



APPROVAL OF AVIATION HANGAR LEASE AGREEMENT

RS-25-003

January 7, 2025

Background

- On February 28, 2023, the City Council awarded a contract to NASCO, Inc., in the amount of \$5,335,019.32, for the construction of a second Corporate Hangar at Killeen Regional Airport. This Hangar is now ready for occupancy.

Discussion

- Staff has negotiated a lease agreement with CSI Aviation, Inc. to lease a 13,200 square foot Hangar No. 2 and office space at Killeen Regional Airport. The term of the lease agreement is for a period of six-and-a-half (6.5) years beginning February 6, 2025, and ending July 31, 2031. The agreement will authorize the tenant to conduct air transportation and related general aviation operations, including but not limited to passengers, charter, air cargo, medical flight services, aircraft maintenance and fixed base operations services at KFHRA.

Discussion

- Staff has negotiated a lease agreement with CSI Aviation, Inc. The lease agreement provides that the tenant will pay rental fees at a monthly rental rate of \$8,846.67, not including various monthly security, telephone, and information technology fees within the lease. This will provide annual revenue to the airport of \$106,160.04. Revenues will be deposited in the KRA enterprise fund account 525-44226-600-601.

Recommendation

- City Council approve the lease agreement with CSI Aviation, Inc. for a six-and-a-half (6.5) period beginning on February 6, 2025, and authorize the City Manager to execute same. Additionally, authorize the City Manager to execute all addendums and lease actions to the agreement, including termination, to the extent allowed by the City Charter and the laws of the state of Texas.