

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 3 Ordinance/Resolution# 10-266 Council District: _____

For Meeting of May 3, 2010
(Adoption Date)

TITLE:

A RESOLUTION AUTHORIZING PAYMENT TO THE CITY OF LAS CRUCES CONVENTION AND VISITOR BUREAU IN THE AMOUNT OF \$450,000 FOR THE PROPERTY LOCATED AT 211 NORTH WATER STREET THAT WAS EXCHANGED FOR PROPERTY LOCATED AT 411 NORTH MAIN AND TO ADJUST THE FY 2009 – 2010 BUDGET.

PURPOSE(S) OF ACTION: Authorize a \$450,000 payment to Convention & Visitor Bureau (CVB) for the property located at 211 North Water Street, as a result of a land exchange between the City of Las Cruces and Jose and Ruben Coronado.

Name of Drafter: Gloria Podruchny		Department: Finance		Phone: 541-2050	
Department	Signature	Phone	Department	Signature	Phone
Originating Department		541-2050	Budget		2300
			Assistant City Manager		2271
Legal		541-2128	City Manager		2271

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

In 2004 the City of Las Cruces began looking for a new location for the Museum of Natural History. After numerous negotiations, the City entered into a Land Exchange agreement in 2007 with Jose and Ruben Coronado, including an exchange of their property at 411 North Main for City-owned property located at 211 North Water (office of the Las Cruces Convention and Visitor Bureau). As part of the exchange, the Coronados agreed to lease back to the City the facility at 211 North Water.

The City used CVB funds to purchase the property at 211 North Water in 1994, and subsequently completed various improvements to the property. In 2007, two independent appraisals of the property valued the land and improvements at \$450,000.

The CVB is funded by Lodgers Tax, and this tax cannot be used to acquire space for museums. Since this funding source (Lodgers Tax) was used to acquire the 211 North Water property that was subsequently exchanged for property to be used as a museum, it is appropriate for the CVB fund to be reimbursed for the value of its lost asset at its appraised value of \$450,000.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
General Fund 1000-952710	\$450,000	\$450,000 Pending budget adjustment

1. Resolution
2. Attachment "1" - Land Exchange Agreement, Ordinance No. 2396
3. Attachment "2" - Allowable Uses of Lodgers Tax, Municipal Code Section 16-62
2. Exhibit "A" - Fund Summaries to Adjust FY10 Budget

OPTIONS / ALTERNATIVES:

1. Approve the Resolution authorizing payment to CVB in the amount of \$450,000 for the property located at 211 North Water Street that was exchanged for property located at 411 North Main and to adjust the FY 09/10 Budget.
2. Modify the Resolution.
3. Do Not Approve the Resolution and provide staff with alternative direction.

(Continue on additional sheets as required)

RESOLUTION NO. 10-266

A RESOLUTION AUTHORIZING PAYMENT TO THE CITY OF LAS CRUCES CONVENTION AND VISITOR BUREAU IN THE AMOUNT OF \$450,000 FOR THE PROPERTY LOCATED AT 211 NORTH WATER STREET THAT WAS EXCHANGED FOR PROPERTY LOCATED AT 411 NORTH MAIN AND TO ADJUST THE FY 2009 – 2010 BUDGET.

The City Council is informed that:

WHEREAS, in 2004 the City of Las Cruces began looking for a new location for the Museum of Natural History; and

WHEREAS, after numerous negotiations, the City entered into a Land Exchange agreement in 2007 with Jose and Ruben Coronado, including an exchange of their property at 411 North Main for City-owned property located at 211 North Water, office of the Las Cruces Convention and Visitor Bureau (CVB); and

WHEREAS, as part of the exchange, the Coronados agreed to lease back to the City the facility at 211 North Water; and

WHEREAS, the City used CVB funds to purchase the property at 211 North Water in 1994, and subsequently completed various improvements to the property; and

WHEREAS, in 2007, two independent appraisals of the property valued the land and improvements at \$450,000; and

WHEREAS, the CVB is funded by Lodgers Tax, and this tax cannot be used to acquire space for museums.

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

(I)

THAT since this funding source (Lodgers Tax) was used to acquire the 211 North Water property that was subsequently exchanged for property to be used as a museum, it is appropriate for the CVB fund to be reimbursed for the value of its lost asset at its appraised value of \$450,000.

(II)

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

DONE AND APPROVED this _____ of _____, 2010.

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

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

Moved by: _____

Seconded by: _____

Approved as to Form:

[Signature]

City Attorney

COUNCIL BILL NO. 08-005
ORDINANCE NO. 2396

AN ORDINANCE AUTHORIZING A LAND EXCHANGE BETWEEN THE CITY OF LAS CRUCES AND JOSE AND RUBEN CORONADO TO ALLOW FOR ACQUISITION OF LAND AT 411 NORTH MAIN STREET TO BE UTILIZED AS A CITY MUSEUM AND OFFICE COMPLEX AND APPROVING A TWO YEAR LEASE AGREEMENT BETWEEN THE PARTIES TO ALLOW THE CITY CONVENTION AND VISITOR BUREAU TO OPERATE AT 211 NORTH WATER STREET.

The City Council of the City of Las Cruces is informed that:

WHEREAS the City of Las Cruces has been seeking to relocate the Museum of Natural History to Main Street Downtown which is adjacent to two other museum facilities, and

WHEREAS the best downtown location for the museum is at 411 N. Main which property is owned by Jose and Ruben Coronado, and

WHEREAS the Coronados have agreed to exchange the property at 411 North Main for City property located at 211 South Main and the 0.3 acre parking lot at Griggs Avenue, and

WHEREAS, as a part of the exchange agreement, the Coronados agree to lease the facility at 211 South Main back to the City.

NOW, THEREFORE, Be it ordained by the governing body of the City of Las Cruces:

(I)

THAT the Land Exchange Agreement between the City of Las Cruces and Jose and Ruben Coronado, attached hereto as Exhibit "A", is hereby approved and authorized.

(II)

THAT the Commercial Lease Agreement between the City of Las Cruces and Jose and Ruben Coronado, attached hereto as Exhibit "B", is hereby approved and authorized.

(III)

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

DONE AND APPROVED this 20th day of August, 2007.

APPROVED:

William Whattiere
Mayor

ATTEST:

Esther Martinez
City Clerk

(SEAL)

VOTE:

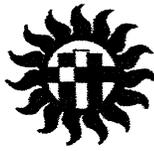
Mayor:	<u>Aye</u>
Councillor Fietze:	<u>Aye</u>
Councillor Connor:	<u>Aye</u>
Councillor Archuleta:	<u>Aye</u>
Councillor Trowbridge:	<u>Nay</u>
Councillor Jones:	<u>Aye</u>
Councillor Miyagishima:	<u>Aye</u>

Moved by: Connor

Seconded by: Frietze

APPROVED AS TO FORM:

Jan A. [Signature]
City Attorney



City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action Form
 For Meeting of August 6, 2007 – First Read
August 20, 2007
 (Adoption Date)

TITLE:

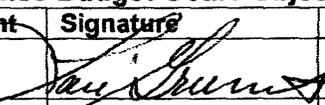
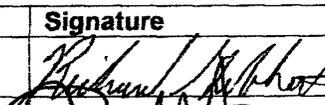
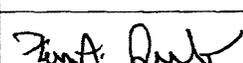
AN ORDINANCE AUTHORIZING A LAND EXCHANGE BETWEEN THE CITY OF LAS CRUCES AND JOSE AND RUBEN CORONADO TO ALLOW FOR ACQUISITION OF LAND AT 411 NORTH MAIN STREET TO BE UTILIZED AS A CITY MUSEUM AND OFFICE COMPLEX AND APPROVING A TWO YEAR LEASE AGREEMENT BETWEEN THE PARTIES TO ALLOW THE CITY CONVENTION AND VISITOR BUREAU TO OPERATE AT 211 NORTH WATER STREET.

BACKGROUND:

The City of Las Cruces has been seeking to relocate the Museum of Natural History from the Mesilla Valley Mall to a location downtown. From a search beginning in 2004, and through numerous negotiations, the City has determined that the best downtown location for the museum is at 411 North Main (known as "the former Bank of the Rio Grande"). This property is next to the City's Museum of Art and very close to the Branigan Cultural Center. Relocating the natural history museum to this area would allow all three facilities to function as a whole. Part of the new facility could be used for office space that would serve staff in the other museums.

Two appraisals of the former bank property were completed in February of 2007. One estimated the value at \$520,000 and the other estimated the value to be \$500,000. The property is owned by Jose and Ruben Coronado. The two brothers have not marketed the property for sale and are not interested in liquidating the asset but they are willing to consider an exchange for other land in the city's downtown area.

(Continued on Page 2)

Name of Drafter: Lori Grumet		Department: Public Services		Phone: 541-3476	
Account Number		Amount of Expenditure		Budget Amount	
27205010-722107		\$52,800 CVB lease		\$52,800	
Strategic Plan Goal / Objective / Strategy Addressed: Economic Development – B7b Natural History Museum downtown					
Performance Budget Goal / Objective Addressed: NA					
Department	Signature	Phone	Department	Signature	Phone
Public Services		528-3476	Budget		541-2300
			Assistant City Manager		541-2271
Legal		541-2128	City Manager		541-2076

The City of Las Cruces owns several buildings and many of the public parking lots in the downtown. Most of the buildings are historically significant or the City has a long term need to retain them. The property at 211 North Water Street, where the Convention and Visitors Bureau (CVB) is located, emerged as the most practical exchange parcel. When construction of the new City Hall and the City Convention Center are complete, the functions of the CVB will be relocated into those facilities.

The City purchased the CVB property in 1994 for \$250,000 and has since completed various improvements. Two independent appraisals of that property in February of 2007 each valued the land and improvements at \$450,000. The City is not prepared to vacate this property immediately but could convey the land as long as a lease agreement allowing the CVB to continue operating from there were included in the negotiation.

In order to complete a value for value land exchange, the City needed to provide an additional \$50,000 to \$70,000 asset. With no identified funding source available for relocation of the Natural History Museum, staff sought another land parcel to complete the exchange. Surface parking areas in the downtown have a value of approximately \$4.50 per square foot and so a 0.3 acre lot would provide for the remaining land value required. Three such lots exist, one at Griggs and Water, one north of Bowman and Church, and one south of Bowman and Church. The Coronados are not interested in the lots on Church Street so the parcel at the northwest intersection of Water Street and Griggs Avenue was pursued. An appraisal of that lot was completed in February of 2007 and estimated the value at \$77,000.

The Coronado's agreed to exchange the former bank property at 411 North Main for the CVB property and the 0.3 acre parking lot at Griggs Avenue. The Coronados have signed the exchange agreement. Approval of this Ordinance would authorize the Mayor to sign on behalf of the City.

The land exchange must include a provision for continued operation of the CVB. Adoption of this Ordinance approves a lease agreement between the Coronados and the City. The City would lease the CVB property for two years with an option to renew the lease for a second two year term. Lease payments would be set at \$4,400 per month for the initial term and increase to \$4,532 per month if the option is exercised. The annual cost to house the CVB will be \$52,800. Acquiring the downtown property will allow the Museum to terminate their lease at the Mesilla Valley Mall which comes at an annual cost of \$48,996. The City would be responsible for day to day maintenance and utility costs during the lease, the Coronados would be responsible for capital maintenance such as roof, foundation, and/or HVAC repairs.

The property which the City would acquire through this exchange includes 40 parking spaces, the property which the Coronados would acquire includes 41 spaces (7 at CVB and 36 on Griggs). Converting private parking to public will not have much impact but the conversion from public to private could result in access to the lot on Griggs being restricted (although we have no indication that such action is planned in the near future). There is sufficient public and private parking in the Griggs Avenue / Water Street area to

accommodate existing businesses and new businesses that may someday occupy existing vacant space. Immediately east is a 15 stall private parking lot, to the immediate south is a 117 stall public parking lot, to the west is another public parking lot with 116 parking stalls. Land uses to the north are not likely to park in this area because the vacant Popular building extends all the way to Water Street and isolates this area from the public parking lot north of that building. In addition to the public lot south of Griggs Street, the properties along this section of the downtown include four private parking lots totaling 65 spaces. On street parking is available along both Water and Griggs Streets. (see attached Parking Map)

SUPPORT INFORMATION:

1. Ordinance
2. Land Exchange Agreement as Exhibit "A"
3. Commercial Lease Agreement as Exhibit "B"
4. Parking Map
5. Appraisals of 411 North Main Street
6. Appraisals of 221 North Water Street
7. Appraisal of parking area at Griggs Avenue and Water Street
8. Map of Exchange Properties

COUNCIL OPTIONS:

1. Vote "YES" and approve the Ordinance authorizing the land exchange and lease. The City of Las Cruces would acquire the property at 411 North Main for use as a museum and office complex, the Coronados would acquire a 0.37 acre parking area at the corner of Griggs Avenue and the property at 211 North Water Street which they would then lease back to the City of Las Cruces for a two year period.
2. Vote NO and deny the Ordinance. No land would be exchanged and the CVB would continue to operate on City owned land. The Museum of Natural History would need to remain at the Mesilla Valley Mall indefinitely.
3. Modify the Resolution and vote YES to approve the modified Resolution.
4. Table/Postpone the Resolution and direct staff accordingly.

Sec. 16-62. - Purpose.

(a)

The purpose of this article is to impose a tax which will be borne by persons using commercial lodging accommodations within the city. Such tax will provide revenues that are to be used to defray the costs of:

(1)

Collecting and otherwise administering the tax;

(2)

Establishing, constructing, purchasing, otherwise acquiring, reconstructing, extending, bettering or otherwise improving fairgrounds, exposition buildings, fieldhouses, auditoriums, convention halls or other convention facilities, and acquiring improvements incidental thereto;

(3)

Equipping and furnishing such recreational facilities of the city;

(4)

Acquiring a suitable site, grounds, or other real property or any interest therein for such recreational facilities of the city;

(5)

The principal of and interest on any prior redemption premiums due in connection with and any other charges pertaining to revenue bonds authorized by NMSA 1978, § 3-38-23 or 3-38-24;

(6)

Advertising, publicizing and promoting such recreational facilities of the city and tourist facilities therein; or

(7)

Any combination of such purposes or transactions stated in this subsection.

(b)

However, 50 percent of the revenues deducting operating and collection expenses shall be used for the purposes of advertising, publicizing and promoting the facilities set forth in subsection (a) of this section and tourist attractions within the city.

(Code 1988, § 18-52)

**CITY OF LAS CRUCES
ADOPTED BUDGET FY 2009/2010**

FUND				
General Fund 1000				
	FY 2008/09 Actual	FY 2009/10 Adopted	Adjustment	FY 2009/10 Adjusted
BEGINNING BALANCE	\$ 20,409,862	16,663,544		16,663,544
REVENUES				
512011 to 015 & 911500 Gross Receipts Taxes	\$ 55,320,571	55,065,000		55,065,000
511010 Property Taxes	8,157,741	8,569,756		8,569,756
514010 to 50 Franchise Fees	2,772,546	2,842,370		2,842,370
546301 to 560 Administrative Transfers	1,866,442	2,020,234		2,020,234
533001 Police Fines	1,048,101	1,070,111		1,070,111
521002 Subdivision Fees	137,293	140,725		140,725
All Other Revenues	5,359,394	5,684,905		5,684,905
TOTAL REVENUES	\$ 74,662,088	75,393,101	0	75,393,101
TOTAL RESOURCES	\$ 95,071,950	92,056,645	0	92,056,645
EXPENDITURES				
Administration	\$ 2,277,617	2,099,186		2,099,186
Community Development	1,775,383	2,126,897		2,126,897
Facilities	8,616,616	12,300,833		12,300,833
Financial Services	3,414,526	3,609,497		3,609,497
Fire	8,960,316	8,658,260		8,658,260
Human Resources	966,994	963,900		963,900
Judicial	1,234,545	1,567,634		1,567,634
Legal	1,695,096	1,845,985		1,845,985
Legislative	722,913	813,947		813,947
Police	20,549,881	18,681,290		18,681,290
Public Services	7,646,025	6,380,324		6,380,324
Public Works	6,463,720	5,576,334		5,576,334
Reserves	1,309,978	1,852,566		1,852,566
Transfers	13,982,520	12,024,191	450,000	12,474,191
Total General Fund Expenditures	\$ 79,616,130	78,500,844	450,000	78,950,844
Adjustment due to change in accruals.	1,207,724	0		
ENDING BALANCE	\$ 16,663,544	13,555,801	(450,000)	13,105,801
Required 1/12th Reserve	0	6,541,737	37,500	6,579,237
UN-RESERVED ENDING BALANCE	\$ 10,028,867	7,014,064	(487,500)	6,526,564

EXHIBIT "A" Continued

**CITY OF LAS CRUCES
ADOPTED BUDGET FY 2009/2010**

General Fund Reserve Section				
	FY 2008/09 Actual	FY 2009/10 Adopted	Adjustment	FY 2009/10 Adjusted
RESERVES FOR:				
1. Salary Increases:				
610106 Reserve for Blue Collar Bargaining Unit Increases	\$ 0	33,712		33,712
610106 Reserve for Police Bargaining Unit Increases	0	147,564		147,564
610106 Reserve for Fire Bargaining Unit Increases	0	102,453		102,453
610106 Reserve for Non-Represented Increases	0	0		0
2. Services				
722190 Purchased Services	\$ 219,309	268,493		268,493
722194 Loan Payment - CDBG Loan for new MNH Bldg	0	80,000		80,000
722248 Admin Charge - County	73,768	77,128		77,128
722248 Admin Charge - GRT	526,471	535,000		535,000
722310 City Manager Contingency	0	50,000		50,000
723100 Building or Land Rental	91,654	99,870		99,870
3. Payments to Other Government Entities				
772900 Office of Emergency Management	\$ 106,811	69,346		69,346
772900 Council of Governments	11,140	14,000		14,000
4. Payments for Other Government Programs				
772900 Mesilla Valley Economic Development Alliance	\$ 200,000	200,000		200,000
705105 Low Income Utility Assistance Program	75,000	100,000		100,000
705110 Affordable Housing Impact Fee Assistance	5,825	75,000		75,000
Total Reserves	\$ 1,309,978	1,852,566	0	1,852,566
5. Transfers to Other Funds				
951005 Fund 1005 Engineering Services	\$ 1,235,392	1,765,410		1,765,410
951010 Fund 1010 Airport Operations	270,000	270,000		270,000
951015 Fund 1015 Permit Services	344,594	295,679		295,679
951200 Fund 1200 Vehicle Acquisition	2,031,219	1,500,000		1,500,000
952171 Fund 2171 Older Americans Act	1,279,149	0		0
952173 Fund 2173 Retired Senior Volunteer Program	69,672	0		0
952174 Fund 2174 Children, Youth, & Families	14,702	0		0
952405 Fund 2405 Victims Assistance	9,255	0		0
952170 Fund 2410 Keep Las Cruces Beautiful	58,604	0		0
952121 Fund 2412 Juvenile Citation Program	38,692	0		0
952330 Fund 2440 Prisoner Care	1,150,000	1,780,000		1,780,000
952495 Fund 2495 Animal Services Center	271,250	0		0
952700 Fund 2700 Health Services	60,000	0		0
952710 Fund 2710 Convention & Vis. Bureau	0	0	450,000	450,000
952760 Fund 2760 State Operating Grants	2,846	0		0
952815 Fund 2815 TIDD Dedicated Revenue	0	470,637		470,637
954001 Fund 4001 Capital Improvement Reserve	2,610,000	650,000		650,000
954012 Fund 4012 Facility State Grants	0	23,448		23,448
954201 Fund 4201 Streets General Fund	48,575	39,283		39,283
965920 Fund 5920 Transit	2,049,000	1,134,067		1,134,067
966310 Fund 6310 Unemployment Compensation	41,272	0		0
966340 Fund 6340 Liability Claims	482,366	1,741,487		1,741,487
772900-97410 Fund 7410 MVRDA	1,326,486	1,326,486		1,326,486
772900-97420 Fund 7420 Metro Narcotics	225,543	225,543		225,543
772900-97440 Fund 7440 Animal Service Center	363,903	802,151		802,151
Total Transfers Out	\$ 13,982,520	12,024,191	450,000	12,474,191
GRAND TOTAL RESERVE SECTION	\$ 15,292,498	13,876,757	450,000	14,326,757

**CITY OF LAS CRUCES
ADOPTED BUDGET FY 2009/2010**

FUND	DIVISION		FUND TYPE	
Convention & Visitors Bureau Fund 2710	Public Services		Special Revenue	
	FY 2008/09 Actual	FY 2009/10 Adopted	Adjustment	FY 2009/10 Adjusted
RESOURCES				
Beginning Balance	\$ 2,181,969	1,929,775		1,929,775
520007 Farmer's and Crafts Market Fee - CVB	\$ 1,749	0		0
552016 New Mexico Tourism Department	20,000	18,700		18,700
552999 Miscellaneous State Grant	0			0
570010 Interest on Investment	45,348	45,000		45,000
543210 CVB Merchandise Sales	9,914	6,000		6,000
590015 Net Incr (Decr) Fair Value Investment	12,813	10,000		10,000
592001 Reimbursed Expense Other	9,523	0		0
Total Revenues	\$ 99,347	79,700	0	79,700
Total Resources	\$ 2,281,316	2,009,475	0	2,009,475
EXPENDITURES				
CVB Administration 27205010				
Personnel Services	\$ 557,722	643,956		643,956
Operating	92,484	116,600		116,600
Capital Outlay	18,012	0		0
Total CVB Administration 27205010	\$ 668,218	760,556	0	760,556
CVB Convention/Tourism 27205020				
Operating	\$ 670,818	880,773		880,773
Total CVB Convention/Tourism 27205020	\$ 670,818	880,773	0	880,773
CVB Special 27205030				
Operating	\$ 66,777	72,581		72,581
Total CVB Special 27205030	\$ 66,777	72,581	0	72,581
Railroad Museum 27205040				
Personnel Services	\$ 30,016	14,430		14,430
Operating	1,900	0		0
Total Railroad Museum 27205040	\$ 31,916	14,430	0	14,430
X-Prize Cup 27205050				
Personnel Services	\$ 9,510	0		0
Operating	0	0		0
Total X-Prize Cup 27205050	\$ 9,510	0	0	0
Farmer's Market 27184010				
Personnel Services	\$ 14,763	0		0
Operating	59	0		0
Total Farmer's Market 27184010	\$ 14,822	0	0	0
CVB Las Cruces Center 27205200				
Operating	\$ 34,061	482,109		482,109
Total CVB Las Cruces Center 27205200	34,061	482,109	0	482,109

**CITY OF LAS CRUCES
ADOPTED BUDGET FY 2009/2010**

FUND	DIVISION		FUND TYPE	
Convention & Visitors Bureau Fund 2710	Public Services		Special Revenue	
	FY 2008/09 Actual	FY 2009/10 Adopted	Adjustment	FY 2009/10 Adjusted
5% reduction	0	0		0
Total Expenditures	\$ 1,496,122	2,210,449	0	2,210,449
OTHER FINANCING SOURCES (USES)				
Transfer from Fund 2820 - Lodger's Tax (85%)	\$ 1,617,529	1,422,458		1,422,458
Transfer from Fund 2820 - Tourism (2.5%)	41,475	41,837		41,837
Transfer from Fund 1000 - General Fund	0	0	450,000	450,000
Transfer to Fund 1000 - General Fund	(16,500)	(16,500)		(16,500)
Transfer to Fund 3614 - Convention Center Debt Svc	(497,923)	0		0
Total Other Financing Sources (Uses)	\$ 1,144,581	1,447,795	450,000	1,897,795
ENDING BALANCE	\$ 1,929,775	1,246,821	450,000	1,696,821