

Heber City Approves Master Plan for Heber Valley Airport and Settles Federal Lawsuit

OK3 AIR secures 50-year FBO lease and future development rights

HEBER CITY, UTAH, USA, July 5, 2023 /EINPresswire.com/ -- On Tuesday, June 20, 2023, the Heber City Council voted 4-1 to submit its new master plan for the Heber Valley Airport to the Federal Aviation Administration for approval. This decision will ultimately result in a safety upgrade of the Airport to C-II standards and a long-needed, required



update to the Airport's Airport Layout Plan necessary to ensure continued federal funding.

At the same meeting, the Heber City Council unanimously approved certain agreements needed to settle the federal lawsuit that <u>OK3 AIR</u>, the full-service, fixed-base operator (FBO) at the

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Nadim Abuhaidar

Airport, filed against it in 2017 (AH Aero Service, LLC v. Heber City, et al., Case No. 2:17-CV-01118-HCN-DAO (D. Utah)). On Friday, June 30, the parties signed the settlement agreements, ending nearly six years of litigation. The settlement relies, in part, on commitments Heber City made to complete the master plan process.

Nadim AbuHaidar, the owner of OK3 AIR, reacted to the master plan vote, "The City is finally moving forward with an upgrade that has been needed since 2004. Safety will improve and compliance with the FAA grant assurances will ensure federal funding. Concerns have been raised over

the years about what an upgrade might mean for the Airport. Hopefully, the City's master planning process allowed folks to understand that the upgrade will just allow the Airport to more safely accommodate the aircraft that are already landing here, while maintaining the City's FAA funding. The upgrade presents an opportunity to plan for the future of the Airport in a way that addresses the needs of all stakeholders."

When asked about the settlement, AbuHaidar added, "After six years of contentious litigation, I think the settlement is a very good outcome for both the City and OK3 AIR. Heber City and OK3 can now work together, rather than against each other."

The settlement did not require the City to make a cash payment to OK3 AIR. Rather, under the settlement agreement, OK3 AIR received extensions to its FBO and hangar leases, under which it will pay updated lease rates to the City. Importantly, the lease extensions will enable OK3 AIR to operate at the Airport for the next 50 years. OK3 AIR also received permission to build a new, approximately 33,000 square foot aircraft hangar, which, according to AbuHaidar, is "necessary to begin to address the current, critical hangar shortage at the Airport." OK3 AIR also received certain development rights when the Airport is upgraded.

Review of the City's new Airport Layout Plan shows that a substantial part of OK3 AIR's current leasehold, including about half of its aircraft parking ramp and its maintenance hangar, will eventually be demolished to accommodate the safety upgrade. As a result, OK3 AIR anticipates relocating its operations to a new 17.8 acre campus on the South end of the Airport, pending completion of the necessary environmental studies. The City has also set aside a space on the North end of the Airport, intended to serve the needs of the Airport's light general aviation users with an AvGas-only, light general aviation FBO and additional hangars for the storage of smaller aircraft.

When asked about this future development, AbuHaidar said, "Now that Heber City is committed to the safety upgrade, maintaining its federal funding, and working cooperatively, we are excited to invest in our current operation as well as the future of the Airport. OK3 AIR has been proudly serving the flying public for 23 years and we look forward to doing so for the next 50 years."

OK3 AIR's contemplated investment is not insubstantial. OK3 AIR will begin paying increased lease rates to the City immediately and intends to break ground on its new 33,000 square foot hangar as soon as possible. In addition, the development agreement with the City commits the FBO to invest at least \$5 million at the Airport once the C-II upgrade occurs.

Maggie Abuhaidar
OK3 AIR
+1 435-901-8206
email us here
Visit us on social media:
Twitter

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