

MEMORANDUM



OCAT Agenda
Item No. X. E
4/24/2025

TO: Trustees, Oklahoma City Airport Trust

FROM: Jami Blocker, Assistant Municipal Counselor

Enter into executive session on the advice of the Municipal Counselor's Office to discuss the potential of initiating a claim process or filing a legal action against the United States of America related to a contract dispute involving its lease with the Trust on behalf of the Federal Bureau of Prisons at the OKC Will Rogers International Airport, as authorized by 25 O.S. (2024 Supp.) § 307(B)(4), because disclosure would seriously impair the ability of the public body to deal with potential litigation in the public interest.

Location:

OKC Will Rogers International Airport

Background:

On September 27, 1990, Lease No. FTC-001 for the Federal Transfer Center (FTC) was entered into between the Oklahoma City Airport Trust (OCAT) and the United States on behalf of the Federal Bureau of Prisons (FBOP). This facility was built by the Trust and leased to the FBOP for its operations. The initial term of the Lease was for one year, commencing on May 1, 1995. Under the initial term, the lease automatically renewed for twenty-four successive one-year terms and expired on April 30, 2020.

Upon expiration of the initial term, the lease allowed FBOP an option to enter into a new lease for up to four successive option periods at mutually agreeable terms and conditions. FBOP provided notice of its intent to exercise its option in 2019, but only for an extension of the old lease under the same terms, and OCAT objected because those terms were no longer financially sustainable. Airport staff has been discussing the issues with the FBOP since 2019, but the FBOP has failed to negotiate a new lease or an amendment to the original lease that is acceptable to both parties. The FBOP has been without a lease contracting officer since 2021 and cannot proceed in negotiations without one. The Trust has allowed the FBOP to retain occupancy since the old lease expired and has been covering the property insurance costs, but these expenses are not fully covered by the rent paid by the FBOP for the use of the FTC under the old lease terms.

Recommendation: Enter into executive session on the advice of the Municipal Counselor's Office as authorized by 25 O.S. (2024 Supp.) § 307(B)(4), because disclosure would seriously impair the ability of the public body to discuss the status of the matter.