

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
Wednesday, January 19, 2022 • 5:30 PM
Community Center Robert "Bob" Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

Chair – Michael Golden
Treasurer – Jon Rogers
Member – Paul Hamilton
Member – Harlow Norvell

Vice Chair – Tim Puliz
Member – Stan Jones
Member – Karl Hutter

Staff

Steve Tackes – Airport Counsel
Corey Jenkins – Airport Manager
Danielle Howard – Public Meetings Clerk

NOTE: A recording of these proceedings, the Board's agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder's Office, and available for review during regular business hours.

Audio recordings and the meeting minutes of the Carson City Airport Authority meetings are available on www.carson.org/minutes.

A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM

(5:36:23) – Chairperson Golden called the meeting to order at 5:36 p.m.

(5:36:36) – Roll was called, and a quorum was present.

Attendee Name	Status	Arrived
Chairperson Michael Golden	Present	
Vice Chair Tim Puliz	Present	
Treasurer Jon Rogers	Present	
Member Stan Jones	Present	
Member Paul Hamilton	Present	
Member Karl Hutter	Present	
Member Harlow Norvell	Present	

B. PLEDGE OF ALLEGIANCE

(5:36:53) – Led by Treasurer Rogers.

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.

(5:37:16) – Chairperson Golden introduced the item and entertained a motion.

(5:37:30) – MOTION: Vice Chairperson Puliz moved to approve the November 17, 2021 meeting minutes as presented.

RESULT:	APPROVED (7-0-0)
MOVER:	Puliz
SECONDER:	Jones
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

D. MODIFICATION OF THE AGENDA.

(5:37:47) – Chairperson Golden indicated that agenda item G.5 would be heard after item G.2.

E. PUBLIC COMMENT.

(5:38:49) – Chairperson Golden entertained public comments; however, none were forthcoming.

F. CONSENT AGENDA

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE SNOW REMOVAL PLAN.

(5:39:25) – Chairperson Golden entertained a motion to approve the Revised Snow and Ice Control Plan.

(5:39:51) – MOTION: Member Hutter so moved.

RESULT:	APPROVED (7-0-0)
MOVER:	Hutter
SECONDER:	Rogers
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

END OF CONSENT AGENDA

G. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE ANNUAL AUDIT REPORT OF THE CARSON CITY AIRPORT AUTHORITY FOR FY 2020/21.

(5:40:14) – Chairperson Golden introduced the item. Treasurer Rogers and Mr. Jenkins referenced the annual audit report for fiscal year (FY) 2020, which is incorporated into the record.

(5:44:50) – Vice Chairperson Puliz praised Treasurer Rogers and Mr. Jenkins for addressing all of the issues outlined in the report as well as “for being forthright [and] … arduous in gathering the data.” He also believed the result of the report was satisfactory, as the audit found the Authority to be “in compliance with need for improvement.”

(5:45:57) – MOTION: Vice Chairperson Puliz moved to approve the FY 2020 annual audit report of the Carson City Airport Authority conducted by Eide Bailly as published.

RESULT:	APPROVED (7-0-0)
MOVER:	Puliz
SECONDER:	Norvell
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

2. FOR DISCUSSION AND POSSIBLE ACTION: MODIFICATION TO THE MOUNTAIN WEST AVIATION, LLC. LEASE RECORDED SEPTEMBER 5, 2008 AS DOCUMENT NO. 382384 FOR LOT LINE ADJUSTMENT TO CORRECT THE LEGAL DESCRIPTION TO THE AREA ACTUALLY CONSTRUCTED BY THE AUTHORITY WHEN THE LEASE WAS SITED; ADJUSTMENT OF RENT AND REFUND OVERPAYMENT.

(5:46:26) – Chairperson Golden advised of a disqualifying conflict of interest, indicated that he would not be participating in discussion or action on the item, and excused himself for the duration of the item. Vice Chairperson Puliz introduced the item, and Mr. Tackes referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record.

(5:52:08) – Vice Chairperson Puliz entertained comments and, when none were forthcoming, a motion.

(5:52:16) – MOTION: Member Norvell moved to approve the corrected legal description and change to rent between the Carson City Airport Authority and Mountain West Aviation, LLC, as well as authorize the Authority to reimburse Mountain West Aviation, LLC for the overpayment on 1417 square feet (approximately \$552.63).

RESULT:	APPROVED (7-0-0)
MOVER:	Norvell
SECONDER:	Jones
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

3. FOR DISCUSSION AND POSSIBLE ACTION: THRESHOLD DECISION ON WHETHER TO LEASE THE BRAVO PARCEL AS A SINGLE PARCEL; THRESHOLD DECISION ON SIZE OF PARCELS FOR THE TRIANGLE LEASE PARCEL AND/OR DETERMINATION OF MINIMUM OR MAXIMUM SIZE OF PARCELS TO LEASE; SUPPORTING DOCUMENTS NEEDED FOR LEASING.

(7:33:33) – Chairperson Golden introduced the item. He and Mr. Tackes referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record, as well as responded to clarifying questions throughout the discussion on the item. Chairperson Golden brought to the Authority’s attention that, regarding the Bravo Parcel, “our counsel brought up through-the-fence access in coordination with the property owner on the east side of the fence that’s simple interest and off Airport property, and that that property owner has through-the-fence access, and that we could better coordinate if we leased the entire parcel to the same party.” Additionally, the CCAA had identified and designated those through-the-fence access points, and a plan was accepted by the former property owner on the east side of the fence. He noted that, while he believes in “highest and best use” for real property matters, “it’s certainly advantageous to have one party lease the entire parcel, … provided that whatever party leases those 12 acres develops the 12 acres and isn’t holding onto it … and not doing anything with it.”

(7:41:46) – Chairperson Golden entertained public comments. David Vincent introduced himself and indicated that he currently has an airplane that he keeps in Reno. He stated that he and his partner had started a company called High Planes Hangar, and he noted that hangars have been being built for those with PC-12 or CJ3 aircraft while he wished to have hangars available for people, such as himself, who wish to have a nice hangar that does not cost \$600,000. He was comfortable with the idea of someone building on 12 acres; however, he believed that some hangars should be built to accommodate such people as Mr. Vincent. As an alternative, Mr. Vincent suggested that people may wish to build their own individual hangars on land set aside for that purpose with an architectural standard set by the Airport. In response to Treasurer Roger’s inquiry, Mr. Vincent indicated that if two hangars, with a total of 4,999 square feet, could be built in one building with a wall between them and two hangar entrances, the needs of a person with a single-engine airplane could be fulfilled. He added that a couple acres could fit “quite a few” 2,500 square-foot hangars. Chairperson Golden informed Mr. Vincent that the Airport has historically “shied away” from individual hangars and prefers an association with six or 12 hangars on a parcel so that association is responsible for that parcel and all those hangars. He also noted the setback requirements, the landscape requirements, drainage requirements, and a requirement for a ramp.

(7:50:35) – A public commenter (name not provided) indicated that he was a new Reno resident and an airline pilot. He echoed Mr. Vincent’s comment and indicated that he would like to invest in the Airport. He commented that the property was impressive and remarked that “it doesn’t seem like anybody’s doing anything.”

(7:53:30) – Member Hutter indicated that the Bravo Parcel is due west of a large fee simple parcel off Airport property owned by Carson Tahoe Executive Park, LLC, which has shown interest in lease parcels. He added that it was “interesting” because having the same party that owns that fee simple lease the Bravo Parcel “is a sort of built-in sympathetic around the now … easement recorded through-the-fence access points and taxilanes, … [and] if you have the same party with both of those parcels, … in a way, they can just change it up and optimize where those go because you’re not fighting with yourself between the office park and the hangars you want to develop in the fee simple parcel and the storage hangars and potential … FBO-type facilities of various sorts that could also be on the Bravo Parcel in addition to aircraft storage, as well.” He noted that it is the lessee’s role to set up utilities, as utilities do not exist on the Bravo Parcel because the person(s) or entities that lease the parcel altogether or as portions would need to do “quite a bit” of infrastructure development, including utilities and drainage as well as access and a roadway to all of the developments along the parcel, between the north end and the south end of the parcel.

(7:57:25) – Member Norvell believed it would be “proper” to lease the Triangle Lease Parcel as several pieces, possibly through one lease offering, and give several parties the opportunity to look at the property for what might suit their interests.

(8:01:52) – Treasurer Rogers supported leasing the Bravo Parcel as a single parcel and believed the Authority should entertain bids on the Triangle Lease Parcel with a minimum of two acres for lot sizes. Vice Chairperson Puliz and Member Hamilton agreed with Treasurer Rogers’ input, and Vice Chairperson Puliz noted that the portions could accommodate a condo association to build cost-effective hangars that meet Airport standards.

(8:03:36) – Member Hutter was in favor of going through the bid process particularly on the Bravo Parcel, and he believed it was “pretty important … from a best and highest standpoint” to use a process that keeps the opportunity for commercial use open because the Bravo Parcel is “far more suitable” for commercial use than the Triangle Lease Parcel while the Triangle Lease Parcel would be better to consider for storage use only. He recommended considering what would be the largest parcel that a person would reasonably lease and commit to develop within a timeframe that the Authority is comfortable with. He also agreed with Mr. Vincent’s comments and believed that the Authority should consider how to streamline the development process without compromising on the variety or the standards of the hangars as well as develop the architectural and landscape guidelines to “help people conforming with the least amount of overhead.”

(8:06:45) – Chairperson Golden entertained a motion for action on the Bravo Parcel.

(8:07:24) – MOTION: Vice Chairperson Puliz moved to put the Bravo Parcel out to bid as a single parcel, and the Authority would move forward on the other two items separately.

RESULT:	APPROVED (7-0-0)
MOVER:	Puliz
SECONDER:	Hutter
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

(8:08:13) – Chairperson Golden initiated discussion on the Triangle Lease Parcel, and he agreed with the other Members regarding the Triangle Lease Parcel; however, he recommended changing the minimum lot size to 1.5 acres. He believed that it was “imperative” that, when going to bid on a project, the Authority have the basic information outlined in the draft Carson City Airport Land Lease Proposal form as well as elevations and renderings of a proposed project so the Authority has a graphic description to review. Discussion ensued on the matter, during which Mr. Tackes noted that the Authority has always required the referenced information in every bid he has been involved with and mentioned that the standard proposal for bidding states that “the bid must be accompanied with … building material and design specifications for construction, an artist’s or architect’s sketch of the construction on site, general appearance and layout, and a variety of other things like compliance with lease terms.” He recommended adopting the materials specified in the last paragraph of the draft Resolution and Notice of Invitation to Bid Carson City Airport Leases (referenced in agenda item G.4) as well as the bid proposal or the Carson City Airport Land Lease Proposal as supporting materials, as it would make it easier to compare proposed projects.

(8:19:56) – Member Hutter suggested adding “phasing and timing,” and “any proposed commercial use” to the draft Carson City Airport Land Lease Proposal.

(8:20:30) – In response to Treasurer Rogers’ question regarding a recommended minimum parcel size, Mr. Tackes suggested providing the decided-upon criteria to Mr. Jenkins, and Mr. Jenkins could present a drawing that meets those criteria for the Authority to approve as part of the survey for the Triangle Lease Parcel, which could be recorded as a record of survey. Treasurer Rogers agreed with Chairperson Golden’s recommendation to set the minimum lot size to 1.5 acres. Vice Chairperson Puliz commented that “we’re going to have to parcel it out the way it works best when [Mr. Jenkins] works with the plan and engineers,” and he believed that 1.5- to two-acre parcels would be “very appropriate.” He added that the Authority needed to ensure that it could accommodate different styles of hangars and access points.

(8:24:48) – Steve Lewis advised, when considering the Center Triangle and starting to divide the area into pieces, taking into consideration that another component of that development is infrastructure.

(8:27:35) – Based on Mr. Tackes’ recommendation, Chairperson Golden entertained a motion.

(8:28:23) – MOTION: Member Hutter moved to consider the Center Triangle Master Parcel for development in sub-parcels of no less than 1.5 acres and direct Airport Staff to work with consultants in house to develop a proposed layout map for the Center Triangle parcels.

RESULT:	APPROVED (7-0-0)
MOVER:	Hutter
SECONDER:	Puliz
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

(8:34:00) – Mr. Tackes proposed a motion “to include as supporting materials the building material and design specifications for construction; an artist’s or architect’s sketch of the construction on site, general appearance and layout; a statement verifying all terms set forth in the bid documents are accepted or identifying alternative terms and conditions; and the bids must include the lease proposal form, which will be edited to include phasing and timing and commercial use.”

(8:35:00) – MOTION: Vice Chairperson Puliz so moved.

RESULT:	APPROVED (7-0-0)
MOVER:	Puliz
SECONDER:	Jones
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

4. ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID CARSON CITY AIRPORT LEASE ON THE FOLLOWING LEASE PARCEL: BRAVO LEASE PARCEL LOCATED WITHIN THE NORTHEAST ONE-QUARTER (1/4) OF SECTION FOUR (4) TOWNSHIP 15, NORTH, RANGE 20 EAST, MDM, CARSON CITY, NEVADA, OF APPROXIMATELY 12.27 ACRES AS DESCRIBED IN THE SURVEY DOCUMENT PREPARED BY CFA RENO AND POSTED ON THE AIRPORT WEBPAGE; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283.

(8:35:11) – Mr. Tackes referenced the draft Resolution and Notice of Invitation to Bid Carson City Airport Leases, which is incorporated into the record along with the Board Memo and the accompanying documents. He indicated that the phrase “that lot or portions of the lot located on Airport property” in sub-paragraph (a) should instead read “that lot located on the Airport property.” Concerning item 7 of sub-paragraph (b), Member Hutter stated that the standard lease model provides one year for planning and development and one year for construction, and he recommended a minimum of four phases of two years for a complete buildout in eight years for the Bravo Parcel because of the size of the parcel, the number of buildings involved, and the substantial level of infrastructure to be built. He clarified that anyone could bid for a faster timeframe or complete the project faster, and he advised providing “the most latitude possible for a credible project.” Vice Chairperson Puliz indicated that he could support

Member Hutter's recommendation and noted that Carson Tahoe Executive, LLC would likely bid and acquire the Bravo Parcel to invest "such a large amount of money" into the Airport regardless of the length of time for the project. He added that "the real financial impact we're going to get is not the lease; it's going to be the property taxes associated with the high-end airplanes and the nicer hangars."

(8:42:25) – Discussion ensued regarding the revisions to the Resolution, during which Chairperson Golden articulated the following modification to the language for item 7 of the Resolution: "bidders may propose a phase schedule for constructing the hangars, with no more than four phases and no more than one year's time for construction [and] one year for planning of each phase."

(8:45:37) – MOTION: Member Hutter moved to adopt the proposed item G.4 Resolution and Notice of Invitation to Bid on the, approximately, 12-acre Bravo Lease Parcel with the minimum terms as discussed and amended in the proposed Resolution as modified by the Authority's discussion and notes.

RESULT:	APPROVED (7-0-0)
MOVER:	Hutter
SECONDER:	Puliz
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

5. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF CHANGE OF CONTROL OF GONI AVIATION LLC, FROM MESSRS HARTMAN AND CLARY TO KEVIN UPDEGROVE; APPROVAL OF CURRENT RENT ON THE GONI AVIATION LLC LEASE OR ACTION NEEDED FOR CURRENT MARKET RATE; CONSIDERATION OF ISSUE RAISED BY TENANT AS TO OFFSET DUE TO DRAINAGE ACTIONS TAKEN BY THE CITY.

(5:53:21) – Chairperson Golden introduced the item. Mr. Tackes referenced the agenda materials and advised that the Members take action on each matter covered under the item one at a time, which included the ownership change, the rent reset, and the rent reduction request from the Tenant.

(6:00:20) – Chairperson Golden recommended approving the transfer of percentage ownership, as it was "pretty straightforward."

(6:01:14) – MOTION: Member Hutter moved to approve change in ownership of Kevin Updegrove, replacing Bill Hartman and George Cleary.

RESULT:	APPROVED (7-0-0)
MOVER:	Hutter
SECONDER:	Hamilton
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

(6:02:07) – Chairperson Golden entertained discussion regarding the 2022 lease rent change matter of the item. Vice Chairperson Puliz advised of no disqualifying conflict of interest based on his relationship with Steve Lewis, as he had no financial gain from the matter and believed that he could make a fully impartial decision; therefore, he would be participating in discussion and action on the matter.

(6:04:14) – Owner of Sterling Air, Ltd and shareholder of Goni Aviation LLC, Steve Lewis, introduced himself and referenced the agenda materials to elaborate on the partnership situation with Kevin Updegrove and the rent rate. He proposed, on behalf of Goni Aviation LLC, starting at \$0.20 and adding a Consumer Price Index (CPI) clause effective January 1, 2022, with a CPI adjustment every two years. Mr. Updegrove introduced himself and thanked the Authority for approving the change in ownership. Mr. Lewis also responded to clarifying questions.

(6:10:18) – Mr. Jenkins indicated that the two-year CPI increase was 8.1 percent, and Mr. Tackes noted that the rate calculated in the prepayment was \$0.20 per square foot for five years.

(6:13:02) – Chairperson Golden read the following excerpt from the Carson City Airport Lease Amendment and Restatement:

“Beginning in the year 2022, the rate will be set at the then-current market rate for the remainder of the lease term, and shall be adjusted by a reasonable CPI adjustment. Payments shall be made monthly, with payments due on the first day of each month.”

(6:14:00) – Based on the discussion on the matter, Member Norvell pointed out that there were approximately 25 years remaining for the lease, which would be half the length of the leases currently offered at the Airport, and he noted a 25-year lease would be worth less than a 50-year lease because any infrastructure constructed on the leasehold would eventually become property of the CCAA unless the lease was renegotiated. Additionally, he stated that “if the parties were to sell their interest in the lease and seek a reassignment for the parties purchasing the assets, the assets, I would think, will be worth considerably less with 25 years remaining rather than 50.” He believed it may be more appropriate to agree to the \$0.20, apply the CPI increase, and “move forward in consideration of the fact that there are only 25 years remaining.” Member Jones agreed with Member Norvell’s input.

(6:16:14) – Treasurer Rogers stated, “I am loathed to have the Airport Authority codify a concept that says that market rate for any land that we have is less than \$0.28 right before we start writing leases on the Airport property.” While he understood Member Norvell’s point, he was concerned about setting a precedent and argued that the

Authority “has no business setting a current lease rate that’s something other than the appraised value.” He also believed that there was an opportunity to identify what the use could be for the land by combining “some significant consideration” on the next matter concerning the rent reduction request to “have the parcel be correctly managed,” as possibly unusable portions of the parcel should be rebated.

(6:17:42) – Member Hutter agreed with Treasurer Rogers in regards to being aware of the value of Airport land, and he stated that, in requesting the Airport land appraisals and reviewing the appraisal reports, “there really, I don’t believe, is consideration in the appraised value on a per-square-foot basis given to the length of the lease.” He was uncertain about the extent that the amount of land being appraised as a single parcel is taken into consideration. Member Hamilton also inquired about whether the appraised value would be higher or lower with existing hangars on the parcel.

(6:21:38) – Vice Chairperson Puliz added, for the Authority’s consideration, that the lease agreement was completed in response to a basic favor to the CCAA by helping the Airport prefund some expenses, and he noted that the Tenant could possibly be penalized due to the language in the lease agreement by being subjected to an appraisal that had not yet been done. He pointed out that the Triangle Lease Parcel was appraised at \$0.26 per foot and the Bravo Parcel was appraised at \$0.28 per foot, which are both 50-year leases, and he commented that if he was a “business person,” he would be “very concerned” about a 25-year lease. He supported considering a CPI increase, and he believed that the CPI increase may have had to start five years earlier to bring the lease rent at around \$0.23 or \$0.24, adding that doing so would be a fair and equitable way to mitigate a simple lease continuation. Member Hutter clarified that the CPI increase compounded on five years would calculate to 24.3.

(6:24:47) – Chairperson Golden explained that, based on his knowledge from having completed “over 1,000 lease transactions” in his lifetime, “the longer lease term, the less the rate because that’s of greater value to the landowner; the landowner has greater value with a longer-term lease.” He also indicated that “the larger the parcel, the less the rent [and] the smaller the parcel, the greater the rent.” He did not believe there was any way to lease the land with the Authority’s fiduciary obligation to the taxpayers for any cost less than \$0.28 per foot. Chairperson Golden brought to the Authority’s attention that there is another fixed-base operator (FBO) lease of similar or greater size on the south side of the Airport with “a very, very substantially similar language in there to renew.” He questioned whether the Authority would consider a discount of the same magnitude from fair market value with the next FBO lease as well as discount the term outlined in the lease agreement to set the rate at then-current market rate, as the Authority would have to agree with “the letter of the document” otherwise. He also suggested obtaining an appraisal of the parcel to “let the cards fall as they may” if the Tenant did not agree with the rate for the lease and commented that “we should not be judge, jury, and arbiter at a lower rate than market value.”

(6:29:13) – Mr. Tackes clarified that the parcel would be appraised on the basis of how it was originally leased, as raw land, rather than as an improved property, and he believed that the \$0.28 would be applied equally to the Goni Aviation LLC lot based on the appraiser stating that if public access is not provided to the parcel, the appraisal for aircraft storage hangars only and commercial use is the same. He pointed out that the City has insisted on having a provision in the leases being approved lately for the lease to get reappraised and to reset the rental rate every 15 years, though there may be “a little bit of flexibility” since the lease agreement being discussed does not have such

a provision. He advised not being cautious about using an appraised rate because that is what the Airport is being urged to use on all the other leases.

(6:33:12) – Vice Chairperson Puliz pointed out that the rent reset was not asking for a renewal, and while he respected Chairperson Golden’s concern, he remarked that “this is a one-off.” He suggested voting on either of the proposed options discussed for the matter. Discussion ensued, during which Member Hutter expressed that he did not believe having a lease rate adjustment to the current market value “dishonors the much-appreciated decision to advance funds to the Airport in a prepaid lease,” which he added had been done in exchange for some consideration outlined in the lease agreement. Chairperson Golden added that the previous ownership group had provided the discounted net present value on the lease at the time.

(6:37:58) – MOTION: Member Hutter moved to reset the rental rate, in the year 2022, at \$0.28 per square foot per annum based on the current market rate, established by the recent appraisal of the Bravo Parcel, and shall be adjusted by a reasonable CPI adjustment.

RESULT:	APPROVED (5-2-0)
MOVER:	Hutter
SECONDER:	Rogers
AYES:	Golden, Rogers, Hamilton, Hutter, Norvell
NAYS:	Puliz, Jones
ABSTENTIONS	None
ABSENT:	None

(6:39:20) – Chairperson Golden initiated discussion on the matter regarding the rent reduction request, during which Mr. Lewis referenced the agenda materials and responded to clarifying questions. Mr. Lewis stated that he and Mr. Updegrove wished to invest more money in the Airport and develop the northwest corner of the Goni Aviation LLC leasehold that is restricted by the stormwater ditch. In response to Chairperson Golden’s question, Mr. Lewis indicated that the Goni Aviation LLC shareholders were aware of the drainage when Goni Aviation LLC assumed the lease from Cubix Corporation, as the drainage had been on the leasehold since 1989. Based on Mr. Lewis’ explanation of the events, Mr. Jenkins confirmed that the Carson City Public Works Department, when meeting with Public Works staff concerning the stormwater drainage, “was not very willing to help, especially at that meeting; they did not provide any suggested solutions for us.”

(6:47:56) –Mr. Tackes agreed with Member Hutter’s assessment that if the City had “put [the Authority] on strange terms” with one of the lessees by implementing changes to a leasehold that compromised “the enjoyment and beneficial use of that leasehold” through an action taken after the lease was originally granted, and Mr. Tackes believed that “if anybody, City or otherwise, gives a right to somebody and then takes part of it away, there should be some compensation for it.” He was concerned about the current claim of a change to the leasehold occurring over 15 years prior to the meeting, as the adverse possession statutes typically apply to 15 years. He suggested working together on a possible solution, if one exists, such as installing a French drain or something else in the green area of the incorporated map. During discussion, Mr. Lewis noted that “Public Works did not seem to have

any appetite to make any change there,” as Public Works staff rejected his “simple solution” to put a catch basin on the south side of Arrowhead Drive over the drainage that goes to the connector to Arrowhead Drive.

(6:56:49) – Chairperson Golden believed it was incumbent for the Authority to assist with fixing the problem, and Vice Chairperson Puliz questioned whether it was fair to charge a lease until the problem is resolved. Adding to Vice Chairperson Puliz’s point, Member Hutter believed that some form of an abatement of rent “would not be unreasonable” in the meantime because doing so “recognizes that denial of use that has been brought forward, ... and at the same time puts a little bit of fire under this body to really work with the City and get to a good solution here.” He mentioned the possibility of federal contribution to the issue based on improving Airport property to make it more usable to aviation users.

(6:58:38) – In response to Chairperson Golden’s comment, Mr. Jenkins indicated that the referenced figure for the portion of the leasehold under consideration, 5,500 square feet, did not identify the exact borders of the leasehold and, as a result, was “probably not perfect”; however, he noted that the figure was “a good representation for the amount of space that is unusable.”

(7:00:21) – Vice Chairperson Puliz believed it would be wise to consider a rent abatement for the 5,500 square-foot portion of the leasehold, since \$0.28 per foot would amount to a \$1,540 annual discount on the leasehold. Mr. Tackes noted that the Authority could pursue that option, and doing so would essentially be giving Goni Aviation LLC a 10 percent reduction on the lease. He advised drafting the language in terms of the length of time for the abatement and what would need to be done to rectify the issue, otherwise “if you leave it in perpetuity, then really the better solution is simply [to] remove that area from the leasehold.” Mr. Lewis stated that he and Mr. Updegrove did not wish to have the area removed.

(7:03:09) – In response to Treasurer Rogers’s question, Mr. Lewis believed that the suggested improvements to resolve the issue would cost \$15,000 to \$20,000. Mr. Jenkins added that it was difficult to determine the cost of the improvements with the current available information.

(7:04:20) – Member Jones, as the CCAA City Representative, stated that the City would listen to the Authority and Mr. Lewis regarding the matter, and he indicated two or three years would be an appropriate timeframe for the Authority to set for an abatement.

(7:06:17) – Chairperson Golden believed that the abatement should be conditioned upon the Applicant improving the portion of the leasehold and building a ramp area so the Applicant would be “on the hook to let the Airport recover the funds that were abated.” Treasurer Rogers expressed that he was “okay” with Chairperson Golden’s input; however, he suggested that the Authority should also compensate the Applicant for the period of time when that portion of land was unusable starting from the time of the letter addressed to former Airport Manager Ken Moen. Member Hamilton commented that he did not disagree with Treasurer Rogers’ suggestion. Member Hutter determined that the calculated total for a year and a half of retroactive compensation would be \$1,650. Mr. Tackes confirmed that the calculations could be added to the lease changes, and he believed that an amendment to the lease should be prepared to reflect the direction provided by the Authority.

(7:12:50) – MOTION: Member Hutter moved to: (1) rebate the lessee's rent [at the rate] of \$0.20 per square foot times 5,500 square feet for 1.5 years or 18 months and (2) abate the rent (\$0.28) on 5,500 square feet of the leasehold property up to three years going forward from this date, all of this conditioned upon (a) the tenant actually making the leasehold improvements (paved ramp), and (b) with timing that upon the corrections being made to allow development, the tenant shall have plans approved in 1 year and constructions completed at the end of the second year.

RESULT:	APPROVED (7-0-0)
MOVER:	Hutter
SECONDER:	Puliz
AYES:	Golden, Puliz, Rogers, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	None
ABSENT:	None

(7:15:50) – Chairperson Golden recessed the meeting and reconvened the meeting at 7:32 p.m.

H. AIRPORT ENGINEER'S REPORT

(8:54:07) – Chairperson Golden introduced the item. Armstrong Consultants Airport Project Manager Nadine Crow presented the report, which is incorporated into the record, and entertained Member questions; however, none were forthcoming.

I. AIRPORT MANAGER'S REPORT

(8:49:35) – Mr. Jenkins presented his report, which is incorporated into the record. No questions were forthcoming.

J. LEGAL COUNSEL'S REPORT

(8:49:15) – Mr. Tackes did not have any additional items to report.

K. TREASURER'S REPORT

(8:56:30) – Chairperson Golden introduced the item, and Treasurer Rogers referenced the agenda materials.

L. REPORT FROM AUTHORITY MEMBERS

(8:57:19) – Chairperson Golden informed the Authority that a webcam was installed with full view of the Airport at the self-service fuel island; however, it had not yet been linked to the Airport website to make the footage available to the public. He noted that the webcam was operational and has “exceeded our expectations,” and he indicated that he would send the link with the username and password to those interested in viewing the real-time footage from the webcam. Chairperson Golden also reported that an Airport customer decided to have the customer’s passenger hold the circuit breaker open while the customer turned on the pump, which led to the pump,

the circuitry, and the switches needing to be “rewired” and replaced. He indicated that the customer has been identified and would be sent “a nice, fat five figure bill for the damage.”

(8:59:55) – Member Jones stated that he was at the community college about three weeks ago for a presentation, and one of Senator Rosen’s staffers at the meeting recognized Member Jones from the CCAA and stated, “you’re about the only airport in Nevada that didn’t get any federal money this year.” Member Jones indicated to the staffer that Chairperson Golden was in communication with Senator Rosen.

M. PUBLIC COMMENT.

(9:01:12) – Chairperson Golden entertained public comments; however, none were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(9:01:01) – There were no additional requests for agenda items for the next regular meeting.

O. ACTION ON ADJOURNMENT.

(9:01:20) – Chairperson Golden adjourned the meeting at 9:01 p.m.

The Minutes of the January 19, 2022 Carson City Airport Authority meeting are so approved on this 16th day of February 2022.