

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
Wednesday, March 16, 2022 ● 5:30 PM
Community Center Robert “Bob” Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

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| Chair – Michael Golden | Vice Chair – Tim Puliz |
| Treasurer – Jon Rogers | Member – Stan Jones |
| Member – Paul Hamilton | Member – Karl Hutter |
| Member – Harlow Norvell | |

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

(5:30:06) – Chairperson Golden called the meeting to order at 5:30 p.m.

(5:30:22) – Roll was called, and a quorum was present.

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

B. PLEDGE OF ALLEGIANCE

(5:30:37) – Led by Member Jones.

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

(5:30:58) – Chairperson Golden introduced the item and entertained comments, questions, and a motion.

(5:31:23) – MOTION: Member Hutter moved to approve the February 16, 2022 meeting minutes as

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Hutter |
| SECONDER: | Rogers |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

D. MODIFICATION OF THE AGENDA.

(5:31:43) – Chairperson Golden noted that there were no modifications to the agenda.

E. PUBLIC COMMENT.

(5:31:48) – Chairperson Golden entertained public comments; however, none were forthcoming.

F. AIRPORT ENGINEER’S REPORT

(5:32:27) – Chairperson Golden introduced the item. Armstrong Consultants Airport Project Manager Nadine Crow presented the report, which is incorporated into the record. She also entertained Member questions and responded to clarifying questions.

G. CONSENT AGENDA

(5:39:48) – Chairperson Golden introduced the item and entertained a motion.

(5:40:25) – MOTION: Member Norvell moved to accept the Consent Agenda as presented.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Norvell |
| SECONDER: | Hamilton |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

- 1. FOR POSSIBLE ACTION: EXECUTE CONTRACT WITH TITAN ELECTRICAL CONTRACTING, INC., IN THE AMOUNT OF \$155,263.00.**

END OF CONSENT AGENDA

H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVE AMENDMENT TO LEASE; RECONSIDERATION OF ISSUE RAISED BY TENANT AS TO RENT OFFSET DUE TO DRAINAGE ACTIONS TAKEN BY THE CITY.

(5:40:54) – Chairperson Golden introduced the item, referenced the agenda materials, and provided an overview of the preceding events. He also apologized to the Carson City staff, particularly the Carson City Public Works Department, as the CCAA should have allowed that Department the opportunity to provide input, represent the City, and offer knowledge on this matter to respond to the Tenant’s claims.

(5:43:08) – Carson City Public Works Director Darren Schulz introduced himself and explained that there were “many, many years of history” regarding the drainage, some of which the City was not aware of. He clarified that the Public Works Department does not work on private property and, because the Department gets tax dollars, Public Works staff need to spend their efforts in the public right-of-way. He indicated that the City’s knowledge of the matter includes that, approximately 20 to 22 years ago, work was completed on the subject parcel to improve the drainage across the parcel, which was alleged to have been done by the Public Works Department. He mentioned that the Department’s practice for the past 15 years and currently is to not work on private property. Mr. Schulz stated that when an owner wishes to have improvements done on private property, the owner would come to the City for a permit, and a part of the process to gain a permit is the engineering that is required for the parcel or site, including flood control or drainage on a case-by-case basis. Additionally, the applicant works with the City engineering team to mitigate the drainage of the parcel or site; therefore, if there was to be some sort of desired development on the parcel now assigned to Goni Aviation LLC, the Public Works Department staff would ask to be involved in the permit process and involve engineers to find out how to mitigate that drainage. He added that the drainage had been an issue for decades. Mr. Schulz entertained Member questions and responded to clarifying questions. In response to Chairperson Golden’s questions, Mr. Schulz confirmed that the Public Works Department did not have any record that the drainage project was promulgated by the Department or that the project was being performed at all, including by the leaseholder.

(5:55:54) – Goni Aviation LLC Manager Kevin Updegrove introduced himself and commented that, having looked at the area of the leasehold where the drainage is located, a catch basin and a gully are observable, and in combination of when the road was developed, “you can kind of see how any water coming in can’t go anywhere except right down into the current hangar.” He noted that the drainage could potentially cause issues with flooding into the current hangar in addition to causing an issue with future development. In response to Mr. Updegrove’s question, Chairperson Golden indicated that it would be inappropriate for the Tenant to request less than \$0.28 per square foot per year for the rent amount because Mr. Updegrove and Goni Aviation LLC Manager Steve Lewis were entering into a lease for land for full-service fixed-based operator (FBO) rights at \$0.28 per square foot.

(6:00:53) – Chairperson Golden stated that, based on his own research on the matter, he was able to determine through a record of detailed aerial photography (available to the public) “virtually to the year” of when the drainage was installed on the leasehold, and the photography showed that there was a test bed that was used by the Tenant before Goni Aviation LLC existed, which was an asphalt pad with what appears to be metal rebar, as

well as sediment and water flow going over the test bed in the late 1990s. Additionally, in the subsequent photograph, the drainage specifically travels around the test bed perfectly so that the Tenant at the time had the use of the test bed without any issue of water contamination. Chairperson Golden theorized that the drainage project was done for the benefit of the Tenant, and he found it hard to believe that the Public Works Department would do that work for the project on a private leasehold for the benefit of that test bed. He indicated that Goni Aviation LLC assumed the lease with full knowledge of the condition of the leasehold, and he commented, “to come back to the Airport Authority after the fact and seek rental abatement for a condition that has been there for 20 plus years, in my opinion, is not appropriate.” He added that every person he knows who owns property has a portion of unusable property, and he stated that he could not in good faith, on behalf of the taxpayers and the Airport, support a rent abatement to offset a drainage ditch that the Tenant knew was placed on the leasehold.

(6:07:57) – During discussion on the matter, Member Norvell commented that any action that had occurred prior to 2017 no longer matters because that was the year that the lease was reassigned, and he suggested assisting Mr. Updegrove in finding a solution to make the leasehold developable, though he also recognized that it was unlikely that the Authority could use Airport funds to do so.

(6:17:07) – Chairperson Golden advised that Mr. Updegrove and Mr. Lewis hire an engineer and compose some plans to take to the City engineer, as “they will be more than willing to work with you to come up with a solution” in order to do something with the balance of the property. He added that it was not the Authority’s role to engineer and design some form of drainage remediation on the leasehold.

(6:18:35) – Treasurer Rogers mentioned that the CCAA is also a State agency, and any leases that the Authority enters into are governed by rules regarding what may or may not be done with the leases, with many of those rules prohibiting the actions taken during the January 2022 CCAA meeting.

(6:22:12) – Mr. Tackes noted some typos, including the wrong dates that were meant to be in the 1998 to 1999 timeframe, in the Amendment to Carson City Airport Lease Agreement and advised reaffirming the approval of the ownership change, the setting of the rent at \$0.28 per square foot, and providing that there would be no rebate given for the drainage issue.

(6:25:21) – MOTION: Member Norvell moved to accept the change of ownership and set the lease rate retroactive to January 1, 2022 at \$0.28 per square foot per annum as revised and discussed with the removal of Article 3 of the Amendment and the approval of Articles 1 and 2 of the Amendment.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Norvell |
| SECONDER: | Jones |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

2. DISCUSSION AND ACTION CONTINUED FROM MARCH 3, 2022 MEETING REGARDING SUPPLEMENT OF MISSING BID ITEMS ON CONSIDERATION OF SOLE BID RECEIVED (CARSON TAHOE EXECUTIVE) RESPONSIVE TO THE RESOLUTION TO LEASE AND AWARD LEASE FOR THE 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; LEASE AWARD MADE PURSUANT TO NRS 244.283.

(6:27:53) – Chairperson Golden introduced the item, and he and Mr. Tackes referenced the Staff Report and the accompanying documents, all of which are incorporated into the record. Mr. Tackes mentioned that the Applicant, Carson Tahoe Executive LLC (CTE), had inquired about the environmental aspects of the parcel and whether CTE would be held responsible for remediating some sort of contamination due to previous activity. He believed that when the Authority leases the parcel, CTE’s obligation runs from when the lease is executed. He recommended adding clarifying language to the lease stating the following:

“The Tenant shall not be responsible for hazardous material or environmental contamination that is found to have existed prior to the execution of the lease. If said condition prevents the ability of the Tenant to use the leasehold and Landlord is unable to rectify the condition in a timely manner, Tenant may request, and the Landlord will not unreasonably deny, the termination of the lease.”

Mr. Tackes indicated that the lease needs to refer to a parcel, and the Authority did not yet have a record of survey map, for which Mr. Jenkins was notified by the surveying company that the record of survey should be recorded by the following Friday. He stated that the Carson City Assessor could attach an assessor parcel number (APN) to the parcel once the record of survey had been completed, and Mr. Tackes would complete the lease document and obtain signatures from the CCAA and CTE. Chairperson Golden read Vice Chairperson Puliz’s position on the item into the record indicating that Vice Chairperson Puliz supported the Airport taking responsibility for a cost associated with findings that require remediation in response to CTE’s request for a remedy provision in the event that the Federal Aviation Administration (FAA) required [Section] 163 analysis causes unforeseen remediation expenses. Chairperson Golden clarified that the Resolution and Notice of Invitation to Bid Carson City Airport Leases indicated that rent was to be paid one year in advance at time of execution of the lease, which was inconsistent with the lease, and he stated that “the lease is ... the governing document by which we live and die by.” He added that the Applicant was not required to pay one year rent in advance, though the Applicant would be required to commence paying rent immediately, on the first day of the month subsequent to approval by the Carson City Board of Supervisors (BOS), on a monthly basis.

(6:42:00) – Chairperson Golden entertained public comments; however, none were forthcoming. He commented that he did not see any reason why the Authority should not accept the Applicant’s bid and entertained Member comments and questions. Member Hutter stated that he was “certainly very excited to join those who have said that they believe that the requirements of the Statute and the bid process have been met” after having worked with CTE’s representatives and Staff to clarify the process and questions as well as “understand this development in a great bit of detail.”

(6:45:23) – MOTION: Member Hutter moved to award the lease for the Bravo Lease Parcel to Carson Tahoe Executive LLC on the basis of the bid submitted and at the rate of \$0.28 per square foot per annum under the terms offered by the Authority, as amended by the environmental responsibility language provided by counsel; authorize and direct the Chair to execute the lease with the lessee signature; and authorize Staff to present the executive lease to the Carson City Board of Supervisors for their approval and ratification.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Hutter |
| SECONDER: | Norvell |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

3. FOR DISCUSSION AND POSSIBLE ACTION: REVIEW AND APPROVE FY 22/23 PRELIMINARY BUDGET FOR SUBMISSION TO THE NEVADA DEPARTMENT OF TAXATION.

(6:46:52) – Chairperson Golden introduced the item. Treasurer Rogers presented on the Carson City Airport Preliminary Budget for fiscal year 2022/2023, which is incorporated into the record, and responded to clarifying questions. When no further Member comments or questions were forthcoming, Chairperson Golden entertained a motion.

(6:51:57) – MOTION: Member Jones moved to approve FY 22/23 Preliminary Budget and direct Staff to submit to the Nevada Department of Taxation.

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| RESULT: | APPROVED (6-0-0) |
| MOVER: | Jones |
| SECONDER: | Hutter |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

I. AIRPORT MANAGER’S REPORT

(6:52:50) – Mr. Jenkins presented his report, which is incorporated into the record. No Member questions or comments were forthcoming.

J. LEGAL COUNSEL’S REPORT

(6:55:13) – Mr. Tackes congratulated the Authority’s approval of the Preliminary Budget, as it should make it easy to approve the final Budget in May 2022. He mentioned that there was an Albatross aircraft parked on the Bravo Lease Parcel, so he and Mr. Jenkins would be going through the process of demanding the rent from the owner of

the aircraft and telling the owner that he has to move the aircraft somewhere else, and if the owner does not comply, the aircraft will be moved at the owner’s expense, and Staff would follow up with a lien sale under Nevada Revised Statute (NRS) 108. He added that a letter meeting all the criteria pursuant to NRS 108 would be sent out by certified mail to the owner, and if no response is provided to the certified letter, the conditions of the Statute have still been met to permit a lien sale. Mr. Tackes reported that because the fire station next to the Airport is on the Airport’s parcel, Staff were working with Carson City Real Property Manager Robert Nellis to identify the boundaries in order to cut the parcel off so it would not be a part of the Airport. He noted that the first proposal that was presented by Mr. Nellis was “a little bit of an overreach in terms of the area that he had carved out,” and the proposal was sent back to Mr. Nellis requesting that the surveyors realign the property line to where the existing fence is located. He expected to present the proposal to the Authority and the City for approval. Mr. Tackes informed the Authority that Staff were improving the aviation easements by integrating the FAA’s model for aviation easements into the Carson City format so the City Planning Division and developers would have a document ready for information to be filled in. He also responded to clarifying questions.

K. TREASURER’S REPORT

(7:02:18) – Treasurer Rogers referenced the agenda materials and noted that there were two cost items that “we have dramatically overrun this year so far,” including the legal costs for the year and the auditing costs for the year. He and Mr. Jenkins would try to find a way to mitigate some of the auditing costs, and he indicated that the legal costs were being driven by the lease activity and the change of management.

L. REPORT FROM AUTHORITY MEMBERS

(7:02:13) – Chairperson Golden entertained Member reports; however, none were forthcoming.

M. PUBLIC COMMENT.

(7:04:15) – Chairperson Golden entertained public comments; however, none were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(7:04:18) – Chairperson Golden noted that he did not have any additional items to agendize for the next regular meeting.

O. ACTION ON ADJOURNMENT.

(7:04:27) – Chairperson Golden adjourned the meeting at 7:04 p.m.

The Minutes of the March 16, 2022 Carson City Airport Authority meeting are so approved on this 20th day of April 2022.