



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District I

Item Creation Date: 2/6/2025

HAS – Amendment No. 1 to the Lease Agreement with Houston Aviation Partners, LLC
DBA Million Air – Houston at HOU

Agenda Item#:

Background:

RECOMMENDATION:

Adopt an ordinance appropriating \$3,838,564.00 out of the Airports Improvement Fund (8011) and approving and authorizing Amendment No. 1 to the Lease Agreement with Houston Aviation Partners, LLC (successor by conversion to Woolsey Aviation, Inc.) DBA Million Air – Houston (Million Air) at William P. Hobby Airport (HOU).

SPECIFIC EXPLANATION:

On March 9, 2011, City Council adopted Ordinance 2011-179, approving and authorizing a Lease Agreement with Woolsey Aviation, Inc. DBA Million Air – Houston (Million Air), granting the company the rights to lease and develop approximately 1,111,622 square feet (25.5193 acres) at William P. Hobby Airport (HOU) for fixed-base operator (FBO) activities. The Agreement included a 40-year term with an option for early termination after 30 years. Under the Lease, Million Air committed to investing \$12 million in improvements within the first 10 years, including construction and upgrades to support aviation services. Among these improvements was the installation of above-ground fuel tanks.

The proposed Amendment No. 1 would modify the Lease Agreement between the City of Houston and Million Air to accommodate the Federal Aviation Administration's (FAA) Non-Standard Taxiway Project ("Project") at HOU. The Project requires the removal of Site "E" (87,878 sq. ft.) from Million Air's leased premises, which is the current location of its fuel tanks and fueling infrastructure. To compensate for this loss, the Amendment adds Site "G2" (20,371.60 sq. ft.) to the lease, where Million Air will relocate its fuel facility. Before the relocation begins, Million Air is required to provide the City with a fully executed release of any liens on Site "E," including any leasehold mortgage interests. This release must be approved by the City before any reimbursements for relocation costs can be processed. Additionally, the Amendment affects Site "D," reducing its size to approximately 72,448.4 sq. ft. to accommodate the FAA Project. The Amendment sets deadlines for Million Air to remove and relocate its fueling equipment and establishes a reimbursement process for relocation costs, capped at \$3,838,564.00, subject to City Council approval of the Amendment. It also includes provisions for environmental compliance, ensuring Million Air is not held responsible for any potential contamination predating its Lease.

The Amendment No. 1 updates rental rates and lease terms, while incorporating federal and state regulatory compliance provisions. It formalizes the City's oversight of the fuel facility relocation to ensure the FAA Project stays on schedule while allowing Million Air to continue operations with minimal disruption. By aligning the Lease with the Airport's infrastructure expansion, this amendment ensures Million Air's continued operations while supporting the long-term development of William P. Hobby Airport.

Fiscal Note:

No significant Fiscal Operating impact is anticipated as a result of this project.

Director's Signature:

Initial
FL

Signed by:

Jim Szczesniak

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Jim Szczesniak

Houston Airport System

Prior Council Action:

03/09/2011 (O) 2011-179

Amount and Source of Funding:

\$3,838,564.00

Airports Improvement Fund

Fund 8011

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