



SAN ANGELO REGIONAL AIRPORT

MATHIS FIELD

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AIRPORT ADVISORY BOARD – OFFICIAL MINUTES

For a meeting held Thursday, October 8, 2020 at 1:30 p.m. in the San Angelo Regional Airport conference room, 8618 Terminal Circle, San Angelo TX 76904

Board Members	Initial date	Term	Present	Most Recent Appt. Date	Rolling Attendance			Current Term Expires
Fred Key	1997	6	Yes	10/2016	4	Out of	9	10/2020
Patrick Nuytten	2008	3	Yes	4/30/2018	7	Out of	7	10/2021
Teresa Special	2014	1	Yes	9/19/2017	7	Out of	9	10/2020
Robert Frank	2015	2	Yes	5/17/2018	4	Out of	7	10/2021
William Pritchard	2017	1	Yes	9/25/2017	8	Out of	9	10/2022
Joseph Rallo	2018	1	Yes	10/11/2018	5	Out of	6	10/2022
John Bariou	2020	1	Yes	2/20/2020	3	Out of	3	10/2021

Others Present

Jeremy Valgardson Bruce Burkett Kelena James Deb Harford Bruce Partain

ORDER OF BUSINESS

OPEN SESSION

Mr. Nuytten welcomed everyone and called the meeting to order. The Pledge of Allegiance was recited.

Mr. Nuytten asked if there were any questions on the minutes from the July 15, 2020 meeting. Mr. Rallo asked about the number and length of terms allowed for AAB members. Mr. Pritchard stated that in 2018 the length of term had been changed to three years from four. Mr. Key stated that he would be leaving at the end of his terms, unless asked to do otherwise.

A motion to approve the July 15, 2020 minutes was made by Ms. Special, Mr. Bariou seconded. The motion passed unanimously.

Mr. Nuytten asked for public comments. At this time Mr. Bruce Partain briefly introduced himself to the board.

The meeting was turned over to Airport Director, Mr. Valgardson. At this time Mr. Valgardson clarified that term limits were set at two three-year terms. He would be seeking confirmation that these terms are not retroactive. The meeting then moved to Agenda item #5.

PUBLIC EVENT – AIR RACES

The chairman of Air Race 1 is wanting to do a U.S. circuit with their Formula One Air Races. They are searching for a venue site for the fall of 2021, preferably in Texas. The event would be managed by the Convention & Visitor Bureau (CVB). Air Race 1 bring in pilots from all over the world for a two-day event to race in an oval track, preliminarily laid out by Centurion and Air Race 1.

For this event Air Race 1 is waiving the \$500,000 hosting fee because of Covid-19. However, significant costs are assumed by the hosting City, as described in the event contract, including:

- Insurance coverage
- Fuel/oil
- Hangar facilities
- Marketing
- Hotels and other hospitality
- Transportation of equipment

Per FAA Revenue Use Policy, event must be open to the public; airport funds cannot be used unless airport has a direct financial benefit; financial obligation must be absorbed through other means. The airport must remain open for commercial, GA and military aircraft/operations.

Chamber of Commerce and the Mayor of San Angelo support this event. Mr. Pritchard asked if CVB would be able to handle an event like this. Mr. Valgardson said CVB is searching for the funding and may have some grants they can access. Air Race 1 would like a signed lease as soon as possible so that they may start making announcements. There is a clause in the lease that gives an “out” if the City cannot come up with the funding or meet FAA’s requirements.

Mr. Valgardson stated that we don’t have all the personnel needed, so the Airport would look at the Guard, ASU, and CAP for volunteers. Airport Security Plan must also be met, so law enforcement would have to assist in maintaining perimeter. Mr. Pritchard asked if this would be an annual event and Mr. Valgardson said perhaps, if they drop the \$500,000 hosting fee. He then asked the board if they support such an event, finances aside.

Mr. Pritchard made the motion to support Mr. Valgardson and the City’s efforts to bring this event to San Angelo. Mr. Key seconded. The motion passed unanimously.

ACDBE

Airport Concession Disadvantaged Business Enterprise (ACDBE) Plan for 2020-2023. For SJT: restaurants and rental cars. This Plan ensures nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance. Airport has to identify ACDBEs who may be interested in participating as concessionaires. Concessionaires are allowed to reach out to vendors to obtain ACDBEs. The catchment area for the goal development is the whole state of Texas.

Two separate goals: Rental Cars and Other Than Rental Cars

- Concessionaire must be willing to participate in the airport’s race conscious or race neutral DBE plan
 - Race conscious: DBE requirement must be met through a written lease agreement
 - Race neutral: must show good faith effort in obtaining goal

Amount of Goal – Rental Cars

The City's overall car rental goal for the period 10/1/2020-9/30/2023 is .21% of total purchases of goods and services, excluding the purchase of cars, for car rental operations at SJT. Airport is a satellite office to Midland and competes for DBE credit.

Amount of Goal – Other Than Rental Car

The City's overall goal for concessions other than car rental during the period 10/1/2020-9/30/2023 is 1% of total purchases of goods and services. Mr. Valgardson believes these goals should be easily obtained. The plan is supported by DOT and FAA. There were no objections to the plan and goal from the public meeting.

Motion to recommend that City Council adopts the three year ACDBE plan with a three year average ACDBE participation goal of .21% for rental cars and 1% for other than rental cars was made by Ms. Special, Mr. Pritchard seconded. Motion passed unanimously.

MATHIS CAFÉ RENT ADJUSTMENT

Several building-related items have failed since the lease was assigned to DCAT LLC in December 2019.

- Sewer lines
- Water lines
- Sewer vents
- HVAC
- Roof leaks

These issues have caused the restaurant to close for three business days due to a direct failure of the building and its components covered in the lease agreement. Mathis Field Café has requested to City Management that we waive two months base rent (\$1,330.00 per month) to make up for their loss in revenue for the three day closure. Legal department recommended this be taken to the Airport Advisory Board since it is not addressed in the lease. The Airport budget can sustain this waiver for these two months' rent. Concessions of 5% above the \$1,330 rent would still be paid to the Airport. Ms. Special asked if these issues were the Airport's responsibility and Mr. Valgardson confirmed that these are infrastructure issues that the Airport is responsible for under the lease. Mr. Pritchard asked about waivers to any other tenants, Mr. Valgardson stated that other tenants received waivers when the terminal was redone. The Airport has done some work that wasn't in the lease agreement (i.e. a new window, new countertop), so has made an effort to keep the café tenants satisfied. The City Manager is asking that the Airport does give them the waiver.

Ms. Special wants to be specific as to why they are getting this waiver. Mr. Bariou stated that the specific dates of closure be noted as well. Mr. Nuytten makes the motion to waive two months' base rent based on these specific incidents. Mr. Pritchard seconds. Motion passed unanimously.

CUSTOMS AND BORDER PATROL LEASE AGREEMENTS

CBP would like to renew and update their lease agreement:

- Term: five-year lease with one five-year extension
- Large Air & Marine Hangar: \$316,821 est. annually
- Small Customs Hangar: \$79,902 est. annually
- North AMCOM Hangar: \$190,310 est. annually *new lease*

Rates are based off the current fee schedule; lease includes hangar insurance and general maintenance. Currently, North AMCOM does not have fire suppression or ADA compliant restrooms. Airport is hoping to get assistance from Economic Development for those issues. In the meantime, CBP is still willing to enter into a lease. FAA does not allow for more

than a five-year lease which is the reason for the one five-year extension. Rates would be re-evaluated after the initial five-year term.

Ms. Special asked if CBP is agreeable to these rates, Mr. Valgardson confirmed that they are. Mr. Pritchard asked if CBP was relocating from Corpus Christi. Mr. Valgardson believed that to be the case. Mr. Frank asked if the rates are competitive and Mr. Valgardson replied that CBP is comfortable with these rates. Master Plan suggests the Airport goes from \$2.70/sf to \$4/sf within the next ten years. This shows to be a long term relationship between the City and CBP, as CBP is committing money to improvements and sees that the City is also making improvements for CBP.

Motion to recommend entering a new lease agreement with CBP for the Large Air & Marine Hangar, Small Customs Hangar, and North AMCOM Hangar, to include all rates, charges and terms as depicted in the lease agreement was made by Mr. Key, Mr. Bariou seconded. Motion passed unanimously.

RANGER HERITAGE HANGAR MODIFICATIONS

FAA has determined anything over 50 years old is considered historical. Ranger Aviation has one of the old, original Heritage hangars at the Airport. During high wind storms many of the small-paned windows fall out, causing damage to aircraft inside the hangar. Ranger, at their expense, would like to construct an interior wall on the north side to protect the aircraft from future damage. With an interior wall, the windows would be left in place to preserve the historical value of the hangar. The lease requires City approval for Ranger to make the modifications. AAB would be able to give approval, recommendation would not have to go to City Council, per Legal.

Mr. Nuytten made the motion to recommend Ranger Aviation to make interior wall improvements to the Heritage Hangar in efforts to preserve the aircraft stored in the hangar from future damage, seconded by Mr. Key. Motion was passed unanimously.

Skyline Aviation has been through consultation meetings with the City. They are looking to make more modifications to their hangar. Such items will be brought up at future AAB meeting.

More items should be coming in response to the Master Plan. The Mayor is excited to see the Airport grow and there will be many projects coming the Board's way in the near future. The City is willing to invest in the Airport.

DIRECTOR'S REPORT

RUNWAY 18-36 REHAB

Sealcoat project currently in progress, approximately 70% complete after 1-1/2 weeks. Nightly closures are required so that is slowing the process slightly. Contractor was given 30 days to complete project. Mr. Valgardson fully anticipates the runway being open by the end of the month.

MASTERPLAN

Final presentation of Master Plan in last AAB meeting. FAA is moving slowly to review and sign due to COVID. The Airport is awaiting those signatures then Economic Development and other potential investors will be approached for help in building the Airport. Mr. Pritchard asked about ILS approach to 18. Mr. Valgardson responded that the RNAV for R-36 is being evaluated right now and should be ready in April 2021. There is currently not enough room to put in an ILS on Runway 18.

AUGUST STORM DAMAGE

The Airport had several hangars with doors that were blown in. Precision sustained a lot of damage due to doors blowing into their hangar. Hangars are all to be retro-fitted with pins, bigger wheels and C-channel on top. Insurance

took care of the costs. Metal work alone was approx. \$50,000. Tenants were very understanding and came together as a community. Mr. Nuytten commented on the quick response of the Airport to get everything repaired.

ASU AVIATION PROGRAM

Flight portion has been suspended due to COVID. Fall of 2021 should be the roll-out of that program. Per Dr. Rallo, the Board of Regents has approved and is moving forward. Two flight simulators have been purchased. One faculty member has been chosen to lead the program.

COVID-19/ECONOMIC HEALTH OF THE AIRPORT


Airlines have requested more money from the federal government. American Airlines has taken a big hit due to having the biggest debt going into the pandemic. Several small airports are losing service. SJT's load factors are high, better than some international airports. American is looking at providing four flights per day beginning in November. Mr. Valgardson is still getting calls from other airlines looking to run routes to San Angelo. It is predicted that passenger enplanements won't fully recover until 2024.

FY2020 numbers:

- Rental Cars: **-\$100,000**
- Airline load factors: **52% total** (avg: low 80s)
- Casino charter revenues: **-\$20,000**
- Operations: **-860** (84,553 FY20 total)
- Revenues/Expenses thru August: Under budget by **\$96,767**
 - Reduction in spending
 - CARES Act
 - Awarded: \$1,227,539
 - Collected: \$273,561.09

Mr. Valgardson closed by asking if there were any questions. Mr. Pritchard, along with the rest of the Board, wondered if there's something that the Airport/Board could do to honor Col. Powell. Mr. Bariou would like to see a permanent memorial. There was some discussion as to the possibilities. The suggestion was to put this on the next Agenda.

Mr. Nuytten closed by asking if there were further questions. He then motioned to adjourn the meeting, seconded by Mr. Pritchard. The motion to adjourn was unanimous and meeting was adjourned at 2:40 P.M. The next meeting is scheduled for January 2021.



Jeremy Valgardson, C. M.
Airport Director



Patrick Nuytten
Airport Advisory Board Chairman