

City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 10

Ordinance/Resolution# 10-174

Council District: 4

For Meeting of January 4, 2010

(Adoption Date)

TITLE: A RESOLUTION AMENDING A LAND LEASE BETWEEN JACKSON, FIELDS & MATHEWS, LLC AND THE CITY OF LAS CRUCES FOR PARCEL 34 AT THE LAS CRUCES INTERNATIONAL AIRPORT TO EXTEND THE LEASE TERM FROM 20 TO 30 YEARS.

PURPOSE(S) OF ACTION: To amend Jackson, Fields & Mathews, LLC's Airport Land Lease to extend the lease term from 20 to 30 years.

Name of Drafter: Lisa Murphy LM Airport Administrator		Department: Facilities/Airport		Phone: 541-2471	
Department	Signature	Phone	Department	Signature	Phone
Facilities		541-2651	Budget		2300
			Assistant City Manager		2271
Legal		541-2128	City Manager		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: Jackson, Fields & Mathews LLC (Gail J. Mathews, President) currently holds a 20-year land lease at the Las Cruces International Airport for a 15,000 square foot parcel of land known as Parcel 34. The lease was originally approved pursuant to Resolution 04-294 on March 15, 2004. The parcel currently contains a 5,400 square-foot hangar which is used for the storage of aircraft. The lease rate is 20 cents per square foot per year, or \$3,000 per year.

Jackson, Fields & Mathews, LLC has requested that their lease term be extended from 20 years to 30 years with two five-year extensions. The majority of land leases at the airport are for a 30-year term and Jackson, Fields & Mathews, LLC wish to benefit from the long-term stability and financial advantages a longer lease term will bring them. All other provisions of the lease will remain the same.

The Airport Advisory Board considered the Lease Amendment request at their December 10, 2009 meeting and recommends approval of the request.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
N/A	N/A	N/A

1. Resolution
2. Land Lease Amendment
3. Resolution 04-294
4. Letter from Will and Gail Mathews dated November 20, 2009 requesting extension of lease term
5. Map of airport showing parcel location

OPTIONS / ALTERNATIVES:

1. Vote "yes" and approve the Resolution. This would extend the lease term for Jackson, Fields & Mathews, LLC's leased Parcel 34 at the Las Cruces International Airport from 20 years to 30 years with two five-year extensions.
2. Vote "no" and do not approve the Resolution. This will result in the term for Jackson, Fields & Mathews, LLC leased Parcel 34 to remain at 20 years.
3. Amend the Resolution. This may include approving a different lease term than is requested.
4. Postpone consideration of the lease and direct staff to negotiate other terms.

RESOLUTION NO. 10-174

A RESOLUTION AMENDING A LAND LEASE BETWEEN JACKSON, FIELDS & MATHEWS, LLC AND THE CITY OF LAS CRUCES FOR PARCEL 34 AT THE LAS CRUCES INTERNATIONAL AIRPORT TO EXTEND THE LEASE TERM FROM 20 TO 30 YEARS.

The City Council is informed that:

WHEREAS, the City of Las Cruces, New Mexico, a municipal corporation, is the owner of certain real property known as the Las Cruces International Airport; and

WHEREAS, on March 15, 2004, the City entered into a land lease agreement for land known as Parcel 34 at the Las Cruces International Airport; and

WHEREAS, the Land Lease for Parcel 34 is currently held by Jackson, Fields & Mathews, LLC; and

WHEREAS, Jackson, Fields and Mathews, LLC has requested that the term of their land lease be increased from 20 years to 30 years with two five-year extensions; and

WHEREAS, the majority of land leases at the airport are for a 30-year term; and

WHEREAS, the Airport Advisory Board considered this request at their meeting of December 10, 2009, and recommended that it be approved.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces amends the Land Lease with Jackson, Fields, & Mathews, LLC for Parcel 34 as set forth in the Land Lease Amendment, attached hereto as Exhibit "A" and made a part of this Resolution.

(II)

THAT the Mayor is authorized to execute the lease amendment on behalf of the City.

Resolution No. 10-174

Page 2

(III)

THAT City staff and officials are directed to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2010.

APPROVED:

Mayor

ATTEST:

City Clerk

VOTE:

Mayor Miyagishima:	_____
Councillor Silva:	_____
Councillor Connor:	_____
Councillor Pedroza:	_____
Councillor Small:	_____
Councillor Sorg:	_____
Councillor Thomas:	_____

Moved by: _____

Seconded by: _____

APPROVED TO FORM:

Deputy *By (Kite) Connolly*
City Attorney

Land Lease Amendment
City of Las Cruces, New Mexico, International Airport.
JACKSON, FIELDS & MATHEWS, LLC, LESSEE

This Amendment to the Land Lease is made by and between the City of Las Cruces (Lessor) and Jackson, Fields & Mathews, LLC (Lessee).

Recitals

1. The parties executed the Lease on March 15, 2004.
2. The Lessee has requested a longer lease term than the originally approved 20 years.
3. Lessor has no objection to granting amendments to the Lease as necessary to grant the Lessee a longer lease term.
4. In order to resolve these issues and clarify lease terms, the parties desire to amend the Lease.

Now, Therefore, it is mutually agreed as follows:

1. Paragraph 2(a) of the Lease is stricken and a new paragraph 2(a) is hereby inserted in the Lease to read as follows:

2a. Initial Lease Term. The term of this Lease shall be thirty (30) years (hereinafter "Lease Term") commencing on the "commencement Date," as hereinafter defined, and terminating on the thirtieth (30th) anniversary of the Commencement Date. The Commencement Date shall be the 1st day of May, 2005, and the thirtieth anniversary date shall be the 30th day of April, 2035. Possession of the Parcel by the Lessee shall begin on the Commencement Date.

2. Paragraph 2(b) of the Lease is stricken and a new paragraph 2(b) is hereby inserted in the Lease to read as follows:

2b. Subsequent Lease. At the conclusion of the Lease Term, the hangar and any improvements to the property become the property of the City, however, the Lessee shall have the right to enter into two additional five-year terms at the land lease rate in effect at the beginning of each of the five-year terms. At the conclusion of the two five-year subsequent lease terms, the hangar and any improvements to the property will become the property of the City or will be removed from the Parcel at Lessee's expense.

All other terms and conditions of this lease except as specified in this amendment remain in force and effective.

IN WITNESS WHEREOF, City and Lessee have executed the Lease to be in effect as of the date set forth below.

CITY OF LAS CRUCES, LESSOR

JACKSON, FIELDS, & MATHEWS , LESSEE

Ken Miyagishima, Mayor

BY: Gail J. Mathews, President

(Signature) (Date)

(Signature) (Date)

CITY CLERK
(SEAL)

(Lessee's Initials)

RESOLUTION NO. 04- 294

A RESOLUTION APPROVING A LEASE OF THE CITY-OWNED PARCEL #34 AT THE LAS CRUCES INTERNATIONAL AIRPORT TO JACKSON, FIELDS & MATHEWS, LLC FOR A TERM OF TWENTY YEARS AT AN INITIAL RENT OF THREE THOUSAND DOLLARS PER YEAR.

The City Council is informed that:

WHEREAS, the City of Las Cruces, New Mexico, a municipal corporation, is the owner of certain real property known as the Las Cruces International Airport; and,

WHEREAS, the City, with the approval of the Federal Aviation Administration, has identified specific areas of the airport for development through the lease of land parcels; and,

WHEREAS, Jackson, Fields & Mathews, LLC have requested to execute a lease agreement with the City of Las Cruces for Parcel #34 within that area at the Las Cruces International Airport, for the construction of an aircraft hangar; and,

WHEREAS, Jackson, Fields & Mathews, LLC have agreed to the City's terms and conditions, and a lease has been drawn up with those terms and conditions in accordance with the Las Cruces Municipal Code Section 7.5, the Minimum Standards for Commercial Airport Aeronautical Activity and Service Providers at the Las Cruces International Airport and Airport Policies; and,

WHEREAS, under Section 3-54-1, NMSA, 1978, as amended, the property may be leased without referendum.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces hereby approves the Lease of Parcel #34 at the Las Cruces International Airport for the terms and conditions contained in the Las Cruces International Airport Lease, Parcel #34, Jackson, Fields & Mathews, LLC, Lessees, which is attached hereto and made part of this resolution.

(II)

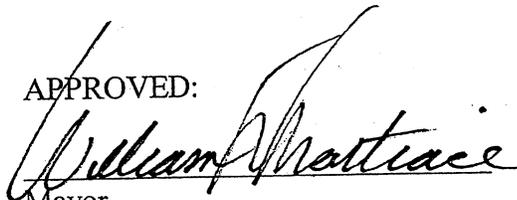
THAT the Mayor is authorized to execute the Lease on behalf of the City.

(III)

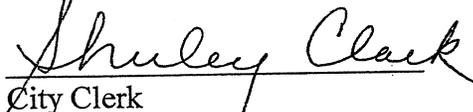
THE City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this 15th day of March, 2004.

APPROVED:


Mayor

ATTEST:


City Clerk

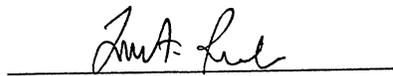
Moved by: Strain

Seconded by: Archuleta

VOTE:

Mayor William Mattiace:	<u>aye</u>
Councillor Fritze:	<u>aye</u>
Councillor Connor:	<u>aye</u>
Councillor Archuleta:	<u>aye</u>
Councillor Trowbridge:	<u>aye</u>
Councillor Strain:	<u>aye</u>
Councillor Miyagishima:	<u>aye</u>

APPROVED AS TO FORM:


City Attorney

November 20, 2009

Jackson, Fields, & Mathews, LLC

Gail and Will Mathews

735 White Lightning Dr

Las Cruces, NM 88001

Las Cruces International Airport

Airport Manager

This letter is our formal request to receive a 30 year lease on our hanger located at the above address. We understand that the policy has allowed other owners the right to have 30 years to recover costs. We ask that we be treated just and fair and have the same consideration. We would appreciate your honoring our request without further delay.

Thank you for reviewing our request.

Sincerely,

A handwritten signature in cursive script that reads "Will & Gail Mathews". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

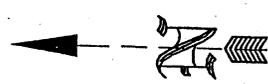
Will and Gail Mathews

PRELIMINARY

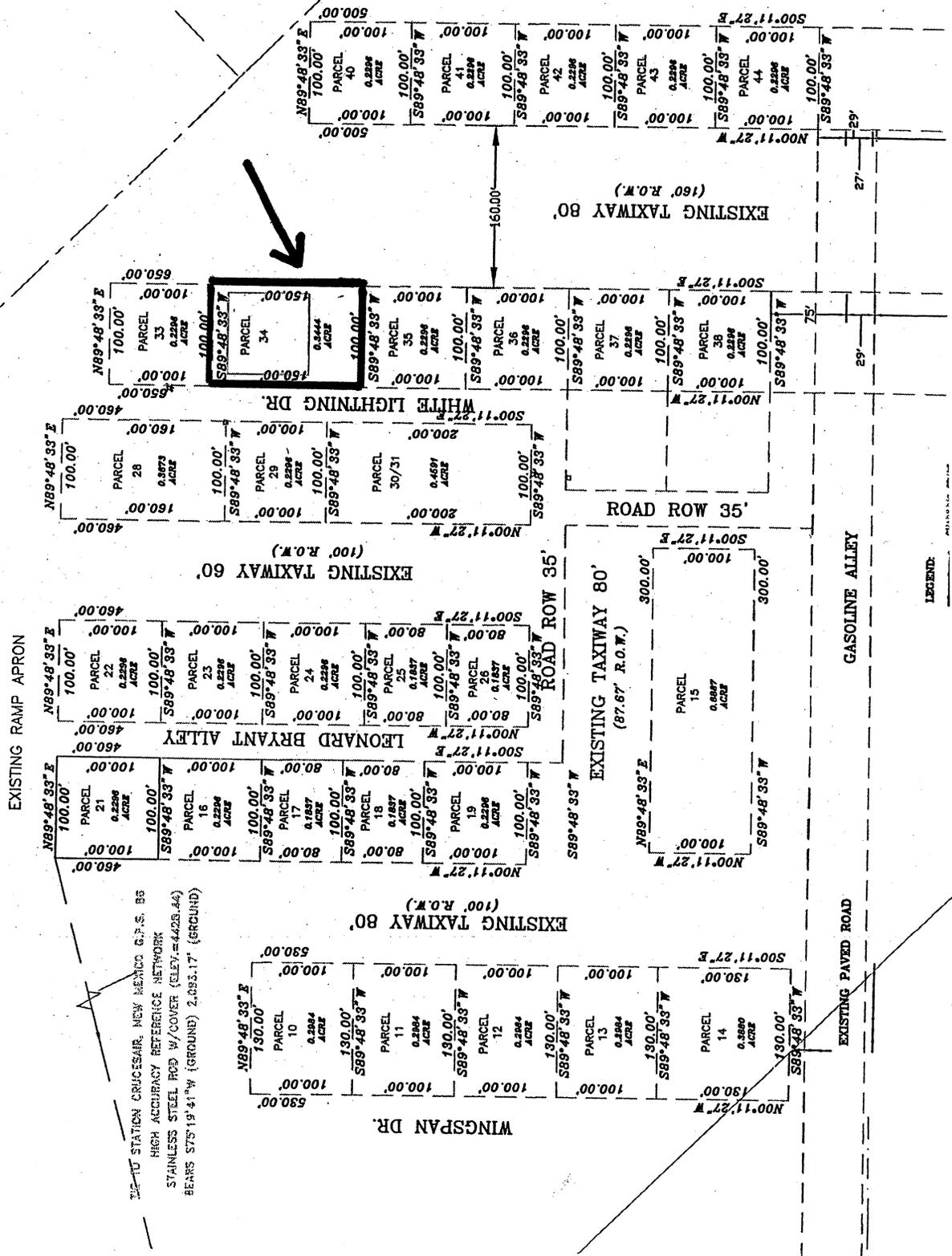
PLAT SHOWING LEASE PROPERTIES
 AT THE LAS CRUCES INTERNATIONAL AIRPORT
 NW 1/4 OF SECTION 26, T.23S., R.1W.,
 N.M.P.M. OF THE U.S.G.L.O. SURVEYS
 LAS CRUCES, DONA ANA COUNTY, NEW MEXICO

THE "D" STATION CRUCESAR, NEW MEXICO G.T.S. 85
 HIGH ACCURACY REFERENCE NETWORK
 STAINLESS STEEL ROD W/COVER (ELEV.=4428.44)
 BEARS S78°19'41"W (GROUND) 2,053.17' (GROUND)

BUILDING RESTRICTION LINE



NOT TO SCALE



LEGEND: