

# Hangar lease expected to generate \$1.6M for Killeen over 10 years

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The 10-year lease CSI Aviation officials signed to use a new corporate hangar at Killeen-Fort Hood Regional Airport will generate more than \$161,000 in annual revenue for the city.

“The total monthly rent is \$13,429.17 per month,” City Manager Kent Cagle said in an email. “Annual revenue from rent is \$161,150.04. (The) lease calls for an annual CPI increase capped at 3%.”

On Monday, about 100 people attended an event to showcase the first city-owned hangar built at the airport.

“It is a great day for the city of Killeen and this airport,” Killeen Mayor Debbie Nash-King said at the event. “This is a beautiful symbol of growth and moving forward. We want to thank our airport director, city staff, CSI Aviation, community partners and everyone who had a role in making this a reality.”

The Federal Aviation Administration in 2021 awarded the airport a \$10.6 million grant for multiple construction projects, including the 21,900-square-foot hangar leased by CSI Aviation for the relocation of its regional maintenance facility. CSI also has bases in Albuquerque, New Mexico, and West Palm Beach, Florida, according to its website.

CSI, an air transportation and air charter company that’s operated a temporary hangar at the airport since 2019, is expected to employ more than 40 employees, including pilots, medical crews, mechanics and administration staff at the new hangar.

It is the first and only permanent hangar at the airport owned by the city, but CSI Aviation plans to continue using a temporary hangar it bought and installed in 2018. Other hangars at the airport are owned by Fort Hood for military use.

Features at the new hangar include six multi-directional doors that can be configured differently, as well as four crew rooms and a locker room to accommodate an on-call aviation team, corporate office space and maintenance repair office space. Also, the hangar can accommodate up to five aircraft for repair, has a state-of-the-art LED lighting and fire suppression system and radiated heating and high value fans epoxy flooring.

The hangar will support the company’s air charter and air transportation solutions for passengers, cargo and medical missions, and will be a centralized maintenance facility and air ambulance base. It will hold King Air 200 and Beechcraft 1900 aircraft.

“We are very, very glad to be in Killeen, Texas,” CSI CEO Allen Weh said at the ribbon-cutting on Monday. “We’re obviously here to celebrate our new facility. This is the very first hangar on what I hope to be more facilities. We think we bring big value to the neighborhood and are glad to be here.”

State Rep. Brad Buckley, Cagle and U.S. Rep. John Carter also spoke at Monday’s event.

CSI maintains charter services and has “various (intelligence, surveillance and reconnaissance) capabilities available for government agencies and corporate customers that require certain types of aircraft for specialized surveillance missions.”

About \$4.8 million in aviation revenue is projected for the fiscal year that begins on Oct. 1. That includes income from rental cars, intergovernmental revenue, airport parking lot fees, fuel sales, air carrier operations, landing fees, tiedowns, retail stores, food and beverage and land-lease tenants.

