Hem# 8-4

### City of Carson City Agenda Report

Date Submitted: 07/27/10

Agenda Date Requested: 08/05/10
Time Requested: consent

To: Board of Supervisors

From: Carson City Airport Authority

**Subject Title:** Action to approve 9<sup>th</sup> Addendum to El Aero "Mobill" lease and 9<sup>th</sup> Addendum to El Aero "Portahangar" lease by the Carson City Airport Authority with El Aero Services, Inc.

**Staff Summary:** At a regular meeting of the Carson City Airport Authority on July 21, 2010, publicly noticed for that purpose, and to accommodate the recently-completed runway realignment, the Authority approved the 9<sup>th</sup> Addendum to El Aero "Mobill" lease and the 9<sup>th</sup> Addendum to El Aero "Portahangar" lease to modify El Aero's lease area consistent with the runway project.

Type of Action Requested:	(check one)	
( ) Resolution	() Ordinance	
(X_) Formal Action/Motion	on Other (Specific	y)
Does This Action Require A Busin	ness Impact Statement:	Yes (_X) No

**Recommended Board Action:** (I move that we) approve the 9<sup>th</sup> Addendum to El Aero "Mobill" lease and the 9<sup>th</sup> Addendum to El Aero "Portahangar" lease by the Carson City Airport Authority with El Aero Services, Inc.

### **Explanation for Recommended Board Action:**

Under Nevada Chapter 844, which created the Carson City Airport Authority, lease agreements at the Airport must be approved by the Carson City Board of Supervisors.

The Carson City Airport Authority has worked with El Aero to modify its lease area as a result of the re-alignment of the runway which cut into 2 of the El Aero leases at the Airport. The Authority effectuated the changes by replacing removed area with an equivalent area, and with pavement for pavement. It actually required slightly more pavement than we removed to realign the Portaport hangars since it included a new taxilane. However, the result was that El Aero was made whole. In removing some of the tiedowns from the El Aero "PortaHangar" lease, we replaced them with tie downs on the newly re-configured El Aero "Mobill" lease. (The old names reflect the origin of the leases and have no meaning other than helping identify the various El Aero leases from each other.)

As for tie-downs, we have been slowly converting all such leases from area leases to leases that give the tenant a right to use the tie-downs. This is important from an FAA funding standpoint when we ask for funds to maintain, renovate, or replace ramp area. If the area is leased, the FAA believes that the tenant should be doing the ramp repair. However, our newer leases provide that the Airport Authority still maintains all rights to the pavement with the tenant

only leasing the right to the tiedowns (for a monthly fee of \$7.14 per tie down). Those changes were incorporated in the attached lease addendums.

We also took this opportunity to reflect the changes to the El Aero "Mobill" lease from the EAA request to expand slightly into the parking area in return for El Aero giving up some space on the south side of their leasehold.

Lastly, as an accommodation to El Aero, should the restrictions change on the tie-down areas to permit other uses, we reserved a right to El Aero to be eligible for those areas. This is simply a recognition that they are giving up the area but should in all fairness be able to get it back if the FAA restrictions should change and if the Authority should permit uses other than tie downs.

Applicable Statue, Code, Policy, Rule or Regulation Fiscal Impact: No City impact.  Explanation of Impact: Not Applicable.  Funding Source: Airport Authority and FAA.  Alternatives: Not Applicable  Supporting Material: 9 <sup>th</sup> Addendum to El Aero "Mob "Portahangar" lease	
Prepared By: Steven E. Tackes, Esq., Airport Counsel  Reviewed By:  (City Manager)  (District Attorney)  (District Attorney)	& Casey Pullman, Airport Manager  Date: 7-21-2010  Date: 7/27/10  Date: 7/27/10  Date: 7/27/10
(Finance Director)  Board Action Taken:	
Motion: 1) 2)	Aye/Nay
(Vote Recorded By)	_

### NINTH ADDENDUM TO LEASE

(El Aero "Mobill" lease)

THIS ADDENDUM TO LEASE, made and entered into this 15 day of April, 2010, by and between CARSON CITY AIRPORT AUTHORITY, successor to CARSON CITY, a consolidated municipality of the State of Nevada, hereinafter referred to as LESSOR, and EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

### **WITNESSETH:**

WHEREAS, LESSOR and LESSEE are parties to a certain lease dated December 17, 1981 (Mobill lease) regarding a certain portion of the Carson City Airport, with subsequent Addendums, the last of which was numbered 8th; and

WHEREAS, the parties desire to modify the area of the lease in conjunction with the FAA Airport Improvement Project (AIP) runway realignment such that a portion of LESSEE's rented area is relocated such that LESSEE retains an equivalent area after movement of the runway and clear of the taxiway, and to correct the language of the tie-down portion to clarify that the lease of tie-downs does not include pavement which is subject to FAA AIP project improvements; and

WHEREAS, the parties are also exchanging an area south of the existing parcel on which the building stands for an expansion of the leasehold to the east to accommodate planned construction of a new EAA building.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein the parties hereby agree:

1. That the area where the tie-downs are located, as previously set forth in Section II B (aka .014) of the original lease, as amended in Section 1 of the 2<sup>nd</sup> Addendum, and shown on the Airport Lease Parcel Map as Parcel 22 is amended and replaced as depicted in Exhibit A hereto as New Lease Parcel 22, along with the legal description attached

2. That the LESSEE shall pay \$164.22 per month, calculated as \$7.14 per month per tie down, for the aircraft parking tie-downs identified as tie-downs nos. 1-23 located on the Airport Tie-down area described as Parcel 22. [Note: 5 tie downs were added to this lease which were removed from El Aero-PortaHangar lease] LESSEE is renting the tie-downs only. LESSEE shall maintain the tie-down mechanisms (ropes and chains) installed by LESSOR. LESSOR continues to maintain control, possession and ownership of the taxi-lanes and pavement area on which said tie-downs are located, including but not limited to, pavement marking, ultimate movement control and other rights of ownership. Rent to LESSOR shall be payable monthly with payments due on the first day of each month. Tie-down rental rate shall be increased by the CPI increase in paragraph 3 below.

Subject to legal requirements and rates established consistent with legal requirements, in the event that a change of use is approved for the area containing the tie-downs, LESSEE shall have the right to lease the area in Parcel 22 (subject to applicable legal requirements on leasing) in lieu of its limited right to tie-downs.

- 3. That the area where the buildings and associated ramp are located, as previously set forth in Section II A (aka .006) of the original lease, and shown on the Airport Lease Parcel Map as Parcel 27 is amended and replaced as depicted in Exhibit A hereto as New Lease Parcel 27, along with the legal description attached hereto as Exhbit C.
- 4. CPI ADJUSTMENT. An adjustment of the rental and fees above described in this Lease shall occur on two year anniversary intervals from January 1, 2010, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the

preceding two year period. The Price Index shall mean the average for "all items' shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. LESSOR shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 2011 is 186.9 (1982-1984=100) and for December 2009 is 180.9, then the rent would be adjusted by the difference (186.9-180.9) divided by 180.9 which equals a 3.3% increase.

3. That all other provisions of the Lease agreement, as modified by the previous Addendums, and not altered by this Addendum, shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Lease.

EL AERO, LESSEE

**GINNA REYES** 

CARSON CITY AIRPORT AUTHORITY,

LESSOR

ATTES

Ву

IARLOW NORVELL, Chairman

ALEX CARTER, Treasurer

1	CARSON CITY		
2	Approved by the Board of Supervisors this	day of	, 2010.
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4			
- 11	ROBERT L. CROWELL, Mayor		
5	ATTEST:		EGAL COUNSEL as to form.
6	·	Approved	1/ -
7	ALAN GLOVER, Clerk/Recorder	Xnat DISTRIC	/V. AUG T ATTORNEY
8	THE THE TENED OF T	A TDDOD	Γ AUTHORITY
9		LEGAL C	COUNSEL
10		Approved	as to form.
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12		<b>EXENEN</b>	E. TACKES, ESQ.
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# EXHIBIT A/B NEW LEASE PARCEL 22 CARSON CITY AIRPORT LEGAL DESCRIPTION

A of portion of El Aero Services, Inc. lease parcel B as recorded in the Second Addendum to Airport Lease el Aero Services, File No. 000 939110f the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North 71°05'32" West 2036.03 feet; thence South 72°41'25" East, 189.00 feet to the southwest corner of said lease parcel B; thence along the westerly line of said lease parcel, North 17°18'35" East, 30.00 feet to the TRUE POINT OF BEGINNING of this description;

thence continuing along the westerly line of said lease parcel the following three courses;

- 1) North 17°18'35" East, 242.23 feet;
- 2) South 72°41'25" East, 114.00 feet;
- 3) North 17°18'35" East, 42.37 feet leaving said westerly line;

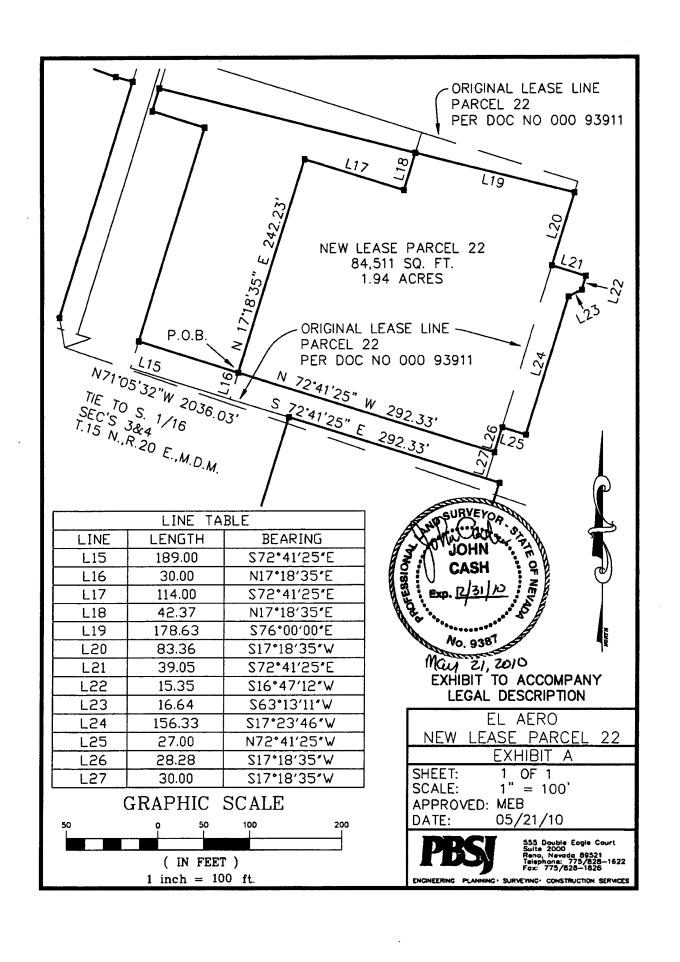
thence South 76°00'00" East, 178.63 feet to a point on the easterly line of said lease parcel; thence along said easterly line, South 17°18'35" West, 83.36 feet; thence leaving said easterly line, South 72°41'25" East, 39.05 feet; thence South 16°47'12" West, 15.35 feet; thence South 63°13'11" West, 16.64 feet; thence South 17°23'46" West, 156.33 feet; thence North 72°41'25" West 27.00 feet to a point said easterly lease line; thence along said easterly line, South 17°18'35" West, 28.28 feet; thence leaving said easterly line, North 72°41'25" West, 292.33 feet to the point of beginning.

Containing 84,511 square feet or 1.94 acres, more or less.

The basis of bearings for this description is Nevada State Plane, West Zone.

As shown on Exhibit A, attached hereto and made a part hereof.

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## EXHIBIT C NEW LEASE PARCEL 27 CARSON CITY AIRPORT LEGAL DESCRIPTION

A portion of Mobile Enterprises, Inc. lease parcel A, as recorded in the Lease of Carson City Airport Property, File No. 8597 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North 71°05'32" West 2036.03 feet; thence South 72°41'25" East, 256.00 feet to the TRUE POINT OF BEGINNING of this description;

thence along the northerly and easterly line of said lease parcel A the following three courses

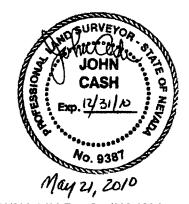
- 1) South 72°41'25" East, 240.33 feet;
- 2) South 17°18'35" West, 40.00 feet;
- 3) South 72°41'25" East, 10.0 feet leaving said easterly line;

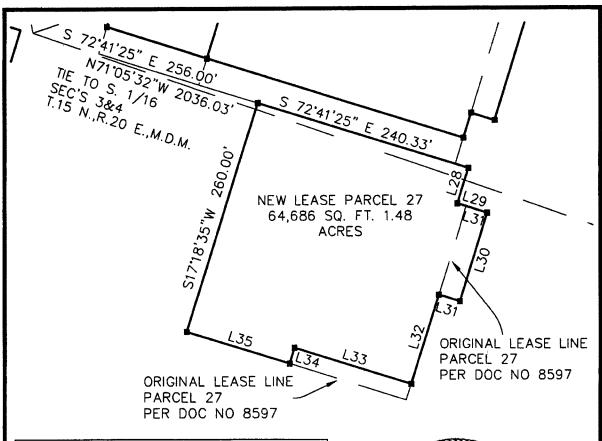
thence South 72°41'25" East, 24.00 feet; thence South 17°18'35" West, 100.00 feet; thence North 72°41'25" West, 24.00 feet to a point on the said easterly line; thence along said easterly line, South 17°18'35" West, 102.00 feet leaving said easterly line; thence North 72°41'25" West, 133.33 feet; thence South 17°18'35" West, 18.00 feet to a point on the southerly line of said lease parcel A; thence along said southerly lease line, North 72°41'25" West, 117.00 feet leaving said southerly line; thence along the westerly line of said lease parcel A, North 17°18'35" East, 260.00 feet to the point of beginning.

Containing 64,686 square feet or 1.48 acres, more or less.

The basis of bearings for this description is Nevada State Plane, West Zone.

As shown on Exhibit C, attached hereto and made a part hereof.





	LINE TABLE				
LINE	LENGTH	BEARING			
L28	40.00	S17°18′35″W			
L29	34.00	S72°41′25 <b>°</b> E			
L30	100.00	\$17°18′35*W			
L31	24.00	N72°41′25″W			
L32	102.00 S17°18′35″W				
L33	133.33	N72°41′25″W			
L34	18.00	S17°18′35″W			
L35	117.00	N72°41′25″W			

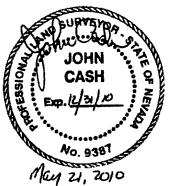


EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

EL AERO NEW LEASE PARCEL EXHIBIT C

1 OF 1 1" = 100' SHEET: SCALE: APPROVED: MEB

05/21/10



GRAPHIC SCALE 200

> ( IN FEET ) 1 inch = 100 ft.

PLANNING - SURVEYING - CONSTRUCTION SERVICES

### NINTH ADDENDUM TO LEASE

(El Aero "PortaHangar" lease)

THIS ADDENDUM TO LEASE, made and entered into this blay of April, 2010, by and between CARSON CITY AIRPORT AUTHORITY, successor to CARSON CITY, a consolidated municipality of the State of Nevada, hereinafter referred to as LESSOR, and EL AERO SERVICES, INC., a Nevada Corporation, hereinafter referred to as LESSEE.

#### WITNESSETH:

WHEREAS, LESSOR and LESSEE are parties to a certain lease dated December 04, 1981 (Miser-PortaHangar lease) regarding a certain portion of the Carson City Airport, with subsequent Addendums, the last of which was unnumbered but would have counted as number 8th; and

WHEREAS, the parties desire to modify the area of the lease in conjunction with the FAA Airport Improvement Project (AIP) runway realignment such that a portion of LESSEE's rented area is relocated such that LESSEE retains an equivalent area after movement of the runway and clear of the taxiway, and to correct the language of the tiedown portion to clarify that the lease of tie-downs does not include pavement which is subject to FAA AIP project improvements; and

WHEREAS, the parties are also exchanging an area south of the existing parcel on which the building stands for an expansion of the leasehold to the east to accommodate planned construction of a new EAA building.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein the parties hereby agree:

 That the area where the tie-downs are located, as previously set forth in the Lease as Exhibit B, as Parcel .015 of the original lease, as amended in Section 1 of the 2<sup>nd</sup> Addendum, and shown on the Airport Lease Parcel Map as Parcel 21 is hereby amended

and replaced as depicted in Exhibit A hereto as New Lease Parcel 21, along with the legal description attached hereto as Exhbit B.

2. That the LESSEE shall pay \$99.96 per month, calculated as \$7.14 per month per tie down, for the aircraft parking tie-downs identified as tie-downs nos. 1-14 located on the Airport Tie-down area described as Parcel 21. [Note: 5 tie downs were removed from this lease and added to El Aero- Mobill lease] LESSEE is renting the tie-downs only. LESSEE shall maintain the tie-down mechanisms (ropes and chains) installed by LESSOR. LESSOR continues to maintain control, possession and ownership of the taxilanes and pavement area on which said tie-downs are located, including but not limited to, pavement marking, ultimate movement control and other rights of ownership. Rent to LESSOR shall be payable monthly with payments due on the first day of each month. Tie-down rental rate shall be increased by the CPI increase in paragraph 3 below.

Subject to legal requirements and rates established consistent with legal requirements, in the event that a change of use is approved for the area containing the tie-downs, LESSEE shall have the right to lease the area in Parcel 21 (subject to applicable legal requirements on leasing) in lieu of its limited right to tie-downs.

- 3. That the area where the modular hangars are located, as previously set forth in the Lease as Exhibit B, Parcel .016 of the original lease, as amended by subsequent addendums, and shown on the Airport Lease Parcel Map as Parcel 20 is hereby amended and replaced as depicted in Exhibit A hereto as New Lease Parcel 20, along with the legal description attached hereto as Exhbit C.
- 4. CPI ADJUSTMENT. An adjustment of the rental and fees above described in this Lease shall occur on two year anniversary intervals from January 1, 2010, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change

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reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items' shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. LESSOR shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December 2011 is 186.9 (1982-1984=100) and for December 2009 is 180.9, then the rent would be adjusted by the difference (186.9-180.9) divided by 180.9 which equals a 3.3% increase.

3. That all other provisions of the Lease agreement, as modified by the previous Addendums, and not altered by this Addendum, shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to Lease.

CARSON CITY AIRPORT AUTHORITY,

EL AERO, LESSEE

LESSOR

ATTEST

ALEX CARTER, Treasurer

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1	CARSON CITY	desi of	2010
2	Approved by the Board of Supervisors this	day of	, 2010.
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4	ROBERT L. CROWELL, Mayor		
5	ATTEST:	CITY'S LI	EGAL COUNSEL
6		Approved	as to form.
7		Krut.	N. Lui
8	ALAN GLOVER, Clerk/Recorder	DISTRIC	T ATTORNEY
9			AUTHORITY
10		LEGAL C Apprøyed	as to form.
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# EXIBIT A/B NEW LEASE PARCEL 21 CARSON CITY AIRPORT LEGAL DESCRIPTION

A of portion of El Aero Services, Inc. lease parcel as recorded in the Fifth Addendum to Airport Lease, File No. 000 93912 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North 71°05'32" West 2036.03 feet; thence South 72°41'25" East, 75.00 feet to the southwest corner of said lease parcel; thence along the westerly line of said lease parcel, North 17°18'35" East, 30.00 feet to the TRUE POINT OF BEGINNING of this description; thence continuing along said westerly line the following three courses;

- 1) North 17°18'35" East, 242.23 feet;
- 2) North 72°41'25" West, 60.00 feet;
- 3) North 17°18'35" East, 25.71 feet leaving said westerly line;

thence South 76°00'00" East, 288.48 feet to a point on the easterly line of said lease parcel; thence along said easterly line the following three courses;

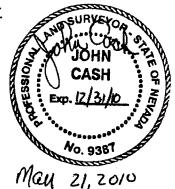
- 1) South 17°18'35" West, 42.37 feet;
- 2) North 72°41'25" West, 114.00 feet;
- 3) South 17°18'35" West, 242.23 feet leaving said easterly line;

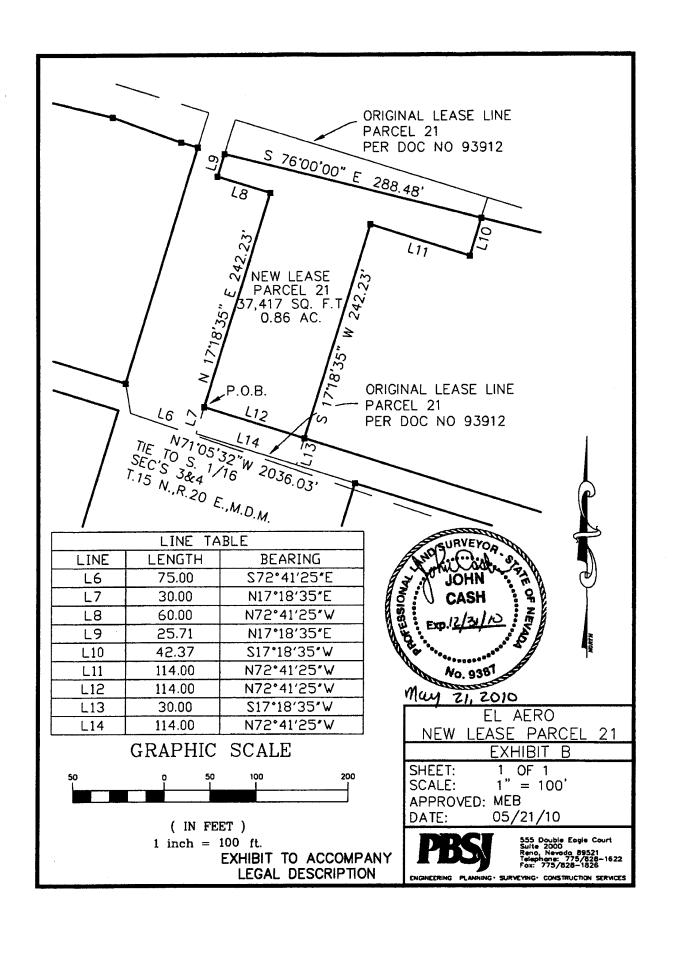
thence North 72°41'25" West, 114.00 feet to the point of beginning.

Containing 37,417 square feet or 0.86 acres, more or less.

The basis of bearings for this description is Nevada State Plane, West Zone.

As shown on Exhibit B, attached hereto and made a part hereof.





## EXHIBIT C NEW LEASE PARCEL 20 CARSON CITY AIRPORT LEGAL DESCRIPTION

A of portion of El Aero Services, Inc. lease parcel 20 recorded in the Seventh Addendum to Lease, File No. 191539 of the Carson City Recorder's Office and located within a portion of the North one-half of the Southeast one-quarter of Section 4, Township 15 North, Range 20 East, M.D.M., in Carson City, Nevada, described as follows:

Commencing at the South one-sixteenth corner of said Section 4; thence North 71°05'32" West 2036.03 feet; thence North 10°06'51" West, 32.38 feet to the TRUE POINT OF BEGINNING of this description;

thence North 72°41'25" West, 313.70 feet; thence North 69°45'47" West, 113.31 feet; thence North 17°25'21" East, 212.04 feet; thence North 58°48'55" East, 48.56 feet; thence South 76°00'00" East, 295.81 feet; thence South 69°36'56" East, 79.96 feet; thence South 74°15'55" East, 19.11 feet; thence South 17°18'35" West, 267.50 feet to the point of beginning.

Containing 111,496 square feet or 2.56 acres, more or less.

The basis of bearings for this description is Nevada State Plane, West Zone.

As shown on Exhibit C, attached hereto and made a part hereof.

