



MEMORANDUM

Council Agenda
Item No. IX. AX
4/8/2025

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Oklahoma City Airport Trust Lease Agreement and Fuel Storage Agreement with 44SH, L.L.C., to lease certain premises for the purpose of operating a corporate hangar and self-fueling facility, estimated revenue for the primary term \$779,537.85, retroactive to April 1, 2025 through March 31, 2035. Ward 3.

Location:

OKC Will Rogers International Airport

Background:

44SH, L.L.C., (Lessee) and the Oklahoma City Airport Trust (Lessor) entered into a Lease Agreement (Original Agreement), effective January 28, 2004, to lease premises in order to construct a corporate hangar/office facility for Lessee's use. The Original Agreement expired on February 9, 2025, and provided that, upon expiration, Lessee shall have the option to enter into a new lease for four (4) successive 5-year option periods and transferring title to the hangar and facilities to the Trust with the exercise of the option. Instead of exercising the options, the parties agreed to enter into a new 10-year agreement, with one (1) 5-year option period, and to delay the transfer of the title to the hangar, to the Trust, for three years. The parties agreed to leave the Lessee in holdover at the current terms and conditions until a new agreement is approved.

Previously, Lessee and Lessor also entered into a Fuel Storage Agreement (Original Fuel Agreement), in which Lessee constructed, for its use, self-fuel facilities. Title to the self-fuel facilities was conveyed to the Trust upon Lessee's completion of construction and the Lessor has since been responsible for the maintenance and upkeep of the self-fuel facilities. Lessee has agreed to take back ownership and maintenance of the self-fuel facilities and by a separate Resolution, the Trust will authorize the Director to transfer the self-fuel facility back to the Lessee. The Original Fuel Agreement also expired on February 9, 2025. Lessor and Lessee have agreed to enter into a new Fuel Storage Agreement.

Both the Original Agreement and the Original Fuel Agreement will terminate with the approval of these agreements.

The City of Oklahoma City is not a party to the Lease Agreement and Fuel Storage Agreement with 44SH, L.L.C., but is approving the Lease Agreement and Fuel Storage Agreement as required by the City's Lease Agreement with the Oklahoma City Airport Trust.

Revenue:

\$421,176.21; Project Account-OKCAT-Ground Space Rental (8000-REV2000-43450000)

\$358,361.64; Project Account-OKCAT-Building Rents (8000-REV2000-43500003)

Review:

Department of Airports

Recommendation: Lease Agreement and Fuel Storage Agreement be approved.