



ADDENDUM NO. 8 TO AMERICAN AIRLINE'S LEASE AGREEMENT

RS-24-095

June 4, 2024

Background

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- American Airline's lease agreement for Killeen Regional Airport (KRA) was originally approved by Council in May 2004 and have either been extended for various term lengths or have been regenerated as new agreements due to airline mergers and restructuring.
- The agreement was last extended in October 2021 and expired on September 30, 2023.

Discussion

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- ❑ After several months of negotiations, the airline agreed to a five-year lease extension with a 1.5% CPI increase for years 2-5.
- ❑ The five-year lease agreement extension provides the tenant will pay rental fees totaling \$255,813.48 plus various monthly security, telephone, and information technology fees within the lease.

Discussion

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- Five-year term with an option for one additional year at rates and fees approved by City Council.
- Due to extended negotiations and delayed responses, the addendums will be backdated to October 1, 2023, and expire September 30, 2028.

Recommendation

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- City Council approve Addendum No. 8 to American Airline's Lease Agreement and authorize the City Manager or designee to execute same as well as all addendums and lease actions to the agreement, including termination, to the extent allowed by state and local law.