



MEMORANDUM

Council Agenda
Item No. IX. AY
8/29/2023

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Supplemental Agreement No. 7 to Lease and Operations Agreement with the Oklahoma City Airport Trust and AAR Aircraft Services, Inc., to retrofit Hangar 1B with a tail slot extension, to extend the lease term through April 30, 2025, and to amend certain other terms and conditions as agreed by the parties. Ward 3.

Background:

AAR Aircraft Services, Inc. ("Lessee"), and the Oklahoma City Airport Trust ("Lessor") entered into a Lease and Operations Agreement ("Agreement"), as amended, effective March 24, 2010, expiring April 30, 2035 to lease certain hangars and buildings, including Hangar 1 B, in order to operate at Will Rogers World Airport as a Fixed Base Operator and as a Maintenance Repair and Overhaul operation mainly for large passenger aircraft.

Lessee desires to retrofit the Lessor's Hangar 1B ("Hangar") with a tail slot extension on the roofline in order to accommodate repairs to larger aircraft inside the Hangar. The estimated cost for the tail slot extension is \$1.9 million and the Lessee has requested that 5 years be added to the term of the initial lease period, in order for the Lessee to have additional time to amortize the expense. The parties have agreed to amend various other terms and conditions in the Agreement.

Review:

Department of Airports

Recommendation: Supplement be approved.