



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. 9

Staff Report

TO: Michael Mays, Acting City Manager

FROM: Marissa Adou, Airport Manager

DATE: August 27, 2024

SUBJECT:

For possible action: Consideration of Bill No. 2065, an ordinance of the City of Boulder City, Nevada approving Lease Agreement No. 94-306E (TW4-12) amending lease agreement between the City of Boulder City and Scott Russell and Charles Pendleton 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 bill to amend and restate the above listed agreement and extend the term of the agreement 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.
- On April 23, 2024, City Council an Amendment of Lease 94-307D (TW4-12) was signed to extend the agreement an additional 11 months to resolve unclear title issues.
- On May 29, 2024, the title issue was resolved.

Background Information:

The above stated lease agreement was originally entered into at the Municipal Airport in 1994 and the lease term was set to expire on September 20, 2024. The Council directed staff to draft amended and restated leases extending the current term. On April 23, 2024, Lease Agreement 94-306D (TW4-12) did not have clear title, and the lease agreement was extended 11 months in order for the tenant to resolve the issue.

If the issue was resolved within the 11-month period, then a lease extension of the 10-year term, and on-time 10-year renewal option will be offered from the 6-month extension date. On May 29, 2024, the title issue was resolved, and proper documentation was provided to show clear title.

This bill would amend and restate the lease agreement with the tenant and extend the term of the agreement to 10-years with one 10-year renewal option from the date of the original expiration, (after the 6-month extension consistent with the other '93 leases). 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 will be increased by the CPI of 3.70% and the FY24 rate will be \$0.570350.

Financial:

The initial lease rate of \$0.55 per square foot set by City Council was the average of all 111 current ground lease rates as of August 2023. 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's current rate is \$0.410939 per square foot, which is less than the new lease rate of \$0.570350 (reflects the CPI increase on July 1, 2024), therefore no extension fee is applicable. The lease terms have provisions for 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. 2065 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. Lease Agreement 94-306E (TW4-12)