



**Tax Increment Development District**

**Meeting**

**April 25, 2016**

**1:00 P.M.**

**Council Chambers, City Hall**

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**MEMBERS PRESENT:**

**STAFF:**

Chairman Ken Miyagishima  
Board Member Kasandra Gandara, District 1  
Board Member Greg Smith, District 2  
Board Member Olga Pedroza, District 3  
Board Member Jack Eakman, District 4  
Board Member Gill Sorg, District 5  
Board Member Ceil Levatino, District 6  
Board Member Billy Garrett (County)

Robert Garza, City Manager  
Rusty Babington, City Attorney  
Linda Lewis, City Clerk

DRAFT

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**I. Call to Order**

Chairman Miyagishima called the meeting to order. Chairman Miyagishima led the Pledge of Allegiance.

Jennifer Martinez of PIO presented the Pet of the Week.

**II. Action Item(s)**

1. Approval of Minutes from February 22, 2016, Special Meeting.

Vice Chair Smith Moved to Approve the Minutes of February 22, 2016, and Board Member Levatino Seconded the motion.

Chairman Miyagishima called for the roll on the Motion to Approve the Minutes of February 22, 2016, and it was APPROVED. 7-0.

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2. Resolution No. 16-004: A Resolution Approving a Joint Project Between the City of Las Cruces, the City of Las Cruces Downtown Tax Increment Development District (TIDD), and GMB Development NM, LLC (GMB) for the Redevelopment of the Amador Hotel Site, Amend the FY2016 TIDD Budget, and Authorizing the Execution of the Associated Development Agreement Between the City Manager, on Behalf of the TIDD, and GMB.

Board Member Sorg Moved to Approve Resolution No. 16-004 and Board Member Gandara Seconded the motion.

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David Dollahon, Assistant City Manager gave an overhead presentation.

Board Member Smith asked will the two story entrance area be torn down?

David Dollahon said that is a discussion point between the developer, the Amador Foundation, and the State Historic Preservation Office.

Max Bower, GMB Development NM, LLC gave an overhead presentation.

Board Member Levatino asked do we have a time frame?

Max Bower said we need to finish with the surveying and then intend to do the demo in 2-3 phases. Removal of the non-historic parts of the hotel will take a little longer. The east side of the hotel is still being thought out and designed. Construction on the street realignment is anticipated for the first quarter of 2017, maybe as early as October 2016 with a grand opening in September or October of 2017.

Board Member Levatino asked what sort of interest have you had from retail establishments?

Max Bower said there's a group being put together who is ready to sign.

Board Member Levatino asked can you explain about the HHGRT?

David Dollahon said the TIDD will be receiving \$6.5 million from the fund balance of the Hold Harmless GRT. Those funds were intended to support economic development and half of that will get paid over a three year period.

Board Member Levatino asked can the balance from the TIDD be used to do other projects?

David Dollahon said yes.

1  
2 Board Member Sorg asked will this hold harmless be separate from other hold harmless?  
3  
4 David Dollahon said the TIDD generates its own revenue and the hold harmless is separate from the  
5 TIDD portion. We're up fronting the hold harmless GRT.  
6  
7 Board Member Sorg said will CVB staff be okay with the parking?  
8  
9 David Dollahon said currently they park on the street so they have worked with Max to outline their  
10 needs.  
11  
12 Board Member Sorg asked are the investors local or national?  
13  
14 Max Bower said a group called Amador Hospitality has been put together. It is comprised of myself  
15 and some capital investors.  
16  
17 Board Member Sorg asked will the businesses that use that facility be more for local businesses or  
18 national chains?  
19  
20 Max Bower said we've had some inquiries from a national chain but I don't think this facility lends  
21 itself to that idea very well.  
22  
23 Board Member Pedroza asked are we looking to put additional parking where the county building  
24 is?  
25  
26 Max Bower said I though the city still owned part of that area.  
27  
28 Board Member Garrett asked how do you see the plans for this development fitting into the plans  
29 for Main Street?  
30  
31 Max Bower said the intent is not to compete with the plaza. We can hold seven different events at  
32 one time.  
33  
34 Board Member Garrett asked is this about trying to create a place for lots of businesses and not  
35 putting them out of business?  
36  
37 Max Bower said the risk is if downtown will use it and I think they will.  
38  
39 Board Member Gandara said I would recommend that you speak to the merchants downtown.  
40  
41 Chairman Miyagishima asked were you part of the negotiation?  
42

1 Max Bower said the schedule of payments was drafted by City management.  
2  
3 Chairman Miyagishima asked can you walk me through how you envision this is going to go as far  
4 as paying you up-front and payments after?  
5  
6 Max Bower said we will be buying the assets of My Brother's Place and then conveying those assets  
7 to the City in lieu of improvements. We're going to buy it, build it and convey it to the City.  
8  
9 Chairman Miyagishima asked are we to give you \$3.25 million within 10 days of closing?  
10  
11 Max Bower said correct.  
12  
13 Chairman Miyagishima asked how quickly will you convey the deed to the City?  
14  
15 Max Bower said within a relatively short period of time.  
16  
17 Chairman Miyagishima asked when do we get the building?  
18  
19 Max Bower said we will close on the assets and prepare a deed that will go to the City right away.  
20  
21 Chairman Miyagishima asked will it become our property before completion of the whole project?  
22  
23 Max Bower said yes.  
24  
25 Robert Garza, City Manager said we will own all the real estate.  
26  
27 Chairman Miyagishima asked what about the liquor license?  
28  
29 Max Bower said that is not part of the transaction.  
30  
31 Chairman Miyagishima asked when do you expect to get the other 25%?  
32  
33 Max Bower said initially it will take care of the purchase of the real estate, the completion of all the  
34 design work, the demolition of My Brother's Place and all the existing parking. The next 25% will  
35 kick in at 50% completion.  
36  
37 Chairman Miyagishima asked what would be 50%?  
38  
39 Max Bower said it would take care of real estate, demolition, design fees and engineering. Then we  
40 wouldn't expect any money until we're 50% complete on the building. We can have that defined  
41 within the construction document.  
42

1 Robert Garza said the \$3.25 million up front will pay for land and buildings, development fees,  
2 impact fees, demolition, and GRT. We will not go to the next level of detail until we have your  
3 blessing.

4

5 Chairman Miyagishima asked what assurances do we have?

6

7 Max Bower said we could have a first draw with not so much money. We can look at a PPO Bond.

8

9 Chairman Miyagishima asked what about a line of credit?

10

11 Max Bower said that is something we could look at.

12

13 Board Member Smith said my understanding is that negotiations go to the City Manager.

14

15 Chairman Miyagishima said it's my understanding that half would come from TIDD funds and the  
16 other half from GRT.

17

18 Robert Garza said the funding for this project is up front hold harmless gross receipt tax funds and  
19 then the TIDD would enter into a development agreement. The TIDD board will pay the City back  
20 for half of the funding costs and the rest will be a permanent investment from the hold harmless  
21 fund.

22

23 David Dollahon said on your agenda for next week is the budget adjustment. The agreement is  
24 between the TIDD Board and Max Bower. There is no say by City Council on the agreement.

25

26 Robert Garza said if you approve, it won't be going back to the TIDD Board or City Council.

27

28 Miyagishima asked what were you thinking as a down payment?

29

30 Robert Garza said we will deposit \$6.5 million into the escrow fund. We will give them a draw  
31 every month based on what has been accomplished.

32

33 Max Bower said we don't need \$3.25 million on the front end to make this deal work. We would  
34 feel more comfortable if when we closed out the real estate that we have 30% of the \$6.5 million.

35

36 Chairman Miyagishima asked when will we have a completion date?

37

38 Max Bower said that's contingent on the road realignment.

39

40 Chairman Miyagishima asked what if the road realignment wasn't a factor?

41

42 Max Bower said we anticipate a 12 month construction.

1

2 Chairman Miyagishima asked would you allow us to hold on to the liquor license?

3

4 Larry Bower, Owner of GMB Development said we're buying real estate. We're conveying the real  
5 estate to the City and then commencing on the development as Max outlined. The liquor license is  
6 a separate asset and those taking over the lease will take over the liquor license. We don't have a  
7 contract to guarantee leases. We should have the leases in place before completion.

8

9 Chairman Miyagishima asked why can't we have a lease with you?

10

11 Larry Bower said that was not part of the project developed with the City.

12

13 Chairman Miyagishima asked is that something that you would entertain?

14

15 Larry Bower said if you want me to lease the space and sublease it to a third party, there would have  
16 to be a dollar amount paid to me. I'm approaching this as a real estate development and I've entered  
17 into a contract with the City to complete and deliver to you the project.

18

19 Mayor Miyagishima asked who is going to lease out the restaurants?

20

21 Max Bower said the group being put together to lease it out need to make sure this is going to go  
22 forward before they proceed with that portion.

23

24 Miyagishima said I would prefer to enter into a lease agreement so we have some assurances.

25

26 Larry Bower said we have the prospect of tenants but they need to see something. This resolution  
27 is for authorization to complete the negotiations.

28

29 Robert Garza said we could change the word "sign" to "negotiate."

30

31 Robert Garza said we only need three days notice to have a TIDD board meeting.

32

33 Board Member Garrett said I think we should add that final approval is contingent on approval by  
34 this body. I think the assurance that we need is to make sure this project completely gets built.

35

36 Vice Chair Smith Moved to Amend Resolution No. 16-004 to change paragraph two to read that the  
37 "City Manager is hereby authorized to negotiate the agreement" and Board Member Levatino  
38 Seconded the motion.

39

40 Chairman Miyagishima called for the roll on the Motion to Amend Resolution No. 16-004 to change  
41 paragraph two to read that the "City Manager is hereby authorized to negotiate the agreement" and  
42 it was Unanimously Approved. 7-0.

43

1 Chairman Miyagishima said I suggest 10% total be withheld until some leases are provided to us and  
2 30% down.

3

4 George Pearson, Member of the Public said I don't see any bicycle parking placement in the plans.  
5 I was also wondering if the travel lane on Amador will be closed off.

6

7 Bob Pofhol, Member of the Public and Las Cruces Community Partners said we think extending the  
8 Main Street activity to Lohman and Amador provides a great front door to Downtown.

9

10 Board Member Sorg asked could you explain the 10/10/10 planning?

11

12 Bob Pofhol said to create critical mass destination you have to have 10 retail locations, 10 restaurant  
13 locations, and 10 entertainment destinations.

14

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17 Chairman Miyagishima called for the roll on the Motion to Approve Resolution No. 16-004 as  
18 amended and it was APPROVED. 7-0.

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22 **III. Discussion Items.**

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24 1. Financial update.

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26 Andy Hume, Downtown Planning and Development Coordinator gave an overhead presentation.

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30 2. Church-Water Streets conversion project update

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32 Andy Hume, Downtown Planning and Development Coordinator gave an overhead presentation.

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34 Hector Terrazas, Civil Engineer continued with the overhead presentation.

35

36 Matt Dyer with Parkhill, Smith & Cooper gave an overhead presentation.

37

38 Board Member Pedroza asked does that street in yellow plan to be extended to Water Street?

39

40 Matt Dyer said right now we're not looking at any improvements.

41

1 Matt Dyer continued with overhead presentation.  
2  
3 Board Member Smith asked have we changed our minds about Mountain being reopened?  
4  
5 Andy Hume said Mountain was not included in the allocation for this portion of the project. We  
6 did get a recommendation from PlaceMakers to reopen that connection.  
7  
8 Board Member Smith asked is it something that we might roll in?  
9  
10 Andy Hume said it will be a future phase.  
11  
12 Matt Dyer continued with overhead presentation.  
13  
14 Craig Dixon continued with overhead presentation.  
15  
16 James Hyman with Parsons Brinckerhoff gave an overhead presentation.  
17  
18 Matt Dyer continued with the overhead presentation.  
19  
20 Board Member Sorg asked what is the driving lane width?  
21  
22 Eddie Hernandez, Civil Engineer with Parkhill, Smith & Cooper said the lanes will vary from  
23 10.5 feet to 11 feet wide.  
24  
25 Board Member Sorg asked is there an option to have parallel parking on one side of the street  
26 and still have bike lanes?  
27  
28 Eddie Hernandez said angled parking requires too much space.  
29  
30 Sirija Pilamuri gave a video presentation.  
31  
32 Robert Garza, City Manager asked can you talk about the areas that were hashed out?  
33  
34 Srijia Pilamuri said those are passing lanes and sometimes in order for streets to align there is  
35 land that is not necessary.  
36  
37 Mayor Miyagishima asked is the speed limit less Downtown?  
38  
39 Andy Hume said on Main Street the speed limit is 15 mph. Bicyclists travel easily on that road.  
40  
41 Board Member Levatino asked will there be an option for the angled parking?  
42

- 1 Andy Hume said user education will be needed. It's less complex than parallel parking.  
2
- 3 Robert Garza said this concept adds 260 parking spaces. There will also be other parking  
4 alternatives.  
5
- 6 Chief Jaime Montoya asked what prevents the cars from parking forward?  
7
- 8 Andy Hume said the angle is fairly steep and would be driving against traffic.  
9
- 10 Chief Jaime Montoya asked would you prohibit front end parking?  
11
- 12 Hector Terrazas said there will be signage. There is also suggestion that we park a City vehicle  
13 on opening day facing the correct way as an example.  
14
- 15 Board Member Miyagishima asked will it be a single or double line in the middle?  
16
- 17 Hector Terrazas said double line.  
18
- 19 Board Member Miyagishima asked won't they get a ticket for crossing the double line?  
20
- 21 Jaime Montoya said I don't think it's going to matter because people will park in convenient  
22 parking spots.  
23
- 24 Board Member Sorg said I prefer option one.  
25
- 26 Board Member Smith said if we have that much bicycle accommodation on Main Street perhaps  
27 Church and Water would not need the bike lanes. I've heard it is safer to back in first so I think  
28 we need to look at the diagonal parking.  
29
- 30 Board Member Pedroza asked will landscaping be part of the cost?  
31
- 32 Andy Hume said green infrastructure is one of the phases.  
33
- 34 Board Member Pedroza asked who will pay for it?  
35
- 36 Andy Hume said it can be implemented as part of the reconstruction portions.  
37
- 38 Board Member Eakman said I think we're trying to make Downtown a destination instead of a  
39 place to drive thru.  
40
- 41 Board Member Gandara said I'm concerned about the safety of those walking and biking.  
42
- 43 Chairman Miyagishima said option 1 adds more stop lights.

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2 Board Member Levatino said I'd like to suggest bike racks in the callesitas.  
3  
4 Matt Dyer said there is future phasing of sidewalk widening.  
5  
6 Heather Pollard, Member of the Public said I have a retail store on Water and I don't see any  
7 parallel parking.  
8  
9 Andy Hume said all around the outside of Church and Water will be parallel parking.  
10  
11 Debra Dennis, Member of the Public said Water Street was hashed in front of where the hospice  
12 is.  
13  
14 Andy Hume said one of the recommendations is a left turn lane at Griggs and Water. Staff has  
15 been talking with the consultants about reevaluating the need for a left turn lane.  
16  
17 Board Member Sorg asked is that the same as option 1 on Water?  
18  
19 Andy Hume said yes.  
20  
21 Matt Dyer said this is still the preliminary stage.  
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25 **IV. Adjournment**  
26  
27 Vice Chair Smith Moved to Adjourn and Board Member Levatino Seconded the motion.  
28  
29 Chairman Miyagishima said all those in favor signify by saying "Aye."  
30  
31 Board stated Aye.  
32  
33 **Meeting Adjourned at 4:53 p.m.**  
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