



SAN ANGELO REGIONAL AIRPORT

MATHIS FIELD

8618 Terminal Circle, Suite 101 • San Angelo, Texas 76904 • 325-659-6409 • Fax 657-0050

AIRPORT ADVISORY BOARD – OFFICIAL MINUTES

For a meeting held Thursday, January 27, 2022 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
Bruce Partain	2020	1	Yes	11/3/2020	4	Out of	4	10/2022
Larry Martin	2021	1	Yes	1/21/2022	1	Out of	1	10/2023
Teresa Special	2014	2	Yes	9/19/2020	10	Out of	13	10/2022
Robert Frank	2015	3	Yes	5/17/2018	7	Out of	11	10/2023
William Pritchard	2017	2	Yes	9/25/2020	12	Out of	13	10/2022
Joseph Rallo	2018	1	No	10/11/2018	7	Out of	10	10/2022
Mark Clark	2021	1	Yes	5/15/2021	2	Out of	3	5/2023

Others Present

Jeremy Valgardson Kelena James Michael Ragan Keith Muncey Randy Galyean Patrick Nuytten

ORDER OF BUSINESS

OPEN SESSION

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

Mr. Pritchard welcomed and introduced Mr. Larry Martin as the new Airport Advisory Board Member replacing Patrick Nuytten. Mr. Martin addressed the board and thanked them for the opportunity to serve; He shared a brief bio about himself and highlighted his aviation career, particularly as a Civil Air Patrol pilot. Several board members welcomed Mr. Martin to the board.

Mr. Pritchard said as the immediate past Vice Chair he would like to take nominations for a new Chair and Vice Chair for the 2022 calendar year. Mr. Rallo nominated Mr. Pritchard to serve as the chair. The motion was made by Mr. Rallo for Mr. Pritchard to serve as the Airport Board Chair for CY2022; the motion was seconded by Mr. Frank and passed unanimously by the board. Mr. Pritchard made a motion for Mr. Rallo to serve as the Vice Chair for the Airport Board CY2022; seconded by Ms. Special; the motion was passed unanimously by all board members.

Mr. Pritchard asked if there were any questions on the minutes from the August 26, 2021 meeting, which there were none. A motion to approve the August 26, 2021 minutes was made by Mr. Frank and seconded by Mr. Rallo. The motion passed unanimously.

Mr. Pritchard asked for public comments:

Michael Ragan (American Airlines) asked if there was a way for the Airport to regulate the hours the two restaurants are open. He also brought up a comment that both restaurants are leased by the same individual. Mr. Valgardson addressed the comments by stating that the current lease agreement does not require certain open hours. The restaurants have been closed on random business days do to family emergencies, but the restaurants are typically open during regular business hours. The Airport is negotiating new lease agreements with both restaurants and intends to add regular business hours to the lease agreement, pending FAA lease compliance approval.

Mr. Pritchard turned the meeting over to Mr. Valgardson to continue with the meeting's agenda.

TERMINATE LEASE AGREEMENT WITH RANGER AVIATION

Ranger is currently leasing the old 'GTE' hangar just North of the Air Traffic Control Tower. Rangers lease included the hangar floor space only and does not include the offices and storage areas on the East and West wings of the Hangar. Ranger has only been allowed to 'store' aircraft in the hangar since the hangar does not meet current fire code for any other use. When the City leased the hangar to Ranger Aviation in 2017 the City knew, the hangar may be leasable to Ranger or another tenant for a more current and better use; assuming the hangar would be fixed up and brought up to current fire code. The City and Ranger Aviation entered into a short term month to month lease agreement terminable at will in the event the City chose to demolish or use the hangar for a more current and better use. Skyline Aviation has approached Economic Development and City Council and has proposed to take possession of the hangar and refurbish the hangar into their main FBO. They have requested up to \$3 million dollars in Economic Development funding and have agreed to enter a Construction Management at Risk Agreement with the City of San Angelo's Development Corporation; Skyline has agreed to put a minimum improvement of \$1.5 million of their own money in improving the hangar and making it meet code. COSA DC and City Council have already agreed to fund the hangar improvements once the lease is terminated with Ranger and issued to Skyline Aviation. Under the existing terms of the Lease Agreement with Ranger Aviation, the City is required to give at least a 30-day notice of termination to Ranger Aviation. Ranger is currently paying \$39,612/yr. to lease the old GTE Hangar. Mr. Valgardson asked Chairman Pritchard for a motion to terminate Rangers Lease agreement.

Mr. Pritchard asked the board if they had any questions and asked for a motion to terminate the lease agreement with Ranger Aviation. Mr. Frank asked what Skyline intended to do with the hangar and asked if it was associated with the ASU flight program. Mr. Valgardson stated that even though Skyline has signed an agreement with ASU to run the flight program, the intent of improving this hangar was not to house the flight school. Skyline intends to use the upgraded facility to provide a world class FBO to business aviation. They believe they will entice additional business aviation traffic through San Angelo by providing this facility. They may have an ASU airplane in the hangar from time to time for maintenance or to store the aircraft from bad weather, but the intent is not to house ASU in the hangar. Skyline will still have their existing hangar on the South side of the field for the ASU program and aircraft maintenance. Mr. Frank said it would be a nice improvement for the airport and made a motion to recommend to City Council to terminate the Hangar Lease Agreement with Ranger Aviation located at 8534 Hangar Road pursuant to the termination terms in the Lease.

Mr. Pritchard stated that a motion was passed by Mr. Frank and asked for a second. Ms. Special seconded the motion. Mr. Pritchard recognized the motion and the second and asked for any public comments.

Randy Gaylean (Ranger Aviation Manager) addressed the board and said that he is very sad to lose the hangar. He is a good tenant of the airport and will have a hard time finding additional hangar space for his current tenants staged in the GTE Hangar. Mr. Frank asked Mr. Gaylean if he had enough space now with his other leased hangars on the field to keep his current based aircraft hangered. Mr. Gaylean said it is tight but he is able to keep everything hangered for now; Randy stated that he has no more room for growth. The lease rate for Skyline was not brought up at this point in the meeting but Mr. Gaylean mentioned that the lease rate the City was going to charge Skyline was too low. Mr. Valgardson addressed the board by saying that he had met with the FAA lease compliance officer over the new proposed lease rate for Skyline as well as the termination agreement with Ranger Aviation and the FAA determined the new fee and termination agreement was fair and reasonable.

With no further public comment the motion (Mr. Frank) and second (Ms. Special) to recommend terminating the Hangar Lease Agreement with Ranger Aviation located at 8534 Hangar Road pursuant to the termination terms in the lease was passed unanimously by the Board.

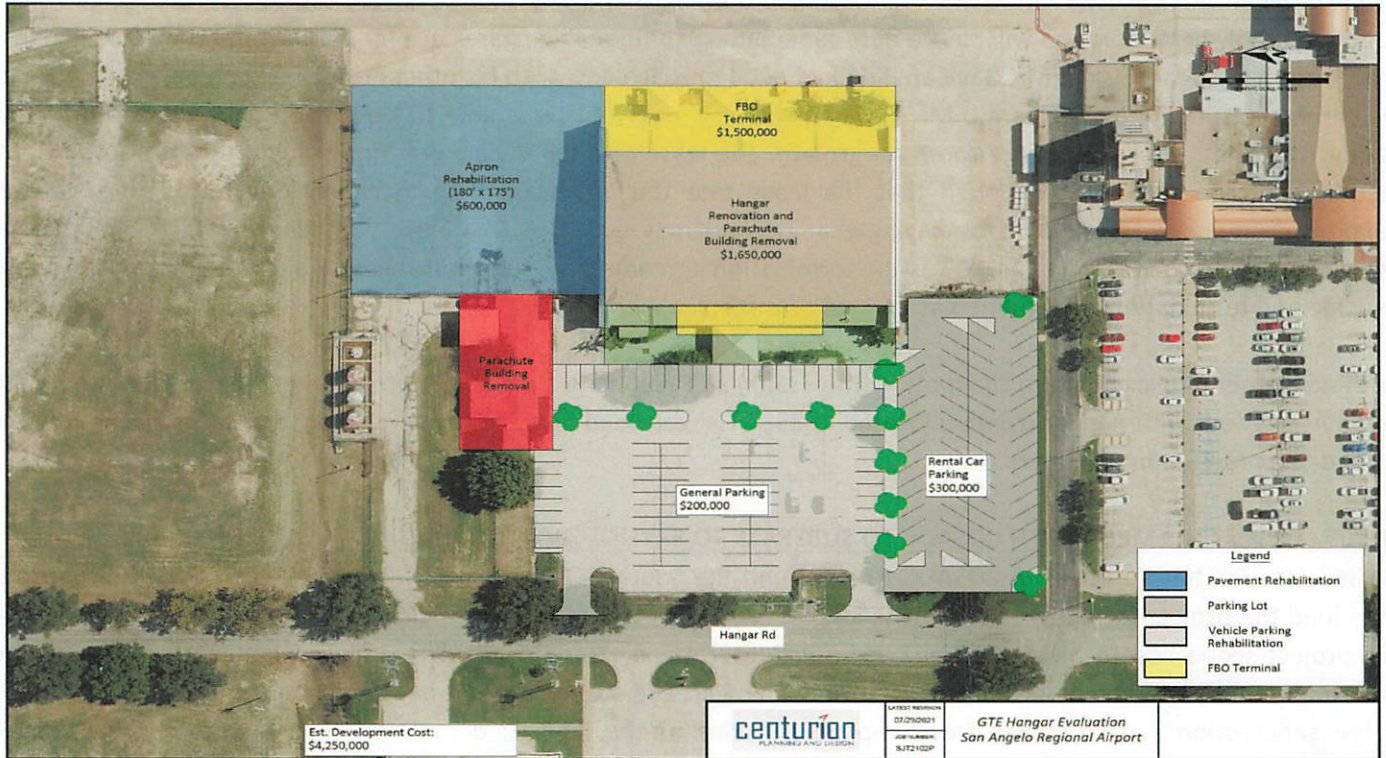
ENTER LEASE AGREEMENT WITH COSADC TO SUBLEASE TO SKYLINE AVIATION (8534 HANGAR RD)

Skyline Aviation has approached COSADC to help fund the South GTE hangar for their new FBO. COSADC proposed to help fund the project for up to \$3 million as long as Skyline would enter a construction manager at risk agreement and the project scope had to meet the Development Corporations standards. Skyline also is required to put a minimum investment of \$1.5 million of improvements into the hangar. The scope includes: hangar rehabilitation and installation of a fire suppression system; rehab the ramp on all sides of the hangar; demolition of the east and west lean-to; construction of an FBO on the east side of the hangar; reconstruction of the vehicle parking lots, including the south lot for future rental car staging. Under the COSADC development statutes, COSADC is required to have a lease hold interest. Therefore, the airport is proposing to lease the South GTE Hangar to COSADC; and allow COSADC to sublease the hangar to Skyline Aviation. Once construction is complete, COSADC would like to amend the lease and remove COSADC from the lease and the lease would be held directly between the Airport and Skyline Aviation. The lease rate is established from the recommendation of the airport masterplan at \$3.30/sqft/yr. The approximate lease rate for this facility, including the structure and land, would be ~\$80,000/yr. With that information Mr. Valgardson asked Chairman Pritchard for a motion.



SKYLINE HANGAR
SAN ANGELO, TEXAS





Chairman Pritchard made a motion to recommend to City Council to enter a lease agreement with COSADC for property located at 8534 hangar road and allow COSADC to enter a sublease agreement with Skyline Aviation. Mr. Frank asked if the fee was fair and reasonable. Mr. Valgardson stated that the fee was fair and was slightly higher than the current FBO leases. However, the new rate will help the airport get back within industry standards as we negotiate new lease agreements in the future. Mr. Valgardson stated that the FAA concurred with our new fee proposal. Mr. Rallo seconded the motion.

Chairman Pritchard announced there was a motion and a second and asked for public comments. With no public comments Chairman Pritchard received a unanimous vote from the Board members to pass this recommendation on to City Council.

ENTER A RAW LAND LEASE AGREEMENT WITH ANGELO STATE UNIVERSITY

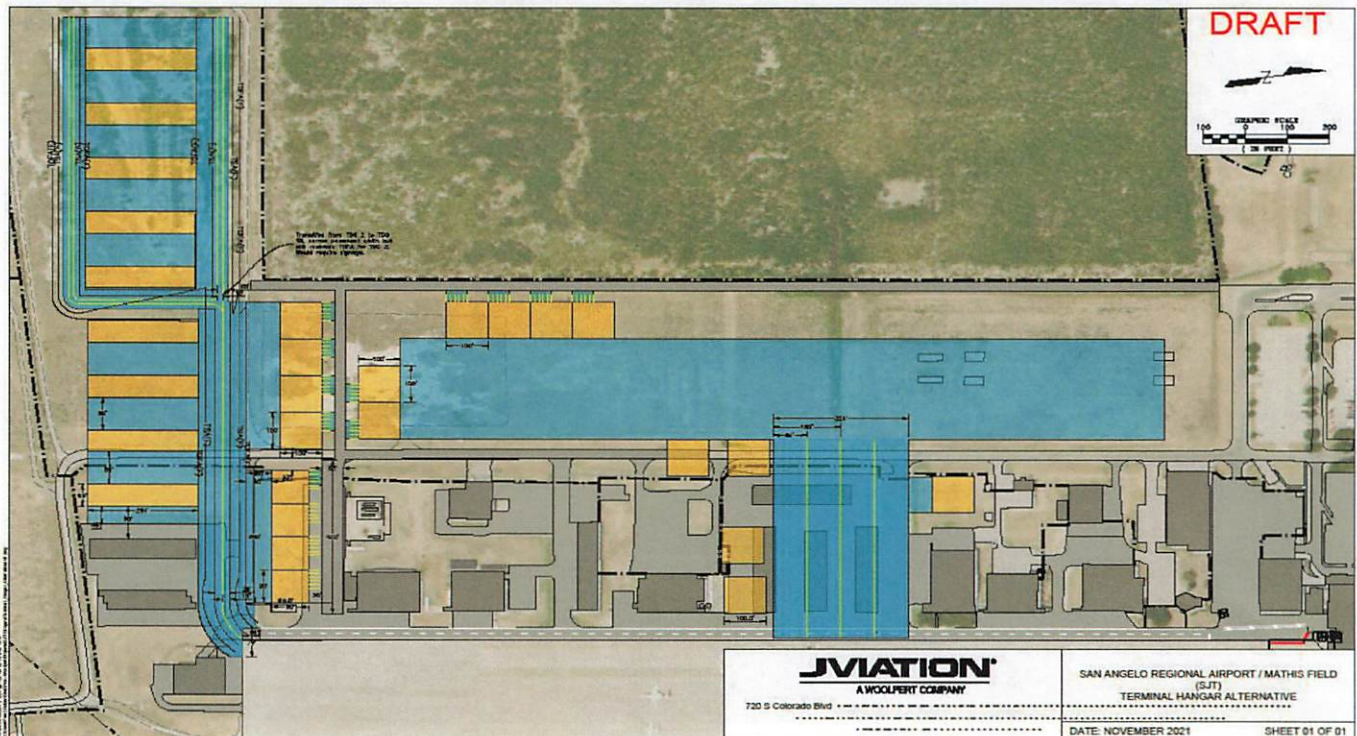
Angelo State University (ASU) has entered into a long term agreement with Skyline Aviation to run their newly found aviation program. ASU has seen a tremendous amount of success in the program since it’s conception in the Fall of 2021. ASU is interested in moving the aviation classroom activity from the main campus and building a campus on the airport. They also have long term goals of developing an A&P maintenance program as well as an unmanned aerial vehicle training program. ASU is looking for room to grow. ASU is proposing to lease ~3 acres of raw land North of the old GTE Hangar and South of the Runway 9-27 approach zones. ASU is planning a phased approach to an ultimate buildout with classrooms and hangar space. Under phase 1 ASU will construct classrooms and a dispatch center. The building will sit on the west side of the property against Hangar Road. The back half of the leased lot will remain open for the next phase of hangar construction. ASU would also like to build classroom space in the future for the A&P program across Hangar Road in the ‘industrial park’ section of the airport. ASU’s Phase 1 projected budget is \$3.9 million. ASU is currently seeking State EDC Grants to help fund the project, but ASU needs a lease agreement in hand to apply for those grants. Lease rates will be charged based off our current raw land lease schedule. ASU is seeking ~2.5 acres of airside raw land and ~.5 acre of landside land. The yearly combined total will be ~\$16,700/yr. Mr. Valgardson asked Chairman Pritchard for a motion.

needs. The aviation industry is in need of pilots, mechanics, flight attendants, air traffic controllers, and airport operators. This school will be a great benefit to our local pipeline for careers in the aviation environment.

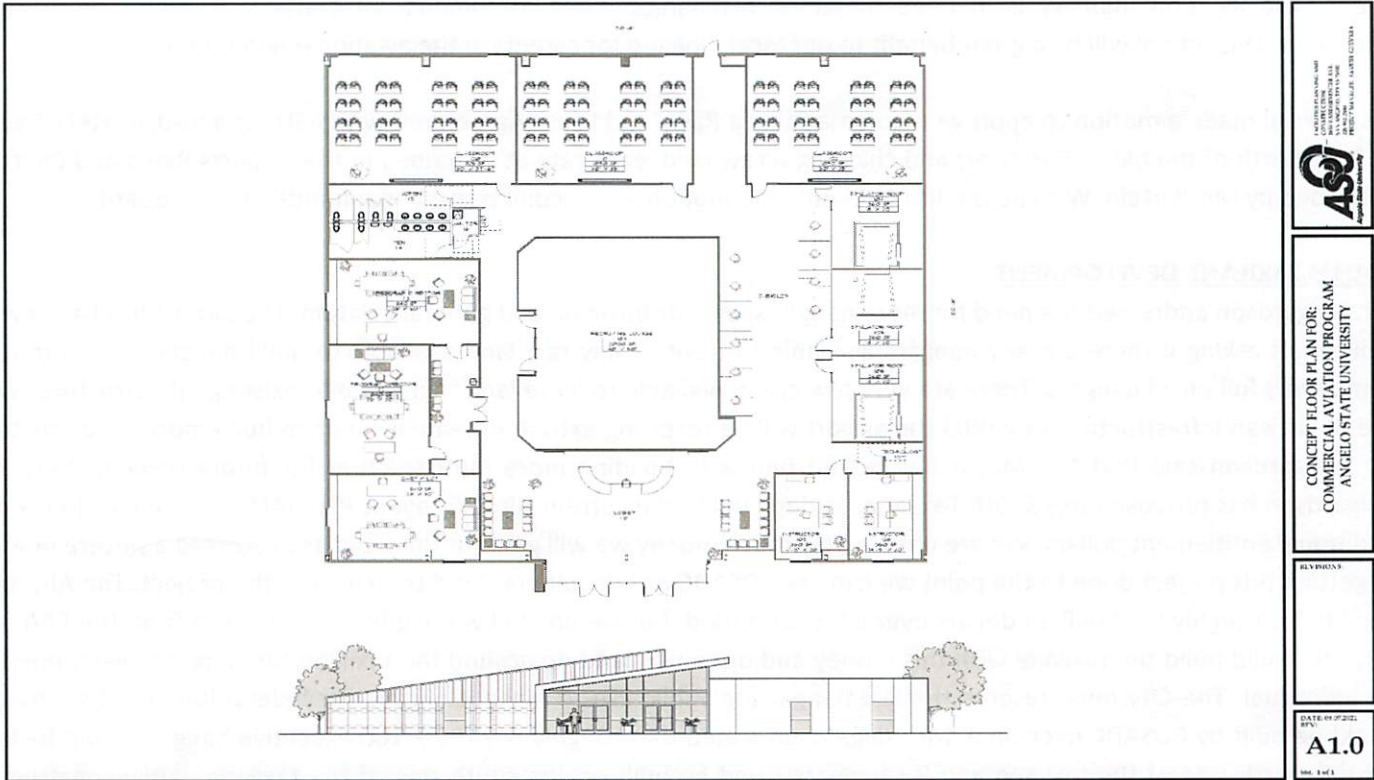
Ms. Special made a motion to approve recommending a Raw Land Lease Agreement with ASU for approximately 3 acres of land North of the old GTE Hangar; and charging a raw land lease rate as described in the Airports Rates and Charges. Seconded by Mr. Partain. With no public comments the motion and second passed unanimously by the Board.

SOUTH TAXILANE DEVELOPMENT

Mr. Valgardson addressed the need for more hangar space for business and general aviation. The airport has had several individuals asking if there are any hangars available for rent or any raw land available to build hangars. The airport is completely full on all hangars. There are very few areas available to lease land that ties into existing infrastructure. With the Bipartisan Infrastructure Law (BIL) the airport will be receiving extra entitlement funds to build more infrastructure. Mr. Valgardson said that the Mayor has tasked him with building more infrastructure for future development. Mr. Valgardson has proposed this South Taxilane, as depicted in the current Airport Layout Plan (ALP), to the FAA to use the additional entitlement dollars. We are unsure how much money we will get, but the City has expressed a sincere interest in getting this project done to the point we can ask COSADC or City general fund to help with the project. The Airport is eligible for roughly \$5.3 million dollars over a 5-year period, but we are still waiting for the guidance from the FAA. The Airport would build the taxilane with this money and open raw land up around the taxilane for hangar development by an individual. The City must reserve the last hangar for public use to make it eligible for federal funding. That hangar could be built by COSADC over time. Mr. Valgardson stated that roughly 8 – 100 X 100 executive hangars could be built on the North side of the taxilane and 9 t-hangars could be built on the south side of the taxilane. Initial construction costs estimated at ~\$3.4 million.



Mr. Frank asked about the current T-Hangar and Executive Hangar wait list. Mr. Valgardson stated that the T-Hangar wait list is getting smaller but there is still about 8 people on the wait list. The Executive Hangars still have several people on the list. The turnover in the executive hangars is very long. You will likely be on the Executive Hangar wait list for over ten years at this point.



Mr. Pritchard asked for a motion to approve the raw land lease with ASU. Mr. Rallo asked how the ASU flight program was doing. Mr. Valgardson stated that the program has far exceeded their expectations for the first semester. ASU had projected about 8 students the first semester, but got nearly 30 students to enroll. The first student took their private check ride with the FAA earlier in the week. Mr. Valgardson stated how beneficial this program is to our current industry

Mr. Martin asked if the 100 X 100 hangar dimensions were typical to see in the industry. Mr. Valgardson said it depends. A 100 X 100 foot hangar is a big hangar that could fit 4 to 5 KingAirs. Mr. Valgardson stated that the majority of the calls he gets is for 100 X 100 foot hangars, but we should be open to 90 X 90's or 80 X 80's. Mr. Valgardson did not recommend anything smaller than 80 X 80' because smaller hangars do not maximize the build out potential on the land due to fire codes. Mr. Valgardson also stated that it would be hard for the City to construct any additional T-Hangars on the South side of the taxilane at this point. T-Hangars with 12 units will cost roughly \$1 million to construct. With our current T-Hangar rate of \$205/mo. The City would never get a positive investment out of them. Mr. Valgardson said it would be in the City's best interest to lease the land for T-Hangar development and sublease.

Chairman Pritchard asked if Mr. Valgardson was looking for a motion to approve the South Taxilane development. Mr. Valgardson said a motion was not necessary but was seeking support for the project and consistency with the ALP. The Board agreed that this would be a good project for future airport development and agreed with the ALP.

DISCUSSION ON COL. POWELL MEMORIAL

Mr. Partain presented an update on the Powell Commemoration. Consensus from the board members at the last meeting favored a painting. Mr. Partain has been working with the Powell family in efforts to highlight the key points in the commemoration. The next steps will be to find sponsors. Mr. Partain has proposed to use the San Angelo Area Foundation to run the donations and sponsorships. Mr. Partain is working with the artist and will have more rough sketches in future meetings. Mr. Partain presented a mock press release to the board.

Next steps for memorial: Mr. Partain will meet with the Area Foundation to set up the sponsorships. He will continue to work with the artist and come to the board with firmer plans.

DIRECTOR'S REPORT

TERMINAL RAMP IMPROVEMENTS:

Mr. Valgardson updated to board on the terminal ramp improvement program. Hensel Phelps was the low bidder and a recommendation will be taken to City Council to award the bid. The scope of work includes roughly half a football field size of ramp reconstruction, terminal ramp joint seal replacement, and restriping. The bids came in around \$2.3 million. This project is funded under the airports entitlement grant program.

INFRASTRUCTURE GRANTS


Under the BIL Grants there will be entitlement and discretionary money available for airport improvements that are typically not eligible with grant money. Mr. Valgardson told the board his priorities with the money would be to upgrade the old jetbridges to more modern ramp drive bridges; improve the airport terminal restrooms; and, replace old HVAC units and leaking roofs at the terminal. Mr. Valgardson asked the Board if they had any other recommendation or priorities outside of the ones listed by Mr. Valgardson. The Board agreed that the priorities listed by Mr. Valgardson are consistent with the needs they see around the terminal. Another item that Mr. Valgardson is looking into is a complete reconstruction of the old Air Traffic Control Tower. Mr. Valgardson stated that the old ATC was built in 1954 and is overdue for replacement. The FAA will be opening up a notice of funding opportunity for airports to compete for grant money to rebuild aging Towers. Mr. Valgardson was very optimistic that the Airport would compete well for this grant money and has committed to apply for the grant when it becomes available.

Mr. Valgardson thanked everyone for attending the meeting and asked for any further comment or future agenda items. Mr. Rallo expressed his excitement with the projects that were going on and asked if the Airport had any type of media or marketing efforts that could be passed around to get the word out about the airports development plans. Mr. Valgardson stated that the airport was lacking in the public awareness and marketing aspect of our development. Mr. Rallo stated that perhaps Mr. Valgardson could go around to different organizations and speak at their events. Mr.

Valgardson stated that he has been invited as a guest speaker for; Lions Club, Kiwanis Club, Leadership San Angelo, Rotary Club, ASU classes, and other organizations to name a few, but agreed the marketing efforts need to be improved. Mr. Rallo suggested meeting with the ASU marketing team to get assistance with marketing media to highlight our development plans.

Mr. Rallo then asked Mr. Valgardson if someone from ASU could come and give an update on the ASU flight program. Mr. Valgardson said he would invite the director from ASU to attend the next meeting.

The meeting was then turned back to Chairman Pritchard at which point he motioned to adjourn the meeting, seconded by Mr. Frank. The motion to adjourn was unanimous and meeting was adjourned at 2:40 P.M.



Jeremy Valgardson, C. M.
Airport Director



William Pritchard
Airport Advisory Board Chairman