

Item # 6c

**City of Carson City
Agenda Report**

Date Submitted: 11/21/2008

Agenda Date Requested: 12/4/2008

Time Requested: 3 minutes

To: Mayor and Board of Supervisors

From: Carson City Airport Authority

Subject Title: Action to amend the Cooperative Agreement between Carson City and the Carson City Airport Authority to clarify the Airport Authority's leasing authority.

Staff Summary: To clarify that the City has given the Airport Authority the authority to act as landlord on Airport leases between the Airport Authority and third parties. Carson City remains as property owner of the Airport property under the 1990 Cooperative Agreement between Carson City and the Carson City Airport Authority. The Airport Authority has listed itself as landlord on such leases and title companies have requested the amendment to the Agreement to clarify authority to lease as landlord. The Airport Authority will continue to bring all Airport leases to the Board of Supervisors for approval pursuant to NRS 844.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Airport Authority Action: Approved and adopted by the Airport Authority on November 19, 2008.

Recommended Board Action: I move to approve the Amendment to the 1990 Cooperative Agreement between Carson City and the Carson City Airport Authority as presented.

Explanation for Recommended Board Action:

The Airport Authority was established by Nevada law in 1989. The empowering legislation provided for a transfer of the Airport property from the City to the Authority. However, upon learning that the FAA would not recognize the Authority for aviation grants, but would recognize Carson City so long as it was still landowner, the parties chose to NOT transfer the land. Instead, the parties executed the Cooperative Agreement (attached) which essentially provided that the Airport Authority would operate, manage and maintain the Airport, but that Carson City would remain as property owner.

Recently, a title review raised questions as to leases entered into at the Airport. In those leases, the landlord is shown as the Carson City Airport Authority. The title companies expressed concern that without clear authorization from Carson City, only Carson City could be landlord. The Authority pointed out that NRS 844 requires airport leases to be approved by the Board of Supervisors, and that every lease has been brought to a Board of Supervisor meeting, approved and certified as approved. Nevertheless, the title companies are concerned that a more clear statement of the Airport Authority's authority to lease as landlord would clarify the chain of title.

As such, the Amendment is proposed. All leases will still come to the Board of Supervisors for approval.

Applicable Statue, Code, Policy, Rule or Regulation: Statutes of Nevada, Chapter 844.

Fiscal Impact: No City impact.

Explanation of Impact: Not Applicable.

Funding Source: Not Applicable

Alternatives: Not Applicable

Supporting Material: Amendment and 1990 Cooperative Agreement

Prepared By: Steven P. Tackes, Esq., Airport Counsel

Reviewed By: [Signature]
(Department Head)

Date: 11-24-2008

[Signature]
(City Manager)

Date: 11-24-08

[Signature]
(District Attorney)

Date: 11-24-08

[Signature]
(Finance Director)

Date: 11-24-08

Board Action Taken:

Motion: _____

1) _____

Aye/Nay

2) _____

(Vote Recorded By)

AMENDMENT TO COOPERATIVE AGREEMENT
BETWEEN
CARSON CITY AIRPORT AUTHORITY
AND CARSON CITY

This amendment is made and entered into this 19th day of November, 2008, by and between CARSON CITY, a consolidated municipality of the State of Nevada hereinafter "CITY" and the CARSON CITY AIRPORT AUTHORITY, a quasi-municipal corporation, hereinafter "the AUTHORITY".

WITNESSETH:

WHEREAS, the parties executed a Cooperative Agreement on or about May 17, 1990, shortly after the creation of the AUTHORITY by the Nevada State Legislature, through the passage of S.B. 255; and

WHEREAS, title companies have requested a slight modification to the Cooperative Agreement for the purpose of ensuring clear chain of title on leases;

NOW, THEREFORE, for good and valuable consideration as evidenced by the mutual covenants set forth herein, the parties agree as follows:

The last sentence of paragraph 5 of said Cooperative Agreement is amended as follows:

All rights and duties to manage, operate and maintain the Carson City Airport ~~after January 1, 1990~~ shall be the sole responsibility of the AUTHORITY, including, but not limited to, any and all rights and duties to act as the Landlord in leases of the property of the Carson City Airport to third parties, subject to Carson City approval of all such leases."

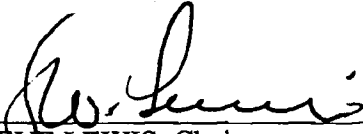
IN WITNESS WHEREOF, the parties hereby entered into this AMENDMENT

on the day and year first above-written.

CARSON CITY:

AIRPORT AUTHORITY:

By: _____
MARV TEIXEIRA, Mayor

By: 
STEVE LEWIS, Chairman

ATTEST:

ATTEST:

By: _____
ALAN GLOVER - Clerk/Recorder

By: 
WALTER SULLIVAN
Vice-Chairman

Approved as to legal form:

Deputy District Attorney

Approved as to legal form:

STEVEN E. TACKES, Airport Counsel

COOPERATIVE AGREEMENT FOR AIRPORT AUTHORITY
TO MANAGE CARSON CITY'S AIRPORT

This cooperative agreement is made and entered into this 17th day of May, 1990, by and between CARSON CITY, a consolidated municipality of the State of Nevada hereinafter "CITY" and the CARSON CITY AIRPORT AUTHORITY, a quasi-municipal corporation, hereinafter "the AUTHORITY".

WITNESSETH:

WHEREAS, the Nevada State Legislature, through the passage of S.B. 255, created the AUTHORITY; and

WHEREAS, the members of the AUTHORITY have been appointed and sworn to serve; and

WHEREAS, Section 26 of S.B. 255 requires the CITY and the AUTHORITY to enter into an agreement for the transfer of properties, functions and obligations regarding the Carson City Airport on and after January 1, 1990; and

WHEREAS, under NRS 277.045 any two or more political subdivisions of the State may enter into a cooperative agreement; and

WHEREAS, by a letter opinion dated August 25, 1989, the Federal Aviation Administration has determined that the Carson City Airport Authority does not have sufficient legal, financial, and other necessary ability to act as an airport sponsor under the Federal Airport Improvement Program; and

WHEREAS, said letter of opinion is attached hereto and incorporated herein as Exhibit 1; and

WHEREAS, CITY desires to remain the landowner and sponsor for Federal aid under the Federal Airport Improvement Program and further desires the AUTHORITY to manage the Carson City Airport consistent with the

E L 001 63770

1 certifications, representations, warranties, assurances and covenants
2 contained in CITY's grants with the Federal Government.

3 NOW, THEREFORE, for good and valuable consideration as evidenced
4 by the actual covenants set forth herein the parties agree as follows:

5 I. Upon execution of this agreement CITY shall allow AUTHORITY,
6 its agents, servants and employees to enter upon, operate, improve, maintain
7 and control the real property commonly known as the Carson City Airport and
8 more particularly described as follows:

9 The contained real properties made up of:

10 Assessor's parcel number (APN) 8-131-02

11 APN 8-131-24

12 APN 8-201-04

13 APN 8-201-06

14 APN 8-131-17 (clear zone on the west)

15 Any alterations to land or buildings, excluding normal maintenance
16 and repair, located at the above-described real property shall be subject to
17 CITY's prior written approval until the Airport Authority is recognized by
18 F.A.A. as a grant sponsor.

19 2. AUTHORITY agrees to manage, control, operate, improve and
20 maintain said Carson City Airport consistent with the provisions of S.B. 255
21 until such time as the F.A.A. recognizes Authority as having the ability to
22 act as a grant sponsor. At said time the parties will negotiate and
23 complete further transfer of airport properties. Said law is attached
24 hereto and incorporated herein as Exhibit 2.

25 Since CARSON CITY is obligated to keep the runway approaches clear
26 of obstructions, the parties agree that the AUTHORITY shall maintain all
27 runways, runway approaches and taxiways in a good and workmanlike manner.

28 ///

1 3. CITY agrees to make available to AUTHORITY such officers,
2 employees, facilities and equipment as requested by AUTHORITY for the
3 necessary operations and maintenance of the airport. CITY will use its best
4 efforts to supply, upon written request, said officers, employees facilities
5 and equipment so long as said efforts do not adversely impact normal CITY
6 operations.

7 CITY shall charge the AUTHORITY for the use of its officers,
8 employees, facilities and equipment pursuant to the CITY's cost allocation
9 program. An illustrative example of a portion of said program is attached
10 hereto and incorporated herein as Exhibit 3. The parties agree that this
11 program may be periodically updated with new costs by the CITY's finance
12 department in accordance with actual services utilized and actual costs
13 incurred by the CITY to provide the service.

14 Nothing in this provision is meant to limit the ability of the
15 AUTHORITY to hire its own officers and employees and to acquire its own
16 equipment.

17 4. CITY shall transfer all airport monies, excluding
18 expenditures and Federal grant monies, to the AUTHORITY as soon as the
19 AUTHORITY has established the proper account or accounts to receive said
20 monies. The parties intend that AUTHORITY'S separate budget shall be in
21 place as of July 31, 1990. The AUTHORITY may use all or part of said monies
22 prior to the transfer so long as CITY gives its prior written approval of
23 said use.

24 5. Airport budget-type accounts receivable which are due and
25 owing to the CITY prior to January 1, 1990 shall be assigned to the
26 AUTHORITY. Liabilities and accounts payable by CITY to others under the
27 airport budget prior to January 1, 1990 shall be delegated to the AUTHORITY
28 for payment.

1 All rights and duties to manage, operate and maintain the Carson
2 City Airport after January 1, 1990 shall be the sole responsibility of the
3 AUTHORITY.

4 6. CITY shall transfer ownership of the items of personal
5 property set forth on Exhibit 4, excluding the Crash and Rescue Truck known
6 as Engine 5, to the AUTHORITY as soon as possible after execution of this
7 Agreement. The CITY and AUTHORITY agree the Crash and Rescue Truck known as
8 Engine 5 is half owned by the AUTHORITY and half owned by the CITY in
9 recognition of the AUTHORITY purchasing the Truck and the CITY purchasing
10 the equipment on the truck. The CITY will continue to operate, maintain and
11 equip the truck. The truck will continue to be housed at Fire Station #2.
12 The crack sealer will be transferred to the AUTHORITY, however, the CITY may
13 use it with approval by the AUTHORITY.

14 7. Although CITY will remain the landlord, CITY hereby assigns
15 its contractual rights and delegates its contractual duties to the AUTHORITY
16 on the following airport master leaseholds:

- 17 A. Cubix Corp. - Parcel W1-C
18 B. El Aero Services - Parcels W1A, W1-B, W1-D, W1-E, W1-F,
(and addendums) .014, .015, .016, .017, .006
19 C. Hanger 7, Inc. - Parcels .007, .009, .013
20 D. Mentors Unlimited - Parcel
21 E. Sage Air - Parcels W2-A, W2-B
(and addendums)
22 F. Silverplate, Inc. - Parcel .012
(and addendums)
23 G. Thomas/Crostock Aviation - Parcel .010
(and addendums)
24 8. CITY hereby assigns its rights and delegates its duties to
25 the AUTHORITY in that certain maintenance contract for the airport security
26 gates. Said contract was entered into on the 31st day of December, 1988,
27
28

between the CITY and Artistic Fence Co.

1
2 City also assigns its rights and delegates its duties to administer
3 and operate the pass-card program for airport access as set forth in
4 Resolution No. 1986-R-54.

5 9. AUTHORITY hereby agrees to be bound by and to comply with any
6 and all agreements which CITY now has with the landowners directly adjacent
7 to the Carson City Airport. Illustrative, but not necessarily all
8 inclusive, are the CITY's agreements with: The JohnD Winters Family Trust
9 dated November 16, 1984 and recorded at Book 381 at pages 083 through 095;
10 CITY's easement agreement with Precision Founders for airpark lots 72-B and
11 72-C; CITY's lease with the Civil Air Patrol dated August 19, 1982 and
12 addendum to lease dated April 2, 1987 for lot 72-A; and CITY's agreements
13 with Physical Systems, Inc. regarding its purchase of lot 65 located at 2151
14 Lockheed Way.

15 10. CITY hereby agrees to make available to AUTHORITY for
16 inspection and copying any and all Carson City Airport maps and the Carson
17 City Airport Master Plan.

18 11. AUTHORITY hereby agrees to work with CITY to enforce all
19 provisions of OCM Title 19 (Airport Rules and Regulations) until such time
20 as the AUTHORITY decides to and implements comprehensive rules for the
21 management, operation and control of the Carson City Airport.

22 12. CITY agrees that it shall maintain such insurance as will
23 protect the CITY from all claims under 1) Workmen's Compensation; 2)
24 Personal liability; 3) Property damage and all other claims for damages,
25 including personal injury and death, which may arise out of the CITY's
26 operations at the airport.

27 ///

28 ///

13. AUTHORITY agrees that it shall furnish and maintain:

1) in an amount acceptable to the CITY and not less than one million dollars per occurrence, such general liability insurance as shall protect AUTHORITY from claims for, but not limited to, bodily injury, sickness, disease, death or property damage arising or resulting from its use, occupancy, activities, operations, products or performance, or that of any contractor, person, firm or employee directly or indirectly employed by AUTHORITY on CITY property, or on behalf of the AUTHORITY or CITY, or in fulfillment of any obligations or services under contract; and

2) workers compensation insurance as required by law.

AUTHORITY's insurance shall be primary as respects CITY, its officers, employees and volunteers. Any other coverage (insurance or otherwise) available to CITY shall be excess over the insurance required and shall not contribute with it.

The insurance requirements specified herein do not relieve AUTHORITY of its responsibility or limit the amount of its liability to CITY or other persons and AUTHORITY is encouraged to purchase such additional insurance as AUTHORITY deems necessary.

CITY agrees to maintain public officials errors or omissions liability insurance for CITY and AUTHORITY in the amount of at least \$1,000,000 per occurrence with any deductible to be absorbed by CITY. AUTHORITY will pay CITY and AUTHORITY's share of any premiums.

CITY agrees to maintain personal property insurance subject to AUTHORITY bearing the first \$500 of any claim. AUTHORITY will pay CITY the AUTHORITY's share of any premiums.

14. The CITY and AUTHORITY agree to act in a cooperative manner in securing and administering any federal grants. The AUTHORITY is responsible for determining the types of grants the CITY shall apply for.

1 The CITY through its grants administrator, shall be responsible for the
2 grant applications. Mutual agreement by the parties is required on
3 receipts, and disbursements in accordance with the grants. The CITY shall
4 secure an annual audit of the grants through its city-wide audit. The
5 AUTHORITY shall transfer to the CITY the local matching share of the grants
6 at the time of grant approval.

7 AUTHORITY agrees to be bound by any and all duties previously
8 imposed and to be imposed upon Carson City by the Federal Aviation
9 Administration concerning the Carson City Airport. AUTHORITY hereby warrants
10 that it shall not take any action which will impair any of CITY's agreements
11 with the Federal Aviation Administration. AUTHORITY agrees to communicate
12 with representatives of the Federal Aviation Administration in order to have
13 a clear understanding of all requirements involved. The parties agree that
14 since the CITY remains the sponsor for past and future F.A.A. grants that
15 CITY may, at any time, with or without notice, cure any breach of CITY's
16 assurances with the F.A.A. CITY's costs to cure any breach specifically
17 created by the actions of the AUTHORITY shall be paid by the AUTHORITY.

18 15. The parties agree that there are no existing claims or
19 lawsuits against CITY, its agents, servants and employees, regarding any
20 facet of the Carson City Airport at the time of execution of this contract.

21 16. This Agreement shall be valid for a term of THIRTY (30) years
22 from the date of execution unless earlier terminated for cause or by mutual
23 agreement. The parties may thereafter renew based upon mutual negotiation
24 and agreement.

25 17. AUTHORITY warrants that it shall manage, operate, control and
26 maintain the Carson City Airport in accordance with all Federal, State and
27 local laws, rules, regulations, statutes and ordinances.

28 ///

1 18. The parties agree that this contract shall be interpreted
2 under Nevada law.

3 19. The parties agree that this is the entire understanding of
4 said parties. Any modifications to the contract must be mutually agreed to
5 in writing.

6 IN WITNESS WHEREOF, the parties hereby entered into this contract
7 on the day and year first above-written.

8 CARSON CITY:

AIRPORT AUTHORITY:

9 By [Signature]
10 MARK THOMPSON, Mayor

By [Signature]
BOB THOMAS, Chairman

11 ATTEST:

ATTEST:

12 [Signature]
13 ALAN GILMER - Clerk

[Signature]
14 JERRY WEAVER - Secretary

15 Approved as to legal form:

16 [Signature]
17 NOEL S. WALKER, District Attorney

18 Approved as to financial impact:

19 [Signature]
20 MARY WALKER, Finance Director

21 Risk Management approval

22 [Signature]
23 John Berkich

Department of Transportation

Federal Aviation Administration

San Francisco Air District Office
825 Market Street
San Francisco, California 94102-1003

August 23, 1989

Mr. Michael Dean Rody
Deputy City Manager
Carson City
2621 Northpark Lane
Carson City, Nevada 89701

Dear Mr. Rody:

We have completed our review of the Senate Bill 255 which establishes the Carson City Airport Authority. It is our opinion that the Carson City Airport Authority does not have sufficient legal, financial, and other necessary authority to act as an airport sponsor to carry out the construction, development, operation, maintenance, and ownership under the sponsor's obligations provided in the Airport Improvement Program project authorization and grant agreement.

The Airport Authority is requesting my advice to obtain its assistance with the enclosed letter 890823 and paragraph 201b for its authorization. Otherwise, only the City of Carson is the eligible airport sponsor under our guidelines.

Sincerely,

John J. [Signature]
Assistant Administrator



11

001 00770

COET ALLOCATION

OTHER DEPARTMENTS

Purchasing Department Cost Per Purchase Order	\$ 8.15
Purchasing Department Cost Per Work Order	9.86
Communications Department Cost Per Man Hour	35.62
Insurance Department Cost Per Employee Per Month	4.36
Personnel Department Cost Per Employee Per Month	25.72
Finance Department Payroll Cost Per Employee	7.27
Finance Department Claims Cost Per Claim	4.60

These rates are calculated by the Finance Department and are subject to change.

Source: Carson City Finance Department
Date: April 20, 1990

Exhibit 3A

001 00770

STREET DEPARTMENT

COST ALLOCATION

Employee cost per hour	<u>Total Cost</u>	<u>Hrs. Per Year</u>	<u>No. of Emp.</u>	<u>Cost Per Hr.</u>
	\$3,120.37	1808	10	\$17.26

The above rate does not include overhead costs and is subject to change.

Equipment Cost

<u>Description</u>	<u>Year</u>	<u>Rate Per Hour</u>
Motor Grader	1978	10.50
Motor Grader	1965	7.38
Dump Truck	1973	11.50
Dump Truck	1971	11.50
Street Sweeper	1976	11.75
Street Sweeper	1988	18.00

These rates are calculated by the Vehicle Maintenance Department and are subject to change.

Source: Carson City Finance Department
Date: April 20, 1990

Exhibit 3B

001 00770

The following is a list of Personal Property to be transferred to the Airport Authority pursuant to paragraph 6 of the agreement.

ASSET #	DESCRIPTION	ACQD	COST
4235	King Inicon Radio S/N P1057	2/78	850
900324	5049 ft. Chain Link Fence & Gates	5/75	57,857
901097	High Test Chain with Hook	9/77	284
901449	36 in. Rotating Beacon	1/68	3,078
901450	Beacon Tower	1/68	2,426
901451	Skyvane Wing System	1/68	1,417
901452	201 Reflectors	2/77	323,610
901453	Runway Light Control Pan/Componets	1/68	15,858
901454	Constant Current Regulator	1/68	3,798
901455	Wind Sock and Frame	1/68	1,522
901708	Winter Cubicle and Door	1/79	1,990
902812	Visual Aid Slope Indicator	1/85	16,678
902851	Chain Link Fence	5/85	2,065
904003	Gate and Admissions System	8/86	17,439
905901	Capricorn II Digital Weather Sys.	4/89	1,081
	Security Lighting		
	PLASI Slope Indicator	1987	9,000
	Windssock	4/90	234
*902394	1981 Crown/Pierce Crash Unit	1/82	76,881

*Asset #902394 will be owned as co-owners by the Carson City Fire Department and the Airport Authority, housed in Fire Station #2, and maintained and operated by the Carson City Fire Department.

Source: Carson City Finance Department
Date: April 20, 1990

EXHIBIT 4.

001 00770