



# City of Killeen

## Legislation Text

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**File #:** RS-18-086, **Version:** 1

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Consider a memorandum/resolution approving airline lease agreement extensions at the Killeen Fort Hood Regional Airport.

**DATE: September 18, 2018**

**TO: Ronald L. Olson, City Manager**

**FROM: Matthew Van Valkenburgh A.A.E., Executive Director of Aviation**

**SUBJECT: AIRLINE LEASE AGREEMENT EXTENSION APPROVAL**

**BACKGROUND AND FINDINGS:**

Airline lease agreements for Killeen-Fort Hood Regional Airport were 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 agreements with American Airlines, Inc. and United Airlines, Inc. were last extended in 2016 and will expire on September 30, 2018.

Staff has reviewed the current airline lease agreements and negotiated with representatives of the airlines for extensions of their respective lease agreements which include fee adjustments based upon the consumer price index and are competitive within the industry. These addendums provide for the lease agreements to be extended by one year through September 30, 2019, with an option for an additional one year extension.

**THE ALTERNATIVES CONSIDERED:**

Alternatives considered were: (1) negotiate and extend the agreements with the airlines, or, (2) not enter into a lease agreement with the airlines.

**Which alternative is recommended? Why?**

Staff recommends alternative 1. Aviation staff has negotiated terms which are beneficial to both the airlines and the City which will provide for continued commercial air service to our community.

**CONFORMITY TO CITY POLICY:**

Yes

**FINANCIAL IMPACT:**

The lease agreement extensions provide the tenants will pay annual rental fees totaling \$96,347.64, not including various monthly security, telephone, and information technology fees within the lease.

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

City Council approve the lease extensions with American and United 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.

**DEPARTMENTAL CLEARANCES:**

Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Lease agreements  
Form 1295