



COMPARABLE LAND SALES ANALYSIS AND DISCUSSION (12.27± Acre Parcel Located on Airport, As of October 21, 2022)

In order to estimate the fee simple Market Value of the subject property, as of the October 21, 2022 date of value, I have reviewed the Sales Comparison Approach to Value analysis as set out in the original report of September 2021.

Comparable Land Sales LS-1 through LS-3, as set out on the preceding chart, were utilized in our original report. In addition to reviewing the comparables utilized in the original report, the Official Records of Carson City were searched for recent sales of comparable vacant land. My research did reveal two recent sales of larger acreage parcels which sold subsequent to the September 2021 appraisal report, which are identified as Sales LS-4 and LS-5.

The comparables ranged in date of sale from February of 2021 of July 2022. The comparables ranged in land area from 4.73± acres to 28.226± acres, as compared to the subject site, which contains 12.27± acres. Sales LS-1 through LS-5 illustrated prices ranging from \$4.24 to \$6.74 per square foot.

Discussion of Adjustments

The comparable properties utilized in this analysis will be compared and correlated to the subject property based upon several adjustment criteria. These include property rights conveyed, financing terms, conditions of sale, market conditions, location, physical characteristics, flood zone and development potential.

Property Rights Conveyed

In this section of the appraisal, the fee simple Market Value of the subject site is being estimated. As each of the sales utilized in this analysis involve the sale of the fee simple interest of the property, no adjustment for property rights is required.

Financing-Terms of Sale (Cash Equivalency)

With the exception of Sales LS-2 and LS-5, each of the comparable sales involved cash transactions, or terms reasonably equivalent to cash. No adjustment for cash equivalency is indicated. Comparable Sales LS-2 and LS-5 involved seller financing with a cash down payment of 50% of the purchase price. Given the terms of sale of this comparable, no adjustment for cash equivalency is indicated.

Conditions of Sale

Based upon a review of the public records and/or interviews with the persons involved with each of the sales utilized in this analysis, no adjustments for conditions of sale are required.



Market Conditions (Date of Sale)

In interviews with market participants, it was the consensus that over the past year there has been increased activity and good demand for industrial land in the Carson City area, resulting in increasing sale prices. It was also noted that there is presently a limited inventory of vacant industrial parcels available for sale. With consideration to recent sales activity, and good demand in the industrial land market, an upward adjustment for market conditions has been made to Sales LS-1, LS-2 and LS-3 which occurred in 2021. Sale LS-4 occurred in March of 2022 and is given an upward adjustment for market conditions (date of sale). Sale LS-5 occurred in July of 2022 and no adjustment is required for date of sale.

General Location

The subject is located in the northeast portion of the airport property in the Carson City Airport industrial submarket. The subject site is situated in north Carson City. All of the comparables are located in either the airport industrial submarket or north-central Carson City and are felt to have a competitive general location in comparison to the subject.

Location On Airport

The subject is located on the airport property at the Carson City Airport. The subject has extensive frontage along Taxiway Bravo. The subject has direct access to the airport runway and taxiways. Due to the subject's location on the Airport, and as it has direct taxiway and runway access, each of the comparable sale properties requires an upward adjustment for this factor.

Zoning

According to the *Carson City Airport Master Plan* the subject site is designated General Aviation Reserve. General Aviation Reserve includes those areas on airport property that are currently undeveloped and should be dedicated for potential aviation-related development in the future, given their location to the runway and taxiway system.

Each of the comparables is zoned for industrial development. Overall, due to the more restricted uses allowed on the subject site under the *Carson City Airport Master Plan*, the comparable sales are considered to have a wider range of potential uses as compared to the subject property. As a result, each of the comparables require a downward adjustment for this factor.

Access/Frontage

The subject property is an interior site and has no direct public street frontage. Access is provided to the subject from the airport interior roadway system.



Each of the comparables has direct street frontage and access, requiring a downward adjustment.

Size

Generally, a relationship exists between the size of the parcel and the per unit price paid. For those sales which are smaller than the subject property, a downward adjustment will be made to the price per square foot. Conversely, for those sales which are larger than the subject property, an upward adjustment will be made to the price per square foot.

Topography

The subject property has level topography. Each of the comparables has level or level to gentle topography; as a result, no adjustment is required for this factor.

Availability of Utilities

In discussions with representatives of the Carson City Airport, it was indicated that all utility services will be required to be extended to the subject parcel. A review of the *Carson City Airport Master Plan* in regards to Airport Utilities indicates that “At this time, any significant landside development, particularly in the proposed north-east or north-central development areas, could be limited by the existing utility infrastructure, or the lack thereof. All future development should consider enhancements to utility infrastructure that could include increased water storage and pumping capacity, sewer, and improved electrical and natural gas capabilities.”

All of the comparables have immediate or reasonable access to utilities. As a result, each of the comparables requires a downward adjustment for their superior availability of utilities.

Other Adjustments

The subject site is located in Flood Zone “X”. A Flood Zone “X” denotes areas of minimal flooding potential. Sales LS-1 and LS-4 are located in a Flood Zone “X” which is similar to the subject. As Sales LS-2, LS-3 and LS-5 are partially located in a floodplain, an upward adjustment is made for flood zone.

The following summarizes the adjustments made to the sales in comparison to the subject property.

Adjustments to Sales

Sale LS-1 is the February 2021 sale of a 28.226± acre parcel located on the south side of Arrowhead Drive, at the west terminus of Lamotte Drive. This parcel is located directly east of the subject property. An upward adjustment is necessary due to this comparable’s February



2021 date of sale. According to the listing broker, this property does have the potential for through the fence access to the airport and is planned to be improved with aviation related uses. Therefore, this comparable is given a minor upward adjustment as the subject is located on airport. A large upward adjustment is made due to this comparable's much larger size, at 28.226± acres. On the other hand, this comparable is given a downward adjustment due to its direct street frontage and access. This comparable requires a downward adjustment due to its superior development potential. Further downward adjustment is necessary due to this comparable's superior availability of utilities. This comparable is considered similar to the subject in regard to general location.

Overall, this comparable, at \$4.24 per square foot, is considered to be a low indicator of an appropriate per unit land value for the subject, primarily due to its older date of sale and much larger land area.

Sale LS-2 is the February 2021 sale of an 11.90± acre parcel located on the northwest side of Arrowhead Drive, approximately 1/3 mile southwest of Technology Way. This property has extensive frontage on Arrowhead Drive. This property is located in the Carson City Airport Industrial submarket. In comparison with the subject, this comparable requires an upward adjustment due to its February 2021 date of sale. This comparable requires an upward adjustment due to the subject's location on airport. An upward adjustment is necessary as the central portion of this comparable's land area is located in a Flood Zone "AE" which are areas of special flood hazard. On the other hand, this comparable requires downward adjustment due to its extensive street frontage and access. A downward adjustment is made due to this comparable's superior development potential. Further downward adjustment is necessary due to this comparable's superior availability of utilities. This comparable is considered similar to the subject in regard to general location, size and topography.

Overall, this comparable, at \$4.49 per square foot, is considered to be a reasonable indicator of an appropriate per unit land value for the subject.

Sale LS-3 is the October 2021 sale of 4.939± acres located in the Carson City Airport Submarket, directly southwest of the airport. The sale site is located at the northeast corner of Old Hot Springs Road and Goni Road and has good access and exposure. In comparison with the subject, this comparable requires an upward adjustment due to its date of sale. This comparable requires an upward adjustment due to the subject's location on airport. This comparable is located in Flood Zones "X" and Shaded "X" and is given a minor upward adjustment for this factor. On the other hand, this comparable requires a large downward adjustment due to its corner situs on Old Hot Springs Road and Goni Road. A downward



adjustment is made due to this comparable's superior development potential. Downward adjustments are made due to this comparable's smaller size and superior shape. Further downward adjustment is necessary due to this comparable's superior availability of utilities. This comparable is considered similar to the subject in regard to general location and topography.

Overall, this comparable, at \$6.74 per square foot, is considered to be a very high indicator of an appropriate per unit land value for the subject.

Sale LS-4 is the May 2022 purchase of two parcels totaling 4.73± acres. The parcels are located on the northeast and southeast corners of North Roop Street, an arterial roadway, and Northridge Drive. In comparison with the subject, this comparable requires an upward adjustment due to its date of sale. This comparable requires an upward adjustment due to the subject's location on airport. An upward adjustment is made as this comparable involves non-contiguous parcels. On the other hand, this comparable requires downward adjustments due to its extensive street frontage, corner situs and access from an arterial roadway. A downward adjustment is made due to this comparable's superior development potential. A downward adjustment is made due to this comparable's smaller size. Further downward adjustment is necessary due to this comparable's superior availability of utilities. This comparable is considered similar to the subject in regard to general location and topography.

Overall, this comparable, at \$6.00 per square foot, is considered to be a very high indicator of an appropriate per unit land value for the subject.

Sale LS-5 is the July 2022 sale of a 12.41± acre parcel located on the northwest side of Arrowhead Drive, approximately 360 feet southwest of Technology Way. This property has extensive frontage on Arrowhead Drive. This property is located in the Carson City Airport Industrial submarket. In comparison with the subject, this comparable requires an upward adjustment due to the subject's location on airport. An upward adjustment is necessary as portions of this comparable's land area is located in a Flood Zones Shaded "X" and "AE" which are areas of moderate to high risk of flood hazard. On the other hand, this comparable requires downward adjustment due to its extensive street frontage and access. A downward adjustment is made due to this comparable's superior development potential. Further downward adjustment is necessary due to this comparable's superior availability of utilities. This comparable is considered similar to the subject in regard to general location, size and topography.

Overall, this comparable, at \$4.99 per square foot, is considered to be a high indicator of an appropriate per unit land value for the subject.



The following chart summarizes the value indications for the subject property.

Summary of Adjustments to Comparable Sales		
Sale No.	Price/SF	Overall Indication
Sale LS-1	\$4.24	Low Indication
Sale LS-2	\$4.49	Reasonable Indication
Sale LS-3	\$6.74	Very High Indication
Sale LS-4	\$6.00	Very High Indication
Sale LS-5	\$4.99	High Indication

In estimating an appropriate per unit value for the subject, consideration has been given to its location on airport at the Carson City Airport, its situs with extensive frontage on Taxiway B, at the east terminus of Taxiway C, its level topography and other physical characteristics. Further consideration is given to the subject's lack of direct street frontage, its size at 12.27± acres (534,481± square feet), its relatively long, narrow shape, and as utilities will need to be extended to the property. Consideration is also given to the fact that development is limited to aviation uses, primarily involving aircraft hangar storage facilities.

In our original report the per unit land value for the subject was concluded at \$4.00 per square foot. However, in light of the recent sales of larger acreage sites in the Carson City area, and the analysis set forth above, it is my opinion that a higher per square foot value for the subject of \$4.50 per square foot is appropriate, as of the current date of value.

Based upon a review of the available data, it is my opinion that a per unit land value applicable to the subject, as of October 21, 2022, is \$4.50 per square foot. Applying the \$4.50 per square foot value to the subject's 534,481± square feet results in an indicated fee simple value of the subject of \$2,405,165, which is rounded to \$2,400,000.

FINAL LAND VALUE CONCLUSION **\$2,400,000**

FINAL PER SQUARE FOOT LAND VALUE CONCLUSION **\$4.50/SF**



UPDATED MARKET LAND RENTAL ANALYSIS - AS OF OCTOBER 21, 2022

The next step in this analysis is to estimate the Market Rent which would be applicable to the subject site. In order to arrive at an estimate of the Market Rent for the subject site, a rate of return must be selected. The selected rate of return will then be applied to the estimated Market Value of the subject property's land area of 12.27± acres to arrive at an estimate of the appropriate market rent applicable to the subject site on an annual basis.

As discussed in the original report, it is our opinion that an appropriate rate of return applicable to subject would be 8%. Rates of return have remained relatively stable over the past year. In addition to the comparisons and interviews conducted in the Northern Nevada and Northern California areas, we have also considered Realty Rates, a national survey. Realty Rates.com conducts a national survey for the Land Lease Market. The Realty Rates.com Investor Survey for the Land Lease Market for the 3rd Quarter is summarized below:

LAND LEASE MARKETS - NATIONAL SURVEY RATES

Date of Survey*	Property Type	Average
Q 3 - 2019	All Properties	7.47%
	Industrial Properties	6.76%
Q 3 - 2020	All Properties	6.25%
	Industrial Properties	5.59%
Q 3 - 2021	All Properties	7.19%
	Industrial Properties	6.46%
Q 3 - 2022	All Properties	8.99%
	Industrial Properties	7.44%

In summary, commercial real estate Brokers and Owners surveyed by this appraisal firm reported rates of return for land leases of between 7% and 10%. When we were able to analyze specific leases, the rates of return for land leases ranged between 7.5% and 8.66%.

Realtyrates.com reports average land lease rate of return for industrial properties ranging from 5.59% to 7.44%, and for all types of properties ranging from 6.25% to 8.99%.

Overall, based upon the information available, it is my opinion that an appropriated rate of return applicable to the subject, as of the current date of value, would be unchanged at 8.0%.



Applying the selected 8% rate of return to the land value estimate of \$4.50 per square foot results in an annual rental rate for the subject site, as of a current date of valuation, of \$0.36 per square foot per year.

MARKET LAND RENT INDICATION
12.27± ACRE SITE – TAXIWAY BRAVO PARCEL

Market Value of Land	\$4.50
Rate of Return	<u>8.0%</u>
Indicated Market Land Rent	\$0.36/SF/Year

INDICATED MARKET LAND RENT PER SQUARE FOOT **\$0.36/SF/YEAR/NNN**
(Rate Of Return Analysis, As of October 21, 2022)

UPDATED DIRECT RENTAL COMPARISON AND ANALYSIS AS OF OCTOBER 21, 2022

In order to arrive at an estimate of the Market Rent which would be applicable to the subject land I have also reviewed the *Direct Rental Comparison and Analysis* set forth in the original report. A comparable rental survey of ground lease rates at other comparable airports in the greater region was conducted. Based upon this survey, a number of similar ground rentals on airport property were identified. The rentals were investigated, analyzed and compared to the subject. The comparable rentals are set out following:

COMPARABLE AIRPORT LAND LEASE CHART

Rental No.	Airport Location	Land Area Amenities	Lease Term	Expenses Rent Adjustments	Rent/SF Year
CAL-1	Carson City Airport Mountainview Community Assoc. SWC Taxiway B & Taxiway C 2600 E. College Pkwy, Carson City, NV	29,925 Security card access	2018 50 Years	NNN CPI Adjustments Every 2 Years 10th Year per Appraisal*	\$0.29
CAL-2	Carson City Airport SWC Taxiways B & C 2600 E. College Pkwy Carson City, NV	64,271 SF (1.476± Acres) Security card access	2021 50 Years	NNN CPI Adjustments Every 2 Years	\$0.30
CAL-3	Reno-Stead Airport Between Taxiway "A" & Army Aviation Dr., 1,100±' West of Alpha Avenue Reno, NV	14± Acres (609,840± SF)	Current Listing Negotiable Typically 30 to 50 Years	NNN Annual CPI	Asking \$0.28
CAL-4	Minden-Tahoe Airport 1146 Airport Road Minden, NV	Various Restrooms	Typical Lease 25 - 50 Years	NNN Annual CPI 15th Year per Appraisal	East Side \$0.30 West Side \$0.40
CAL-5	Elko Regional Airport Confidential 975 Terminal Way Elko, NV	1.13 Acres 49,080 SF	1st Qtr. 2021 20 Years (One 5 Year Option)	NNN 2% Annual Increase	\$0.33
Subject	Carson City Airport - Taxiway B Parcel E/S of Taxiway Bravo, at the East Terminus of Taxiway C Carson City	12.27 Acres 534,481 SF Security card access	Typical Lease 50 Years	NNN Negotiable	\$0.29

*At the option of the Landlord, the rent rate may be adjusted per appraisal each 10th Year of the lease.

The reader is referred to the locational map and profile sheets for each of the comparables which are set out in our original report. It is noted that the rental rates for Comparables CAL-1 and CAL-5 have been increased subsequent to our original report. The current rental rate for CAL-1 is \$0.29 per square foot per year and the current rent for CAL-5 is \$0.33 per square foot per year.

The subject is located at the Carson City Airport. There is no regularly scheduled commercial air service into the Carson City Airport. Most of the traffic is single or twin-engine



propeller aircraft or small private jets. The taxiways are asphalt paved, there are two primary aircraft parking aprons at the airport providing approximately 150 tie-down positions. The Airport does include airfield lighting and is equipped with an automated weather observation system. Fuel, maintenance and aircraft storage services are available on the airport property.

In order to estimate an appropriate per square foot rental rate for the subject we have reviewed the *Comparable Land Rentals Discussion*, as set out in our original report. It is recognized that the rental rates for Comparables CAL-1 and CAL-5 have been increased subsequent to our original report. Overall, the comparables tend to support an annual market rental rate for the subject, by the *Direct Rent Comparison Analysis*, as of October 21, 2022, in the range of \$0.30 to \$0.35 per square foot of land area, on NNN lease terms.

ANNUAL MARKET LAND RENT INDICATION \$0.30 to \$0.35/S.F./YEAR/NNN



FINAL MARKET LAND RENT CONCLUSION - AS OF OCTOBER 21, 2022

In estimating an appropriate per square foot land rent applicable to the subject, consideration is given to its location on the Carson City Airport, along Taxiway B at the east terminus of Taxiway C. Consideration is given to its accessibility via the airport interior roadways, amenities available on airport as well as its size and other physical characteristics. Further consideration is given to the services provided by the airport and the average condition of the airport facilities including the runway and taxiways.

In the Rate of Return Analysis, the market rent for the subject land was indicated to be \$0.36 per square foot per year, on NNN lease terms.

In the Direct Rent Comparison Analysis, the market rent for the subject was indicated to be \$0.30 to \$0.35 per square foot of land area, per year on NNN lease terms.

In estimating an appropriate land rent for the subject, consideration has been given to its location on airport at the Carson City Airport, its extensive frontage on Taxiway B, its level topography and other physical characteristics. Further consideration is given to the subject's lack of direct street frontage, its size at 12.27± acres, its relatively long, narrow shape, and as utilities will need to be extended to the property. With consideration given to these factors, it is our opinion that an appropriate rental rate for the subject land is in the range of \$0.30 to \$0.35 per square foot per year. Applying the selected rent range to the subject's 534,481± square feet of land area results in a range of \$160,344 to \$187,068 per year, which is correlated to an annual rent of \$170,000.

Based upon a careful review of all information available, it is our opinion that the Market Land Rent applicable to the subject property's 12.27± acre site, and assuming NNN lease terms, as of October 12, 2022, is \$170,000 per year, which equates to \$0.32 per square foot per year.

MARKET LAND RENT CONCLUSION/SQUARE FOOT **\$0.32/S.F./YEAR/NNN**

MARKET LAND RENT CONCLUSION/ YEAR **\$170,000 PER YEAR/NNN**



APPRAISERS' CERTIFICATION

Each of the undersigned do hereby certify that, unless otherwise noted in this appraisal report:

- I have made a personal inspection of the property that is the subject of this report.
- I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- To the best of my knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions herein are based, are true and correct.
- This report sets forth all the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute*, which include the *Uniform Standards of Professional Appraisal Practice*.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The appraisal was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- The appraiser's state registration/certification has not been revoked, suspended, cancelled or restricted.
- The appraiser has performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- No one other than the undersigned prepared the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Cindy Lund Fogel has completed the requirements under the continuing education program of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



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The real property, which is the subject of this appraisal report, was valued, as of October 21, 2022. It is my opinion that the Market Land Rent of the subject property, under the extraordinary assumptions set forth herein, is as follows:

MARKET LAND RENT CONCLUSIONS	
Market Land Rent Conclusion/Square Foot	\$0.32/SF/Year/NNN
Market Land Rent Conclusion/Year	\$170,000/Year/NNN

Respectfully Submitted,

Cindy Lund Fogel, MAI
Nevada Certified General Appraiser
License Number A.0002312-CG

STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following assumptions and limiting conditions.

LIMITS OF LIABILITY

This report was prepared by Johnson Perkins Griffin, LLC. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson-Perkins Griffin, LLC, as employees, not as individuals. The liability of Johnson Perkins Griffin, LLC and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The appraisal fee represents compensation only for the analytical services provided by the appraiser(s). The appraisal report remains the property of the appraisal firm, though it may be used by the client in accord with these assumptions and limiting conditions.

This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) and the appraisal firm shall bear no responsibility for any such unauthorized changes.

CONFIDENTIALITY

Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.



INFORMATION SUPPLIED BY OTHERS

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser(s). Neither the appraiser(s) nor the appraisal firm is liable for any information or the work product provided by subcontractors. The client and others utilizing the appraisal report are advised that some of the individuals associated with Johnson Perkins Griffin, LLC are independent contractors and may sign the appraisal report in that capacity. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. To the best of our judgment and knowledge, all such information is considered appropriate for inclusion. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE

The contract for each appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraisers(s) or those assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser(s) nor those assisting in the preparation of the report is required to engage in post-appraisal consultation with the client or other third parties, except under a separate and special arrangement and at an additional fee.

EXHIBITS AND PHYSICAL DESCRIPTIONS

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser(s) and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS

No responsibility is assumed by the appraiser(s) or the appraisal firm for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, his designee or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.



ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS

This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report.

Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts. This appraisal report is based on the assumption that there are no hidden, unapparent or apparent conditions on the property or improvements which would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

TOXIC MATERIALS AND HAZARDS

Unless otherwise stated in the appraisal report, no attempt has been made to identify or report the presence of any potentially toxic materials and/or condition such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyl, pesticides, lead-based paints or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such potentially toxic materials and/or conditions. If any potentially toxic materials and/or conditions are present on the property, the value of the property may be



adversely affected and a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. Neither the appraiser(s) nor the appraisal firm is liable for any problems arising from soil conditions. These appraisers strongly advise that, before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser(s) has not been supplied with a termite inspection report, survey or occupancy permit, no responsibility is assumed and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

ARCHEOLOGICAL SIGNIFICANCE

No investigation has been made by the appraiser and no information has been provided to the appraiser regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

LEGALITY OF USE

This appraisal report assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

COMPONENT VALUES

Any distribution of the total value between the land and improvements, between partial ownership interests or any other partition of total value applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. It is assumed that the property is in direct compliance with the various detailed requirements of the ADA.



AUXILIARY AND RELATED STUDIES

No environmental or impact studies, special market studies or analyses, special highest and best use studies or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

DOLLAR VALUES AND PURCHASING POWER

The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

ROUNDING

Some figures presented in this report were generated using computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

QUANTITATIVE ANALYSIS

Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by our experience and other factors not specifically set forth in this report.

VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER

All values shown in the appraisal report are projections based on our analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. ~~The appraiser(s) does not represent these models as indicative of results that will actually be achieved. The value estimates consider the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report.~~

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value or value in use is a reflection of such benefits and of the appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of valuation of the report, and are subject to change as market conditions change.

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.



ECONOMIC AND SOCIAL TRENDS

The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of value of this appraisal. The appraiser is not obligated to predict future political, economic or social trends.

EXCLUSIONS

Furnishings, equipment, other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

SUBSURFACE RIGHTS

No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

It is assumed in the appraisal report that all proposed improvements and/or repairs, either on-site or off-site, are completed in an excellent workmanlike manner in accord with plans, specifications or other information supplied to these appraisers and set forth in the appraisal report, unless otherwise explicitly stated in the appraisal. In the case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. The estimate of market value is as of the date specified in the report. Unless otherwise stated, the assumption is made that all improvements and/or repairs have been completed according to the plans and that the property is operating at levels projected in the report.

MANAGEMENT OF PROPERTY

It is assumed that the property which is the subject of the appraisal report will be under typically prudent and competent management which is neither inefficient nor superefficient.

FEE

The fee for any appraisal report, consultation, feasibility or other study is for services rendered and, unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

LEGAL EXPENSES

Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.



CHANGES AND MODIFICATIONS

The appraiser(s) reserves the right, at the cost of the client, to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown on the date of valuation of this report.

DISSEMINATION OF MATERIAL

Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, new media or other public means of communication without the prior written consent and approval of the appraiser(s).

The acceptance and/or use of the Appraisal Report by the client or any third party constitutes acceptance of the Assumptions and Limiting Conditions set forth in the preceding paragraphs. The appraiser's liability extends only to the specified client, not to subsequent parties or users. The appraiser's liability is limited to the amount of the fee received for the services rendered.



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Professional Designations

MAI – Member of the Appraisal Institute 2000

State Licensing and Certification

Nevada Certified General Appraiser
License #A.0002312-CG (Certified through 5/31/24) 1996

Offices Held

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 2011/2012
President, Reno/Carson/Tahoe Chapter Appraisal Institute 2009/2010
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute 2008
Education Chair, Reno/Carson/Tahoe Chapter Appraisal Institute 2002
President, Reno/Carson/Tahoe Chapter Appraisal Institute 2001
Vice President, Reno/Carson/Tahoe Chapter Appraisal Institute 2000
Treasurer, Reno/Carson/Tahoe Chapter Appraisal Institute 1999
Secretary, Reno/Carson/Tahoe Chapter Appraisal Institute 1998

Occupational History

Johnson Perkins Griffin, LLC 03/2015 to Present
Real Estate Appraiser
Johnson - Perkins & Associates 1994 – 02/2015
Real Estate Appraiser
Johnson - Wright & Associates 1992 - 1994
Real Estate Appraiser
Stephen R. Johnson & Associates 1990 - 1992
Real Estate Appraiser

Admitted as Expert Witness

Washoe County Board of Equalization
Nevada State Board of Equalization

Appraisal Education & Technical Training

American Institute of Real Estate Appraisers 1991
Course 1A-1 "Real Estate Appraisal Principles"
Course 1A-2 "Basic Valuation Procedures"
Course 1BA "Cap Theory & Tech, Part A" 1992
Course 1BB "Cap Theory & Tech, Part B"
Nevada Law (NRS 645C) 1993
Standards of Professional Practice Parts A & B 1993
Advanced Applications 1993
Report Writing and Valuation Analysis 1995
Case Studies in Law and Ethics 1998
Standards of Professional Practice, Part C 1998



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Education & Technical Training (Continued)

7-Hour National USPAP Update Course	2006
Cost Approach to Commercial Appraising	2006
Uniform Appraisal Standards/Federal Land Acquisitions	2007
7-Hour National USPAP Update Course	2007
7-Hour National USPAP Update Course	2008
Business Practices and Ethics	2008
Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book)	2009
7-Hour National USPAP Update Course	2010
Business Practices and Ethics	2010
Corridor Valuation & Yellow Book Issues and Divided Partial Interests	2010
7-Hour National USPAP Update Course	2012
State of Nevada Economic Overview, Brian Bonnenfant	2013
7-Hour National USPAP Update Course	2014
7-Hour National USPAP Update Course	2016
Eminent Domain & Condemnation	2016
Business Practices & Ethics	2016
7-Hour National USPAP Update Course	2018
Solving Land Valuation Puzzles	2018
2019 Northern Nevada Real Estate Overview	2019
7-Hour National USPAP Update Course	2020
Laws for Nevada Appraisers	2020
The Basics of Expert Witness for Commercial Appraisers	2020
Appraisal of Land Subject to Ground Leases	2020
Appraising Small Apartment Properties	2021

Appraisal Seminars

Uniform Appraisal Standards for Federal Land Acquisitions	2022
2022-2023 7-Hour National USPAP Update Course	2022
That's a Violation	2022
Appraising Airports and Airplane Hangars	2014
Online Data Verification Methods	2014
Online Advanced Internet Search Strategies	2014
Effective Rent and Seller Concessions in Market Value Appraisals	2013
Appraisal Curriculum Overview	2011
Diminution of Value and Severance Damages	2011
Qualitative Analysis: How and Why it is Important	2011
The Lending World in Crisis-What Clients Need	2011
Forecasting Revenue/Appraising Distressed Commercial Real Estate	2009
Valuation of Easements and Other Partial Interests	2009
Construction Defects and Cost Trends & Feasibility Analysis	2008
Valuation of Detrimental Conditions	2008
Spotlight on Common Errors & Confidentiality USPAP Issues	2008



**QUALIFICATIONS OF APPRAISER
CINDY LUND FOGEL**

Appraisal Seminars (Continued)

The Essentials, Current Issues & Misconceptions in Appraising	2007
Attacking & Defending an Appraisal in Litigation	2007
Analyzing Distressed Properties	2005
Appraisal Valuation Modeling	2004
Subdivision Valuation	2004

Formal Education

University of Nevada-Reno: Bachelor of Arts, College of Arts and Science	1989
Truckee Meadows Community College, Associate in Arts	1984
Sparks High School, Sparks, Nevada	1975

Types of Property Appraised

Vacant Land
Warehouses and Industrial Buildings
Professional Office Buildings
Commercial Buildings
Apartment Complexes
Aircraft Hangars
Right-of-Way & Public Utility Easements

Representative Client List

Regional Transportation Commission
Truckee Meadows Water Authority
Reno-Tahoe Airport Authority
Carson City Airport Authority
Minden-Tahoe Airport Authority
Truckee Tahoe Airport
Town of Truckee, California
University of Nevada, Reno
Desert Research Institute
Washoe County School District
NV Energy
Carson City
Churchill County
State of Nevada Division of State Lands
V & T Railroad Commission
Washoe County Community Services
Thomas Hall, Attorney
Mark Wray, Attorney
Robison Sharp Sullivan Brust, Attorneys
City of Fallon, Nevada
City of Fernley, Nevada



JOHNSON | PERKINS | GRIFFIN
REAL ESTATE APPRAISERS & CONSULTANTS

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : CINDY LUND FOGEL

Certificate Number: A.0002312-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: September 6, 2022

Expire Date: May 31, 2024

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

**FOR: JOHNSON PERKINS GRIFFIN, LLC
6121 LAKESIDE DRIVE, SUITE 160
RENO, NV 89511**

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator





CCAA BOARD MEMO

Agenda Item: H-3

BOARD MEMO 2022-36

Meeting Date: November 16, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID CARSON CITY AIRPORT LEASE LOCATED AT 4331 GONI ROAD, APN 005-011-94, (formerly leased to Shadetree Aviation) OF APPROXIMATELY 24,900 SQUARE FEET AS DESCRIBED IN LEGAL DESCRIPTION AND RAMP DIAGRAM PREPARED BY ATKINS AND POSTED ON THE AIRPORT WEBPAGE; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; CONSIDER ALTERNATIVE OF SALE OF BUILDING WITH LEASE OF LAND; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283. (C. Jenkins, S. Tackes)

Staff Summary: Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of resolution by the Authority. The Authority had previously identified this parcel for lease and obtained an appraisal. The proposed resolution will: (a) Describe the property proposed to be leased in such manner as to identify it; (b) Specify the minimum rental, and the terms upon which it will be leased and/or leased with a purchase of the hangar; and (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered.

Agenda Action: Formal Action/Motion

Time Requested: 15 Minutes

Proposed Motion

I move to approve the draft resolution and notice of invitation to bid for 4331 Goni Road, APN 005-001-94 with a deadline for bids of _____ and the date for the bid opening and consideration of _____.

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
Wednesday, November 16, 2022 ● 5:00 PM
Community Center Robert “Bob” Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

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

(5:04:13) – Chairperson Golden called the meeting to order at 5:04 p.m.

(5:06:33) – Roll was called, and a quorum was present.

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

B. PLEDGE OF ALLEGIANCE

(5:05:01) – Led by Member Hutter.

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

(5:05:39) – Chairperson Golden introduced the item and entertained questions, comments, and a motion.

(5:05:49) – MOTION: Member Jones moved to approve the November 16, 2022 meeting minutes as presented. Member Hutter abstained from voting, as he was not present during the November 16, 2022 meeting.

RESULT:	APPROVED (5-0-1)
MOVER:	Jones
SECONDER:	Hamilton
AYES:	Golden, Puliz, Jones, Hamilton, Norvell
NAYS:	None
ABSTENTIONS	Hutter
ABSENT:	Rogers

D. MODIFICATION OF THE AGENDA.

(5:05:26) – Chairperson Golden noted that there were no modifications to the agenda.

E. PUBLIC COMMENT.

(5:07:06) – Chairperson Golden entertained public comments; however, none were forthcoming.

F. AIRPORT ENGINEER'S REPORT

(5:07:45) – Chairperson Golden introduced the item. Armstrong Consultants Airport Operations Manager Chris Nocks, appearing via WebEx, referenced the report, which is incorporated into the record. No Member questions were forthcoming.

G. CONSENT AGENDA

(5:10:26) – Chairperson Golden introduced the item and entertained requests to pull item G-1 from the Consent Agenda. When no requests were forthcoming, he entertained a motion to accept the Consent Agenda.

MOTION: Vice Chairperson Puliz so moved.

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

1. FOR POSSIBLE ACTION: APPROVE ORTIZ BROS. AVIATION, LLC LEASE ASSIGNMENT TO ECHO DELTA COMMUNITY ASSOCIATION AS THE HANGAR OWNER'S ASSOCIATION.

H. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: AUTHORIZATION TO ISSUE NOTICE OF DEFAULT ON THE KCXP INVESTMENTS, LLC, LEASE ON TAXYWAY C (LEASE RECORDED SETP 5, 2008, AS DOC. NO. 382385) WHICH WAS ENTERED INTO WITH A 2 YEAR REQUIRIEMENT TO BUILD HANGARS; DETERMIN DEADLINE FOR CURE OF BREACH AND TERMINATION OF LEASE OR OTHER REMEDY.

(5:11:30) – Chairperson Golden introduced the item and advised of a conflict of interest, for which he excused himself from participation on the item. Vice Chairperson Puliz temporarily chaired the meeting at this time. Mr. Tackes and Mr. Jenkins referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record.

(5:18:53) – Vice Chairperson Puliz entertained Member input, and Mr. Tackes and Mr. Jenkins responded to clarifying questions.

(5:24:59) – MOTION: Member Hutter moved to authorize Staff to issue a Notice of Default to KCXP Investments, LLC for failure to meet the construction requirements of the lease and to notify KCXP Investments, LLC that if this breach is not cured by the January 2023 meeting date of the CCAA (approximately 65 days from this day), where this matter will be agendize, the lease will be terminated.

RESULT:	APPROVED (5-0-1)
MOVER:	Hutter
SECONDER:	Hamilton
AYES:	Puliz, Jones, Hamilton, Hutter, Norvell
NAYS:	None
ABSTENTIONS	Golden
ABSENT:	Rogers

2. FOR DISCUSSION AND POSSIBLE ACTION: APPROVE GROUND LEASE TO ARROWHEAD TENANT, LLC FOR CONSTRUCTION OF AIRCRAFT STORAGE HANGARS NORTH OF THE FUEL ISLAND ON TAXIWAY BRAVO, BEING A PORTION OF APN 005- 011-01, OF APPROXIMATELY 1.70 ACRES, AS SET FORTH IN THE LEGAL DESCRIPTION AND DIAGRAM FILED WITH THE AUTHORITY.

(5:31:11) – Chairperson Golden introduced the item. Mr. Tackes and Mr. Jenkins referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record, and responded to clarifying questions. Chairperson Golden thanked Ward Chilton as well as Mr. Chilton's advisors and counsel for attending

the meeting and for the land lease proposal that had been prepared and submitted. Chairperson Golden noted that Mr. Chilton and those involved with preparing the land lease proposal had “done everything you need to do” in order to start processing the ground lease. Chairperson Golden, referencing one of the renderings of the proposed development, also informed the project engineer that there was a slope to the south of the property that causes water movement, which would need to be monitored due to ice causing a safety issue, and he stated that a mitigation measure would need to be developed to prevent “an entire hardscape moving towards Taxiway Delta.” Manhard Consulting Professional Engineer Mark Rotter indicated that there were retention areas provided to run the flow of water off into the retention areas, though there would still be overflow in large natural events.

(5:40:57) – Chairperson Golden complimented the proposed project and entertained additional Member input. Mr. Jenkins and Mr. Rotter also responded to clarifying questions. Member Norvell believed that the project was “a wonderful development for the Airport.” Member Hutter echoed Member Norvell’s input and thanked Arrowhead Tenant, LLC for “making the investment in the Airport and getting yourself some great hangars in the process.”

(5:46:53) – Chairperson Golden entertained public comments; however, none were forthcoming.

(5:47:16) – MOTION: Chairperson Golden moved to approve the ground lease to Arrowhead Tenant, LLC for construction of aircraft storage hangars.

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

(5:47:48) – Chairperson Golden instructed Arrowhead Tenant, LLC to work closely with Mr. Tackes and Mr. Jenkins for an interim period, since the Airport Lease Agreement and the accompanying documents would still need approval from the Carson City Board of Supervisors (BOS), and the Carson City District Attorney’s Office would also be reviewing the Airport Lease Agreement and the accompanying documents.

(5:48:26) – Chairperson Golden recessed the meeting and reconvened the meeting at 6:02 p.m.

3. FOR DISCUSSION AND POSSIBLE ACTION: ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID CARSON CITY AIRPORT LEASE LOCATED AT 4331 GONI ROAD, APN 005-011-94, (FORMERLY LEASED TO SHADETREE AVIATION) OF APPROXIMATELY 24,900 SQUARE FEET AS DESCRIBED IN LEGAL DESCRIPTION AND RAMP DIAGRAM PREPARED BY ATKINS AND POSTED ON THE AIRPORT WEBPAGE; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; CONSIDER

ALTERNATIVE OF SALE OF BUILDING WITH LEASE OF LAND; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283.

(6:02:32) – Chairperson Golden introduced the item. Mr. Tackes and Mr. Jenkins referenced the Board Memo and the accompanying attachments, all of which are incorporated into the record. Mr. Tackes added that the proposal should indicate that a preference would be given for an aircraft repair facility or any other facility that would be best suited for the Airport. Mr. Jenkins believed that the Authority should consider accepting bids to lease portions of land as an alternative to leasing the entire parcel due to the current layout of the parcel.

(6:10:23) – Chairperson Golden entertained Member discussion on the matter, and Mr. Jenkins and Mr. Tackes responded to clarifying questions. Member Hutter pointed out that the Authority may consider the obligations and the burden posed by managing a building as a landlord if the Authority was to choose to lease the hangar on the property, and he inquired about how long the hangar could be vacant on the property if a bidder was required to pay \$1.3 million for the hangar. Member Norvell wished to consider if selling the hangar would benefit the Authority in regards to acquiring federal funds in the near term rather than the long term in order to accomplish some important Airport capital projects. Chairperson Golden believed that the Authority should allow bids for lease of the property with the hangar or for a ground lease and a sale of the hangar in order to “see what the market bears.” Member Jones was opposed to selling the hangar because of the long-term potential of how the Authority could use the property with the hangar. Member Hamilton echoed Chairperson Golden’s input and commented that the Authority could minimize the extent to which the property would need to be managed with an appropriate contract for rental.

(6:17:48) – Mr. Jenkins added that the Carson City Fire Marshal confirmed that the hangar would not need sprinklers installed as long as the use for the building did not change from what it was previously, which was the Authority’s intention, and approximately \$55,000 worth of improvements over the previous quote were identified, so the Airport’s upfront costs likely amounted to less than \$150,000. He referenced the summary of the final appraisal and commented that the rates were “a lot better for the Airport really in both scenarios, but it does ... weigh a little bit better towards leasing than the previous assessment did.”

(6:19:55) – Vice Chairperson Puliz was in favor of keeping the hangar and leasing the property with the hangar. Mr. Tackes clarified that the model lease that was approved by the Carson City District Attorney required the maintenance to be performed by the tenant regardless of whether the Authority was selling or leasing the hangar. Vice Chairperson Puliz also believed that the Authority should expedite the bidding process due to the amount of money the Airport was “losing” each month, and he stated that there were several individuals at the Airport that were interested in leasing the property.

(6:24:03) – Member Hutter preferred there being an aviation maintenance facility on the property, and he believed it would be “a much more palatable approach” with the opportunity to lease the hangar. He noted that the Members did not need to accept a sale offer if the Members decided they preferred to lease the hangar.

(6:28:48) – Chairperson Golden entertained public comments. Greg Eberle introduced himself, and Chairperson Golden responded to his questions of clarification regarding the bidding process.

(6:30:21) – Rick Frewert introduced himself and stated that, because he recently learned how to fly aircraft, he was more interested in the Airport. He commented, “from a financial perspective on this thing, it seems to be if you’ve got to put 150 grand in to get it to the point where it’s either sellable or leasable, if you’re going to lease it, and you’re going to get the full \$6,600 a month, that’s going to take two and a half years to three years to recover your investment and getting up to speed, so that means you’re going to be out of pocket for three years.” He expressed that it would be more beneficial to sell the existing hangar for \$1.3 million and emphasized that the hangar was a steel-framed building. Chairperson Golden clarified that the property was an approximately 25,000-square-foot parcel with a 10,000-square-foot building located on the property. Mr. Frewert suggested, “from the triple net lease standpoint,” the Authority could offer a \$150,000 “allowance” rather than spend that amount of money “out of your own pocket.”

(6:32:40) – MOTION: Vice Chairperson Puliz moved to approve the draft Resolution and Notice of Invitation to Bid for 4331 Goni Road, APN 005-001-94 with a deadline for bids of January 12, 2023 and the date for the bid opening and consideration of January 18, 2023, with the option to allow bidders to bid on smaller portions of the area of the property. In response to Member Hutter’s question, Mr. Tackes agreed that terms regarding the responsibilities of the tenant for maintenance of the building should be included in the Resolution and Notice of Invitation to Bid so potential bidders could consider the Authority’s opening intentions. **Vice Chairperson Puliz added to the motion that preference would be given for bidders who offer fixed-base operator (FBO) services.**

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

(6:38:05) – Chairperson Golden directed Mr. Jenkins to publicize the Resolution and Notice of Invitation to Bid beyond the local market.

4. FOR DISCUSSION AND POSSIBLE ACTION: REVIEW AND APPROVE DRAFT REQUEST FOR QUALIFICATIONS (RFQ) FOR LEGAL SERVICES.

(6:38:54) – Chairperson Golden introduced the item. Mr. Jenkins referenced the Board Memo and the Request for Qualifications to Serve as Legal Counsel to the Carson City Airport Authority (RFQ), both of which are incorporated into the record. Mr. Tackes believed that Mr. Jenkins “did a great job” at preparing the RFQ and mentioned that a deadline for responses should be added to the document. He added that the Authority should periodically evaluate any individual who does contract work for the Authority and consider other options.

(6:43:10) – Chairperson Golden commented that “we all have an expiration date, ... and we do different things in life,” including Mr. Tackes, and the Authority needed to participate in the “exercise” to prepare for the possibility

of circumstances changing. He did not believe that the increased rate for Mr. Tackes' legal counsel services was "out of line with reality" and believed that the new rate was "quite the bargain." He also pointed out that if the Authority was to find new legal counsel that would provide services at a rate of \$300 or \$350 an hour, the amount of time that individual would need to become familiarized with all the functions of the Authority would cause the total cost to exceed the cumulative amount that Mr. Tackes billed the Authority for in a year. Mr. Jenkins added that the Authority may consider acquiring an additional legal counsel that could be trained and educated by Mr. Tackes. Mr. Tackes stated that, if the Authority were to retain the services of a Respondent as the new Airport Legal Counsel, he would spend time with the Respondent to share his knowledge concerning the Airport and the Authority as well as the institutional information that he has. He also agreed with Chairperson Golden's input. Member Hamilton did not wish to "get into the mode of paying someone half as much and taking up four times the amount of time to figure out what the deal is," and he believed that the Authority may want to retain another legal counsel for Mr. Tackes to train "as we go." He also believed that the amount of value the Authority had with retaining Mr. Tackes' services would be "hard to beat."

(6:49:09) – Member Jones suggested employing an assistant for Mr. Tackes at a lower pay level, provided that an assistant had an understanding about needing to be in that position for two or three years before serving as Airport Legal Counsel.

(6:49:41) – Member Norvell believed that value came in many forms, agreed with Member Hamilton's input, and echoed Chairperson Golden's and Mr. Tackes' comments. He commented that Mr. Tackes' instructional knowledge and background with the Airport were "incalculable in terms of the value that it brings to our process," so it would be a long time before a new legal counsel would gain the background and the intuitive understanding of the Airport to the same extent as Mr. Tackes'. He also noted the current economic climate, and he did not believe that "the lowest bidder is the most economical" in every instance. Member Hutter stated that the reason that he would support reviewing other candidates for the Airport Legal Counsel position would be for secession planning and pointed out that the Members should be mindful of how the Authority would "start figuring out what the next generation looks like." He noted that the Authority should possibly consider starting the planning process sooner in advance for identifying a new potential legal counsel, since he himself was uncertain about "what the spec looks like to go shop for this kind of counsel, particularly in a market like ours."

(6:55:10) – Chairperson Golden thanked Mr. Tackes for his services to the Authority and entertained a motion.

(6:55:43) – MOTION: Vice Chairperson Puliz moved to approve the draft Request for Qualifications and direct Staff to proceed with the publication of the RFQ, with a deadline of January 12, 2023.

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

5. FOR DISCUSSION AND POSSIBLE ACTION: CONSIDERATION FOR PAY INCREASES FOR AIRPORT OPERATIONS TECHNICIAN.

(6:57:08) – Chairperson Golden introduced the item. Mr. Jenkins referenced the Board Memo, which is incorporated into the record, and responded to clarifying questions.

(7:00:50) – Vice Chairperson Puliz was in favor of approving the 10 percent raise for Airport Operations Technician Rick Lee, and he believed that Mr. Lee was one of the Airport’s “best assets.” Member Norvell agreed with Vice Chairperson Puliz’s input and complimented Mr. Lee for such qualities as being “a very capable individual” and for being dependable. He also believed that Mr. Lee’s pay increase was “long overdue, well-deserved, and nominal.” Mr. Jenkins added that Mr. Lee had fulfilled management tasks during a transition in Airport management, some of which he had continued to perform, and Mr. Lee was assuming a more administrative role.

(7:03:03) – MOTION: Member Hutter moved to approve the raise of 10 percent for Rick Lee effective December 1, 2022.

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

I. AIRPORT MANAGER’S REPORT

(7:03:36) – 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

(7:08:06) – Mr. Tackes did not have any additional items to report.

K. TREASURER’S REPORT

(7:08:14) – Chairperson Golden indicated that because Treasurer Rogers was absent, a Treasurer’s Report would not be presented.

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**

(7:08:18) – Chairperson Golden informed the Authority that Senator Jacky Rosen had signed a letter on the Authority’s behalf, which was provided to the Members via email, supporting the Authority’s efforts to seek Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding for the Airport’s terminal building project, and he noted that Senator Rosen and her staff have assisted the Airport on the matter twice at this point. In response to Member Norvell’s question, Chairperson Golden stated that he and Mr. Jenkins participated in “a very pleasant meeting” with one of the offenders from the Airport Driving Rules violation event that took place on July 26, 2022, during which Chairperson Golden and Mr. Jenkins explained the severity of his actions, and the offending individual took responsibility for his actions. Additionally, the offending individual showed remorse for his actions and volunteered some of his time to assist Mr. Jenkins with developing a driving training program for the Airport. The offending individual was also asked to apologize to the Authority in person at his next opportunity, which he had agreed to do. Chairperson Golden added that the other offender of the July 26, 2022 incident had not contacted Chairperson Golden or Mr. Jenkins regarding his participation in the violation.

(7:12:50) – Chairperson Golden entertained additional reports from Members. Member Jones announced his departure from the CCAA, with this being his last meeting, and he thanked the Members and Staff. Chairperson Golden commented that Member Jones had been “an absolute pleasure to work with,” and he and Member Norvell thanked Member Jones for his service to the Airport.

M. PUBLIC COMMENT.

None.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(7:14:10) – Chairperson Golden noted that the next CCAA regular meeting would be scheduled in January 2023.

O. ACTION ON ADJOURNMENT.

(7:14:37) – Chairperson Golden adjourned the meeting at 7:14 p.m.

The Minutes of the November 16, 2022 Carson City Airport Authority meeting are so approved on this 18th day of January 2023.



12/15/2022 AGENDA WITH SUPPORTING MATERIALS

CARSON CITY CONSOLIDATED MUNICIPALITY

NOTICE OF MEETING OF THE BOARD OF SUPERVISORS AND BOARD OF HEALTH

Day: Thursday
Date: December 15, 2022
Time: Beginning at 8:30 am
Location: Community Center, Robert “Bob” Crowell Board Room
851 East William Street
Carson City, Nevada

AGENDA

NOTICE TO THE PUBLIC:

Members of the public who wish to view the meeting may watch the livestream of the Board of Supervisors meeting at www.carson.org/granicus and by clicking on “In progress” next to the meeting date, or by tuning in to cable channel 191. Livestream of the meeting is provided solely as a courtesy and convenience to the public. Carson City does not give any assurance or guarantee that the livestream or cable channel access will be reliable. Although all reasonable efforts will be made to provide livestream, unanticipated technical difficulties beyond the control of City staff may delay, interrupt, or render unavailable continuous livestream capability.

The public may provide public comment in advance of a meeting by written submission to the following email address: publiccomment@carson.org. For inclusion or reference in the minutes of the meeting, your public comment must include your full name and be submitted via email by not later than 3:00 p.m. the day before the meeting. Public comment during a meeting is limited to three minutes for each speaker.

1. Call to Order - Board of Supervisors
2. Roll Call
3. Invocation - Bruce Henderson, Church of Christ
4. Pledge of Allegiance

5. Public Comment:**

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of this public body. 

6. For Possible Action: Approval of Minutes - November 17, 2022

(<https://www.carson.org/home/showpublisheddocument/82877/638061065172830000>) and November 18, 2022 (<https://www.carson.org/home/showpublisheddocument/82879/638061065176730000>).

7. Special Presentations

7.A Presentation of Length of Service certificates to City Employees.

(<https://www.carson.org/home/showpublisheddocument/82903/638061065259270000>) (Alana Mills, amills@carson.org)

Staff Summary: Every month the Board of Supervisors presents Length of Service certificates to employees who have completed 5, 10, 15, 20, 25 and 30 years of City service.

Consent Agenda

All matters listed under the consent agenda are considered routine and may be acted upon by the Board of Supervisors with one action and without an extensive hearing. Any member of the Board may request that an item be taken from the consent agenda, discussed and acted upon separately during this meeting. The Mayor, or the Mayor Pro-Tem, retains discretion in deciding whether or not an item will be pulled off the consent agenda.

8. Airport Authority

8.A For Possible Action: Discussion and possible action regarding a proposed 50-year ground lease ("Ground Lease") between Carson City and the Carson City Airport Authority ("CCAA"), together as landlord, and Arrowhead Tenant, LLC ("Arrowhead"), as tenant, with Arrowhead paying a base rent of \$23,681.28 per year, subject to future adjustments based on the Consumer Price Index, to lease approximately 74,004 square feet at the Carson City Airport, a portion of Assessor's Parcel Number ("APN") 005-011-01, ("Premises") for the construction of aircraft storage hangars.

(<https://www.carson.org/home/showpublisheddocument/82905/638061065274100000>) (Corey Jenkins, cjenkins@flycarsoncity.com and Steven E. Tackes, Esq., stackes@kcnvlaw.com)

Staff Summary: On November 16, 2022, the CCAA approved the Ground Lease with Arrowhead. Per section 9(2) (b) of the Airport Authority Act for Carson City, Chapter 844 of the 1989 Statutes of Nevada, leases approved by CCAA must also be approved by the Board of Supervisors ("Board") to become effective. The Ground Lease's annual base rental rate is \$0.32 per square foot, which is equal to the independently appraised rental value for the Premises, as required by NRS 496.080(3). The remaining Ground Lease terms are consistent with those approved for other hangar projects.

9. Assessor

9.A For Possible Action: Discussion and possible action regarding a request to correct a clerical error and increase the taxes for Fiscal Year ("FY") 2022/2023 in the amount of \$414.29 for the property described as Parcel 1, Map #1536A, Assessor's Parcel Number ("APN") 009-021-02 and increase the taxes for FY 2022/2023 in the amount of \$2,399.76 for the property described as North 1/2 Northwest 1/4 of Sec 30 T15N R20E, APN 009-291-05, for a corrected combined total tax amount of \$2,814.05.

(<https://www.carson.org/home/showpublisheddocument/82907/638061065278930000>) (Kimberly Adams, kadams@carson.org)

Staff Summary: The Carson City Assessor's Office is requesting the increase of taxes under Nevada Revised Statutes ("NRS") 361.765 to the FY 2022/2023 Real Property Tax Rolls for the subject properties due to a clerical error.

10. City Manager

10.A For Possible Action: Discussion and possible action on ratifying the approval of bills and other requests for payments by the City Manager for the period of November 5, 2022 through December 2, 2022.

(<https://www.carson.org/home/showpublisheddocument/82875/638061065166730000>) (Nancy Paulson, npaulson@carson.org)

Staff Summary: Pursuant to Carson City Municipal Code ("CCMC") Chapter 2.29, the Controller will present all bills or other requests for payment by the City to the City Manager for approval. Upon approval, the register book of bills and other requests for payment and warrants are presented at least once a month to the Board of Supervisors, who shall, by motion entered into its minutes, ratify the action taken.

11. Courts

11.A For Possible Action: Discussion and possible action regarding ratification of (1) the acceptance of a Trial Court Subaward ("Subaward") of the American Rescue Plan Act ("ARPA") Fiscal Recovery Funds ("FRF") administered by the Nevada Supreme Court in the amount of \$230,015 for the Court Record Digital Conversion project ("Project") in the First Judicial District Court ("Court") effective retroactively from June 1, 2022 through December 21, 2024; and (2) an Allocation Agreement effective retroactively from June 1, 2022 through December 21, 2024 for the allocation of the Subaward.

(<https://www.carson.org/home/showpublisheddocument/82881/638061065181730000>) (Max Cortes, mcortes@carson.org)

Staff Summary: The Court applied for a Subaward of ARPA FRF through the Nevada Supreme Court on August 10, 2022 to assist with converting old records on microfiche and film to electronic images in WebEx Imaging to improve efficiency and improve service to the public. There is no match requirement. The Allocation Agreement is required by the Nevada Supreme Court for disbursement of the Subaward.

12. Finance

12.A For Possible Action: Discussion and possible action regarding the report on the condition of each fund in the treasury and the statements of receipts and expenditures through December 2, 2022, per NRS 251.030, NRS 354.290. (<https://www.carson.org/home/showpublisheddocument/82885/638061065191730000>)(Sneri Russell, srussell@carson.org)



Staff Summary: NRS 251.030 requires the Chief Financial Officer (for the purpose of the statute acting as the County Auditor) to report to the Board of Supervisors, at each regular meeting thereof, the condition of each fund in the treasury. NRS 354.290 requires the County Auditor to report to the Board of Supervisors a statement of revenues and expenditures based on the accounts and funds as were used in the budget. A more detailed accounting is available on the City's website – www.carson.org.

13. Purchasing and Contracts

13.A For Possible Action: Discussion and possible action regarding authorization to purchase various kitchen appliances for the Carson City Sheriff's Office Jail ("Jail") for a not to exceed amount of \$80,226.48 utilizing joinder contract (#R180202) between Region 4 Education Service Center, Houston, Texas and National Restaurant Supply. (<https://www.carson.org/home/showpublisheddocument/82887/638061065200330000>) (Carol Akers, cakers@carson.org and Sheriff Ken Furlong, kfurlong@carson.org)

Staff Summary: Approval of this item would authorize the purchase of various kitchen equipment for the Jail, as approved in the Capital Improvement Program ("CIP") for Fiscal Year ("FY") 2023. The amount of the purchase with this vendor will exceed \$50,000 and therefore requires approval by the Board of Supervisors ("Board").

14. Treasurer

14.A For Possible Action: Discussion and possible action regarding the Treasurer's monthly statement of all money on deposit, outstanding checks and cash on hand for November 2022 submitted per Nevada Revised Statutes ("NRS") 354.280. (<https://www.carson.org/home/showpublisheddocument/82889/638061065205170000>) (Andrew Rasor, arasor@carson.org)

Staff Summary: NRS 354.280 requires the Treasurer to keep a record of the source and amount of all receipts, apportionments to, payments from and balances in all funds and to submit to the Board of Supervisors each month a statement containing that information for the previous month. The Treasurer must report the balance in each county, state and special fund, together with a statement of all money on deposit, outstanding checks against that money and cash on hand.

(End of Consent Agenda)

Ordinances, Resolutions, and Other Items

15. Item(s) pulled from the Consent Agenda will be heard at this time.

16. Finance

16.A For Discussion Only: Presentation and discussion on financial highlights of the current year Annual Comprehensive Financial Report ("ACFR") by Carson City staff and information from HintonBurdick CP Advisors relating to their audit procedures and the results of those procedures concerning the Carson City ACFR for the fiscal year ended June 30, 2022.



(<https://www.carson.org/home/showpublisheddocument/82891/638061065213300000>). (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: HintonBurdick CPAs & Advisors has been contracted to conduct an audit of the Carson City ACFR for the fiscal year ended June 30, 2022. Generally accepted auditing standards require the auditor to provide those charged with governance information about their responsibilities as well as certain information related to the planned scope, timing and results of the audit.

16.B For Possible Action: Discussion and possible action regarding recommended acceptance of the Carson City Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

(<https://www.carson.org/home/showpublisheddocument/82893/638061065224400000>) (Sheri Russell-Benabou, srussell@carson.org)

Staff Summary: NRS 354.624 requires the City to provide for an annual audit of all of its financial statements. In addition, the opinion and findings of the auditor contained in the report of the audit must be presented at a meeting of the governing body of the City held not more than 30 days after the report is submitted to it (Audit Report was issued November 23, 2022). The annual audit must be accepted by the Board of Supervisors prior to filing with the State of Nevada and distribution to outside agencies such as bond holders.


17. Public Works

17.A For Possible Action: Discussion and possible action regarding a proposed Exclusive Negotiating Rights Agreement ("Phase 2 Agreement") between Carson City and PalaSeek LLP ("PalaSeek"), to expire on or before December 31, 2023, for the potential development of an affordable housing project ("Phase 2 Project") located on 3.41 acres of City-owned land designated as Assessor's Parcel Number ("APN") 010-037-06.

(<https://www.carson.org/home/showpublisheddocument/82895/638061065234400000>) (Dan Stucky, dstucky@carson.org)

Staff Summary: In December 2021, the Board of Supervisors ("Board") authorized the City to enter into an exclusive negotiating rights agreement, expiring December 31, 2022, for the City and PalaSeek to negotiate a development agreement for the Phase 2 Project ("Existing Agreement") on approximately 3.40 acres of City-owned land within APN 010-037-04. Since then, a parcel map has been completed resulting in the division of APN 010-037-04 into three new child parcels, including APN 010-037-06, comprising 3.41 acres, where the Phase 2 project will be constructed. The Existing Agreement allowed PalaSeek to demonstrate "site control" for the City-owned land designated for the Phase 2 Project. The Phase 2 Agreement is appropriate if the Board still wants to pursue a development agreement with PalaSeek for the Phase 2 Project.

18. Clerk Recorder

18.A For Discussion Only: Presentation and discussion regarding the status of completed and pending projects for the Carson City Clerk-Recorder's Office and the transition plan for the newly elected Clerk-Recorder.  (<https://www.carson.org/home/showpublisheddocument/82897/638061065241130000>) (Aubrey Rowlett, arowlett@carson.org).

Staff Summary: The current Clerk-Recorder will provide an update to the Board of Supervisors ("Board") before the Clerk-Recorder elect takes office on January 2, 2023.

19. Community Development - Planning

19.A For Possible Action: Discussion and possible action regarding the implementation of proposed special event policies in calendar year 2023 and a possible review of the policies at the end of 2023. (<https://www.carson.org/home/showpublisheddocument/82899/638061065245830000>) (Hope Sullivan, hsullivan@carson.org) Public Comment: Late Material (<https://www.carson.org/home/showpublisheddocument/82985/638066311850170000>).

Staff Summary: At the Board of Supervisor's ("Board's") retreat on February 25, 2022, the Board discussed rules, policies and procedures governing special events. This item is for the Board to consider implementation of special event policies for calendar year 2023, with review and possible modification of the policies at the end of the year.

20. Board of Supervisors

Non-Action Items:

City Manager Update

Status review of projects

Internal communications and administrative matters

Correspondence to the Board of Supervisors

Status reports and comments from the members of the Board

Staff comments and status report

Closed Non-Meeting to Confer with Management Representatives and Counsel:

Following a recess or adjournment, the Carson City Board of Supervisors may gather to meet with its management representatives or to receive information from an attorney employed or retained by the City regarding potential and/or existing litigation involving matters over which the public body has supervision, control, jurisdiction or advisory power and to deliberate toward decisions on the matters.

21. Public Comment:**

The public is invited at this time to comment on any matter that is not specifically included on the agenda as an action item. No action may be taken on a matter raised under this item of the agenda.

22. For Possible Action: To Adjourn as the Board of Supervisors

Board of Health

23. Call to Order & Roll Call - Board of Health

24. Public Comment:**

The public is invited at this time to comment on any matter that is not specifically included on the agenda action item. No action may be taken on a matter raised under this item of the agenda.



25. For Possible Action: Approval of Minutes - August 18, 2022

(<https://www.carson.org/home/showpublisheddocument/82873/638061065161730000>).

26. Health and Human Services

26.A For Possible Action: Discussion and possible action regarding the proposed acceptance of a report of the Carson City Health Officer.

(<https://www.carson.org/home/showpublisheddocument/82901/638061065252070000>) (Nicki Aaker, naaker@carson.org)

Staff Summary: This item is to provide an update on: (1) the Health Officer's activities; (2) clinical oversight and policy input; (3) training and education; and (4) general information for the Carson City Board of Health. Input is requested from the Board of Health regarding the Health Officer's report concerning activities the Health Officer is engaged in both internally and externally for the Carson City Department of Health and Human Services.

26.B For Discussion Only: Discussion and presentation regarding the regionalization of public health in Nevada.

(<https://www.carson.org/home/showpublisheddocument/82911/638061073603770000>)(Nicki Aaker, naaker@carson.org and Taylor Allison, Public Health Coordinator, Nevada Association of Counties)

Staff Summary: This presentation will focus on the State of Nevada's overarching vision for public health and the potential benefits of regionalization, and will provide an overview of a newly developed health district, the Central Nevada Health District, comprised of Churchill, Pershing, Eureka and Mineral counties.

26.C For Possible Action: Discussion and possible action regarding a proposed acceptance of the report of the Director of the Carson City Department of Health and Human Services ("CCHHS").

(<https://www.carson.org/home/showpublisheddocument/82915/638061074022230000>) (Nicki Aaker, naaker@carson.org)

Staff Summary: The CCHHS Director's report will provide: (1) an update on Title X funding; (2) an overview of services provided to teens; (3) update on the third Community Health Needs Assessment progress and next steps; and (4) a review of the Regional Behavioral Health Policy Board's bill draft requests.

26.D For Possible Action: Discussion and possible action regarding the second biannual 2022 report from Vitality Unlimited as required by Contract #1718-118 between Carson City and Vitality Unlimited, with an emphasis on Civil Protective Custody ("CPC") admissions.

(<https://www.carson.org/home/showpublisheddocument/82913/638061073609100000>) (Nicki Aaker, naaker@carson.org)

Staff Summary: As part of the services agreement between Carson City and Vitality Unlimited, Vitality Unlimited agreed to provide biannual reports to the Carson City Board of Health to include information on the following: (1) CPC admissions; (2) CPC denied/medical; (3) CPC no show; (4) CPC to residential; (5) women residential; (6) women detox; (7) men residential; (8) men detox; (9) number of Carson City residents treated at the Carson City facility; (10) number of Carson City residents treated at the Elko Facility; and (11) any other statistics requested by the Board of Health as determined reasonable by both parties.

27. Public Comment:**

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of this public body.

28. For Possible Action: To Adjourn

****PUBLIC COMMENT LIMITATIONS** - The Mayor and Supervisors meet at various times as different public bodies: the Carson City Board of Supervisors, the Carson City Liquor and Entertainment Board, the Carson City Redevelopment Authority, and the Carson City Board of Health. Each, as called to order, will provide at least two public comment periods in compliance with the minimum requirements of the Open Meeting Law prior to adjournment. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. **Public comment will be limited to three minutes per speaker to facilitate the efficient conduct of a meeting and to provide reasonable opportunity for comment from all members of the public who wish to speak.** Testimony from a person who is directly involved with an item, such as City staff, an applicant or a party to an administrative hearing or appeal, is not considered public comment and is not subject to the three-minute time limitation.

Agenda Management Notice - Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Titles of agenda items are intended to identify specific matters. If you desire detailed information concerning any subject matter itemized within this agenda, you are encouraged to call the responsible agency or the City Manager's Office. You are encouraged to attend this meeting and participate by commenting on any agenda item.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the City Manager's Office in writing at 201 North Carson Street, Carson City, NV, 89701, or by calling (775) 887-2100 at least 24 hours in advance.

To request a copy of the supporting materials for this meeting contact Rachael Evanson revanson@carson.org or call (775) 887-2100.

This agenda and backup information are available on the City's website at www.carson.org/agendas and at the City Manager's Office - City Hall, 201 N. Carson Street, Ste 2, Carson City, Nevada (775) 887-2100.

This notice has been posted at the following locations:

City Hall 201 North Carson Street

www.carson.org/agendas

<http://notice.nv.gov>





STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** December 15, 2022

Staff Contact: Corey Jenkins, Airport Manager

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed 50-year ground lease ("Ground Lease") between Carson City and the Carson City Airport Authority ("CCAA"), together as landlord, and Arrowhead Tenant, LLC ("Arrowhead"), as tenant, with Arrowhead paying a base rent of \$23,681.28 per year, subject to future adjustments based on the Consumer Price Index, to lease approximately 74,004 square feet at the Carson City Airport, a portion of Assessor's Parcel Number ("APN") 005-011-01, ("Premises") for the construction of aircraft storage hangars. (Corey Jenkins, cjenkins@flycarsoncity.com and Steven E. Tackes, Esq., stackes@kcnvlaw.com)

Staff Summary: On November 16, 2022, the CCAA approved the Ground Lease with Arrowhead. Per section 9(2)(b) of the Airport Authority Act for Carson City, Chapter 844 of the 1989 Statutes of Nevada, leases approved by CCAA must also be approved by the Board of Supervisors ("Board") to become effective. The Ground Lease's annual base rental rate is \$0.32 per square foot, which is equal to the independently appraised rental value for the Premises, as required by NRS 496.080(3). The remaining Ground Lease terms are consistent with those approved for other hangar projects.

Agenda Action: Formal Action / Motion **Time Requested:** Consent

Proposed Motion

I move to approve the agreement as presented.

Board's Strategic Goal

Economic Development

Previous Action

November 16, 2022 (Item H2): The CCAA approved the Ground Lease.

Background/Issues & Analysis

The Airport Authority Act for Carson City requires that leases of Airport land be approved by both the CCAA and the Board. As part of the CCAA's economic development plan, the Premises was appraised and offered for the limited purpose of hangar construction. The Premises is approximately 1.7 acres of land, which meets the criteria regarding land area required for the construction of hangars for aircraft storage under Title 19 of the Carson City Municipal Code.

Pursuant to NRS 496.080(3), aircraft storage leases must be based on an independent appraisal conducted within 6 months of the lease. An appraisal for the Premises was completed by Cindy Lund Fogel, MAI, a Nevada certified general appraiser with Johnson Perkins Griffin. As of October 21, 2022, the Premises' appraised value was \$0.32 per square foot, annually. Therefore, the Ground Lease's proposed rental rate (also \$0.32 per square

foot, annually) meets the statutory standard established at NRS 496.080(3). The CCAA approved the Ground Lease at its publicly noticed meeting on November 16, 2022.

Applicable Statute, Code, Policy, Rule or Regulation

Airport Authority Act for Carson City, 1989 Nev. Stat. ch. 844; NRS 496.080(3)

Financial Information

Is there a fiscal impact? No

If yes, account name/number:

Is it currently budgeted?

Explanation of Fiscal Impact: This lease will generate revenue for the CCAA only; it will have no fiscal impact on the City.

Alternatives

Do not approve the proposed lease agreement and/or provide alternative direction to the CCAA and staff.

Attachments:

2022 11 16 Arrowhead Tenant Lease (Signed).pdf

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

APN

Lessee/ tax statements to:
ARROWHEAD TENANT, LLC
c/o Ward Chilton
1900 Manzanita Lane
Reno, NV 89509

The Tenant and Landlord hereto affirm that this document submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030).

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this 16th day of November, 2022, between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as "City" or "Carson City" (property owner) and the Carson City Airport Authority, an Airport operator per NRS 844 hereinafter referred to as "Airport Authority" (and together with City, "Landlord"), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706 (email to: manager@flycarsoncity.com), and ARROWHEAD TENANT, LLC, a Nevada limited liability company ("Tenant"), whose address is 1900 Manzanita Lane, Reno, NV 89509 (email to: wardchilton@outlook.com)

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to enter a lease as regards certain ground space for construction of hangars as an aircraft storage FBO under Title 19 of the Carson City Municipal Code; and

WHEREAS, the parties desire to establish such lease in a manner consistent with the Airport Master Plan and Carson City Municipal Code, so as to lease Tenant premises consistent with uses desired by Landlord and to provide economic activity and monetary support to the Carson City Airport ("Airport"); and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property, comprised of approximately 74,004 square feet as fully described on Exhibit A ("Legal Description") to this lease, with the appurtenant rights included in Paragraph 8. The 3 subparcels

identified in the Legal Description will be reflected on a Record of Survey to be recorded within 30 days of Board of Supervisor approval. The area is comprised of undeveloped property.

2. TERM. The term shall be fifty (50) years from the date of execution hereunder.

3. BASE RENT. Tenant shall pay to Landlord \$23,681.28 per year (\$1,973.44 per month); calculated as \$0.32 per square foot per year (upon lease approval; to be paid on the first of the month following Board of Supervisor approval of the lease). Rent shall be payable monthly with payments due on the first day of each month. Tenant shall be responsible for the paving of ramp and taxilane area within the leasehold boundaries for Tenant's use.

A. Tenant must bring utilities infrastructure to site at Tenant's cost, and must pay hookup fees or other related fees, if any, assessed by the Carson City Utility Department.

B. Tenant shall maintain, at Tenant's cost, utilities infrastructure in conformance with the engineering design and installation approved by the Airport Authority

C. Tenant to reimburse Landlord for the appraisal cost of \$3,000.00 with first rent payment.

4. ADJUSTMENTS TO BASE RENT.

A. CONSUMER PRICE INDEX ADJUSTMENT. An adjustment of the rental and fees described above shall occur first on January 1, 2025, then at two-year anniversary intervals from January 1, 2025, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the "Price Index") for the preceding two-year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the Bureau of Legal Statistics. Landlord shall measure each two-year adjustment using the most recently available report, recognizing that it may be necessary to use a 2-year period with a final quarter ending prior to each January 1 adjustment date. In no event, however, shall any decrease in the Price Index result in a decrease of the rental below the base rate set forth at Section 3 of this lease. For example, if the Price Index for December 2025 is 155.0 (1982-1984=100), and for December 2023 was 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

B. MARKET TO MARKET LAND APPRAISAL. On January 1, 2038 (ie. year 15), and thereafter at each 10-year anniversary of the lease term, the rent rate shall be adjusted to the appraised rate as determined by an MAI certified appraiser, selected from the Carson City Board of

Supervisors' approved list of appraisers. Landlord and Tenant shall share equally the expense of such appraisals.

5. IMPROVEMENTS. Tenant shall commence construction of the hangar project as set forth in Exhibit B to this lease with construction of all hangars completed within 2 years of execution of this lease. Tenant shall meet the construction requirements and standards adopted by Landlord pursuant to Title 19 of the Carson City Municipal Code, including but not limited to, expending funds for maintenance on the property, pavement and improvements, at an effective rate of at least \$0.03/sqft/yr averaged over a 10-year period. Upon completion of construction, Tenant shall provide Landlord with an exterior and pavement maintenance plan and shall abide by the plan. Upon each 10-year anniversary of January 1, 2023, the Tenant shall report on its improvements to, and maintenance on, the leasehold made during the 10-year period. Upon request of Landlord, Tenant shall provide supporting documentation of such Tenant expenditures to ensure that the facility is being maintained in the same fashion (i.e. the same, good condition as when improvement construction was completed, normal wear and tear excepted). Such maintenance shall include, as a minimum, adequate care of the Tenant pavement such that the pavement remains no lower than a fair rating (i.e. PCI 58-74). Failure to maintain leasehold improvements at or above these standards shall be treated as a breach of this lease.

6. DEFAULT. The occurrence of any of the following shall constitute a default by Tenant:

A. Failure to pay rent when due if the failure continues for ten (10) days after notice has been given to Tenant.

B. Abandonment and vacation of the premises. Failure to occupy and operate the premises for thirty (30) consecutive days shall be deemed an abandonment and vacation, except to the extent such non-use is within the construction schedule.

C. Violation of Tenant or its contractors, and/or subcontractors of the terms and conditions of this lease. If such default is not cured, within ten (10) days after written notice thereof from Landlord to Tenant, Landlord may, at its sole discretion, suspend or terminate this Agreement. If any nonmonetary default under this Paragraph C is not reasonably susceptible to a cure within the stated ten (10) day period, Landlord shall not exercise its remedies with respect to such default, so long as: (i) Tenant commences the necessary cure

within the stated ten (10) day period; and (ii) Tenant thereafter diligently continues the cure process.

D. Failure of Tenant to abide by all applicable laws, ordinances, rules and regulations of the United States, State of Nevada, or Carson City.

E. Filing a petition of voluntary or involuntary bankruptcy regarding Tenant.

F. The making by the Tenant of any general assignment for the benefit of creditors.

G. Violation of any of the standards, rules, and regulations set forth in CCMC Title 19, Appendix A of this lease, or Exhibit B to this lease, or failure to maintain current licenses required for the permitted operation.

H. Failure to provide or maintain the required certificates of insurance.

I. Failure to complete construction of the facilities as required by this lease and any exhibits or amendments thereto, or extensions granted by action of the Airport Authority at a publicly noticed meeting. Landlord may terminate this lease under this subsection at its sole discretion, with thirty (30) days written notice of its intention to terminate this Lease.

Notices given under this paragraph must specify the alleged default, the applicable lease provision(s), and must demand that Tenant cure its default and perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. Unless a different period to cure a default is specified in this lease, any notice of default from Landlord to the Tenant shall provide Tenant ten (10) days to cure its default, if the default is one that can be cured, or quit the premises. No such notice will be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

Failure to declare a breach or the actual waiver of any particular breach of this lease or its material or nonmaterial terms by either Landlord or Tenant shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

7. REMEDIES. Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as Landlord deems appropriate. Any amount paid, or expense or liability incurred, by the Landlord for the account of Tenant may be deemed to be additional charges, and the same may, at the option of Landlord, be added to any amounts then due or thereafter falling due.

A. Penalties. Landlord may assess any penalties permitted under Carson City Municipal Code Title 19, or any penalties otherwise provided by law if the default constitutes a violation of law.

B. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect, as long as Landlord does not terminate Tenant's right to possession. Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. In the event of reletting, Tenant shall still pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

If Landlord elects to relet the premises as provided in this paragraph, rent that Landlord receives from a third party upon reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including maintenance, incurred by Landlord in reletting;

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph. Any sum remaining from the rent Landlord received from reletting shall be held by Landlord and applied for payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from reletting is less than the rent due on the date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs including for maintenance Landlord incurred in reletting, that remain after applying the rent received from the reletting as provided in this paragraph.

C. Termination of Tenant's right to possession. Landlord can terminate Tenant's right to possession of the premises at any time after default. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the