

**CITY OF HOBBS INDUSTRIAL AIR PARK BOARD
MEETING MINUTES
March 3, 2009**

1) Call To Order.

The Hobbs Industrial Air Park (HIAP) Board met on March 3, 2009 at 1:30 p.m. at Hobbs Annex meeting rooms 302 & 304. Members present included the following:

Members Present:

Marty Cope, Chairperson
Edsel Clifford, Vice Chairman
Jim Shows
Mark Sanchez
Denise Layton

Members Absent:

Alberto Caballero

Also present were members of the public and City staff as follows:

Joe Dearing, City Planner
Kevin Robinson, Project Manager
Julie Nymeyer, Staff Secretary
Marcus May
Ray James
Charles Shaw

John Portulano, Project Manager
Gary Mitchell
Lane Kendig
Kenny Hournbuckle
Curtis Hournbuckle

2. Review and Approve Agenda

The first item of business was to review and approve the agenda for the March 3, 2009 meeting. Chairperson Cope asked if there were any additions to the agenda. Mr. Dearing said there were no additions. After a brief review, Mr. Sanchez made a motion, seconded by Ms. Layton, to approve the agenda. The vote on the motion was 5-0 and the motion passed.

3. Review of Meeting Minutes of December 10, 2008.

Chairperson Cope asked the members to review and consider approval of the minutes of the December 10, 2008 meeting. Mr. Shows made a motion, seconded by Ms. Layton, to approve the minutes as presented. The vote on the motion was 5-0 and the motion passed.

4. Presentation by Mr. Gary Mitchell, Kendig Keast Collaborative concerning alternate development plans for the South Planning & Development Area of the HIAP Industrial Park.

Mr. Mitchell said their assignment was to look at development possibilities in the south development area. He demonstrated an overhead presentation of the HIAP area. He said the site is west of the NMJC campus. He said it is more of a Business Park area and not a retail area. He said there is a drainage channel that goes through the middle of the site. He said a main constraint is the airport zoning. He said there are typical airport zoning restrictions at the end of the runway that severely restricts height possibilities and it is right in the middle of the project site. He said they recommended in the report that airport zoning be done away with since the HIAP is not a public airport. He displayed three different options.

Mr. Lane Kendig said there are three options which are: Alternate #1 has 19 lots with 5 acres each. Alternate #2 has 41 lots with 2 acres each and the last one is Alternate #3 with 67 lots at 40,000 square feet each. He discussed the three different alternatives. He said at this time they did not know where the utilities would be brought in from but that could be decided later.

Mr. Sanchez asked why it was his opinion that the smaller lots are more desirable. Mr. Kendig said because there is a lot of land available for oilfield related businesses all over Hobbs and they are trying to encourage different types of businesses to come in to the HIAP area. Mr. Kendig said that they would like to have some guidance from the Board on what they would like to see. Mr. Clifford asked what the difference in the cost would be on the infrastructure on the smaller lots versus the larger lots. He said that he believed the streets for the small lots would cost twice as much for infrastructure. Mr. Kendig said that the smaller streets would have alleys but that it would probably cost twice as much. Ms. Cope said that she does not really see any retail in the development just industrial. Mr. Clifford said that he believed that everything in Hobbs would be oilfield related in one way or the other. Mr. Kendig said that he believed having a restaurant in the area would be good.

Mr. Dearing said that comments from the City Engineer said that the runoff area may need to be increased. He said the City Engineer said that several of the small lots on the east next to NMJC may need to be reserved as detention areas.

Mr. Dearing said he and Mr. Randall did not like the double street on Millen. He said they would rather see a wide right-of-way with access to the Business Park off the back street. He said the other concern is the amount

of money available is \$750,000 dollars and in today's budget that will probably be the only amount that will be available.

Mr. Dearing discussed some of the leases around this proposed site. Ms. Cope said that to her because of the industry around Hobbs, service companies etc. would want the bigger lots. Mr. Mitchell said when the phasing started you would start to see what the interest would be and the size of lots needed. Mr. Sanchez said that the cost of utilities and roads are the main interest of concern right now.

Ms. Cope said that one of her big questions is if the City Commission and the HIAP Board are all going in the same direction. She said when this first came up the HIAP Board decided to start selling these lots instead of letting them just sit out there for another 50 years. She said then when Mr. Johncox wants to buy his leased area, the Commission does not want to sell it to him because he may want to sell it to someone else. She said so then are we supposed to let him lease it for another 50 years and just let the land sit there. She said that she thinks we need to come to a conclusion if the land will be leased or sold.

Ms. Cope said that strangers can move into this town and we will give them a parcel of land but when we have someone that helped develop this area and is ready to pay a price for the land the city does not want to sell. She said that she feels like the HIAP Board needs a Work Session with the City Commission.

Mr. Clifford said if we are not going to sell any of this land then why go through all of this. Mr. Shows said if some one came in from out of town and had a good proposal we would probably give them a piece of land and yet we have a man who has leased the land for many years and why now is it not acceptable to sell him the land. Mr. Dearing said that he will request a Work Session with the Commission.

After a discussion about setting up a meeting with the City Commission, Mr. Sanchez made a motion, seconded by Mr. Shows to table this item until a Work Session with the Commission can be set up. The vote on the motion was 5-0 and the motion carried.

5. Review and Consider Approval of a proposed additional facility at the Hobbs Motor Speedway to excavate a 16' x 200' area to create a mud bog racing area.

Mr. Kevin Robinson said that the Hobbs Motor Speedway would like to increase their business by offering mud bogging. He said basically they are talking about a 16 x 200 foot excavated pit which would be back filled with mud making a place for trucks to go through. He said the area in question

is between Millen Drive and the concession stand that is there now. He said there will be a parking area and then an area for the event and then additional area for the stands. He said that staff is concerned about the insurance and would like to make sure the city would not be liable for any of the activities on the grounds.

Mr. Dearing said that staff had a meeting yesterday with Mr. Terry Harrington and as far as the excavation material he said they are assuming it will be primary caliche. He said the remediation plan would be that they would scrap the caliche back into the pit. He said the lease appears to allow additional related events as long as the Board and Commission feel like it is appropriate. He said that their insurance will have to specify this event and against any liability. He said that the pit will be closed in on all sides when it is not in operation.

Members of the public with the mud bog events said that there are a lot of people who would come to this event. He said that they all travel out of town to go to mud bog events and he believes that those people would also come to Hobbs for events. Ms. Cope asked about bad accidents associated with this. Member of the public said the worst thing that has happened is where one of the trucks turned over on its side, with no injuries associated. Mr. Dearing said all the vehicles would have to be brought in on a trailer. He said that he felt like an amendment to the lease would need to be made and all the additional rules and insurance would need to be added if this activity is to be approved. Mr. Sanchez made a motion, seconded by Mr. Shows to approve an addendum to the Hobbs Motor Sports Lease as long as the conditions of insurance, and bringing in of the vehicles and remediation of the site upon completion. The vote on the motion was 5-0 and the motion carried.

6. Review and Discuss Construction Update - HIAP Industrial Subdivision.

A. Discuss Progress of Construction.

Mr. Robinson said that asphalt paving should start in the next few days. He said all of the electric has begun and there should be lights out there soon.

B. Minor Construction Projects.

Mr. Robinson said that he has talked to Ramirez and Sons about minor construction. He said there are several places on A Street on either side that has broken up pots holes and they will be looking at the road conditions.

C. Former Wastewater Treatment Area Demolition Bids.

Mr. Robinson said that the bids are completed and are processing through City Hall and hopefully they will be starting mid next week.

D. Landscaping new street areas.

Mr. Robinson said that staff is in the process of making a map of where landscaping will go and making sure there is an adequate water supply. Mr. Dearing said that most of the plants will be desert type plants.

Mr. John Portulano said that Mr. Carl Baxley with Bright Ad Signs is doing all the signs. He said it will be approximately 2 weeks before they are complete and then they will be put in the area.

7. Discussion Items.

A. Potential Lease with NMJC for oilfield training.

He said the idea is to have a separate lease with the Junior College. He said that someone has donated a pulling unit to them. He said this will be used for oilfield training. Mr. Robert Rhoads, Vice President of Outreach with NMJC introduced himself. He said they did receive a donation from Basic Energy of a pulling unit. He said this will be a safe environment to do safe training in. Mr. Dearing said that they would be able to work around the dimensional needs. Mr. Sanchez made a motion, seconded by Ms. Layton to approve Mr. Dearing to enter in to discussion with the representatives of the NMJC to locate a site for the new lease and come up with terms. The vote on the motion was 5-0 and the motion carried.

B. Review and Discuss Golf Study.

Mr. Dearing discussed the Golf Study that has been presented to the City Commission. He said no action has been taken on it. He said there were three proposals; 1) to keep the same location but upgrade the existing 18 hole golf course. 2) to upgrade to a 27 hole golf course by moving it out towards the old Ladshaw site; 3) to acquire 160 acres from Homestead Estates which is located on Seminole Highway. Mr. Dearing said to note that the 27 hole course configuration shows part of the course on existing HIAP leases south of A Street. Mr. Dearing said that according to the study the lowest cost is the new golf course on the east side of town. Mr. Dearing said that use of the Ocotillo facility has gone down in the last few years. Ms. Cope said they are packed solid all the time and you cannot get a tee time. Mr. Clifford said that Hobbs really needs a nice golf course. The Board concurred.

C. Review and discuss policy recommendations.

Mr. Dearing said that the Board has recommended having a Work Session on policy issues. Ms. Cope said why would there be no resale for five years? She said so then the property is just going to sit out there for another five years but if this person buys it and turns around and sells it to someone who will build immediately then why not sell it. Mr. Dearing said the Commission's position is that they want someone who is ready to build immediately. Mr. Clifford said then it states the buyer must have 20 employees and there is no one in town with 20 employees except the city, so that will be hard to comply with. Ms. Cope said that she believes that they will just need to have a Work Session on this. She said that the Board's plan was to develop and market the land for sale. Mr. Clifford said that it looks like the city does not want to sell the land according to their policy. Mr. Sanchez said that it does not seem like the city is being flexible enough on incoming businesses. Ms. Cope said we are either open for business or we are not.

8. Communications from Citizens.

There was no further communication from citizens.

9. Adjourn.

The meeting adjourned at 3:12 pm.

Marty Cope, Chairperson