



# City of Las Cruces®

PEOPLE HELPING PEOPLE

## TIDD Board Action and Executive Summary

Item # 2 Ordinance/Resolution# 16-003

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

For Meeting of February 22, 2016  
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL       LEGISLATIVE       ADMINISTRATIVE

**TITLE:** A RESOLUTION AUTHORIZING THE CITY MANAGER FOR THE CITY OF LAS CRUCES TO ACT ON BEHALF OF THE TAX INCREMENT DEVELOPMENT DISTRICT OF THE CITY OF LAS CRUCES IN NEGOTIATING A CONTRACT FOR THE SALE OF IMPROVED REAL ESTATE WITH GMB INVESTMENTS, INC.

**PURPOSE(S) OF ACTION:**

To authorize the City Manager to negotiate a contract.

<b>COUNCIL DISTRICT:</b> 1		
<b><u>Drafter/Staff Contact:</u></b> Monica Campbell	<b><u>Department/Section:</u></b> Legal/City Attorney	<b><u>Phone:</u></b> 541-2128
<b><u>City Manager Signature:</u></b>		

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

The City of Las Cruces established a Tax Increment Development District ("TIDD") and the Downtown Metropolitan Redevelopment Plan on October 15, 2007. In October of 2015, the City Manager for the City of Las Cruces, on behalf of the TIDD Board, received an unsolicited proposal from GMB Investments, Inc. ("GMB") concerning the potential development agreement for what would be called the Amador Project. The Amador Project would be located at the intersection of Main Street and Amador Avenue, and would encompass City property in the form of the historic Amador Hotel. In order for this proposal to come to fruition, the TIDD Board must give authority to the City Manager to negotiate an agreement between the TIDD and the developer.

The TIDD, through City of Las Cruces staff, began preliminary discussions with GMB concerning a conceptual plan of property conveyance and developmental agreement on that particular intersection. In order to proceed further, it would be appropriate for the TIDD Board to authorize the City Manager for the City of Las Cruces to act on behalf of the TIDD Board in negotiating a developmental agreement between GMB and the TIDD Board. The first part of the agreement would involve an expenditure of approximately \$50,000 for initial site development, including plans for proposed buildings, to bring to the TIDD Board. As initially proposed, permission would need to be obtained from the Doña Ana County Board of County Commissioners on the Amador

(Continue on additional sheets as required)

Hotel property, as there is a revisionary deed provision. The revisionary deed provision states that should the building and property no longer be used for public purpose, it would revert back to Doña Ana County's ownership. As one of the options in GMB's proposal, part of the land would have to be transferred to GMB for the purpose of obtaining a construction loan. The development of the Amador Hotel property and the surrounding area would be beneficial to further downtown economic development. The proposed resolution would be the first step in allowing further discussions and planning of the development of the Amador Hotel property.

**SUPPORT INFORMATION:**

1. Resolution.
2. Attachment "A"; GMB Investments, Inc., letter dated December 4, 2015.
3. Attachment "B"; City Attorney memorandum dated October 14, 2015.

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>  N/A	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>  N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$_____ for FY_____.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

**BUDGET NARRATIVE**

N/A
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**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

(Continue on additional sheets as required)

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this action will authorize the City Manager to act on behalf of the City in negotiating a developmental agreement between GMB Investments, Inc., and the TIDD Board.
2. Vote "No"; this action means the City Manager is not authorized to act on behalf of the City in negotiating a developmental agreement between GMB Investments, Inc., and the TIDD Board. This action may delay further economic development of downtown.
3. Vote to "Amend"; this action could modify authorization of the City Manager to act on behalf of the City in negotiating a developmental agreement between GMB Investments, Inc., and the TIDD Board. This could delay further economic development of downtown.
4. Vote to "Table"; this action would delay the City Manager's authorization to act on behalf of the City in negotiating a developmental agreement between GMB Investments and the TIDD Board which may further delay economic development of downtown.

**REFERENCE INFORMATION:**

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

N/A

RESOLUTION NO. 16-003

**A RESOLUTION AUTHORIZING THE CITY MANAGER FOR THE CITY OF LAS CRUCES TO ACT ON BEHALF OF THE TAX INCREMENT DEVELOPMENT DISTRICT OF THE CITY OF LAS CRUCES IN NEGOTIATING A CONTRACT FOR THE SALE OF IMPROVED REAL ESTATE WITH GMB INVESTMENTS, INC.**

The TIDD Board is informed that:

**WHEREAS**, the corner of Main Street and Amador Avenue is of primary interest to Main Street Downtown Las Cruces; and

**WHEREAS**, the entrance to the downtown area has long been an important step for the success of a revitalized downtown; and

**WHEREAS**, the Amador Hotel, a historical site, is owned by the City of Las Cruces; and

**WHEREAS**, the City of Las Cruces Tax Increment Development District ("TIDD") is informed that Dona Aña County has a deed restriction on the Amador Hotel that the building and property must be used for a public purpose; and

**WHEREAS**, GMB Investments, Inc., has acquired various options on real property near the Amador Hotel; and

**WHEREAS**, GMB Investments, Inc., has proposed to remove the non-historical portions of the Amador Hotel, as well as construct new facilities, which may be used to promote economic development downtown.

**NOW, THEREFORE**, Be it resolved by the governing body of the TIDD Board:

(I)

**THAT** the City Manager, with the concurrence of the Las Cruces City Council, is authorized to be a point of contact for the TIDD and to operate and negotiate on behalf of the TIDD concerning the terms and conditions of a real estate conveyance and

developmental agreement with GMB Investments, Inc., subject to the approval of the TIDD Board.

**(II)**

**THAT** the City Manager is authorized to contact and negotiate with the Doña Ana County Commission on the removal of the deed restriction on the Amador Hotel property.

**(III)**

**THAT** the TIDD Board authorizes the expenditure of up to \$50,000 for all fees generated for the design of a new facility, including but not limited to surveying, engineering and architect fees, drafting fees, soil reports and rendering for the development of the area, including the historic Amador Hotel and the surrounding property.

**(IV)**

**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:

ATTEST:

\_\_\_\_\_  
TIDD Chair

\_\_\_\_\_  
City Clerk

(SEAL)

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

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

APPROVED AS TO FORM:



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

VOTE:

Chair Miyagishima: \_\_\_\_\_

Board Member Gandara: \_\_\_\_\_

Board Member Smith: \_\_\_\_\_

Board Member Pedroza: \_\_\_\_\_

Board Member Eakman: \_\_\_\_\_

Board Member Sorg: \_\_\_\_\_

Board Member Levatino: \_\_\_\_\_



*Real Estate Investments*

December 4, 2015

City of Las Cruces  
Robert Garza – City Manager  
PO Box 20000  
Las Cruces, NM 88004

Re: Amador Property Conveyance and Development Agreement

Pursuant to our discussions/meetings, please find attached the Property Conveyance and Development Agreement and associated Exhibits as well as other associated documents for the Amador Hotel and Amador Annex Redevelopment Project. The documents are attached as follows:

- Property Conveyance and Development Agreement with Exhibits;
- Conceptual Site Plan;
- Copy of "Tee Time" Option Agreement and Earnest Money Deposit

These documents represent a determined effort by both the City of Las Cruces and GMB Investments, Inc., to re-develop specific properties in the Downtown Las Cruces area with the goal of helping the City with the overall effort for Downtown Revitalization.

Included with the Development Agreement is "Exhibit D" which details a preliminary Development Cost and Timeline estimate. At this point, we anticipate the total development cost to be approximately: \$4.6 million to \$5.4 million, depending on completed plans and specs.

Should you have any questions/comments please do not hesitate to contact me.

Regards,

Max Bower  
Vice President  
575-993-9906  
maxbower@me.com

## PROPERTY CONVEYANCE AND DEVELOPMENT AGREEMENT

THIS REAL ESTATE CONVEYANCE AND DEVELOPMENT AGREEMENT ("AGREEMENT"), is made as of December \_\_\_\_, 2015, by and between GMB Investments, Inc. ("DEVELOPER") and City of Las Cruces, New Mexico (CITY):

### ARTICLE 1 – PARTIES

DEVELOPER: GMB Investments, Inc.  
412 Pocano Lane  
El Paso, TX 79912

CITY: City of Las Cruces  
700 North Main Street  
Las Cruces, NM 88001

### ARTICLE 2 – SUBJECT PROPERTIES

This AGREEMENT shall involve the following properties:

Tract #1:  
DAC Parcel ID: 02-06033  
Commonly Known As: "Historic Amador Hotel"  
Current Owner: City of Las Cruces

Tract #2:  
DAC Parcel ID: 02-06049  
Commonly Known As: "My Brother's Place"  
Current Owner: Private Party (Under Contract with GMB)

Tract #3:  
DAC Parcel ID: 02-06076  
Commonly Known As: "My Brother's Place – Overflow Parking"  
Current Owner: Private Party (Under Contract with GMB)

Tract #4:  
DAC Parcel ID: 02-33144  
Commonly Known As: "Tee Time"  
Current Owner: City of Las Cruces

### ARTICLE 3 – RECITALS

Developer and City desire to enter into a Real Estate Property Conveyance and Development Agreement (AGREEMENT) which shall include the subject real estate tracts as described herein under “ARTICLE 2”:

City desires to have Developer “Build-To-Suit” a “Multi-Use” facility to be located on a portion of “Tract #1” and all of “Tract #2” which the City shall “Master Lease” from the Developer. Additionally, the City, desires to acquire “Tract #3” in its entirety from the Developer. The Developer desires to acquire “Tract #4” from the City;

Developer is aware that certain restrictive covenants exist on Tract 1 which require Dona Ana County to remove the restrictive covenants and which also may require approval of the State of New Mexico Historical Preservation Office.

### ARTICLE 4 – THE AGREEMENT

NOW, THEREFORE, the PARTIES herein agree as follows:

- a. Developer shall “Build-to-Suit” a new “Multi-Use Facility” for the benefit of the City and its associated departments, as determined by City. Developer shall coordinate with all applicable City departments to accommodate the City’s design needs for the proposed new “Build-To-Suit” facility, City shall reimburse the Developer for all fees generated for the design of the new facility (to include but not limited to Surveying, Engineering, Architect Fees, Drafting Fees, Soil Reports and Renderings). City shall reimburse the Developer the aforementioned fees upon receipt of invoices from Developer, such costs are to be reimbursed without exception, as submitted during the planning stage. It is anticipated that these design fees should not exceed \$50,000.00. In the event the Project is terminated before completion of the Design Phase, payment shall only be due for work completed to date of termination.
- b. Upon completion and acceptance of the construction documents by the City for the proposed “Build-to-Suit,” City shall Master Lease the “Build-To Suit” facility from the Developer. City shall convey to Developer a portion of “Tract #1” (with metes and bounds to be determined) currently consisting of a "parking lot" and such conveyance shall exclude the portion of “Tract #1” representing “Historical Amador Hotel.” The conveyance of a portion of Tract #1 is an interim step for the purpose of construction financing requirements by Lender; upon completion and Master Lease of the Property, City will regain control of Tract #1.
- c. Developer shall combine the modified portion of “Tract #1” as herein described under “ARTICLE 4.b” with “Tract #2” via administrative re-plat to be facilitated by the

City for the purpose of accommodating the development and construction of the new facility;

- d. In consideration for, ARTICLE 4.b and ARTICLE 4.c, as herein described, the Developer shall convey to the City all of "Tract #3" simultaneously, for agreed value.
- e. Developer and City agree that Developer shall remove, or shall cause to be removed, portions of the "Historical Amador Hotel" which shall be identified as "Non-Historic" per a demolition plan which shall be mutually acceptable to the Parties prior to the completion of any engineering and architectural plans and factored into the overall Project Economics;
- f. Upon completion of the "Build-to-Suit" facility as described herein, the City, shall occupy the new facility under the "Master Lease", previously executed with the Developer;
- g. City shall have the option to "Purchase" the new "Build-To-Suit" facility from the Developer, for considerations to be determined by the Parties which shall include the conveyance of "Tract #4" to Developer; this final conveyance shall be based on a value for value formula to be established and mutually agreed to.
- h. It is acknowledged by the parties that it is not possible to establish costs to this project, until such time as the construction plans are completed and cost estimates are obtained from appropriate contractors;

#### **ARTICLE 5 - DEVELOPMENT SEQUENCE and EXHIBITS**

The following is provided to serve as a conceptual/preliminary development sequence to implement this Project:

- Removal of restrictive covenants
- Development of a Preliminary Site Plan;
- Lease Commitment between City (Tenant) and GMB (Landlord);
- Completion of Site Improvement, and Architecture Plans;
- Finalization of Project Economics based on final Plans and Specs;
- Finalization of Trade Economics between City and GMB;
- Finalization and Filing of all necessary re-plats and utility easements;
- Commencement of Demolition, Construction;
- Completion of Construction and implementation of Master Lease, until Property Trade can take place

GMB and the City understand that this Proposed Development Agreement is “conceptual” and will be modified as needed, with all appropriate documentation and exhibits to be included in the final Agreement.

Attached Exhibits:

- A. Schematic Drawing showing “existing” Tracts 1,2,3;
- B. Schematic Drawing showing “existing” Tract 4;
- C. Copy of Conceptual Elevations and Development Narrative
- D. Preliminary "range cost estimates" and Timeline;

**AGREED TO AND ACCEPTED:**

**DEVELOPER:**

**GMB INVESTMENTS, INC**

By: \_\_\_\_\_  
**Lawrence M. Bower**

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY:**

**THE CITY OF LAS CRUCES**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





# The Amador

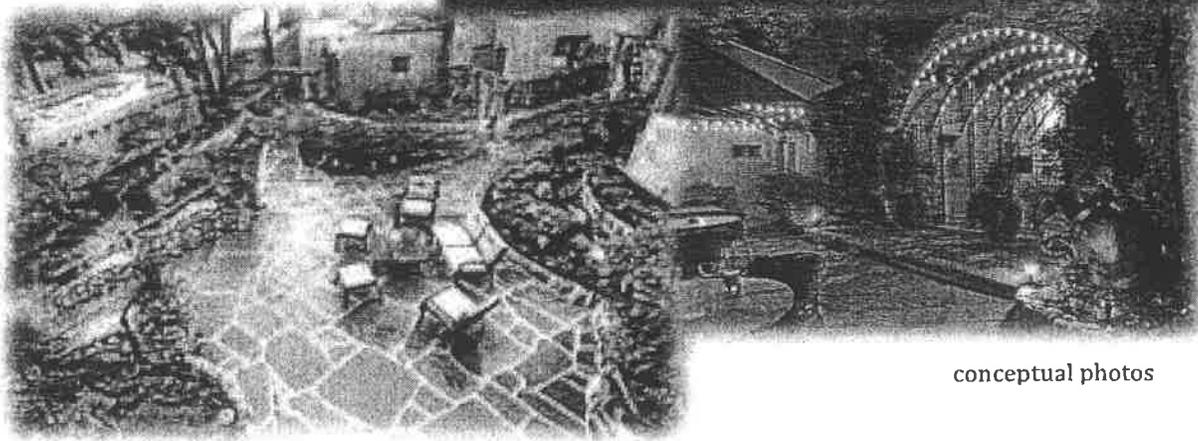
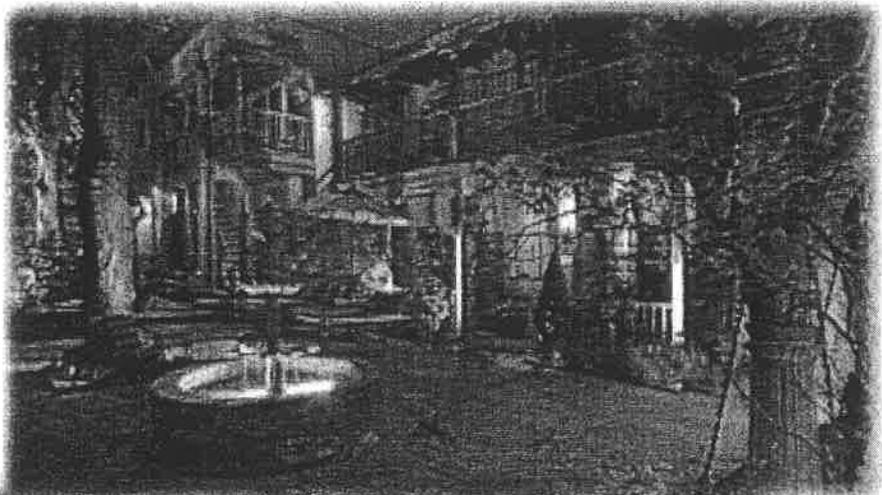
A Proposed Property Conveyance  
and Re-Development Project

By

GMB INVESTMENTS, INC

Max Bower (575) 993-9906

Lawrence Bower (915) 539-2548



conceptual photos

## Development Narrative

As the City of Las Cruces continues its Downtown revitalization efforts there is a general consensus, by both the citizenry and City leadership, that a facility in the Downtown corridor which could facilitate hospitality (full service restaurant), special events, tourism and office space would be a great asset to the Main Street re-development effort.

This proposed facility would assist the City in solving several issues related to Downtown:

- Assist in efforts to renovate and restore the Historical Amador Hotel into a viable space for both tourism, education and special events as well as continue the effort to place the existing Amador Hotel on the “National Historic Registry”;
- Create needed permanent and consolidated office, meeting and storage space for various City departments, namely the Las Cruces Convention and Visitors Bureau and other applicable departments;
- Open up Downtown Main Street to a “much needed” new full service restaurant which would be ideal for tourism as well as a business lunch and after hours dining destination;
- Consolidate land parcels, that are currently privately held, into the Water/Church Street re-design effort to allow two way traffic around the Downtown Mall;
- Act as a catalyst and as an anchor for Downtown revitalization as a whole

In addition to the benefits for Downtown Main Street, the associated land trade involving the City owned property known as “Tee Time” would further generate much needed revenues and spur continued Economic Development at the “gateway” to the East Mesa without generating urban sprawl.

GMB Investments, Inc. offers the following preliminary proposal/concept to provide “A Pathway” to solve the aforementioned issues.

## Exhibit D

### Preliminary Range of Costs for Project and Timeline - Estimate Only:

	Costs Estimate	Timeline Estimate
Land Cost:	\$1,300,000.00	
Design & Permit Phase:	\$ 40,000.00 - \$50,000.00	3 months
Demolition/Site Prep:	\$ 200,000.00 - \$250,000.00	2 months
Foundation /Shell Construction:	\$ 1,300,000.00 - \$ 2,000,000.00	6 months
Interior Finish out:	\$ 1,760,000.00 - \$ 1,750,000.00	5 months

#### Notation:

- Preliminary Estimated Cost based on unit price approach without any detail, at this point as to design and detailed Plans and Specifications. Final pricing is subject to complete bids based on final Plans and Specifications;
- Total estimated timeline from development agreement to delivery of completed project ready for occupancy by tenants is approx. 16 months



## MEMORANDUM

TO: David Dollahon Director, Community and Cultural Services

FROM: Harry S. (Pete) Connelly, Deputy City Attorney *ASPC*

SUBJECT: OWNERSHIP, AMADOR HOTEL PROPERTY

DATE: October 14, 2015

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The City owns the Amador Hotel Property pursuant to a Quitclaim Deed from Dona Ana County. The deed is the result of an Agreement, and an Amendment to the Agreement. The deed, the Agreement, and the Amendment were recorded with the Dona Ana County New Mexico, Clerk on 04-05-07 as documents numbered 12134, 12135, and 12136.

The Quitclaim Deed conditions the City's ownership as contingent upon its use of the property. See Exhibit "1".

The Agreement Amendment provides that the transfer (of the property) is contingent upon the City's commitment to maintain the "historic adobe walls of the building exterior and the full height and volume of the lobby including stairs and second floor gallery." See Exhibit "2".

If the City violates the "use" conditions set forth in the deed the property automatically reverts to Dona Ana County. *Nevarez v. State Armory Board*, 1972 – NMSC – 065, ¶13, 84 NM 264.

If the City violates the Amendment conditions it could face litigation from the State Historic Preservation Office and Dona Ana County. See *HJ Griffith Realty Co. v. Hobbs House Inc.*, 1960 – NMSC – 128, ¶9, 68 NM 28.

*David Dollahon*  
*October 14, 2015*  
*Page 2*

To eliminate the Dona Ana County and State Historic Preservation Office conditions will require that the County, the State Historic Preservation Office, and the City agree in writing that the conditions be abandoned retroactively to date of imposition. See Montoya v. Barreras, 1970 – NMSC – 111, ¶13, 81 NM 752.

If you have any questions, please contact me at x2010.

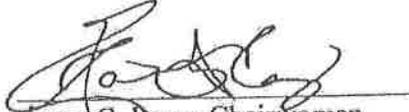
cc: Robert Garza, City Manager  
Daniel Avila, Assistant City Manager  
William R. Babington, City Attorney  
Marcia B. Driggers, Acting City Attorney

QUITCLAIM DEED

Doña Ana County, a political subdivision of the State of New Mexico ("DAC"), as a donation, hereby quitclaims to the City of Las Cruces, New Mexico, certain real property, including attached building, structures, and improvements, commonly referred to as the Amador Hotel Property (hereinafter "Property") located at 180 W. Amador Avenue in the City of Las Cruces, within Doña Ana County, New Mexico, and more particularly described in "Exhibit A" attached hereto and incorporated herein, for use as a public museum or other facility for the use and benefit of the public, for so long as the City establishes and maintains the existing building situated on the property as a public museum, or other public facility for the use and benefit of the public, within a period of ten (10) years from the date that this deed is recorded, and for so long as, after the establishment of the building as a public museum or other public facility within the ten-year period, the building and property thereafter continue to be used as a public museum, or other public facility for the use and benefit of the public. If said public use terminates, then the property shall automatically revert to DAC.

Approved by the Board of County Commissioners of Doña Ana County, New Mexico, this 30 day of MARCH, 2007.

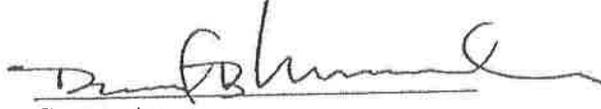
DOÑA ANA COUNTY

  
Karen G. Perez, Chairwoman  
Board of County Commissioners

ATTEST:

  
Rita Torres  
County Clerk

APPROVED AS TO FORM

  
County Attorney





607

EXHIBIT 1

**Amendment to  
Agreement For Donation And Transfer  
Of Amador Hotel Property**

WHEREAS, Doña Ana County, a political subdivision of the State of New Mexico (hereinafter referred to as "County") and the City of Las Cruces, New Mexico, a New Mexico municipal corporation (hereinafter referred to as "City"), have previously entered into an agreement entitled Agreement For Donation and Transfer of Amador Hotel Property (hereinafter "Agreement"), the approval of which is now pending before the State Board of Finance; and

WHEREAS, the County and City are informed by the Director of the State Board of Finance that the State Historic Preservation Division has requested that the Agreement be amended by adding language more particularly describing certain historical elements of the Amador Hotel building; and

WHEREAS, the County and City are willing to accommodate the State Historic Preservation Division's request by amending the Agreement to include the language suggested by the State Historic Preservation Division in Exhibit A, attached hereto; and

WHEREAS, the signatories for the County and the City, below, are authorized to sign this Amendment on behalf of their respective governing bodies.

NOW THEREFORE, in order to accommodate the request of the State Historic Preservation Division, the County and City mutually agree to amend the second sentence of paragraph two of the Agreement For Donation and Transfer of Amador Hotel Property to read as follows: "Transfer is contingent upon the City's commitment to maintain the historic adobe walls of the building exterior, and the full height and volume of the lobby, including stairs and second floor gallery."

**DOÑA ANA COUNTY**

By: Brian D. Haines  
Brian D. Haines  
County Manager

Date: 3/16/07

Approved as to Form:  
[Signature]  
County Attorney

**CITY OF LAS CRUCES**

By: [Signature]  
Terrence Moore  
City Manager

Date: 3/19/07

Approved as to Form:  
[Signature]  
City Attorney

**APPROVED:  
STATE BOARD OF FINANCE**

By: [Signature]  
Olivia Padilla-Jackson, Director

Date: March 21, 2007

005

**EXHIBIT 2**



# City of Las Cruces<sup>®</sup>

PEOPLE HELPING PEOPLE

## TIDD BOARD ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

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

For Meeting of February 22, 2016  
(Adoption Date)

TITLE:

A RESOLUTION AUTHORIZING THE CITY MANAGER FOR THE CITY OF LAS CRUCES TO ACT ON BEHALF OF THE TAX INCREMENT DEVELOPMENT DISTRICT OF THE CITY OF LAS CRUCES IN NEGOTIATING A CONTRACT FOR THE SALE OF IMPROVED REAL ESTATE WITH GMB INVESTMENTS, INC.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes  No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Thonica Campbell</i>	541-2128	2/9/2016
Department Director	<i>[Signature]</i>	541-2128	11 Feb 2016
Other			
Assistant City Manager /CAO Management & Budget Manager	<i>[Signature]</i>	541-2107	2-12-2016
Assistant City Manager/COO	<i>Daniel De</i>		2/16/16
City Attorney	<i>[Signature]</i>	541-2128	11 Feb 2016
City Clerk	<i>[Signature]</i>	82116	2-17-16