



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District I

Item Creation Date: 10/10/2025

HAS – Amendment No. 2 to the Lease Agreement with Houston Aviation Partners, LLC
DBA Million Air – Houston at HOU

Agenda Item#:

Background:

RECOMMENDATION:

Adopt an ordinance approving and authorizing Amendment No. 2 to the Lease Agreement with Houston Aviation Partners, LLC (successor by conversion to Woolsey Aviation, Inc.) DBA Million Air – Houston (Million Air) at William Hobby Airport/Houston (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.

On March 26, 2025, City Council adopted Ordinance 2025-223, approving and authorizing Amendment No. 1 to the Lease Agreement, removing Site “E” from the Leased Premises and reducing the size of Site “D” to accommodate the Federal Aviation Administration’s (FAA) Non-Standard Taxiway Project at HOU and adding Site “G2” to the Leased Premises. Ordinance 2025-223 appropriated \$3,838,564.00 to compensate Million Air for the removal of its fuel tanks and fueling infrastructure from Site “E” to Site “G2.”

Million Air now wishes to further amend the Lease to remove Site “D” (consisting of approximately 72,448.4 square feet of land and a 21,730-square-foot hangar (WR-5)) and add Site “J” (consisting of approximately 149,501 square feet of land and a 41,051.3-square-foot hangar (WR-12)). Sites “I” (consisting of approximately 57,294 square feet of land and a 12,020-square-foot hangar (WR-10)) and “H” (consisting of approximately 86,341 square feet of land and a 24,466-square-foot hangar (WR-11)) will also be added.

For the additional Sites, following the construction period, HAS shall charge base rent in the amount of \$377,946.35 per year, or approximately \$31,495.52 per month. A 15% increase in the rental rate will apply every fifth anniversary of the effective date.

Hangars WR-12 and WR-11 will be refurbished to be used as aircraft hangar facilities, while Hangar WR-10 will be demolished to make way for much needed aircraft ramp parking. Hangar WR-11 will be renovated according to standards set by the State Historic Preservation Office (SHPO). Million Air is required to expend a minimum of \$2,750,000.00 on capital improvements/renovations for Hangars WR-10 and WR-11. In addition to the minimum capital expenditure required for Hangars WR-10 and WR-11, Million Air is required to expend a minimum of \$2,700,000.00 on capital improvements/renovations for Hangar WR-12. These facilities are essential for expanding Million Air’s operations and enhancing the overall service offerings at the airport.

Fiscal Note:

Revenue for this item is included in the FY2026 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director’s Signature:

Signed by:

Jim Szczesniak

2198B453A1504CE...
Jim Szczesniak
Houston Airport System

Initial
JK

Initial
FL

Department	Estimated Revenue		
	FY2026	Out Years	Total
Houston Airport System	\$83,453.40	\$12,954,480.75	\$13,037,934.15

Prior Council Action:

03/09/2011 (O) 2011-179
03/26/2025 (O) 2025-223

Amount and Source of Funding:

REVENUE
HAS Revenue Fund
Fund 8001

Contact Information:

Todd Curry 281/233-1896
Francisco Cuellar 281/233-1682