Commission Meeting Agenda

City of Hobbs
New Mexico

Mayor
Samuel D. Cobb

City Commission
Marshall R. Newman
Christopher R. Mills
Patricia A. Taylor
Joseph D. Calderón
Dwayne Penick
Don R. Gerth

Acting City Manager
Manny Gomez

April 1, 2019
Hobbs City Commission
Regular Meeting
City Hall, City Commission Chamber
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico

Monday, April 1, 2019 - 6:00 p.m.

Sam D. Cobb, Mayor
Marshall R. Newman
Commissioner - District 1
Joseph D. Calderón
Commissioner - District 4
Christopher R. Mills
Commissioner - District 2
Dwayne Penick
Commissioner - District 5
Patricia A. Taylor
Commissioner - District 3
Don R. Gerth
Commissioner - District 6

AGENDA
City Commission Meetings are
Broadcast Live on KHBX FM 99.3 Radio
and Available via Livestream at www.hobbsnm.org

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the March 18, 2019, Regular Commission Meeting

PROCLAMATIONS AND AWARDS OF MERIT

PUBLIC COMMENTS  (Citizens who wish to speak must sign the Public Comment Registration Form located in the Commission Chamber prior to the beginning of the meeting)
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.)

None

DISCUSSION

ACTION ITEMS  (Ordinances, Resolutions, Public Hearings)

2. Resolution No. 6780 - Approving a Development Agreement with Gold Creek Homes Concerning the Development of Market Rate Single-Family Housing Units  (Kevin Robinson, Planning Department)

3. Resolution No. 6781 - Approving a Development Agreement with Lemke Development, Inc., Concerning the Development of Market Rate Single-Family Housing Units  (Kevin Robinson, Planning Department)

4. Resolution No. 6782 - Approving a Development Agreement with ABS Homes Concerning the Development of Market Rate Single-Family Housing Units  (Kevin Robinson, Planning Department)

5. Resolution No. 6783 - Approving an Encroachment Agreement and Easement with Stone Ridge Property, LLC, Concerning Encroachments Within the Fowler Street Public Right-of-Way  (Kevin Robinson, Planning Department)

6. Resolution No. 6784 - Approving a Development Agreement with Suerte Land Group, LLC, Concerning the Projection of Suerte Drive South of the Existing Terminus Approximately 1,500 Feet  (Kevin Robinson, Planning Department)

7. Resolution No. 6785 - Approving the Subdivision of Lot 1 of the McKinley-Tabing Subdivision and Affirming a Variance Granted by the City of Hobbs Planning Board Allowing a Subdivision of Property Located Within the Extraterritorial Jurisdiction Without Required Improvements  (Kevin Robinson, Planning Department)
8. Next Meeting Date:

- City Commission Regular Meeting
  
  Monday, April 15, 2019, at 6:00 p.m.

ADJOURNMENT

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) 397-9207 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: April 1, 2019

SUBJECT: City Commission Meeting Minutes

DEPT. OF ORIGIN: City Clerk’s Office
DATE SUBMITTED: March 26, 2019
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:
The following minutes are submitted for approval:

 › Regular Commission Meeting of March 18, 2019

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 18, 2019, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico.

Call to Order and Roll Call

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone in attendance to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb  
Commissioner Christopher Mills  
Commissioner Patricia A. Taylor  
Commissioner Joseph D. Calderón  
Commissioner Dwayne Penick  
Commissioner Don Gerth

Absent: Commissioner Marshall R. Newman

Also present: Manny Gomez, Acting City Manager/Fire Chief  
Efren Cortez, City Attorney  
Erik Scramlin, Deputy City Attorney  
Valerie Chacon, Assistant City Attorney  
Shane Blevins, Police Lieutenant  
Clipper Miller, Police Captain  
Barry Young, Deputy Fire Chief  
Brandon Robert, Hobbs Fire Captain  
Kevin Shearer, Fire Captain  
Shelia Baker, General Services Director  
Todd Randall, City Engineer  
Doug McDaniel, Parks and Recreation Director  
Wade Whitehead, Parks Superintendent  
Matt Hughes, Rockwind Community Links/Lovington Hwy. Trail Superintendent  
Nicholas Goulet, Human Resources Director  
Raymond Bonilla, Community Services Director  
Robert Hamilton, Reference Librarian  
Tracy South, Assistant Human Resources Director  
Matthew Berry, Garage Superintendent  
Shannon Carter-Arguello, Municipal Court Administrator  
Ron Roberts, Information Technology Director  
Toby Spears, Finance Director  
April Avila, Clerk Records Specialist  
Mollie Maldonado, Deputy City Clerk  
Jan Fletcher, City Clerk  
26 citizens
Invocation and Pledge of Allegiance

Commissioner Taylor delivered the invocation and Commissioner Gerth led the Pledge of Allegiance.

Closed Session

The City Commission convened in closed executive session on Monday, March 18, 2019, at 4:30 p.m., for the discussion of limited personnel matters, specifically the hiring of a City Manager and limited personnel matters, specifically the Acting City Manager’s Performance Evaluation. The matters discussed in the closed meeting were limited only to those specified above. No action was taken during the meeting.

Approval of Minutes

Mayor Cobb welcomed Ms. April Avila of the City Clerk’s Office to the meeting. He stated Ms. Avila would be operating the voting equipment tonight during the Commission meeting.

Commissioner Calderón moved that the minutes of the regular meeting held on March 4, 2019, and the work session minutes held on March 4, 2019, be approved as presented. Commissioner Penick seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Recognition of Employee Milestone Service Awards for March, 2019:

Acting City Manager/Fire Chief Manny Gomez recognized the employees who have reached milestone service awards with the City of Hobbs for the month of March, 2019. He read their job titles and gave a brief summary of the job duties performed by each of the following employees:

- 5 years - Omar Valenzuela, Streets Dept.
- 5 years - Kyle Caskey, Parks Department
- 5 years - Robert Hammer, Hobbs Police Department
- 10 years - Shaun Siddall, Hobbs Fire Department

Acting City Manager/Fire Chief Gomez thanked the Commission for recognizing the employees and their service to the City. He stated employees are the most important
resource and asset within the organization. Acting City Manager/Fire Chief Gomez expressed thanks and appreciation to the employees and their families.

Recognition of Achievement of Three Employee Certifications by Brandon Roberts, Hobbs Fire Department.

Deputy Fire Chief Barry Young recognized Hobbs Fire Captain Brandon Roberts for receiving the following certifications:

- ICC Fire Inspector I
- Certified Fire and Explosion Investigator
- Certified Vehicle Fire Investigator

Deputy Fire Chief Young stated the certifications received by Captain Roberts will be very beneficial to the Hobbs Fire Department (HFD). Captain Roberts was presented with a City of Hobbs award and a HFD Challenge Coin.

Consent Agenda

Mayor Cobb explained the Consent Agenda and the process for removing an item from the Consent Agenda and placing it under Action Items.

Mayor Cobb expressed appreciation to all of the City's Advisory Board members for their service to the community. He offered personal thanks to the new appointees.

Commissioner Penick moved for approval of the following Consent Agenda Item(s)

Resolution No. 6772 - Authorizing a Special Variance to the City’s Noise Ordinance for the Cinco De Mayo Fiesta on May 5, 2019, at Hobbs City Park.

Resolution No. 6773 - Authorizing Appointments Various City Advisory Boards.

Resolution No. 5774 - Authorizing the Purchase of Ten (10) Self-Contained Breathing Apparatus (SCBA) in the Amount of $72,757.60 from Municipal Emergency Services Through HGAC Contract.

Resolution No. 5775 - Supporting the Submission of a COOP Grant Application to the New Mexico Department of Transportation for Various Signalized Intersection Improvements.
Resolution No. 6776 - Supporting the Submission of a MAP Grant Application to the New Mexico Department of Transportation for Traffic Signal and Intersection Improvements.

Commissioner Gerth seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the application and supporting documentation are attached and made a part of these minutes.

Discussion

Plastic Bag Littering Problem.

Mayor Sam Cobb stated the City of Hobbs has a plastic bag littering problem in the community which is particularly noticeable at the gateway entrances to the City. He stated he does not advocate either paper or plastic but would like to discuss this problem for a possible solution. Mayor Cobb read a letter from Mr. Darr Angel, a resident of Hobbs, regarding the littering problem and how he is embarrassed and ashamed of the trashy conditions in Hobbs. Mayor Cobb stated retailers could invest in bigger containers for customers to utilize which would assist with the littering problem. He also stated it will have to be a change of behavior for people littering in the community. Mayor Cobb stated Santa Fe and Silver City have banned the use of plastic bags in their communities.

Acting City Manager/Fire Chief Gomez stated littering programs can be enacted such as "Toss no Mas", "Great American Cleanup, etc. He recommended, as a City, to engage the community and civic groups regarding the littering problem. Acting City Manager/Fire Chief Gomez stated the City needs to clean its area first and then reach out to the community to assist in cleaning the litter problem in Hobbs.

Commissioner Gerth stated many communities have recycle bins around town and use two different polycarts to separate trash from recyclable items. He recommended implementing recycling in the community. Commissioner Gerth stated Hobbs is no longer having its community wide cleanup.

Commissioner Mills suggested more marketing and education on littering in the community such as “Give a Hoot” or “Don’t Mess with Texas”.

Commissioner Calderón suggested financial incentives for cleanup programs.

Commissioner Taylor agreed and stated Hobbs is looking very trashy. She further stated the City did not have this problem three years ago.
Commissioner Penick stated plastic bags are a big problem in the community. He stated some ranchers have reported dead cows because they eat the plastic which cannot be processed through their guts.

Acting City Manager/Fire Chief Gomez stated the City will look into re-introducing the cleanup programs.

**Action Items**

*Resolution No. 6777 - Acceptance and Approval of the FY 18 Audit.*

Mr. Toby Spears, Finance Director, stated the City of Hobbs’ 2018 Fiscal Year Audit Report was prepared and will be presented by Mr. Farley H. Vener, Partner In-Charge for Hinkle + Landers via audio conference.

Mr. Vener presented a PowerPoint to the Commission and reviewed the following:

- Auditor’s Communications - AU-C 260
- Significant Audit Results/Opinion
- Findings/Recommendations
- Review Financial Statement Trends

Mr. Vener explained the FY 18-19 Audit and stated Hinkle + Landers issued an audit report for the City of Hobbs with an “unmodified opinion” which means clean and accurate. He stated there were five audit findings for FY 18-19 and one last year which has been corrected by City staff. Mr. Vener stated an audit was done on the U.S. Department of Transportation - Hobbs Express because it is a Federal major program over $750,000.00 threshold. He stated the program is a low-risk auditee. Mr. Vener stated the City has $309,924,502.00 in assets and $28,069,150.00 in loan dept.

Mr. Spears thanked Mr. Vener and his firm for doing a very thorough independent audit for the City of Hobbs. He stated staff begins gathering information in June for the auditors and then meet with the auditors in October for two weeks to execute the audit. Mayor Cobb stated the auditors have access to Hobbs’ system from Albuquerque, New Mexico, and work out of their location as well.

Commissioner Calderón moved to approve Resolution No. 6777 as presented. Commissioner Penick seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.
Resolution No. 6778 - Authorizing Budgetary Adjustment #4 for FY 18-19.

Mr. Toby Spears, Finance Director, presented Budgetary Adjustment No. 4 for FY 18-19 to the Commission. He stated the total expenditures increased by $3,140,800.00 and total revenues increased by $1,122,333.33. Mr. Spears stated the ending cash balance for all funds decreased from $58,888,841.27 to $56,870,374.60 resulting in a net decrease of $2,018,466.67. He stated one of the transfers needed in this budget adjustment is for the CORE from the General Fund in the amount of $51,450.00 along with a $1.5 million adjustment for Yes Housing. He explained another change which is included is grossing up the amount of gross receipts taxes received rather than reporting is a net number after deduction of Taxation and Revenue fees. Mr. Spears stated the General fund reserve balance is decreasing from 38% to 34%.

Commissioner Penick moved to approve Resolution No. 6778 as presented. Commissioner Calderón seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.

Consideration of Approval of Phase 2 Contract Agreement with Alpha Southwest, Inc., for Potable Water SCADA and Communication System Replacement Project in the Amount of $1,345,408.00 under RFP No. 483-17.

Mr. Tim Woomer, Utilities Director, explained the Phase 2 Contract Agreement with Alpha Southwest, Inc., for Potable Water SCADA and Communication System Replacement Project to the Commission. Previously on January 16, 2018, the City Commission awarded RFP 483-17 to Alpha Southwest, Inc., of Albuquerque, New Mexico, to provide materials, labor, programming, and all associated engineering services for the Potable Water SCADA and Communication System Replacement Project. Mr. Woomer stated the Phase 1 Project is nearing completion and the Phase 2 Project agreement has been successfully negotiated with Alpha Southwest, Inc.. He stated the scope of work for Phase 2 is developed to provide materials, labor, programming, and associated engineering services to complete the Potable Water SCADA and Communication System Replacement Project and the amount is a not-to-exceed cost proposal of $1,345,408.00. The scope of work also consists of 18 deliverable tasks with individual schedules for completion. Mr. Woomer stated, in the past, his staff would have to drive from location to location to reset the system. He stated this process is done electronically from one location and is more efficient. Mr. Woomer stated this process does not change the water pressure at your residence because it is done by elevation tanks.

Commissioner Taylor moved to approve the Phase 2 Contract with Alpha Southwest, Inc., in the amount of $1,345,408.00 not including GRT for Potable Water SCADA and
Communication System Replacement Project as presented. Commissioner Mills seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the supporting documentation are attached and made a part of these minutes.

*Consideration of Approval of Bid No. 1573-19 for Renovations at Fire Station #3 and Recommendation to Award Bid to Rhoads Co. in the Amount of $297,552.92.*

Mr. Shelia Baker, General Services Director, explained the proposed renovations at Fire Station #3 and stated the project consists of remodeling the dorm rooms and restrooms, removal and replacement of windows and ceiling tiles throughout the building, installation of an outdoor concrete patio and canopy and installation of new light fixtures.

Commissioner Gerth moved to approve Bid No. 1573-19 with Rhoads Co., in the amount of $297,552.92 including GRT for renovations at Fire Station #3 as presented. Commissioner Fenick seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the supporting documentation are attached and made a part of these minutes.

*Resolution No. 6779 - Authorizing the Purchase of a Bus for Hobbs Express in the Amount of $119,313.00 from Creative Bus Sales through GSA Price Agreement.*

Mr. Jan Fletcher, City Clerk, explained the purchase of a bus and stated Hobbs Express is requesting approval to purchase an Arboc Spirit of Freedom Bus, 26', with a capacity to hold 14 passengers, from Creative Bus Sales under the State of New Mexico GSA Price Agreement No. 60-000-15-0015. She stated the cost of the low-floor bus is $119,313.00 which is equipped with a ramp and a surveillance camera. Ms. Fletcher stated this is a replacement unit for a 2009 bus with in excess of 215,000 miles. This purchase is budgeted through the FTA Grant and the City will be reimbursed 80% of the cost resulting in a net cost to the City of $23,862.60. She stated Hobbs Express opened its doors in September, 1989, and this year will be its 30-year anniversary. Ms. Fletcher stated details will follow about a reception and celebration.

Commissioner Calderón moved to approve Resolution No. 6779 as presented. Commissioner Fenick seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Gerth yes, Penick yes, Cobb yes. The motion carried. Copies of the resolution and documentation are attached and made a part of these minutes.
Consideration of Approval of Change Order No. 3 (Final) with CDR, Inc., for City Park Improvements.

Mr. Todd Randall, City Engineer, explained Change Order No. 3 for City Park Improvements. He stated CDR Inc., was awarded the City Park Improvement Project at a joint meeting with the City Commission and Hobbs Municipal Schools on July 31, 2017.

During construction, site revisions were requested to address field changes and additions. Major additions included replacement of existing sewer lateral for the existing restrooms, splash pad back flow preventer to meet plumbing code, upgrade of 4" concrete to 6" thickness for basketball court and sidewalks to be accessed by Parks Maintenance equipment. He stated credits include picnic tables that were purchased by the City, pet waste station and contractor allowance credited back to the City. A field survey was conducted to establish actual quantities. Mr. Randall stated the contract is a unit price contract based on estimated design quantities. He stated both City staff and the contractor have agreed on the final quantities. Mr. Randall stated the City Park was opened in September, 2018, and it is being well utilized.

Commissioner Taylor moved to approve Change Order No. 3 with CDR, Inc., in the amount of $70,624.00 not including GRT for the City Park Improvement Project as presented. Commissioner Gerth seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the supporting documentation are attached and made a part of these minutes.

Comments by City Commissioners, City Manager

Mayor Cobb stated the next regular Commission meeting will be held on Monday, April 1, 2019.

Acting City Manager/Fire Chief Gomez stated the Hobbs Animal Adoption Center will be hosting a Shot Clinic on Saturday, March 23, 2019, from 10:00 a.m. to 2:00 p.m.

Acting City Manager/Fire Chief Gomez stated the Census Committee met on Thursday, March 7, 2019. He stated it was a great member turnout.

Commissioner Gerth thanked everyone for their attendance at tonight's meeting.

Mayor Cobb also thanked everyone for their attendance at tonight's meeting.
Adjournment

There being no further business or comments, Commissioner Calderón moved that the meeting adjourn. Commissioner Calderón seconded the motion and the vote was recorded as follows: Mills yes, Taylor yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. The meeting adjourned at 7:15 p.m.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk
ACTION ITEMS
CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM
MEETING DATE: April 1, 2019

SUBJECT: CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT WITH GOLD CREEK HOMES CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 25, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: Gold Creek Homes 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 $100,000.00.

Fiscal Impact:

Reviewed By: Finance Department

A budget reclassification of $100,000.00 would need to be made from the multi-family budget line (010100-44901-162) to the single family budget line of 010100-44901-00170. Since there is no cash budget impact (due to re-class), the reclassification would need to be ratified in the final Bar for fiscal year 2019.

Attachments: Developers Request 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

CITY CLERK’S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. Continued To: __________
Ordinance No. Referred To: __________
Approved Other __________
Denied __________
File No. __________
CITY OF HOBBNS

RESOLUTION NO. 6780

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH GOLD CREEK HOMES CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY.

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Gold Creek Homes 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 HOBBNS, 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 1st day of April, 2019.

ATTEST:

Sam D. Cobb, Mayor

Jan Fletcher, City Clerk
MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into on this 1st day of April 2019 by and between the City Of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and Gold Creek Homes, 801 Briarwood Street, Weatherford, TX 76087, (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 180 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. $160.00 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 Thousand Dollars ($100,000.00), 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 habilitation 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 180 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 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 Gold Creek Homes, 801 Briarwood Street, Weatherford, TX 76087 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  

By: Sam D. Cobb, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Developer

By: C. Ryan Voorhees

APPROVED AS TO FORM:

Efren Cortez, City Attorney
Kevin Robinson

From: Ryan Voorhees <ryan@crvonline.com>
Sent: Wednesday, March 20, 2019 3:35 PM
To: Kevin Robinson
Subject: EXTERNAL: Incentive Request

Kevin,

We hope to have our current development agreement completed by next week. Please initiate the request for a new agreement for ten more lots on Homestead.

Thank you

Ryan Voorhees
801 Briarwood Street
Weatherford, Texas  76087
CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM
MEETING DATE: April 1, 2019

SUBJECT: CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT WITH LEMKE DEVELOPMENT, INC. CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 25, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: Lemke Development, Inc. 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 $100,000.00.

Fiscal Impact: Reviewed By: Finance Department
A budget reclassification of $100,000.00 would need to be made from the multi-family budget line (010100-44901-162) to the single family budget line of 010100-44901-00170. Since there is no cash budget impact (due to re-class), the reclassification would need to be ratified in the final Bar for fiscal year 2019.

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:

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. 6781

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH LEMKE DEVELOPMENT, INC. CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY.

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Lemke Development, Inc. 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 1st day of April, 2019.

ATTEST:

Sam D. Cobb, Mayor

Jan Fletcher, City Clerk
MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into on this 1st day of April 2019 by and between the City Of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and Lenke Development Inc., 4008 N. Grimes Street, Hobbs, NM 88240, (hereinafter "Developer") for the purpose of delivering Housing Developer Services to be provided to the City.

RECATALS:

** 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 180 days of the date 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 the date 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 linear 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 Thousand Dollars ($100,000.00), 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 date 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 180 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 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 Lemke Development Inc., 4008 N. Grimes Street, 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**

By: Sam D. Cobb, Mayor

**Developer**

By:

**ATTEST:**

JAN FLETCHER, City Clerk

**APPROVED AS TO FORM:**

Efren Cortez, City Attorney
CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT WITH ABS HOMES CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 25, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: ABS Homes 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 $100,000.00.

Fiscal Impact: Reviewed By: Finance Department

A budget reclassification of $100,000.00 would need to be made from the multi-family budget line (010100-44901-162) to the single family budget line of 010100-44901-00170. Since there is no cash budget impact (due to re-class), the reclassification would need to be ratified in the final Bar for fiscal year 2019.

Attachments: Developers Request 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

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. 6782

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH ABS HOMES CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY.

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with ABS Homes 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 1st day of April, 2019.

______________________________
Sam D. Cobb, Mayor

ATTEST:

______________________________
Jan Fletcher, City Clerk
MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into on this 1st day of April 2019 by and between the City Of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and ABS Homes, 1515 W. Calle Sur Ste 116, 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 180 days of the date 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 the date 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 Thousand Dollars ($100,000.00), 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 date 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 180 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 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 ABS Homes, 1515 W. Calle Sur Ste 116, 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

By: Sam D. Cobb, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Developer

By:

APPROVED AS TO FORM:

Efren Cortez, City Attorney
Kevin Robinson

From: Olivia Stuard <olivia@absnm.com>  
Sent: Friday, March 22, 2019 10:03 AM  
To: Kevin Robinson  
Subject: EXTERNAL: RE: Development Agreement

Kevin,

Heather did not realize that teon normally turns these in when we are using his DA. Do we need to send over to him for signature and have him submit them to you?

Also since we are using his first 4 and I only have 1 left, can I please get on the agenda for the next available commission meeting to request a new development agreement?

Olivia Stuard  
ABS Homes  
4915 W. Steel Driver Rd, Hobbs  
575-492-0575  
Hobbshomebuilder.com

From: Heather  <heather@absnm.com>  
Sent: Friday, March 22, 2019 8:34 AM  
To: krobinson@hobbsnm.org  
Cc: Olivia Stuard <olivia@absnm.com>  
Subject: Development Agreement

Mr. Robinson

Please see the attached letter and Certificates of Occupancy for reimbursement per the development agreement with ABS Homes

Thank You,

--
Heather Willard  
ABS Homes
CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM
MEETING DATE: April 1, 2019

SUBJECT: CONSIDERATION TO APPROVE AN ENCROACHMENT AGREEMENT AND EASEMENT WITH STONE RIDGE PROPERTY LLC, CONCERNING ENCROACHMENTS WITHIN THE FOWLER STREET PUBLIC RIGHT-OF-WAY.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: March 25, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: Stone Ridge Property LLC, the Owner of a multi-family housing complex located at 3500 N. Fowler is requesting an Encroachment Agreement and Easement for certain appurtenances belonging to the property located within the Fowler right of way. Included in the appurtenances are the property’s western fence, encroaching 1.65 feet on average, a light pole, encroaching 0.7 feet and a monument sign encroaching 5.3 feet. The City Commission has the authority to allow the placement of private property upon public property and in the past has done so utilizing encroachment agreements. The encroachment agreement requires the property owner to be fiscally responsible for the maintenance, and possible removal, of their asset occupying public property. Additionally, the encroachment agreement has an indemnification clause in favor of the City and allows either party to terminate the agreement without cause. The City of Hobbs Planning Board recommended approval of the Agreement and Easement at the regular meeting held on March 19, 2019 by a vote of 6 to 0.

Fiscal Impact: Reviewed By: Finance Department

The encroachment agreement and easement as written seeks to eliminate any negative impact to the budget associated with the existing encroachments.

Attachments: Resolution, Encroachment Agreement, Easement and Map.

Legal Review: Approved As To Form: City Attorney

Recommendation:

Commission to consider approval / denial of the attached Resolution approving an Encroachment Agreement and Easement.

Approved For Submittal By: Department Director

Approved For Submittal By: City Manager

CITY CLERK’S USE ONLY
COMMISSION ACTION TAKEN

Resolution No. Continued To:
Ordinance No. Referred To:
Approved Denied
Other Approved
File No.
CITY OF HOBBS

RESOLUTION NO. 6783

A RESOLUTION TO APPROVE AN ENCROACHMENT AGREEMENT AND EASEMENT WITH STONE RIDGE PROPERTY LLC, CONCERNING ENCROACHMENTS WITHIN THE FOWLER STREET PUBLIC RIGHT-OF-WAY.

WHEREAS, the City of Hobbs is proposing to enter into a Encroachment Agreement with Stone Ridge Property LLC and issue an Easement concerning encroachments within the Fowler Street Public right-of-way; and

WHEREAS, the aforementioned Encroachment Agreement requires Stone Ridge Property LLC to be fiscally responsible for the maintenance and possible removal of their property located upon the public right-of-way, 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 Encroachment Agreement and Easement, 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 1st day of April, 2019.

ATTEST:

Sam D. Cobb, Mayor

Jan Fletcher, City Clerk
ENCROACHMENT AGREEMENT

THIS ENCROACHMENT AGREEMENT (hereinafter "Agreement"), entered into this 1st day of April, 2019, between Stone Ridge Property LLC, an Oregon limited liability company, 17688 Upper Cherry Ln., Lake Oswego, OR 97035, (hereinafter "Property Owner") and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

WHEREAS, Property Owner is the owner of certain real property at 3500 North Fowler Street in Hobbs;

WHEREAS, the parties recognize that the Property Owner has constructed Improvements benefiting the property described in Exhibit A which encroach into the Public's street right-of-way on Fowler Street, said Improvements specifically being a fence, light pole and monument sign.

NOW, THEREFORE, in consideration of the following covenants, promises, and other considerations, the parties agree as follows;

1. Property Owner has constructed Improvements which encroach upon the right-of-way designated as Fowler Street. The Improvements are more particularly described in Exhibit A.

2. The City agrees to permit the encroachment of the Improvements at the location described in Exhibit A within the right-of-way, and approve the Encroachment Easement (Exhibit B) attached hereto, provided the Property Owner complies with the terms of this Agreement.

3. City Use of Public's Property and City Liability: The City has the right to enter upon the Public's Property at any time and perform whatever maintenance, inspection, repair, modification or reconstruction it deems appropriate without liability to the Property Owner.

4. Property Owner's Responsibility for Improvements: The Property Owner will be solely responsible for maintaining, repairing and reconstruction of the Improvements, as deemed necessary either by the Property Owner or the City. The Property Owner will be responsible for paying all related costs. The Property Owner agrees to not permit the Improvements to become or constitute a hazard to the public health or safety, and to keep the Improvements properly maintained. Property Owner further agrees not to interfere with the Public's use of the Public's Property, and to comply with all applicable laws, ordinances and regulations. Property Owner agrees that no addition or extension to the Improvements will be constructed, without the written consent of the City.

5. Removal or Relocation of Improvements: At some time in the future, the City may require the Improvements to be removed or relocated from Public's Property. Such relocation would occur at such time that the street is required to be reconstructed or widened, as deemed necessary by the City to insure proper and efficient street Improvements; or for utility Improvements deemed necessary by the City.

6. Financial Responsibility for Removal and Relocation: If and when the Improvements are required to be relocated, financial responsibility for removal and relocation of the Improvements will be the sole responsibility of the Property Owner to relocate the Improvements from the Public's right-of-way property.

7. Condemnation of Improvements: If Property Owner allows or permits the Improvements to become deteriorated or to become a threat to the public health, safety and welfare; then City may institute condemnation proceedings to remove Property Owner's Improvements from Public's Property. If any parts of the Property Owner's Improvements are ever condemned by the City, the Property Owner will forego all claims to compensation for any portion of Property Owner's structure which encroaches on Public Property.

8. Notice: For purposes of giving formal written notice to the Property Owner, Property Owner's address shall be the address of record for ownership of property, as listed in the official records of the County Clerk's Office for Lea County, New Mexico. Notice may be given to the Property Owner either in person or by mailing
the notice by certified, return receipt U.S. mail, postage paid. Notice will be considered to have been received by the Property Owner, when the return receipt mail card is received by the City.

9. **Indemnification:** The Property Owner covenant and agree that they will indemnify and save the City harmless from any and all liability, damage, expense, cause of action, suits, claims or judgments arising from injury to person or death or damage to property on or off the premises, arising or resulting from Property Owner's actions, usage and property located on the City right-of-way property. The indemnification required hereunder shall not be limited as a result of the specifications of any applicable insurance coverage. Nothing herein is intended to impair any right or immunity under the laws of the State of New Mexico.

10. **Term:** This Agreement may be terminated in writing at any time by the Property Owner or by the City, without cause. Termination by either party shall be effective ninety (90) days after mailing by a party of written notice of termination to the other party.

11. **Binding on Property Owner's Property:** The obligations of the Property Owner set forth herein shall be binding upon the Property Owner, his/her heirs, assigns and successors and on Property Owner's Property, and constitute covenants running with the Property until released by the City.

12. **Entire Agreement:** This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

13. **Changes to Agreement:** Changes to this Agreement are not binding unless made in writing and signed by both parties.

14. **Construction and Severability:** If any part of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement will remain valid and enforceable if the remainder is reasonably capable of completion.

15. **Extent of Agreement:** Property Owner understands and agrees that the Property Owner is solely responsible for ascertaining whether Property Owner's Improvements encroach upon the property or facilities of any other entity and that by entering into this Agreement, the City makes no representations or warranties that the City's property is the only property affected by the encroachment.

16. **Governing Law and Provisions:** 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.

17. **Attorney's Fees and Costs:** In the event this matter is litigated the Court shall award reasonable attorney fees to the prevailing party, notwithstanding in-house counsel represents a party.
Done and approved on the date first written above.

THE CITY OF HOBBS

________________________
Mayor Sam D. Cobb

PROPERTY OWNER

________________________
Stone Ridge Property LLC, an Oregon limited liability company

By: David C. McCulloch

Its: Managing Member

ATTEST:

________________________
Jan Fletcher, City Clerk

APPROVED AS TO FORM:

________________________
Efren Cortez, City Attorney

STATE OF NEW MEXICO    
)      (SS.
COUNTY OF LEA           

The foregoing was acknowledged before me this _____ day of ____________, 2019 by Sam D. Cobb, as Mayor of the City of Hobbs, a New Mexico Municipal Corporation, to me personally known, who being by me duly sworn did say that he is the duly elected Mayor and signing officer of the City of Hobbs, and that said instrument was signed on behalf of said Municipal Corporation, and Sam D. Cobb acknowledged said instrument, and acknowledged that he executed the same as his free act and deed and on behalf of the respective Corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public

________________________
My Commission Expires:

STATE OF NEW MEXICO    
)      (SS.
COUNTY OF LEA           

The foregoing was acknowledged before me this _____ day of ____________, 2012 by __________________________, as __________________________ of the Stone Ridge Property LLC, an Oregon limited liability company, to me personally known, who being by me duly sworn did say that he is the duly authorized _________________ of the corporation, and that said instrument was signed on behalf of said corporation, and __________________________ acknowledged said instrument, and acknowledged that he/she executed the same as his/her free act and deed and on behalf of the respective Corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public

________________________
My Commission Expires:
ENCROACHMENT EASEMENT

THIS GRANT OF EASEMENT, entered into on this 1st day of April, 2019 is granted by the City of Hobbs, a New Mexico Municipal Corporation, ("Grantor") to Stone Ridge Property LLC, an Oregon limited liability company ("Grantee").

Now therefore, for valuable considerations, Grantor grants to Grantee a restricted encroachment easement to allow the continued emplacement of private structures within the Fowler Street right-of-way in Section 22, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and as shown on the map attached hereto as Exhibit "A";

SEE EXHIBIT "A"

This easement is granted to Grantee with the restriction that the sole purpose of the easement shall be to allow the continued emplacement of private infrastructures. Grantee shall not use the easement area for any purpose other than for the emplaced structures. In exchange for the grant of easement, Grantee agrees to use the easement property in a workmanlike manner.

Removal or Relocation of Improvement: At some time in the future, the City may require the Improvement to be removed or relocated from Public's Property. Such relocation would occur at such time that the street is required to be reconstructed or widened, as deemed necessary by the City to insure proper and efficient street improvements; or for utility improvements deemed necessary by the City. If and when the Improvement is required to be relocated in the future, financial responsibility for removal and relocation of the Improvement will be the sole responsibility of the Property Owner to relocate the Improvement from the Public's right-of-way property.

Grantee, its successors and/or assigns shall have the grant of easement for the existing private infrastructures, see Exhibit "A", within the Fowler Street right-of-way as long as it is being used or is needed by Grantee, its successors or assigns. However, if the easement property described above is not used and maintained by Grantee, its successors or assigns, then the easement shall terminate and the Grantor shall be entitled to file a Certificate of Abandonment with the County Clerk.

IN WITNESS WHEREOF, the Grantor sets his/her hand and seal on the date first written above.

GRANTOR – CITY OF HOBBS

By ________________________________
SAM D. COBB, MAYOR

STATE OF NEW MEXICO )
) SS.
COUNTY OF LEA )

The foregoing instrument was acknowledged before me on this____ day of_______, 2019, by Sam D. Cobb, as Mayor, of the City of Hobbs, to me personally known, who being by me duly sworn did say that he is the duly elected Mayor and signing officer of the City of Hobbs, and that said instrument was signed on behalf of said City, and Sam D. Cobb acknowledged said instrument, and acknowledged that he executed the same as his free act and deed and on behalf of the City.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

_______________________________
Notary Public

My Commission Expires: ____________________
CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 1, 2019

SUBJECT: CONSIDERATION TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN SUERTE LAND GROUP, LLC, AND THE CITY OF HOBBS CONCERNING THE PROJECTION OF SUERTE DRIVE SOUTH OF THE EXISTING TERMINUS A DISTANCE OF +/- 1,500 FEET.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: March 29, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The City of Hobbs is proposing to enter into a Development Agreement with Suerte Land Group, LLC, concerning the development of Suerte Drive south of the existing terminus a distance of +/- 1,500 feet. The subdivision of property, per MC Title 16, requires that all public infrastructures either be in place or surely given to the City that the cost for the same will be borne by the Subdivider prior to acceptance of the subdivision. The development agreement, concerning the development of public infrastructures of a designated Minor Collector, attached hereto and made part of this Resolution requires the Developer to construct all of the required public infrastructures from the existing terminus to the southern boundary of the Tract proposed to be created and convey to the public surface and sub-surface easements for the future projection of Suerte Drive to Developers south property line and the east west connection of Smith Road projection. After receipt of the Engineer of Records Certification Letter and a fully compliant Subdivision Plat, reimburse the fair share costs of the installed public infrastructures not adjacent to the Developers property; being 50% of the approved Engineer of Records certified invoices or $350,000.00 whichever is less, providing such reimbursement occurs within 365 days of ratification of this agreement. The City of Hobbs Planning Board recommended approval of the Development Agreement at the regular meeting held on March 19, 2019 by a vote of 6 to 0.

Fiscal Impact:

Reviewed By:
Finance Department

Budget Line: 44-4044-44901-00073 (JTL UIL Extension)
Uncumbered: $316,172.00
Fair Share Reimbursement: $350,000.00 (Maximum fair share reimbursement)

A budget reclassification of $35,000.00 would need to be made from budget line #44-4044-44901-00200 to budget line of 44-4044-44901-00073. Since there is no cash budget impact (due to re-class), the reclassification would need to be ratified in the final Bar for fiscal year 2019.

Attachments: Development Agreement and attachments.

Legal Review:

Approved As To Form: City Attorney

Recommendation:

Staff recommends consideration of approval of the Development Agreement.

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. ________
CITY OF HOBBS

RESOLUTION NO. ___6784___

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT BETWEEN SUERTE LAND GROUP, LLC, AND THE CITY OF HOBBS CONCERNING THE PROJECTION OF SUERTE DRIVE SOUTH OF THE EXISTING TERMINUS A DISTANCE OF +/- 1,500 FEET.

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Suerte Land Group, LLC, concerning the projection of Suerte Drive, a designated Minor Collector; and

WHEREAS, the aforementioned Development Agreement requires the Developer to construct all of the required public infrastructures from the existing terminus to the southern boundary of the Tract proposed to be created and convey to the public surface and sub-surface easements for the future projection of Suerte Drive to Developers south property line and the east west connection of Smith Road projection; and

WHEREAS, after receipt of the Engineer of Records Certification Letter and a fully compliant Subdivision Plat, reimburse the fair share costs of the installed public infrastructures not adjacent to the Developers property; being 50% of the approved Engineer of Records certified invoices or $350,000.00 whichever is less, providing such reimbursement occurs within 365 days of ratification of this agreement, 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 1st day of April, 2019.

______________________________
Sam D. Cobb, Mayor

ATTEST:

______________________________
Jan Fletcher, City Clerk
SUERTE LAND GROUP, LLC DEVELOPMENT GROUP

THIS AGREEMENT, made and entered into this 1st day of April 2019, between the City of Hobbs, New Mexico, a New Mexico Municipal Corporation, (hereafter called the "City"); and Suerte Land Group, LLC, a New Mexico limited liability company, P O Box 905, Hobbs, NM 88240 (hereafter called "Developer").

RECITALS:

WHEREAS, Developer desires to develop and convey a portion of an undivided parent parcel located Southwest of the intersection of Scenic Drive and Suerte Drive, within the City limits of the City of Hobbs; and

WHEREAS, the subdivision of property, per MC Title 16, requires that all public infrastructure either be in place or surety given to the City that the cost for the same will be borne by the Developer prior to acceptance of the subdivision; and

WHEREAS, Suerte Drive has been identified within the City of Hobbs Major Thoroughfare Plan as a Minor Collector and upon projection through the developers property certain portions will be adjacent to other properties not controlled by the developer there by denying the developer fair share benefit; and

WHEREAS, Developer has proposed to construct the projection of Suerte Drive to the southern boundary of the Tract proposed to be created, as well as dedicate to the public a surface and subsurface easement for the remainder of Suerte Drive to the Developers south property line and an east west surface and subsurface easement projecting Smith Lane intersecting with the Suerte Drive projection; and

WHEREAS, the projection of Suerte Drive, a designated Minor Collector, would serve the current transportation needs of the public and the proposed dedication of the aforementioned surface and subsurface easements would secure a location for the public’s future transportation needs.

NOW, THEREFORE, in consideration of the above premises, the parties hereby agree as follows:

1. The Developer shall cause to be created a summary subdivision plat creating the proposed Tract having an eastern property line whose entirety is adjacent to the projection of Suerte Drive. Such summary plat so created shall also encumber an undivided remainder portion of the developer’s holdings with a surface and subsurface public easement for the continued projection of Suerte Drive to the southern property line of the developer’s holdings and the projection of Smith Lane easterly to intersect with Suerte Drive.

2. The Developer shall design or cause to be designed construction plans, using the services of a registered New Mexico Civil Engineer, for the projection of Suerte Drive south from the existing terminus to the southern property line of the Tract being created; plan set to include all municipal infrastructures; sewer, water and roadway improvements, as well as the Engineer of Record itemized Cost Estimate.

3. The Developer shall construct or cause to be constructed the required municipal infrastructure improvements, upon Municipal approval of Developer’s Construction Plan set and an issuance from the Municipality of a Notice to Proceed. The Developer shall employ the services of a registered New Mexico Civil Engineer who shall certify the installation of the municipal infrastructure as to compliance with the plan set prior to municipal acceptance.

4. The City shall, after receipt of the Engineer of Records Certification Letter and a fully compliant Subdivision Plat, reimburse the fair share costs of the installed public infrastructures not adjacent to the Developers property; being 50% of the approved Engineer of Records certified invoices or $350,000.00 whichever is less, providing such reimbursement occurs within 365 days of ratification of this agreement.

5. Responsibilities of the parties hereto are as follows:

A. The Developer shall:

1) Pay for all costs for creating a summary subdivision plat, fully compliant with Municipal Code Title
16. said plat to include the surface and subsurface public easement for the continued projection of Suerte Drive to the southern property line of the developer’s holdings and the projection of Smith Lane easterly to intersect with Suerte Drive.

2) Install all public infrastructures within the projection of Suerte Drive to the southern property line of the proposed Tract to be created.

3) Submit an Engineer of Record Certification prior to municipal acceptance for all public infrastructures within the projection of Suerte Drive.

B. The City shall:

1) The City shall, after receipt of the Engineer of Records Certification Letter and a fully compliant Subdivision Plat, reimburse the fair share costs of the installed public infrastructures not adjacent to the Developers property; being 50% of the approved Engineer of Records certified invoices or $350,000.00 whichever is less, providing such reimbursement occurs within 365 days of ratification of this agreement.

2) City will review and process construction plans in a forthright manner and with due diligence.

6. 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: Planning Department, 200 E. Broadway, Hobbs, NM 88240; to Developer – Suerte Land Group, LLC, or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

7. This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

8. Representations of City.

A. City is a duly organized and validly existing municipal corporation under the laws of the State of New Mexico with full municipal power to enter into this Agreement and to carry out the terms, conditions and provisions hereof.

B. City will continue review and processing of the development plans, and forthcoming building permit application in a forthright manner and with due diligence.


To the best knowledge of Developer, there is no litigation, proceeding or governmental investigation either pending or threatened in any court, arbitration board or administrative agency against or relating to Developer to prevent or impede the consummation of this Agreement by Developer.

10. BREACH

A. The following events constitute a breach of this Agreement by Developer:

Developer’s failure to perform or comply with any of the terms, conditions or provisions of this Agreement.

B. The following events constitute a breach of this Agreement by City:
City’s failure to perform or comply with any of the terms, conditions or provisions of this Agreement.

11. REMEDIES UPON BREACH.
   
   A. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.
   
   B. 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.

12. GOVERNING LAWS. 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 invalidates, and all other parts hereof shall remain valid and enforceable.

13. TERMINATION. This Agreement shall be terminated upon the completion of all installation and construction defined herein or 365 days from ratification.

14. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among and between City and Developer and there are no other agreements or understandings, oral or otherwise, between the parties on the issues defined herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF HOBBS

DEVELOPER – Suerte Land Group, LLC

Sam D. Cobb - Mayor

BY:

Its:

ATTEST:

Jan Fletcher, City Clerk

APPROVED AS TO FORM:

Effren Cortez, City Attorney
CITY OF HOBBS
COMMISSION STAFF SUMMARY FORM

MEETING DATE: April 1, 2019

SUBJECT: RESOLUTION TO APPROVE THE SUBDIVISION OF LOT 1 OF THE MCKINLEY-TABING SUBDIVISION AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.12.040(A) ALLOWING A SUBDIVISION OF PROPERTY LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION WITHOUT REQUIRED IMPROVEMENTS.

DEPT. OF ORIGIN: Planning Department
DATE SUBMITTED: March 25, 2019
SUBMITTED BY: Kevin Robinson – Planning Department

Summary: The Preliminary & Final Plan for the Subdivision of Lot 1 of the McKinley-Tabing Subdivision is submitted by property owner Kyle Galyean. The proposed subdivision is located in Section 20, Township 19 South, and Range 39 East which is +/- 2 miles south of Stanolind adjacent to the state line. The property is accessed from a 1 mile long unimproved private road, PR 308Q, whose centerline has been projected by Gaines County from Texas CR 347 to the Texas New Mexico Border. The proposed subdivision encompasses +/- 160.23 acres and will contain 3 lots. The Planning Board reviewed this subdivision on March 19, 2019 and voted 6 to 0 to recommend approval with a variance from MC 16.12.040(A) allowing a subdivision without the required improvements.

Variance from Municipal Code Title 16 are allowed providing the finding that compliance will result in an extraordinary hardship as stated in MC 16.04.020(A) below:

A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

Options for the City Commission to consider are 1) Vote YES to Approve the Resolution and affirm the Planning Boards variance decision; 2) Vote NO on the Resolution and rescind the Planning Boards variance decision; or 3) Remand the variance issue back to the City of Hobbs Planning Board.

Fiscal Impact: Reviewed By: Finance Department
This subdivision is located within the Extraterritorial Jurisdiction of the City of Hobbs, each structure will be served by domestic water wells and private sewer systems. Lea County would assume maintenance of the infrastructure dedicated upon their acceptance of the same.


Legal Review: Approved As To Form City Attorney

Recommendation:
Study the issues and render a decision on the information 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. ___________________________
CITY OF HOBBS

RESOLUTION NO. 6785

A RESOLUTION TO APPROVE THE SUBDIVISION OF LOT 1 OF THE MCKINLEY-TABING SUBDIVISION AND AFFIRM A VARIANCE GRANTED BY THE CITY OF HOBBS PLANNING BOARD OF MUNICIPAL CODE 16.12.040(A) ALLOWING A SUBDIVISION OF PROPERTY LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION WITHOUT REQUIRED IMPROVEMENTS.

WHEREAS, Kyle Galwean, property owner, did submit a subdivision for approval under the Alternate Summary Procedure MC 16.12; and

WHEREAS, upon review Staff notified the subdivider that the subdivision as submitted did not conform to MC Title 16, specifically MC 16.12.040(A) requiring all improvements to be in place prior to approval; and

WHEREAS, due to unusual circumstances that exist the subdivider chose to have the subdivision reviewed under the standard procedures as per MC 16.12.030(B); and

WHEREAS, the City of Hobbs Planning Board reviewed this subdivision on March 19, 2019 and voted 6 to 0 to recommend approval with a variance from MC 16.12.040(A) allowing a subdivision without the required improvements; and

WHEREAS, upon sufficient findings it has been determined that granting this variance from Municipal Code 16.12.040(A) does not "have the effect of nullifying the intent and purpose of such regulations".

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

A. The City of Hobbs hereby affirms a variance granted by the City Of Hobbs Planning Board of municipal code 16.12.040(a) allowing a subdivision of property located within the extraterritorial jurisdiction without required improvements.

1
B. The City officials and staff are directed to do any and all acts necessary to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 1st day of April, 2019.

ATTEST:

SAM D. COBB, Mayor

JAN FLETCHER, City Clerk
There were no communications from citizens.

10) Review and Consider variance request for a proposed addition to an existing sign located at 408 W. Bender.

Mr. Robinson said this is an existing sign located at 408 W. Bender. He said historically if you work in an existing business and change the face for an existing business everything is good but if you modify then you are required to comply with the new rules. He said the existing sign exceeds the maximum square footage allowed. He said the proposal is to replace the top portion with a new sign that is 112 square feet. He said that is a 41 foot reduction in the total sign footage. He said it is currently at 303 sq. feet. Mr. Bob Auld said it will also meet the height restriction when replaced.

Mr. Kesner made a motion, seconded by Mr. Ramirez to approve the variance. The vote on the motion was 6-0 and the motion carried.

11) Review and Consider proposed ETJ subdivision located in Section 2, Township 19 South, Range 39 East, N.M.P.M., Lea County, New Mexico.

Mr. Robinson said this is an ETJ subdivision. He said the proposed subdivision as submitted to the Planning Department does not meet standard requirements. He said the developer has the right to appeal the Planning Departments decision and appear before the Board.

Mr. Robinson said this is under a claim of exemption under the county's rules and regulations. He said it will also need to comply with the municipalities title 16. He said the dedication of surface and subsurface public easements which is an encumbrance of that property for the benefit of the public. He said additionally the infrastructure which in this case in the ETJ would be a roadway would make it compliant.

Mr. Robinson said one of the things that make this property unique is that it is on the New Mexico/Texas state line. He said there is not an access from a New Mexico improved roadway to the property. He said there is an improved Texas roadway and there is an easement from CR 347 to the Stateline. Mr. Ramirez asked if there were any utilities on the road? Mr. Kesner said there may be electrical and telephone.

Mr. Hicks asked if staff's suggestion was that they provide an easement along the edge of the property? Mr. Robinson said it is connectivity for an east/west roadway coming off of the Texas roadway and it is on a section line. He said there are no New Mexico roads in this area. Mr. Kesner said the nearest road would either be Stanolind to the north or Nadine to the south. Mr. Robinson said those streets are on section lines. Mr. Kesner said without much connectivity he did not think the roadway to the north of tract 1 made any sense. He said he has reviewed this and has talked to the land owner. Mr. Robinson said there is an addressing issue and making sure there is adequate access for emergency services is the issue. He said that requires access from an all-weather surface to within 150 foot of a structure that is being built.
Mr. Hicks asked if there was an easement across the land to the north to get down to the second tract of land. Mr. Chad Wright said yes. Mr. Hicks said it is his opinion that if these people want to live out in the county and have access to that level of a road then he does not think they should change the environment they are in by requiring an all weather surface road. He said he does think for the protection of the future planning of Hobbs ETJ there should be a 60 foot easement on their plat. Mr. Wright said it is their intention to raise cattle out there and they do not plan on dividing their land. He said if they did they would have to come before the Board again anyway and could meet the required standards at that time. He said they do plan on making the road from north to south end on their land all weather standard as well.

Mr. Kesner said it is his understanding that the all weather surface road is going to run from the access point to the north all the way to at least tract 2. Mr. Wright said yes. He said the first road from the east is already done from the east and west. Mr. Robinson said that the road has to be within at least 150 foot of any proposed structure. Mr. Wright said they are going to bring the road all the way to the south border.

Mr. Sanderson made a motion, seconded by Mr. Ramirez to recommend approval to the City Commission of the proposed subdivision with a 60 foot easement on the east side of the parcel with an all weather private drive that will be installed from the access point to the east all the way through parcel two. Mr. Kesner said he does not think that east/west roadway is necessary. The vote on the motion was 6-0 and the motion carried.

5) Public Hearing to Review and Consider a Special Use Map Amendment to create a Recreational Vehicle Park (RVP) Planning District per MC 18.04, located at 1608 E. Main.

Mr. Hicks opened the public meeting up at 10:34 am. Mr. Robinson said this is a Special Use Map on E. Main. He said the adjacent property owners were notified and there were no phone calls or objections. Mr. Ramirez asked how many RV lots were proposed. Mr. Robinson said he thought about 3 or 4 with the possibility of expanding. Mr. Hicks asked if Main Street was improved? Mr. Robinson said yes. Mr. Hicks closed the public hearing at 10:40 am. Mr. Ingram made a motion, seconded by Mr. Sanderson to approve the Special Use Map Amendment. Mr. Kesner said that he feels like it needs to be screened where there are private residences. The vote on the motion was 6-0 and the motion carried.

6) Review and Consider side yard setback variance request for a residential single family housing unit to be located on Lot #28 of Homestead Estates Subdivision, as submitted by Gold Creek Homes, property owner. This particular lot, Lot #28 of Homestead Estates Subdivision, is located in the northwest corner of Lincoln, a minor residential, and Orchid, a minor residential. The side yard setback at this location should be 10' from the property line; the proposed structure is requested to be located 9' from the property line requiring a 1' variance.

7) Review and Consider a landscape variance for a proposed Commercial Development to be located northwest of the intersection of Bender and Kingsley. On-site
Excerpts from MC Title 16

16.04.020 - Variances and modifications.

A. Hardships. Where the Planning Board finds that extraordinary hardships may result from strict compliance with this title, it may vary the regulations contained in this title, so that substantial justice may be done and the public interest secured; provided that such variation will not have the effect of nullifying the intent and purpose of such regulations.

B. Large Scale Developments. The standards and requirements of this title may be modified by the Planning Board in the case of a plan and program for a new town, complete community or neighborhood unit which, in the judgment of the Planning Board, provide adequate public spaces and improvements for the circulation, recreation, light, air and service needs of the tract when fully developed and populated, and which also provide such covenants or other legal provisions as will assure conformity to and achievement of the plan.

C. Conditions in Granting. In granting variances and modifications, the Planning Board may require such conditions as will, in its judgment, assure substantially the objectives of the standards or requirements so varied or modified.

16.08.050 - Final Plat—Generally.

A. The final plat shall conform substantially to the preliminary plat as approved, and if desired by the subdivider, it may constitute only that portion of the approved preliminary plat which he or she proposes to record and develop at the time; provided, that such portions conform to all requirements of this title.

B. Application for approval of the final plat shall be submitted in writing to the Planning Department at least ten (10) days prior to the meeting at which it is to be considered. All submittals for final plat approval shall include a Certification of Compliance from the Engineer of Record certifying that all municipal infrastructures are in place and has been installed as per plans and City of Hobbs Standards. Such certification shall be in a form acceptable to the City Engineer.

C. A set of as-builts in printed and electronic format, as prescribed by the City Engineer, shall be prepared as specified in Section 16.08.050 and shall be submitted to the City Engineer concurrently with the application for final plat approval.

D. The Planning Board shall approve or disapprove the final plat within thirty-five (35) days after final submssion thereof and thereafter forward to the City Commission the report of their approval or disapproval.

E. The City Commission shall, at their next regular meeting and within thirty (30) days, approve or disapprove the final plat.

Chapter 16.12 - ALTERNATE SUMMARY PROCEDURE

16.12.010 - Eligible subdivisions.

A. Division of land into two (2) or more parcels by platting or metes and bounds description for specific purposes listed in Section 16.04.010(C) requires subdivision approval by the Municipal Planning Authority. To expedite the process for proposed subdivisions containing no more than 3 (three) lots excluding areas for dedication, subdivisions or resubdivision of property may be approved by summary procedure for the following:

1. Subdivisions of not more than three (3) parcels of land; or
2. Resubdivisions, where the combination or recombination of portions of previously platted lots does not increase the total number of lots.

B. The land shall abut on a public street or streets of adequate width and is so situated that no additional streets, alleys, easements for utilities or other public property are required; or if required to conform to other public streets, alleys or other public ways and such additional property is shown on the plat as "Herein Dedicated", or if within the extraterritorial jurisdiction those public ways required being conveyed as a surface and subsurface easement.


A. The City Manager's designated representative is authorized to approve subdivisions meeting the conditions of this section and conforming to the provisions of this chapter and shall, within ten (10) days of final submittal of all requested information, accept the proposed subdivision or send a written rejection detailing the reason for the rejection. Any municipal infrastructures serving the subdivision shall be completed or adequate surety provided prior to receiving final approval.

B. The subdivider or the City Manager's designated representative may choose to have the subdivision reviewed by the Planning Board under the standard procedures if difficulties or unusual circumstances exist.

16.12.040 - [Required improvements; summary process approval; city building permits, etc.]

A. For all new subdivisions and re-subdivisions, all improvements will be required to be completed at the summary process approval or at the final plat filing, unless adequate financial security has been approved by the Planning Board and City Commission.
16.12.010 Eligible subdivisions.
A. Division of land into two (2) or more parcels by platting or metes and bounds description for specific purposes based in Section 16.04.010(C) requires subdivision approval by the Municipal Planning Authority. To expedite the process for proposed subdivisions containing no more than three (3) lots excluding areas for dedication, subdivisions or resubdivision of property may be approved by summary procedure for: 1. Subdivisions of not more than three (3) parcels of land; or 2. Resubdivisions, where the combination or recombination of portions of previously platted lots does not increase the total number of lots.
B. The land shall be on a public street or streets of adequate width and is so situated that no additional streets, alleys, easements for utilities or other public property are required or if required to conform to other public streets, alleys or other public ways and such additional property is shown on the plat as "Reserved for future growth" or within the extraterritorial jurisdiction those public ways required being conveyed as a surface and sub-surface easement.

16.12.040 Required improvements; summary process approval; city building permits.
For all new subdivisions and re-subdivisions, all improvements will be required to be completed at the summary process approval or at the final plat filing, unless adequate financial security has been approved by the Planning Board and City Commission.

LEGAL NOTICE:
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CERTIFICATE OF MUNICIPAL APPROVAL
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