



AIRLINE LEASE EXTENSION

RS-22-024

February 1, 2022

Background

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- Killeen Fort Hood Regional Airport has had a lease agreement and extensions with American Airlines since 2004
- Current term expired September 30, 2021

Discussion

- After several months of negotiations, the airline agreed to a two-year lease extension with a 1.4% CPI increase resulting in an annual increase of \$451.44
- Two-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, 2021 and expire September 30, 2023

Alternatives

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- Do not extend lease with existing airline

- Extend lease with existing airline
 - Staff has negotiated terms which are beneficial to the airline and the City which will provide for continued commercial air service to our community

Recommendation

- City Council approve the lease extension with American Airlines 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