San Angelo Chamber of Commerce

BUILDING MORE THAN A FACILITY

Building San Angelo's Future

STRONGER COMMUNITY.
A BRIGHTER TOMORROW.
BIG IMPACT FOR SAN ANGELO.

This facility will fuel sports tourism, create a major economic impact, and provide year-round opportunities for our community to play, compete, and thrive.

This will be a public-private partnership designed to protect taxpayers while delivering long-term value for San Angelo.

A TYPICAL ONE YEAR WILL SERVICE 333,000 PARTICIPANTS & AFFILIATED PEOPLE

$7.2 MILLION
NEW HOTEL REVENUE

$14.5 MILLION
TOTAL DIRECT SPENDING

$143 THOUSAND
SALES TAX REVENUE

$1 MILLION
HOTEL OCCUPANCY TAX REVENUE

Why this Matters

GROWING COMMUNITY
Creates opportunities for athletes, families, and local programs.

ECONOMIC GROWTH
Drives visitation, supports local businesses, and increases tax revenue.

COMMUNITY ACCESS
Ensures local residents, schools, and leagues benefit year-round.

REGIONAL DESTINATION
Positions San Angelo as a premier host for tournaments and events.

PLAY HERE. STAY HERE. SPEND HERE.

FAQ For Sports Facilities

San Angelo Chamber of Commerce

1. **What are the terms of the lease?**
Generally, the lease is amortized on a 30-year term with no pre-payment penalty.
2. **Who owns the facility?**
During the lease period, the funding group owns the facility. Once the final lease payment is completed, ownership transfers to the City.
3. **How are non-appropriations handled?**
Non-appropriation risk is factored into the financing structure. If the City chooses not to appropriate funds in a given year, and defaults on the lease payment, the funding group could take possession of the facility and operate it to secure its return on investment.
4. **Who operates the facility?**
We work with several well-vetted operators who have a proven track record managing similar facilities. A private operator is typically best suited to manage day-to-day operations, balance community use, and partner with the City to attract both sporting and non-sporting events.
5. **Who's responsible for repairs and maintenance?**
The operator handles all day-to-day operations, maintenance, and routine repairs. In addition, a deferred maintenance account is established to ensure funds are available for future capital improvements and long-term upkeep of the facility.
6. **What is the estimated cost of the facility?**
The total project cost will be finalized during design and procurement, but current projections are based on comparable facilities of similar size and scope.
7. **What financial obligation does the City have?**
The City's "on-paper" obligation is the annual lease payment, which is subject to annual appropriation by the City Council. Typically, facilities can support their own operating expenses and the majority of the lease expense in the early years, which results in an annual expense by the City, albeit significantly less than the "on-paper" lease payment.
8. **Does this create debt for the City?**
No. Because the lease payments are subject to annual appropriation, this structure does not constitute traditional bonded debt.
9. **What happens if construction costs increase?**
Construction risk is borne by the development and financing group, not the City.
10. **Does the City guarantee the loan?**
A community sports facility of this scale will likely require a diversified funding strategy rather than relying on a single source. Potential funding options include philanthropic giving and naming rights, private equity partners, the creation of a Tax Increment Reinvestment Zone (TIRZ), eligible Hotel Occupancy Tax (HOT) revenues, voter-approved Type 4B economic development funding, municipal debt financing, and a public-private partnership (P3). The most practical and financially responsible approach will likely be a blended funding model that combines several of these sources, reducing the burden on any one entity while creating a sustainable long-term financial foundation for the project.
11. **How will the facility benefit the local economy?**
The facility is designed to attract tournament competitions and events that bring visitors to San Angelo, generating hotel stays, restaurant spending, and retail activity.
12. **Will local residents have access to the facility?**
Yes. Community access will be incorporated into the scheduling structure to ensure local leagues, schools, and programs can utilize the facility.
13. **How is the operator selected?**
Operators are selected based on experience managing similar facilities, financial stability, and a proven ability to attract events and tournaments.
14. **What types of events will the facility host?**
In addition to sports tournaments, the facility may host trade shows, community events, conventions, concerts, and other regional gatherings.
15. **How many events are expected annually?**
Based on similar facilities, the expectation is a mix of local programming and regional tournaments throughout the year.
16. **Will this compete with existing local facilities?**
The intent is to complement existing facilities by attracting larger regional events that current facilities cannot accommodate.
17. **What happens at the end of the lease term?**
Once the lease is paid in full, ownership of the facility transfers to the City.
18. **How long is the lease term?**
The term will be structured based on the financing package, typically ranging between 20-30 years.
19. **How will success be measured?**
Success will be measured by facility usage, bookings, visitor spending, hotel occupancy, and overall economic impact.
20. **What safeguards are in place to protect taxpayers?**
The structure limits City risk by placing construction, financing, and operational responsibilities with the private funding group and operator.
21. **What is the estimated annual economic impact?**
Based on projections from comparable sports tourism facilities, a typical year of participation could generate approximately 333,000 visitors and affiliated attendees.

- Approximately **$7.2 million** in new hotel revenue
- Approximately **$14.5 million** in total direct spending
- Approximately **$143,000** in new sales tax revenue
- Approximately **$1 millon** in additional hotel occupancy tax revenue

These impacts are generated through tournaments, regional competitions, families traveling with participants, hotel stays, dining, shopping, entertainment, and other visitor-related spending throughout the community .