be members of the Board of Supervisors, with one additional member of the Board of Supervisors serving as an alternate. Currently, the alternate member does not have access to confidential information which may be necessary to perform their role.

BACKGROUND: Governance of CalOptima is vested in a governing body consisting of ten members, of whom nine are voting members and one is a nonvoting member. Two of the voting members are also on the County Board of Supervisors, and there is an additional member from the Board of Supervisors who serves as the alternate for those two. These members serve a one-year term.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **Guiding Principle - Efficient Service Delivery:**
 - The County supports legislation and budget actions that encourage new technology and innovation to streamline the delivery of services.
 - The County supports legislation and budget actions that reduce access barriers, increase efficiency, and expand equity of public programs.
 - The County supports efforts to reduce maintenance of effort cost requirements, and reasonable administrative or regulatory oversight.
- **CS-39: Public Health & Wellness:** Support measures that protect the public against disease and disability and promote health.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Janet Nguyen, First District

SUBJECT: Joint Legislative Audit Committee (JLAC) Request on Funding Equity

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Secure approval for a JLAC audit to assess the County's fiscal capacity to fulfill both state-mandated obligations and crucial local responsibilities, while receiving comparatively lower funding than other large counties. The objective of the audit will be to identify and propose solutions for any financial inequities discovered during the examination.

PROBLEM: In recent years, legislative changes have shifted more responsibilities to the County without associated funding and restricted County discretion in service levels or implementation. Neighboring counties with similar populations have more revenue to provide similar, required services. Orange County must meet its mandated responsibilities first, leaving less funding for non-mandated services and other County priorities.

BACKGROUND: The County uses General Purpose Revenue to meet its unfunded mandated service requirements by the state and federal governments, such as match requirements for Community Services programs or Maintenance-of-Effort funding, as well as operational expenses for Public Protection and General Government Services departments. 92% of the County's \$1.1 billion General Purpose Revenue comes from property taxes. Orange County receives the lowest property tax allocation of all 58 counties in the state at five cents for every dollar.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **Guiding Principle - Fair Share Cost Recovery:**
 - The County supports dependable, predictable, and equitable revenue streams and allocation methodologies which reflect County responsibilities, demographics, cost of living, and caseload growth.
 - The County supports full reimbursement for all mandates and other responsibilities imposed by the federal and state governments.

- The County supports adjusting the State's outdated property tax allocation formula so that Orange County receives its fair share of property tax revenue.
- *GS-7: County Revenue:* Support efforts to increase, protect and sustain local autonomy over local revenues, and ensure the County receives its fair share through the adoption of equitable funding mechanisms, such as population-based funding formulas.
- *GS-17: Property Tax Revenue & Funding Equity:* Protect local property tax revenues and rights afforded to the County. Support dependable, predictable, and equitable revenue streams, and adjust the State's outdated property tax allocation formula so that the County receives its fair share of property tax revenue.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Vicente Sarmiento, Second District

SUBJECT: Regional Housing Needs Allocation (RHNA) Credits for Small-Scale Housing

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Ensure local jurisdictions subject to the RHNA process are allowed to receive RHNA credits for all small-scale housing units.

PROBLEM: Despite the County's limited supply of land available for development, not all new housing units are counted toward the County's state-mandated RHNA requirements. In particular, the eligibility of some small-scale units—such as tiny homes, modular units, or interim structures—remains ambiguous under existing statute and state guidance.

BACKGROUND: The Regional Housing Needs Determination (RHND) and RHNA process is used to determine how many new homes, and the affordability level of the homes, that each local government must plan for in its housing element to meet the housing needs of current and future residents. Local jurisdictions report housing units permitted on an annual progress report to demonstrate a jurisdiction's progress toward meeting its share of the RHNA.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **CS-28: Housing:** Support efforts to increase the availability of housing options including small-scale homes, permanent supportive housing and affordable housing. Promote the flexible use of funding and financing mechanisms to meet the needs of individuals and families, including additional funding for the Local Housing Trust Fund Program and expanded definitions of homelessness. Support additional options for the procurement of materials for affordable housing.
- **CS-35: Low & Moderate-Income Housing:** Support efforts to streamline funding, construction processes, and land use regulations, which expedite the development of low- and moderate-income housing units and allow local governments to adequately plan to meet the housing needs of all economic segments of the community.

- *IN-39: Regional Housing Needs Assessment (RHNA)*: Support legislation that provides clarity, addresses inconsistencies, or provides flexibility in the RHNA process for a successful completion of the County's Housing Element.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Vicente Sarmiento, Second District

SUBJECT: Trap-Neuter-Return (TNR) Authorization

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Authorize a carve out for county and city animal shelters within existing law, clarifying these public agencies may support TNR programs for felines in their jurisdictions without violating existing animal abandonment statutes.

PROBLEM: While California does not have a statewide ban on TNR programs, some counties have discontinued or been hesitant to initiate such programs. This hesitancy has been attributed to perceived ambiguity in state law regarding the authority or protections related to TNR efforts.

BACKGROUND: California Penal Code Section 597 makes it a misdemeanor to abandon an animal. Some counties have curtailed TNR programs, fearing that releasing even feral cats could be considered illegal abandonment.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **CS-3: Animal Care Shelter:** Support funding for regional animal shelter facility maintenance and programs, and support feral cat trap, neuter, and release authority.
- **CS-44: Spay/Neuter:** Support funding for spay/neuter and microchipping education, vouchers, and clinics. Support feral cat trap, neuter, and release authority.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Vicente Sarmiento, Second District

SUBJECT: CalOptima Board of Directors

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Stagger the terms of the seven members of the CalOptima Board of Directors who serve four-year terms to ensure that no more than four board members' terms expire simultaneously.

PROBLEM: Under the current structure, the terms of all seven board members serving four-year terms expire simultaneously, which may create a risk of sudden turnover and the potential loss of experienced decision-makers. Staggering terms could mitigate this risk by providing continuity in governance.

BACKGROUND: Governance of CalOptima is vested in a governing body consisting of ten members, of whom nine are voting members and one is a nonvoting member. Members of the CalOptima board serve four-year terms, except for those members who are members of the Orange County Board of Supervisors, who serve a one-year term.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- ***Guiding Principle - Efficient Service Delivery:***
 - The County supports legislation and budget actions that encourage new technology and innovation to streamline the delivery of services.
 - The County supports legislation and budget actions that reduce access barriers, increase efficiency, and expand equity of public programs.
 - The County supports efforts to reduce maintenance of effort cost requirements, and reasonable administrative or regulatory oversight.
- ***CS-39: Public Health & Wellness:*** Support measures that protect the public against disease and disability and promote health.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Donald P. Wagner, Third District

SUBJECT: Elections Administration

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Align the standards for first-time voters in federal and non-federal elections to remove a discrepancy in current requirements, which require voter identification for certain first-time voters in a federal election but not in a non-federal election.

PROBLEM: Under the Help America Vote Act of 2002 (HAVA), voter identification is required only for first-time voters in a federal election who registered by mail or online without providing a driver's license number, state ID number, or the last four digits of their Social Security number at registration. California's law extends this requirement to meet federal standards but does not require voter identification for first-time voters in a non-federal election who registered by mail or online without providing a driver's license number, state ID number, or the last four digits of their Social Security number at registration.

BACKGROUND: Existing law requires a person to provide personal identifying information when registering to vote and requires elections officials to validate the information provided; requires an applicant to certify to the truth and correctness of the content of their voter registration application under penalty of perjury; provides that every person who registers to vote knowing that they are ineligible to do so is guilty of a crime punishable by imprisonment for 16 months or two or three years, or in a county jail not exceeding one year; and states that if a voter is voting in a federal election for the first time after registering online or by mail and did not provide their driver's license number, California identification number, or the last four digits of their social security number on their registration form, they will be asked to show a form of identification when they go to the polls.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **GS-29: Voting Systems & Access:** Support legislation that promotes and increases voter registration and access for as many eligible voters as possible, establishes consistent funding

for the maintenance and replacement of voting systems equipment, and provides adequate funding for the administration of election services.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Supervisor Donald P. Wagner, Third District

SUBJECT: Jury Commissioner Information Sharing

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Require jury commissioners in each county to share information with the Secretary of State, which after confirmation of a voter match will share the information with county elections officials, about registered voters who attest on a juror questionnaire that they are not qualified for jury service in that county for any reason that would also make them ineligible to vote, make them qualified to vote in another county in the state, or indicate that they require accommodation to vote.

PROBLEM: Currently, when persons who attest under penalty of perjury that they were eligible to vote on a voter registration affidavit and subsequently attest to a Superior Court that they are not qualified to serve on a jury for a reason that would also make them ineligible to vote, the Secretary of State and county elections officials are not notified. The lack of access to jury questionnaire data may impede the ability the Registrar of Voters to maintain accurate voter files and allow for the risk that persons not eligible to vote could cast a ballot in a local, state, or federal election.

BACKGROUND: The Code of Civil Procedure (CCP) provides that if a jury commissioner requires a person to complete a questionnaire, the questionnaire shall only ask questions related to juror identification, qualification, and ability to serve as a prospective juror. Pursuant to CCP Section 203, there are 11 circumstances that exclude persons from eligibility for jury service in the state that include, among others, persons who are not domiciliaries of California or who are not residents of the jurisdiction wherein they are summoned to serve.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **GS-29: Voting Systems & Access:** Support legislation that promotes and increases voter registration and access for as many eligible voters as possible, establishes consistent funding for the maintenance and replacement of voting systems equipment, and provides adequate funding for the administration of election services.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Chairman Doug Chaffee, Fourth District

SUBJECT: Veterans Warm Handoff

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Establish a comprehensive "warm handoff" program designed to improve the reintegration process for service members transitioning from military to civilian life. This proposal aims to strengthen coordination between military discharge points and state and local providers, ensuring earlier connection to available resources and enhanced support.

PROBLEM: Integrating back into civilian life after active duty is a complex and often challenging process that demands a significant period of readjustment across multiple domains. Successful reintegration requires addressing a comprehensive set of needs that collectively support a service member's return to health and productivity.

BACKGROUND: There are numerous veteran support efforts underway, including a little more than \$1 billion from recent statewide bond funding set aside to support veterans housing and a pilot program dedicated to higher levels of on-site supportive services for older veterans in permanent supportive housing. A pilot report published in February of this year outlines improvements and opportunities for advancement in veterans' health, community engagement, and support services.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **CS-49: Veterans Services, Programs & Housing:** Support programs, services, and funding for our veterans, including:
 - Funding for the County veterans service offices (VSOs).
 - Funding and approval of veteran housing projects.
 - Maintaining veterans as a priority group in the housing voucher program.
- Expedited training and certification for VSO claims officers, and increased access to the veterans' affairs database.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Vice Chair Katrina Foley, Fifth District

SUBJECT: Nitrous Oxide (NOx) Sales Ban

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Fully ban the sale of NOx statewide, except for limited authorized retailers for legitimate culinary and medical purposes.

PROBLEM: According to recent data, fatal nitrous oxide poisonings increased by more than 500% from 2010–2023. Despite statewide limits, NOx remains widely sold in smoke shops, gas stations, and online, often labeled as “food use only.” In August, the OC Health Care Agency issued a special report on NOx assessing its use and policy recommendations, highlighting challenges with collecting accurate data and the negative effects of NOx misuse.

BACKGROUND: California Penal Code Section 381b–381e makes it illegal to possess or inhale NOx for intoxication, sell or furnish it to minors, or distribute it knowing it will be used for intoxication. Retailers must keep signed sales logs acknowledging the dangers of inhalation, and those records must be retained for one year. Exemptions apply for legitimate uses such as medical or dental anesthesia and as a food propellant. A handful of counties (Orange, San Mateo, Santa Cruz, Humboldt, and Mendocino) have enacted local bans on retail sales outside authorized food or medical channels.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- *P-26: Unsanctioned Substance Use:* Monitor state and federal efforts to report and restrict the misuse of substances, including but not limited to nitrous oxide, ketamine, and esketamine, and support efforts to prevent their misuse.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: Vice Chair Katrina Foley, Fifth District

SUBJECT: Homekey+ Project Completion Period Extension

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Under future Homekey+ rounds, allow longer completion periods for projects involving major demolition and rebuild, which are currently limited to twelve months, to expand eligibility to additional housing projects.

PROBLEM: Current Homekey+ guidelines distinguish between acquisition and rehabilitation and new construction, but do not adequately address projects that require full or substantial teardowns. In practice, these projects are often classified as adaptive reuse, repurposing or retrofitting existing non-residential structures into new permanent supportive housing. Because adaptive reuse projects typically involve extensive demolition, structure reconfiguration, and major electrical and mechanical upgrades, they align more closely with new construction timelines than with rehabilitation standards.

BACKGROUND: Homekey+ is a permanent housing initiative funded by recent statewide bond funding. The current timelines and eligibility requirements for Homekey+ project completion vary depending on the project classification. Acquisition or rehabilitation projects must be completed within twelve months and sixty days from the date of award. In contrast, gap financing and new construction projects must be completed twenty-four months and sixty days from the date of award.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- **CS-28: Housing:** Support efforts to increase the availability of housing options including small-scale homes, permanent supportive housing and affordable housing. Promote the flexible use of funding and financing mechanisms to meet the needs of individuals and families, including additional funding for the Local Housing Trust Fund Program and expanded definitions of homelessness. Support additional options for the procurement of materials for affordable housing.



County of Orange

County Executive Office

2026 LEGISLATIVE PROPOSALS

AGENCY/DEPARTMENT: OC Waste & Recycling

SUBJECT: Landfill Methane Monitoring Technology Modernization

STAFF RECOMMENDATION: Defer to Board

PROPOSAL SUMMARY: Allow the use of alternative methane monitoring technologies, including methane detecting drones and other remote sensing systems, to satisfy compliance obligations, and establish performance-based criteria for the use of these advanced emissions monitoring technologies.

PROBLEM: State statute and regulations require the reporting of routine emissions from stationary sources, mandate the identification and mitigation of localized air quality risks, and support climate policy objectives, including the detection and quantification of methane, a potent short-lived climate pollutant. However, California does not yet allow the use of several advanced technologies for methane monitoring. Authorization to use new technologies will increase the frequency, coverage, and accuracy of methane monitoring while reducing the operational challenges and safety risks associated with traditional ground-based methods.

BACKGROUND: The California Air Resources Board (CARB) establishes the regulatory framework and oversees recordkeeping, reporting, and compliance obligations for methane monitoring at municipal solid waste landfills, in alignment with state and federal law. Although CARB has not yet authorized these technologies within the state, the United States Environmental Protection Agency (EPA) approved the technologies in December 2022, and they have since been adopted and implemented in other states nationwide.

LEGISLATIVE PLATFORM POLICY REFERENCE: Per the Legislative Guidelines, departments will adhere to County and department goals, objectives, and priorities and the Legislative Platform when developing legislative proposals and administrative/regulatory changes for which they plan to seek County-sponsorship. Below are the relevant guiding principles and policy statements from the 2025-2026 Legislative Platform that relate to this proposal.

- *IN-45: Technology for Landfill Management & Compliance:* Support efforts that expand the use of new or existing technology advancements for landfill management and regulatory compliance.



AGENDA STAFF REPORT

ASR Control 24-001083

MEETING DATE: 12/02/25
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office (Approved)
DEPARTMENT CONTACT PERSON(S): Peter DeMarco (714) 834-5777
 Andrea Foster (714) 834-2009

SUBJECT: Grant Applications/Awards Report

CEO CONCUR Concur	COUNTY COUNSEL REVIEW No Legal Objection	CLERK OF THE BOARD Discussion 3 Votes Board Majority
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Budgeted: N/A	Current Year Cost: N/A	Annual Cost: N/A
Staffing Impact: No	# of Positions:	Sole Source: N/A
Current Fiscal Year Revenue: N/A	County Audit in last 3 years: No	
Funding Source: N/A		
Levine Act Review Completed: N/A		
Prior Board Action: N/A		

RECOMMENDED ACTION(S):

Approve grant applications/awards as proposed and other actions as recommended.

1. Receive and File Grants Report.
2. Approve Grant Award – Health Care Agency – Sexually Transmitted Infections (STI) Prevention and Collaboration Grant – \$4,760,340
3. Approve Grant Award – Health Care Agency – CHVP SGF EBHV 25-30 – \$2,805,718.63

SUMMARY:

See the attached Grants Report.

BACKGROUND INFORMATION:

See the attached Grants Report.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A - Grants Report



Grants Report

DRAFT

County Executive Office/Legislative Affairs

December 02, 2025

Item No: 38

County of Orange Report on Grant Applications/Awards

The Grants Report is a condensed list of grant requests by County Agencies/Departments that allows the Board of Supervisors to discuss and approve grant submittals in one motion at a Board meeting. County policy dictates that the Board of Supervisors must approve all grant applications prior to submittal to the grantor. This applies to grants of all amounts, as well as to new grants and those that have been received by the County for many years as part of an ongoing grant. Receipt of grants \$50,000 or less is delegated to the County Executive Officer. Grant awards greater than \$50,000 must be presented to the Board of Supervisors for receipt of funds. This report allows for better tracking of county grant requests, the success rate of our grants, and monitoring of County's grants activities. It also serves to inform Orange County's Sacramento and Washington, D.C. advocates of County grant activities involving the State or Federal Governments.

On December 02, 2025, the Board of Supervisors will consider the following actions:

RECOMMENDED ACTIONS

Approve grant applications/awards as proposed and other actions as recommended.

ACTION ITEMS:

1. Receive and File Grants Report
2. Approve Grant Award – Health Care Agency – Sexually Transmitted Infections (STI) Prevention and Collaboration Grant – \$4,760,340
3. Approve Grant Award – Health Care Agency – CHVP SGF EBHV 25-30 – \$2,805,718.63

If you or your staff have any questions or require additional information on any of the items in this report, please contact Andrea Foster at (714) 834-2009.



CEO-Legislative Affairs Office Grant Authorization eForm

GRANT APPLICATION / GRANT AWARD

Today's Date:	November 19, 2025
Requesting Agency/Department:	Health Care Agency
Grant Name and Project Title:	Sexually Transmitted Infections (STI) Prevention and Collaboration Grant
Sponsoring Organization/ Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	California Department of Public Health (CDPH), Sexually Transmitted Disease Control Branch (STD CB)
Application Amount Requested:	N/A
Application Due Date:	N/A
Board Date when Board Approved this Application:	August 12, 2025
Awarded Funding Amount:	\$4,760,340
Notification Date of Funding Awarded:	November 14, 2025
Is this an Authorized Retroactive Grant Application/Award? No	
Recurrence of Grant:	Yes
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	7/1/25 - 6/30/26 = \$953,450 7/1/24 - 6/30/25 = \$953,450 7/1/23 - 6/30/24 = \$953,450 7/1/22 - 6/30/23 = \$953,450 7/1/21 - 6/30/22 = \$817,103
Does this grant require CEQA findings?	No
What Type of Grant is this?	Award - Allocation
County Match?	No
How will the County Match be fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No
Will this grant support a new or existing program?	Existing
Purpose of Grant Funds:	Provide summary and brief background on why the Board of Supervisors should accept this grant application/award, and how the grant will be implemented.
Key activities for STI Prevention and Collaboration workplan are to: conduct surveillance and disease investigation activities; conduct STI prevention, testing, linkages to care, care coordination, and treatment among vulnerable and underserved clients at high risk for STI, with an emphasis on priority settings and populations; and increase community-level capacity to deliver STI	

prevention and testing, navigation, linkages to care, care coordination, and treatment for vulnerable and underserved people at high risk for STIs.

Board Resolution Required?

No

Deputy County Counsel Name:**Recommended Action(s)**

(Please specify below)

The HCA respectfully requests that the Board of Supervisors (Board) approve the Recommended Actions as follows:

1. Accept the award of the STI Prevention and Collaboration Grant from the California Department of Public Health, Sexually Transmitted Diseases Control Branch, for the term of July 1, 2026, through June 30, 2027, in the amount of \$952,068.
2. Accept the award of the STI Prevention and Collaboration Grant from the California Department of Public Health, Sexually Transmitted Diseases Control Branch, for the entire term of July 1, 2026, through June 30, 2031, in the cumulative amount of \$4,760,340.
3. Authorize the Health Care Agency Director, or designee, to sign and execute the Grant Agreement Number 26-STI17, upon review and approval by County Counsel, and authorize the Health Care Agency Director, or designee, to sign and execute related documents for this award and to make such future amendments thereto that do not change the Agreement amount by more than 10% of the original amount and/or make immaterial, ministerial changes to the Agreement.

Department Contact:

List the name and contact information (telephone, email) of the person to be contacted for further information.

Jennifer Sarin 714-834-4099 jsarin@ochca.com April Orozco 714-384-7799 aorozco@ochca.com

Name of individual attending the Board Meeting:

List the name of the individual who will be attending the Board Meeting for this Grant item:

Veronica Kelley



CEO-Legislative Affairs Office Grant Authorization eForm

GRANT APPLICATION / GRANT AWARD

Today's Date:	November 24, 2025
Requesting Agency/Department:	Health Care Agency
Grant Name and Project Title:	CHVP SGF EBHV 25-30
Sponsoring Organization/ Grant Source: <small>(If the grant source is not a government entity, please provide a brief description of the organization/foundation)</small>	California Department of Public Health (CDPH)/Maternal, Child and Adolescent Health (MCAH) Division
Application Amount Requested:	\$2,805,718.63
Application Due Date:	N/A
Board Date when Board Approved this Application:	August 12, 2025
Awarded Funding Amount:	\$2,805,718.63
Notification Date of Funding Awarded:	November 12, 2025
Is this an Authorized Retroactive Grant Application/Award? No	
Recurrence of Grant:	Yes
If this is a recurring grant, please list the funding amount applied for and awarded in the past:	FY 2022-2023 CHVP Expansion \$ 882,443 FY 2023-2024 CHVP Expansion \$ 1,712,424 FY 2024-2025 CHVP Expansion \$ 2,542,445.95
Does this grant require CEQA findings?	No
What Type of Grant is this?	Award - Non Competitive
County Match?	No
How will the County Match be fulfilled? <small>(Please include the specific budget)</small>	N/A
Will the grant/program create new part or full-time positions?	No
Will this grant support a new or existing program?	Existing
Purpose of Grant Funds:	Provide summary and brief background on why the Board of Supervisors should accept this grant application/award, and how the grant will be implemented.

The California Department of Public Health (CDPH) allocated State General Funds to expand the California Home Visiting Program (CHVP) and CDPH/CHVP extended this expansion for an additional 5 years. Orange County was selected to receive this award based on the number of Medi-Cal births with three risk indicators (children under age 5 in poverty and/or foster care, and preterm births) and existing capacity to serve clients through a CHVP approved evidence-based services model, Nurse Family Partnership® (NFP). Grant funds will be used to support program operations including staff salaries, program materials, and operational expenses.

Program goals include promoting maternal health and well-being, improving infant and child health and development, strengthening family functioning, and cultivating strong communities. Services are provided to pregnant and newly parenting families who have medical and social risk factors such as inadequate income, education less than 12 years, substance use, depression and/or mental illness. NFP is staffed by Public Health Nurses within the Community and Nursing Services Division. Research has shown that evidence-based home visiting programs produce positive outcomes that save taxpayer dollars by reducing societal costs associated with intimate partner violence, youth crime, substance use, and need for governmental assistance.

Board Resolution Required?	No
Deputy County Counsel Name:	
Recommended Action(s) (Please specify below)	
<p>The Health Care Agency requests that the Board of Supervisors:</p> <ol style="list-style-type: none"> 1. Accept the grant funding award from the California Department of Public Health Maternal, Child and Adolescent Health Division for the California Home Visiting Program for the term of July 1, 2025, through June 30, 2026, in the amount of \$2,805,718.63. 2. Authorize the Health Care Agency Director, or designee, to execute the Grant Award Agreement, upon review and approval by County Counsel, and delegate authority to the Health Care Agency Director, or designee, to sign and execute the Acceptance of Award, Agreement and/or any documents related to this award, and to make such future amendments thereto that do not change the Agreement amount by more than 10% of the original amount and/or make immaterial, ministerial changes to the Agreement 	
Department Contact:	List the name and contact information (telephone, email) of the person to be contacted for further information.
Jennifer Sarin 714-834-4099 JSarin@ochca.com April Orozco 714-834-7799 AOrozco@ochca.com	
Name of individual attending the Board Meeting:	List the name of the individual who will be attending the Board Meeting for this Grant item:
Veronica Kelley	



Office of Supervisor Janet Nguyen

RECEIVED

2025 DEC -1 PM 1:47

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

Continuation Request

December 1, 2025

TO: Robin Stieler, Clerk of the Board

FROM: Supervisor Janet Nguyen, First District

RE: ASR Control #: **Meeting Date:** December 2, 2025 **Agenda Item No. #41**

SUBJECT: Consider First Reading of an "Ordinance to amend Sections 4-11-2, 4-11-7, and 4-11-16 of the Codified Ordinances of the County of Orange, regarding Contracting by the Orange County Health Authority"

☒ Request to continue Agenda Item No. #41 to the December 16, 2025 Board Meeting.

Comments:



RECEIVED

2025 NOV 21 PM 12: 22

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Chair Chaffee, District Four Office

Date: November 21, 2025

Gary Chaffee

RE: Supplemental Item for December 2nd, 2025, Board of Supervisors Meeting

541A

Chair Chaffee requests that a supplemental item for the December 2nd, 2025, Board of Supervisors meeting be added to:

Approve the sponsorship of the following nonprofit entities from the Fourth District events funds:

- Macondo Savanna High School - \$300.00
- Harbor Institute for Immigrant & Economic Justice fiscally sponsored by National Day Laborer Organizing Network - \$1,000.00

Recommended Actions:

1. Approve the addition or revisions of events to the FY 2025-2026 County Event Calendar, as set forth in Attachment A, and per Government Code Section 26227, find that the events therein will serve a public purpose of the County of Orange and will meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education, and legal services, and the needs of physically, mentally and financially handicapped persons and aged persons; that County staff and resources may be used in furtherance of such events; and that County staff may solicit donations of funds and services for such events.
2. Authorize Auditor-Controller to make related payments.

County Event Calendar

FY 25-26 Events

[illegible]

Glossary of Acronyms

BOS-1	Board of Supervisors District 1
BOS-2	Board of Supervisors District 2
BOS-3	Board of Supervisors District 3
BOS-4	Board of Supervisors District 4
BOS-5	Board of Supervisors District 5
TBA	To Be Announced
TBD	To Be Determined
N/A	Not Applicable



RECEIVED

Board of Supervisors

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

Memorandum

Date: 11/21/2025
To: Robin Stieler, Clerk of the Board
From: Vice Chair Katrina Foley, Fifth District
Re: Supplemental Item for the 12/02/2025 Meeting of the Board of Supervisors

NA for KF

S41B

Supplemental Agenda Item Title: Allocation of \$10,000 to Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia.

Summary: Vice Chair Foley requests approval for the allocation of \$10,000 from the Fifth District discretionary funds to support Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia.

Purpose of Funding: Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia is a 501(c)(3) non-profit based in San Juan Capistrano that develops children, youth and families through educational, cultural, arts, sports and civic leadership programs, and most recently, to fight food insecurity in their households. This grant will support CREER's food & diaper distribution and the CREER Afterschool Programs. CREER's food & diaper distribution serve 425 families with food and supply diapers to 120 children.

Recommended Action Items:

1. Approve the allocation of \$10,000 from Fifth District discretionary funds to Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the public safety needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Cree Responsabilizate Educate Esfuerzate Realiza (CREER): Comunidad y Familia as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



RECEIVED

Board of Supervisors

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

Memorandum

Date: 11/21/2025
To: Robin Stieler, Clerk of the Board
From: Vice Chair Katrina Foley, Fifth District
Re: Supplemental Item for the 12/02/2025 Meeting of the Board of Supervisors

NA & KF

541C

Supplemental Agenda Item Title: Allocation of \$5,071 to Girls Incorporated of Orange County

Summary: Vice Chair Foley requests approval for the allocation of \$5,071 from the Fifth District discretionary funds to support Girls Incorporated of Orange County.

Purpose of Funding: Girls Incorporated of Orange County is a 501(c)(3) nonprofit that provides after-school and summer programs for girls aged kindergarten through college in Orange County, CA. Programs are developed via research and evaluation of issues pertaining to girls and are designed to improve self-esteem, boost grades, prepare students for higher education, introduce STEM (Science, Technology, Engineering, and Mathematics) subjects, increase community involvement, and create economic independence. This grant will support the organization's Sponsor a Girl program, providing personal college advising for girls and their families from staff certified in College and Career Counseling, and covering the average cost (\$71) of a college application fee.

Recommended Action Items:

1. Approve the allocation of \$5,071 from Fifth District discretionary funds to Girls Incorporated of Orange County.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the public safety needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Girls Incorporated of Orange County as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



Board of Supervisors

RECEIVED
2025 NOV 25 PM 4:40
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

Memorandum

Date: 11/21/2025
To: Robin Stieler, Clerk of the Board
From: Vice Chair Katrina Foley, Fifth District
Re: Supplemental Item for the 12/02/2025 Meeting of the Board of Supervisors

NA for KF

541D

Supplemental Agenda Item Title: Allocation of \$20,000 to Coastal Corridor Alliance.

Summary: Vice Chair Foley requests approval for the allocation of \$20,000 from the Fifth District discretionary funds to support Coastal Corridor Alliance.

Purpose of Funding: Coastal Corridor Alliance (CCA) is a 501(c)(3) nonprofit that protects biodiversity, fosters community stewardship, and advocates for appropriate human access on the Randall Preserve and Santa Ana River Coastal Corridor in Newport Beach, Costa Mesa, and Huntington Beach, CA. The CCA collaborates with Randall Preserve titleholder Mountains Recreation and Conservation Authority (MRCA) to oversee the protection of the land on the preserve. This grant will support a consultant-conducted study of the ecological carrying capacity of the preserve to develop recommendations for sustainable recreational use of the land.

Recommended Action Items:

1. Approve the allocation of \$20,000 from Fifth District discretionary funds to Coastal Corridor Alliance.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the public safety needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Coastal Corridor Alliance as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



Board of Supervisors

RECEIVED

2025 NOV 24 PM 12: 51

CLERK OF THE BOARD
COUNTY OF ORANGE
SUPERVISORS

Memorandum

Date: 11/24/2025
To: Robin Stieler, Clerk of the Board
From: Vice Chair Katrina Foley, Fifth District
Re: Supplemental Item for the 12/02/2025 Meeting of the Board of Supervisors

AN for KF

341E

Please add this as a supplemental item for the December 2, 2025, Board of Supervisors meeting:

Approve the sponsorship of the following nonprofit entities from the Fifth District events funds:

- Orange County Women Lawyers Association - \$750
- Sustain SoCal - \$5,000
- Orange County Iranian American Chamber of Commerce - \$1,000

Recommended Actions:

1. Approve the addition or revisions of events to the FY 2025-26 County Event Calendar, as set forth in Attachment A, and per Government Code Section 26227, find that the events therein will serve a public purpose of the County of Orange and will meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education, and legal services, and the needs of physically, mentally and financially handicapped persons and aged persons; that County staff and resources may be used in furtherance of such events; and that County staff may solicit donations of funds and services for such events.

2. Authorize Auditor-Controller to make related payments.

County Event Calendar

FY 25-26 Events

[illegible]

Glossary of Acronyms

BOS-1	Board of Supervisors District 1
BOS-2	Board of Supervisors District 2
BOS-3	Board of Supervisors District 3
BOS-4	Board of Supervisors District 4
BOS-5	Board of Supervisors District 5
TBA	To Be Announced
TBD	To Be Determined
N/A	Not Applicable



RECEIVED

2025 NOV 24 PM 4:40

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board, Robin Stieler

From: Supervisor Vicente Sarmiento, Second District

Date: November 24, 2025

RE: Add Supplemental Item for December 2, 2025, Board of Supervisors Meeting

541F

Please add this as a supplemental item for the December 2, 2025, Board of Supervisors meeting:

Approve the sponsorship of the following nonprofit entities from the Second District events funds:

- Harbor Institute for Immigrant and Economic Justice - \$1,500
- CASA - \$1,000
- United Across Borders - \$5,000

Recommended Actions:

1. Approve the addition or revisions of events to the FY 2025-26 County Event Calendar, as set forth in Attachment A, and per Government Code Section 26227, find that the events therein will serve a public purpose of the County of Orange and will meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education, and legal services, and the needs of physically, mentally and financially handicapped persons and aged persons; that County staff and resources may be used in furtherance of such events; and that County staff may solicit donations of funds and services for such events.

2. Authorize Auditor-Controller to make related payments.

County Event Calendar

FY 25-26 Events

[illegible]

Glossary of Acronyms

BOS-1	Board of Supervisors District 1
BOS-2	Board of Supervisors District 2
BOS-3	Board of Supervisors District 3
BOS-4	Board of Supervisors District 4
BOS-5	Board of Supervisors District 5
TBA	To Be Announced
TBD	To Be Determined
N/A	Not Applicable



RECEIVED

2025 NOV 25 AM 11:01

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Supervisor Janet Nguyen, First District

A handwritten signature in blue ink, appearing to read "Janet Nguyen".

Date: November 25, 2025

Subject: Supplemental Item for the December 2, 2025 Board of Supervisors Meeting

541G

Supplemental Agenda Item Title: Allocation of \$10,000 to Project Eli.

Summary: Supervisor Janet Nguyen requests approval for the allocation of \$10,000 from the First District discretionary funds to support Project Eli.

Purpose of Funding: Project Eli is a 501(c)(3) nonprofit dedicated to raising awareness about the dangers of fentanyl and supporting families affected by this crisis. The organization provides community education, free Narcan distribution and training, and ongoing support services for families who have lost children to the drug. This grant will support Project Eli's education programs and direct outreach to families impacted by fentanyl in Orange County.

Recommended Action Items:

1. Approve the allocation of \$10,000 from First District discretionary funds to Project Eli.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the public safety needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Project Eli as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



RECEIVED

2025 NOV 25 AM 11:01

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Supervisor Janet Nguyen, First District

Date: November 25, 2025

Subject: Supplemental Item for the December 2, 2025 Board of Supervisors Meeting

5414

Supplemental Agenda Item Title: Allocation of \$5,000 to Huntington Beach International Surfing Museum.

Summary: Supervisor Janet Nguyen requests approval for the allocation of \$5,000 from the First District discretionary funds to support Huntington Beach International Surfing Museum.

Purpose of Funding: The Huntington Beach International Surfing Museum (HBISM) is a 501(c)(3) nonprofit dedicated to preserve and share the history, culture, and global influence of surfing through exhibits, archival collections, and community programming. HBISM provides educational experiences for residents and visitors, helping the public understand Surf City's heritage and the sports impact on art, music, and coastal culture. This grant will support HBISM's public education programs, historical preservation efforts, and community outreach initiatives that promote cultural understanding.

Recommended Action Items:

1. Approve the allocation of \$5,000 from First District discretionary funds to Huntington Beach International Surfing Museum.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the education needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Huntington Beach International Surfing Museum as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



RECEIVED

2025 NOV 25 AM 11:01

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Supervisor Janet Nguyen, First District

Date: November 25, 2025

Subject: Supplemental Item for the December 2, 2025 Board of Supervisors Meeting

541I

Supplemental Agenda Item Title: Allocation of \$5,000 to Tran Hung Dao Foundation.

Summary: Supervisor Janet Nguyen requests approval for the allocation of \$5,000 from the First District discretionary funds to support Tran Hung Dao Foundation.

Purpose of Funding: The Tran Hung Dao Foundation is a 501(c)(3) nonprofit dedicated to preserve and share Vietnamese history and culture through educational programs, community events, and ceremonies honoring the military service of the United States Armed Forces and South Republic of Vietnam Armed Forces during the Vietnam War. This grant will support the organization's public education programs, cultural preservation work, and community outreach events.

Recommended Action Items:

1. Approve the allocation of \$5,000 from First District discretionary funds to Tran Hung Dao Foundation.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the education needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Tran Hung Dao Foundation as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



RECEIVED

2025 NOV 25 AM 11:01

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

MEMORANDUM

To: Clerk of the Board

From: Supervisor Janet Nguyen, First District

Date: November 25, 2025

Subject: Supplemental Item for the December 2, 2025 Board of Supervisors Meeting

541J

Supplemental Agenda Item Title: Allocation of \$5,000 to Vietnamese American Federation of Southern California.

Summary: Supervisor Janet Nguyen requests approval for the allocation of \$5,000 from the First District discretionary funds to support Vietnamese American Federation of Southern California.

Purpose of Funding: The Vietnamese American Federation of Southern California provides essential support and education to the Vietnamese American community by assisting seniors, helping families understand government services, and preserving cultural history through major events like the Tet Parade and Black April memorial ceremony. The organization conducts outreach programs, including assisting monolingual seniors and vulnerable families making critical information and resources accessible. This grant will support the organization's public education workshops and direct community outreach.

Recommended Action Items:

1. Approve the allocation of \$5,000 from First District discretionary funds to Vietnamese American Federation of Southern California.
2. Find under Government Code section 26227 that this expenditure is necessary to meet the education needs of County residents and visitors.
3. Authorize and direct the County Executive Officer, or designee, to negotiate and enter into an agreement with Vietnamese Federation of Southern California as necessary to effectuate the purposes of this allocation.
4. Authorize and direct the Auditor-Controller, or designee, to make related payments as necessary to effectuate the purposes of this allocation.



County Executive Office

Memorandum

RECEIVED
2025 NOV 25 PM 1:01
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

November 24, 2025

To: Clerk of the Board of Supervisors

From: Michelle Aguirre, County Executive Officer *MAguirre*

Subject: Supplemental Request According to Board Rule 21

Digitally signed by
Michelle Aguirre
Date: 2025.11.25
08:14:01 -08'00'

541K

The County Executive Office is requesting a Supplemental Agenda Staff Report for the December 2, 2025, Board Hearing.

Agency: John Wayne Airport
Subject: Approve Bond Financing and Related Documents for Clay Lacy Aviation, Inc.
Districts: 5

Reason Item is Supplemental: As a result of direction from the Board of Supervisors during closed session on November 18, 2025, this item is a supplemental item. This Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

Justification: Airport staff was directed to bring this item to the Board of Supervisors on December 2, 2025.

Concur: *Doug Chaffee*
Doug Chaffee, Chair of the Board of Supervisors

cc: Board of Supervisors
County Executive Office
County Counsel

Agenda Item **541K**
Clerk's Use Only



SUPPLEMENTAL AGENDA ITEM AGENDA STAFF REPORT

MEETING DATE: 12/02/25

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS

DISTRICT(S): 5

SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport

DEPARTMENT HEAD REVIEW: *Signed by:*
Charlene Reynolds
A1A526A921AF49F...
Department Head Signature

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

RECEIVED
2025 NOV 25 PM 1:01
CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

SUBJECT: Approve Bond Financing and Related Documents for Clay Lacy Aviation, Inc.

CEO CONCUR Digitally signed by <i>Michelle Aguirre</i> Date: 2025.11.25 08:13:24 -08'00' <hr/> CEO Signature	COUNTY COUNSEL REVIEW Approved Agreement(s) and Resolution(s) <hr/> <i>Signed by:</i> <i>Action</i> <i>Christine Nguyen</i> 26F9D76C629A49E... County Counsel Signature	CLERK OF THE BOARD Public Hearing 3 Votes Board Majority
--	--	---

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A

Staffing Impact: No **# of Positions:** **Sole Source:** N/A

Current Fiscal Year Revenue: N/A

Funding Source: See Financial Impact Section **County Audit in last 3 years:** No

Levine Act Review Completed: Yes

Prior Board Action: 3/8/2022 #21, 1/12/2021 #S42B, 9/15/2020 #S21A, 8/11/2020 #11

RECOMMENDED ACTION(S)

1. Open the public hearing and receive public comments pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the proposed issuance of California Municipal Finance Authority revenue obligations for the purpose of financing the cost of the acquisition, construction, renovation, equipping and furnishing of certain Fixed Base Operation Aviation Facilities, not to exceed \$120,000,000, for the benefit of Clay Lacy Aviation, Inc.
2. Close the public hearing.
3. Adopt a Resolution approving the issuance of California Municipal Finance Authority to issue revenue obligations for the purpose of financing the cost of the acquisition, construction,

renovation, equipping and furnishing of certain Fixed Base Operation Aviation Facilities, not to exceed \$120,000,000, for the benefit of Clay Lacy Aviation, Inc.

4. Approve and execute Third Amendment to the Northwest Full-Service Fixed Base Operation Lease with Clay Lacy Aviation, Inc. to facilitate the financing of the improvement project effective upon Board of Supervisors approval, through December 31, 2055.
5. Approve and execute the Consent to Assignment of Interest in Lease from Clay Lacy Aviation, Inc. to Clay Lacy Santa Ana, LLC.
6. Approve and execute the Guaranty of Lease Obligations by Clay Lacy Aviation, Inc. and CLA Real Estate Holdings, LLC in favor of the County of Orange.
7. Approve and execute the Indemnification Agreement by Clay Lacy Aviation, Inc. and CLA Real Estate Holdings, LLC in favor of the County of Orange.

SUMMARY:

Adoption of the Resolution and approval of the Third Amendment to the Northwest Full-Service Fixed Base Operation Lease and associated documents will allow Clay Lacy Aviation, Inc. to facilitate the financing of its improvement project through the issuance of revenue obligations.

BACKGROUND INFORMATION:

On June 25, 2019, the Board of Supervisors (Board) certified Final Program Environmental Impact Report 627 (EIR 627), along with the associated CEQA Findings of Fact, Mitigation Monitoring and Reporting Program and Statement of Overriding Considerations. The Board also approved the Proposed Project, including specific land use requirements.

Subsequently, on September 10, 2019, the Board authorized the issuance of a Request for Proposal (RFP) and model leases for Fixed Base Operators (FBO) for the following parcels: (1) Northeast Full-Service FBO, (2) Northwest Full-Service FBO, and (3) Southwest Limited-Service FBO. A total of nine proposals were received on December 19, 2019.

Selection and Award of Full- and Limited-Service FBOs

On August 11, 2020, the Board reviewed the submitted proposals and selected three FBOs for lease negotiations: Clay Lacy Aviation, Inc. (Clay Lacy) for the Northwest Full-Service FBO; Aviation Consultants, Inc., doing business as ACI Jet (ACI Jet), for the Northeast Full-Service FBO; and Jay's Aircraft Maintenance, Inc. for the Southwest Limited-Service FBO.

On September 15, 2020, the Board awarded leases to Clay Lacy and ACI Jet for their respective Full-Service FBOs. Both leases commenced on January 1, 2021, with 35-year terms ending on December 31, 2055. On November 3, 2020, the Board awarded the Limited-Service FBO lease to Jay's Aircraft Maintenance, Inc.

First Amendment to Lease

On January 12, 2021, the Board directed the Airport Director to amend and execute revised leases with ACI Jet, Clay Lacy, and Jay's Aircraft Maintenance, Inc., removing the following provision: "*LESSEE shall not permit the operation of a Regularly Scheduled Commercial User as defined in section 2.40 of John Wayne Airport's Phase 2 Commercial Airline Access Plan and Regulation, as may be amended from time to time.*"

The First Amendment to each FBO lease was subsequently executed.

Second Amendment to Lease

On March 8, 2022, the Board approved the Second Amendment to Clay Lacy's Northwest Full-Service FBO Lease (Lease), allowing modifications to its site plans and corresponding conceptual plans. The revised site plan included reconfiguring space allocated to the Orange County Sheriff's Department (OCSD), designating it as a shared space within a new community hangar.

Financing of the Improvement Project by the California Municipal Finance Authority

Adoption of the Resolution and approval of the Third Amendment will allow Clay Lacy to finance its improvement project through the issuance of revenue obligations (Obligations) by the California Municipal Finance Authority (Authority), in an aggregate principal amount not to exceed \$120,000,000. The proceeds of which will be loaned to Clay Lacy and will be utilized for the following purposes:

1. The acquisition, construction, reconstruction, installation, and equipping of certain portions of FBO aviation facilities at John Wayne Airport (JWA), including:
 - A customer terminal building (main FBO building),
 - Three hangars, including associated office space and a dedicated Orange County Sheriff's building, and
 - Additional offices and ramp space to be located on the leasehold
2. Payment of capitalized interest on the Obligations;
3. Funding of one or more reserve funds for the Obligations; and
4. Payment of certain issuance costs in connection with the Obligations.

The County of Orange will be the owner of the improvement project, which will be leased and operated by Clay Lacy.

Clay Lacy has requested that the Authority issue one or more series of tax-exempt revenue Obligations and loan the proceeds to support its FBO aviation improvement project. The Authority has extensive experience issuing billions of dollars in bonds on behalf of public, private, and nonprofit entities throughout California.

Since the Clay Lacy improvement project will be located within the geographical jurisdiction of the County, Section 147(f) of the Internal Revenue Code requires the Board to hold a public hearing and approve both the Clay Lacy Project and the issuance of the revenue Obligations.

Third Amendment to Lease

Section 3.01 of the Lease will be revised to state that upon final completion of the improvement project by Clay Lacy, the County will assume ownership of the facilities. The facilities will continue to be leased to and operated by Clay Lacy.

Section 4.01 of the Lease will be revised to increase percentage rent based on gross receipts from five percent to 10.5 percent on May 2, 2031, or after project completion, whichever occurs first.

Section 4.04 of the Lease will be revised to add a periodic reappraisal of Ground Rent based on fair market value commencing on May 2, 2031, or after project completion, whichever occurs first, and every 10 years thereafter.

Section 8.01 of the Lease will be revised to require the Trustee to collaborate with the County with respect to the identification and selection of any proposed replacement operator in the event Clay Lacy cannot perform its obligations.

Exhibit F of the Lease (Clay Lacy's Conceptual Plans) will be revised to include a dedicated Orange County Sheriff's Air Support Facility (Attachment C).

Assignment, Guaranty, and Indemnification

Section 8.01 of the Lease requires the County's written consent to a transfer of Clay Lacy's interest in the Lease. Clay Lacy seeks Board approval to assign and transfer to Clay Lacy Santa Ana, LLC (Assignee) all its rights, title and interest in the Lease. The assignment does not relieve Clay Lacy of its Lease obligations. The assignment does not relieve Clay Lacy of any interest, responsibility, or liability in or under the terms of the Lease. Both Clay Lacy and Assignee will be fully responsible for complying with all provisions of the Lease and will both be directly liable for all obligations under the Lease.

In addition, Clay Lacy and CLA Real Estate Holding, LLC shall execute a Guaranty of Lease Obligations in favor of the County, which shall guaranty the full and faithful performance of all terms and provisions of the Lease.

In addition to the indemnification language in Section 11.02 of the Lease, Clay Lacy and CLA Real Estate Holdings LLC will also execute and enter into an Indemnification Agreement, which will provide additional protection in favor of the County.

Compliance with CEQA: This project is a necessarily included element of the project considered in Final EIR No. 627, certified by the Board on June 25, 2019, and Addendum No. PP-22-0001 for Amendment No. 1 to EIR No. 627, adopted by the Board on March 8, 2022, which adequately addressed the effects of this action. These documents adequately addressed the effects of the proposed project. No subsequent changes have been made to the project; no substantial changes have occurred in the circumstances under which the project is being undertaken; and no new information of substantial importance to the project that was not known, could not have been known, or have become known when EIR No. 627, Amendment No. 1 to EIR No. 627, and the Mitigation Monitoring and Reporting Program were certified and adopted; therefore, no further environmental review is required.

FINANCIAL IMPACT:

The County of Orange will bear no financial responsibility or liability in connection with the proposed Clay Lacy financing. Clay Lacy shall reimburse Fund 280 in an aggregate amount of \$210,000 for all costs incurred in connection with the processing of any associated documents, including but not limited to, all County staff time and attorney fees incurred in connection with this Lease, and any associated assignments, guaranties, resolutions, and public hearing notices.

The revised rent rate of 10.5 percent is projected to generate an additional \$950,000 to \$1,000,000 in annual revenue for Fund 280, based on Clay Lacy's forecasted gross receipts following project completion.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Resolution - Approving Revenue Obligations

Attachment B – Internal Revenue Code Section 147

Attachment C – Third Amendment to Northwest Full-Service FBO Lease with Clay Lacy Aviation, Inc.

Attachment D – Consent to Assignment of Interest in Lease

Attachment E – Guaranty of Lease Obligations

Attachment F – Indemnification Agreement

Attachment G – Review of Clay Lacy FBO Site Layout and Phasing Changes

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF ORANGE, CALIFORNIA APPROVING THE ISSUANCE OF
REVENUE OBLIGATIONS FOR THE PURPOSE OF FINANCING THE
COST OF THE CONSTRUCTION, RECONSTRUCTION, INSTALLATION,
EQUIPPING AND FURNISHING OF CERTAIN FIXED BASE
OPERATION AVIATION FACILITIES, PROVIDING THE TERMS AND
CONDITIONS FOR SUCH OBLIGATIONS AND OTHER MATTERS
RELATING THERETO FOR THE BENEFIT OF CLAY LACY AVIATION
INC. AND/OR A RELATED OR SUCCESSOR ENTITY**

December 2, 2025

WHEREAS, Clay Lacy Aviation Inc. or its assignee, Clay Lacy Santa Ana, LLC, or a related or affiliated entity (the “Borrower”), has requested that the California Municipal Finance Authority (the “Authority”) facilitate the issuance of revenue obligations in an aggregate principal amount not to exceed \$120,000,000 (the “Obligations”), which will be issued for the benefit of the Borrower, and the proceeds of the Obligations are to be loaned to the Borrower for the purposes of (a) financing the cost of the construction, reconstruction, installation, equipping and furnishing of certain portions of fixed base operation aviation facilities (consisting of (i) a customer terminal building (approximately 6,500 square feet), including office space, (ii) four hangars, including office space (approximately 123,000 square feet of hangar space and approximately 27,000 square feet of office space), and (iii) certain other hangar, office and ramp space) to be located at John Wayne Airport, Orange County (361 Paularino Avenue, Costa Mesa, California 92626) (collectively, the “Facilities”), (b) paying capitalized interest on the Obligations, (c) funding one or more reserve funds for the Obligations, and (d) paying certain costs of issuance in connection with the Obligations; and

WHEREAS, the County of Orange (the “County”) will be the owner of the Facilities, which will be leased to the Borrower, and the Borrower will operate the Facilities; and

WHEREAS, the issuance of the Obligations must be approved by the governmental unit on behalf of which the Obligations are issued and a governmental unit having jurisdiction over the territorial limits in which the Facilities are located pursuant to the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code); and

WHEREAS, the Facilities are located within the territorial limits of the County and the Board of Supervisors of the County (the “Board”) is an elected legislative body of the County; and

WHEREAS, the Authority and the Borrower have requested that the Board approve the issuance of the Obligations and the financing of the Facilities with the proceeds of the Obligations for purposes of complying with Section 147(f) of the Code, satisfying California Government Code Section 6586.5, and meeting the requirements of Section 4 of the Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority, dated as of January 1, 2004, among certain local agencies including the County; and

WHEREAS, a public hearing was held by the Board on this 2nd day of December, 2025, at the meeting which commenced at the hour of 9:00 a.m., in the Board Hearing Room, First Floor, 400 West Civic Center Drive, Santa Ana, California, following duly published notice thereof in a newspaper of general circulation in the County, and all persons desiring to be heard have been heard; and

WHEREAS, it is intended that this Resolution shall comply with the public approval requirements of Section 147(f) of the Code; *provided, however*, that this Resolution is neither intended to nor shall it constitute an approval by the Board of the Facilities for any other purpose, including, but not limited to, compliance with the California Environmental Quality Act (California Public Resources Code, Section 21100, *et seq.*) (“CEQA”);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Orange, State of California as follows:

Section 1. On information and belief, the foregoing statements are true and correct.

Section 2. The Board hereby approves the issuance of the Obligations by the Authority as part of a plan of finance, which Obligations may be tax-exempt and/or taxable as approved by the Authority in its resolution, in an aggregate principal amount not to exceed \$120,000,000 to finance the cost of the construction, reconstruction, installation, equipping and furnishing of the Facilities, to pay capitalized interest on the Obligations, fund reserve funds for the Obligations and pay the costs of issuance of the Obligations. This resolution is intended to (but not guaranteed to) constitute approval of the issuance of the Obligations within the meaning of Section 147(f) of the Code and for purposes of (i) satisfying California Government Code Section 6586.5, and (ii) meeting the requirements of Section 4 of the Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority, dated as of January 1, 2004, among certain local agencies including the County.

Section 3. The issuance of the Obligations shall be subject to the approval by the Authority of all documents relating thereto to which the Authority is a party. The County shall have no responsibility or liability whatsoever with respect to the Obligations. The County has not reviewed the terms of the Obligations, any of the documents providing for their issuance or security, or any of the information contained in the official statement or other disclosure document to be used in connection with the offering or sale of the Obligations. The County shall have no responsibility or liability whatsoever with by reason of or in any way related to this Resolution, the Facilities or the Obligations.

Section 4. The officers of the County are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the transaction approved.

Section 5. The adoption of this Resolution shall not obligate the County or any department thereof to (i) provide any financing with respect to the Facilities or the Obligations; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary with respect to the Facilities or the Obligations; (iii) make any contribution or advance any funds whatsoever to the Authority or the Borrower; or (iv) take any further action with respect to the Facilities, the Obligations or the Authority or its membership therein.

Section 6. The Clerk of the Board is hereby directed to forward a certified copy of this Resolution to Counsel for the Obligations, addressed as follows:

Michael G. Thomas, Esq.
Kutak Rock LLP
2001 16th Street, Suite 1800
Denver, Colorado 80202

Section 7. This Resolution shall take effect from and after its adoption.

 KeyCite Yellow Flag
Proposed Legislation

United States Code Annotated

Title 26. Internal Revenue Code (Refs & Annos)

Subtitle A. Income Taxes (Refs & Annos)

Chapter 1. Normal Taxes and Surtaxes (Refs & Annos)

Subchapter B. Computation of Taxable Income

Part IV. Tax Exemption Requirements for State and Local Bonds

Subpart A. Private Activity Bonds (Refs & Annos)

26 U.S.C.A. § 147, I.R.C. § 147

§ 147. Other requirements applicable to certain private activity bonds

Currentness

(a) Substantial user requirement.--

(1) In general.--Except as provided in subsection (h), a private activity bond shall not be a qualified bond for any period during which it is held by a person who is a substantial user of the facilities or by a related person of such a substantial user.

(2) Related person.--For purposes of paragraph (1), the following shall be treated as related persons--

(A) 2 or more persons if the relationship between such persons would result in a disallowance of losses under [section 267](#) or [707\(b\)](#),

(B) 2 or more persons which are members of the same controlled group of corporations (as defined in [section 1563\(a\)](#), except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein),

(C) a partnership and each of its partners (and their spouses and minor children), and

(D) an S corporation and each of its shareholders (and their spouses and minor children).

(b) Maturity may not exceed 120 percent of economic life.--

(1) General rule.--Except as provided in subsection (h), a private activity bond shall not be a qualified bond if it is issued as part of an issue and--

(A) the average maturity of the bonds issued as part of such issue, exceeds

(B) 120 percent of the average reasonably expected economic life of the facilities being financed with the net proceeds of such issue.

(2) Determination of averages.--For purposes of paragraph (1)--

(A) the average maturity of any issue shall be determined by taking into account the respective issue prices of the bonds issued as part of such issue, and

(B) the average reasonably expected economic life of the facilities being financed with any issue shall be determined by taking into account the respective cost of such facilities.

(3) Special rules.--

(A) **Determination of economic life.**--For purposes of this subsection, the reasonably expected economic life of any facility shall be determined as of the later of--

(i) the date on which the bonds are issued, or

(ii) the date on which the facility is placed in service (or expected to be placed in service).

(B) Treatment of land.--

(i) **Land not taken into account.**--Except as provided in clause (ii), land shall not be taken into account under paragraph (1)(B).

(ii) **Issues where 25 percent or more of proceeds used to finance land.**--If 25 percent or more of the net proceeds of any issue is to be used to finance land, such land shall be taken into account under paragraph (1)(B) and shall be treated as having an economic life of 30 years.

(4) Special rule for pooled financing of 501(c)(3) organization.--

(A) **In general.**--At the election of the issuer, a qualified 501(c)(3) bond shall be treated as meeting the requirements of paragraph (1) if such bond meets the requirements of subparagraph (B).

(B) **Requirements.**--A qualified 501(c)(3) bond meets the requirements of this subparagraph if--

(i) 95 percent or more of the net proceeds of the issue of which such bond is a part are to be used to make or finance loans to 2 or more 501(c)(3) organizations or governmental units for acquisition of property to be used by such organizations,

(ii) each loan described in clause (i) satisfies the requirements of paragraph (1) (determined by treating each loan as a separate issue),

(iii) before such bond is issued, a demand survey was conducted which shows a demand for financing greater than an amount equal to 120 percent of the lendable proceeds of such issue, and

(iv) 95 percent or more of the net proceeds of such issue are to be loaned to 501(c)(3) organizations or governmental units within 1 year of issuance and, to the extent there are any unspent proceeds after such 1-year period, bonds issued as part of such issue are to be redeemed as soon as possible thereafter (and in no event later than 18 months after issuance).

A bond shall not meet the requirements of this subparagraph if the maturity date of any bond issued as part of such issue is more than 30 years after the date on which the bond was issued (or, in the case of a refunding or series of refundings, the date on which the original bond was issued).

(5) Special rule for certain FHA insured loans.--Paragraph (1) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to finance mortgage loans insured under FHA 242 or under a similar Federal Housing Administration program (as in effect on the date of the enactment of the Tax Reform Act of 1986) where the loan term approved by such Administration plus the maximum maturity of debentures which could be issued by such Administration in satisfaction of its obligations exceeds the term permitted under paragraph (1).

(c) Limitation on use for land acquisition.--

(1) In general.--Except as provided in subsection (h), a private activity bond shall not be a qualified bond if--

(A) it is issued as part of an issue and 25 percent or more of the net proceeds of such issue are to be used (directly or indirectly) for the acquisition of land (or an interest therein), or

(B) any portion of the proceeds of such issue is to be used (directly or indirectly) for the acquisition of land (or an interest therein) to be used for farming purposes.

(2) Exception for first-time farmers.--

(A) **In general.**--If the requirements of subparagraph (B) are met with respect to any land, paragraph (1) shall not apply to such land, and subsection (d) shall not apply to property to be used thereon for farming purposes, but only to the extent of expenditures (financed with the proceeds of the issue) not in excess of \$450,000.

(B) **Acquisition by first-time farmers.**--The requirements of this subparagraph are met with respect to any land if--

(i) such land is to be used for farming purposes, and

(ii) such land is to be acquired by an individual who is a first-time farmer, who will be the principal user of such land, and who will materially and substantially participate on the farm of which such land is a part in the operation of such farm.

(C) First-time farmer.--For purposes of this paragraph--

(i) **In general.**--The term “first-time farmer” means any individual if such individual--

(I) has not at any time had any direct or indirect ownership interest in substantial farmland in the operation of which such individual materially participated, and

(II) has not received financing under this paragraph in an amount which, when added to the financing to be provided under this paragraph, exceeds the amount in effect under subparagraph (A).

(ii) **Aggregation rules.**--Any ownership or material participation, or financing received, by an individual's spouse or minor child shall be treated as ownership and material participation, or financing received, by the individual.

(iii) **Insolvent farmer.**--For purposes of clause (i), farmland which was previously owned by the individual and was disposed of while such individual was insolvent shall be disregarded if [section 108](#) applied to indebtedness with respect to such farmland.

(D) Farm.--For purposes of this paragraph, the term “farm” has the meaning given such term by [section 6420\(c\)\(2\)](#).

(E) Substantial farmland.--For purposes of this paragraph, the term “substantial farmland” means any parcel of land unless such parcel is smaller than 30 percent of the median size of a farm in the county in which such parcel is located.

(F) Used equipment limitation.--For purposes of this paragraph, in no event may the amount of financing provided by reason of this paragraph to a first-time farmer for personal property--

(i) of a character subject to the allowance for depreciation,

(ii) the original use of which does not begin with such farmer, and

(iii) which is to be used for farming purposes,

exceed \$62,500. A rule similar to the rule of subparagraph (C)(ii) shall apply for purposes of the preceding sentence.

(G) Acquisition from related person.--For purposes of this paragraph and [section 144\(a\)](#), the acquisition by a first-time farmer of land or personal property from a related person (within the meaning of [section 144\(a\)\(3\)](#)) shall not be treated as an acquisition from a related person, if--

(i) the acquisition price is for the fair market value of such land or property, and

(ii) subsequent to such acquisition, the related person does not have a financial interest in the farming operation with respect to which the bond proceeds are to be used.

(H) Adjustments for inflation.--In the case of any calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to--

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under [section 1\(f\)\(3\)](#) for the calendar year, determined by substituting “calendar year 2007” for “calendar year 2016” in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of \$100, such amount shall be rounded to the nearest multiple of \$100.

(3) Exception for certain land acquired for environmental purposes, etc.--Any land acquired by a governmental unit (or issuing authority) in connection with an airport, mass commuting facility, high-speed intercity rail facility, dock, or wharf shall not be taken into account under paragraph (1) if--

(A) such land is acquired for noise abatement or wetland preservation, or for future use as an airport, mass commuting facility, high-speed intercity rail facility, dock, or wharf, and

(B) there is not other significant use of such land.

(d) Acquisition of existing property not permitted.--

(1) In general.--Except as provided in subsection (h), a private activity bond shall not be a qualified bond if issued as part of an issue and any portion of the net proceeds of such issue is to be used for the acquisition of any property (or an interest therein) unless the 1st use of such property is pursuant to such acquisition.

(2) Exception for certain rehabilitations.--Paragraph (1) shall not apply with respect to any building (and the equipment therefor) if--

(A) the rehabilitation expenditures with respect to such building, equal or exceed

(B) 15 percent of the portion of the cost of acquiring such building (and equipment) financed with the net proceeds of the issue.

A rule similar to the rule of the preceding sentence shall apply in the case of structures other than a building except that subparagraph (B) shall be applied by substituting “100 percent” for “15 percent”.

(3) Rehabilitation expenditures.--For purposes of this subsection--

(A) In general.--Except as provided in this paragraph, the term “rehabilitation expenditures” means any amount properly chargeable to capital account which is incurred by the person acquiring the building for property (or additions or improvements to property) in connection with the rehabilitation of a building. In the case of an integrated operation contained in a building before its acquisition, such term includes rehabilitating existing equipment in such building or replacing it with equipment having substantially the same function. For purposes of this subparagraph, any amount incurred by a successor to the person acquiring the building or by the seller under a sales contract with such person shall be treated as incurred by such person.

(B) Certain expenditures not included.--The term “rehabilitation expenditures” does not include any expenditure described in [section 47\(c\)\(2\)\(B\)](#).

(C) Period during which expenditures must be incurred.--The term “rehabilitation expenditures” shall not include any amount which is incurred after the date 2 years after the later of--

(i) the date on which the building was acquired, or

(ii) the date on which the bond was issued.

(4) Special rule for certain projects.--In the case of a project involving 2 or more buildings, this subsection shall be applied on a project basis.

(e) No portion of bonds may be issued for skyboxes, airplanes, gambling establishments, etc.--A private activity bond shall not be a qualified bond if issued as part of an issue and any portion of the proceeds of such issue is to be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. The preceding sentence shall not apply to any fixed-wing aircraft equipped for, and exclusively dedicated to providing, acute care emergency medical services (within the meaning of [section 4261\(g\)\(2\)](#)).

(f) Public approval required for private activity bonds.--

(1) In general.--A private activity bond shall not be a qualified bond unless such bond satisfies the requirements of paragraph (2).

(2) Public approval requirement.--

(A) In general.--A bond shall satisfy the requirements of this paragraph if such bond is issued as a part of an issue which has been approved by--

(i) the governmental unit--

(I) which issued such bond, or

(II) on behalf of which such bond was issued, and

(ii) each governmental unit having jurisdiction over the area in which any facility, with respect to which financing is to be provided from the net proceeds of such issue, is located (except that if more than 1 governmental unit within a State has jurisdiction over the entire area within such State in which such facility is located, only 1 such unit need approve such issue).

(B) Approval by a governmental unit.--For purposes of subparagraph (A), an issue shall be treated as having been approved by any governmental unit if such issue is approved--

(i) by the applicable elected representative of such governmental unit after a public hearing following reasonable public notice, or

(ii) by voter referendum of such governmental unit.

(C) Special rules for approval of facility.--If there has been public approval under subparagraph (A) of the plan for financing a facility, such approval shall constitute approval under subparagraph (A) for any issue--

(i) which is issued pursuant to such plan within 3 years after the date of the 1st issue pursuant to the approval, and

(ii) all or substantially all of the proceeds of which are to be used to finance such facility or to refund previous financing under such plan.

(D) Refunding bonds.--No approval under subparagraph (A) shall be necessary with respect to any bond which is issued to refund (other than to advance refund) a bond approved under subparagraph (A) (or treated as approved under subparagraph (C)) unless the average maturity date of the issue of which the refunding bond is a part is later than the average maturity date of the bonds to be refunded by such issue. For purposes of the preceding sentence, average maturity shall be determined in accordance with subsection (b)(2)(A).

(E) Applicable elected representative.--For purposes of this paragraph--

(i) **In general.**--The term “applicable elected representative” means with respect to any governmental unit--

(I) an elected legislative body of such unit, or

(II) the chief elected executive officer, the chief elected State legal officer of the executive branch, or any other elected official of such unit designated for purposes of this paragraph by such chief elected executive officer or by State law.

If the office of any elected official described in subclause (II) is vacated and an individual is appointed by the chief elected executive officer of the governmental unit and confirmed by the elected legislative body of such unit (if any) to serve the remaining term of the elected official, the individual so appointed shall be treated as the elected official for such remaining term.

(ii) **No applicable elected representative.**--If (but for this clause) a governmental unit has no applicable elected representative, the applicable elected representative for purposes of clause (i) shall be the applicable elected representative of the governmental unit--

(I) which is the next higher governmental unit with such a representative, and

(II) from which the authority of the governmental unit with no such representative is derived.

(3) Special rule for approval of airports or high-speed intercity rail facilities.--If--

(A) the proceeds of an issue are to be used to finance a facility or facilities located at an airport or high-speed intercity rail facilities, and

(B) the governmental unit issuing such bonds is the owner or operator of such airport or high-speed intercity rail facilities, such governmental unit shall be deemed to be the only governmental unit having jurisdiction over such airport or high-speed intercity rail facilities for purposes of this subsection.

(4) Special rules for scholarship funding bond issues and volunteer fire department bond issues.--

(A) **Scholarship funding bonds.**--In the case of a qualified scholarship funding bond, any governmental unit which made a request described in [section 150\(d\)\(2\)\(B\)](#) with respect to the issuer of such bond shall be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued. Where more than one governmental unit within a State has made a request described in [section 150\(d\)\(2\)\(B\)](#), the State may also be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued.

(B) **Volunteer fire department bonds.**--In the case of a bond of a volunteer fire department which meets the requirements of [section 150\(e\)](#), the political subdivision described in [section 150\(e\)\(2\)\(B\)](#) with respect to such department shall be treated for purposes of paragraph (2) of this subsection as the governmental unit on behalf of which such bond was issued.

(g) Restriction on issuance costs financed by issue.--

(1) In general.--A private activity bond shall not be a qualified bond if the issuance costs financed by the issue (of which such bond is a part) exceed 2 percent of the proceeds of the issue.

(2) Special rule for small mortgage revenue bond issues.--In the case of an issue of qualified mortgage bonds or qualified veterans' mortgage bonds, paragraph (1) shall be applied by substituting “3.5 percent” for “2 percent” if the proceeds of the issue do not exceed \$20,000,000.

(h) Certain rules not to apply to certain bonds.--

(1) Mortgage revenue bonds and qualified student loan bonds.--Subsections (a), (b), (c), and (d) shall not apply to any qualified mortgage bond, qualified veterans' mortgage bond, or qualified student loan bond.

(2) Qualified 501(c)(3) bonds.--Subsections (a), (c), and (d) shall not apply to any qualified 501(c)(3) bond and subsection (e) shall be applied as if it did not contain “health club facility” with respect to such a bond.

(3) Exempt facility bonds for qualified public-private schools.--Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in [section 142\(a\)\(13\)](#) (relating to qualified public educational facilities).

CREDIT(S)

(Added [Pub.L. 99-514, Title XIII, § 1301\(b\)](#), Oct. 22, 1986, 100 Stat. 2635; amended [Pub.L. 100-647, Title I, § 1013\(a\)\(11\)](#) to (13)(B), (29), (36), Title VI, § 6180(b)(4), (5), Nov. 10, 1988, 102 Stat. 3539, 3543, 3544, 3728; [Pub.L. 101-239, Title VII, § 7816\(s\)\(3\)](#), Dec. 19, 1989, 103 Stat. 2423; [Pub.L. 101-508, Title XI, § 11813\(b\)\(8\)](#), Nov. 5, 1990, 104 Stat. 1388-552; [Pub.L. 104-188, Title I, § 1117\(a\), \(b\)](#), Aug. 20, 1996, 110 Stat. 1764; [Pub.L. 107-16, Title IV, § 422\(d\), \(e\)](#), June 7, 2001, 115 Stat. 66; [Pub.L. 110-234, Title XV, § 15341\(a\)](#) to (d), May 22, 2008, 122 Stat. 1517; [Pub.L. 110-246, § 4\(a\)](#), Title XV, § 15341(a) to (d), June 18, 2008, 122 Stat. 1664, 2279; [Pub.L. 112-95, Title XI, § 1105\(a\)](#), Feb. 14, 2012, 126 Stat. 152; [Pub.L. 115-97, Title I, § 11002\(d\)\(1\)\(P\)](#), Dec. 22, 2017, 131 Stat. 2060.)

ADJUSTMENT OF AMOUNTS UNDER SUBSEC. (C)(2)(A)

<For loan limit amount on agricultural bonds under subsec. (c)(2)(A) of this section for first-time farmers for calendar year 2025, see section 2.21 of Revenue Procedure 2024-40, set out as a note under [26 U.S.C.A. § 1](#).>

Notes of Decisions (1)

26 U.S.C.A. § 147, 26 USCA § 147

Current through P.L. 119-5. Some statute sections may be more current, see credits for details.



THIRD AMENDMENT TO FBO LEASE

THIS THIRD AMENDMENT TO THE NORTHWEST FULL-SERVICE FIXED BASE OPERATION LEASE ("Third Amendment") is made and entered into on _____, _____ by and between the COUNTY OF ORANGE, a political subdivision of the State of California ("COUNTY"), and CLAY LACY AVIATION, INC., ("LESSEE"). The COUNTY and LESSEE may individually be referred to herein as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, COUNTY and LESSEE entered into the Northwest Full-Service Fixed Base Operation Lease for fixed based operator services, effective January 1, 2021, through December 31, 2055 ("Lease"); and

WHEREAS, COUNTY and LESSEE entered into the First Amendment, dated January 14, 2021, amending Section 5.01 of the Lease ("First Amendment"); and

WHEREAS, COUNTY and LESSEE entered into the Second Amendment, dated March 8, 2022, to amend the Lease to modify LESSEE's site plan and corresponding conceptual plans ("Second Amendment"); and

WHEREAS, LESSEE, as required under the Lease, intends to undertake the construction, equipping, improving, operation, and maintenance of facilities and improvements outlined in Section 7.01 and Exhibit F to the Lease, which facilities will be owned by the COUNTY and leased to and operated by the LESSEE as more particularly described herein and in the Lease (the "Improvement Project"); and

WHEREAS, to facilitate the financing of the Improvement Project, LESSEE has requested, and COUNTY has agreed to certain amendments to the Lease, as more fully set forth herein.

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



AGREEMENTS

A. Lease Premises.

SECTION 3.01 (LEASED PREMISES) of the Lease is hereby deleted and replaced with the following:

COUNTY leases to LESSEE that certain real property as shown in Exhibits A and B hereinafter referred to as "Leased Premises" and incorporated herein by this reference. **Said Leased Premises are being leased to LESSEE in their "as-is" and "where-is" condition.** Upon full and final completion of the Improvement Project by LESSEE pursuant to Section 7.01 and Exhibit F, and full acceptance of such Improvement Project by the COUNTY, the improvements constituting the Improvement Project shall be owned by the COUNTY and shall thereafter by included in the Lease Premises without further action of the Parties.

LESSEE further acknowledges that COUNTY has made no representation or warranty regarding the condition of the Leased Premises or the suitability of such Leased Premises for the operation or conduct of LESSEE's use thereon or for any other purpose. The taking of possession of the Leased Premises and construction of the Improvement Project by LESSEE shall conclusively establish that the Leased Premises is acceptable to LESSEE and in satisfactory condition for LESSEE's use at such time. LESSEE further, by taking possession of the Leased Premises, expressly acknowledges and represents to COUNTY that LESSEE is accepting LESSEE's interest in, and possession of, the Leased Premises in their present "**as-is**" and "**where-is**" condition including, but not limited to, the physical condition and environmental condition of the Leased Premises and all applicable laws affecting or related to the Leased Premises, or any part thereof, including, but not limited to, building and safety codes, zoning ordinances, land use restrictions and regulations, Environmental Laws, and other such matters. LESSEE acknowledges and represents to COUNTY that neither COUNTY nor any agent or representative of COUNTY has made any representation, warranty or promise with respect to the Leased Premises, or any part thereof; that LESSEE has satisfied itself with the condition of the Leased Premises and the suitability of the Leased Premises for LESSEE's intended use; and that LESSEE has made all such investigations as LESSEE deems necessary with reference to the Leased Premises and assumes all responsibility therefor as the same relates to LESSEE's occupancy thereof. These provisions shall also apply to the improvements to be constructed by LESSEE as part of the Improvement Project once they are completed and become a part of the Lease Premises.



B. Rent, Fees, and Charges.

(i) SECTION 4.01 (RENT, FEES, and CHARGES), subsection B(1) of the Lease is hereby deleted and replaced with the following:

LESSEE shall pay an amount equal to five percent (5%) of all Gross Receipts (as defined in Section 4.02) realized by LESSEE from its business operations on or from the Leased Premises including any amounts received by LESSEE from subtenant(s), sublessee(s), or licensee(s), as more fully set forth in Section 4.02, below.

Commencing on May 2, 2031, or after the completion of construction of the entirety of the Improvement Project contemplated by Section 7.01 (as evidenced by the receipt by LESSEE of (x) such certificates of occupancy and (y) such other regulatory approvals as may be necessary for LESSEE to occupy the Improvement Project and commence operations), whichever occurs first, LESSEE shall pay an amount equal to ten and a half percent (10.5%) of all Gross Receipts (as defined in Section 4.02) realized by LESSEE from its business operations on or from the Leased Premises including any amounts received by LESSEE from subtenant(s), sublessee(s), or licensee(s), as more fully set forth in Section 4.02, below.

LESSEE shall pay an amount equal to one-quarter of one percent (.25%) of all Gross Receipts realized by LESSEE for aircraft charter operations, the sale of aircraft, the sale of aircraft parts, and third-party aircraft maintenance services.

(ii) SECTION 4.01 (RENT, FEES, and CHARGES), subsection B(6) of the Lease is hereby deleted and replaced with the following:

In recognition that LESSEE will be constructing or causing the Improvement Project to be constructed without cost to COUNTY and that LESSEE will be obligated to pay the property taxes, possessory interest, insurance, and other costs that become payable with respect to the Leased Premises including and payments related to the bond issuance and debt service, as applicable, subject to the provisions of Section 7.01(J), no Building Rent will be due or payable by LESSEE for such new improvements that constitute the Improvement Project as outlined in Section 7.01 and in Exhibit F, attached hereto.



The LESSEE acknowledges that for purposes of satisfying Section 142(b) of the Internal Revenue Code of 1986, as amended, the LESSEE has relinquished its federal tax rights to depreciate the Improvement Project, and that the COUNTY is the federal tax owner of the Improvement Project. As such, the LESSEE, in applying the proceeds of tax-exempt bonds to finance the costs of its obligation to construct the Improvement Project and, for federal income tax purposes, is taking such actions for the benefit of the Airport. Furthermore, in respect to the Improvement Project improvements, pursuant to Sections 3.02 and this 4.01(B)(6) (and notwithstanding Section 7.01(J)), the Improvement Project improvements will be owned by COUNTY upon full and final completion of the Improvement Project and acceptance of such by the COUNTY pursuant to Section 7.01 and this Lease, subject to LESSEE's rights under this Lease, and pursuant to Section 4.01(A)(2), COUNTY is entitled to rent on the Leased Premises, which includes such Improvement Project, except as provided in Section 4.01(B)(6) (or any other provision hereunder) that no Building Rent is so payable. Therefore, the COUNTY and the LESSEE acknowledge and agree that LESSEE's payment of costs of completion of the Improvement Project is sufficient consideration to COUNTY and a substitution of Building Rent otherwise owed and payable to COUNTY for LESSEE's rights to the Leased Premises hereunder during the term of the Lease. The LESSEE hereby represents and the COUNTY hereby acknowledges that the issuance of the bonds and the availability of the proceeds thereof to pay costs of the Improvement Project is a material contributing factor to the LESSEE's ability to complete the Improvement Project and obtain such substitution of Building Rent.

C. Ground Rent Reappraisal.

SECTION 4.04 (REVISION OF RENT, FEES AND CHARGES) subsection C is hereby added to the Lease:

Adjustment to Ground Rent for Reappraisal of Fair Market Value

In addition to the annual modification to the Minimum Annual Rent (of which Ground Rent is a component) described in Section 4.04(A) of the Lease entitled REVISION OF RENT, FEES AND CHARGE – Minimum Annual Rent, the per-square-foot price for Ground Rent shall be adjusted periodically to an updated fair market value rate for such Ground Rent, using the process as described below.

Unless the Parties agree otherwise in writing, the fair market value rate for Ground Rent shall be determined as follows:

(1) Within thirty (60) days of May 2, 2031 or after the completion of construction of the entirety of the Improvement Project contemplated by Section 7.01 (as evidenced by the receipt by LESSEE of (i) such certificates of occupancy and (ii) such other regulatory approvals as may be necessary for LESSEE to occupy the Improvement Project and commence operations), whichever occurs first, and every ten (10) years thereafter, COUNTY shall appoint an appraiser to determine such fair market value rate for Ground Rent. Any such appraiser shall be (a) an



independent California MAI licensed real estate appraiser, (b) a member of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers, (c) have no financial interest in COUNTY or LESSEE, (d) have no ongoing relationship with COUNTY or LESSEE and (e) have at least ten (10) years' experience in appraising fair market rental values of comparable facilities or businesses within the general proximity of County of Orange. Such appraiser, upon selection by COUNTY, shall be retained by COUNTY, and the costs for such appraiser's services shall be paid by LESSEE.

(2) Such appraiser shall provide written notice to COUNTY and LESSEE of its determination of the fair market value rate for Ground Rent, and such determination shall be binding upon COUNTY and LESSEE. In the event that such new fair market value rate determination is greater than the then-current rate for Ground Rent, such new fair market value rate shall take effect as the value Ground Rent upon the anniversary of the Commencement Date of the Lease occurring in the calendar year in which the determination is completed, and shall thereafter be subject to annual revision as set forth in Section 4.04(A). In the event that such new fair market value rate determination is less than the then-current rate for Ground Rent, the then-current rate for Ground Rent shall continue to be effective and shall be subject to annual revision as set forth in Section 4.04(A). For the avoidance of any doubt, in no event shall the rent be reduced by reason of any such adjustment.

(3) The appraiser shall have no power to modify the provisions of the Lease, and such appraiser's sole function shall be to determine the fair market rental value of Ground Rent in accordance with this subsection.



D. Storm Water Control and Contamination.

SECTION 6.03 (STORM WATER CONTROL AND CONTAMINATION), the following subsection D is hereby added to the Lease:

The Airport Director shall have the sole discretion to, upon notice, require LESSEE to obtain its own separate coverage under the IGP for industrial activities conducted from the Leased Premises and meet all associated IGP regulatory requirements. LESSEE shall obtain permit coverage within 120 days of receiving notice. To the extent the Airport is successful in securing an IGP Time Schedule Order ("TSO"), such notice shall not be given sooner than six (6) months prior to the 2030 expiration of the TSO. The Airport Director intends to negotiate with all GAIP FBOs located at the Airport to obtain their own permit coverage on or before such time as LESSEE must obtain coverage pursuant to this subsection.

E. Ownership of Improvements.

SECTION 7.01 (IMPROVEMENTS BY LESSEE), subsection J of the Lease is hereby deleted and replaced with the following:

Ownership of Improvements. All improvements and facilities, exclusive of trade fixtures, constructed or placed within the Leased Premises by LESSEE must, upon completion, be free and clear of all liens, claims, or liability for labor or material and, subject to the last sentence of this paragraph with respect to the Improvement Project, at COUNTY's option shall become the property of COUNTY at the expiration of this Lease or upon earlier termination hereof. COUNTY retains the right to require LESSEE, at LESSEE's cost, to remove any or all improvements located within the Leased Premises at the expiration or termination hereof. The improvements constituting the Improvement Project outlined in this Section 7.01 and in Exhibit F, attached hereto, shall become property of COUNTY upon full completion of construction and acceptance of the Improvement Project by the COUNTY.

F. Assignment.

(i) SECTION 8.01 (ASSIGNING, SUBLETTING, AND TRANSFERRING), subsection A of the Lease is hereby amended to add the following:

In connection with the financing and development of the Improvement Project, LESSEE will assign its interest in the Lease to Clay Lacy Santa Ana, LLC, which will be a wholly owned subsidiary of LESSEE. This assignment is required to comply in all respects with the provisions of this Section, and to be approved by the COUNTY pursuant to a separate agreement. In connection with this assignment, LESSEE will execute or deliver such agreements and instruments to evidence, to the COUNTY's reasonable satisfaction, a guaranty of the performance



by Clay Lacy Santa Ana, LLC of all the terms and provisions of this Lease, including, without limitation, the indemnification provisions of Section 11.02. The assignment contemplated herein shall only be effective after approval by the COUNTY through execution of the consent to assignment and guaranty. Clay Lacy Santa Ana, LLC may assign its interest in the Lease to the Trustee for bonds issued to finance the Improvement Project; provided that the Trustee may not assign or transfer any interest in or rights under the Lease to any person for any purpose without the consent of the Board of Supervisors of the COUNTY in accordance with this Section 8.01; and provided further that, in the event that the Trustee seeks to assign or transfer any interest in or rights under the Lease to a replacement operator of the Leased Premises, the Trustee shall seek the collaboration of the COUNTY with respect to the identification and selection of any such proposed replacement operator.

(ii) SECTION 8.01 (ASSIGNING, SUBLETTING, AND TRANSFERRING), subsection B(3) of the Lease is hereby deleted and replaced with the following:

(3) The Airport Director determines that such proposed sublessee, assignee or transferee is not capable of performing the obligations and covenants of LESSEE under this Lease, which determination shall be based upon and take into consideration the following factors: (a) the financial strength and integrity of the proposed sublessee, assignee or transferee, its direct or indirect beneficial owners, any proposed managers or operating partners and each of their respective affiliates; (b) the experience of the proposed sublessee, assignee or transferee or any proposed operator to be engaged by the proposed sublessee, assignee or transferee in operating FBO facilities; and (c) the background and reputation of the proposed sublessee, assignee or transferee, its direct or indirect beneficial owners, any proposed managers or operating partners, each of their respective affiliates (including the absence of criminal, civil or regulatory claims or actions against any such person and the quality of any such person's past or present performance on other projects).

G. **Leasehold Mortgages**

Section 8.02 (LEASEHOLD MORTGAGES), subsection A of the Lease is hereby deleted and replaced with the following:

LESSEE's Right to Encumber Leasehold Estate; No Right to Encumber COUNTY's Fee Interest. LESSEE may, at any time during the Term of this Lease (with the consent of COUNTY after prior written notice providing evidence that all requirements of this Lease applicable at the time have been complied with), encumber all or any portion of LESSEE's leasehold estate in and to this Lease, including LESSEE's rights, title and interest in and to the Leased Premises and Improvements or any applicable portion thereof or interest therein ("Leasehold Estate") with one (1) or more mortgage, deed of trust, security deed, conditional deed, deed to secure debt or any other security instrument (including any



assignment of leases and rents, security interest and financing statements) held by an institutional lender by which LESSEE's Leasehold Estate is mortgaged to secure a debt or other obligation, including a purchase money obligation ("Leasehold Mortgages"); provided, however:

1) The principal amount of debt secured by such Leasehold Mortgage(s) (as of the date recorded, net of any associated debt service reserve funds) shall not exceed 80% of the sum of the following: (a) direct construction costs (including hard costs, soft costs, costs paid to contractors, architects, engineers, laborers and suppliers, premiums for bonds, and permits and developer fees required by governmental agencies) in respect of the improvements and facilities to be constructed by LESSEE and (b) any capitalized interest with respect to such debt to be incurred;

2) That LESSEE shall not have the power to encumber, and no Leasehold Mortgage shall encumber, COUNTY's fee interest in the property underlying the Leased Premises ("COUNTY's Fee Interest");

3) The Leasehold Mortgage and all rights acquired under it shall be subject to each and all of the covenants, conditions, and restrictions set forth in this Lease and to all rights and interests of COUNTY hereunder, except as otherwise provided in this Lease;

4) Nothing in this Lease shall be construed so as to require or result in a subordination in whole or in part in any way of the COUNTY's Fee Interest to any Leasehold Mortgage; and

5) In the event of any conflict between the provisions of this Lease and the provisions of any such Leasehold Mortgage, the provisions of this Lease shall control.

Subject to the foregoing, LESSEE shall have the right to incur additional debt secured by such Leasehold Mortgage for the purpose of refinancing, repurchasing or otherwise refunding outstanding debt secured by such Leasehold Mortgage; provided that LESSEE shall obtain the consent of COUNTY in connection with such refinancing debt to the extent that (i) such refinancing debt would result in an extension of the weighted average life of the outstanding debt to be refinanced, or (ii) such refinancing debt would result in an extension of the final maturity of the outstanding debt to be refinanced.

H. **Indemnification.**

SECTION 11.03 (INDEMNITY) is hereby added to this Lease:

To the fullest extent authorized by law, the LESSEE shall indemnify, defend with counsel approved in writing by the COUNTY, and hold the COUNTY, its officers,



directors, employees, agents, counsel and consultants and those special districts and agencies for which the COUNTY'S Board of Supervisors acts as the governing body harmless from any and all claims, demands or liability of any kind or nature, directly or indirectly, arising out of in any way related to the Lease, this Third Amendment, the Bonds or the Improvement Project or any of the documents or agreements related thereto, including without limitation any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document relating to the bonds or other obligations issued to finance the development of the Improvement Project or any of the documents relating to the bonds or other obligations issued to finance the development of the Improvement Project, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document relating to the bonds or other obligations issued to finance the development of the Improvement Project of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The rights and obligations set forth in this indemnification shall survive the termination and/or expiration of this Lease.

I. **Provision of Financing Documents relating to Improvement Project.**

SECTION 13.21 (FINANCING DOCUMENTS) is hereby added to this Lease:

The LESSEE shall provide the COUNTY with copies of substantially final drafts of all financing documents to be executed and delivered, including those to be executed and delivered by its assignee, in connection with the Improvement Project at least thirty (30) days in advance of execution. To the extent that such financing documents are subsequently amended, supplemented, modified, assigned or terminated in accordance with their terms, the LESSEE shall provide the COUNTY with substantially final drafts of such financing documents for review at least thirty (30) days in advance of execution. If any such amendment, supplement, modification, assignment or termination might reasonably be expected to have an adverse impact on the rights of the COUNTY, or change the definition of the Improvement Project, the LESSEE shall obtain the written consent of the COUNTY, prior to executing or consenting to such amendment, supplement, modification, assignment or termination or change in definition. For avoidance of doubt, the COUNTY'S review of any financing documents in connection with the Improvement Project does not constitute an approval, consent, authorization, or agreement of the COUNTY unless explicitly requested and provided in writing.

J. **Conceptual Plans.**

EXHIBIT F (CONCEPTUAL PLANS) is hereby deleted and replaced with EXHIBIT F as attached hereto.



K. **Notices.**

SECTION 13.20 (NOTICES) of the Lease is hereby to add the following recipient:

TO: LESSEE

The Bank of New York Mellon Trust Company, N.A
2 N. LaSalle Street, Suite 700
Chicago, IL 60602
Attn: - Kathy Cokic - Transaction Management Group

L. **Cost Reimbursement to COUNTY.**

LESSEE shall reimburse COUNTY in an amount of \$210,000.00 for all costs, expenses, losses, damages, claims or actions incurred under or in connection with or in any way related to the Lease, this Third Amendment, the Bonds, the Improvement Project, the Indemnification Agreement, including but not limited to, all COUNTY's staff time and attorney and consultant fees incurred in connection with this Third Amendment, and any associated documents, assignments, guaranties, resolutions, and public hearing notices or monitoring the construction and operation of the Improvement Project. Such reimbursement shall be due and payable within ten (10) business days from the date of Board of Supervisors' approval of this Third Amendment.

M. **Rental Structure and Self-Sustainability**

LESSEE agrees that the consideration set forth in this Third Amendment is fair, reasonable, and non-discriminatory for (i) the COUNTY's approval of LESSEE's public activity bond financing, (ii) the transfer of ownership of the LESSEE's improvements to the COUNTY upon construction completion and continued elimination of Building Rent, and (iii) the COUNTY's approval of LESSEE's conceptual plan changes to Exhibit F. The Parties further agree that such consideration is consistent with comparable FBO facilities at similarly situated U.S. airports and that the consideration is necessary to the Airport being as self-sustaining as possible, in accordance with FAA Grant Assurance 24.

N. **No Other Amendments; This Third Amendment Governs and Controls.**

Except as expressly modified by this Third Amendment, the Lease, as amended by the First Amendment and Second Amendment, shall remain unmodified and in full force and effect and is hereby reinstated, ratified, and affirmed. To the extent any of the provisions of this Third Amendment are inconsistent with any of the provisions set forth in the Lease, First Amendment, and Second Amendment, the provisions of this Third Amendment shall govern and control. Any reference to the "Agreement," "hereunder," "hereof," "herein," or words of like import in the Lease, First Amendment, Second Amendment, and this Third Amendment shall mean and be a reference to the Lease as hereby amended, and the Lease, First Amendment, Second Amendment, and the provisions of this Third Amendment shall be read and interpreted as if it was one agreement.



O. **Authority.**

Each Party represents to the other Party or Parties that the individual executing this Third Amendment on behalf of such Party has the capacity and authority to execute and deliver this Third 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.

P. **Limitations on COUNTY Responsibility.**

For avoidance of doubt, the COUNTY (as Lessor under the Lease or as a member of California Municipal Finance Authority or otherwise) shall have no responsibility or obligation of any kind to pay any debt service on the Bonds, to pay any costs or expenses in any way related thereto or to the Improvement Project, or to provide any information or to review or approve any information provided by others about the COUNTY or John Wayne Airport in connection with the offering or sale of the Bonds or to provide, review or approve any continuing disclosure after issuance of the Bonds or to participate in any rating agency or investor presentation, due diligence or any other aspect of the offering, sale or maintenance of the Bonds.

Q. **Governing Law.**

This Third Amendment and the Existing Lease shall be governed by and construed in accordance with the laws of the State of California.

R. **Counterparts and Execution.**

This Third 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 Third 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.

S. **Severability.**

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



In witness whereof, the Parties have executed this Third Amendment the day and year first written above.

LESSEE: Clay Lacy Aviation, Inc.

By: Bradford W. Wright
 Its: Chief Financial Officer
 Name: Bradford W. Wright

APPROVED AS TO FORM:

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

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor/Controller
 Signed by:
 By: Vivian Grzeszyzak
 98187C051B2C443...

RECOMMENDED FOR APPROVAL:

John Wayne Airport
 Signed by:
 By: Charlene Reynolds
 A1A526A921AF49F...
 Charlene Reynolds
 Airport Director

SIGNED AND CERTIFIED THAT A COPY
 OF THIS DOCUMENT HAS BEEN
 DELIVERED TO THE CHAIR OF THE
 BOARD PER G.C. SEC. 25103, RESO 79-1535
 ATTEST:

COUNTY

COUNTY OF ORANGE

 Robin Stieler
 Clerk of the Board of Supervisors

By: _____
 Chairman, Board of Supervisors

EXHIBIT F

Conceptual Plans

**CONSENT TO ASSIGNMENT
OF INTEREST IN LEASE**

R E C I T A L S

1. On September 15, 2020, the **County of Orange**, a political subdivision of the State of California ("COUNTY") entered into a lease ("Lease") with **Clay Lacy Aviation, Inc.** (hereinafter referred to as "ASSIGNOR") for the operation of a Full-Service Fixed Base Operation located at John Wayne Airport.
2. The initial Lease term expires on December 31, 2055.
3. ASSIGNOR has requested that COUNTY approve the assignment of ASSIGNOR's leasehold interest in the Lease to Clay Lacy Santa Ana, LLC, hereinafter referred to as "ASSIGNEE."
4. In accordance with the terms of that certain "Assignment and Assumption Agreement," (the "Transfer Document"), a copy of which is attached hereto as EXHIBIT A and by reference made a part hereof, ASSIGNOR proposes to assign all right, title and interest in the Lease to ASSIGNEE and ASSIGNEE desires to accept from ASSIGNOR all right, title and interest subject to the terms and conditions set forth in this Consent To Assignment of Interest In Lease.
5. Contemporaneously with the execution of the Transfer Document, and consistent with the terms of the Lease, ASSIGNOR will have delivered to COUNTY an unconditional guaranty of the obligations of ASSIGNEE arising under the Lease (the "Guaranty").

NOW THEREFORE, in consideration of the above, on this ____ day of _____, COUNTY consents to assignment of leasehold interest in the Lease from ASSIGNOR to ASSIGNEE subject to the following terms and conditions:

- A. ASSIGNOR assigns and transfers to ASSIGNEE all its right, title and interest in the Lease. However, pursuant to the Lease, no assignment, even with COUNTY approval, shall relieve ASSIGNOR of its obligations to pay the rent and to perform all of the other obligations to be performed by ASSIGNEE. This CONSENT TO ASSIGNMENT OF INTEREST IN LEASE does not relieve ASSIGNOR of any interest, responsibility, or liability in or under the terms of the Lease arising prior to the date hereof or the Guaranty arising on and after the date hereof. Both ASSIGNOR and ASSIGNEE will be fully responsible for complying with all such provisions of the Guaranty and the Lease, respectively, and will both be directly liable for all such respective obligations. ASSIGNEE accepts the assignment and assumes and agrees to perform from the date the assignment becomes effective, as a direct obligation to COUNTY, all the provisions of the Lease.
- B. In the event of any conflict between the provisions of the Lease, or as said Lease may from time to time be amended in the future, and the provisions of the Transfer Document, the provisions of the Lease shall control.

- C. In the event of any conflict between the provisions of this Consent to Assignment of Interest in Lease and the provisions of the Transfer Document, the provisions of this Consent to Assignment of Interest in Lease shall prevail.
- D. It is understood that the consent hereby given to the execution, delivery and recordation of the Transfer Document referred to herein is a mere accommodation and that COUNTY is in no way obligated by, or under any duty whatsoever with regard to the terms and conditions of said Transfer Documents.
- E. Any amendment, supplement, modification, assignment or termination of said Transfer Document shall first be approved in writing by COUNTY's Airport Director, John Wayne Airport ("Director"). ASSIGNOR and ASSIGNEE warrant that all documents and agreements pertaining to the assignment of the Lease have been provided to the COUNTY.
- F. ASSIGNEE's use of the leasehold premises is limited to a Full-Service Fixed Base Operation, as set forth in the Lease. All other activities shall be subject to the prior written approval of the Director.
- G. This assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.
- H. The Recitals paragraphs above are hereby incorporated by this reference.
- I. This consent to assignment shall be governed by and construed in accordance with California law.
- J. As it relates to the profit, if any, received by ASSIGNOR from ASSIGNEE pertaining to the value of ASSIGNOR'S leasehold interest, for which the COUNTY is entitled, at COUNTY request, a copy of the ASSIGNOR'S tax return shall be provided to COUNTY to verify the value reported.

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IN WITNESS WHEREOF, the parties hereto have executed this CONSENT TO ASSIGNMENT OF INTEREST IN LEASE the day and year first above written.

ASSIGNOR

By: _____
 Name: _____
 Title: _____

DocuSigned by:
 Bradford W. Wright
 216EB6ECB1EE41F...
 Bradford W. Wright
 Chief Financial Officer

ASSIGNEE

By: _____
 Name: _____
 Title: _____

DocuSigned by:
 Bradford W. Wright
 216EB6ECB1EE41F...
 Bradford W. Wright
 Chief Financial Officer

APPROVED AS TO FORM:

By: _____

DocuSigned by:
 Mark Sanchez
 5EE66EC8DA7B48F...

APPROVED AS TO AUDIT AND ACCOUNTING:

By: _____

Auditor Controller
 Signed by:
 Vivian Grzeszczak
 98187C051B2C443...

RECOMMENDED FOR APPROVAL:

By: _____

Signed by:
 Charlene Keynolds
 A1A526A921AF49F...
 Charlene Keynolds
 Airport Director

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD PER G.C. SEC. 25103, RESO 79-1535
 ATTEST:

COUNTY
 COUNTY OF ORANGE

 Robin Stieler
 Clerk of the Board of Supervisors

By: _____
 Chairman, Board of Supervisors

EXHIBIT A

Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Assignment”) is made as of the ____ day of _____, _____, by and between Clay Lacy Aviation, Inc. (the “Assignor”) and Clay Lacy Santa Ana, LLC (the “Assignee” and together with the Assignor, the “Parties”).

RECITALS

WHEREAS, the Assignor and the County of Orange (the “County”) have entered into the Northwest Full-Service Fixed Base Operation Lease, dated September 15, 2020 (the “Original Lease”), as amended by the First Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated January 14, 2021 (the “First Amendment”), and as further amended by the Second Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated March 8, 2022 (the “Second Amendment”);

WHEREAS, the County and the Assignor are entering into the Third Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated the date hereof (the “Third Amendment” and together with the Original Lease, the First Amendment, and the Second Amendment, the “Lease”), to facilitate financing the Improvement Project (as defined in the Lease); and

WHEREAS, in connection with the financing of the Improvement Project, the Assignor has agreed to assign, transfer, and convey to the Assignee, and the Assignee has agreed to take assignment of, all of the Assignor’s right, title, and interest in and to the Lease; and

WHEREAS, in connection with this Assignment, and consistent with the terms of the Lease, the Assignor has agreed to deliver to the County an unconditional guaranty of the obligations of the Assignee arising under the Lease (the “Guaranty”).

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Assignee hereby agree as follows:

1. Incorporation of Recitals. The recitals set forth hereinabove shall be and are hereby incorporated in this Paragraph 1 as if said recitals were fully set forth herein.
2. Assignment of Lease. For value received, subject to the terms and conditions of the Lease, the Assignor does hereby assign and transfer to the Assignee, and the Assignee does hereby take assignment of, the Assignor’s right, title and interest in and to the Lease.
3. Assumption of Lease. Subject to the terms and conditions of the Lease, the Assignee does hereby assume and does hereby agree to pay, perform and discharge when due, all of the debts, liabilities and obligations relating to the Lease arising on or after the date hereof.
4. No Representations. The Assignee does not make any representations or warranties with respect to the Lease being assigned and transferred hereunder or the obligations being assumed hereunder.

5. Effect of Agreement. Nothing in this Assignment shall, or shall be deemed to, defeat, limit, alter, impair, enhance or enlarge any right, obligation, claim or remedy created by the Lease. For the avoidance of doubt, nothing in this Assignment shall, or shall be deemed to, modify, amend or extend the terms of any of the agreements assumed hereunder or to release, limit, reduce or alter the duties and obligations of the Assignor under the Lease arising prior to the date hereof or under the Guaranty arising on and after the date hereof. Both the Assignor and Assignee will be fully responsible for complying with all such provisions of the Guaranty and the Lease, respectively, and both will be directly liable for all such respective obligations. The County or the Trustee may proceed directly against the Assignee or the Assignor or both to enforce the terms of the Lease or the Guaranty, as applicable. In the event of any conflict between this Assignment and the Lease, then the Lease shall control.

6. Inurement and Binding Effect. This Assignment shall inure to the benefit of the Parties and their respective permitted successors and assigns and be binding upon the Parties and their respective successors and assigns.

7. Governing Law. This Assignment shall be deemed to have been made in, and shall be construed in accordance with, the Laws of the State of California without regard to conflict of laws principles.

8. Counterparts; Facsimile Execution. This Assignment may be executed in any number of counterparts which, taken together, shall constitute one and the same agreement. This Assignment shall be effective when it has been executed by each Party and delivered to all Parties. To evidence the fact that it has executed this Assignment, a Party may send a copy of its executed counterpart to the other Party by facsimile or electronic mail transmission. Such Party shall be deemed to have executed and delivered this Assignment on the date it sent such facsimile or electronic mail transmission. In such event, such Party shall forthwith deliver to the other Party an original counterpart of this Assignment executed by such Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed pursuant to due authorization, as of the day and year first written above.

CLAY LACY AVIATION, INC.

DocuSigned by:

By: _____

Bradford W. Wright

216EB6ECB1EE41F...

Name: _____

Bradford W. Wright

Title: _____

Chief Financial Officer

CLAY LACY SANTA ANA, I.T.C.

DocuSigned by:

By: _____

Bradford W. Wright

216EB6ECB1EE41F...

Name: _____

Bradford W. Wright

Title: _____

Chief Financial Officer

GUARANTY OF LEASE OBLIGATIONS

THIS GUARANTY OF LEASE OBLIGATIONS (this “Guaranty”) is made this _____, _____, by Clay Lacy Aviation, Inc. (“CLA”) and CLA CA Real Estate Holdings, LLC (“CLA Real Estate”), in favor of the County of Orange, a political subdivision of the State of California (the “County”) with reference to the following:

RECITALS

A. The County and CLA entered into the Northwest Full-Service Fixed Base Operation Lease, dated September 15, 2020 (the “Original Lease”), as amended by the First Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated January 14, 2021 (the “First Amendment”), and as further amended by the Second Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated March 8, 2022 (the “Second Amendment”).

B. The County and CLA are entering into the Third Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated the date hereof (the “Third Amendment” and together with the Original Lease, the First Amendment, and the Second Amendment, the “Ground Lease”), to facilitate financing the Improvement Project.

C. CLA has requested that the County approve the assignment of CLA’s leasehold interest in the Ground Lease to Clay Lacy Santa Ana, LLC (the “Assignee”).

D. CLA and the Assignee have executed and delivered that certain Operations, Management and Administrative Services Agreement, dated as of _____, _____ (the “Management Services Agreement”) pursuant to which CLA will be providing certain day-to-day management and operations on behalf of the Assignee with respect to the Assignee’s responsibilities under the Ground Lease.

E. As a condition to consenting to an assignment of the Ground Lease to the Assignee, the County has required that CLA and CLA Real Estate (collectively, “Guarantors”) concurrently execute and deliver to the County this Guaranty. CLA is willing to provide such guarantees and assurances to the County as are more particularly set forth hereinbelow.

NOW, THEREFORE, in consideration of the County consenting to an assignment of the Ground Lease to the Assignee, Guarantors hereby covenant and agree as follows:

1. **Recitals.** The Recitals set forth above are incorporated herein by this reference.

2. **Guaranty.** In consideration of the County consenting to an assignment of the Ground Lease to the Assignee, Guarantors absolutely, unconditionally, and irrevocably guarantee to the County the full, faithful and timely performance by the Assignee of all of the Assignee’s obligations under the Ground Lease, including, but not

limited to, the obligation of the Assignee to make timely payments of rent or other monies that the Assignee may at any time owe under the Ground Lease or any extensions, renewals, or modifications of the Ground Lease and any maintenance and repair obligations under the Ground Lease. If the Assignee shall default at any time in the payment of any rent (or any other monetary covenant) or in the performance of any non-monetary covenant or obligation under the Ground Lease, then Guarantors, at Guarantors' expense, shall on demand by the County fully and promptly pay all rent, sums, costs and charges to be paid by the Assignee under or arising out of the Ground Lease and shall perform all other covenants and obligations of the Assignee pursuant to the Ground Lease (including such defaulted covenant or obligation). In addition, Guarantors shall on demand by the County pay to the County all sums due to the County, including, without limitation, all interest on past due obligations of the Assignee, costs advanced by the County, damages, and all expenses (including, but not limited to, court costs and attorneys' fees) that may arise in consequence of the Assignee's said default. The liability of Guarantors under this Guaranty is a guaranty of payment and performance and not of collectability only. Guarantors agree that Guarantors' liability under this Guaranty is primary and direct, and that the County will not be required to pursue any right or remedy it may have against the Assignee under the Ground Lease or otherwise (and will not be required to first commence any action or obtain any judgment against the Assignee or against property of the Assignee) before enforcing this Guaranty against Guarantors.

The obligations guaranteed in this Section 2 are collectively referred to hereinafter as the "Guaranteed Obligations". No notice of the Guaranteed Obligations to which this Guaranty may apply, or of any renewal, modification, consolidation, replacement, extension or amendment thereof, need be given to Guarantors and none of the foregoing acts will release Guarantors from liability hereunder.

Notwithstanding the foregoing limitations on the guaranty of Guarantors, the County shall not be deemed to have waived any right which the County may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of all sums due and owing under the Ground Lease (or which may become due and owing thereunder) (including interest accruing after the commencement of any bankruptcy or insolvency proceeding by or against the Assignee or Guarantors, whether or not allowed in such proceeding), fees, costs, expenses, indemnification indebtedness, attorneys' fees, and other sums of money now or hereafter due and owing pursuant to (x) the terms of the Ground Lease and any indemnifications contained in the Ground Lease, now or hereafter existing, and (y) all renewals, extensions, modifications, supplements or amendments of the Guaranteed Obligations or to require that any collateral given to secure the Assignee's obligations under the Ground Lease or Guarantors' obligations under this Guaranty shall continue to secure all of such amounts owing to the County.

3. **Guaranty Absolute.** The liability of Guarantors under this Guaranty shall be absolute, unconditional, and irrevocable, irrespective of:

(a) any express or implied amendment, modification, renewal, addition, supplement or extension (including, without limitation, extensions beyond the original term) of the Ground Lease;

(b) any exercise or nonexercise by the County of any right or privilege under this Guaranty or the Ground Lease;

(c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, litigation or other like proceeding relating to Guarantors or the Assignee or to any other guarantor (which term shall include any other party at any time directly or contingently liable for any of Guaranteed Obligations), or any action taken with respect to this Guaranty by any trustee, receiver or court in any such proceeding, whether or not Guarantors shall have had notice or knowledge of any of the foregoing;

(d) any release or discharge of the Assignee from its liability under the Ground Lease or any release or discharge of any endorser, guarantor or other party at any time directly or contingently liable for the Guaranteed Obligations (other than as a result of payment or performance of the Guaranteed Obligations);

(e) any subordination, compromise, release (by operation of law or otherwise), discharge, compound, collection or liquidation of any or all of the Assignee's obligations under the Ground Lease;

(f) any assignment or other transfer of this Guaranty in whole or in part of the Ground Lease;

(g) any acceptance of partial performance of the Guaranteed Obligations; and

(h) any consent to the transfer of the Ground Lease or any portion thereof.

4. **Waiver.** Guarantors unconditionally waive, to the extent permitted by law, any defense to the enforcement of this Guaranty, including, without limitation:

(a) any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor and notice of acceptance of this Guaranty;

(b) any right to require the County to proceed against the Assignee, Guarantors or any other guarantor at any time, or to exhaust any security held by the County at any time or to pursue any other remedy whatsoever at any time;

(c) any defense of any statute of limitations affecting the liability of the Assignee, Guarantors or any other guarantor, or the enforcement hereof or thereof, to the extent permitted by law;

(d) any defense arising by reason of any invalidity or unenforceability of the Ground Lease or any disability of the Assignee, Guarantors or any other guarantor or of any manner in which the County has exercised its rights and remedies under the Ground Lease or by any cessation from any cause whatsoever of the liability of the Assignee, Guarantors or any other guarantor;

(e) any defense based upon an election of remedies by the County, including but not limited to any election of remedies relating to real property or personal property security, that destroys or otherwise impairs the subrogation rights of Guarantors to proceed against the Assignee or any other guarantor for reimbursement, or both;

(f) any duty of the County to advise Guarantors of any information known to the County regarding the financial condition of the Assignee or any other circumstances affecting the Assignee's ability to perform the Guaranteed Obligations, it being agreed that Guarantors assume the responsibility for being and keeping informed regarding such condition or any such circumstances;

(g) any right of subrogation, contribution, indemnity or otherwise against the Assignee which may arise out of or in connection with this Guaranty, any right to enforce any remedy that the County now has or may hereafter have against the Assignee and any benefit of, and any right to participate in, any security now or hereafter held by the County, until this Guaranty ceases to be in full force and effect; and

(h) without limiting the generality of the foregoing or any other provision hereof, any rights and benefits that might otherwise be available to Guarantors under California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 or 3433.

5. **Subrogation.** Guarantors shall not exercise any rights that it may acquire by way of subrogation, contribution, indemnity or otherwise arising out of or in connection with this Guaranty, by any payment made by Guarantors hereunder or otherwise, until such time as the obligations of the Assignee guaranteed hereby have been indefeasibly paid in full and satisfied and this Guaranty released by the County. If any amount shall be paid to Guarantors on account of such subrogation or other rights at any time before the obligations of the Assignee guaranteed hereby have been indefeasibly paid in full and satisfied and this Guaranty released by the County, such amount shall be held in trust for the benefit of the County and shall forthwith be paid to the County to be credited and applied against the Guaranteed Obligations, when and as due, in accordance with the terms of the Ground Lease. Upon this Guaranty being fully and indefeasibly paid or performed and released as hereinbefore provided, the County will, at Guarantors' request execute and deliver to Guarantors appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to Guarantors of any interest in the Guaranteed Obligations resulting from such payment by Guarantors.

6. **Representation and Warrant.** Guarantors represent and warrant as a continuing representation and warranty until this Guaranty expires in accordance with the provisions contained herein that the Guaranty constitutes the legal, valid and binding obligation of Guarantors enforceable against Guarantors in accordance with its terms.

7. **Surety.** Guarantors shall secure, maintain and furnish to the County, suitable surety to satisfy the Assignee's obligations under Section 4.08 of the Ground Lease to provide a security deposit equal to six months of monthly building and ground rent determined, from time to time, in accordance with the terms of the Ground Lease. In all manners, such surety shall be in a form and from a provider as required by the Ground Lease. Such surety shall be in place at least sixty (60) days prior to the expiration of the preceding surety in order to provide continuity so that the surety shall always be in force during the effectiveness of this Guaranty. Each of Guarantors and the Assignee hereby waives any rights to any interest on such surety that Guarantors or the Assignee might otherwise be entitled to by law.

8. **Address for Notices.** All notices pursuant to this Guaranty shall be addressed to either party as set forth below and shall be sent through the United States Mail, in the State of California, duly registered or certified, return receipt requested with postage prepaid or by an overnight carrier service. If any notice is sent by an overnight carrier service, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing. Notwithstanding the above, the County may also provide notices to Guarantors or the Assignee by personal delivery or by regular mail postage prepaid and any such notice so given shall be deemed to have been given upon the date of personal delivery or three (3) days after the date of deposit in the United States Mail, respectively:

To: COUNTY

John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626
Attn: Director

To: CLA

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

To: CLA Real Estate

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

To: ASSIGNEE

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

Any party hereto may from time to time, by written notice to the others in the method described above, designate a different address which shall be substituted for the one above specified.

9. **No Waiver; Remedies.** No failure on the part of the County to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. **Continuing Guaranty.** This Guaranty is a continuing guaranty and shall remain in full force and effect until the performance in full of the Guaranteed Obligations.

11. **Independent and Separate Obligations.** The obligation of Guarantors hereunder is independent of and may exceed, the obligation of the Assignee and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Guarantors whether or not Guarantors are the alter egos of the Assignee and whether or not the Assignee is joined therein, or a separate action or actions are brought against the County. The County's rights hereunder shall not be exhausted until all of the Guaranteed Obligations have been fully paid and performed.

12. **Bankruptcy No Discharge; Repayments.** So long as any of the Guaranteed Obligations shall be outstanding, Guarantors shall not, without the prior written consent of the County, commence or join with any other party in commencing any bankruptcy, reorganization, or insolvency proceedings of or against the Assignee. Guarantors understand and acknowledge that by virtue of this Guaranty, Guarantors have specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Assignee. As an example and not in any way by limitation, a subsequent modification of the Guaranteed Obligations in any reorganization case concerning the

Assignee shall not affect the obligation of Guarantors to pay and perform the Guaranteed Obligations in accordance with its original terms. If claim is ever made upon the County for repayment of the Guaranteed Obligations and the County repays all or any part of said amount pursuant to an order of a court with jurisdiction over the matter, then, notwithstanding any revocation or termination of this Guaranty or the cancellation or termination of the Ground Lease, Guarantors shall be and remain liable to the County for the amount so repaid to the same extent as if such amount had never originally been received by the County.

If any payment received by the County from the Assignee or any other obligor and applied to the Guaranteed Obligations is subsequently set aside, recovered, rescinded or required to be returned for any reason (including, without limitation, the bankruptcy, insolvency or reorganization of the Assignee or any other obligor), the Guaranteed Obligations to which such payment was applied will for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty will be enforceable against Guarantors as to such Guaranteed Obligations as fully as if such application had never been made.

13. **Expenses.** Guarantors agree to pay all costs and expenses, including reasonable attorneys' fees, which may be incurred by the County in any effort to collect or enforce any of the obligations of Guarantors hereunder, whether or not any lawsuit is filed, including, without limitation, all costs and attorneys' fees incurred by the County in any bankruptcy proceeding (including, without limitation, any action or relief from the automatic stay of any bankruptcy proceeding) and in any judicial or nonjudicial foreclosure action.

14. **Amendments; Successors; Etc.** Neither this instrument nor any term hereof may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. All of the terms of this instrument shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective. Guarantors shall not have the right to assign any of Guarantors' rights or obligations under this Guaranty.

15. **Assignability by the County.** The County may, at any time and from time to time, assign, conditionally or otherwise, all of the rights of the County under this Guaranty, whereupon such assignee shall succeed to all rights of the County hereunder to the extent that such rights may be assigned to it. The County may give written notice to Guarantors of any such assignment, but any failure to give, or delay in giving, such notice shall not affect the validity or enforceability of any such assignment.

16. **Governing Law.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California without regard to conflict of laws principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the Guarantors, the Assignee and the County has executed and delivered this Guaranty, or caused this Guaranty to be duly executed and delivered by its duly authorized representative, as of the date first above written.

CLAY LACY AVIATION, INC.

By: DocuSigned by:

216EB6ECB1EE41F...

Name: Bradford W. Wright
Title: Chief Financial Officer

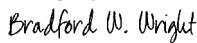
Clay Lacy SANTA ANA, LLC

By: DocuSigned by:

216EB6ECB1EE41F...

Name: Bradford W. Wright
Title: Chief Executive Officer

CLA CA Real Estate Holdings, LLC

By: DocuSigned by:

216EB6ECB1EE41F...

Name: Bradford W. Wright
Title: Chief Executive Officer

APPROVED AS TO FORM:

County of Orange
 Signed by: Mark Sanchez
 By: 5EE66EC8DA7B48F...

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor General
 Signed by: Vivian Grzeszyzak
 By: 98187C051B2C443...

RECOMMENDED FOR APPROVAL:

John Wayne Airport
 Signed by: Charlene Reynolds
 By: A1A526A921AF49F...
 Charlene Reynolds
 Airport Director

SIGNED AND CERTIFIED THAT A COPY
 OF THIS DOCUMENT HAS BEEN
 DELIVERED TO THE CHAIR OF THE
 BOARD PER G.C. SEC. 25103,
 RESO 79-1535
 ATTEST:

Robin Stieler
 Clerk of the Board of Supervisors

COUNTY
 COUNTY OF ORANGE

By: Chairman, Board of Supervisors

**JOHN WAYNE AIRPORT
ORANGE COUNTY**



INDEMNIFICATION AGREEMENT

Dated _____, 2025

by and between

CLAY LACY AVIATION, INC.

and

CLA CA Real Estate Holdings, LLC

and

COUNTY OF ORANGE

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this “Indemnification Agreement”), dated _____, _____, is made by Clay Lacy Aviation, Inc. (“CLA”) and CLA CA Real Estate Holdings, LLC (“CLA Real Estate”) (collectively the “Indemnitors”) in favor of the County of Orange, a political subdivision of the State of California (the “County”).

RECITALS

WHEREAS, the County and CLA entered into the Northwest Full-Service Fixed Base Operation Lease, dated September 15, 2020 (the “Original Lease”), as amended by the First Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated January 14, 2021 (the “First Amendment”), and as further amended by the Second Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated March 8, 2022 (the “Second Amendment”);

WHEREAS, the County and the CLA are entering into the Third Amendment to the Northwest Full-Service Fixed Base Operation Lease, dated the date hereof (the “Third Amendment” and together with the Original Lease, the First Amendment, and the Second Amendment, the “Lease”), to facilitate financing the Improvement Project;

WHEREAS, the County has consented to CLA’s assignment of the Lease to Clay Lacy Santa Ana, LLC (the “Assignee”) pursuant to an Assignment and Assumption Agreement, dated the date hereof; and

WHEREAS, in order to set forth Indemnitors’ ongoing obligation to indemnify the County, the Indemnitors and the County are entering into this Indemnification Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized undefined terms used herein shall have the meanings ascribed thereto in the Lease.

Section 2. Indemnification.

(a) *General.* To the fullest extent authorized by law, the Indemnitors shall indemnify, defend with counsel approved in writing by the County, and hold the County, its officers, directors, employees, agents and those special districts and agencies for which the County’s Board of Supervisors acts as the governing body harmless from any and all costs, expenses, claims, demands, or liability of any kind or nature arising out of or related to the Indemnitors’ or the Assignee’s operations at the Airport, including the cost of defense arising therefrom. Indemnitors’ indemnity obligations stated herein also apply to those actions arising out of or related to the

Indemnitors' or the Assignee's officers, agents, successors, assigns, sublessees, subcontractors, and employees. The Indemnitors' indemnity obligations stated herein shall not apply in the event of any loss, damage, or expense arising from the willful misconduct of the County or of the County's officers, employees, agents, servants, or independent contractors. The rights and obligations set forth in this indemnification shall survive the termination and/or expiration of the Lease.

(b) *Environmental.* To the fullest extent authorized by law, the Indemnitors shall indemnify, defend, and hold the County, its officers, directors, agents, and employees and those special districts and agencies for which the County's Board of Supervisors acts as the governing body harmless for compliance with all Environmental Laws, from and against any and all Environmental Law claims, judgments, damages, penalties, actions, fines, costs, liabilities, losses, orders, expenses, and lawsuits (including fees and costs for attorneys, experts, and expert consultants) arising from the Leased Premises, and/or out of or related to any actions or omissions of the Indemnitors or the Assignee, the Indemnitors' or the Assignee's operations at the Airport or any action arising from and which involve the Indemnitors' or the Assignee's officers, agents, successors, assigns, sublessees, subcontractors, and employees (whether or not they are negligent, intentional, willful or unlawful), including defense expenses arising therefrom, including, but not limited to, the following:

(i) The historical environmental conditions at, on, under, and/or emanating from the Leased Premises that the Indemnitors or the Assignee may be required to pay.

(ii) The Indemnitors' or the Assignee's placement, disposal, allowing, or releasing of Hazardous Materials upon or within the Airport including any such claims, demands, liabilities, cost, expenses, and/or obligations related to the Indemnitors' or the Assignee's release or threatened release of Hazardous Materials on, at, and/or under the Airport.

(iii) The Indemnitors' or the Assignee's release or threatened release of Hazardous Materials at, on, under, and/or emanating from the Airport.

(iv) The Indemnitors' or the Assignee's noncompliance with any Environmental Law, except that the Indemnitors' obligations under this paragraph shall not extend to remediation conditions that arise from operations of third parties that are not affiliated with the Indemnitors or the Assignee that take place off of the Airport. A party shall be deemed to be affiliated with the Indemnitors or the Assignee if it is an employee, officer, director, agent, sublessee, assignee, contractor or subcontractor of the Indemnitors or the Assignee or if it is controlled by or under common control with the Indemnitors or the Assignee.

(v) The Indemnitors' or the Assignee's causing or allowing any prohibited discharge into the Airport Drainage System.

This indemnification includes, without limitation, reasonable fees, costs, and expenses for attorneys, experts, expert consultants, and all other costs incurred by the County in connection with any investigation, evaluation, assessment, and/or monitoring of the environmental conditions at the Leased Premises or any cleanup, remedial, removal, and/or restoration work required by any

federal, State, or local governmental or regulatory entity because of any Hazardous Materials being present in the soil, surface water, or groundwater at, on, under, or about the Airport. However, Indemnitors' indemnity obligation shall not apply in the event of any claims for any loss, damage, or expense arising from the willful misconduct of the County or its officers, employees, agents, or contractors.

In the event the indemnitees as described herein are parties in any proceeding (legal, administrative, or otherwise), the Indemnitors shall, at the request of the County, defend the indemnitees with qualified counsel approved in writing by the County, unless the County, in its sole and absolute discretion, undertakes legal representation, in which event the Indemnitors shall reimburse the County for the expenses incurred by it in defending such proceeding, including reasonable attorneys' fees, expert and/or consultant fees, and investigative and court costs.

In the event that any monetary sum is awarded against the County and the Indemnitors or the Assignee because of the concurrent negligence of the County and the Indemnitors or the Assignee or their respective officers, directors, successors, assigns, subcontractors, sublessees, or employees, an apportionment of liability to pay such award shall be made by a court of competent jurisdiction. Both the County and the Indemnitors agree that neither party shall request a jury apportionment.

(c) *Securities Law.* To the fullest extent authorized by law, the Indemnitors shall indemnify, defend with counsel approved in writing by the County, and hold the County, its officers, directors, employees, agents and those special districts and agencies for which the County's Board of Supervisors acts as the governing body harmless from any and all costs, expenses, claims, demands or liability of any kind or nature arising out of or related to any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document relating to the bonds or other obligations issued to finance the development of the Improvement Project or any of the documents relating to the bonds or other obligations issued to finance the development of the Improvement Project, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document relating to the bonds or other obligations issued to finance the development of the Improvement Project of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The rights and obligations set forth in this indemnification shall survive the termination and/or expiration of the Lease.

(d) *Construction or Alteration.* The Indemnitors shall indemnify the County and hold the County harmless for any and all claims, demands, damages, costs or expenses of any nature, including defense costs by reason of construction or alteration by the Indemnitors or the Assignee.

(e) *Mechanics Liens or Stop Notices.* The Indemnitors shall at all times indemnify and hold the County harmless from all Mechanics Liens, Stop Notices, claims, losses, demands, damages, cost, expenses or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Leased Premises undertaken by the Indemnitors or the Assignee, and from the cost of defending against such claims, including attorneys' fees and costs.

In the event a mechanics lien or stop notice is imposed upon the Leased Premises, the Indemnitors or the Assignee shall either:

- (i) Record a valid Release of Lien, or
- (ii) Procure and record a bond in accordance with Section 3143 of the California Civil Code, which frees the Leased Premises from the claim of the lien or stop notice and from any action brought to foreclose the lien.

Should the Indemnitors or the Assignee fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop notice, the Lease shall be in default and shall be subject to immediate termination. The Indemnitors shall indemnify, defend, and hold the County harmless from and against any and all claims, damages, liabilities, costs and expenses (including attorneys' fees and costs) arising out of or related to any mechanic's liens recorded against any portion of the Leased Premises caused by the Indemnitors or the Assignee, or its agents, employees, contractors, sublessees, successors, and/or assigns, and any and all monetary amounts incurred by the County to obtain a lien release shall be due and payable as Additional Rent. This indemnity shall survive the expiration or earlier termination of the Lease.

(f) *Americans with Disabilities Act.* The Indemnitors agrees to indemnify, defend, and hold the County harmless from and against any and all costs incurred by the County with respect to the Indemnitors' or the Assignee's failure to comply with the ADA.

(g) *Insurance.* In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from the Indemnitors or the Assignee, its agents, employee's or subcontractor's performance of the Lease, the Indemnitors shall defend the County at its sole cost and expense with counsel approved by the Board of Supervisors against same. The Indemnitors' duty to defend shall be absolute and irrespective of any duty to indemnify or hold harmless. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Indemnitors' SIR provision shall be interpreted as though the Indemnitors were an insurer and the County was the insured.

(h) *Existing Conditions.* The Indemnitors acknowledges that it has accepted the Leased Premises in "as is" condition when it entered into the Lease, and the Indemnitors accept liability and agree to indemnify the County pursuant to this Section for all existing conditions whether known or unknown on the Commencement Date.

For clarity, the Indemnitors shall indemnify and hold the County, its officers, directors, employees, agents, and those special districts and agencies for which the County's Board of Supervisors acts as the governing body, harmless from any and all costs, expenses, claims, demands or liability of any kind or nature (including attorneys' fees) arising out of or in any way related to the Lease, the Third Amendment, this Indemnification Agreement, the Bonds, the Improvement Project or any related documents or agreements and will promptly reimburse the County for any costs it incurs or expenses it pay in connection therewith, including any costs of monitoring or enforcing its rights thereunder.

Section 3. Amendments. This Indemnification Agreement may not be effectively amended, supplemented or otherwise modified except by an instrument or instruments signed by all of the parties hereto.

Section 4. Assignment. This Indemnification Agreement is made solely for the benefit of the parties hereto and no other person shall acquire or have any rights under this Indemnification Agreement. This Indemnification Agreement is not assignable or transferrable, in whole or in part, by such parties, unless otherwise agreed to in writing by such parties.

Section 5. Notices. All notices pursuant to this Indemnification Agreement shall be addressed to either party as set forth below and shall be sent through the United States Mail, in the State of California, duly registered or certified, return receipt requested with postage prepaid or by an overnight carrier service. If any notice is sent by an overnight carrier service, the same shall be deemed to have been served or delivered twenty-four (24) hours after mailing. Notwithstanding the above, the County may also provide notices to the Indemnitors by personal delivery or by regular mail postage prepaid and any such notice so given shall be deemed to have been given upon the date of personal delivery or three (3) days after the date of deposit in the United States Mail, respectively:

To: COUNTY

John Wayne Airport
3160 Airway Avenue
Costa Mesa, CA 92626
Attn: Director

To: INDEMNITORS

Bradford W. Wright
Chief Financial Officer
Clay Lacy Aviation, Inc.
7435 Valjean Avenue
Van Nuys, CA 91406

Either party hereto may from time to time, by written notice to the other in the method described above, designate a different address which shall be substituted for the one above specified.

Section 6. Successors and Assigns. This Indemnification Agreement shall be binding upon the parties hereto and their respective successors, transferees and assigns.

Section 7. Severability. If any term or provision of this Indemnification Agreement, or the application of the term or provision to any person or circumstance is, to any extent, invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this Indemnification Agreement, or the application of the term or provision to persons or circumstances other than those as to which the term or provision is held invalid or unenforceable, shall not be

affected by such invalidity or unenforceability, and each remaining term or provision of this Indemnification Agreement will be valid and shall be enforced to the fullest extent permitted by law

Section 8. Governing Law. This Indemnification Agreement and all disputes, claims, defenses, controversies or causes of action, whether in contract or tort, that may be based upon, arise out of or relate hereto, shall be governed by and construed in accordance with the laws of the State of California.

Section 9. Electronic Signatures. Each of the parties hereto agrees that the electronic signature of a party to this Indemnification Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Indemnification Agreement. For purposes hereof (a) “electronic signature” means a manually signed original signature that is then transmitted by electronic means, and (b) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 10. Execution in Counterparts. This Indemnification Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement as of the date first above written.

INDEMNITORS

CLAY LACY AVIATION, INC.

By: Bradford W. Wright
 Its: Chief Financial Officer

CLA CA REAL ESTATE HOLDINGS, LLC

By: Bradford W. Wright
 Its: Chief Financial Officer
 Name: Bradford W. Wright

APPROVED AS TO FORM:

County Counsel
 By: Mark Sanchez

APPROVED AS TO AUDIT AND ACCOUNTING:

Auditor Controller
 By: Vivian Grzeszyzak

RECOMMENDED FOR APPROVAL:

JOHN WAYNE AIRPORT
 By: Charlene Reynolds
 Airport Director

SIGNED AND CERTIFIED THAT A COPY
 OF THIS DOCUMENT HAS BEEN
 DELIVERED TO THE CHAIR OF THE
 BOARD PER G.C. SEC. 25103,
 RESO 79-1535
 ATTEST:

COUNTY
 COUNTY OF ORANGE

 Robin Stieler
 Clerk of the Board of Supervisors

By: _____
 Chairman, Board of Supervisors

[Signature Page to Indemnification Agreement]

MEMORANDUM

REVIEW OF CLAY LACY FIXED BASE OPERATOR (FBO) SITE LAYOUT AND PHASING CHANGES (June 2025)

AND

FINAL ENVIRONMENTAL IMPACT REPORT NO. 627 – ADDENDUM NO. PP-22-0001, JOHN WAYNE AIRPORT GENERAL AVIATION IMPROVEMENT PROGRAM

EXECUTIVE SUMMARY

- Buildout of the Northwest fixed base operator (FBO) leasehold (Clay Lacy FBO) at John Wayne Airport under its General Aviation Improvement Program (GAIP) was conceptually approved on September 15, 2020, when the Orange County Board of Supervisors awarded Clay Lacy Aviation (Clay Lacy) the Northwest FBO lease. The Clay Lacy proposal was found by the county to be consistent with the GAIP and its Final Environmental Impact Report (FEIR 627). FEIR 627 identified five buildings on the Northwest FBO leasehold: three community hangars, an FBO office/terminal, and a hangar/office for the Orange County Sheriff's Department (OCSD).
- In March 2022, the Board of Supervisors was asked to consider minor changes to the previously approved Clay Lacy FBO project; however, first, an addendum to FEIR 627 (Addendum No. PP-22-0001 for Amendment No. 1 to FEIR No. 627) was adopted by the Board of Supervisors to address the minor changes in the Clay Lacy FBO site plan. The new Clay Lacy FBO site plan showed the five buildings in slightly different configurations and sizes than were shown in FEIR 627 and the board-approved Clay Lacy FBO lease to accommodate a change in OCSD preferences (as further discussed under *Project Background*). This new site layout was approved by the Board of Supervisors on March 8, 2022, and is herein referred to as the "permitted project" (**Exhibit 1**).
- Through continued collaboration between OCSD and Clay Lacy, a site plan redesign is now being proposed to allocate space for the OCSD within a new standalone hangar. The redesigned Clay Lacy FBO site layout shows five buildings in slightly different configurations and sizes than are currently permitted (and were evaluated in Addendum No. PP-22-0001). This revised site plan is the subject of this memorandum and is herein referred to as the "proposed layout" (**Exhibit 2**).
- No additional environmental documentation for the Clay Lacy FBO is required to evaluate the Clay Lacy FBO proposed layout because:
 - No change in the number of based aircraft would occur due to the proposed changes; and
 - No new significant environmental impacts would occur due to changes in the design or phasing of the proposed development.

PROJECT BACKGROUND

The Clay Lacy team was selected by the County of Orange, airport sponsor of John Wayne Airport, to develop a 14.2-acre leasehold located on the northwest side of the airport (Northwest FBO leasehold). Development of the Northwest FBO leasehold is part of Phases 1 and 2 of the airport's GAIP and was anticipated to be completed in 2.5 years (FEIR 627, Appendix E, *Air Quality Technical Report*, Table 10).

Buildout of the Northwest FBO leasehold was conceptually approved by the local approving jurisdiction (County of Orange) on September 15, 2020, when the Orange County Board of Supervisors awarded Clay Lacy Aviation (Clay Lacy) the Northwest FBO lease (Clay Lacy FBO). The applicable *California Environmental Quality Act* (CEQA) document, FEIR 627 (SCH #2017031072), which evaluated the GAIP, assumed certain amounts of based and transient aircraft operations upon which to conduct its analysis and findings, as well as building square footage and conceptual site and phasing plans.¹

As part of the original Clay Lacy lease agreement with John Wayne Airport, Clay Lacy was required to offer a right of first refusal to the OCSD and Orange County Fire Authority (OCFA) to build and sublease an air support facility. OCFA declined to participate in the development of a joint facility, while Clay Lacy and the OCSD began discussions on the development of the OCSD facility, which became incorporated into the original Clay Lacy FBO site plan; however, the OCSD requested the facility studied in FEIR 627 (and specified in the request for proposal [RFP] process) be reduced in size to meet their budgetary targets for rent of the facility.

A new site plan was proposed that had five buildings in slightly different configurations and sizes than were shown in the board-approved plan but allocated less space for the OCSD within a new community hangar (**Exhibit 1**). In March 2022, an addendum to FEIR 627 (Addendum No. PP-22-0001 for Amendment No. 1 to FEIR No. 627) was adopted by the Orange County Board of Supervisors, which addressed an amendment to the FBO lease with Clay Lacy to modify the approved site plan for the Northwest FBO leasehold, as previously described. The addendum showed that no new significant environmental impact would occur due to the revisions to the proposed development. The new site plan was approved by the Board of Supervisors on March 8, 2022, and is herein referred to as the "permitted project."

PROPOSED CLAY LACY FBO SITE PLAN AND PHASING (JUNE 2025)

Since the approval of the permitted project and the adoption of Addendum No. PP-22-0001, the OCSD and Clay Lacy have continued work to identify the most optimal facility requirements and layout configuration. A newly proposed layout includes a more efficient design, and stand-alone, dedicated OCSD Air Support Facility, which is optimal for the OCSD's use and operations. In addition, changes are proposed to ensure the OCSD facility is completed in advance of the 2028 Los Angeles Summer Olympics to support operational readiness for the OCSD and to avoid construction phasing disruptions.

¹ FEIR 627 explicitly stated, "These development parameters are intended as a concept of the type and size of the facilities that would be developed under the GAIP; however, they are not the only concepts that could be deemed to be consistent with the GAIP and this Program EIR. At the time design plans are developed for each of the facilities at the Airport, consistency with the GAIP and this Program EIR would be evaluated to determine whether additional environmental review will be required" (FEIR 627, page 3-7, para. 2).

Site Layout Revisions

The June 2025 proposed site layout eliminates OCSD hangar/office space from within a joint-use FBO hangar (Hangar 3) and provides an OCSD facility northeast of the FBO hangars in a separate building (**Exhibit 2**). **Table 1** compares the Clay Lacy FBO site details between the permitted project and the currently proposed layout. The proposed layout would reduce the available hangar space by 15,805 square feet (SF) from what is currently permitted and would reduce the total office space by 14,573 SF. Correspondingly, ramp space would increase by 31,359 SF. Ultimately, the apron for the OCSD would be separated from the FBO ramp space, which is preferred by the OCSD. **The proposed layout does not change the limits of disturbance previously identified for the Northwest FBO leasehold (i.e., the 14.2-acre parcel). In other words, the Clay Lacy FBO would still be fully contained within the physical area previously evaluated within FEIR 627 and Addendum No. PP-22-0001.**

The change in location of the OCSD building and apron within the site layout does not change the proposed uses and operation of the OCSD. The OCSD plans to house its five existing helicopters within its building to maintain its mission.

TABLE 1 | Comparison of Permitted Project vs. Proposed Layout

Item	Permitted Project	Proposed Layout
FBO Hangars	128,545 SF	113,340 SF
OCSD Hangar (with attached OCSD Office)	16,200 SF	15,600 SF
Hangar Space Subtotal:	144,745 SF	128,940 SF
NET REDUCTION IN HANGAR SPACE:	–	<15,805 SF>
FBO office space	24,000 SF	6,500 SF
Hangar Miscellaneous Office Space	17,800 SF	20,727 SF
Office Space Subtotal:	41,800 SF	27,227 SF
NET REDUCTION IN OFFICE SPACE:	–	<14,573 SF>
FBO Apron	240,307 SF	272,666 SF
OCSD Apron	31,000 SF	30,000 SF
Apron Area Subtotal:	271,307 SF	302,666 SF
NET INCREASE IN APRON:	–	+31,359 SF
Ground Service Equipment (GSE) Dedicated Space	21,300 SF	25,000 SF
# of Vehicle Parking Spaces	263	206
SF = square feet		

Of importance to the impact analysis contained in FEIR 627 and Addendum No. PP-22-0001 was the number of based aircraft that could be accommodated by each leasehold within the GAIP. The number of based aircraft for the Northwest FBO leasehold was estimated in FEIR 627 by assuming 15 based aircraft could be housed in 99,000 SF of hangar space resulting in an average of 6,660 SF per based aircraft. Under the permitted project, 19 aircraft would be accommodated in the FBO community hangars (Addendum No. PP-22-0001); the proposed layout would accommodate two fewer based aircraft (i.e., 17 aircraft) (**Table 2**).

Within the GAIP, FBO ramp space was assumed to accommodate 50 percent transient aircraft and 50 percent based aircraft. FEIR 627 assumed 17 based aircraft would use half of the available apron within the Northwest FBO leasehold (141,379 SF) and the other half would be used by transient aircraft, which

resulted in an average of 8,316 SF of apron area per based aircraft. Using the same formula, 14 aircraft would be accommodated on the ramp under the permitted Clay Lacy FBO site plan (Addendum No. PP-22-0001, Attachment A, Table 2); the proposed site plan would accommodate two additional based aircraft (i.e., 16 total aircraft) (Table 2). **Thus, the proposed Clay Lacy FBO site plan could accommodate two additional based aircraft on the ramp but two fewer based aircraft in the FBO hangars, resulting in no new based aircraft accommodated by the proposed revision.**

The OCSD has indicated that its designated hangar space is optimized to house its five existing aircraft. No change in based aircraft on the Clay Lacy FBO leasehold would occur due to the revision to the OCSD's facilities.

TABLE 2 | Comparison of Based Aircraft Accommodated by the Permitted FBO vs. the Proposed Layout (excludes the OCSD hangar/apron, which will continue to house five existing OCSD aircraft)

	PERMITTED PROJECT			PROPOSED LAYOUT		
	Hangar Space	Apron Space for Based Aircraft ¹	TOTAL BASED AIRCRAFT	Hangar Space	Apron Space for Based Aircraft ¹	TOTAL BASED AIRCRAFT
FBO Area	128,545 SF	120,154 SF	—	113,340 SF	136,333 SF	—
Area per Based Aircraft ²	6,660 SF	8,316 SF	—	6,660 SF	8,316 SF	—
Number of Based Aircraft	19	14	33	17	16	33
¹ Total apron space would be used 50 percent by based aircraft and 50 percent by transient aircraft.						
² Rates calculated in FEIR 627 and applied to permitted and proposed projects.						

Because the proposed layout would not result in a change in the overall leasehold area or the number of based aircraft accommodated by the Clay Lacy FBO, the analysis completed for the permitted project in Addendum No. PP-22-0001 is applicable to the proposed layout. No new significant environmental impacts would occur.

Site Phasing Revisions

The first phase of the Clay Lacy FBO is under construction and anticipated to be completed by the middle of 2027. This phase includes Hangars 1 and 2, the FBO terminal building, and ramp improvements (**Exhibit 2**). Design for Hangar 3 is planned to begin in the latter half of 2026; however, due to the 2028 Summer Olympics being held in the Los Angeles area, construction of Hangar 3 will not begin until the 2028 Summer Olympics are over (late 2028).

The modified standalone OCSD building will be constructed as part of Phase 1. By removing the OCSD facility to a dedicated, separate building, construction costs will be lower than if it was to be incorporated into the larger Hangar 3. In addition, the OCSD building construction can move forward before the 2028 Summer Olympics, allowing it to meet its Essential Service² standards and occupy its new space 18 months earlier than planned.

² Essential Services are buildings and other structures intended to remain operational in the event of extreme environmental loading from flood, wind, snow, or earthquakes (California Building Code 2022, Vol. 1 & 2, Chapter 2 (https://up.codes/viewer/california/ca-building-code-2022-1/chapter/2/definitions#essential_facilities))

Construction of the Clay Lacy FBO was originally estimated to take 24 months once pre-construction planning and permitting were completed. Under the GAIP, Clay Lacy and the Limited-Service FBO on the west side of the airport are scheduled to commence construction first, followed by ACI Jet; however, to address the operational needs of the airport, the development and phasing plan for construction may be modified or amended by the Airport Director in consultation with the FBOs (Agenda Staff Report [ASR Control 22-00003 6] RE: Approve Second Amendment to Fixed Base Operator Lease with Clay Lacy Aviation, page 4, para. 4). The proposed change in phasing of the Clay Lacy FBO (i.e., to construct Hangar 3 after the 2028 Summer Olympics) will help reduce congestion at the airport during this unique event.

CONCLUSION

The discussion contained in this memorandum shows that the proposed layout for the Clay Lacy FBO is consistent with the GAIP and FEIR 627 Addendum No. PP-22-0001. Addendum No. PP-22-0001 determined that no further environmental documentation would be required under CEQA for the minor changes to the Clay Lacy FBO leasehold under consideration at the time. From an environmental perspective, FEIR 627 determined *no impact, less than significant, or less than significant (with mitigation)* impacts for all but one of the environmental impact categories.³

Because the proposed layout would not change the size of the overall Northwest FBO development area or the type of development proposed for the Clay Lacy FBO leasehold and is within the range of based aircraft and operations analyzed within FEIR 627, the impact analysis in FEIR 627 remains applicable. The number of based aircraft (i.e., 33 based aircraft) between the permitted project and the proposed layout would not change. The proposed layout does not increase the severity of previously identified impacts or create new substantial impacts not addressed by FEIR 627; the current revisions are consistent with the original FEIR 627 and FEIR 627 Addendum No. PP-22-0001.

No new environmental evaluation is required under the state CEQA Guidelines because:

1. No substantial changes are proposed for the Northwest FBO, which will require major revisions to the previous FEIR Addendum No. PP-22-0001 per Section 15162 et seq. of the state CEQA Guidelines.
2. Substantial evidence per state CEQA Guidelines Section 15168(c)(2) has been provided to show that the Clay Lacy FBO would be within the scope of the project covered by FEIR 627 Addendum No. PP-22-0001.

³ The only impacts associated with the GAIP found to be potentially significant in FEIR 627 were land use compatibility impacts involving three residences without sound attenuation or aviation easements that would be within the 65-decibel (dB) to 70-dB Community Noise Equivalent Level (CNEL) contour. Additionally, the GAIP would contribute to a potential cumulative land use compatibility impact at two schools. For the residences and the schools, the Sound Insulation Program (SIP) adopted by the Board of Supervisors in 2014 in conjunction with the JWA Settlement Agreement Amendment would provide possible mitigation; however, given FAA criteria for the attenuation of noise-sensitive uses, it was uncertain if the SIP would adequately reduce interior noise levels for all potentially impacted uses, so these impacts were determined to be significant and unavoidable (FEIR 627, pages 1-4 and 1-5).

ENCLOSURES

- Exhibit 1 – Permitted Layout
- Exhibit 2 – Proposed Layout

Exhibit 1: PERMITTED LAYOUT

Site Plan | Permitted

SCALE: 1" = 100'

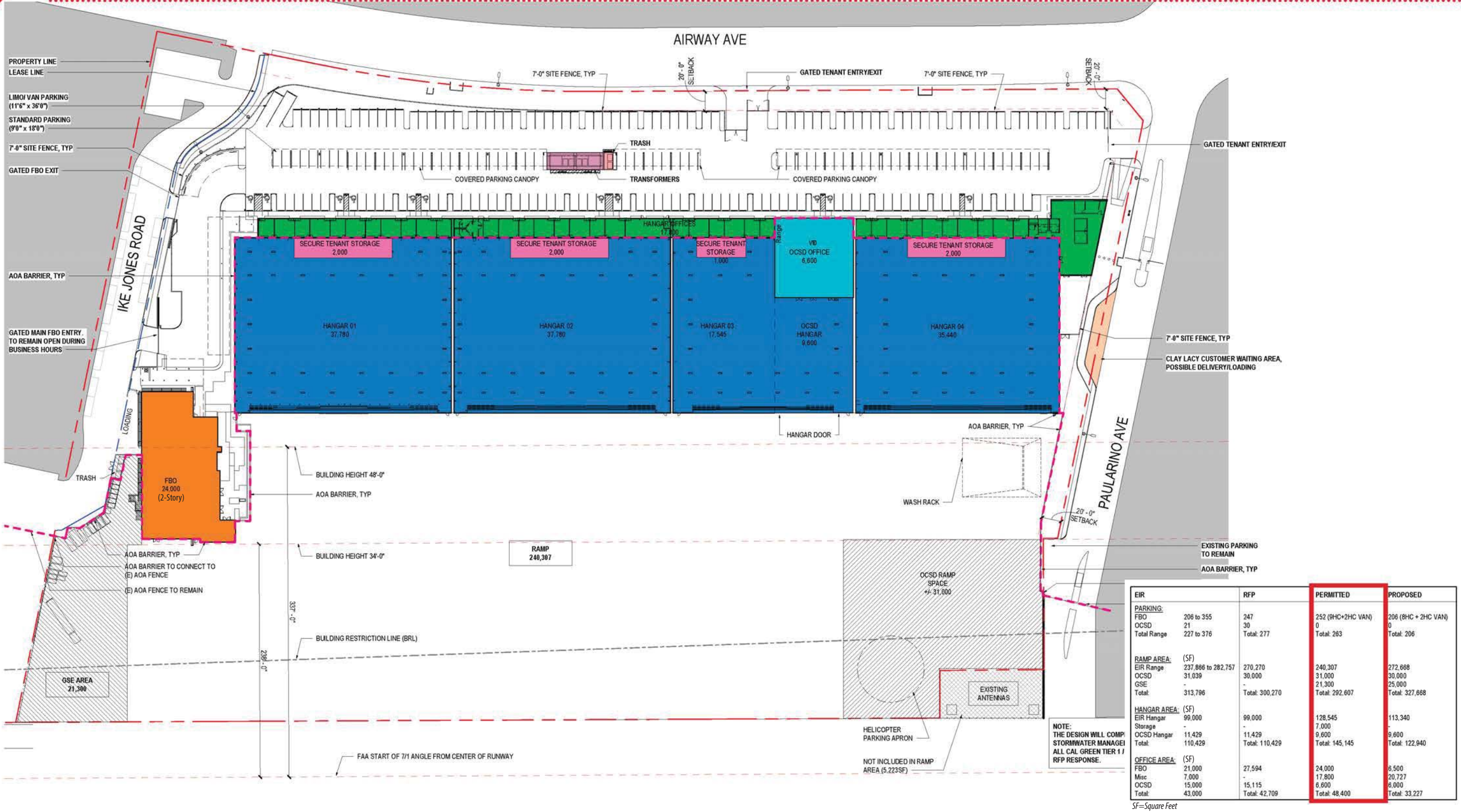
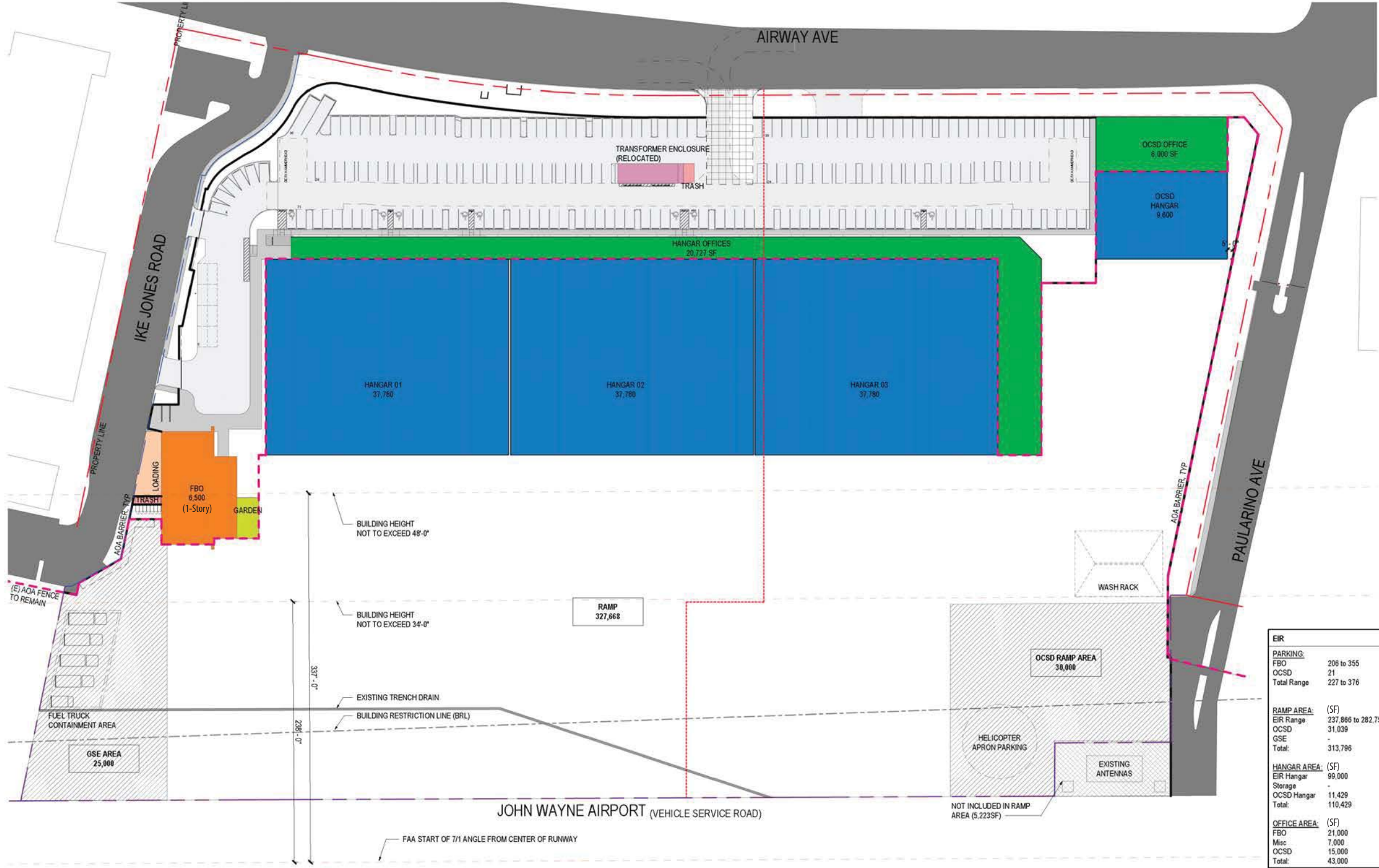


Exhibit 2: PROPOSED LAYOUT



Site Plan | Proposed

SCALE: 1" = 100'



EIR	RFP	PERMITTED	PROPOSED
PARKING:			
FBO	206 to 355	247	206 (8HC + 2HC VAN)
OCSD	21	30	0
Total Range	227 to 376	Total: 277	Total: 206
RAMP AREA: (SF)			
EIR Range	237,866 to 282,757	270,270	272,668
OCSD	31,039	30,000	30,000
GSE	-	21,300	25,000
Total:	313,796	Total: 300,270	Total: 327,668
HANGAR AREA: (SF)			
EIR Hangar	99,000	128,545	113,340
Storage	-	7,000	-
OCSD Hangar	11,429	11,429	9,600
Total:	110,429	Total: 145,145	Total: 122,940
OFFICE AREA: (SF)			
FBO	21,000	27,594	6,500
Misc	7,000	-	20,727
OCSD	15,000	15,115	6,000
Total:	43,000	Total: 42,709	Total: 33,227

SF=Square Feet



LEON J. PAGE
COUNTY COUNSEL

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2025 NOV 25 PM 4:08

CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

400 West Civic Center Drive, Suite 202
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.oc.gov

Agenda Item No. SCS- 1
December 2, 2025

MEMORANDUM

November 25, 2025

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

I am requesting that a closed session be held on Tuesday, December 2, 2025, for the Board to consider various pre-litigation claims filed by members of the public for losses and damages incurred as a result of the September 2024 Airport Fire, as authorized under Government Code section 54956.9(d)(2).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL –
ANTICIPATED LITIGATION – SIGNIFICANT EXPOSURE TO
LITIGATION pursuant to Government Code section
54956.9(d)(2).
Number of Cases: Multiple.

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.

LJP:vl

cc: Members of the Board of Supervisors
Michelle Aguirre, CEO



LEON J. PAGE
COUNTY COUNSEL

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CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

400 West Civic Center Drive, Suite 202
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.oc.gov

Agenda Item No. SCS- 2
December 2, 2025

M E M O R A N D U M

November 25, 2025

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

I am requesting a supplemental closed session on Tuesday, December 2, 2025, to discuss with the Board the status of existing litigation, pursuant to Government Code section 54956.9(d)(1).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL --
EXISTING LITIGATION Pursuant to Government Code Section
54956.9(d)(1).

Name of Case: *Richard Smith v. County of Orange, et al.*, United
States District Court Case No. 8:23-cv-01920-FWS-DFM.

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.

LJP:vl

cc: Members of the Board of Supervisors
Michelle Aguirre, CEO



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CLERK OF THE BOARD
COUNTY OF ORANGE
BOARD OF SUPERVISORS

OFFICE OF THE COUNTY COUNSEL
COUNTY OF ORANGE

400 West Civic Center, Suite 202
Santa Ana, California 92701
Direct No.: (714) 834-3303
E-Mail: leon.page@coco.oc.gov

LEON J. PAGE
COUNTY COUNSEL

Agenda Item No. SCS-3
December 2, 2025

MEMORANDUM

November 25, 2025

TO: Robin Stieler, Clerk of the Board of Supervisors
FROM: Leon J. Page, County Counsel
SUBJECT: Request for Supplemental Closed Session

I am requesting a supplemental closed session on Tuesday, December 2, 2025, to discuss with the Board the status of existing litigation, pursuant to Government Code section 54956.9(d)(1).

Accordingly, please prepare the Agenda Item to read:

“CONFERENCE WITH LEGAL COUNSEL --
EXISTING LITIGATION Pursuant to Government Code Section
54956.9(d)(1).
Name of Cases: *California Department of Forestry and Fire
Protection v. County of Orange, Todd Gillespie, Ismael Huizar et
al.*, Orange County Superior Court Case No.: 30-2025-01508686-
CU-MC-CJC; *Albert Ivan Larios and Candelaria Salinas Santiago
v. County of Orange et al.*, Orange County Superior Court Case
No. 30-2025-01514118-CU-PO-NJC; *Luis Ceja Ochoa, Samantha
Nicole Larios, and Arthur King Ceja, a minor, by and through his
Guardian ad Litem, Luis Ceja Ochoa v. County of Orange et al.*,
Orange County Superior Court Case No. 30-2025-01515014-CU-
PO-NJC.

RECOMMENDED ACTION: Conduct Closed Session.”

Thank you.

LJP:mjf

cc: Members of the Board of Supervisors
Michelle Aguirre, CEO




County Executive Office
Memorandum

November 26, 2025

To: Clerk of the Board of Supervisors

From: Signed by:
 on behalf of
C4D5822B5F88467
Jamie Newton, Chief Human Resources Officer

Concur: 
Digitally signed by
Michelle Aguirre
Date: 2025.11.26
15:32:19 -08'00'
Michelle Aguirre, County Executive Officer

Subject: Request for a Supplemental Closed Session for December 2, 2025

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COUNTY OF ORANGE
BOARD OF SUPERVISORS

SCS4

Human Resource Services requests a Supplemental Closed Session item on December 2, 2025, Board of Supervisors Meeting pursuant to Government Code Section 54957(b) regarding Public Employee Performance Evaluation:

RECOMMENDED ACTION: Conduct Closed Session

Accordingly, please prepare the Agenda item to read:

Human Resource Services - "PUBLIC EMPLOYEE PERFORMANCE EVALUATION" - Pursuant to Government Code Section 54957(b).

Title: Public Guardian

Recommended Action: Conduct Closed Session.

Thank you.

cc: Members, Board of Supervisors
Michelle Aguirre, County Executive Officer
Leon J. Page, County Counsel