

MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
Wednesday, January 18, 2023 ● 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 – Curtis Horton |
| 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

(5:34:20) – Chairperson Golden called the meeting to order at 5:34 p.m.

(5:34:30) – 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 Curtis Horton | Present | |
| Member Paul Hamilton | Present | |
| Member Karl Hutter | Absent | |
| Member Harlow Norvell | Present | |

B. PLEDGE OF ALLEGIANCE

(5:36:26) – Led by Member Horton.

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

(5:36:48) – Chairperson Golden introduced the item and entertained questions, comments, and a motion.

(5:37:00) – MOTION: Vice Chairperson Puliz moved to approve the November 16, 2022 meeting minutes and the December 5, 2022 special meeting minutes as submitted.

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

D. MODIFICATION OF THE AGENDA.

(5:37:34) – Because Member Norvell was on “a tight timeframe” during the meeting, Chairperson Golden requested keeping the discussions efficient and indicated that the agenda would be modified so that agenda item F would be opened after the agenda action items have been addressed.

E. PUBLIC COMMENT.

(5:39:05) – Chairperson Golden entertained public comments. Tom Gonzales, appearing remotely, introduced himself, and in response to Mr. Gonzales’ question, Chairperson Golden indicated that the matter he wished to address was agendized for the current meeting as agenda item H-3.

F. AIRPORT ENGINEER’S REPORT

(6:47:45) – Chairperson Golden introduced the item. Armstrong Consultants Airport Project Manager Nadine Burgard, appearing via WebEx, referenced the report, which is incorporated into the record, and she responded to clarifying questions.

G. CONSENT AGENDA

H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: CONSIDER BIDS RECEIVED RESPONSIVE TO THE RESOLUTION AND NOTICE OF INVITATION TO BID AND AWARD LEASE FOR THE PARCEL LOCATED AT 2025 ARROWHEAD DR., APN 005-011-94 OF APPROXIMATELY 24,900 SQUARE FEET INCLUDING ALL IMPROVEMENTS AS DESCRIBED IN LEGAL DESCRIPTION AND RAMP DIAGRAM PRAEPARED BY ATKINS AND POSTED ON THE AIRPORT WEBPAGE. CONSIDER BIDS FOR THE ALTERNATIVE OF SALE OF BUILDING WITH LEASE OF LAND. LEASE AWARD MADE PURSUANT TO NRS 244.283

(5:40:43) – Chairperson Golden introduced the item, and he, Mr. Jenkins, and Mr. Tackes referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record. Mr. Jenkins and Mr. Tackes responded to clarifying questions. Chairperson Golden indicated that the Authority had received a written proposal from an existing Airport tenant, Stew’s Aero Services, to lease the entire property located at 2025 Arrowhead Drive for a 50-year term at \$6,600 per month with two percent consumer price index (CPI) adjustments every other year and the option to terminate “at such times as the Airport guidelines, rules, or costs change every two years.” Additionally, the proposed lease would include aircraft access to aircraft movement areas, and the tenant would comply with all Airport rules, including those established in Carson City Municipal Code (CCMC) Title 19. Chairperson Golden noted that Stew’s Aero Services intended to use the proposed lease to expand its maintenance services as well as offered to divide the land lease and re-lease the land not in use for the hangar currently on the property to CXP, for which Stew’s Aero Services would provide the surveys and the additional details of the division of the current lease.

(5:52:29) – Bryan Stewart introduced himself as the owner of High Sierra Pilots and Stew’s Aero Services. In response to Chairperson Golden’s question, Mr. Stewart clarified that “if the Airport suddenly changes rules where we can’t operate in accordance with the assumptions of doing a maintenance business in a hangar or there’s some unexpected price jumps, since we don’t have control of that, when the terms as we set forth in the written lease are to change unexpectedly that we would have the option to terminate.” He added that he had standard language that could be provided. Mr. Stewart stated that the land lease was “much bigger” than the ground lease for the hangar, so there was enough room on the land lease to build “an equally sized and usable hangar,” and Stew’s Aero Services offered to complete the surveys to divide the ground lease in the interest of the Airport. He believed that general aviation maintenance for small piston aircraft was “an important service to the health of this airport,” and he clarified that Stew’s Aero Services wished to relocate its operation from Minden to Carson City to include avionics services in addition to its powerplant and airframe services.

(5:55:13) – Chairperson Gold entertained Member questions and comments, and Mr. Stewart, Mr. Tackes, and Mr. Jenkins responded to clarifying questions. Discussion ensued regarding the proposed termination clause in the proposed lease and the language within the lease.

(6:02:31) – In response to a request from Mr. Gonzales to bid on the property, which was relayed by Member Hamilton, Chairperson Golden and Mr. Tackes indicated that, per Nevada Revised Statute (NRS), such a bid at this time was not permissible.

(6:03:42) – Steve Lewis, Co-Owner of Goni Aviation and Owner of Sterling Air, Ltd., introduced himself, and in response to his question, Mr. Jenkins stated that the varying rate would depend on the actions taken by the lessee to eliminate the CCMC Building Code issues associated with the hangar located on the property. Mr. Lewis stated that he would not be submitting a bid on the lease after having a “productive” discussion with Mr. Stewart. Mr. Lewis “fully” supported Mr. Stewart’s business model; however, Mr. Lewis added that he “reserve[d] the right to orally bid if, in fact, another bid comes up tonight.”

(6:06:37) – Chairperson Golden noted that Stew’s Aero Services met the consideration threshold established by the Authority for additional consideration of an aircraft maintenance facility, and he mentioned that High Sierra

Pilots has been “an exemplary tenant,” as High Sierra Pilots was a tenant of a company owned by Chairperson Golden.

(6:11:00) – Frank Monack introduced himself as the Minden-Tahoe Airport Manager, and he commented in support of Mr. Stewart and Stew’s Aero Services’ operation. Mr. Monack complimented Mr. Stewart as a tenant as well as Mr. Stewart’s operation.

(6:12:11) – MOTION: Vice Chairperson Puliz moved to accept the bid presented by Stew’s Aero Services with the terms for a lease and direct Staff to proceed with development of the lease.

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

(6:13:07) – Chairperson Golden recessed the meeting and reconvened the meeting at 6:16 p.m.

2. FOR DISCUSSION AND POSSIBLE ACTION: REVIEW QUALIFICATIONS RECEIVED RESPONSIVE TO THE REQUEST FOR QUALIFICATIONS (RFQ) TO SERVE AS LEGAL COUNSEL TO THE CARSON CITY AIRPORT AUTHORITY POSTED ON THE AIRPORT WEBPAGE. PROVIDE DIRECTION TO STAFF HOW TO PROCEED.

(6:16:31) – Chairperson Golden introduced the item and referenced the Board Memo and the Request for Qualifications (RFQ) to Serve as Legal Counsel to the Carson City Airport Authority, both of which are incorporated into the record. Mr. Jenkins indicated that the Authority had not received other qualifications in response to the RFQ aside from Mr. Tackes’, and Chairperson Golden suggested that the Authority continue with Mr. Tackes serving as its Airport Counsel. No action was taken on this item.

(6:18:44) – Mr. Tackes mentioned how he was working with Mr. Jenkins and other members of his law firm to find a way to employ attorneys that charge a lower rate so Mr. Tackes could provide direction in order to minimize costs. Treasurer Rogers thanked Mr. Tackes for his sensitivity in attempting to “bring someone along behind him” and appreciated Mr. Tackes’ efforts toward succession planning.

3. FOR DISCUSSION AND POSSIBLE ACTION: CONSIDER RESPONSE (IF ANY) FROM KCXP INVESTMENTS LLC REGARDING NOTICE OF BREACH AND TERMINATION OF LEASE ON TAXIWAY C AND CORRESPONDING ACTION; REVIEW, MODIFY AND/OR APPROVE THE NOTICE OF TERMINATION FOR THE KCXP INVESTMENTS, LLC LEASE ON TAXIWAY C (LEASE RECORDED SEPTEMBER 5, 2008, AS DOC. NO. 382385) TO BE RECORDED.

(6:20:06) – Chairperson Golden introduced the item and advised of a conflict of interest, for which he excused himself from the meeting for the duration of this item. Vice Chairperson Puliz temporarily chaired the meeting at this time. Mr. Jenkins referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record, and provided the Members with a copy of the response letter, dated January 17, 2023, addressed to the Authority from Jet Ranch Manager Robert Reid, which read as follows:

“This letter is in reference to the undeveloped 1.5 acres (Parcel A- .75 ac., Parcel B- .75 ac.) currently held adjacent to the Jet Ranch. We are requesting that we be able to retain the property and make appropriate improvements. We have already invested \$100,000 in this property. We plan to have hangar design and engineering plans submitted in approximately 9 months and an anticipated completion date for the hangars in mid-2024.”

Mr. Jenkins noted the intention of Mr. Reid and Tom Gonzales of KCXP Investments, LLC to develop engineering plans and construct hangars in a quicker timeframe than the Authority would normally allow in a ground lease, which Mr. Jenkins believed was “very hopeful.” He suggested that the Authority consider granting 12 months to generate engineering plans and to obtain permits and an additional 12 months to complete construction if the Authority was to consider allowing more time for KCXP Investments, LLC to construct hangars on the property located along Taxiway C. He believed that the Authority should impose additional requirements for KCXP Investments, LLC, such as a requirement to prepay the two-year period with an obligation to demonstrate forward progress with development of the property. Additionally, KCXP Investments, LLC would be at risk for default for failure of making forward progress, which would be nonrefundable.

(6:28:03) – Mr. Gonzales, appearing remotely, stated that “it was always initially determined that we would put a fuel bar” on the property. He mentioned having put a \$5 million loan on the Jet Ranch aircraft facility in the past, which he noted the Airport “didn’t like,” and he had immediately paid the loan off. He stated, “I always do my best to keep my word,” indicated that he had invested over \$100,000 in the property, and he added that he would be “happy” to do whatever the Authority believed would be appropriate, including offering “any amount of good faith deposits.” Mr. Gonzales explained how he had a problem with the property going into one of his trusts, which would be abolished within the next 60 days, and because he had reduced his workload, he was “happy to build a very nice, big hangar.” He believed that the best action he could take for the benefit of the Airport and the Jet Ranch facility was to build a larger hangar to hold more aircraft and transients while occupying as much space on the property as reasonably possible. Mr. Gonzales clarified that he was involved in only “talking points” with Carson Tahoe Executive LLC (CTE) regarding such options as transferring the lease to CTE.

(6:32:05) – CTE Representative Bruce Carrade introduced himself and confirmed discussions between CTE Manager James Pickett and Mr. Gonzales, as CTE was interested in assuming the lease. Mr. Carrade stated that CTE would support any development at the Airport, and CTE wished to reach terms with Mr. Gonzales.

(6:33:35) – Vice Chairperson Puliz noted how the Airport had been lenient with enforcing the land development requirement outlined in the lease terms due to several issues that were described by Mr. Gonzales, and because the Authority needed to “act now,” Vice Chairperson Puliz and Mr. Jenkins had discussed directing Mr. Gonzales to provide a nonrefundable deposit within 30 days that would be forfeited if Mr. Gonzales does not either start

leasing the land, allow CTE to assume the lease, or start the development process. Mr. Jenkins was in favor of using a measurable dollar amount for a deposit, such as the lease rate, which would amount to \$16,134.24 for a 24-month period. He added that the Authority may decide to proceed with a prepayment of rent or “a good faith deposit,” and discussion ensued on the matter. Mr. Gonzales expressed that he was “happy” to provide the amount of money discussed and more money if necessary. Treasurer Rogers was in favor of the dollar amount Mr. Jenkins suggested, and in response to Treasurer Rogers’ question, Mr. Tackes suggested including a periodic status report as a condition for Mr. Gonzales. Mr. Tackes did not believe that the matter would need to go before the Carson City Board of Supervisors (BOS). Vice Chairperson Puliz recommended a \$25,000 nonrefundable deposit to be provided by Mr. Gonzales with a signed written agreement that would be presented to Mr. Gonzales and voted on by the Authority, and if a deposit has not been provided by the next CCAA meeting, the Authority would continue with termination of the lease. Mr. Gonzales requested adding a provision to the written agreement indicating that he may be granted an extension if there are hindrances to the development process through no fault of his own. Vice Chairperson Puliz continued the item to the February 2023 CCAA meeting, and Member Norvell had excused himself from the meeting at 6:47 p.m.

I. AIRPORT MANAGER’S REPORT

(6:51:21) – Chairperson Golden introduced the item. Mr. Jenkins presented his report, which is incorporated into the record, and responded to clarifying questions.

J. LEGAL COUNSEL’S REPORT

(6:55:17) – Referencing Mr. Jenkins’ report, Mr. Tackes added that he appeared at the 48-hour hold for the first hearing involving the individual who trespassed on Airport property, and at Mr. Tackes’ request, the judge issued an order prohibiting the individual from being within 100 yards of the Airport. Mr. Tackes stated that he had also appeared at the preliminary hearing the following week in front of Judge Thomas Armstrong, who extended the order after hearing the concerns for the Airport. The individual also pled guilty on January 17, 2023 to trespassing on the Airport, and the Carson City District Attorney’s Office informed Mr. Tackes that the guilty plea resulted in a 45-day jail sentence with the addition of being prohibited from being within 100 yards of the Airport for 135 days after serving the sentence. Mr. Tackes stated that he would circulate the written order so Airport personnel could quickly take action if the individual attempted to trespass on the Airport again, and further Airport property damage may be avoided.

K. TREASURER’S REPORT

(6:57:30) – Chairperson Golden introduced the item, and Treasurer Rogers referenced the agenda materials.

L. REPORT FROM AUTHORITY MEMBERS

- 1. STATUS REVIEW OF PROJECTS**
- 2. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS**

3. CORRESPONDENCE TO THE AUTHORITY

4. STATUS REPORTS AND COMMENTS FROM THE MEMBERS OF THE AUTHORITY

(6:58:39) – Chairperson Golden entertained Member reports. Vice Chairperson Puliz complimented Mr. Jenkins’ and Airport Maintenance and Operations Technician Rick Lee’s work at the Airport and noted how Mr. Jenkins and Mr. Lee address emergencies, snow removal, and Airport clients.

M. PUBLIC COMMENT.

(6:59:46) – No public comments were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(6:59:56) – Chairperson Golden noted that the Authority would be reviewing the preliminary Budget during the February 2023 CCAA meeting.

O. ACTION ON ADJOURNMENT.

(7:00:26) – Chairperson Golden adjourned the meeting at 7:00 p.m.

The Minutes of the January 18, 2023 Carson City Airport Authority meeting are so approved on this 15th day of February 2023.