



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 6Ordinance/Resolution# 16-220For Meeting of _____
(Ordinance First Reading Date)For Meeting of May 16, 2016
(Adoption Date)

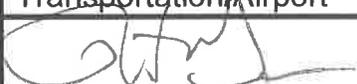
Please check box that applies to this item:

 QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 37 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM PICACHO VALLEY GROUP, LLC TO RACI MANAGEMENT COMPANY, INC.

PURPOSE(S) OF ACTION:

To authorize an assignment of land lease.

COUNCIL DISTRICT: 4		
<u>Drafter/Staff Contact:</u> Lisa Murphy	<u>Department/Section:</u> Transportation/Airport	<u>Phone:</u> 541-2471
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

Picacho Valley Group, LLC (Glen Porter, Managing Member) currently holds a land lease with the City of Las Cruces (City) for a 10,000-square foot parcel known as Parcel 37 at the Las Cruces International Airport. The lease was originally approved in favor of Rocket Racing League pursuant to Resolution No. 06-338 on April 17, 2006 for a term of 20 years. The Rocket Racing League no longer needed Parcel 37, so City Council terminated their lease and entered into a new lease for Parcel 37 with Picacho Valley Group, LLC pursuant to Resolution No. 09-184 on February 17, 2009. There is a hangar on the leased property which Picacho Valley Group, LLC owns.

Picacho Valley Group, LLC wishes to sell the hangar and thus has requested that the Parcel 37 land lease be assigned to the buyer, RACI Management Company, Inc. The lease terms allow assignment with the approval of City Council and also state that the owner of the improvements on the parcel must also hold the land lease. Section 7.5-3 of the Las Cruces Municipal Code requires City Council approval of all airport land leases.

The Airport Advisory Board (AAB) unanimously recommended approval of the assignment of lease request at their March 17, 2016 meeting.

(Continue on additional sheets as required)

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Assignment of Lease, Legal Description, and Plat of Survey.
3. Attachment "A", Parcel 37 Land Lease.
4. Attachment "B", Parcel Location Map.
5. Attachment "C", Letter from Picacho Valley Group, LLC requesting the assignment of lease.
6. Attachment "D", Draft minutes from March 16, 2016 Airport Advisory Board Meeting.

SOURCE OF FUNDING:

Is this action already budgeted? 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.
Does this action create any revenue?	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of _____ for FY__.
	No	<input checked="" type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

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 authorize Picacho Valley Group, LLC to assign the land lease for Parcel 37 to RACI Management Company, Inc.
2. Vote "No"; this will not authorize Picacho Valley Group, LLC to assign the land lease for Parcel 37 to RACI Management Company, Inc.
3. Vote to "Amend"; as deemed appropriate.

(Continue on additional sheets as required)

4. Vote to "Table"; and direct staff accordingly.

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. 09-184.



City of Las Cruces[®]

PEOPLE HELPING PEOPLE

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COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of May 16, 2016
 (Adoption Date)

TITLE: A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 37 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM PICACHO VALLEY GROUP, LLC TO RACI MANAGEMENT COMPANY, INC.

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

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>Lisa Murphy</i>	541-2471	3-30-16
Department Director	<i>Pat Gaest</i>	541-2048	4-13-16
Management & Budget Manager	<i>[Signature]</i>	541-2107	4-16-2016
Assistant City Manager /CAO	<i>David Walker</i>	541-2100	4-19-2016
Assistant City Manager/COO	<i>Paul De</i>	541-2271	4-20-16
City Attorney	<i>[Signature] for WRB</i>	541-2128	4-22-16
City Clerk	<i>[Signature]</i>	541-2115	5-6-16

RESOLUTION NO. 16-220**A RESOLUTION AUTHORIZING AN ASSIGNMENT OF LAND LEASE FOR PARCEL 37 AT THE LAS CRUCES INTERNATIONAL AIRPORT FROM PICACHO VALLEY GROUP, LLC TO RACI MANAGEMENT COMPANY, INC.**

The City Council is informed that:

WHEREAS, Picacho Valley Group, LLC (Glenn Porter, Managing Member) executed a land lease agreement with the City of Las Cruces (City) for Parcel 37 at the Las Cruces International Airport on February 17, 2009, pursuant to Resolution No. 09-168; and

WHEREAS, Section 9 of the lease provides that the Lessee may request an assignment of lease; and

WHEREAS, Picacho Valley Group, LLC wishes to sell the aircraft hangar currently on the parcel and has asked that the City approve assignment of the lease to RACI Management Company, Inc.; and

WHEREAS, the owner of the hangar must also hold the land lease.

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

(I)

THAT the Mayor is hereby authorized to sign the assignment of lease currently held by Picacho Valley Group, LLC to RACI Management Company, Inc., attached hereto as Exhibit "A" and made a part of this Resolution.

(II)

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)

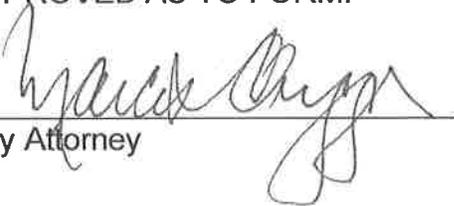
Moved by: _____

Seconded by: _____

VOTE:

Mayor Miyagishima:	_____
Councillor Gandara:	_____
Councillor Smith:	_____
Councillor Pedroza:	_____
Councillor Eakman:	_____
Councillor Sorg:	_____
Councillor Levatino:	_____

APPROVED AS TO FORM:

SR Ash 

City Attorney

ASSIGNMENT OF LEASE

Picacho Valley Group, LLC, assignor herein and lessee of premises described as follows:

A portion of the lease, that portion being all of Parcel 37 as shown on the attached map marked Exhibit “A” and made a part hereof,

which was leased to Picacho Valley Group, LLC by Las Cruces City Council Resolution 09-184 on February 17, 2009. RACI Management Co., Inc., assignee of the lease hereby accepts the assignment as evidenced by its signature hereto, and shall perform all the terms and conditions thereof, including payment of all rent applying to Parcel 37 required by the provisions of the Lease. Assignee shall enjoy the same right and power to assign the lease as assignor enjoyed under the lease.

The CITY OF LAS CRUCES, NEW MEXICO, a municipal corporation, lessor under the lease, consents to the assignment of the lease to assignee, but does not waive any rights against assignor that lessor has under the lease.

In witness whereof, the parties have executed this assignment at Las Cruces, New Mexico the _____ day of _____, 2016.

PICACHO VALLEY GROUP, LLC, by Glen Porter, Managing Member
Assignor

ATTEST:

(Seal)

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Picacho Valley Group, LLC, by Glen Porter, Managing Member.

Notary Public

My Commission Expires:

RACI MANAGEMENT CO, INC., by Royal Jones,
President
Assignee

ATTEST:

(Seal)

STATE OF NEW MEXICO)
)ss.
COUNTY OF DONA ANA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by RACI Management Co. Inc., by Royal Jones its President.

Notary Public

My Commission Expires:

CITY OF LAS CRUCES, NEW MEXICO
A municipal corporation

By: _____
Ken Miyagishima, Mayor

Approved as to form:

City Attorney



March 29, 2006
Lease Parcel 37
05-S-036H

DESCRIPTION OF A 0.2296 ACRE PARCEL

A parcel of land situate within the corporate limits of the City of Las Cruces, Dona Ana County, New Mexico. In the NW1/4 of Section 26, T.23S., R.1W., N.M.P.M. of the U.S. & L.O. Surveys. Being part of the Las Cruces International Airport Reserve and more particularly described as follows, to wit:

BEGINNING at a 1/2 inch rebar with City of Las Cruces identification cap set on the east side of a 35 foot wide road and the south side of a 35 foot wide road for the northwest corner of the lease parcel herein described, whence station CRUCESAIR of the New Mexico High Accuracy Reference Network bears S89°09'25"W a distance of 2,496.83 feet.

THENCE FROM THE POINT OF BEGINNING leaving the 35 foot wide road N89°48'33"E -- 100.00 feet to a 1/2 inch rebar with City of Las Cruces identification cap set for the northeast corner of the lease parcel herein described;

THENCE S00°11'27"E -- 100.00 feet to a 1/2 rebar with City of Las Cruces identification cap set for the southeast corner of the lease parcel herein described;

THENCE S89°48'33"W -- 100.00 feet to a 1/2 inch rebar with City of Las Cruces identification cap set for the southwest corner of the lease parcel herein described;

THENCE N00°11'27"W -- 100.00 feet to the point of beginning, containing 0.2296 acres of land more or less.

AUTHORITY STATEMENT: I, Gilbert Chavez, a New Mexico registered Professional Surveyor certify that I directed 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 legal description meets the "Minimum Standards for Land Surveying in New Mexico."

THIS PROPERTY DESCRIPTION WAS PREPARED SOLELY FOR THE PURPOSE OF NEGOTIATIONS FOR LEASE. A FILED SUBDIVISION WILL BE REQUIRED FOR COMPLIANCE WITH THE CITY OF LAS CRUCES SUBDIVISION CODE.

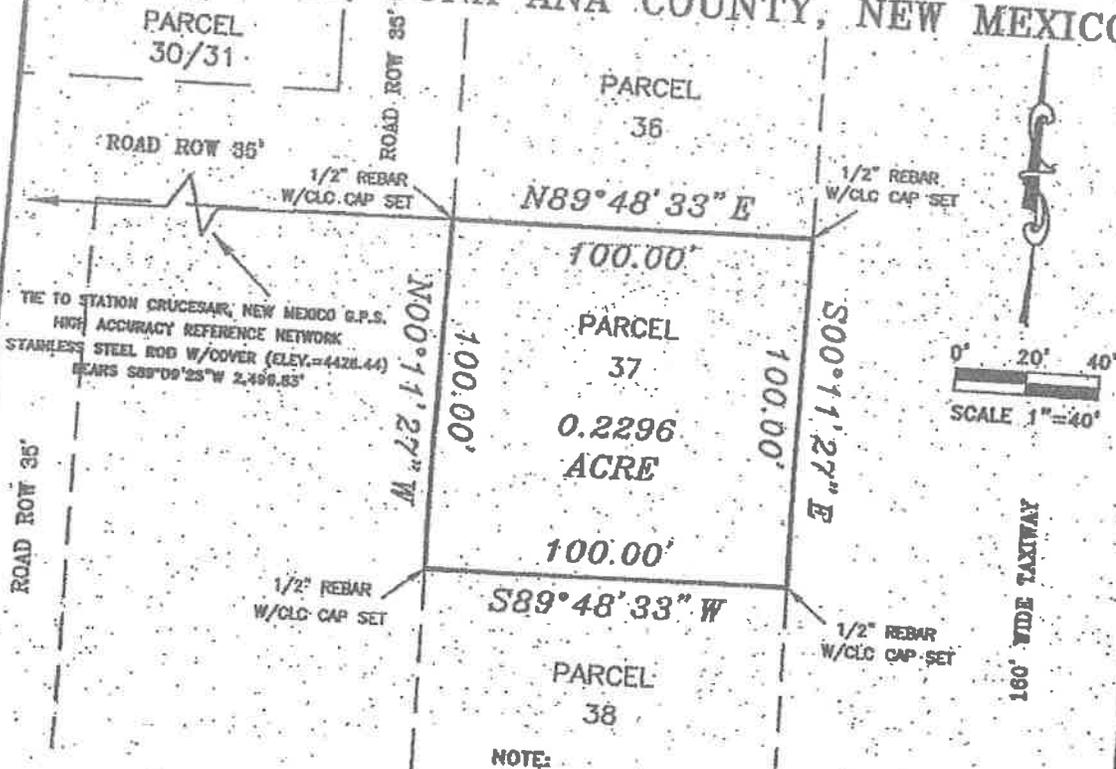
Gilbert Chavez
NMPS 6832

J. BOX 20000
S CRUCES
W MEXICO
104-9002
.541.2000

AN EQUAL OPPORTUNITY EMPLOYER

Recorded 02/18/2009 DAC

PLAN SURVEY
 OF A 0.296 ACRE PARCEL
 FOR THE PURPOSE OF LEASING
 IN THE 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



NOTE:
 BASIS OF BEARING = GROUND BEARING BETWEEN
 G.P.S. POINTS 86 (CRUCESAIR) AND G.P.S. 218
 BEARS S03°34'21"E (GROUND) 3,860.57' (GROUND)

VICINITY MAP

NOT TO SCALE



HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL SURVEYOR OF THE STATE OF NEW MEXICO AND THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY SUPERVISION FROM THE NOTES OF A BONDED FIELD SURVEY AND THAT IT MEETS THE "MINIMUM STANDARDS FOR LAND SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

BERT CHAVEZ
 'S 8632

DEVELOPMENT SERVICES DIVISION CITY OF LAS CRUCES, NEW MEXICO			
PROJECT FILE: AIRPORT - LEASE PROPERTIES - PARCEL 37			
PROJECT NO. 055036-H			
SCALE 1"=40'	DATE	REVISIONS	SHEET
SURVEYOR: BERT CHAVEZ PS	DATE: 08/18/2009		1
DRAWN BY: JOHN RIVERA	DATE: 08/18/2009		1
CHECKED BY:			

Recorded 02/18/2009 DAC

12/8/09 [Signature]

Land Lease
City of Las Cruces, New Mexico, International Airport.
PICACHO VALLEY GROU, LLC, LESSEE

WHEREAS, the City of Las Cruces ("City"), a Municipal Corporation of the State of New Mexico, is the owner of certain real properties known collectively as the Las Cruces International Airport ("Airport") in Dona Ana County, New Mexico; and,

WHEREAS, the City maintains designated areas on the Airport specifically to lease said areas to aviation-related businesses and individuals to develop the Airport, its infrastructure, and aviation business for the benefit of the citizens of the City; and

WHEREAS, Picacho Valley Group, LLC ("Lessee") desires to lease a particular Parcel of that real property on the Airport for the purpose of furthering the Lessee's aviation interests; and

WHEREAS, the City is willing to Lease the Parcel desired to the Lessee, and the parties desire to execute a written Lease containing the terms and conditions of their Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the following is agreed:

1. The Leased Area Described. The City hereby Leases to the Lessee, six 10,000 square foot (100 feet by 100 feet) Parcel of real Property located in the NW 1/4 of Section 26, T23S., R.1W., N.M.P.M. of the U.S.G.L.O. Surveys, within the City Limits of Las Cruces in the County of Dona Ana, State of New Mexico, described as Parcel 37 on the Plat Showing Lease Properties and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, together with an easement for ingress and egress to the property (hereinafter "Parcel") by the Lessee.

2. Terms.

a. Initial Lease Term. The term of this Lease shall be twenty (20) years (hereinafter "Lease Term") commencing on the "Commencement Date," as hereinafter defined, and terminating on the twentieth (20th) anniversary of the Commencement Date. The Commencement Date shall be the 1st day of March, 2009 and the twentieth anniversary date shall be the 28th day of February 1, 2029. Possession of the Parcel by the lessee shall begin on the Commencement Date.

b. Subsequent Lease. At the conclusion of the Lease Term, 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. Should the Lessee elect to not enter into a new agreement, the provisions of paragraph 7.f.(2) shall apply.

3. Fees and Charges. Lessee shall pay the following fees and charges:

a. Earnest Money. Lessee has made an earnest money deposit with the City of Las Cruces in the sum of Two Hundred Fifty Dollars and no cents (\$250.00), which shall be part of the annual rent for the first year of the Lease. However, this fee shall revert to the City should the Lessee fail to execute this Lease within sixty (60) days of its approval by the City Council.

b. Closing and Processing Fee. Lessee shall pay a one-time closing and processing fee of Five Hundred Dollars and no cents (\$500.00), which is due with the first annual rent payment on the Commencement Date.

c. Rent. Beginning on the Commencement Date, the Lessee shall pay the City a fixed annual rental payment ("Rent"). The amount of the Rent shall be twenty cents (\$0.20) per square foot per year for 10,000 square feet, which equals two thousand dollars and no cents (\$2,000.00) for the Parcel per year for the first five years of the Initial Lease Term. The rent shall be adjusted on the fifth, tenth, and fifteenth anniversary of the Commencement Date based on the increase or decrease in the cumulative Average Annual U.S. Consumer Price Index, or its successor report issued by the Federal Government, over the preceding five (5) calendar years of reporting. The adjusted Rent payment shall be due on the next payment date. Should the lessee remain in possession of the Parcel as a hold-over Lessee, the rent shall be adjusted to the then current Fair Market Value of the land and building then in effect after the initial lease term and the two five-year renewals.

4. Payments Due.

(Lessee's Initials)

RECORDED 02/18/2009 DAC

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

a. **Due In Advance.** In addition to those payment dates specified above, all rent payments shall be due and payable in advance, beginning on the Commencement Date and continuing regularly and annually without notice from City thereafter during the Lease Term. However, the City may elect to invoice payment notices.

b. **Due Annually.** The first annual payment shall be due and payable on the Commencement Date. All subsequent payments shall be due on the Commencement Date Anniversary each year thereafter.

c. **Late Fee Due.** On any annual rental payment made 10 days after the payment due date, Lessee shall in addition pay a late charge of ten percent (10%) of the annual rent for each month or part thereof that the payment is late.

5. **No Refunds.** Lessees may relinquish this Lease to the City, however the Lessee shall not be entitled to a refund of any fees of any kind paid.

6. **Insurance Requirements.**

a. **General Liability.** Lessee shall maintain general liability insurance insuring such claims. This insurance shall name the City of Las Cruces (City) as an additional insured. The insurance shall have a minimum per occurrence limit of \$ 1,000,000 or as required to meet the mandatory requirements of the New Mexico Tort Claims Act or its successors in law, whichever is greater.

b. **Property Insurance.** Lessee shall maintain property insurance covering the improvements to the Parcel and the contents thereof. Such insurance shall be a property insurance policy with the broadest cause of loss endorsement including vandalism and malicious mischief. The insurance shall be on a replacement cost basis and shall name the City of Las Cruces as an additional insured, as its interests may appear.

c. **Proof of Insurance.** Such insurance shall be with a licensed and authorized company to do business in the State of New Mexico. The lessee shall furnish annually to the City on the rent payment due date of this Lease, a certificate or other evidence and proof of maintenance of the above required insurances. The certificate of insurance shall provide the City of Las Cruces with a minimum 60 days notice of cancellation or renewal of the insurance policy. Lessee shall provide the City with notice of any changes thereof and furnish to the City evidence of acquirement of a substitute therefore and payment of premium thereof. If the Lessee shall fail to maintain such insurance coverage, then the City may obtain same and add the cost of such insurance to the next due lease payment. If the City does so, it may charge interest thereon at the rate of 15% per annum from the time of payment, which shall be added to the rental becoming due and shall be collected as an additional fee.

d. **Self Insurance.** Lessee may self-insure by filing with the City a letter of credit in the amounts listed above or other promissory or escrowed monetary instrument.

7. **Quiet Enjoyment.** The Lessee, upon payment of the required fees and rents, and the faithful performance of such covenants, agreements and conditions required by law, or this agreement, shall and may, peaceably and quietly have, enjoy those portions of the Airport authorized for their use. Such use shall be free from molestation, eviction or disturbance by the City or any person claiming by, through, or under it, subject to the terms and conditions of the law or agreement entered into. Such quiet enjoyment is conditional upon Lessee adhering to the following conditions:

a. **Permitted Uses.** Lessee shall have use of the Parcel only for construction of a hangar of at least 3,600 square feet and the housing, manufacture and maintaining of aircraft, as well as for the construction, maintenance and operation of said hangar in connection with these uses, in so far as it does not disturb the peaceful enjoyment of other tenants and conforms to airport permitted use under the current or any revised Standards, Regulations, Codes and Policies.

b. **Additional Uses Require Permission.** The Lessee shall not use or permit the use of the Parcel, or improvements thereto, for any purpose or use other than those expressly and specifically authorized by this Lease. Additional uses may be hereafter authorized in writing by the City, but only upon such terms and conditions as may be set out in such authorization.

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

c. Commercial Use of Parcel and Future Improvements. Lessee agrees to obtain permission from the City prior to commencing or permitting any commercial use of the Parcel not specifically listed, or additional improvements thereto, in accordance with the current Airport policies, code and/or standards. In the event that this Parcel, or improvements thereto is used for business purposes, the Lessee shall at all times maintain and pay any required permits, licenses, insurances, and taxes as required by law.

d. Construction and Ownership of Improvements.

(1) **Title to Improvements.** During the Lease Term, title to all improvements existing or constructed upon the Parcel by Lessee are and shall be vested in Lessee.

(2) **Proposed Improvements.** The Lessee is required to construct improvements on the Parcel in accordance with Exhibit "B", Design Standards for Improvements attached hereto and incorporated herein by this reference.

(3) **City Codes Apply.** Lessee must meet City standards as specified in the Las Cruces Municipal Code for all design, planning, and construction activities, including development or extension of infrastructure. In addition, Lessee shall pave all access from the Parcel, or improvements thereto, to taxiways and roads, and such construction shall match the existing grade.

(4) **Septic Systems.** Lessee shall be allowed to use and maintain an easement on common City Property adjacent to the building to construct an individual on-site septic system, if necessary and as required to meet New Mexico Environment Department Regulations. The location and dimensions of this easement and constructed improvement shall be shown on the site plan submittal. In the event that the City provides a waste water disposal service to the Airport at such time in the future, Lessee shall be required to cease use of the individual on-site septic system and hook up to the City waste water system for sewage disposal, in accordance with the Las Cruces Municipal Code.

(5) **Time Restrictions.** Construction of a minimum 3,600 square foot Hangar on the parcel in accordance with Exhibit "B", Design Standards for Improvements, must be completed, with issuance of a Certificate of Occupancy, on or before September 30, 2009.

(6) **Additional Improvements Constructed During the Initial Lease Term or Extended Term.** Lessee may construct additional improvements or modifications at a later date, adhering to the requirements of those codes and regulations then in effect on the Airport. However, in all cases, construction must be completed within eighteen (18) months of approval by the City.

e. Condition, Maintenance and Repairs of Leasehold and Improvements Thereto.

(1) **Lessee Shall Maintain.** Lessee shall maintain, at its own expense, the Parcel and any improvements, fixtures or equipment on the Parcel in a safe, sanitary, orderly, and sightly manner, in accordance with all applicable codes and regulations. Lessee shall also maintain the cleanliness of all paved area on the Parcel, and shall be responsible for mowing all grass, watering lawns, controlling weeds, and maintaining shrubs and trees on the Parcel.

(2) **Erosion Control.** Where the slope, terrain, or soil disturbance is such that active soil or wind erosion may be present, Lessee must carry out erosion control practices to mitigate the erosion. These practices include, but are not limited to drainage facilities constructed and maintained by Lessee, landscaping, and/or seeding and maintaining of vegetation.

(3) **City's Right to Correct Deficiencies.** The City has the right to require reasonable maintenance and repairs to the Parcel or the improvements thereon by Lessee as required by this lease. Should the Lessee fail to make the required corrections, the City shall have the right to enter the Parcel, or improvements thereto, correct the deficiency, and recover the cost of activities from Lessee as rent due on the next rent payment date.

(4) **Repair of Damage.** If the Parcel, or improvements thereto is partially destroyed or damaged by fire or other casualty, then Lessee shall repair and restore the Parcel, or improvements thereto as soon as it is reasonable and practicable. Such repair or restoration shall commence not later than six (6) months after such damage, and be

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

completed within six (6) months thereafter. Such restoration shall be to substantially the same condition in which the Parcel or improvements thereto was before such damage. In the event that Lessee has not commenced repairs within six (6) months from the date of said damage and thereafter completed such repairs within six (6) months, this Lease may be immediately terminated by the City. Such termination shall be made effective by serving notice upon the Lessee, and effective on the date of receipt of such notice by the Lessee.

(5) **Destruction of the Parcel or Improvements Thereto.** In the event the Parcel, or improvements thereto is completely destroyed or so badly damaged that repairs cannot be commenced within six (6) months and completed within six (6) months thereafter, then this Lease may be terminated. Such termination shall be effective as of the date of the occurrence of the damage or destruction, and made effective by either party hereto by serving written notice upon the other.

f. Removal of Improvements.

(1) **When Requested by Lessee.** If at any time during the Lease Term, when all Rent then due and owing has been fully paid and Lessee is not in default under this Lease, Lessee may request to remove any or all improvements. Lessee shall give forty-five (45) days advance written notice of its intent to remove the improvements to the City, which shall not unreasonably withhold consent. When removing improvements, the Lessee shall restore the Parcel to its previously existing condition, including filling excavations, returning the surface to grade, and leaving the Parcel safe and free from all debris and hazards.

(2) **At Expiration or Termination of Lease.** At the expiration or termination of this Lease, any or all buildings and other permanent improvements to the Parcel will, at the direction and sole discretion of the City, either remain intact on the Parcel and become the property of the City, or be removed by the Lessee. Should the City elect for the Lessee to remove any or all improvements, the Lessee shall do so within forty-five (45) days. When removing improvements, the Lessee shall restore the Parcel to its previously existing condition, including filling excavations, returning the surface to grade, and leaving the Parcel safe and free from all debris and hazards. All improvements not removed as aforesaid shall, without compensation to or by City, become City's property free and clear of all liability and expenses. Lessee shall thereafter be released from any and all liability, cost or expense associated with the Parcel, including the improvements thereon, or associated with termination of this Lease. However, if Lessee fails to promptly remove said improvements if and as required by the city, the City may assess and bill Lessee based on receipt of an itemized statement of costs of removal and restoration of the Parcel.

g. Installation of Utilities. City warrants that all utilities, except for wastewater collection and treatment service, which are necessary for the conduct of Lessee's activities are available at the Airport. However, Lessee shall obtain and install underground at its own expense any necessary electrical, gas, water, sewer and septic tank, and any other utility service, subject to the Development Guidelines, rules and regulations or building codes of the State of New Mexico and the City of Las Cruces.

h. Hazardous Waste. No toxic materials or hazardous waste subject to regulation by the EPA or NM Environment Department shall be stored or disposed of on the Airport without the written permission of the Airport Manager.

i. Environmental Assessment and Remediation. At the expiration or termination of this Lease, the City may require that Lessee furnish to the City an Environmental Assessment Report on the place of business, conducted in accordance with the laws, codes and regulations in effect at that time. The costs of remediation, if any should be required by law, shall be the responsibility of the Lessee.

j. Signs. Lessee must obtain City consent to paint or construct any exterior signs; including approval for a City Sign Permit. Lessee further agrees that upon vacating the Facilities, Lessee will restore exterior signs to same condition as received at time of occupancy. The Lessee shall be responsible for all cost and expense of maintaining its signs as permitted hereby. Lessee shall not erect, paint or maintain any temporary signs or advertising displays, such as banners, balloons, flashing sign boards, and/or any similar visual devices whatsoever.

8. Obtain Permits, Pay Taxes, and Obey Laws.

(Lessee's Initials)

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

a. Lessee shall pay when due all valid taxes, special assessments, excises, license fees and permit fees of whatever nature applicable to its operation or levied or assessed against the Airport, or improvements thereto. Lessee shall take out and keep current all licenses, permits, and certificates (City, County, State and Federal) required for the conduct of its activities at and upon the Airport, and further agrees not to permit any of said taxes, excise or license fees to knowingly become delinquent.

b. Lessee shall, at its own expense, fully comply with all laws, regulations, rules, ordinances, and requirements of the applicable City, County, State and Federal authorities and agencies which affect this Lease, the land granted by this Lease, any improvements upon the Leasehold, and/or operations thereon. Such compliance shall be with any laws, regulations, rules, ordinances or requirements which have been or may be enacted or promulgated during the effective period of this Lease.

c. Lessee recognizes the authority of the City Council and staff to take those necessary and legal actions required to safeguard any person, aircraft, equipment or property at the Airport. Lessee agrees to abide by any suspension, restriction, or designation of specific procedures applicable to any or all Airport operations whenever such actions are established by such authorities.

9. Assignment And Sublease.

a. **City Consent Required.** Lessee shall not assign or sublease the rights granted by this Lease, nor the Leased Parcel, nor the improvements constructed or occupied in accordance with this Lease, without the prior written consent of the City, which consent shall not be unreasonably withheld. All approved assignments or subleases shall be in accordance with the Minimum Standards For Commercial Airport Aeronautical Activity And Service Providers At The Las Cruces International Airport. The City may condition such consent upon an increase in the Rent, and may require other conditions or covenants before consenting to an assignment or sublease. Such additional rent, conditions or covenants shall be in accord with those terms and conditions for similar agreements in effect at the time of the assignment, sublease, or sale. If the Lease is assigned or subleased, all clauses herein binding the parties hereto are also binding on any and all successors and/or assigns, unless specifically amended by the City as a condition of consent.

b. **Assignment Relieves Lessee.** Upon a valid assignment of this Lease, but not upon a sublease, the Lessee shall be relieved of all obligations and liabilities arising from this Lease effective as of the date of the assignment.

10. Default and Termination.

a. **Definition.** If the City determines the Lessee is in violation of any of the terms, conditions or covenants of this Lease, or the Lessee fails to pay, on time, any fees or charges due, the condition shall be considered a default of the Lease.

b. **Written Notice Required.** The City shall provide the Lessee with written notice of any determination of default.

c. **Compliance Time.** The Lessee shall then have ten (10) days to cure or remedy said default or otherwise comply with any demand contained within such written notice which cures or remedies the default.

d. **Failure to Comply.** If the Lessee fails to correct the default as specified by the City's notice within the specified period, or if the Lessee receives a third notice of default within any 18 consecutive month period, the City may, at its option, terminate this Lease immediately, or at any time thereafter. Such termination may be made without further notice or demand. Upon such termination, without further notice or demand, the City may enter upon and into the Leased area, or improvements thereto, or any part thereof, and take absolute possession of the same fully and absolutely, and such re-entry shall not be judged trespass. In addition, the City may also require all associated and permitted operations to cease and be removed from the Airport.

e. **Lease Remains Binding.** All provisions of this Lease remain binding upon the Lessee while the Lessee is in default, and if this Lease is terminated due to default.

Recorded 02/18/2009 DAC

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

11. Airport Development. The City reserves the right to further develop the Airport as it sees fit, without unreasonable interference or hindrance from Lessee.

a. Eminent Domain Rights. If the physical development of the Airport requires the relocation, removal or alteration of Lessee's business from the Airport, the City has the right to condemn the business area wholly under the City's eminent domain rights.

b. Notice of Total Taking. In the case of a total taking by the City of the areas authorized for use by this Lease, the City will provide a minimum of ninety (90) days notice of such impending action. In the event of such a total taking, Lessee's obligation to pay rent and other charges shall terminate on the date of the taking.

c. Actions in the Event of Total Taking. In the case of a total taking, both parties hereto agree that the value of this Lease shall be declared to be zero dollars (\$0.00). The value of the Building will be determined by an independent appraisal at Fair Market Value. The Lessee will have the option of receiving the monetary FMV of the building or having a similar building constructed at another site and entering into a new lease agreement at the then current land lease rate.

12. Amendment. This Lease shall not be altered, changed or amended except by instrument in writing executed by the City and Lessee.

13. Severability. If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

14. Right of Aircraft Operations. The City hereby reserves a right of aircraft ground operations on and above the surface of the Airport, when conducted in accordance with the Federal Aviation Regulations, together with the right to cause such noise, odors and other disturbances as may be inherent in such operation.

15. Reserved Water, Gas, Oil, and Mineral Rights. The City reserves, subject to the BLM Patent all water, gas, oil, hydrocarbon and mineral rights in and under the surface of the Airport. However, the City shall not conduct any operations on the surface of the Airport for the exploration, development or recovery of the rights and substances reserved which would unreasonably interfere with the Lessee's use of the Airport.

16. Easements and Right of Way.

a. Existing Easements. This Lease is subject to all existing rights-of-way or easements of record and all other Leases granted by the City to other parties at the Airport, and to those retained by the City.

b. City's Right to Use Existing Easements. The City retains the right to locate utilities as necessary on existing easements on the Airport.

c. Easements to be Accessible. Lessee shall leave any utility easements upon the Airport open and unobstructed. A perpetual easement and right-of-way for the construction, maintenance, removal and replacement of any and all utility lines, manholes, and related facilities through, over, across and under the Airport is hereby reserved for the benefit of the City.

d. City's Right to Establish Easements. The City may at any time and from time to time relocate, in whole or in part, any easement serving the Airport, provided that such relocation does not diminish or permanently interrupt the rights or operations of the Lessee nor increase the costs to be incurred by Lessee. The City may temporarily interrupt operations with respect to such Easements during the period of relocation, and the City agrees to restore the Airport to a condition substantially similar to the condition existing prior to any alterations thereto by the City.

e. City's Right to Protect Aerial Approaches. The City reserves the right to take such action as may be reasonably necessary to establish and protect aerial approaches to the Airport against obstruction, including the right to prevent persons from erecting or permitting to be erected any improvements on the Airport which would constitute a hazard to aircraft.

Land Lease
City of Las Cruces, New Mexico, International Airport
PICACHO VALLEY GROUP, LLC, LESSEE

Recorded 02/18/2009 DAC

17. Right to Perform Own Aircraft Servicing and Maintenance. It is clearly understood by the Lessee that no rights or privileges have been granted which would prevent any legal person from performing any services that it may choose to perform on its own aircraft at locations reserved for such purposes. All such servicing, maintenance and repair shall be conducted in accordance with Federal Aviation Regulations and applicable law.

18. Security and Safety. Lessee will participate in the City's security and safety programs as they relate to the Airport.

19. Airport Access. Subject to the rules and regulations established by the City, the Lessee has the right of free access, ingress to and egress from those parts of the Airport authorized for the Lessee's use by this Lease. Such access also applies to the Lessee's employees, agents, patrons and invitees, its suppliers of materials and furnishings of services and its equipment, vehicles, and machinery. The City may, at any time, temporarily or permanently close or consent to the closing of any roadway or other right-of-way for such access, ingress, and any other area at the Airport or in its environs presently or hereafter used as such. In such a case, a means of access, ingress and egress reasonably equivalent to that formerly provided may be substituted and concurrently made available subject to the Airports Security and Operational needs.

20. City's Right to Enter. The City, its officers, agents and representatives, subject to any security regulations imposed by any governmental authority, shall have the right to enter all parts of the premises at all reasonable hours to inspect the premises when reasonably required and as it may deem necessary or desirable.

21. Operational Reports. Lessee agrees to submit to the City, upon request by the City any report or reports or information regarding Lessee's operations at the Airport. The City agrees to receive from Lessee, upon request by Lessee, any reports the Lessee deems appropriate for the purpose of keeping the City informed of any operational problems and of any suggested improvements at the Airport.

22. Automobiles and Other Vehicles. The City reserves the exclusive right to control, by security gate, uniform driving regulations, or otherwise, all vehicular ingress and egress to, and operations on, the aircraft operating areas including but not limited to all taxiways, runways and ramp areas on the Airport.

23. Attorney's Fees. City and Lessee agree that if either is found by a court to have breached this Lease, reasonable attorney's fees and the cost of litigation may be recovered from the defaulting party.

24. Notices. Whenever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not, when deposited in the United States mail, as Certified Mail, postage prepaid, return receipt requested, and addressed to the parties at their respective addresses, as set forth below:

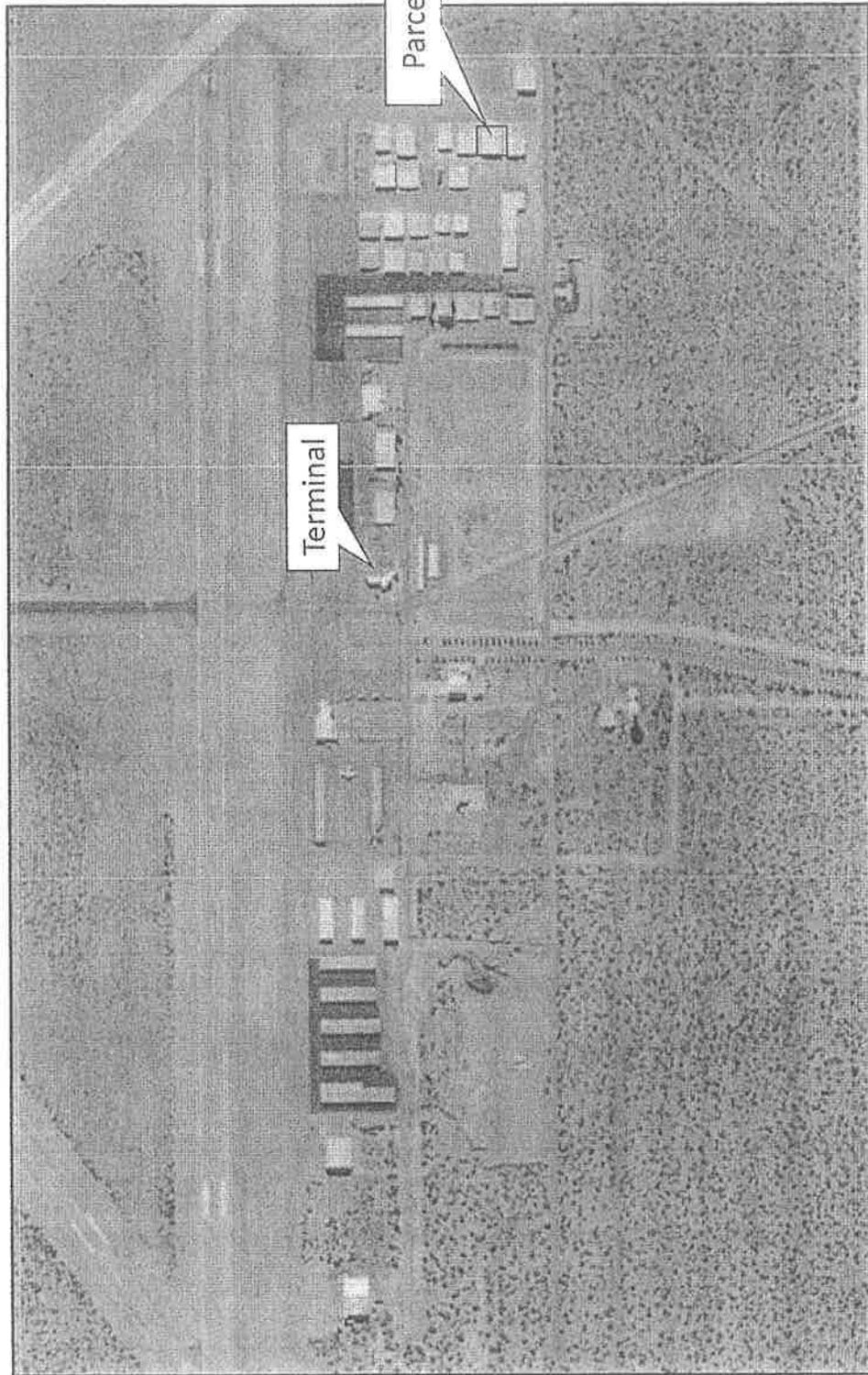
Airport Manager
City of Las Cruces
P.O. Box 20000
Las Cruces, New Mexico 88004

Picacho Valley Group, LLC
2185 W. Amador, Suite 1
Las Cruces, New Mexico 88007

25. Exhibits. The following exhibits are attached and made part of this Lease:

- A. EXHIBIT "A": LEGAL DESCRIPTION OF PARCEL.**
- B. EXHIBIT "B": DESIGN STANDARDS FOR IMPROVEMENTS**

Parcel 37 Location Map



March 14, 2016

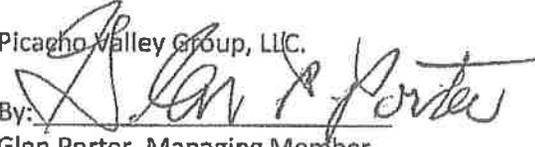
City of Las Cruces Airport Administration
Attn.: Lisa L. Murphy, Airport Administrator

Property located at 705 White Lightning Drive identified as Parcel 37 on the plat showing base properties is in the process of a sale to RACI Management Company Inc., (575)649-4131. This assignment of lease request is for Medical reasons. If I can be of any help in accomplishing this please contact me @ (575)621-4320. Thank you.

Assignor:

Picacho Valley Group, LLC.

By:


Glen Porter, Managing Member

**AIRPORT ADVISORY BOARD MEETING
City of Las Cruces, New Mexico
March 17, 2016**

Members Present: Robert Wood, Chairman; Joe Dearing; Tom Laney; Gay Lenzo; Dennis Zaklan and City Council Liaison Ceil Levatino.

Members Absent: Doug Newton

Others Present: Lisa Murphy, Airport Manager; Lori Romero, Airport Administrative Assistant; Cheryl Rodriguez, Delta Airport Consultants, Inc.; Rusty Chapman, Delta Airport Consultants, Inc.; Chris Mount, Fire Prevention Lieutenant; Charles Drexler, Francis Aviation; Nick Gogolew, Francis Aviation; Hal Kading, Southwest Aviation; Mike Kading, Southwest Aviation; Dan Privette, guest and Todd Bentley, owner.

CALL TO ORDER:

Airport Board Chairman, Robert Wood, called the meeting to order at 12:30 p.m. in the conference room located at 8960 Zia Blvd; and a quorum was noted.

APPROVAL OF MINUTES:

- a. **February 18, 2016:** Chairman Wood asked if everyone had a chance to read through the minutes from the last meeting. Board Member Laney motioned to approve the minutes, seconded by Board Member Zaklan. Motion passed, minutes accepted. Board Member stated that Lori did a very, very good job. Chairman Wood stated that Lori does a remarkable job, that you could miss the meeting and you would not miss a thing that was said and thanked Lori. Lori replied, thank you and you are welcome.

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. **Airport Manager's Report:**

Mrs. Murphy read the following report:

AIRPORT ADVISORY BOARD MEETING MINUTES – March 17, 2016
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Airport Manager's Report
March 17, 2016

Airport Plan Update: Rusty Chapman and Cheryl Rodriguez of Delta Airport Consultants will be at the AAB meeting to present their report on the Action Plan progress to date.

PAPI Installation: The PAPI installation is well underway. Delta Airport Consultants will be at the meeting to provide an update on this project.

Osprey Exercise: The VT-22 Ospreys from Yuma will be at LRU to conduct a fueling exercise on April 6, 2016. There will be several Ospreys and a C-130 fuel tanker. They will probably arrive at LRU late in the afternoon.

NMSU UAS Open House: NMSU Physical Science Lab will be holding an open house this evening between 6-7:30 pm at their hangar (far west side of airport).

Assignment of Leases: We have recently received two requests for assignments of existing airport land leases: Parcels 13 and 37. Just as a reminder, when a tenant builds a hangar on the airport, they own the hangar but not the land that the hangar is built on. Since the airport land cannot be conveyed, the tenant must enter into a land lease with the City. Airport land leases typically have a term of 20-30 years. If the hangar owner wishes to sell the hangar before the lease has expired, they will need to assign the land lease to the hangar buyer. Airport land lease terms usually allow assignment with the approval of City Council and also state that the title to improvements on the parcel must be vested with the Lessee. So, if you own the hangar, the land lease must be in your name.

b. Appointment of Vice-Chair:

Chairman Wood stated that they needed the appointment of a Vice-Chair and asked if anyone wanted to step forward into this position. Board Member Laney made a motion to nominate Board Member Dearing. Seconded by Board Member Zaklan. Motion passed. Chairman Wood asked Board Member Dearing if he would like to be the Vice-Chair. Board Member Dearing replied, yes, he would accept the position. Chairman Wood thanked Board Member Dearing. Board Member Dearing was appointed Vice-Chair.

c. Assignment of Lease, Parcel 37:

Chairman Wood noted that everyone should have in their packet or should have received a copy of this lease to review so they know what is going on here. Ms. Murphy stated that Glenn Porter with Picacho Valley Group, LLC is selling his hangar

AIRPORT ADVISORY BOARD MEETING MINUTES – March 17, 2016**Page 3**

to RACI Management Company, Inc. which Mr. Royal Jones is the President. It is a hangar sale transaction and the lease assignment takes care of the City part of it, which is the ground. Chairman Wood stated that he had one question regarding this. The original lease was 20 cents a square foot and is supposed to be adjusted every five years according to CPI, so what is it at today. Ms. Murphy replied, it is still 20 cents. Chairman Wood stated so in 2009 was when the lease was executed. Ms. Murphy replied, yes, it needs to be recalculated this year. Board Member Dearing stated so it was supposed to be recalculated in 2014. Ms. Murphy replied, yes, it should have been, but she will do it this year. Board Member Dearing stated that on the insurance, they are supposed to provide an annual certificate of insurance to the City, do we maintain those, do we get those each year from all the lessee's. Do they get them from the insurance companies? Ms. Murphy replied, right. Chairman Wood asked, so we need to make a motion as to whether we agree with the assignment of this lease, is where we are at. Ms. Murphy replied, yes. Board Member Zaklan motioned to approve the assignment of lease request; seconded by Board Member Laney. Chairman Wood stated that the only comment he had was that the City do what they say and adjust the lease rate accordingly so that the new owner knows what it is. Board Member Dearing agreed. Motion passed; the Board unanimously recommended approval of the assignment of lease request for Parcel 37.

DISCUSSION ITEMS:**a. Status of Airport Master Plan:**

Chairman Wood wanted to note that all the pictures/drawings that he and Rusty put up here on the walls were from that work session, brainstorming ideas they had and Delta took those ideas back and used them in their work in creating a new action plan. Mr. Chapman stated that he will comment on those in a minute.

Mr. Chapman stated that he wanted to update the Board on a few items in the action plan. His focus today will be on the following items; the business plan recap, a couple of items they might have gotten earlier this week, the minimum standards and regulations, the airport plan itself and one item, the national guard plans, it somewhat impacts what they are doing. He stated that the Board had reviewed the business plan and gave them comments and they incorporated them. They are finalizing that document and giving it to Lisa and David at the end of this month. David had a few comments also which they have incorporated. He went over the vision statement that the Board adopted, the mission statement they settled on and the strategic goals that are in the document and they have some recommended steps to help get at some of these. The four areas are service at the airport, relationship with the community at large, exceptional customer service and strengthen the finances of the airport in relations to the business part. These are all discussed in more detail in the business plan which they have seen. He wanted to recap, where they are with this document, the final is going to the City at the end of this month. Mr. Chapman asked Ms. Murphy

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if the plan would be that Delta gives the City the final and they give it to the Board for last minute comments. Ms. Murphy replied, yes.

Mr. Chapman stated that there were two documents they were asked to update; the Airport Minimum Standards and the Rules and Regulations. They gave those to the City at the end of January, City staff has been looking at them and Delta wanted to make sure they at least had them, they might not have had time to review them and they understand that. The Board can take all the time they need over the next month to review those and give them comments and the City can also give them comments. On the minimum standards those are for commercial aeronautical services on the airport. These are all suggestions for them, if they do not like them, they just need to tell them. They cleaned up some of the definitions to make them more consistent between the two documents. Going back on format, they would recommend based on what they have seen at other airports is not to have either the minimum standards or the rules and regulations delineated and spelled out in code, it is easier to just reference them so it is easier to revise them later; that is a suggestion. Mr. Chapman asked Ms. Murphy if she had sent the Board the email he had sent her, where he had some questions? Ms. Murphy replied, that she thought she had but did not recall. Mr. Chapman stated that he will send his email back to her and if she is comfortable with that, she can forward to the Board, so they can see some of the questions they are asking the Board. Ms. Murphy replied, yes. Mr. Chapman went over some of the questions Delta had with the Board regarding minimum standards. Board Member Dearing stated that he did not find the grandfathering clause for the current leases in there. Mr. Chapman replied, if it is not in there, it is going to get in there. Chairman Wood stated that he did not see it either. Mr. Chapman stated that sometimes it is in your leases where it will say that. Chairman Wood stated that it says in the last section, existing leases; agreements or permits of existing operators supersede these minimum standards; it is on the last page. Discussion was held.

Ms. Murphy stated that when she had first come out to the airport in 2005, they had just adopted the minimum standards. What had concerned her was that some of the required levels seemed too high and then they got codified and made into actual law; they are actually in the Municipal Code. Chairman Wood asked, how difficult would that be to be taken out of what it is in. Board Member Dearing replied, just rescind that ordinance. Ms. Murphy replied, yes, just amend or rescind it. Chairman Wood asked if that would be a suggestion that Delta might make to the City. Mr. Chapman replied, absolutely. Board Member Dearing asked, how would those be approved, in the alternate, would it just be the Advisory Board approving them. Mr. Chapman replied, no, he thinks the City Council does it by resolution. Ms. Murphy agreed. Board Member Zaklan stated that the Board does not approve, they make a recommendation for approval or they recommend these changes to whatever. If that is what they as a Board would like, that is what he thinks gets put in the minutes and they send them down, to say we recommend you make this change to take it out of the ordinance. Chairman Wood stated, yes, there you go, there is one of our

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comments or that would have been if they were aware of that, that would have come as one of their comments.

Mr. Chapman discussed the service hours. He thinks that their current hours are nine hours, normal hours of operation. Is that long enough? City Council Liaison Levatino asked, would that depend on how busy the airport was? Ms. Murphy replied, yes. City Council Liaison Levatino asked Ms. Murphy if she thought the codes were amended so that sort of information or standards go into the lease rather than be codified and law. Ms. Murphy replied, yes, somethings like the regulations, that needs to be law. Chairman Wood stated that he would like to rescind what he had already said, he thinks that maybe they should put this on as a "new item of business" for the next meeting and they should make a motion regarding so they have direct access to Council regarding their feeling on this, that it should be removed. City Council Liaison Levatino stated that what she was thinking was that she should be asking that they do a work session on this. Chairman Wood asked, that City Council do a work session. City Council Liaison Levatino replied, yes. Chairman Wood stated so by the Board making a motion to have this removed from that document and implement that resolution, that would stimulate you guys to have a work session. City Council Liaison Levatino replied, yes. Chairman Wood asked to have that added to "New Business" for next meeting because he thinks this is pretty critical. City Council Liaison Levatino stated that at this point, the sooner they make a decision that they want her to request it, the better because at this point, they are pretty much booked for the rest of the year already. Mr. Chapman stated that if this group wants to review these in detail, Delta can have a work session with them to discuss them along with the rules and regulations. He mentioned that what some airports do, they coordinate these with airport users and sometimes preferably with the City Attorney before this gets too far along. Chairman Wood asked City Council Liaison Levatino to proceed with this. City Council Liaison Levatino, replied, sure, I can get it on, if they want her to get it on in three months or however long but they need to get it to the other Rusty, the attorney. Chairman Wood stated that he did not think the Board has to review this document before it is asked to be removed; so this process will continue on. Discussion was held.

Chairman Wood stated that on Section 7 regarding FBO's, the fueling aspect of this does not fit them at all, the City owns tanks, you are saying that the FBO has to have tanks, something needs to be changed here on the requirements for an FBO as far as fuel because they have different scenarios. Mr. Chapman said he will make note of his comments. Discussion was held.

Chairman Wood stated that he did not realize that the two documents that Delta sent them, they need to review them, respond in exactly the way they have done in the past with these two documents, is that what Delta would like? Mr. Chapman replied, they work with the City, yes, they would very much welcome the Advisory Board's opinions on these documents. Chairman Wood told the Board to review the

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documents, send their comments to him and he will forward to Lisa and David and then it goes back to Delta.

Mr. Chapman went over the rules and regulations document and told the Board to take a good look at that because he does not know what is in the hangars here. He does not know if they need the section about flying clubs. Ms. Murphy replied, we need that. She stated that the rules and regulations basically address the airport safety, do not drive into moving aircraft, speed limits and things like that.

Chairman Wood stated that he has a copy of Section 7.5 of the Municipal Code but the rest of the Board does not and asked Ms. Murphy if she thought it was something they should all have and if they could get that to them. Ms. Murphy replied, yes, that it is no problem, whatsoever. Board Member Dearing stated it would be good to get a copy. Chairman Wood stated that it would be advantageous so they can see what they already have and what they are trying to adopt here. Mr. Hal Kading asked when are the stakeholders going to get a shot at this. Mr. Chapman suggested that the City share however they feel with the stakeholders and ask for comments. Chairman Wood asked if the City could be more involved with the stakeholders with the process. Mr. Kading stated that he thought they would have a public hearing. Mr. Chapman said if the City gets the documents out and they get comments, then they could come together and have a public hearing. Mr. Chapman suggested that they revisit the process at the next meeting; the Board agreed. Mr. Chapman stated that next month he would like to talk in a lot more detail about and in a couple of weeks they are going to give them a chapter on facility requirements, runway length requirements and terminal area layouts. They will also talk about the National Guard's plans next month, if they have a little more information on their plans; the Board and Ms. Murphy agreed.

Chairman Wood asked the Board to review what Delta has provided to them and they can email him their comments. He will send the Board an email about that and Lisa will forward Rusty's email to Chairman Wood and he can forward to the Board. Chairman Wood asked Lisa if she could send him Chapter 7.5 of the Municipal Code and he will forward to the Board. Ms. Murphy replied, yes, and that is what David wants her to do, that she sends items to Chairman Wood and he could disseminate to the Board. Chairman Wood replied, that is fine and that is what he will do and he thanked Mr. Chapman.

PUBLIC INPUT:

Mr. Hal Kading informed the Board that a long time airport supporter passed away this past week, Mr. Chuck McLean. He believes he had been on the Airport Board, was real active with the EAA and Young Eagles. He made the airport a big part of his life after he came to Las Cruces. Chairman Wood stated that was a great loss and thanked Hal for letting them know.

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Mr. Dan Privette wanted to comment on a couple of issues. He stated that regarding the fuel tank issue verbiage; it just needs to states that the FBO needs to secure a certain level of tankage and that could be either by lease or ownership. It would just have to prove that they either own or they have engaged in a lease or something like that to meet the minimum standards. He also wanted clarification as to the Boards function here. Board Member Zaklan stated that the Board is an advisory board to the Airport Manager and basically the City's through that, Lisa as the Airport Manager, turns around and says, Rob, this is an item that is going to be on the next board meeting, it comes up, you discuss it, you come up with a recommendation, the Board makes a recommendation back to Lisa, which then goes to the City to get resolved. Ms. Murphy stated that what it says in the ordinance with the Boards is, Airport Advisory Board advises the City Council on the policy matters pertinent to the operations of the airport. They would not go address City Council directly, unless they have been invited by City Council to do that but like the lease we just discussed, we have to run it through Board first, then she takes the recommendation to Council. So the Board's opinions, do go to Council. Mr. Privette asked Ms. Murphy how often does she meet with City Council regarding the airports concern. Ms. Murphy replied, she goes when she has something for Council approval, accepting a grant or a lease. Mr. Privette stated that at one point he had attended one of the City Council meetings where she was giving a status of the airport account. How often does that happen? Ms. Murphy replied, it has been a couple of years and Cheryl gave the last one. Ms. Murphy stated that they have an excellent resource in Councilor Levatino. Chairman Wood stated that any time they have something specific that they want to go to Council, they should talk to her about it because she has asked the Board, tell me what you want me to take to Council. Discussion was held.

BOARD MEMBER COMMENTS/SUGGESTIONS:

Board Member Zaklan stated that he thinks they made progress today. Chairman Wood said he is glad they were all here today and it is going to be a great, be out at the UAV hangar tonight. He thanked Board Member Zaklan for putting that on and they will be looking forward to that.

ADJOURNMENT:

Chairman Wood asked for a motion to adjourn the meeting. Board Member Zaklan motioned to adjourn the meeting; seconded by Board Member Lenzo. Motion passed, meeting adjourned at 1:54 p.m.

Robert Wood, Chairman

Lori Romero, Recording Secretary