

City of Carson City Agenda Report

Date Submitted: April 19, 2013
(Agenda signing April 23)

Agenda Date Requested: May 2, 2013
Time Requested: consent

To: Board of Supervisors
From: Carson City Airport Authority

Subject Title: Action to approve the Tenth Addendum for the lease between El Aero Services and the Carson City Airport Authority clarifying the tie-down portion of the lease originally titled Mobill Enterprises, recorded Dec 23, 1981 Book 313, Page 172.

Staff Summary: At a regular meeting of the Carson City Airport Authority on April 17, 2013, publicly noticed for that purpose, the Authority approved a Tenth Addendum to this lease to clarify the lease areas that are for aircraft tie-down and that the tenant only has the right to use the tiedowns. This is consistent with the historical interpretation and use. The language is clarifying only.

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

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: (I move that we) approve the Tenth Addendum for the lease between El Aero Services and the Carson City Airport Authority clarifying the tie-down portion of the lease originally titled Mobil Services, recorded Dec 23, 1981 Book 313, Page 172

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 Airport Authority has approved a lease addendum to clarify an existing lease and requests Board of Supervisors approval.

In 1981, Carson City leased a parcel on the Airport to Mobill Enterprises for construction of a Fixed Base Operation (FBO) as well as areas designated for use as aircraft tie-down areas by the FBO. The lease was subsequently assigned to El Aero Services, who operates the FBO currently. In recent years, the FAA has scrutinized leases and in some cases has denied FAA funding for areas where a lease gives a tenant full dominion of a lease area, and correspondingly would ordinarily have the obligation to maintain or replace pavement. While this may be the case for leases at the Carson City Airport where construction occurs, this is not the case for tie-down areas. Instead, the Airport has always treated the tie-down areas as under the dominion and control of the Airport Authority (and the City prior to the Airport Authority's establishment in 1989). The Airport allows the tenant only use of the tie-downs but maintains all rights as to the pavement. As a result, on new leases, the Airport Authority used lease language to clarify this

point. In addition, the Airport Authority has amended older leases with clarifying language to avoid any problems with FAA funding.

The sole purpose of the amendment is to clarify the tie-down area, and that the tenant (El Aero Services) has rights only to the tie-downs themselves, with the Airport Authority retaining dominion and control over the pavement, its maintenance and use. As such, the Addendum makes no changes to the current rent, total leased area or any other significant term of the lease, however all terms are now consistent with current law and sound airport practices.

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

Fiscal Impact: No City impact.

Explanation of Impact: Not Applicable.

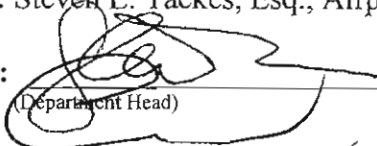
Funding Source: Not Applicable.

Alternatives: Not Applicable

Supporting Material: Assignment

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

Reviewed By:


(Department Head)

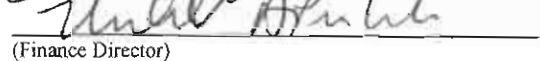
Date: 4-19-2013


(City Manager)

Date: 4/23/13


(District Attorney)

Date: 4/23/13


(Finance Director)

Date: 4/23/13

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)

TENTH ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE, made and entered into this 1st day of January, 2013, 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 nine subsequent Addendums; and

WHEREAS, the parties desire to modify the two lease areas such that the tie-down rental area includes an area that has traditionally used for tie-down but was previously included in the hangar ramp area of the lease, and to clarify that such is a lease of the tie-downs only and not the underlying pavement which is subject to FAA AIP project improvements.

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

1. That the area of the Property leased, as previously set forth in Section II is amended and replaced as follows:

Parcel A, within #27 (formerly .006), FBO and related apron area as set forth in attached Exhibit 1 map and Legal Description. 32,507 sq ft. Rent will continue at \$436.85 per month (\$5,242.20 per year).

Parcel B, within #27 (formerly .006), lease of 8 tiedowns will continue at \$57.12 per month (8 x \$7.14).

Parcel C, #22 (formerly .014), lease of 23 tiedowns will continue at \$164.22 per month (23 x \$7.14).

Said Parcels A and B are shown in the map and legal descriptions attached hereto as Exhibit C.

1 2. That for the lease of tie-downs set forth above, LESSEE is renting the tie-downs
2 only. LESSEE shall maintain the tie-down mechanisms (ropes and chains) installed by
3 LESSOR. LESSOR continues to maintain control, possession and ownership of the taxi-
4 lanes and pavement area on which said tie-downs are located, including but not limited
5 to, pavement marking, ultimate movement control and other rights of ownership. Rent
6 to LESSOR shall be payable monthly with payments due on the first day of each month.
7

8 3. CPI ADJUSTMENT. An adjustment of the rental and fees above described in
9 subparagraph 1 shall occur on two year anniversary intervals from January 1, 2013,
10 during the term of this Lease. Such adjustment of rental shall be based upon the
11 percentage change reflected by the Consumer Price Index (hereinafter called the Price
12 Index) for the preceding two year period. The Price Index shall mean the average for "all
13 items' shown on the "U.S. City Average for All Urban Consumers" as promulgated by
14 Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the
15 agency. LESSOR shall measure each two year adjustment using the most recently
16 available report, recognizing that it may be necessary to use a 2 year period with a final
17 quarter ending prior to each December 31 adjustment date. In no event, however, shall
18 any decrease in the Consumer Price Index result in a decrease of the rental below the base
19 rate. For example, if the CPI for December 2014 is 186.9 (1982-1984=100) and for
20 December 2012 is 180.9, then the rent would be adjusted by the difference (186.9-180.9)
21 divided by 180.9 which equals a 3.3% increase.
22
23
24
25

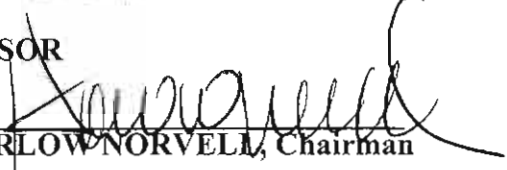
26 4. That all other provisions of the Lease agreement, as modified by the previous
27 Addendums, and not altered by this Addendum, shall remain in effect.
28

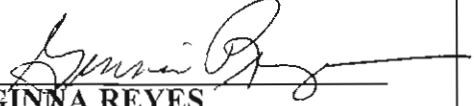
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

CARSON CITY AIRPORT AUTHORITY,
LESSOR

EL AERO, LESSEE

By 
HARLOW NORVELL, Chairman


GINNA REYES

ATTEST:


~~TERESA DILORETTO-LONG~~, Treasurer
GUY WILLIAMS, Vice Chair

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CARSON CITY

Approved by the Board of Supervisors this ____ day of _____, 2013.

ROBERT L. CROWELL, Mayor

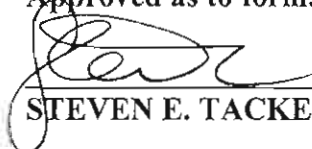
ATTEST:

ALAN GLOVER, Clerk/Recorder

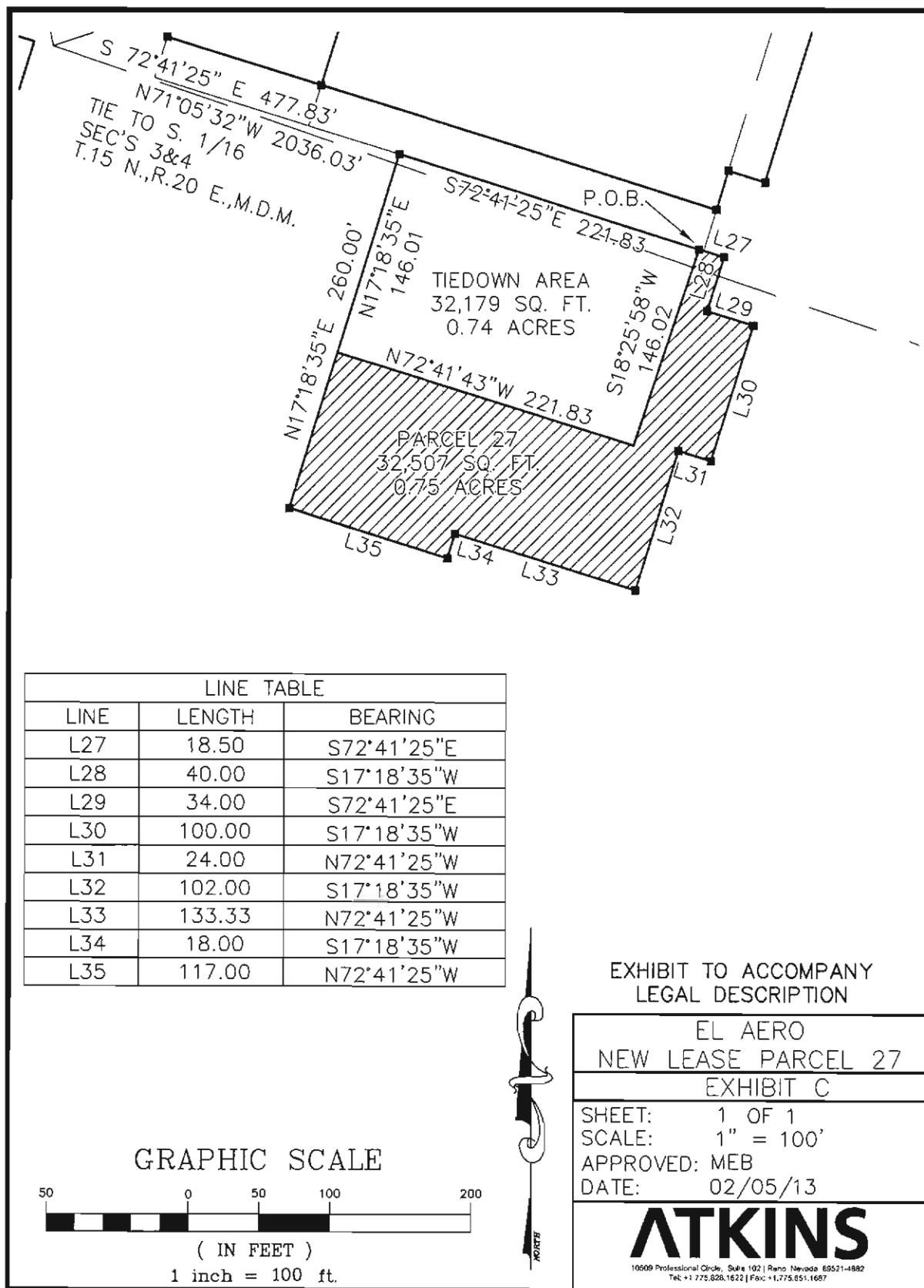
CITY'S LEGAL COUNSEL
Approved as to form.

DISTRICT ATTORNEY

**AIRPORT AUTHORITY
LEGAL COUNSEL**
Approved as to form.



STEVEN E. TACKES, ESQ.



January 22, 2013

**EXHIBIT C
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, 477.83 feet to the TRUE POINT OF BEGINNING of this description; thence, along the lines of said lease parcel A the following ten courses

- 1) South 72°41'25" East, 18.50 feet;
- 2) South 17°18'35" West, 40.00 feet;
- 3) South 72°41'25" East, 34.0 feet;
- 4) South 17°18'35" West, 100.00 feet;
- 5) North 72°41'25" West, 24.00;
- 6) South 17°18'35" West, 102.00 feet;
- 7) North 72°41'25" West, 133.33 feet;
- 8) South 17°18'35" West, 18.00 feet;
- 9) North 72°41'25" West, 117.00 feet;
- 10) North 17°18'35" East, 113.99 feet;

Thence, leaving said lease line, South 72°41'25" East, 218.97 feet; thence, North 18°25'58" East, 146.02 feet, to the point of beginning.

Containing 32,507 square feet or 0.75 acres, more or less.

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

TIE DOWN LEASE AREA

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, 477.83 feet to the TRUE POINT OF BEGINNING of this description; thence, South 18°25'58" West, 146.02; thence, North 72°41'25" West, 218.97 feet; thence, North 17°58'35" East, 146.02 feet; thence, South 72°41'25" East, 221.83 feet to the point of beginning.

Containing 32,179 square feet or 0.74 acres, more or less.

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