



BOULDER CITY
CITY COUNCIL

MAYOR
JOE HARDY

COUNCIL MEMBERS:
COKIE BOOTH
MATT FOX
SHERRI JORGENSEN
STEVE WALTON



MEETING LOCATION:
CITY COUNCIL CHAMBER
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

MAILING ADDRESS:
401 CALIFORNIA AVENUE
BOULDER CITY, NV 89005

WEBPAGE:
WWW.BCNV.ORG



ACTING CITY MANAGER:
MICHAEL MAYS, AICP

CITY ATTORNEY:
BRITTANY LEE WALKER, ESQ

CITY CLERK:
TAMI MCKAY, MMC, CPO

COMMUNITY DEVELOPMENT DIRECTOR:
MICHAEL MAYS, AICP

PUBLIC WORKS DIRECTOR:
GARY POINDEXTER

UTILITIES DIRECTOR:
JOSEPH STUBITZ, PE

POLICE CHIEF:
TIM SHEA

ACTING FIRE CHIEF:
GREG CHESSER, CFO

FINANCE DIRECTOR:
CYNTHIA SNEED, CPA, CGFM

PARKS & RECREATION DIRECTOR:
JULIE CALLOWAY, CPRP

City Council Meeting

August 27, 2024

Item No. 8

Staff Report

TO: Michael Mays, Acting City Manager

FROM: Marissa Adou, Airport Manager

DATE: August 27, 2024

SUBJECT:

For possible action: Matters pertaining to airport ground leases expiring November 30, 2028:

A. Consideration of Bill No. 2063 an ordinance of the City of Boulder City, Nevada, approving Lease Agreement No. 98-482G (PAD 4) amending lease agreement between the City of Boulder City and Viking Sky, LLC to amend and restate the agreement and extend the term of the agreement for a period of 10 years with one 10-year renewal option

B. Consideration of Bill No. 2064 an ordinance of the City of Boulder City, Nevada, approving Lease Agreement No. 98-478F (TW2-23) amending lease agreement between the City of Boulder City and Sharon Peterson Trust to amend and restate the agreement and extend the term of the agreement for a period of 10 years with one 10-year renewal option

Business Impact Statement:

This action will not have a significant economic impact on business and will not directly restrict the formation, operation, or expansion of a business.

Action Requested:

That the City Council consider the bills to amend and restate the above listed agreements and extend the term of the agreements for a period of 10 years with a one 10-year renewal option.

Overview:

· On July 11, 2023, City Council provided direction to extend the current lease agreements and provided direction on many key terms for the expiring leases.

- On August 8, 2023, City Council provided further direction on the remaining key terms for the lease extension.
- On August 25, 2023, City Council provided confirmation on the ground lease rate, extension fee, and assignment fee.
- Lease Agreement No. 98-482F (PAD 4) & 98-478E (TW2-23) are set to expire on November 30, 2028.
- The Tenants have resolved all outstanding lease compliance issues and can now move forward with the lease amended and restated lease agreement.

Background Information:

Lease Agreement No. 98-482F (PAD 4) is for a pad of 6 hangars at the Municipal Airport which were constructed in 1998. Lease Agreement No. 98-478E (TW2-23) was constructed in 1998 on Pad 9. The lease terms for these agreements are set to expire on November 30, 2028. The Council recently directed staff to draft amended and restated leases to extending the current term of this agreement.

The bills would amend and restate the lease agreement with the Tenants and extend the term of the agreement 10 years with one 10-year renewal option. The initial lease rate was set by City Council at \$0.55 per square foot with a one-time extension fee if the current lease rate exceeded the \$0.55 rate. On July 1, 2024, the rate was increased by the CPI by 3.70% and the rate is now \$0.570350 per square foot per year.

These agreements were two of three that had compliance issues that needed to be resolved. The lease compliance issues have been resolved.

Financial:

The annual per square foot ground rate for the lease extension is a rate that is an average of all 111 current ground lease rates. Any lease that has a current rate higher than the average rate will pay a one-time extension fee based on the square footage of the leased premises: Current Rate-Average Rate x Leased Premises Square footage = Extension Fee. The lease terms also have provisions for an annual CPI increases with a minimum of 2% and a maximum of 6%.

Boulder City Strategic Plan Goal:

Goal A: Achieve Prudent Financial Stewardship

Department Recommendation: That the City Council consider adoption of Bill No. 2063 and 2064 to amend and restate the above stated agreement and extend the term of the agreement for a period of 10-years with one 10-year renewal option.

Attachments:

1. Bill
2. PAD 4 Lease Agreement
3. Bill
4. Hangar TW2-23 Lease Agreement