



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2024-19

Meeting Date: October 16, 2024

Agenda Title: APPROVE LEASE AMENDMENT TO CACTUS AIRFORCE, LLC EXECUTING A LEASE EXTENSION FOR A PERIOD OF AN ADDITIONAL TEN YEARS AND AT CURRENT MARKET RATE.

Staff Summary: In the CARSON CITY AIRPORT LEASE AGREEMENT with CACTUS AIR FORCE, LLC, it states “WHEREAS, the Tenant and Landlord desire to enter into separate leases for the area previously subleased from Mentors Unlimited Inc., (Original lease recorded as Doc #000170359; Sublease recorded as Doc# 00013 3264) incorporating the principal terms of said lease and sublease into the Airport;”

In the FIRST ADDENDUM TO LEASE with Mentors Unlimited, it states “Mentors Unlimited, Inc., a Nevada corporation (“Mentors”); Mentors Master Lease provided: “Upon further negotiation and if agreement as to terms is reached by both parties, then in that event the term of the lease may be extended for a period of ten (10) years. (Mentors Lease, Section 1 on p1)”

According to the language in the lease assignment to Cactus Air Force, LLC and the original lease with Mentors Unlimited, LLC, the extension is permitted. An appraisal was used to raise the rental rate per NRS. Staff recommends the extension.

Agenda Action: Formal Action/Motion

Time Requested 0 Minutes

Proposed Motion

I move to approve the First Amendment to the Cactus Airforce, LLC. lease and authorize the Staff to proceed with a request for Board of Supervisor approval

CCAA'S Strategic Goal

Maintain financial stability and support economic activity in the region.

Previous Action

May 22, 1987 - The original Mentor's Unlimited lease was recorded

June 4, 2014 - A fifth addendum with a size reduction and split off Cactus sublease into its own lease was recorded

Executive Summary

As the Authority knows, the Nevada Revised Statutes requires that lease rates used must meet current market rates. As such, and in discussions with the tenant, we have set the new rental rate at the most recent appraised rate. In short, the only change to the lease is the 10-year extension and the new current rental rate. The new lease rate will increase from \$1883.04 annually to \$5,100 annually. Following CCAA approval, we will submit it to the Board of Supervisors for their approval.

Recommendation:

Approve the amendment to the Cactus Airforce, LLC. lease extending the term by 10 years and updating the rate to the current market rate.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: 3099 General Fund

General Fund/ Federal Share: \$5,100 annually with a CPI increase every two years

Is it currently budgeted?

Yes

Alternatives

Do not approve the amendment as presented and suggest changes.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)