

Item # 4-1

**City of Carson City
Agenda Report**

Date Submitted: 11/2/2007

Agenda Date Requested: 11/15/2007

Time Requested: consent

To: Board of Supervisors

From: Carson City Airport Authority

Subject Title: Action to approve a Lease Agreement between the Carson City Airport Authority and the Nevada Museum of Military History, a Nevada non-profit corporation.

Staff Summary: This Lease is for an aviation and military museum on airport property that is restricted for use as recreational and public purposes.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: (I move that we) approve the Lease between the Carson City Airport Authority and the Nevada Museum of Military History.

Explanation for Recommended Board Action:

This item is in response to the request of the Nevada Museum of Military History, a Nevada non-profit corporation, for an area on the airport to construct a hangar and viewing area to be open to the general public showing the collection of aircraft and military equipment held by the Museum. The Museum owns or has access to two B-25 Mitchell Bombers, a Beechcraft T-34 Trainer, a Russian Mig 25, various other aircraft and vehicles that children can sit in, as well as a library of print media regarding military events (Outline of Museum operations attached).

The Museum holds an IRS 501c3 non-profit status (copy attached). Pursuant to NRS 244.284, it is considered a corporation for public benefit, thus exempting it from the NRS 244.283 requirement to obtain appraisals and to put the lease out to bid. In addition, the area to be leased is part of a parcel that the Carson City Airport obtained from the BLM which is restricted to use as "recreational and public purpose" and thus is not available for revenue generation as are other lease parcels on the Airport.

The terms of the Lease follow the standard lease terms previously approved by the City with additional terms (record of survey and timing) recently requested by several City departments to streamline assignment of APNs, address identification and building permit prerequisites. The Lease requires a \$2million liability policy naming the Airport Authority and the City as additional insureds. The Lease is for a 5 year term, reviewed every 5 years and renewable for up to 50 years. The Lease requires progress on a construction schedule that was agreed to by the Tenant. The Lease requires payment of \$1 per year plus 200 service hours on the Airport. Lastly, the Lease reserves an area for relocation of the Airport's automated weather observation