



MEMORANDUM

OCAAT Agenda
Item No. V. A
8/22/2024

TO: Trustees, Oklahoma City Airport Trust

FROM: Jeff Mulder, Director of Airports

Lease Agreement with Freymiller Aviation LLC, to lease Hangar 23 with associated apron and aeronautical office space at Wiley Post Airport, effective September 1, 2024, through August 31, 2044.

Location:

Wiley Post Airport

Background:

Freymiller Aviation LLC (Lessee) is purchasing Hangar 23 with associated apron and aeronautical office space from Midland Financial Co., (MidFin). MidFin currently has a Lease Agreement and Fuel Storage Agreement with the Trust both dated February 16, 2010, for the use of Airport land where the hangar is located but it only has a few years remaining on the term.

Lessee desires for both of the Original Agreements to terminate and to enter into a new long-term ground lease, in which to operate a corporate hangar facility, associated aeronautical office space for the storage, and maintenance Lessee's exclusively owned aircraft, rather than take an assignment of the Original Lease Agreement. Title to the facilities will still transfer to the Trust on October 31, 2031 as previously agreed to with MidFin and the Lessee will commence paying Facility Rent on November 1, 2031 in addition to Ground Rent.

Until Lessee's aircraft is removed from operating under a Part 135 certificate, Lessee is not currently eligible to assume ownership of the self-fueling facility located at the hangar. The Lease provides that the Director may transfer the fuel facility to the Lessee within 30 days of receipt of proof that the aircraft is no longer a commercial Part 135 aircraft. Upon transfer, the Lessee will be responsible to obtain the necessary permits for the fuel facility and then Trust will provide Lessee with a Fuel Storage Agreement in order to self-fuel Lessee's Authorized Aircraft.

The City of Oklahoma City is not a party to the Lease Agreement with Freymiller Aviation LLC, but is approving the Lease Agreement as required by the City's Lease Agreement with the Oklahoma City Airport Trust.

Recommendation: Agreement be approved.