



CCAA BOARD MEMO

Agenda Item: H-01

BOARD MEMO 2024-25

Meeting Date: November 20, 2024

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of Airport Lease Amendment for the south FBO lease held by Mountain West CXP, LLC, (“MW”), to release approximate 17,000 sq ft for the Airport to use for a taxilane, and to extend the Lease for 8 years in return.

Staff Summary: The proposed action is to approve an Eleventh Amendment to the MW lease to remove a portion of leased area. This will allow for a taxilane so that the CCAA can provide aircraft access from a lot to be developed immediately to the south of the MW leasehold. In exchange for the loss of area, as well as its use and profit, the CCAA will extend the remaining portion of the MW lease for 8 years. The area involved is shown on Exhibit A to the Amendment. A Record of Survey will be obtained and recorded to precisely define the area.

Agenda Action: Formal Action/Motion

Time Requested: 0 Minutes

Proposed Motion

I move to approve the Amendment.

CCAA’S Strategic Goal

Allow for development of unused land for aviation purpose and provide safe access for aircraft.

Previous Action and Executive Summary

The original Airport lease was entered into between Carson City and Mobil Enterprises, Inc., dated December 17, 1981, recorded in the Official Records of Carson City as Document No. 8597. There were subsequently 10 amendments to the lease, mostly boundary adjustments, before being assigned to Mountain West

CXP, LLC. [1st Addendum dated April 2, 1987 (renew 5 yr term; assign) ; 2nd Addendum dated December 7, 1989 (boundary adj); 3rd Addendum dated December 7, 1989 (boundary adj); 4th Addendum dated December 7, 1989 (boundary adj); 5th Addendum dated Dec 7, 1989 (boundary adj); 6th Addendum dated June 10, 1994 (updated CPI); 7th Addendum dated July 9, 1998 (change tie down language); 8th Addendum dated January 1, 2003 (extended lease); 9th Addendum dated April 15, 2010 (moved borders for runway project); and 10th Addendum dated Jan 1, 2013 (tie-downs).

The CCAA has been trying to lease the area to the south of the MW leasehold and which borders College Parkway on and off for several years without aircraft access to the runway. To make it marketable for aviation purposes, Staff determined that the parcel would need aircraft access to the taxiways and runway, and thus a taxilane to the existing taxilanes and taxiways. The only feasible solution is over an area leased by MW. To that end, MW has worked with us to find this solution.

The area requested from MW is an area which was leased by MW, a portion for tie-down ramp and a portion for hangar construction. The property area is approximately 17,000 sq ft and is improved with pavement. The following is a calculation of the value of the property being relinquished to the CCAA based on the following assumptions. The average rent that would be paid over the remaining term of the Lease is \$3,721.77 for the subject area. This assumes \$3,400 present value for the area being surrendered back to the airport with 3% annual CPI increases. We used a 6% discount factor and annual as opposed to monthly payments. Monthly payments would get a higher outcome. That said, the portion of the property in question has a value of just over \$33,000 based upon these assumptions. As shown, these estimates indicate that a 7 year extension is at the low end, and fails to consider the lost opportunity if MW were to use the property to generate a business return, which could quickly add justification for several more years. As a result, Staff feels that the 8 year extension of the lease is fair, and somewhat generous on behalf of MW. In that regard, MW has indicated that it is OK accepting this since the change has significant value to the development of the frontage lot and therefore financial benefit to the Airport.

Present Value of Periodical Deposits

Number of Periods (N)

Interest Rate (I/Y)

Periodic Deposit (PMT) /period

PMT made at the beginning end
of each compound period

Results

Present Value: **\$22,022.92**

FV (Future Value)	\$33,114.33
Total Principal	\$26,052.39
Total Interest	\$7,061.94

79%21%PrincipalInterest

Schedule

Period\$0\$5K\$10K\$15K\$20K\$25K\$30K246Accumulated depositsAccumulated interest

	Deposits	Interest	End balance
1	\$3,721.77	\$223.31	\$3,945.08
2	\$7,443.54	\$460.01	\$8,126.86
3	\$11,165.31	\$710.92	\$12,559.54
4	\$14,887.08	\$976.88	\$17,258.19
5	\$18,608.85	\$1,258.80	\$22,238.76
6	\$22,330.62	\$1,557.63	\$27,518.16
7	\$26,052.39	\$1,874.40	\$33,114.33

Thus Staff believes the exchange is equivalent. Note: Once approved, Staff will obtain a Record of Survey to precisely describe the remaining lease area as separated from the taxilane area, but the numbers are not expected to change in any significant way.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: Acct. 5051 Land Leases. Rental income will have a slight reduction initially but once the lot to the south is rented, it will result in a significant increase to rental income.

General Fund/ Federal Share: N/A

Is it currently budgeted?

Alternatives

Do not approve.

Board Action Taken:

Motion: _____ 1) _____
2) _____

Aye/Nay

(Vote Recorded By)

APN 005-011-86

When Recorded, Return to:

Corey Jenkins, Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706

**ELEVENTH AMENDMENT TO
CARSON CITY AIRPORT LEASE AGREEMENT**

This Eleventh Amendment to lease, made and entered into this ___ day of November, 2024, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 College Parkway #6 Carson City, Nevada 89706, and MOUNTAIN WEST CXP, LLC, a Nevada Limited Liability Company (Tenant), whose address is 2500 College Parkway, Carson City, Nevada 89706.

WITNESSETH:

WHEREAS, Tenant leases land for a fixed base operation (FBO) from Landlord under an airport lease. The original lease was dated December 17, 1981, and recorded in the Official Records of Carson City, Nevada, as Document No. 8597, alternatively Book 313 pp 173-186. The lease has Ten Amendments approved by Landlord and/or its predecessor, Carson City. The last amendment is dated January 1, 2013 and recorded as Document No. 0434474. (collectively, the “Lease”).

WHEREAS, Landlord has requested that the Tenant release back to Landlord approximately 17,000 sq. ft. from the leasehold to allow for an aircraft taxilane needed for development of a parcel which would otherwise not have aircraft access.

WHEREAS, the Lease is scheduled to expire on December 17, 2031.

WHEREAS, the parties have agreed, in lieu of payment to Tenant for the removed area, and the loss of use and profit of the removed area, to extend the Lease by 8 years.

THEREFORE, Landlord and Tenant agree as follows:

1. The area shown on Exhibit A as taxilane is removed from the lease, such area to be more precisely identified with a Record of Survey to be recorded at the expense of the Landlord.
2. The Lease is extended for 8 years with a new expiration date of December 31, 2039.

- 3. The rent paid by Tenant shall be reduced to the area remaining, and using the current rental rate per sq ft. The CPI clause shall continue to apply.
- 4. All other terms and conditions of the Lease are unchanged.

TENANT
MOUNTAIN WEST CXP, LLC.

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY

Michael Golden, Manager

Tim Puliz, Chairman

ATTEST:

Jon Rogers, Treasurer

STATE OF NEVADA)
 : ss
CARSON CITY)

On this ____ day of October, 2024, before me, the undersigned, a Notary Public, personally appeared Michael Golden, Manager of MOUNTAIN WEST CXP, LLC, known (or proved) to me to be the person described herein, who executed the foregoing instrument, and acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC (SEAL)

CARSON CITY

Approved by the Board of Supervisors this ____ day of _____, 2024.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

WILLIAM SCOTT HOEN, Clerk/Recorder

DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.