



## City Council Special Joint Agenda 1/19/2021

Notice is hereby given of a special joint meeting of the City Council of City of San Angelo and the City of San Angelo Development Corporation to be held January 19, 2021 at 8:30 AM at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas, for the purpose of considering the following agenda items.

**1. Call to Order/Roll Call to Establish Quorum - City Council**

**2. Call to Order/Roll Call to Establish Quorum - COSADC**

**3. Public Comment**

Issues or concerns not on the Regular Agenda may be raised by the public at this time. Citizens should speak from the podium, address all comments to the dais, begin by stating their name and address or Single Member District, and limit remarks to less than three minutes.

**4. Joint Meeting Agenda**

- a. Discussion and possible action on business prospect and economic development regarding San Angelo Regional Airport - Mathis Field (Presentation made by Economic Development Director Guy Andrews)
- b. COSADC: Consider approving a resolution of the City of San Angelo Development Corporation Board of Directors authorizing the use of sales and use tax funds in an amount not to exceed \$1,200,000 to provide an economic development incentive to SkyWest Airlines, Inc., approving an air services and revenue guarantee agreement with SkyWest Airlines, Inc., and approving an amendment to the professional services performance agreement with the San Angelo Chamber of Commerce directing advertising support to SkyWest Airlines, Inc. per the agreement (Presentation made by Economic Development Director Guy Andrews)
- c. City Council: Consider ratifying a resolution of the City of San Angelo Development Corporation that allocates sales and use tax funds in an amount not to exceed \$1,200,000 to provide economic development incentives and direct advertising support to SkyWest Airlines, Inc., waiving rental and landing fees, and declaring a public purpose (Presentation made by Economic Development Director Guy Andrews)


**5. Adjournment - COSADC**

**6. Adjournment - City Council**

### **CERTIFICATION**

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of

the City of San Angelo, Texas on the 14th day of January 2021, at 11:52 a.m.

  
\_\_\_\_\_  
Julia Antilley, City Clerk

All agenda items are subject to action. The City Council reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 325-657-4405.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to [Julia.Antilley@cosatx.us](mailto:Julia.Antilley@cosatx.us). Time limits for discussion are as stated above and materials cannot exceed 10-pages. Citizens bringing materials for distribution to City Council members during the meeting must bring a minimum of 12 copies.

City Council regular meetings are broadcast on SATV Channel 17-Government Access at 10:30 a.m. and 7:00 p.m. every day, beginning the evening of the meeting until the evening of the next meeting.

# REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

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Requestor: Heather Stastny, Deputy City Clerk, Economic Development, 325-657-4405

Meeting Date: January 19, 2021

Item type: Consent Item

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## **Caption:**

Discussion and possible action on business prospect and economic development regarding San Angelo Regional Airport - Mathis Field (Presentation made by Economic Development Director Guy Andrews)

## **Summary/History:**

Air Service from San Angelo (SJT) to George Bush Intercontinental/Houston Airport (IAH) has been one of the most requested economic development projects, and has been sought after for many years.

On October 22, 2020 Mayor Gunter initiated a trip to St. George, Utah to meet with SkyWest Airlines, Inc. Also representing San Angelo were City Manager Daniel Valenzuela, Airport Director Jeremy Valgardson, and Economic Development Director Guy Andrews. Mr. Valgardson had already established a relationship with SkyWest Airlines during his time in Cedar City, Utah.

The meeting was extremely cordial with the end result being that SkyWest Airlines stated that they would be willing to negotiate an Air Services Agreement with San Angelo that would be equivalent to the one negotiated with Abilene for their direct air service to IAH. San Angelo has been on their "radar screen", but an agreement would not be possible without a revenue guarantee, assistance with advertising, and waiver of rental and landing fees during a two year contract period.

Abilene had been granted a Small Community Air Services Development Agreement Program (SCASDP) grant. San Angelo will also apply for the SCASDP grant, but the grant is highly competitive and there is no guarantee that San Angelo will receive a grant. Therefore, due to the timing and conditions being critical, San Angelo is entering into the agreement without the benefit of the grant, but, if awarded the grant, will use it to reimburse the local funds being expended.

## **Financial Impact:**

## **Other Information/Recommendation:**

## **Attachments:**

## **Presentation:**

Guy Andrews

## **Approvals/Reviews:**

Heather Stastny  
Guy Andrews  
Theresa James  
Julia Antilley  
Tina Dierschke  
Julia Antilley

Created/Initiated  
Approved  
Approved  
Approved  
Approved  
Final Approval

# REPORT TO MAYOR & MEMBERS OF CITY COUNCIL

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Requestor: Heather Stastny, Deputy City Clerk, Economic Development, 325-657-4405

Meeting Date: January 19, 2021

Item type: Regular Item

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## **Caption:**

COSADC: Consider approving a resolution of the City of San Angelo Development Corporation Board of Directors authorizing the use of sales and use tax funds in an amount not to exceed \$1,200,000 to provide an economic development incentive to SkyWest Airlines, Inc., approving an air services and revenue guarantee agreement with SkyWest Airlines, Inc., and approving an amendment to the professional services performance agreement with the San Angelo Chamber of Commerce directing advertising support to SkyWest Airlines, Inc. per the agreement (Presentation made by Economic Development Director Guy Andrews)

## **Summary/History:**

The attached resolution of the City of San Angelo Development Corporation authorizes the use of sales and use tax funds as authorized under the Local Government Code to develop a regional corporate headquarters, and will be used for the following purposes:

1. Allocates up to \$1 million to be utilized to provide a revenue guarantee to SkyWest Airlines. Dollars are only expended each quarter in the event that SkyWest revenues fall below costs. The agreement will specify how revenue and costs are determined. In no event shall COSADC expend more than \$1 million for the revenue guarantee.
2. COSADC will amend its Professional Services Agreement with the San Angelo Chamber of Commerce to provide them with \$200,000 to be utilized for direct advertising and marketing for SkyWest Airlines. They will be our agent in providing this service. The \$200,000 will be paid on a quarterly basis of an additional \$22,222 for the life of the SkyWest Agreement.

These are two of three main elements of the SkyWest Airlines agreement. The third is the City's waiver of rental and landing fees at the San Angelo Regional Airport.

This resolution only covers the two elements being funded by COSADC, and there is a separate resolution by the City covering the waiver of rental and landing fees.

## **Financial Impact:**

## **Other Information/Recommendation:**

## **Attachments:**

1. SkyWest COSADC Resolution SkyWest COSADC Resolution.docx

## **Presentation:**

Guy Andrews

**Approvals/Reviews:**

Heather Stastny

Guy Andrews

Brandon Dyson

Tina Dierschke

Theresa James

Julia Antilley

Created/Initiated

Approved

Approved

Approved

Approved

Final Approval

**RESOLUTION # \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING THE USE OF SALES AND USE TAX FUNDS IN AN AMOUNT NOT TO EXCEED \$1,200,000.00 TO PROVIDE AN ECONOMIC DEVELOPMENT INCENTIVE TO SKYWEST AIRLINES, INC., FOR A PROJECT FOR THE CREATION OR RETENTION OF PRIMARY JOBS AND FOUND TO BE REQUIRED OR SUITABLE FOR THE DEVELOPMENT, RETENTION, OR EXPANSION OF REGIONAL CORPORATE HEADQUARTERS FACILITIES, AS AUTHORIZED UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 501, SUBCHAPTER C; APPROVING AN AIR SERVICES AND REVENUE GUARANTEE AGREEMENT WITH SKYWEST AIRLINES, INC.; AND APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES PERFORMANCE AGREEMENT WITH THE SAN ANGELO CHAMBER OF COMMERCE DIRECTING ADVERTISING SUPPORT TO SKYWEST AIRLINES, INC. PER THE AGREEMENT**

**WHEREAS**, the City of San Angelo (City) owns and operates San Angelo Regional Airport (SJT); and

**WHEREAS**, SkyWest Airlines, Inc. (SkyWest) has expressed its intent to establish regional corporate headquarters facilities from which to operate daily scheduled air service from San Angelo Regional Airport to George Bush Intercontinental Airport (Houston); and

**WHEREAS**, SkyWest anticipates the creation of at least 4 FTE employees with an average salary of \$20,000, and an initial operational investment of \$1,000,000 resulting from the establishment of its regional corporate headquarters facilities within the City (the "Project"); and

**WHEREAS**, COSADC is a Type B Development Corporation authorized to utilize half cent sales and use tax funds for projects for the creation or retention of primary jobs and found by the board of directors to be required or suitable for the development, retention, or expansion of regional corporate headquarters facilities; and

**WHEREAS**, COSADC and SkyWest desire to enter into an agreement providing for the new air service to Houston and certain risk mitigations offered by COSADC; and

**WHEREAS**, COSADC will make available up to \$1,000,000 in revenue guarantee to offset demonstrable quarterly revenue shortfalls in the operation of the air service per the agreement; and

**WHEREAS**, COSADC shall provide \$200,000 to the San Angelo Chamber of Commerce for direct advertising support of SkyWest air service per the agreement; and

**WHEREAS**, the board of directors of COSADC has determined that the Project and provision of funding for up to \$1,200,000.00 is in compliance with the requirements and purposes of the Texas Development Corporation Act (the "Act"), and the COSADC Articles of Incorporation; and, that the Project and funding serve the public purposes set forth in the Act;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:**

The City of San Angelo Development Corporation offers this Resolution; finding that the foregoing recitals are true and correct and incorporating them by reference as if set forth in their entirety herein;

finding that the contemplated Project is an authorized project under the Texas Development Corporation Act, Section 501.101 of the Texas Local Government Code; authorizing the Board President to negotiate and execute an air services agreement with SkyWest Airlines, Inc. utilizing sales and use tax funds in an amount not to exceed \$1,000,000 for the air service revenue guarantee and \$200,000 for direct advertising; and further authorizing the Board President to negotiate and execute an amendment to the Professional Services Performance Agreement with the San Angelo Chamber of Commerce to provide for such advertising; and recommending to the City Council that it approve and authorize the Project.

PASSED, APPROVED, AND ADOPTED on this the \_\_\_\_ day of January, 2021.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

By: \_\_\_\_\_

Todd Kolls, President

ATTEST:

By: \_\_\_\_\_

Nora Nevarez, Corporate Secretary

APPROVED FOR CONTENT

\_\_\_\_\_

Guy Andrews, Director of  
Economic Development

APPROVED AS TO FORM

\_\_\_\_\_

Brandon Dyson, Assistant City Attorney



# REPORT TO MAYOR & MEMBERS OF CITY COUNCIL



Requestor: Heather Stastny, Deputy City Clerk, Economic Development, 325-657-4405

Meeting Date: January 19, 2021

Item type: Consent Item

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## **Caption:**

City Council: Consider ratifying a resolution of the City of San Angelo Development Corporation that allocates sales and use tax funds in an amount not to exceed \$1,200,000 to provide economic development incentives and direct advertising support to SkyWest Airlines, Inc., waiving rental and landing fees, and declaring a public purpose (Presentation made by Economic Development Director Guy Andrews)

## **Summary/History:**

The City of San Angelo (City) owns and operates San Angelo Regional Airport. SkyWest Airlines, Inc. (SkyWest) has expressed its intent to establish regional corporate headquarters facilities from which to operate daily scheduled air service from San Angelo Regional Airport to George Bush Intercontinental Airport. COSADC shall consider a resolution allocating \$1,000,000 in sales and use tax funds as a revenue guarantee and \$200,000 in advertising support to SkyWest.

The City of San Angelo finds there is a public purpose in assisting SkyWest as a way to incentivize economic development within the City of San Angelo.

As a result, the City will waive all airport rental and landing fees at the airport for a period of two years to facilitate SkyWest's operations in San Angelo by ratifying the COSADC resolution.

## **Financial Impact:**

## **Other Information/Recommendation:**

## **Attachments:**

- |                            |                              |
|----------------------------|------------------------------|
| 1. COSA Resolution SkyWest | COSA Resolution SkyWest.docx |
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## **Presentation:**

Guy Andrews

## **Approvals/Reviews:**

Heather Stastny	Created/Initiated
Guy Andrews	Approved
Theresa James	Approved
Julia Antilley	Approved
Tina Dierschke	Approved
Julia Antilley	Final Approval



**RESOLUTION # \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF SAN ANGELO RATIFYING A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT ALLOCATES SALES AND USE TAX FUNDS IN AN AMOUNT NOT TO EXCEED \$1,200,000 TO PROVIDE ECONOMIC DEVELOPMENT INCENTIVES AND DIRECT ADVERTISING SUPPORT TO SKY WEST AIRLINES, INC.; WAIVING RENTAL AND LANDING FEES, AND DECLARING A PUBLIC PURPOSE.**

**WHEREAS**, the City of San Angelo (City) owns and operates San Angelo Regional Airport (SJT); and

**WHEREAS**, SkyWest Airlines, Inc. (SkyWest) has expressed its intent to establish regional corporate headquarters facilities from which to operate daily scheduled air service from San Angelo Regional Airport to George Bush Intercontinental Airport (Houston); and

**WHEREAS**, COSADC has approved a resolution allocating \$1,000,000 in sales and use tax funds as a revenue guarantee and \$200,000 in advertising support to SkyWest; and

**WHEREAS**, there is a public purpose in assisting SkyWest as a way to incentivize economic development within the City of San Angelo.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:**

1. The City of San Angelo Development Corporation Resolution providing a \$1,000,000 revenue guarantee and \$200,000 in advertising support is hereby ratified.
2. The City Council of the City of San Angelo hereby finds a public purpose in assisting SkyWest in the form of a waiver of all SJT rental and landing fees for two years.
3. That the City Manager is hereby authorized to negotiate and execute all documents necessary to carry out the purpose and intent of this resolution and the COSADC resolution.

**PASSED, APPROVED, AND ADOPTED** on this the 12th day of January, 2021.

**CITY OF SAN ANGELO**

**ATTEST:**

By: \_\_\_\_\_  
Brenda Gunter, Mayor

By: \_\_\_\_\_  
Julia Antilley, City Clerk

**APPROVED FOR CONTENT**

**APPROVED AS TO FORM**

\_\_\_\_\_  
Daniel Valenzuela, City Manager

\_\_\_\_\_  
Theresa James, City Attorney