

**City of Carson City  
Agenda Report**

**Date Submitted:** 09/08/2014

**Agenda Date Requested:** 09/18/2014  
**Time Requested:** 5-10 mins

**To:** Board of Supervisors  
**From:** Carson City Airport Authority

**Subject Title:** Action to approve the Third Addendum for the lease between James Wickersham (Shadetree Aviation, Inc.) and the Carson City Airport Authority for Parcel W1-B on the maps recorded with the original lease as Document No. 6395 (originally titled Sage Air Service lease).

**Staff Summary:** At a regular meeting of the Carson City Airport Authority on August 20, 2014, publicly noticed for that purpose, the Authority approved a Third Addendum to this lease to clarify that the tenant only has the right to use the tiedowns in the areas designated for tiedown. 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 Third Addendum for the lease between James Wickersham (Shadetree Aviation, Inc.) and the Carson City Airport Authority for Parcel W1-B on the maps recorded with the original lease as Document No. 6395 (originally titled Sage Air Service lease).

**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 the lease assignment and requests Board of Supervisors approval.

In 1981, Carson City leased a parcel on the Airport to Sage Air Service for construction of a Fixed Base Operation (FBO) as well as an area designated W1-B to be used as an aircraft tie-down area. In 2003, the lease was assigned to James Wickersham, who in turn subleased the area to Shadetree Aviation, Inc., an entity wholly owned by James Wickersham, which restores aircraft.

In recent years, the FAA has scrutinized leases and in some cases has denied FAA funding for paving or other rehabilitation for areas where a lease gives a tenant full dominion of a lease area, and correspondingly would require that the tenant have the obligation to maintain or replace pavement. While this may be the case for leases at the Carson City Airport where construction occurs (building footprint areas), 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 that the tenant (James Wickersham) has rights only to the tie-downs themselves and that the Airport Authority has dominion and control over the pavement, its maintenance and use. As such, the Addendum makes no changes to the current rent, leased area or any other significant term of the lease, however all terms are now consistent with current law and sound airport practices.

The Airport Authority has approved the assignment. Consistent with NRS 844, the Airport Authority requests approval from the Board of Supervisors.

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

**Fiscal Impact:** None.

**Explanation of Impact:** Not Applicable.

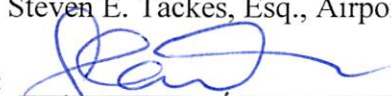
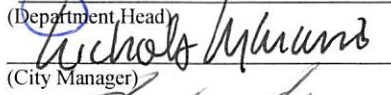
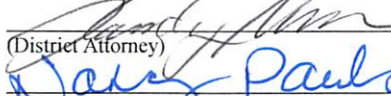

**Funding Source:** Not Applicable.

**Alternatives:** Not Applicable

**Supporting Material:** Third Addendum to Lease

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

**Reviewed By:**

 _____ (Department Head)	Date: <u>9-8-2014</u>
 _____ (City Manager)	Date: <u>9/9/14</u>
 _____ (District Attorney)	Date: <u>9/9/14</u>
 _____ (Finance Director)	Date: <u>9/9/14</u>

**Board Action Taken:**

Motion: _____	1) _____	Aye/Nay
	2) _____	_____
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(Vote Recorded By)

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THIRD ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE, made and entered into this 20 day of AUGUST, 2014, 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 JAMES K. WICKERSHAM, hereinafter referred to as LESSEE, and on behalf of SHADETREE AVIATION, INC., subtenant.

WITNESSETH:

WHEREAS, LESSOR and LESSEE's predecessor (Sage Air Service) entered into a lease dated August 20, 1981 recorded as Document No. 6395, Book 306, Pages 573-589; which lease was subsequently amended vis Document Nos. 70770 (May 10, 1988) and 194927 (Oct 15, 1996), and subsequently assigned to SHADETREE AVIATON, INC., a California Corporation, then assigned to LESSEE and then subleased to SHADETREE AVIATON, INC., a California Corporation via document Nos. 290621 (Jan 17, 2003) and 290622 (Jan 17, 2003), respectively, (collectively, "Lease"); and

WHEREAS, the parties desire to clarify the Lease as to rental of tie-downs versus the underlying ramp area described in said lease.

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

1. That the property leased as described in Section II of the Lease is clarified as follows for the areas identified as PARCEL W1-B (Open Aircraft Storage). 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

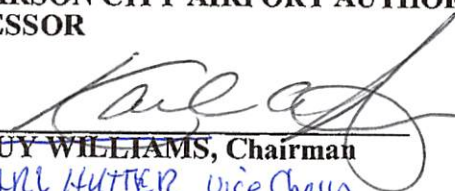
1 rights of ownership on these parcels.

2 2. That all other provisions of the Lease agreement, as modified by the previous  
3 Addendums, and not altered by this Addendum, shall remain in effect.  
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5 IN WITNESS WHEREOF, the parties hereto have executed this Addendum to  
6 Lease.  
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8 CARSON CITY AIRPORT AUTHORITY,  
9 LESSOR

LESSEE

10 By   
11 GUY WILLIAMS, Chairman  
12 *KARL HUTTER, vice Chair*

  
13 JAMES K. WICKERSHAM  
14 As LESSEE and on behalf of  
15 Subtenant SHADETREE AVIATION INC.

12 ATTEST:

13   
14 STEVE POSCIC, Treasurer  
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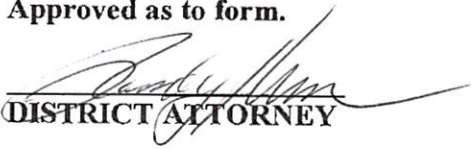
16 CARSON CITY  
17 Approved by the Board of Supervisors this \_\_\_\_ day of \_\_\_\_\_, 2014.  
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19 \_\_\_\_\_  
20 ROBERT L. CROWELL, Mayor

21 ATTEST:

22 \_\_\_\_\_  
23 ALAN GLOVER, Clerk/Recorder

CITY'S LEGAL COUNSEL  
Approved as to form.

  
24 DISTRICT ATTORNEY

AIRPORT AUTHORITY  
LEGAL COUNSEL  
Approved as to form.

  
27 STEVEN E. TACKES, ESQ.  
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