

# City of Las Cruces<sup>®</sup>

PEOPLE HELPING PEOPLE

## Council Action and Executive Summary

Item # 10 Ordinance/Resolution# 12-183

For Meeting of \_\_\_\_\_  
(Ordinance First Reading Date)

For Meeting of May 7, 2012  
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL       LEGISLATIVE       ADMINISTRATIVE

**TITLE:** A RESOLUTION APPROVING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LC STRUCTURAL, INC., FOR THE SALE OF AN EXCESS PORTION OF MUNICIPAL-OWNED PROPERTY KNOWN AS WELL SITE #10 FOR \$3,345.41, OR ANY OFFER ACCEPTABLE TO THE LAS CRUCES CITY COUNCIL ON ADOPTION OF THIS RESOLUTION.

**PURPOSE(S) OF ACTION:**

Approval of Real Estate Purchase Agreement for sale of municipal owned property.

<b>COUNCIL DISTRICT: 1</b>		
<b>Drafter/Staff Contact:</b> Bill Hamm 	<b>Department/Section:</b> Public Works/ Land Management	<b>Phone:</b> 528-3410
<b>City Manager Signature:</b> 		

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

On July 21, 2003, Council approved Resolution 04-033 establishing the policy for the sale of municipally-owned land, at nominal cost, which no longer serves a public purpose and creates a liability for the City of Las Cruces (City) in maintaining the land.

LC Structural, Inc., is the owner of property located at 720 Chestnut Avenue. The City is the owner of a tract of land located at the intersection of Chestnut Avenue and Santa Fe Street; which is described as Lot 18, Block 1H of Hinton Addition Subdivision and commonly known as the location for City Well Site #10.

On August 26, 2011, LC Structural, Inc., submitted a proposal to the City to purchase approximately .024 acres of the unused and undeveloped portion of the City owned Well Site #10 property, for the amount of \$3,345.41. LC Structural, Inc., wishes to utilize and incorporate the excess land into their adjoining developed property for entrance, parking, and ponding purposes.

The value justification is supported on the attached Statement of Value memo to the City Manager. City staff has reviewed the sale of the strip of land adjacent to the property owned by LC Structural, Inc., and found no objections to disposing of the property.

LC Structural, Inc., shall, at its sole cost and expense, prepare and secure approval for a replat combining 720 Chestnut Avenue and the subject property into a single property in accordance with all City of Las Cruces Community Development regulations. The City will prepare a Quitclaim Deed for the transfer of the property. Upon approval of the replat through the Community Development Department, the Quitclaim Deed will be delivered to LC Structural, Inc., for filing at the Doña Ana County Clerk's Office along with the replat.

City staff recommends the sale of the property to LC Structural, Inc., for \$3,345.41. The sale will eliminate City liability for the land and will allow the adjoining property owner to place the excess land into productive use by incorporating it into their adjoining property.

As Well Site #10 is operated through funding from the Las Cruces Joint Utilities Department, proceeds from this sale will be deposited in the Utility Department account for sale of property and materials.

**SUPPORT INFORMATION:**

1. Resolution.
2. Exhibit "A", Agreement for Sale of Real Property.
3. Exhibit "B", Quitclaim Deed.
4. Attachment "A", Statement of Value.
5. Attachment "B", Plat of Survey and Description of Property.
6. Attachment "C", Vicinity Map.

**SOURCE OF FUNDING:**

N/A	<b>Is this action already budgeted?</b>	
	Yes	<input type="checkbox"/> See fund summary below
	No	<input type="checkbox"/> If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/> Expense reallocated from: _____ <input type="checkbox"/> Proposed funding is from a new revenue source (i.e. grant; see details below) <input type="checkbox"/> Proposed funding is from fund balance in the _____ Fund.
<b>Does this action create any revenue?</b>	Yes	<input checked="" type="checkbox"/> Funds will be deposited into this fund: <u>5300-5300-590020</u> in the amount of <u>\$3,345.41</u> for <u>FY 11/12</u> .
	No	<input type="checkbox"/> There is no new revenue generated by this action.

**BUDGET NARRATIVE**

Well Site #10 is operated through funding from the Utilities Department; payment for this purchase will be deposited in the Utility Department account for sale of property and materials, account number 5300-5300-590020.

**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will approve the offer and sell a portion of municipal property to LC Structural, Inc.
2. Vote "No"; this will reject the offer and require City Staff to continue negotiation with LC Structural, Inc., and/or direct staff to seek an alternate course of action.
3. Vote to "Amend"; this could reject the offer and continue City ownership of land.
4. Vote to "Table"; this could reject the offer and abandon the sale.

**REFERENCE INFORMATION:**

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. Resolution No. 04-033

**RESOLUTION NO. 12-183**

**A RESOLUTION APPROVING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LC STRUCTURAL, INC., FOR THE SALE OF AN EXCESS PORTION OF MUNICIPAL-OWNED PROPERTY KNOWN AS WELL SITE #10 FOR \$3,345.41, OR ANY OFFER ACCEPTABLE TO THE LAS CRUCES CITY COUNCIL ON ADOPTION OF THIS RESOLUTION.**

The City Council is informed that:

**WHEREAS**, on July 21, 2003, Council approved Resolution 04-033 establishing the policy for the sale of municipally owned land, at nominal cost, which no longer serves a public purpose and creates a liability for the City of Las Cruces (City) in maintaining the land; and

**WHEREAS**, LC Structural, Inc., is the owner of property located at 720 Chestnut Avenue. The City is the owner of a tract of land located at the intersection of Chestnut Avenue and Santa Fe Street known as Well Site #10; and

**WHEREAS**, on August 26, 2011, LC Structural, Inc., submitted a proposal to the City to purchase approximately .024 acres of City owned municipal property being a portion of Well Site #10 for the amount of \$3,345.41, to utilize the land for entrance, parking, and ponding purposes; and

**WHEREAS**, City staff has reviewed the sale of the strip of land adjacent to the property owned by LC Structural, Inc., and found no objections to disposing of the property; and

**WHEREAS**, LC Structural, Inc., shall, at its sole cost and expense, prepare and secure approval for a replat combining 720 Chestnut Avenue and the subject property into a single property in accordance with all City of Las Cruces Community Development regulations; and

**WHEREAS**, City staff recommends the sale of the property at \$3,345.41. The sale will eliminate City liability for the land and will allow the property owner to utilize and incorporate the excess land into their adjoining developed property for entrance, parking, and ponding purposes.

**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 sale of municipally owned property, known as Well Site #10, with the total compensation to be the sum of \$3,345.41, subject to the terms and conditions in Exhibit "A", which is attached hereto and made a part of this Resolution.

**(II)**

**THAT** the Mayor of the City of Las Cruces is hereby authorized to approve the attached Agreement for Sale of Real Property and Quitclaim Deed attached here to as Exhibit "A" and Exhibit "B".

**(III)**

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

**DONE AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_

City Clerk

(SEAL)

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

VOTE:

Mayor Miyagishima: \_\_\_\_\_

Councillor Silva: \_\_\_\_\_

Councillor Smith: \_\_\_\_\_

Councillor Pedroza: \_\_\_\_\_

Councillor Small: \_\_\_\_\_

Councillor Sorg: \_\_\_\_\_

Councillor Thomas: \_\_\_\_\_

**AGREEMENT FOR SALE OF REAL PROPERTY**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the **City of Las Cruces** ("City"), a New Mexico municipal corporation, on behalf of the City of Las Cruces Utilities Department, and **LC Structural, Inc.**, whose address is 720 Chestnut Avenue, Las Cruces, New Mexico 88001.

**BACKGROUND**

1. LC Structural, Inc. is the owner of a tract of land located at 720 Chestnut Avenue.
2. The City is the owner of a tract of land located at the intersection of Chestnut Avenue and Santa Fe Street adjacent to the property at 720 Chestnut Avenue.
3. LC Structural, Inc. has requested to purchase approximately .024 acres of City owned municipal property, being a portion of Well Site # 10, for the amount of \$3,345.41 to continue utilizing the land for entrance and parking and ponding purposes.

**AGREEMENT**

The City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and LC Structural, Inc. agrees to purchase a portion of Well Site # 10 located at the intersection of Chestnut Avenue and Santa Fe Street and more particularly described on the attached Exhibit "A".

LC Structural, Inc. shall, at its sole cost and expense, prepare and secure approval for a replat combining the portion of Well Site # 10 and the property located at 720 Chestnut Avenue into a single property in accordance with all City of Las Cruces Community Development regulations.

The purchase price for the portion of Well Site # 10 shall be \$3,345.41, payable in cash or equivalent upon approval of the replat incorporating the portion of Well Site # 10 into the LC Structural, Inc. property.

**Sale of Real Property / Page 2**

If the required replat process is not submitted within twelve (12) months from the date of execution of this Agreement, the Agreement shall be deemed null and void and the City shall have no further responsibility to negotiate with LC Structural, Inc. for the sale of this property.

**Review of Title and Patent Reservations.**

Upon execution of this Agreement, the City shall execute and deliver a Quitclaim Deed conveying the Property to the LC Structural, Inc. and/or its assigns, subject to all restrictive covenants, easements, encumbrances and reservations of record. The Quitclaim Deed will be delivered to LC Structural, Inc. for filing upon final approval of the replat.

**CITY OF LAS CRUCES**

**LC Structural, Inc.**

**BY** \_\_\_\_\_  
**Mayor, Ken Miyagashima**

\_\_\_\_\_  
**Johnny D. Tapia**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**City Attorney**



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**INTER-DEPARTMENTAL MEMORANDUM**

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**TO:** Robert Garza, PE, City Manager  
**FROM:** Bill R. Hamm, Land Management Administrator, 528-3410  
**SUBJECT:** Estimated value of an excess portion of City owned property

**Job No: 10-R-072      DATE: April 12, 2012**

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On February 21, 2012; City Council will consider a proposal to sell an excess portion of City owned property known as Well Site # 10, located at the intersection of Chestnut Avenue and Santa Fe Street. Section 2-131 of the Las Cruces Municipal Code allows that; if the sale price of municipally owned land is valued at \$10,000.00 or less, no formal appraisal shall be required. In this situation, a written opinion from staff as to the estimated value of the property must be incorporated as part of the resolution. This memo represents that required written opinion.

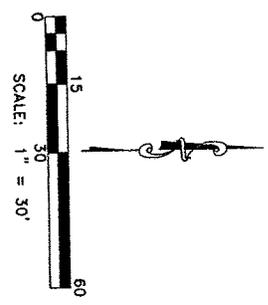
The subject property consists of 0.024 acres (1,045.44 square feet) of excess land located at the intersection of Chestnut Avenue and Santa Fe Street. This parcel is a remnant portion of land known as Well Site # 10. The 0.024 acre of remnant land serves no public purpose, is not necessary for the maintenance and operation of the well site and is not independently developable. As such, the subject property's best use would be to combine it into the adjoining property and put into productive use.

A request to purchase the remnant property was received from Johnny Tapia, on behalf of LC Structural Inc., property owner adjacent to the north of the subject property. LC Structural Inc., has offered to pay the City a sum of \$3,345.41 (\$3.20 per square foot). The price per square foot is based on an independent appraisal secured by LC Structural for the adjacent property, which was less than six months old at the time of purchase request.

Given that the only viable user of this property is the adjoining LC Structural Inc. tract, City staff recommends the sale of this property at the offered price of \$3.20 per square foot for a total of \$3,345.41. Transferring ownership of the remnant property will place the property onto the tax rolls, and will eliminate City responsibility and maintenance liability for the property.

cc Bill Hamm, Land Management Administrator  
Dan Soriano, PE, Acting Public Works Director  
Brian Denmark, Assistant City Manager COO

PLAT OF SURVEY OF A 0.024 ACRE TRACT OF LAND LOCATED IN SECTION 7, T.23S., R.2E., BEING  
 PART OF LOT 18, BLOCK 1H OF HINTON ADDITION  
 AS RECORDED MAY 11, 1912 IN PLAT BOOK 4, PAGE 59  
 OF THE DOÑA ANA COUNTY RECORDS  
 CITY OF LAS CRUCES, DOÑA ANA COUNTY, NEW MEXICO  
 SCALE: 1" = 30'



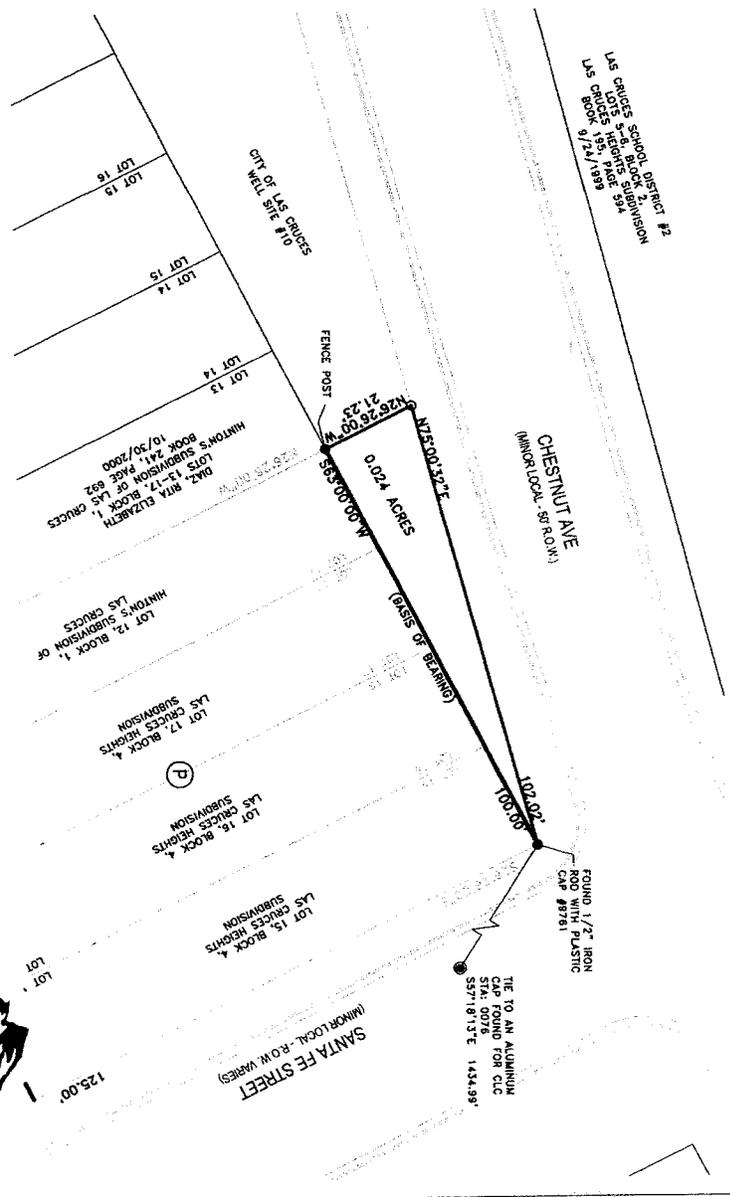
LEGEND  
 ○ 1/2" IRON ROD SET WITH  
 PLASTIC CAP NO. 18619

THIS PARCEL OF LAND IS IN FLOOD ZONE "X"  
 OF THE FEDERAL EMERGENCY MANAGEMENT  
 AGENCY'S FLOOD INSURANCE RATE MAPS.

SURVEYOR'S CERTIFICATION

I, MICHAEL T. SANDERS, A NEW MEXICO PROFESSIONAL  
 SURVEYOR CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE  
 FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT  
 TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS  
 SURVEY AND PLAT MEET THE MINIMUM STANDARDS THAT THIS  
 SURVEYING IN NEW MEXICO, THE PROFESSION OF SURVEYING  
 SURVEYING IN NEW MEXICO, THE PROFESSION OF SURVEYING AS DEFINED  
 BY THE NEW MEXICO SUBDIVISION OF SUBDIVISION ACT AND THAT THIS  
 INSTRUMENT IS A BOUNDARY SURVEY PLAT OF AN EXISTING  
 TRACT OR TRACTS.

MICHAEL T. SANDERS, PLS 18619 DATE \_\_\_\_\_



**SUMMIT ENGINEERING**  
 CIVIL ENGINEERING - DESIGN - CONSULTING  
 PO BOX 375 FARMERS, NM 88033 (505) 327-5271

**MAY 5, 2011**

**TRACT 1**

**DESCRIPTON OF A 0.024 ACRE TRACT**

A tract of land situate within the corporate limits of the City of Las Cruces, Dona Ana County, New Mexico, in Section 7, T.23S., R.2.E., N.M.P.M. being part of Lot 18, Block 1H of Hinton Addition as recorded May 11, 1912 in Plat Book 4, Page 59 and more particularly described as follows, to wit:

Beginning at a 1/2" iron rod found with cap no. 9761 along the west line of Santa Fe Street for the easterly corner of the tract herein described;

Whence a City of Las Cruces aluminum cap, station no. 0076 bears the following N57°18'13"W., 1,434.99 feet;

Thence S63°00'00"W., 100.00 feet to a fence corner found for the southwest corner of this tract;

Thence N26°26'00"W., 21.23 feet to an iron rod set with plastic cap no. 18619 on the south right-of-way of Chestnut Avenue;

Thence along the south right-of-way line Chestnut Avenue N75°00'32"E., 102.02 feet to the point of beginning, containing 0.024 acres of land, more or less. Subject to any easements, existing taxes, assessments, covenants, conditions, restrictions, right-of-way easements and warranties of record.



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Portion of Well Site # 10

**Legend**

-  City Property/Well Site # 10
-  720 Chestnut