

AN ORDINANCE 2008-05-29-0452

AUTHORIZING AN INCENTIVE PACKAGE FOR US AIRWAYS THAT INCLUDES \$100,000.00 FOR MARKETING COST REIMBURSEMENT FOR THREE NEW DAILY NONSTOP FLIGHTS TO CHARLOTTE, NORTH CAROLINA BEGINNING MAY AND JULY 2008 IN ACCORDANCE WITH THE AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM.

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WHEREAS, the San Antonio Air Service Development Incentive Program was presented to City Council in B-Session in October 2001, and was developed as an overall effort by the City to increase air service to the San Antonio community; and

WHEREAS, the Incentive Program was updated and approved by Council in May 2006 and revised in December 2007; and

WHEREAS, on May 5, 2008, US Airways initiated a twice daily non-stop flight to Charlotte, NC, and will initiate a third flight in July 2008 which qualify for a maximum marketing reimbursement of \$100,000.00 under the Incentive Program; and

WHEREAS, it is now necessary to authorize an Incentive Package for US Airways; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Aviation Director or his designee is authorized to execute the attached Air Service Incentive Agreement for US Airways' new daily nonstop flights to Charlotte, NC, providing for a \$100,000.00 maximum reimbursement of marketing expenses and other terms and conditions of the Incentive Package.

SECTION 2. Funding for this ordinance is available in Fund 51001000 Aviation Operations, Cost Center 3301010002 Community Relations, General Ledger 5201040 Fees to Professional Contractors as part of the FY08 Budget.

SECTION 3. Payment not to exceed \$100,000.00 is authorized to US Airways and should be encumbered with a purchase order.

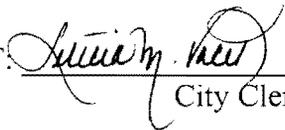
SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

GS
05/29/08
Item No. 32

SECTION 5. This Ordinance shall take effect immediately upon passage by eight (8) affirmative votes; otherwise it shall be effective ten (10) days after its passage.

PASSED AND APPROVED this 29th day of May 2008.


M A Y O R
PHIL HARDBERGER

ATTEST: 

City Clerk

APPROVED AS TO FORM: 

for City Attorney



Request for
**COUNCIL
ACTION**



Agenda Voting Results - 32

Name:	6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 35, 37A, 37B, 38, 40, 41, 42A, 42B, 42C, 42D, 42E, 42F, 42G, 42H
Date:	05/29/2008
Time:	11:07:53 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing an incentive package for US Airways that includes \$100,000.00 for marketing cost reimbursements for three daily non-stop flights to Charlotte, North Carolina beginning May and July 2008 in accordance with the San Antonio Air Service Incentive Program. [Penny Postoak Ferguson, Assistant City Manager; Mark Webb, Director, Aviation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				x
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7		x				
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

**CITY OF SAN ANTONIO INTERNATIONAL AIRPORT
AIR SERVICE INCENTIVE AGREEMENT**

This Agreement is entered into by and between the City of San Antonio (City), acting by and through its Aviation Director, and US Airways, Inc. (Airline) organized and existing under the laws of the state of Delaware, and is intended to memorialize the agreement between the City of San Antonio and the Airline under the terms of the San Antonio International Airport Air Service Development Incentive Program (Program), approved by City Council on December 13, 2007, a copy of which is attached hereto and incorporated herein.

The City and the Airline, by their signatures to this Agreement, acknowledge that their agreement related to marketing incentives is to be governed by the Program. It is understood and agreed that the eligible new non-stop service that the Airline is offering at the San Antonio International Airport falls into Section A of the Program and the maximum eligible marketing reimbursable incentive is \$100,000.00. Of this eligible amount, an initial marketing amount of 25 percent of the incentive (\$25,000.00) will be reimbursed to the Airline by the City for start-up marketing expenses. Once this initial amount is reimbursed to Airline by City, City will not assert any claims against Airline for such initial amount. Reimbursement of the remaining 75 percent of marketing expenses in the amount of \$75,000.00 will be subject to continuation of the eligible flight for a minimum of 12 months (365 days) from the start date. These funds must be reimbursed or refunded to City by Airline if Airline leaves the market and/or discontinues the new non-stop route earlier than twelve (12) months (365 days) from the service start date. In the event that Airline fails to refund such funds within thirty (30) days of City's request, Airline expressly consents to City's right to deduct the funds from Airline's Refund, if Airline is entitled to such a Refund under the Airline Agreement. This remedy shall be cumulative upon all other remedies available to City.

The term of this Agreement shall be one year starting from the effective date. At the end of the period, the Agreement is not subject to extension, but shall terminate automatically. The effective date of this Agreement shall be May 4, 2008.

IN WITNESS WHEREOF, the City of San Antonio and the Airline have caused this Agreement to be executed by their duly authorized officers, as of the dates indicated below.

CITY OF SAN ANTONIO

Aviation Director
Printed
Name: _____
Date: _____

US AIRWAYS, INC.



(Signature)
Printed
Name: Andrew Nocella
Title: SUP Planning
Date: 4/4/08