

# Commission Meeting Agenda



## *Mayor*

Samuel D. Cobb

## *City Commission*

Marshall R. Newman

Christopher R. Mills

Larron B. Fields

Joseph D. Calderón

Dwayne Penick

Don R. Gerth

## *Acting City Manager*

Manny Gomez

***March 15, 2021***



**Hobbs City Commission**  
Regular Meeting  
City Hall, City Commission Chamber  
200 E. Broadway, 1<sup>st</sup> Floor Annex, Hobbs, New Mexico

**Monday, March 15, 2021 – 6:00 p.m.**  
**Virtual Meeting Held by Video Conference**

Sam D. Cobb, Mayor

Marshall R. Newman  
Commissioner – District 1

Christopher R. Mills  
Commissioner – District 2

Larron B. Fields  
Commissioner – District 3

Joseph D. Calderon  
Commissioner – District 4

Dwayne Penick  
Commissioner – District 5

Don R. Gerth  
Commissioner – District 6

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**A G E N D A**

City Commission Meetings are  
Broadcast Live on KHBX FM 99.3 Radio and  
Available via Livestream at [www.hobbsnm.org](http://www.hobbsnm.org)

**CALL TO ORDER AND ROLL CALL**

**INVOCATION AND PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES**

1. Minutes of the March 1, 2021, Regular Commission Meeting

**PROCLAMATIONS AND AWARDS OF MERIT**

2. Recognition of City Employees - Milestone Service Awards for the Month of March, 2021 (*Manny Gomez, Acting City Manager*)
  - 15 years – Lee Haines, Hobbs Fire Department

## **PUBLIC COMMENTS**

Written public comments are welcome. Due to the current COVID-19 State of Emergency and the orders of the New Mexico Department of Health, public comment should be submitted in writing to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or faxed to (575) 397-9334 no later than 4:30 p.m. on March 15, 2021.

**CONSENT AGENDA** *(The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)*

3. Resolution No. 7034 – Authorizing an Amendment to Municipal Arterial Program (MAP) Cooperative Agreement Project Control Number L200479 with the New Mexico Department of Transportation *(Todd Randall, City Engineer)*

## **DISCUSSION**

4. City Hall Landscaping Project Update *(Bryan Wagner, Parks & Open Spaces Director)*
5. Hobbs Municipal Schools Career Technical Education (CTE) Facility Update *(Gene Strickland, Associate Superintendent, Hobbs Municipal Schools)*

## **ACTION ITEMS** *(Ordinances, Resolutions, Public Hearings)*

6. Resolution No. 7035 – Authorizing a Memorandum of Agreement with the Hobbs Municipal Schools for the Establishment of a Career Technical Education (CTE) Facility *(Manny Gomez, Acting City Manager)*
7. **FINAL ADOPTION:** Ordinance No. 1131 – Authorizing a Lease Agreement with the Department of Public Safety for Property Located at 5100 Jack Gomez Blvd. *(Shelia Baker, General Services Director)*

**\*\*NOTE:\*\*** Public Comment on proposed Ordinance No. 1131 should be submitted in writing via email to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or faxed to (575) 397-9334 no later than 4:30 p.m. on March 15, 2021.

8. Consideration of Bid No. 1586-21 for Security Renovations for the City of Hobbs and Recommendation to Reject All Bids *(Shelia Baker, General Services Director)*
9. Consideration of Approval to Purchase Four Replacement Vehicles from Melloy Ford in the Total Amount of \$186,574.00 Utilizing a CES Contract *(Shelia Baker, General Services Director)*

10. Resolution No. 7036 – Approving a Development Agreement with Property Management Plus, LLC, Concerning the Development of Market Rate Single-Family Housing (*Kevin Robinson, Planning Department*)

**COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

11. Next Meeting Date:

- City Commission Regular Meeting  
***Monday, April 5, 2021, at 6:00 p.m.***

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9200 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT: City Commission Meeting Minutes**

DEPT. OF ORIGIN: City Clerk's Office  
DATE SUBMITTED: March 9, 2021  
SUBMITTED BY: Jan Fletcher, City Clerk

**Summary:**

The following minutes are submitted for approval:

- Regular Commission Meeting of March 1, 2021

**Fiscal Impact:**

Reviewed By: \_\_\_\_\_  
*Finance Department*

N/A

**Attachments:**

Minutes as referenced under "Summary".


**Legal Review:**


Approved As To Form: \_\_\_\_\_  
*City Attorney*

**Recommendation:**

Motion to approve the minutes as presented.

Approved For Submittal By:

  
\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. _____	Continued To: _____
Ordinance No. _____	Referred To: _____
Approved _____	Denied _____
Other _____	File No. _____

Minutes of the regular meeting of the Hobbs City Commission held on Monday, March 1, 2021, in Hobbs, New Mexico. This was a virtual meeting held by video conferencing and viewable to the public via Livestream on the City's website at [www.hobbsnm.org](http://www.hobbsnm.org).

### **Call to Order and Roll Call**

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone viewing through Livestream. Ms. Jan Fletcher, City Clerk, called the roll and the following identified themselves as participating remotely through video conferencing and answered present:

Mayor Sam D. Cobb  
Commissioner Marshall R. Newman  
Commissioner Christopher Mills  
Commissioner Larron B. Fields  
Commissioner Joseph D. Calderón  
Commissioner Don Gerth

Absent: Commissioner Dwayne Penick

The following staff members and public participated remotely in the meeting via video conference:

Manny Gomez, Acting City Manager/Fire Chief  
Efren Cortez, City Attorney  
Barry Young, Deputy Fire Chief  
Kevin Robinson, Development Director  
John Ortolano, Police Chief  
Beverly Allen, Chevron Community Affairs Representative  
Mike Nemanic, Chevron Production Supervisor  
Rachel Lam, Clinical Dietitian, Covenant Health Hobbs Hospital  
Jan Fletcher, City Clerk

Mayor Cobb explained the guidelines issued by the New Mexico Attorney General's Office, Open Government Division (OGD), regarding the virtual public body meeting through video conferencing. He stated the following guidelines must be followed:

- At the start of the meeting, the Mayor should announce the names of those members of the public body participating remotely.
- All members of the public body participating remotely must identify themselves whenever they speak and must be clearly audible to the other members of the public body and to the public.
- Members of the public should be afforded remote access, via livestream.
- Mayor should suspend discussion if the audio or video is interrupted.
- All votes of the public body must be a roll call vote.
- The public body should produce and maintain a recording of the open session of the meeting.

For the record, it is noted that all of these guidelines were strictly followed during the entire City Commission meeting.

### **Invocation and Pledge of Allegiance**

Commissioner Fields delivered the invocation and Commissioner Mills led the Pledge of Allegiance.

### **Approval of Minutes**

Commissioner Gerth moved that the minutes of the regular meeting held on Tuesday, February 16, 2021, be approved as written. Commissioner Newman seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried.

### **Proclamations and Awards of Merit**

#### ***Proclamation Proclaiming the Month of March, 2021, as "National Nutrition Month".***

Mayor Cobb proclaimed the month of March, 2021, as "National Nutrition Month". He read the proclamation and informed Ms. Rachel Lam, Clinical Dietitian at Covenant Health Hobbs Hospital, that proclamation would be available for pick up at the City Clerk's Office.

Ms. Lam thanked Mayor Cobb and stated she is collaborating with the Hobbs Public Library through Facebook to encourage all citizens to become concerned about their nutrition by focusing on good food choices and creating good habits. Mayor Cobb thanked Ms. Lam for her commitment to the community and for all she does at the hospital.

#### ***Recognition and Appreciation to Chevron for Donation of \$20,000.00 to the City of Hobbs and \$5,000.00 to the Hobbs Fire Department.***

Acting City Manager/Fire Chief Manny Gomez thanked Chevron for the very generous donation of \$25,000.00 to the City of Hobbs. He stated \$20,000.00 of these funds were used to purchase seven electrostatic sprayers and PPE. He stated the donation aligns with the City's mission of service as it is a safety enhancement to the quality of life for the public servants.

Deputy Fire Chief Barry Young thanked Chevron for the \$5,000.00 which was donated to the Hobbs Fire Department (HFD) and stated HFD was able to purchase one backpack sprayer and four electrostatic sprayers which were placed in the City ambulances. He stated this will assist in keeping personnel safe. He expressed his thanks and appreciation to Ms. Beverly Allen, Chevron Community Affairs Representative, for securing these funds for Hobbs.

Mr. Mike Nemanic, Chevron Production Supervisor for Hobbs and Eunice, stated Chevron is grateful for all of the front line workers who are fighting the evolving crisis with COVID-19. He stated teachers, fire personnel and all of the healthcare workers are heroes. He thanked everyone and stated Chevron is proud to be a community partner.

Ms. Allen also thanked the Commission and the front line workers for the City of Hobbs.

### **Public Comments**

The public was given the opportunity to submit public comments prior to the meeting in writing via email to the City Clerk at [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) or via fax to (575) 397-9334 by 4:30 p.m., on March 1, 2021. There were no public comments submitted.

### **Discussion**

#### **Update from Hobbs Police Department – New Online Reporting System and Department Reorganization.**

Police Chief John Ortolano presented an update from the Hobbs Police Department (HPD) regarding the new online reporting system and department reorganization. He stated this new online reporting system will allow citizens to report incidents such as auto burglary or vandalism, lost property, telephone harassment, vacation checks and vandalism online which will free up dispatch calls for emergency situations. He added when citizens visit the HPD web site and click on the "File a Police Report Online" button, they need to follow the instructions to make a report. They can also request a follow up visit with a Hobbs Police Officer, if desired.

Police Chief Ortolano also stated HPD is currently reorganizing within the department. He reviewed the four divisions and functions within the department as Operations/Patrol, Criminal Investigation, Agency Support and Community Services. The new reorganization includes the addition of the Hobbs Animal Adoption Center and Code Enforcement being moved under the administration of HPD. Police Chief Ortolano stated HPD is working to identify areas that are in need of training and tracking progress. He stated the reorganization will enable better communication from and within HPD.

### **Action Items**

#### **Resolution No. 7030 – Authorizing Approval to Submit a Grant Application to the Department of Homeland Security and the Federal Emergency Management Agency for the Staffing for Adequate Fire and Emergency Response Grant for the Hobbs Fire Department.**

Deputy Fire Chief Young stated the Department of Homeland Security and the Federal Emergency Management Agency is responsible for the implementation and administration of the SAFER Grant. He explained HFD is eligible for funding to increase



the number of firefighters to help meet industry minimum standards, to attain staffing to provide adequate protection from fire and fire related hazards, and to fulfill the mission of the fire department. He further stated the SAFER grant will provide a three-year grant to assist fire departments by paying the salaries and benefits of the SAFER-funded positions. Deputy Chief Young stated HFD wishes to apply for the funding of six firefighter positions to be funded through the SAFER Grant. The terms of this grant change every year. He stated a requirement of the Grant is the positions and funds must be kept separate from the General Fund.

There being no further comment or discussion, Commissioner Calderón moved that Resolution No. 7030 be approved as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

*Resolution No. 7031 - Approving the Vacation of a Portion of Main Street and Jefferson Street Adjacent to Lots 21 – 24, Block 24, Original New Hobbs Addition.*

Mr. Kevin Robinson, Development Director, explained the resolution and stated the property owner is requesting the vacation of a portion of Main Street and Jefferson Street adjacent to Lots 21-24, Block 24, of the Original New Hobbs Addition and comprising +/- 4,360 square feet. He further stated this vacation, if approved, will allow the transfer fee simple ownership of the vacated property to the adjacent property owner. Mr. Robinson stated City staff has placed a value on the vacated property of \$6,540.00 to be paid by the property owner prior to recordation. The Planning Board reviewed this issue on January 19, 2021 and voted to recommend approval. Mr. Robinson stated the property will still be vacated if the property owner does not act on this vacation; however, the property will be vested in the municipal corporation, which is owned by the City.

There being no further comment or discussion, Commissioner Calderón moved that Resolution No. 7031 be approved as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

*Resolution No. 7032 - Approving a Development Agreement with Lemke Development, Inc., Concerning the Development of Market Rate Single-Family Housing.*

Mr. Robinson stated Lemke Development, Inc., has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He further stated the developer has already produced 93 market rate single-family units in the Meadows Subdivision and is requesting infrastructure incentives of \$200,000.00 to develop Unit 4. He stated there will be approximately 22 units developed. Mr. Robinson stated the City will be incentivizing the infrastructure by reimbursement.

There being no further comment or discussion, Commissioner Newman moved that Resolution No. 7032 be approved as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

*Resolution No. 7033 - Approving a Development Agreement with Stuard Homes, LLC, Concerning the Development of Market Rate Single-Family Housing.*

Mr. Robinson stated Stuard Homes, LLC, which formerly operated as ABS Homes, has requested a development agreement concerning the development of single-family housing units located within the municipal boundaries. He further stated the developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$200,000.00. Mr. Robinson stated the units will be located at Zia Crossing Subdivision, Unit 7, which is located at the southeast corner of the Zia Crossing Subdivision near the intersection of Millen and Business Park Boulevard.

There being no further comment or discussion, Commissioner Calderón moved that Resolution No. 7033 be adopted as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolution and supporting documentation are attached and made a part of these minutes.

**COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

Acting City Manager/Fire Chief Gomez encouraged citizens to visit the City's website at [www.hobbsnm.org](http://www.hobbsnm.org) to view the 2020 City Manager's Annual Report. He stated the report shows general performance information for the City Departments. He added the 2020 Annual Report demonstrates the progress of the City of Hobbs.

Acting City Manager/Fire Chief Gomez stated application information will soon be available for New Mexico HB 11 which will award approximately \$200 million to businesses throughout New Mexico communities. He stated qualifying businesses will be paid in four quarterly installments and will be required to provide proof of income loss during specific time frames. Acting City Manager/Fire Chief Gomez stated a formal announcement will be coming soon.

Acting City Manager/Fire Chief Gomez stated on February 22, 2021, President Joe Biden ordered flags to be flown at half-staff in honor of approximately 500,000 lives lost to COVID-19. Flags remained lowered until February 26, 2021. He further stated as of today, March 1, 2021, there have been 146 lives lost to COVID-19 in Lea County. Acting City Manager/Fire Chief Gomez expressed condolences to the family and friends of those whose lives were lost.

Commissioner Gerth stated he noticed traffic has been heavier in Hobbs which is a good problem to have.

Mayor Cobb congratulated Lea County on moving up to “yellow” status. He reminded everyone to wear their masks and maintain social distancing as counties can revert back to their previous restrictions. Mayor Cobb also congratulated Lea County for leading the State in having administered approximately 17,000 COVID-19 vaccines.

Mayor Cobb read an email from a citizen commending the professional, friendly staff and excellent customer service at the Hobbs Motor Vehicle Department.

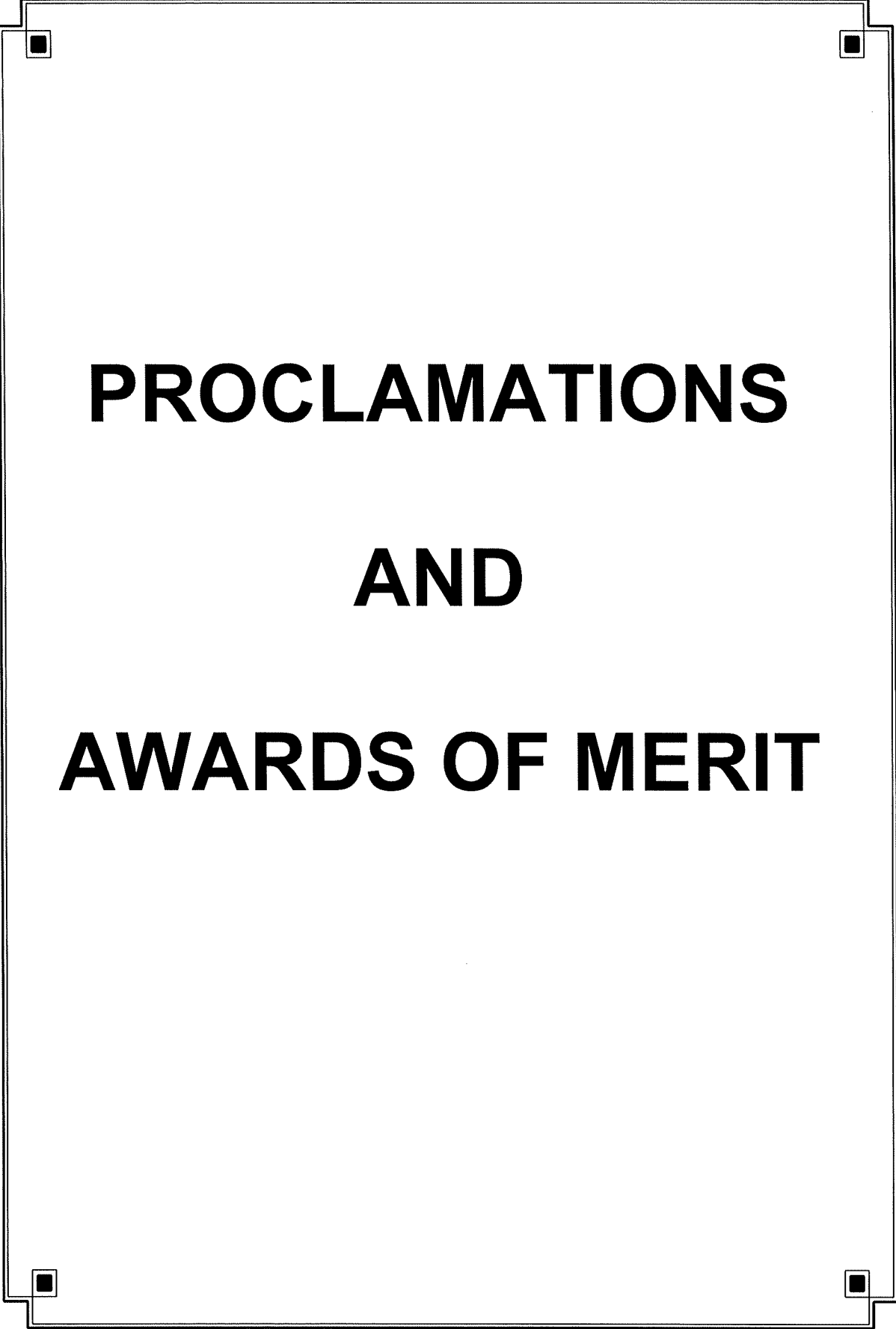
**Adjournment**

There being no further business or comments, Commissioner Newman moved that the meeting adjourn. Commissioner Calderón seconded the motion and roll call vote was recorded as follows: Newman yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 6:28 p.m.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk



**PROCLAMATIONS**

**AND**

**AWARDS OF MERIT**

## **March Milestones 2021**

**15 years**

Lee Haines

HFD

3/13/2006



# **CONSENT AGENDA**



# CITY OF HOBBS

## COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT: MUNICIPAL ARTERIAL PROGRAM COOPERATIVE AGREEMENT**  
**Project No. Control # L200479**  
**DEPT. OF ORIGIN:** Engineering Department  
**DATE SUBMITTED:** March 9<sup>th</sup>, 2021  
**SUBMITTED BY:** Todd Randall, City Engineer

**Summary:**

The City of Hobbs applied for Municipal Arterial Program (MAP) grant funding for intersection and traffic signal improvements for the following intersections: DAL PASO & SANGER.

The MAP Grant amount is \$266,667. The total Department share is 75% and the COH share is 25%.

The grant agreement currently terminates on June 30, 2021. The City of Hobbs is requesting an extension until June, 30, 2022 in order to acquire additional right of way at the Sanger and Dal Paso intersection for future widening and enlargement of the intersection curb returns. Materials have purchased for the project and a portion of the grant funds expended.

**Fiscal Impact:**

Reviewed By:   
 Finance Department

Digitally signed by Toby Spears, CFE, CPA  
 DN: cn=Toby Spears, CFE, CPA, o=City of Hobbs, ou=Finance Director, email=tspears@hobbsnm.org, c=US  
 Date: 2021.03.10 09:15:22 -0700

Budget Line: 48-4048-44901-00295  
 Total Budget: \$350,000  
 Total Grant: \$200,000  
 Expended To Date: \$93,893

**Attachments:** Resolution

**Legal Review:**

Approved As To Form: Efren A. Cortez  
 City Attorney

Digitally signed by Efren A. Cortez  
 DN: cn=Efren A. Cortez, o=City of Hobbs, ou=City Attorney's Office, email=ecortez@hobbsnm.org, c=US  
 Date: 2021.03.10 09:23:09 -0700

**Recommendation:**

Consider the approval of Resolution for the Mayor to execute the MAP Cooperative Agreement CN L200479

**Approved For Submittal By:**

TODD RANDALL

Digitally signed by TODD RANDALL  
 DN: c=US, E=todd@hobbsnm.org, O=CITY OF HOBBS, OU=Engineering Dept, CN=TODD RANDALL  
 Reason: I am approving this document  
 Contact Info: 575-397-9237  
 Date: 2021.03.10 03:12:54 -0700

Department Director

City Manager

**CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN**

Resolution No. \_\_\_\_\_ Continued To: \_\_\_\_\_  
 Ordinance No. \_\_\_\_\_ Referred To: \_\_\_\_\_  
 Approved \_\_\_\_\_ Denied: \_\_\_\_\_  
 Other \_\_\_\_\_ File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 7034

A RESOLUTION AUTHORIZING AN AMENDMENT TO MUNICIPAL ARTERIAL  
PROGRAM (MAP) COOPERATIVE AGREEMENT  
PROJECT CONTROL NUMBER L200479  
WITH THE NEW MEXICO DEPARTMENT OF TRANSPORTATION

WHEREAS, the City of Hobbs and the New Mexico Department of Transportation entered into MAP Cooperative Agreement Project Control Number L200479 on July 19, 2019, for intersection and traffic signal improvements at Dal Paso and Sanger; and

WHEREAS, the total cost of the project will be **\$266,667** with 75% to be shared by the Department (**\$200,000**) and 25% to be shared by the City of Hobbs (**\$66,667**); and

WHEREAS, the MAP Cooperative Agreement terminates on June 30, 2021, and the parties would like to extend this agreement to June 30, 2022, upon the same terms and conditions as set forth in the original agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and is hereby authorized and directed to take all necessary and appropriate action to effectuate this resolution and specifically to execute, on behalf of the City of Hobbs, an Amendment to the MAP Cooperative Agreement with the New Mexico Department of Transportation.

PASSED, ADOPTED AND APPROVED, this 15th day of March, 2021.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk





# **ACTION ITEMS**



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT:** A Resolution Authorizing the Mayor and City Manager to Execute A Memorandum of Agreement with the Hobbs Municipal Schools for the Establishment of a Career Technical Education Facility

**DEPT. OF ORIGIN:** City Manager's Office  
**DATE SUBMITTED:** March 09, 2021  
**SUBMITTED BY:** Manny Gomez, Acting City Manager

**Summary:** This resolution authorizes the Mayor and City Manager to execute a Memorandum of Agreement with the Hobbs Municipal Schools for the construction of a Career Technical Education ("CTE") facility. The CTE will provide market-ready skills to local students which is aimed at ensuring those students are prepared to immediately enter the workforce or continue their technical/academic education with an institution of higher education upon high-school graduation. Pursuant to the Memorandum of Agreement, the City of Hobbs will contribute Ten Million Dollars (\$10,000,000.00) to the Hobbs Municipal Schools via progress payments to be utilized toward the overall Forty-Seven Million Dollar (\$47,000,000.00) cost of construction for the CTE. The Hobbs Municipal Schools are anticipated to complete construction of the CTE by August 2022.

**Fiscal Impact:**

Reviewed By:   
Finance Department

The City's Ten Million Dollar (\$10,000,000.00) contribution has been budgeted and approved in the FY 2020-21 final budget.

**Attachments:**

Resolution;  
Memorandum of Agreement with Exhibit "A"

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

The Commission should consider the Resolution.

Approved For Submittal By:

\_\_\_\_\_  
Department Director

  
\_\_\_\_\_  
City Manager

CITY CLERK'S USE ONLY  
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied \_\_\_\_\_  
File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 7035

A RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE  
A MEMORANDUM OF AGREEMENT WITH THE HOBBS MUNICIPAL SCHOOLS FOR  
THE ESTABLISHMENT OF A CAREER TECHNICAL EDUCATION FACILITY

WHEREAS, Hobbs, New Mexico has a compelling need for high school graduates with highly relevant and career-specific skills that could enter the workforce and the local economy immediately upon graduation from high school or could continue their technical/academic education with an institution of higher education; and

WHEREAS, the Hobbs Municipal Schools have initiated the creation of a substantial job training facility, referred to as the "Career Technical Education" facility, which is essential to adequately preparing students with market-ready skills and can better support the needs of local and regional students who desire to acquire career-specific instruction such that they are sufficiently prepared to immediately enter the workforce upon high-school graduation or could continue their technical/academic education with an institution of higher education; and

WHEREAS, the Hobbs Municipal Schools have identified a significant financial need to ensure the estimated Forty-Seven Million Dollar (\$47,000,000.00) cost to construct the CTE facility is met, and therefore has sought the assistance from various entities, both private and public, including the City of Hobbs; and

WHEREAS, a financial investment from the City of Hobbs shall directly benefit the citizens of Hobbs, New Mexico, as well as the local economy by increasing the skilled-labor workforce necessary to fulfill local jobs that are primarily serving the energy sector currently and will also provide workforce training for many other sectors of a global

economy that will lead to a diversified local economic base of businesses that will significantly contribute to the financial well-being of Hobbs, New Mexico, as well as the entire State of New Mexico; and

WHEREAS, the City of Hobbs seeks to contribute Ten Million Dollars (\$10,000,000.00) towards construction of the CTE facility as an investment in the future of Hobbs, New Mexico, its youth, and its economy; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor and City Manager be and are hereby directed to execute a Memorandum of Agreement with the Hobbs Municipal Schools for the contribution of funds towards construction of the CTE facility.

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

**MEMORANDUM OF AGREEMENT BETWEEN  
THE CITY OF HOBBS AND THE HOBBS MUNICIPAL SCHOOLS**

This Memorandum of Agreement ("MOA") is made this \_\_\_\_\_ day of March, 2021, by and between the City of Hobbs (hereinafter "CITY") and the Hobbs Municipal Schools (hereinafter "SCHOOLS")(collectively the "PARTIES").

**PURPOSE**

The purpose of this MOA is to formalize the PARTIES' agreement related to financial contributions for the establishment of a Career Technical Education facility ("CTE") in Hobbs, New Mexico.

**DUTIES**

**I. CITY DUTIES**

CITY will ensure the following obligations are met:

- A. CITY is responsible for encumbering and appropriating financial contributions in the amount of TEN MILLION DOLLARS (\$10,000,000.00) in full within a single fiscal year;
- B. CITY shall reimburse the SCHOOLS up to TEN MILLION DOLLARS (\$10,000,000.00) for CTE Contractor progress payments;
- C. CITY reserves the right to pay the amounts referenced herein in increments deemed most beneficial to the CITY, subject only to the amount and progress payments set forth herein;
- D. CITY may be involved in design and development of the CTE facility and shall be involved in the curriculum and career paths to be offered at the CTE facility; and
- E. CITY shall be bound by all obligations related to CITY as "Capital Partner" as further outlined in "Exhibit A" attached hereto and incorporated herein with exception to the date outlined in Article 1(1)(d) as Subsection B above will control timing of payment from CITY to SCHOOLS.

## II. SCHOOLS DUTIES

SCHOOLS will ensure the following obligations are met:

- A. SCHOOLS shall construct a CTE facility in Hobbs, New Mexico, on or near the campus of Hobbs High School by no later than August 2022;
- B. SCHOOLS shall provide various forms of career training for students of Hobbs, New Mexico, as well as students from other participating school districts.
- C. SCHOOLS shall provide sufficient supporting documentation for actual expenses incurred related to the CTE project.
- D. SCHOOLS shall be bound by all obligations related to SCHOOLS as "Owner(s)" and "HMS" as further outlined in "Exhibit A" attached hereto and incorporated herein.

## III. INCORPORATION OF CTE SCOPE OF WORK

PARTIES hereby agree to incorporate all requirements, designations, references, and language contained in the "Terms, Conditions and Scope of Work for CTE Facility for Hobbs Municipal Schools" as fully outlined in "Exhibit A," attached hereto and incorporated herein except Article 1(1)(d) as discussed above.

### **MERGER OF AGREEMENT**

This MOA incorporates all agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this MOA including "Exhibit A." No prior statements, representations, promises or agreement of understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this MOA including "Exhibit A."

### **SOVEREIGN IMMUNITY**

CITY and SCHOOLS, as well as their elected officials, officers, and public employees (as defined in the New Mexico Tort Claims Act) do not waive sovereign immunity, do not waive any defense(s), and/or do not waive any limitation(s) pursuant to the New Mexico Tort Claims Act. No provision in the Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act as it relates to the CITY and SCHOOLS and their elected officials, officers, and public employees.

## **LIABILITY**

CITY and SCHOOLS each agree to bear liability and responsibility for the negligent, reckless or deliberate acts or omissions of their own elected officials, officers, and public employees, as limited by the New Mexico Tort Claims Act. PARTIES understand that financial contribution alone shall not subject the CITY to any liability regarding SCHOOLS construction of CTE facility. CITY shall not be held liable for any claim, whatsoever, related to the construction and operation of the CTE facility. SCHOOLS acknowledge all potential liability incurred as "Owner(s)" of the CTE facility and agree to be bound thereby. CITY assumes no liability directly or indirectly resulting or arising from the construction and subsequent operation of the CTE facility. The liability provision contained herein shall remain in place passed the anticipated date of completion of construction of the CTE facility in August 2022.

## **THIRD PARTY BENEFICIARIES**

It is specifically agreed between the PARTIES that it is not intended by any of the provisions of any part of this MOA to create in the public or any member thereof, a third party beneficiary, or to authorize anyone not a party to this MOA to maintain, pursuant to the provisions of the MOA, a suit of any nature, including but not limited to suits alleging wrongful death, bodily and/or personal injury to person(s), damages to property(ies), and/or any other cause of action.

## **INSURANCE**

SCHOOLS shall maintain adequate insurance, including but not limited to general liability insurance, or qualify as a self-insured entity, as required by law. SCHOOLS shall name CITY as an additional insured on any policy covering the construction of the CTE facility. Said policy shall be primary. SCHOOLS shall provide CITY with all endorsement pages upon request. SCHOOLS duty to maintain adequate insurance shall survive passed the date of anticipated completion of construction of the CTE facility in August 2022.

## **TERM**

This MOA shall continue in full force and effect, from the date of approval and execution by both governing bodies and thereafter for a period of two (2) years or until the CTE facility construction is complete.

## **MISCELLANEOUS**

SCHOOLS shall only use funds outlined herein for the purpose of construction of the CTE facility. Said funds shall not be diverted to any other project or utilized for payment of any salaries of any of SCHOOLS employees. Any unused portion of the funds outlined herein shall be returned to CITY. SCHOOLS shall not assign this MOA or any payment due under this MOA without prior written

consent of CITY. CITY shall not be considered a joint venture, partner, or other participant with SCHOOLS for the purpose of construction and subsequent operation of the CTE facility. No other parties in relation to SCHOOLS, whether as contractor, subcontractor, or joint venture, shall have any entitlement to seek funds from CITY related in any way to their dealings with SCHOOLS. SCHOOLS shall not utilize the public funds contributed by CITY in any manner that violates any federal laws, or the laws of the State of New Mexico.

#### **SEVERABILITY**

If any provision of this Memorandum of Agreement is found to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Memorandum of Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

#### **GOVERNING LAW**

This Memorandum of Agreement shall be construed in accordance with the laws of the State of New Mexico. Any legal disputes related to the MOA shall be subject to the jurisdiction and venue of the Fifth Judicial District Court, Lea County, New Mexico.

#### **EFFECTIVE DATE**

This Memorandum of Agreement shall be in full force and effect upon execution and approval of the parties hereto.

[Required Signatures on Next Page]



CITY OF HOBBS

BY: \_\_\_\_\_  
Sam D. Cobb  
Mayor

Date: \_\_\_\_\_

BY: \_\_\_\_\_  
Manny Gomez  
Acting City Manager

Date: \_\_\_\_\_

HOBBS MUNICIPAL SCHOOLS

BY:           *g. eidson*            
Gary Eidson  
Board President

Date:           02/16/2021          

BY:           *[Signature]*            
TJ Parris  
Superintendent

Date:           2/16/21          

ATTEST:

\_\_\_\_\_  
Jan Fletcher, City Clerk

Approved as to Form:

By: \_\_\_\_\_  
Efren A. Cortez  
City Attorney

Date: \_\_\_\_\_

**Exhibit "A"**  
**Terms, Conditions and Scope of Work for**  
**CTE Facility for Hobbs Municipal Schools**

Hobbs Municipal Schools (HMS) desires to build a career technical education facility (CTE Facility) on or near the campus of Hobbs High School. The CTE Facility will provide various forms of career training for students of HMS and other participating school districts. Permian Strategic Partnership Inc. (PSP or Grantor), City of Hobbs (City), and J. F Maddox Foundation (Foundation) {HMS, PSP, City and Foundation sometimes are hereinafter individually and collectively referred to as the "Capital Partners"} understand the importance of career technical education for the City and the entire Permian Basin of New Mexico and Texas. Therefore, the Capital Partners desire to contribute capital to construct the CTE Facility. The Capital Partners also desire to have input in the programming and operation of the CTE Facility.

**DEFINITIONS**

"Capital Partner(s)" means those individuals or entities that contribute financially to the construction of the CTE Facility, and subsequently will have some input in the programming and operation of the Facility. Capital Partner(s) shall not be construed as "owner(s)," as defined herein.

"Owner(s)" means HMS as the public entity who bears all legal and equitable rights and responsibilities for construction, ownership, and operation of the CTE Facility and the subsequent programming of the Facility. Owner as defined herein shall also be construed to mean that as is defined by State and Federal law including, but not limited to, Chapters 13 and 22 of the New Mexico Statutes Annotated.

**ARTICLE 1**  
**Capital Contributions**

1. The cost of construction of the CTE Facility is estimated to be approximately \$47,000,000.00+/- . Funding for construction of the CTE Facility from the Capital Partners will be made directly to HMS as follows:

- a. calendar year 2019-\$280,378.00 which has been paid by HMS from previously received New Mexico Legislative appropriations and directed contributions from Lea County, New Mexico.
- b. PSP- Five Million Dollars (\$5,000,000.00) on or before March 31, 2020.
- c. PSP- Five Million Dollars (\$5,000,000.00) on or before March 31, 2021.

- d. City-Ten Million Dollars (\$10,000,000.00) on or before April 30, 2021.
- e. Foundation-Ten Million Dollars (\$10,000,000.00) on or before January 30, 2022.
- f. HMS-Fifteen Million Dollars (\$15,000,000.00) from the sale of bonds, as and when needed. The bonds being approved by election on November 5, 2019.
- g. Any amounts needed for constructing, equipping or furnishing the CTE Facility in excess of the contributions of the Capital Partners will be provided by HMS from its cash balances or from additional outside sources.
- h. Any Capital Partner may prepay any amount, in whole or in part at any time. The payment by any Capital Partner of its contribution prior to its due date, will not change the amount, sequence or timing of any contribution by any other Capital Partner. Capital Partners reserve the right to pay the amounts referenced herein in increments deemed most beneficial to the individual Capital Partner subject only to the amounts and dates contained in Article 1

## **ARTICLE 2**

### **Construction Related Activities**

1. The CTE Facility will be constructed and put into service no later than August 2022 for the 2022-2023 academic year.
2. The Capital Partners will be actively involved in the design and development of the CTE Facility and career paths to be offered at the CTE Facility.
3. The Capital Partners will approve the final design of the CTE Facility, subject to final approval of the HMS School Board.
4. During the construction of the CTE Facility, the Capital Partners will meet on a monthly basis to review the monthly progress report that is prepared by HMS for the HMS School Board. At a minimum HMS will report on the on-time and on-budget aspects of construction of the CTE Facility.
5. Once construction of the CTE Facility commences, the Capital Partners will be actively involved in decisions that change function, design, and general aesthetics of CTE Facility from the approved final design, subject to final approval of the HMS School Board.

**ARTICLE 3**  
**Program-Related**  
**(Prior to CTE Facility occupancy)**

1. By July 1, 2020, HMS will have hired an executive director of CTE ("CTE ED").
2. By December 31, 2020, the CTE ED will have a curriculum plan and staffing plan in place to adequately operate the CTE Facility.
3. By April 1, 2021, Capital Partners will have established an oversight team composed of the Capital Partners (including at least one member appointed by PSP) and other relevant industry partners ("Steering Team"). The relevant industry partners serving on the Steering Team will be selected by the Capital Partners and approved by the HMS School Board. The Capital Partners will always be the majority of the members of the Steering Team. Subject to approval of the HMS School Board, the Steering Team may adopt its own bylaws, rules, regulation or procedures for conducting its business. The Steering Team will report to the HMS School Board and HMS Superintendent.
4. By April 1, 2021, CTE ED will deliver a plan for how students in surrounding school districts, including, to the extent possible, districts in neighboring Permian Basin counties in New Mexico and Texas, may be able to access HMS CTE instruction. (Plan should include how HMS, subject to applicable law, will maintain a fair percentage of open seats for these districts, inform the districts of the available seats, and establish a fair and non-discriminatory method of allocating the available seats to applicants from these districts. If any seats allocated to other districts are not filled in any year by applicants from the districts, HMS may fill those seats with students from within the HMS district.). This plan must be reviewed and approved by the Steering Team.
5. By April 1, 2021 the Steering Team will have established and populated with industry professionals only (subject to approval of the HMS Board) an advisory team for each career path available at the CTE Facility ("Advisory Team").
6. Beginning on April 1, 2021, on a quarterly basis, the CTE ED will report to the Steering Team the progress of finalizing the necessary curricula and progress on executing the staffing plan for the CTE Facility.
7. No later than July 1, 2021, the CTE ED will have identified a staff lead for each career pathway. This staff lead will assist in the curricula finalization and execution of the staffing plan.

8. No later than January 1, 2022, the Steering Team will decide on the initial parameters for the length of classes provided in the CTE Facility. The initial intent of the Capital Partners is to provide half-day sessions for career paths provided through the CTE Facility.

9. The CTE ED will be responsible for all CTE programs offered by HMS, but will report to the Steering Team only on those programs offered in the CTE Facility.

**ARTICLE 4**  
**Program-Related**  
**(Post- CTE Facility Occupancy)**

1. Advisory Teams will meet quarterly to provide guidance and direction on adequacy of curricula, performance of instructors, and documentation of job availability. A quarterly report will be generated from this meeting and provided to the Steering Team for review.

2. In calendar year 2025, the Advisory Teams will meet with the Steering Team to conduct a needs assessment for each career path for the purpose of supporting changes as necessary (i.e., continue as is, expand offerings, reduce offerings, eliminate career path). The Steering Team and Advisory Teams will conduct this formal assessment every three years, with the subsequent formal review occurring in calendar year 2028.

3. The Steering Team will meet quarterly to provide oversight and direction for the CTE Facility. The Steering Team will review the staffing and operation of the CTE Facility, which shall include, but not be limited to the following:

a. Annually

- CTE Facility budget and performance
- Graduation rates of CTE students
- Dual credits earned by CTE students
- % of students admitted from other districts
- % of CTE students earning at least one dual credit
- Job placement by career path
- Starting wage by career path
- Next steps for CTE students (college, trade school, workforce)
- Certifications and licenses earned by CTE students

b. Quarterly

- Waiting list by career path
- Open slots (#/%) by career path

- Non-HMS students and cost burden to HMS
- Internships/Externships (#/%)
- CTE Instructor turnover
- CTE Instructor vacancies
- CTE Instructor absences (days)
- CTE Student absences (days)

4. The Steering Team will meet as and when needed to review and approve the following:

- Non-HMS CTE use of CTE Facility
- Job description of CTE ED
- Job qualification of CTE ED and CTE Instructors

5. CTE ED will be responsible for the following data collection, analysis and reporting to the Steering Team:

a. Annually

- Graduation rates of CTE students
- Dual credits earned by CTE students
- % of students admitted from other districts
- % of CTE students earning at least one dual credit
- Job placement by career path
- Starting wage by career path
- Next steps for CTE students (college, trade school, workforce)
- Certifications and licenses earned by CTE students

b. Quarterly

- CTE Facility budget and performance
- Non-HMS CTE use of the CTE Facility

**Indicators of Student Interest**

- Waiting list by career path
  - Open slots (#/%) by career path
  - Student mobility (between career paths, students entering or exiting CTE programs)
  - Non-HMS students and cost burden to HMS
  - Internships/Externships (#/%)
  - CTE Instructor turnover
  - CTE Instructor vacancies
  - CTE Instructor absences (days)
-

- CTE Student absences (days)

## **Article 5 Miscellaneous Provisions**

1. The rights of the Capital Partners hereunder may not be assigned or conveyed; provided, however, that PSP may delegate its position on the Steering Team to employees of its members. In the event a Capital Partner ceases to exist, the position of such Capital Partner on the Steering Team shall no longer exist, unless, with respect to PSP, the position on the Steering Team has been delegated to a member or members of PSP. All activities and responsibilities of the Capital Partners, Steering Team and the Advisory Teams shall be subject to oversight and final approval of the HMS School Board.

2. All agreements or contracts to which these Terms, Conditions and Scope of Work for CTE Facility for Hobbs Municipal Schools (Terms and Conditions) shall be governed by New Mexico law.

3. When information is supplied to any of the Capital Partners in compliance with the terms hereof, the parties agree that the information so supplied shall be edited by HMS to the extent necessary to comply with applicable state and federal law.

4. These Terms and Conditions and any Grant Contract to which these Terms and Conditions are attached, are contingent upon sufficient authorizations and appropriations being or having been made by the New Mexico State Legislature to fund or continue to fund the CTE Facility and/or its operation. If HMS is not appropriated funds to continue to fund the CTE Facility and/or its operation, any Grant Contracts to which these Terms and Conditions are attached will terminate upon written notice of that effect from HMS to the other party to such Grant Contracts and any further obligation on the part of the Capital Partners to make the grants provided herein will terminate. The determination of HMS that sufficient funds have not been appropriated is firm, binding and not subject to review. Subject to the provisions of this paragraph, HMS agrees in good faith to develop its annual budgets to the extent possible to provide the funding necessary to honor the intent of the parties set forth herein.

5. These Terms and Conditions and all obligations of HMS are subject to all applicable state and federal rules, laws and regulations. Further these Terms and Conditions and all obligations of HMS hereunder are subject to all applicable state and federal agencies having jurisdiction, including, but not limited to the New Mexico Public Education Department.

6. As consideration for the amounts contemplated in Article 1 herein, the sufficiency of which is acknowledged by execution of this agreement, Owner shall not seek liability, or contribution to liability, from any Capital Partners. Capital Partners shall not be

liable, under any theory of law, for the design, construction, or implementation of the CTE Facility; nor shall Capital Partners be liable, under any theory of law, for the acts or omissions of Owner. By execution of this agreement, Capital Partners do not waive their rights, defenses, and remedies under the New Mexico Tort Claims Act. Additionally, Capital Partners shall not be financially obligated beyond those amounts referenced in Article 1 herein, unless by separate written agreement executed by both the individual Capital Partner and Owner.

7. If any provision in these Terms and Conditions is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.





CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

SUBJECT: An Ordinance Authorizing the Mayor to Execute a Lease Agreement with the Department of Public Safety for the Property Located at 5100 Jack Gomez Blvd.

DEPT. OF ORIGIN: General Services
DATE SUBMITTED: March 9, 2021
SUBMITTED BY: Shelia Baker, General Services Director

Summary: The New Mexico Department of Public Safety (NMDPS) has leased office space at 5100 Jack Gomez Blvd to house the local office of the New Mexico State Police since around October 1, 1999. The last lease was approved on October 12, 2009, and required rental payments of \$1,500.00 per month, with a 5% annual increase. The lease has since expired and the parties now seek to enter into another lease. The property was recently appraised and the parties have renegotiated the lease terms. The proposed lease would require initial monthly rent at \$2,743.00 a month with a 2% annual increase. The initial term is five (5) years with the option to renew for an additional five (5) years. If NMDPS exercises their option to renew, the City reserves the right to obtain a new appraisal and adjust rent according to the new appraisal. Pursuant to NMSA 1978, § 2-54-1(D), the proposed ordinance was published on February 23, 2021.

Fiscal Impact:

Reviewed By: [Signature]
Finance Department

The annual revenue would be \$32,916 (increased by 2% a year). All revenue is unrestricted in the General Fund.

Attachments:

Ordinance; Proof of Publication; and Proposed Lease Agreement

Legal Review:

Approved As To Form: [Signature]
City Attorney

Recommendation:

The Commission should consider this Ordinance.

Approved For Submittal By:

[Signature]
Department Director

[Signature]
City Manager

CITY CLERK'S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_
Ordinance No. \_\_\_\_\_
Approved \_\_\_\_\_
Other \_\_\_\_\_

Continued To: \_\_\_\_\_
Referred To: \_\_\_\_\_
Denied \_\_\_\_\_
File No. \_\_\_\_\_

CITY OF HOBBS

ORDINANCE NO. 1131

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH THE NEW MEXICO DEPARTMENT OF PUBLIC SAFETY

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to execute, on behalf of the City of Hobbs, a Lease Agreement with the New Mexico Department of Public Safety, for property located at 5100 Jack Gomez Blvd., Hobbs, New Mexico 88240. A copy of said Lease Agreement is attached hereto and incorporated herein by reference.

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:


\_\_\_\_\_  
JAN FLETCHER, City Clerk

# Affidavit of Publication


STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

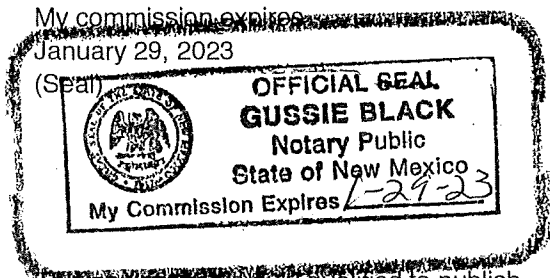
Beginning with the issue dated  
February 23, 2021  
and ending with the issue dated  
February 23, 2021.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
23rd day of February 2021.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE February 23, 2021

### NOTICE OF ORDINANCE

NOTICE IS HEREBY GIVEN that on the 15th day of March, 2021, at its regular meeting at 6:00 p.m., in the City Commission Chamber at City Hall, 1ST Floor Annex, 200 East Broadway, Hobbs, New Mexico, the governing body of the City of Hobbs proposes to adopt an ordinance relating to the lease of municipal-owned property located at 5100 Jack Gomez Boulevard, Hobbs New Mexico. The title of the proposed Ordinance is:

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH THE DEPARTMENT OF PUBLIC SAFETY FOR THE PROPERTY LOCATED AT 5100 JACK GOMEZ BLVD**

A summary of the proposed Ordinance and Lease Agreement are as follows:

1. **TERM OF LEASE.** The initial term of the lease is five (5) years with one possible five-year renewal.
2. **APPRAISED VALUE OF PROPERTY.** \$13.00/SF OR \$32,916/Year
3. **LEASE PAYMENTS.** NMDPS will pay monthly rent to the City of Hobbs in the amount of \$2,743.00 per month, payable in advance, during the first year of the lease. The rent will then increase 2% each subsequent year. The rent for the renewal period may change based on new appraisal.
4. **AMOUNT OF THE LEASE.** \$32,916.00 per year for the first year. The annual rental amount will increase by 2% each subsequent year. The aggregate rental amount for the initial term of five (5) years is \$171,296.20.
5. **NAME OF LESSEE.** The Lessee is the New Mexico Department of Public Safety (NMDPS).
6. **PURPOSE OF LEASE.** The Lessee shall use the property only to house the local office of the New Mexico State Police.

Copies of the proposed ordinance and Lease Agreement in its entirety are available to interested persons during regular business hours in the Office of the City Clerk, City Hall, 200 East Broadway, Hobbs, New Mexico. The ordinance and Lease Agreement are also available for viewing online at [www.hobbsnm.org](http://www.hobbsnm.org).

Due to COVID-19, the meeting is subject to change to a virtual remote meeting if an in-person meeting cannot be held. If any persons desire to submit public comment related to this proposed ordinance, please submit written comments by email to [jfletcher@hobbsnm.org](mailto:jfletcher@hobbsnm.org) by 4:30 p.m. on March 15, 2021.

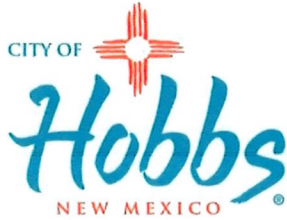
/s/ Jan Fletcher  
JAN FLETCHER, CITY CLERK

#36226

67108146

00251296

CITY OF HOBBS FINANCE DEPT  
200 E. BROADWAY ST  
HOBBS, NM 88240



**CITY OF HOBBS  
REAL ESTATE AND PROPERTY LEASE**

THIS LEASE is made the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Hobbs, New Mexico, a municipal corporation located in Lea County, New Mexico (hereinafter referred to as “Lessor”) and the New Mexico Department of Public Safety, an agency or instrumentality of the State of New Mexico pursuant to GSD Rule 1 NMAC 5.21 and amendments thereto, with a principle place of business 4491 Cerrillos Rd., Santa Fe, New Mexico (hereinafter referred to as “Lessee”).

**1. Lease Property.**

In consideration of the terms and conditions in this Lease, Lessor leases to Lessee, and Lessee leases from Lessor, those premises with appurtenances, situated in Hobbs, County of Lea, New Mexico, described as:

1.80 acres in Section 1, Township 18S, Range 37E, N.M.P.M., City of Hobbs, Lea County, New Mexico

**and commonly known as:** 5100 Jack Gomez Boulevard, Hobbs, New Mexico 88240

The property described above shall hereinafter be referred to as the “Lease Property,” which shall include all improvements, furnishings, fixtures, buildings, parking lots, and access points. The acreage of the Lease Property is: appx. 1.80. The square footage of all building space of the Lease Property is: 2,532 SF. The Lease Property contains 1 designated parking lot(s).

**2. Lease Term.**

The initial term of this Lease is for: Five (5) years. The initial term of this Lease shall commence on May 1, 2021, and shall end on April 30, 2026. In partial consideration for rent paid under this Lease, Lessor does grant Lessee, its successors and assignees the first option to renew this Lease. The renewal shall be for a term of five (5) years and shall be subject to the same terms and conditions set forth in this Lease for the initial term, except as may be provided otherwise in this Lease with regard to appraisal and rent. Lessee may exercise this option by giving Lessor written notice at least thirty days prior to the expiration of the initial term.

**3. No Holding Over.**

Lessee shall not hold over or maintain a continued use or occupancy of the Lease Property. At the expiration of the lease term and any subsequent renewals, or upon termination, Lessee shall surrender the Lease Property in accordance with Paragraph 12 herein.

**4. Rent.**

In consideration of this Lease, Lessee shall pay rent in the following manner:

Year	Date Beginning	Annual Amount	Monthly Amount	
1	05/01/2021	\$ 32,916.00	\$ 2,743.00	Original term
2	05/01/2022	\$ 33,574.32	\$ 2,797.86	Original term
3	05/01/2023	\$ 34,245.81	\$ 2,853.82	Original term
4	05/01/2024	\$ 34,930.73	\$ 2,910.89	Original term
5	05/01/2025	\$ 35,629.34	\$ 2,969.11	Original term
6	05/01/2026	\$ TBD	\$ TBD	First Renewal
7	05/01/2027	\$ TBD	\$ TBD	First Renewal
8	05/01/2028	\$ TBD	\$ TBD	First Renewal
9	05/01/2029	\$ TBD	\$ TBD	First Renewal
10	05/01/2030	\$ TBD	\$ TBD	First Renewal

The total rent for the initial year is: \$32,916.00. Rental price shall increase two percent (2%) annually, which shall apply to any renewal term contemplated under this Lease. The Lessee has the sole responsibility for paying rent. Lessee shall not be penalized for prepaying the entire total rent for the initial term at the beginning of the lease term, nor shall Lessee be penalized for prepaying an annual amount for any given year. Lessor reserves the right to have the Lease Property appraised at the conclusion of the initial term at Lessor's expense. Thereafter, Lessor may, in its discretion, adjust the rent according to the appraisal value following the new appraisal. Should the rental price be adjusted after the initial term, the Parties will execute an addendum to this Lease and attach the same hereto. Nothing contained in the provision obligates, in any way, Lessee to exercise its first option to renew. Should Lessee refuse to exercise the option to renew, Lessee will surrender property pursuant to Paragraph 12 herein. Lessor, in its sole discretion, may forego the right to have the property appraised at the conclusion of the initial term. Should Lessor forego the right to have the property appraised at the conclusion of the initial term, the total rental price for the first year of the renewal term would be \$36,341.93. The rental price would continue to increase two percent (2%) annually for each year thereafter.

**5. Use of Lease Property.**

Lessee shall use the Lease Property only as the office for the New Mexico State Police.

Lessee agrees that Lessor has conditioned the favorable terms of this Lease on Lessee's continued use of the Lease Property as outlined above. Should Lessee cease utilizing the Lease Property for the purpose above, Lessor reserves the right to seek all appropriate legal action including, but not limited to, action to terminate the Lease. Lessor agrees that the Lease Property is suitable for the purpose above, or has revealed to Lessee any reasons Lessor knows of or reasonably should know of why the premises might not be suitable for such purpose(s).

**6. Conditions of Lease Property.**

Lessor warrants that the premises are in good and safe conditions, structurally sound and of safe design and that they comply with all applicable building codes, ordinances, rules and regulations, except as noted:

[note any deficiencies here]

All noted conditions shall be rectified prior to the inception of this Lease or within sixty (60) days thereafter unless waived in writing by Lessee. In the event that a noted condition is waived, Lessor shall have no liability associated in any way with the presence of noted condition.

Further, Lessee has been given the opportunity to inspect the premises, or has voluntarily waived the opportunity to inspect the premises, and has accepted the premises as in good and safe condition and otherwise fit for use to achieve their stated purpose.

**7. Accessibility for the Disabled.**

Lessee warrants that the premises shall meet standards consistent with the Americans with Disabilities Act (ADA) during all times of business operations, and shall at a minimum meet the same standards within sixty (60) calendar days of the execution of this Lease. The Lessee also warrants that the premises will be maintained at all times in compliance with these standards.

**8. Delivery of Possession.**

Lessor warrants that the premises will be vacant and will put Lessee in possession on the first day of the initial term or any subsequent term.

**9. Damage to Lease Property.**

If at the inception of this Lease or at any time thereafter (including any renewal) all or any part of the Lease Property shall be damaged or destroyed through any cause attributed in any way to Lessee, other than a weather event or act of God, Lessee shall be responsible for all repairs and costs associated with the repair of the same. In making any repairs, Lessee shall first notify Lessor of the damage and provide a timeline for repairs. Lessor shall cooperate with Lessee in allowing all repairs to be made in a timely fashion. Lessee shall as soon as practical, inform Lessor of any and all damage attributed to a weather event or act of God and Lessor shall be responsible for all repairs and costs associated with the repair of the same.

**10. Alterations.**

Lessee shall obtain Lessor's written permission before making any alterations or improvements of a permanent nature to any portion of the Lease Property.

### **11. Ownership of Improvements.**

All alterations and improvements made to or placed in the Lease Property by Lessee are and shall remain the Lessee's property except as the parties mutually agree otherwise in writing, but only if such alterations and improvements are temporary in nature and can be removed without undue damage to the Lease Property and are, in fact, removed by Lessee prior to termination of this Lease or any renewal thereof. Alterations and improvements of a permanent nature which cannot be removed without undue damage to the Lease Property shall become Lessor's property except as the parties mutually agree otherwise in writing. For purposes of this section, permanent alterations and improvements include, but are not limited to, any buildings, fences, additions, fixtures, or other structures of any kind. Any improvements present in the Lease Property at the inception of the Lease shall remain on the Lease Property for the duration of the lease term.

### **12. Condition of Lease Property Upon Surrender.**

At the termination of this Lease, Lessee shall surrender the Lease Property in the condition in which it was at the inception of this Lease, excepting: deterioration caused through reasonable use and ordinary wear and tear; and alterations, improvements or conditions made with Lessor's written approval.

### **13. Payment of Assessments, etc.**

Lessee shall pay for any discretionary alterations and improvements on the Lease Property that Lessee requires. Lessee shall not pledge, in any manner, the Lease Property or any of the structures or fixtures thereon, as collateral or otherwise allow any liens or mortgages to attach to any portion of the Lease Property whatsoever.

### **14. Utilities, Janitorial Services and Supplies.**

Lessee shall pay all utilities associated with the Lease Property including but not limited to: water, sewer, refuse disposal, gas, electricity, telephone services, internet services, and all other utilities whatsoever. Additionally, Lessee shall ensure that all premises and buildings are kept clean and sanitary and shall pay for any services necessary to meet this obligation.

### **15. Right of Entry.**

Lessor or its agent has a right to enter upon the Lease Property to inspect, to make repairs and for other reasonable purposes. Lessor shall provide Lessee at least 48-hours advanced notice prior to entering upon the Lease Property. Lessor shall obtain acknowledgment from Lessee, which shall not unreasonably be withheld, prior to entering upon the Lease Property. In an emergency, such as a fire, Lessor or its agent may enter the premises without securing Lessee's prior permission, but shall give Lessee notice of entry as soon thereafter as practicable.

## **16. Duty to Maintain Premises.**

Throughout the initial term and renewal term, if applicable, it shall be Lessee's obligation, without cost to Lessor, to maintain the Lease Property. Lessee shall at all times keep the Lease Property neat, orderly, sanitary, and presentable. Lessee shall cause to be removed at Lessee's own expense from the Lease Property all waste, garbage, and rubbish, collectively referred to herein as refuse, and agrees not to deposit same on any part of the surrounding property. Lessor shall be entitled to remove Lessee's refuse from the Lease Property and charge Lessee a reasonable fee if Lessee fails to remove such refuse within one (1) day after receiving written notice from Lessor of improper storage or disposal.

Lessee shall perform, at its sole expense, ordinary preventative maintenance and repair of the Lease Property. In addition, Lessee shall maintain, repair, and, when necessary, replace all personal property, trade fixtures, equipment, and other Lessee improvements placed or installed on the Lease Property by Lessee.

Lessor shall maintain and repair at its sole cost and expense the building systems including roof, structural components, doors, HVAC systems, electrical systems, plumbing and sewage systems, and landscaping at the Lease Property, provided that Lessee shall be responsible for repairing any damage to the building systems caused by Lessee's operations and activities at the Lease Property.

## **17. Right to Assign or Sublease.**

Lessee may assign or sublease the Lease Property only upon express written consent by Lessor, which shall not be unreasonably withheld, on the condition that any assignee or sub-lessee utilize the Lease Property for the purpose set forth herein.

## **18. Duty to Insure and Indemnity.**

Lessor and Lessee, as New Mexico governmental entities, are globally self-insured. During the initial term and any renewal period, if applicable, Lessor and Lessee agree as follows:

- a. Lessor and Lessee shall each provide coverage for their own liability and the liability of their own "public employees," as defined in the New Mexico Tort Claims Act, and for their own personal property and leasehold improvements and betterments, as required by New Mexico law.
- b. Lessor shall maintain in force a policy or policies of insurance providing fire, lightning and extended coverage, or "all risk" coverage, for at least 80% of the actual cash value of the property.
- c. Lessee shall be solely responsible for obtaining insurance coverage for losses of Tenant-owned property. Lessor shall not be required to provide such insurance coverage or be responsible for payment of the Lessee's cost for such insurance.



**19. Right to Terminate upon Breach of Condition of Agreement.**

Either party may terminate this Lease upon the other party's substantial breach of any term or condition contained in this Lease, provided that the breaching party shall be given thirty (30) calendar days from the receipt of written notice of a substantial breach to cure the breach or to begin and proceed, with due diligence, to cure a breach that cannot be cured within thirty (30) days. In the event of a substantial breach, the non-breaching party shall give the breaching party written notice that describes the nature of the breach and notifies the breaching party that, unless the breach is cured within the time limits contained herein, the Lease shall terminate without further notice at the end of the cure period. Upon termination of the Lease, the Lessee shall surrender the Lease Property to the Lessor pursuant to Paragraph 12 herein and shall be obligated to pay rent only to the date of surrender.

**20. Lease Binding on Heirs and Assigns.**

This Lease is binding upon the heirs, executors, administrators, personal representatives, assignees and successors-in-interest of the parties.

**21. Amendments to be in Writing.**

This Lease shall not be altered or amended except by instrument in writing executed by both the Lessor and Lessee.

**22. Address for Notices, Payment of Rent, etc.**

Notices required under this Lease and rental payments shall be made at the following address, except as changed by written notice to the opposite party:

To the LESSOR:	City of Hobbs 200 E. Broadway Hobbs, NM 88240 (575) 397-9239 (575) 397-9450 sraulston@hobbsnm.gov	To the LESSEE:	NMDPS PO Box 1628 Santa Fe, NM 87504 (505) 827-3347  Jessica.Lucero@state.nm.us
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Notices Only (Lessee):           General Services Department, Facilities Management Division  
Attn: Asset Management Bureau, Leasing  
P.O. Box 6850  
Santa Fe, NM 87502  
Telephone number: (505) 827-2141

**23. Merger of Prior Agreement.**

This Lease incorporates all of the conditions, agreements and understandings between the parties concerning the subject matter of this Lease, and all such conditions, agreements and understandings have been merged into this written Lease. No prior condition, agreement or

understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written Lease.

**24. Certificates and Documents Incorporated.**

All certificates and documentation required by the provisions of this Lease shall be attached to the Lease at the time of execution, and are hereby incorporated in this written Lease to the extent they are consistent with its terms and conditions.

**25. Notice.**

The Procurement Code (NMSA 1978, §§ 13-1-28 through 13-1-199) imposes civil and misdemeanor criminal penalties for its violation. Additionally, the Hobbs Municipal Code Chapter 3 shall be adhered to at all times in negotiating and contracting by the City of Hobbs. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

**26. Duty to Comply with NMSA 1978, § 3-54-1.**

Pursuant to NMSA 1978, § 3-54-1, a municipality may lease any municipal facility or real property of any value normally leased in the regular operations of such facility or real property, and such lease shall not be subject to referendum. However, a municipality may lease any real property having an appraised value in excess of twenty-five thousand dollars (\$25,000) by public or private lease, subject to referendum provisions. Any lease of municipal facilities or real property in excess of twenty-five thousand dollars (\$25,000) shall be by ordinance of the municipality. As a result, the parties understand that the City of Hobbs City Commission reserves the right to reject this Lease, if the appraised value is in excess of twenty-five thousand dollars (\$25,000), by a majority vote so rejecting. Parties shall have no right to claim “detrimental reliance” or any other contractual theories as a result of a Commission vote rejecting this Lease, or alternatively, a referendum petition by the voters of Hobbs, New Mexico, which is aimed at overturning any Commission vote in favor of this Lease.

**27. Miscellaneous.**

This Lease shall be interpreted pursuant to the laws of the State of New Mexico. Venue and Jurisdiction shall lie exclusively in the Fifth Judicial District Court, Lea County, New Mexico.

If any provision of this Lease shall be deemed by a court of competent jurisdiction as illegal, unenforceable, or unconstitutional, the remainder of the Lease shall remain valid and enforceable as written.

By entering into this Lease, neither party in any way waives or foregoes any protections afforded under the New Mexico Tort Claims Act (NMSA 1978, § 41-4-1, et seq.) or any other theories of law that afford immunity to government agencies and their officers and employees.

Each party is responsible for liability associated with the actions or omissions of it or its own employees, but not for liability associated with the actions or omissions of the other party or that other party's employees, including violations of rights and privileges guaranteed under the Laws and Constitution of the United States and the State of New Mexico.

[All Necessary Signatures on the Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

By: \_\_\_\_\_  
SAM D. COBB, Mayor

By: \_\_\_\_\_  
JAN FLETCHER, City Clerk

By: \_\_\_\_\_  
TOBY SPEARS, Finance Director

ATTEST:

NEW MEXICO DEPARTMENT OF PUBLIC SAFETY

By: \_\_\_\_\_  
TIM Q. JOHNSON, INTERIM SECRETARY

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

\_\_\_\_\_  
EFREN A. CORTEZ, City Attorney

\_\_\_\_\_  
ELIZABETH TRICKEY, DPS General Counsel



# CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT: REJECT BID No 1586-21 FOR SECURITY RENOVATIONS FOR THE CITY OF HOBBS**

**DEPT. OF ORIGIN:** General Services Dept.

**DATE SUBMITTED:** 3-9-21

**SUBMITTED BY:** Shelia Baker, General Services Director

**Summary:**

Bids were opened at 10:00 AM on Monday, March 8, 2021 for the Security Renovations for the City of Hobbs Project. The buildings included in this first phase of the security renovations were: Municipal Court, the Police Department and Motor Vehicle Dept. The safety improvements are designed to provide ability for the staff to Run. Hide. Fight. Main components of the construction include:

- protection barriers at reception areas
  - consisting of bullet resistant glass above the counter and bullet-resistant wall below the counter, addition of pass through trays);
- replacement of glass with bullet resistant glass
- addition of bullet resistant walls
- creating separate seating area for inmates and improving line-of-sight at Municipal Court

An advertisement was placed in the local newspaper, placed on the City of Hobbs website and was sent to plan rooms. There were 19 companies on the plan holders list. One responsive bid was submitted.

Contractor	Bid Lot 1	Bid Lot 2	Bid Lot 3	Bid Lot 4
J. Carrizal General Construction, Inc.	\$412,919.97	\$438,547.05	\$49,807.10	\$901,274.12

The current FY21 budget amount available for this project is \$501,182.45. It is the recommendation of the General Services Dept. that the bid for renovations at Municipal Court be rejected.

**Fiscal Impact:**

Reviewed By: [Signature]  
Finance Department

FY21 Budget: \$501,182.45  
Budgeted Line Item: 010421-44901-00279

**Attachments:** Bid Summary Sheet

**Legal Review:**

Approved As To Form: [Signature]  
City Attorney

**Recommendation: Staff recommends rejecting Bid No. 1586-21**

Approved For Submittal By:

[Signature]  
Department Director  
[Signature]  
City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied: \_\_\_\_\_  
File No. \_\_\_\_\_

## Bid Summary

BID/PROPOSAL NO. 1586-21

FURNISH Security Renovations for the City of Hobbs

Bidder	D+D Automation	J Carruzel General Construction		
NM Contractors License No.	399964	86535		
Bid Bond	Non Responsive	✓		
Addendum(s)	✓	✓		
Bid Form	✓	✓		
List of Subcontractors	✓	✓		
Resident Bidders Pref No.	✓	✓		
Veterans Preference	✓	1756120150605		
Campaign Cont. Dis. Form	✓	✓		
Non-Collusion Affidavit	✓	✓		
Related Party Disclosure Form	✓	✓		
Non-Debarment Cert	✓	✓		
Alternate 1	\$13,313 <sup>85</sup>	\$412,919 <sup>97</sup>		
Alternate 2	\$35,383 <sup>94</sup>	\$438,517 <sup>05</sup>		
Alternate 3	\$52,434 <sup>75</sup>	\$49,807 <sup>18</sup>		
Alternate 4				
TOTAL	Non Responsive	\$901,274 <sup>19</sup>		



CITY OF HOBBS  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT:** AUTHORIZE PURCHASE OF REPLACEMENT VEHICLES  
**DEPT. OF ORIGIN:** General Services  
**DATE SUBMITTED:** March 9, 2021  
**SUBMITTED BY:** Shelia Baker, General Services Director

**Summary:**

The City of Hobbs would like to purchase four replacement vehicles from Melloy Ford, utilizing CES Contract #2020-31A-C107-ALL. The units being replaced meet the City's required 10 year, 100,000 mile replacement schedule and were included in the FY21 budget. The retired fleet will be turned in to be sent to auction.

The City of Hobbs Utilities Department budgeted for three replacement units. One F-350 with a utility/crane bed for water production and two F-150 pickups for meters. The Recreation Department, Senior Center division, budgeted for one F-150 food delivery truck. The units that will be replaced are:

Unit number	Year	Mileage
1146	2008	122,601
1286	2010	116,086
1255	2009	103,584
1138	2008	102,000

**Fiscal Impact:**

Reviewed By:   
Finance Department

	Account Number	Total Cost	FY21 Budget
Senior Center:	174017-43003	\$55,402.00	\$70,000
Utilities-Meter:	604640-43003	\$63,954.00	\$70,000
Utilities-Productions:	604620-43003	\$67,218.00	\$80,000

The quoted amount is \$186,574.00 and the FY21 total available budget is \$220,000.

**Attachments:**

CES Quotes

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation: Authorize purchase utilizing CES contract number 2020-31A-C107-ALL**

Approved For Submittal By:

  
Department Director

  
City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
Approved \_\_\_\_\_  
Other \_\_\_\_\_

Continued To: \_\_\_\_\_  
Referred To: \_\_\_\_\_  
Denied: \_\_\_\_\_  
File No. \_\_\_\_\_

SINCE 1952



# FLEET

February 8, 2021

**CES Contract #2020-31A-C107-ALL**

**City of Hobbs – Food Delivery**

**2021 Ford F150 XL, 4WD, Regular Cab, 6.5' Bed, White**

**MSRP \$33,585.00**

**Discounted Price \$26,868.00**

\*5.0L V8 Engine

\$1,995.00

\*Power Mirrors/Remote Keyless Entry

\$970.00

\*Running Boards

\$250.00

\*Mileage – Delivery to Hobbs

\$674.00

\*Window Tint

\$150.00

\*10 LED Lightbar

\$1,495.00

\*Hot/Cold Food Delivery Body

\$23,000.00

**Total with Options \$55,402.00**

***Karen Sluga***

***Melloy Auto Group***

***Fleet/Government Sales***

***[karen@melloyfleet.com](mailto:karen@melloyfleet.com)***

***(505)866-3180***



SINCE 1952



# FLEET

February 8, 2021

**CES Contract #2020-31A-C107-ALL**

**City of Hobbs**

**2021 Ford F150 XL, 2WD SuperCrew 5.5' Bed, White**

**MSRP \$36,650.00**

**Discounted Price \$31,153.00**

\*Mileage – Delivery to Hobbs

**\$674.00**

\*Window Tint

**\$150.00**

**Total with Options \$31,977.00**

**Quantity X 2**

**Total \$63,954.00**

***Karen Sluga***

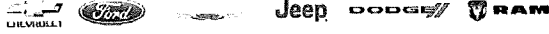
***Melloy Auto Group***

***Fleet/Government Sales***

***karen@melloyfleet.com***

***(505)866-3180***

SINCE 1952



# FLEET

February 8, 2021

**CES Contract #2020-31A-C107-ALL**

**City of Hobbs – Utility/Crane Body**

**2021 Ford F350 XL, 2WD, Regular Cab, Dual Rear Wheels, 84" CA, White**

**MSRP \$36,505.00**

**Discounted Price \$29,204.00**

*Power Mirrors/Remote Keyless Entry	\$865.00
*Trailer Brake Controller	\$270.00
*Running Boards	\$320.00
*Back up Camera	\$415.00
*Back up Camera Relocate	\$150.00
*Mileage – Delivery to Hobbs	\$674.00
*Window Tint	\$150.00
*Utility Bed 84", Bedliner, 4,000 lb Capacity	\$35,170.00

Crane, Perimeter Lighting

**Total with Options \$67,218.00**

***Karen Sluga***

***Melloy Auto Group***

***Fleet/Government Sales***

***[karen@melloyfleet.com](mailto:karen@melloyfleet.com)***

***(505)866-3180***



**CITY OF HOBBS**  
COMMISSION STAFF SUMMARY FORM

MEETING DATE: March 15, 2021

**SUBJECT: CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT WITH PROPERTY MANAGEMENT PLUS, LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.**

DEPT. OF ORIGIN: Planning Division  
DATE SUBMITTED: March 5, 2021  
SUBMITTED BY: Kevin Robinson – Planning Department

**Summary:** Property Management Plus, LLC has requested a Development Agreement concerning the development of single-family housing units located within the municipal boundaries. The developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$115,000.00.

**Fiscal Impact:**

Reviewed By:   
Finance Department

Budget Available \$120,000.00  
Single Family Housing #010100-44901-170

**Attachments:** Resolution and Development Agreement.

**Legal Review:**

Approved As To Form:   
City Attorney

**Recommendation:**

Commission considers approval / denial of the attached Development Agreement.

Approved For Submittal By:

  
Department Director  
  
City Manager

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COMMISSION ACTION TAKEN

Resolution No. \_\_\_\_\_ Continued To: \_\_\_\_\_  
Ordinance No. \_\_\_\_\_ Referred To: \_\_\_\_\_  
Approved \_\_\_\_\_ Denied \_\_\_\_\_  
Other \_\_\_\_\_ File No. \_\_\_\_\_

CITY OF HOBBS

RESOLUTION NO. 7036

**A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH PROPERTY MANAGEMENT PLUS, LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY.**

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Property Management Plus, LLC concerning the development of market rate single-family housing; and

WHEREAS, the aforementioned Development Agreement allows for an incentive of reimbursement of public infrastructure for this type of development, said agreement being in the best interest of the City.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Development Agreement, which is attached hereto and made a part of this Agreement as Exhibit #1 and the Mayor, and/or his designee, is hereby authorized to execute the Agreement.
2. That City staff and officials are authorized to do any and all deeds to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of March, 2021.

\_\_\_\_\_  
Sam D. Cobb, Mayor

ATTEST:

\_\_\_\_\_  
Jan Fletcher, City Clerk

## MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

**THIS AGREEMENT** is entered into on this 15<sup>th</sup> day of March 2021 by and between the City Of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and Property Management Plus, LLC, 3228 N. Grimes St., Hobbs, NM 88240, (hereinafter "Developer") for the purpose of delivering Housing Developer Services to be provided to the City.

### RECITALS:

\*\* The City requires to contract with a Market Rate Single Family Development Company to deliver Single Family Market Rate Housing to the Citizens of Hobbs, New Mexico.

\*\* Developer has submitted a proposal to the City to deliver the required Market Rate Single Family Housing, to be produced within 365 days of ratification of this agreement, within the Municipal Boundaries.

\*\* Any outstanding Development Agreements between the Developer and the City of Hobbs concerning the production of Market Rate Single Family Housing shall become null and void upon the ratification of this agreement herewith.

**NOW, THEREFORE**, the City of Hobbs and Developer do hereby agree as follows:

#### **A. Work To Be Performed.**

1. The Developer shall furnish to the City its Professional Housing Developer Services for certain work regarding the Market Rate Single Family Housing. All single family structures completed under this agreement shall be located within the municipal boundaries and shall have received a certificate of occupancy after ratification of this agreement.

2. Developer shall furnish to City its professional Housing Developer Services as provided by this Agreement. The specific duties include the production and delivering to the public Market Rate Single Family Housing Units in Hobbs. Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

3. Specific activities required are to develop privately owned real property in the City including designing, building and transferring to the public individual market rate single family housing units. The City's subsidy may include any or all of the following funding assistance from the City:

Incentives are available for installed public municipal infrastructure only, providing compliance with:

- a. Incentive not to exceed per square footage basis:
  - i. \$10.00 per sq. ft. north of Sanger
  - ii. \$20.00 per sq. ft. south of Sanger
  - iii. Calculation based on living area only
- b. Incentive not to exceed per unit basis:
  - i. \$10,000.00 per single family unit
  - ii. \$5,000.00 per multi-family unit

- c. Incentive not to exceed fair share per linear foot of infrastructure basis:
  - i. \$180.00 per lineal front footage of complete public infrastructure installed, and further broken down as follows:
    - 1. Water (\$25 / lf):
      - a. Twenty Five (\$25) per equivalent front foot of lot to which water service is provided (8" minimum service single family & 10" minimum service for multi-family);
    - 2. Sewer (\$35 / lf):
      - a. Thirty Five (\$35) per equivalent front foot of lot to which sewer service is provided (8" minimum service single family & 10" minimum service for multi-family);
    - 3. Street (\$90/ lf):
      - a. Ninety (\$90) per equivalent front foot of lot to which street is provided (built to Minor Residential standards as promulgated within the City of Hobbs Major Thoroughfare Plan);
    - 4. Sidewalk:
      - a. Thirty (\$30) per equivalent front foot of lot to which sidewalk (includes driveway with ADA accessible path) is provided;

Based on quantities of required publicly owned infrastructure installed supporting the project, the City Engineer shall determine if the value of the infrastructure is adequate as an equal exchange of value for the amount of City subsidy contributed to the market rate single family housing unit. The City Engineer shall resolve any issues concerning value or extent of infrastructure and amount of square footage of constructed housing units. Specifically, the City Engineer will determine the value or unit costs of the publicly owned infrastructure according to any City of Hobbs Annual Pavement/Concrete/Utility Contracts or public infrastructure projects and estimates.

**B. Payment For Services.**

- 1) The City shall pay for said services at the rates agreed to and as specified above in the Infrastructure details, as shown herein. Payment will not be made by the City for any unit until a certificate of occupancy is issued, based on this Agreement.
- 2) The total compensation to be paid to the Developer during the term of this Agreement shall not exceed One Hundred Fifteen Thousand Dollars (\$115,000.00), unless the Agreement is amended by the City Commission.
- 3) City subsidy shall be paid when each individual single family unit is complete and certificate of occupancy is issued, provided the certificate of occupancy for the unit is issued after ratification of this agreement. Payment will be made within fifteen (15) days following a written request from the Developer and upon City inspection of project completion.
- 4) Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time. Such usage either now or in the future, for a period not to exceed 10 years from date of issuance of a C.O.,

shall require Developer to return any incentive funds received for any unit thus utilized, upon demand by the City. Developer shall record a "Declaration of Restrictive Covenants", attached hereto as Exhibit 2, to restrict such usage and to notify parties involved in future conveyances.

**C. Construction Requirements.**

Construction shall be of energy-efficient design per New Mexico Energy Conservation Code 2009, utilizing either stucco or brick on the exterior of all buildings.

**D. Assignment of Agreement.**

This Section refers to assignability of this Agreement, and not to assignability of the Project to be developed for housing. Developer shall not assign or transfer any interest in this Agreement. Except that Developer is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which the Developer is the principal party or to an affiliated company, working with the Developer on the Project. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Consent shall not unreasonably be withheld by either party.

**E. Insurance Requirements and Hold Harmless Provision.**

1. Developer agrees to obtain and maintain appropriate insurance during the course of the development of market rate single family housing with the City of Hobbs, as follows, and shall indemnify and hold harmless City, its employees, agents, officers and officials from any and all claims, losses, causes of action, and/or liabilities resulting from the conduct, negligence, errors or omissions of Developer or any employee or agent of Developer while engaged in performing the services called for herein.

2. The Developer shall maintain insurance coverage for General Liability, Automobile Liability, Errors and Omissions Insurance, and Workers' Compensation, subject to review and approval of the City Attorney.

**F. Governing Law and Provisions.**

1. This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in house counsel.

**G. Final Payment and Release of Claims.**

1. Developer, upon final payment of all amounts due under this Agreement, releases the City and its officers and employees from all liabilities, claims and obligations whatsoever arising

from or under this Agreement.

2. City, upon Developer's final completion of all work items and covenants required of the Developer under this Agreement, shall release the Developer from all liabilities, claims and obligations whatsoever arising from or under this Agreement, on the day that is ten (10) years following the date of the City's issuance of a final certificate of occupancy on the Project.

**H. Amendments.**

This Agreement shall not be altered, changed, or amended except by written instrument approved and executed by both parties hereto.

**I. Breach.**

1. The following events constitute a breach of this Agreement by Developer:
  - a) Developer's failure to perform or comply with any of the terms, conditions or provisions of this Agreement.
2. The following events constitute a breach of this Agreement by City:
  - a) City's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including making timely and appropriate payments to the Developer.

**J. Remedies Upon Breach.**

1. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.
2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement.

**K. Termination.**

This Agreement shall be terminated upon the completion of all tenants herein specified or 365 days from date of ratification whichever comes first. A request for infrastructure reimbursement, for a qualified unit produced within the terms of this agreement, received after the Termination Date of this agreement will not be eligible for payment.

**L. Notice.**

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by regular mail, postage prepaid, to the City, ATTN: City Attorney, 200 E. Broadway, Hobbs, NM 88240; to Developer ATTN and Property Management Plus, LLC, 3228 N. Grimes St., Hobbs, NM 88240 and to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.



**M. Entire Agreement.**

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement the day and year first written above.

**City of Hobbs**

**Property Management Plus, LLC**

\_\_\_\_\_  
By: Sam D. Cobb, Mayor

\_\_\_\_\_  
By: Nadeem Kassis

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

\_\_\_\_\_  
Efren Cortez, City Attorney