

CITY COUNCIL AGENDA

Mayor
Eric Enriquez

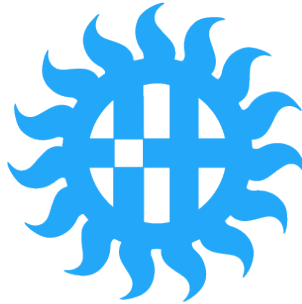
Monday, December 15, 2025 at 1:00 PM

Council Chambers

**CITY HALL
P.O. BOX 20000
LAS CRUCES, NM 88004**

Mayor Pro Tem
Johana Bencomo

Councilors
Cassie McClure
William Mattiace
Becki Graham
Becky Corran
Yvonne Flores



CITY OF LAS CRUCES

**700 N. Main St.
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CONSENT AGENDA

Minutes and Items on the Consent Agenda Are Considered Routine Items and Will Be Voted on with One Motion Unless a Councilor Requests That a Specific Item Be Removed. There Will Be No Discussion.

Page

1. OPENING CEREMONIES

- 1.1. Pledge of Allegiance - Councilor Corran.
- 1.2. Presentation of Certificates of Appreciation/Proclamations - Councilor Corran.
- 1.3. Recognition of Outgoing City Council Members.
- 1.4. Jobs of the Week.
- 1.5. Pets of the Week.

2. CONFLICT OF INTEREST INQUIRY BY MAYOR AS REQUIRED BY LCMC SECTION 2-27 (E)(2)

3. PUBLIC PARTICIPATION

4. ACCEPTANCE OF AGENDA

5. CITY COUNCIL MINUTES

- 5.1. Work Session of November 10, 2025.

[Work Session - Nov 10 2025 - Minutes - Pdf](#)

4 - 19

- 5.2. Regular City Council Meeting of November 17, 2025. 20 - 35
[City Council - Nov 17 2025 - Minutes - Pdf](#)

6. RESOLUTION(S) AND/OR ORDINANCE(S) FOR CONSENT AGENDA

- 6.1. RESOLUTION NO. 26-076: A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES (CITY) TO ACCEPT GRANT AWARDS FOR VARIOUS CITY DEPARTMENTS THROUGH AN AMENDMENT TO THE CITY'S ADOPTED FY2026 BUDGET. 36 - 92

[Resolution No. 26-076 - Pdf](#)

- 6.2. RESOLUTION NO. 26-077: A RESOLUTION APPROVING RECOMMENDED POLICY ITEMS FOR THE 2026 NEW MEXICO LEGISLATIVE SESSION. 93 - 97

[Resolution No. 26-077 - Pdf](#)

7. RESOLUTION(S) AND/OR ORDINANCE(S) FOR DISCUSSION

- 7.1. RESOLUTION NO. 26-078: A RESOLUTION AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LITTLE TUMBLEWEED RENTALS, LLC FOR THE SALE OF APPROXIMATELY 6,478 SQUARE FEET OF MUNICIPALLY-OWNED LAND FOR THE PURCHASE PRICE OF \$23,000.00, IN ACCORDANCE WITH LCMC 1997, SECTION 2-1312. 98 - 113

[Resolution No. 26-078 - Pdf](#)

- 7.2. RESOLUTION NO. 26-079: A RESOLUTION DEDICATING CITY-OWNED PROPERTY LOCATED AT 1701 E. NEVADA AVENUE TO THE AFFORDABLE HOUSING LAND BANK FOR THE DEVELOPMENT OF AFFORDABLE HOUSING. 114 - 118

[Resolution No. 26-079 - Pdf](#)

- 7.3. COUNCIL BILL NO. 26-011; ORDINANCE NO. 3103: AN ORDINANCE ADDING CHAPTER 16, ARTICLE XII - SHORT TERM RENTALS TO THE LAS CRUCES MUNICIPAL CODE. 119 - 128

[Ordinance No. 3103 - Pdf](#)

- 7.4. COUNCIL BILL NO. 26-012; ORDINANCE NO. 3104: AN ORDINANCE AMENDING CHAPTER 16, ARTICLE XI OF THE LAS CRUCES MUNICIPAL CODE-LIMITING THE USE OF PLASTIC SINGLE-USE CARRYOUT BAGS IN CERTAIN RETAIL OPERATIONS. 129 - 145

[Ordinance No. 3104 - Pdf](#)

- 7.5. COUNCIL BILL NO. 26-013; ORDINANCE NO. 3105: AN ORDINANCE APPROVING A FIVE-YEAR LEASE AGREEMENT (WITH OPTIONS TO RENEW FOR UP TO FOUR ADDITIONAL FIVE-YEAR TERMS) BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE MESILLA VALLEY COMMUNITY OF HOPE (MVCH) FOR THE OPERATION AND MANAGEMENT OF THE CITY-OWNED COMMUNITY OF HOPE CAMPUS LOCATED AT 999 WEST AMADOR AVENUE. 146 - 312

[Ordinance No. 3105 - Pdf](#)

8. BOARD APPOINTMENTS

9. NOTICE OF PROPOSED ORDINANCE(S)

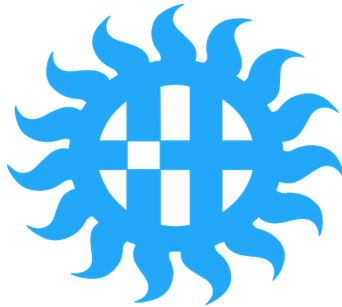
1) There will be no public discussion.

2) A Councilor may ask staff for clarification on the proposed ordinance(s).

10. CITY COUNCIL MEMBER BOARD REPORTS AND COMMENT

11. CITY MANAGER REPORT

12. ADJOURNMENT



MINUTES

Work Session

Monday, November 10, 2025 @ 1:00 PM

City Council Chambers, City Hall

PRESENT: Councilor Yvonne Flores, Councilor Becky Corran, Mayor Eric Enriquez, Councilor Cassie McClure, and Councilor William Mattiace

ABSENT: Councilor Johana Bencomo and Councilor Becki Graham

1. JOBS OF THE WEEK

1.1

Sarah Raney, Americas Job Centers of New Mexico presented Jobs of the Week.

2. PETS OF THE WEEK

2.1

Carol Nielson, Animal Services Center of the Mesilla Valley presented Pets of the Week.

3. READ CLOSED MEETING STATEMENT

3.1

The Las Cruces City Council met in closed and only discussed those limited items as stated in the posted notice:

To discuss threatened or pending litigation in the matter of Memorial Medical Center-Notice of Breach sent on August 29, 2024.

4. AGENDA ITEM

4.1 2026 STATE AND FEDERAL LEGISLATIVE PRIORITIES.

Christine Rivera, City Clerk gave the overhead presentation.

Larry Horan, Lobbyist continued the overhead presentation.

Cynthia Alamillo, CIP Manager continued the overhead presentation.

Christine Rivera continued the overhead presentation.

John O'Donnell, Lobbyist continued the overhead presentation.

Kyriakos Pagonis, Lobbyist continued the overhead presentation.

John O'Donnell continued the overhead presentation.

Christine Rivera continued the overhead presentation.

Councilor McClure said specifically on South Fork Moreno, I am going to advocate for that. Just to clarify a little bit on how I wandered into this, you have a constituent that reached out and said we have our road flood all the time off of Hatfield. What can you do? Well, that seems relatively straight forward. It was not. A lot of it is we don't own all the utilities under it. We don't own all the land specifically all the right-of-ways. So, it became this whole conversation about drainage. What was encouraging is to talk to some of the federal lobbyists to say there are all these other options. So, a lot of the things that I learned out of this process was boy it doesn't seem like we can do some of these larger things but when we look at it in a sort of holistic way of what that drainage looks like that might be a priority. I am always going to advocate for the library. I love the library. Let's do the thing. It has been kind of historically put to the side because that is easy to do but I would like to look at that as well. I would also like to say the East Mesa Recreation Center. If we were focused on our kiddos and as I am taking my kiddos up there to play soccer this is a really hard one to kind of put on the wayside because I have grandparents coming up to me, recognizing me and saying I would like to have handicap parking, but that is Phase II. So, I would like to see how we can do that more meaningfully.

Councilor Mattiace said I think my number one priority because that is basically what I campaigned on is public safety. And then number two I would like to see the septic tanks, I would like to see removal of the septic tanks in the city of Las Cruces just because of the environmental advantages and protecting our water systems. Then thirdly of course the library. Carol Brey and I go back 300 years and so I would like to support the library.

Councilor Flores said in terms of my district, soon to be the district of John Munoz but I am really interested in my district, and it makes me very happy to see that it wasn't overlooked because sometimes it is. People think District 6, it's new and everything is perfect and wonderful and in some kind of a world it is perfect, and it is always wonderful, but I would just really like to see the development or whatever improvements for the East Mesa Recreation Complex. It is used a lot and it makes me really happy to see so many families out there and when I see all these people, kids, especially youth, having a wonderful time I think geez, it was worth the wait, and I didn't believe it till I saw it. Some of these things seem to take forever but then when they get done it is like wow. And then as far as Young Park goes, it is a legacy park,

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and it is unfortunate that we have some situations there that less than whatever, but we really need to keep an eye on that. Then the Rural Western Water Project, can you tell me what that is and it is only in New Mexico?

Christine Rivera asked are you talking about the policy item from the League or are you talking about the septic?

John O'Donnell said I think it is about the Corps of Engineers. This goes to something that was just mentioned a moment ago. The drainage on the Moreno Arroyo. So, when we were there what we mentioned was that this is a title of a section of federal legislation, Rural Western Water which authorizes spending. I think the total amount of authorized spending in excess of \$535 million but a local non-federal sponsor like the city would have to talk with the Corps of Engineers about we have a project. We would like to fund it under that authority from that Water Resources Development Act of 2014 and our project will do drainage improvements, stormwater management, wastewater. So it is an authority, you can call it a program but if you were talking to a lot of federal officials they would not say that this is a program it is an authorization in law which you can draw down against that money, that over \$500 million that I talked about you can draw down on that in appropriations. You would have a project, it would have to be something that fits within in the eligibility criteria and you deal with the Corps of Engineers District in Albuquerque to get it funded.

Councilor Flores asked is all of that in process at this point?

John O'Donnell said we would help the city pursue a project with the Corps if one is identified and we could work on that to be a project in the FY27 appropriations bill. What the city would have to do as a step towards that we mentioned this to city staff is that you have to get in touch with the Albuquerque Corps District and tell them that you are interested in a program and we have to submit a letter of intent about the project which we can help with. This is the right time to be doing such a thing.

Councilor Flores asked so that LOI would be, you would be leading us through the process on that?

John O'Donnell said yes, we can help with that.

Councilor Flores asked how soon do we have to start that process or is it in process now?

John O'Donnell said it is not in process now and it should start as soon as we can identify a project.

Councilor Flores said it is wonderful to have all these things going because we have stuff and this is my eighth year on the city council and there are things that are still in the making and it just seems like time just goes by so fast and I just feel like the sooner we start on things, the sooner they will materialize.

Councilor Corran said thank you for preparing all of this, all of you who have

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contributed to it. I know it is a lot. To John and Kyriakos as well and I know this involves a lot of conversations with people who have wildly disparate ideas of what we should be doing so thank you for having those conversations and sifting it into some kind of thing and thanks to John and Kyriakos to giving those inputs that the city gave to some of those transit funding things. I think that is really important that we also keep track of where our voice matters are or where we have an opportunity to give input to federal policy as well so thank you both for helping on those fronts. I echo a lot of what my colleagues have said. I think we have a lot of success and support for affordable housing initiatives in the city and I think that our legislators really see the investment and return on that investment happening all the time so I think for me that is always going to be a priority and I think our library, we are on a wave of support and readiness to modernize and to beautify our libraries. So, I am with my colleagues in hoping that we can include that in every place where we can to cobble together more than enough funding, I hope. The other thing that I think I have heard a lot of the fire station improvements. I think that I really don't want us to overlook that. I know it sounds boring but also it is directly related to the safety and health of folks there and I hope that we can find again a number of places where we can help in funding that. Those are the things that I really hope that we can include as priorities, but I will go to work for whatever you all tell me to as it comes to lobbying or writing things or contributing to whatever conversations that need to happen, so I appreciate this process.

Councilor Bencomo said I am curious about strategy this year. Obviously, we have the new GRT. For the new GRT how are we thinking about approaching some of these projects? Are we just saying like as much as possible for some of them? I guess I just want to try to like maximize you know the amount of funds to actually get projects completed and not little by little. So, I am curious if you all have had conversations about that?

Sonya Delgado, Assistant City Manager said with regard to the GRT as you know we have a lot of different pots of funding coming available to us and so currently we are trying to get our projects in line for the state because that deadline is coming up very quickly. We have been discussing, we have a long list of projects and so we want to get your take and want to see where you are sitting with regards to the state and then we are going to continue to take one at a time and I will let Christine chime in in just a moment but that is what we were doing. One, get the state done first and then make our way through but yes, we still want to have those pots of money. We want you to keep thinking about them and what is the best way to put them into play.

Councilor Bencomo said thank you. I appreciate that, mostly because it was clear that the public was very supportive of the library when we did our GRT conversations. So, to me that should be a priority as we move forward in that conversation. Does that mean then when we go to the legislator that allows us an opportunity to then ask for the other very big projects, right? Because I do think about Mesa Grande and the huge investment from the federal government. I believe that \$50 million is necessary, right? It is some sort of match? If we want it to, it is such an important project and it would be such a big loss if we couldn't get that but for me that feels like an important priority and so I guess that is just sort of what I am trying to get at, right in terms of like how we are prioritizing some things so just maybe some food for thought for

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everybody. My next question, again in terms of strategy, Larry maybe this is for you. I am curious about as we approach this should we be thinking about, what are the legislators thinking in terms of like the budget concerns, the federal restrictions? Are we in the same playing field that we have been in previous years regarding capital outlay asks? Like should we be considering anything?

Larry Horan said I think that landscape is changing. So, this year they are anticipating \$450 million in new money. So, it is still growing but I will talk about Medicaid specifically. We are seeing a trend over the last, starting in July after the continuum resolution passed at the federal level increased utilization of Medicaid, increased acuity meaning more sick people are getting treatment and as we see the folks are going to drop off based on federal changes. We are going to leave the sicker people on Medicaid and so the acuity is going to get worse. It is not a New Mexico trend it is a national trend, and we are seeing that and so that \$450 million pretty quickly gets eaten up. We still do have a significant amount of non-occurring revenue coming in. The challenge now becomes how do they fund use non-occurring and try not to put it in recurring programs like Medicaid. So, we will see less available for projects. The last few years it has been \$2.5 million per house member in capital outlay and just over \$4 million for a Senator. We don't know yet. It is too early to tell how much they are going to have available and again they haven't bonded so the bonding capacity is how they will determine what is available for capital. So, we do need to start thinking about it in terms of our requests but there is also additional pots of money. We saw it last year when we were working on affordable housing particularly with Chairman Small and his real focus on affordable housing. We have got some general fund money available for housing and so it is not just capital outlay we should look at those other projects. The other thing Municipal League is looking at is Water Trust Board funding. Christine talked a little bit about it. Big water projects now some members of the legislature are trying to funnel all of those projects into the Water Trust Board allocation and not use traditional capital outlay. That is an effort that is underway. I don't think it is probably going to work because I have heard one legislator that as soon as the idea was floated shot it down pretty quickly. Because they want to be able to fund their water projects so that is a long way to say other pots of money available that we can tap into so what we have done pretty well in the past is that we have tried to hit every one of those priorities and then again with Governor Lujan Grisham in her last term for the last few years we have been successful in tapping into her capital outlay pot which is bigger and so I think we would continue those advocacy efforts. That is why we have seen a pretty significant jump in what we have gotten in capital outlay.

Councilor Bencomo said I also had the Governor's fund here. I think especially this last legislative session we were tremendously successful, and I do think it is because we took that strategy and you know we had affordable housing projects on our capital outlay and we ended up getting \$11 million from a totally different pot of funds, right? So how are we leveraging other opportunities more strategically so that we can get as many other projects because they are all important, right? Like we could sit here and rate them one through ten but at the end of the day they really all are important and so I hope that is the take away for staff as we move forward especially in conversations with Chairman Small in terms of do we think more affordable housing money will be available to us especially because we are going to spend the heck out

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of that \$11 million, right Natalie and they are going to say oh, we trust Las Cruces to be good stewards of that money and so we are going to give them more and that is what we should be advocating for. So those were like my big strategy questions, and I think I had a similar one with our federal lobbyist in terms of what do we expect? Obviously, the federal landscape has also changed and I think we should just try to go after money that we know will get funded. I just have one specific question regarding the Real Time Crime Center. This is my first time hearing about an additional \$3 million request on the Real Time Crime Center. I think we have been very committed to that and have funded that I am just curious about like how this came about. We recently had a tour and we didn't hear anything about additional funding so I am just curious about.

Joshua Savage, Lt Police Department said I am unfamiliar with the \$3 million request but more than happy to let Chief Story know and have him get back to you.

Kyle Arend, Interim Public Works Director said what I can tell you about the new ask for the Real Time Crime Center is that the first batch of money created the center itself and some of the cameras but the infrastructure to get everything communicating together was dependent upon kind of an antiquated system for traffic signals. So, it all needs to be reinforced quite a bit in order to get all the communication back and forth to the center itself.

Councilor Bencomo said that was news to me. I guess I do feel as if we want it to fully function then I guess that is an important investment for us to make. We don't want to do it halfway. I guess my last plug would be for our wastewater system. I think anytime whether I am with our federal lobbyist or Larry or anybody I do feel like I need to plug in utilities here because our wastewater system is old and it needs a lot of support so that is one of the last specific things I will add.

Councilor Corran said I have one other thing that is related to these handouts that you have. This is sort of an added thing to not necessarily add to our official list but to put on folks' radar that will come up on the state legislature. These are two items, the affordable spay and neuter money which we just got \$50,000. This went into place I think four years ago a system for paying for spay and neuter. It is like an obscure tax on dog food I think, and it is set to automatically repeal so they are advocating for us to continue to do this and this would be \$50,000. Like at least \$50,000 that would be going into our ASCMV for spay and neuter that I hope that we can add to something just so you know that if it comes up it doesn't necessarily have to be on our call to pass but as radar of things that have an impact on our community that will be up for consideration and the other one is related to a program that I knew nothing about so I am really just here to sort of talk about this that is also up for continuing funding, the CARE Program for which provides support for people who are leaving domestic violence to not have to leave their pets. They have helped hundreds of people in Dona Ana County who are experiencing domestic violence to either shelter their pets or find a place, a temporary or permanent shelter for themselves and their pets. In either case they have been doing this for a number of years and they support community organizations in doing this. So, I just wanted to say it is on folks' radar so if you hear anyone talking about it I hope we can think about these things too because

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they are definitely concrete for things that will be up for refunding in this session and so I just want to put them on our radar.

Mayor Enriquez said thank you John and Kyriakos for being on. On the federal level it is always looking for flood mitigation, you know anytime we get a new building or anything new we always talk about what about the maintenance, what about the repairs, and a lot of that happens with flood mitigations with new developments and things that take place. So, anything that we could do on that end we can help our community and also at the Innovation and Industrial Park with water and waste treatment as well. Those are the things I would be looking for with the federal request. On the state like we said we have to have a strategy, and we also have to be realistic. What have we gotten in the past? What are legislators looking for and it is usually finishing things that have already been started, and you know it is just so hard to turn away from a \$60 million grant that we received. It is huge and it captures a lot of things. So many things as far as safety, when we are looking at travel and also the addition of housing that will occur and economic development, maybe some industrial improvements in that area. So that Mesa Grande extension if we are looking for that matching funds to be able to complete that. We already have \$60 million, and we don't want to turn that back. We want to make sure that we move forward and it captures so many things, quality of life, economic development, everything else that we can do for our community. I think that is huge. I am also an advocate for the library. I want to push forward and anything we can do to get for our library, get that going. The other thing is the police track. That is huge. It is already far enough to travel almost all the way to Deming to train and then that is going to go and then the travel will be to Santa Fe. You can only train when it is available to the state for us to be there and then the other thing is weather providing. So, you know there is several months of the year we can just say we are not going to be able to train, and it is so important when we start looking at liability issues, when we start looking at accidents, when we start looking at how can we prevent some of those things? Training is a huge thing. So that police track is something that we really need to advocate for public safety. Young Park of course, there are so many. We could go down the list, the quality of life and what we need for our youth and making Las Cruces thrive. I will just stop at those and add Young Park.

George Pearson, Member of the Public said I was really happy to hear the words protected bike lane in the description of the Mesa Grande extension. Also want to make sure that you talk about protected intersections because that is a key component to the new national standards of the bike lane design as there is some very good work on that. We need to build a twenty-first century road there. There was promises of developer contributions to the match so I want to make sure that is still going to happen. On the Surface Transportation Bill Reauthorization, I am glad to hear that the city is putting their words in. Recently it has been said from the Republican leadership that there is going to be emphasis only on vehicle traffic so that is going to be at the expense of transit, and bicycle and pedestrian safety and so anything that we can do to retain bicycle and pedestrian as part of the surface transportation and reauthorization is very important. The other thing I want to talk about as the neighborhood association Alameda Neighborhood Association, we have been advocating with our state senator and representative for the WIA Building. The city has already identified \$700,000 as the need and so I would hope that would be

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part of your ask and that it is available so we as a neighborhood association will still be asking for that to get that so that it is on the ICIP so that we can get that money successfully hopefully and anything that the city can do to help with that would be great.

Mayor Enriquez said I will let you know George that it is on the list, we will make sure it is on there, the WIA Building.

Steven Chavira, Member of the public said I am the Executive Director of the El Caldito Soup Kitchen. I just want to thank you for listing the priorities today but for the record I just want to make two quick clarifications, and one is that the Kitchens at the Mesilla Valley Community of Hope is actually a partnership between El Caldito and Casa de Peregrinos and the city. We are an active participant in that process and so I want to make sure that is reflected on the record and as we talk about the priorities and the justification for moving forward with that that project it was great to hear the statistics of the amount of poundage that Casa de Peregrinos put out and they do a lot of great work. I also want to clarify that El Caldito Soup Kitchen in the calendar year of 2024, we served 155,000 meals and our capacity only needs to get bigger and bigger. But for the record I just wanted to make sure that it was part of the process.

Lorenzo Alba, Member of the Public said I am the Director of Casa de Peregrinos and I also want to echo what Steve said. I want to thank you for prioritizing our project. It is important given these are very difficult times for a lot of families that are missing out on meals, that are definitely feeling the pinch when it comes to their budgets at home. This is a priority. Feeding people is definitely a priority. Getting the soup kitchen up and running and allowing them to being able to serve more during the day is going to be a priority for everybody in this community. The uptick is the inevitable moving forward. Even if the government opens back up, guess what? The residual effects of what is happening right now is going to happen for a little while longer. Families are already coming in and probably about 1,000 families more than we have seen at Casa de Peregrinos a month. I don't know what Steve is seeing right now but it is definitely having a major effect on the people that we serve. So, this should be a priority. I think you should put us on your federal priorities too because we can always take advantage of those dollars with the states matching programs. So, I think that is something that you should take into consideration. Christine, I should have mentioned that before. I do want to thank Christine and her team for all the planning that they have done because they met with all of us. We got to meet with your lobbyist, both the state and the federal lobbyist, and that helps us at least try to find out what is going on there and how we go about our ask. We are actually planning also to get together with all your team so we can all prioritize how we can hit up the state legislature this year. So, our schedules will coincide with each other, and I will see you guys in February for your big event, thank you so much.

John O'Donnell said I should have mentioned this before because Mesa Grande has been mentioned several times and Kyriakos and I want to thank the city staff for the

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fine work they did on that grant application and we worked with them in a congressional delegation and our transportation associates in Washington to make sure that project in fact its review over in headquarters and I think that was awarded in January but I wanted for certain to congratulate the city for the work that it did. That was fifth largest grant that they made in that program so congratulations to you folks and thanks for your work with us on that.

4.2 PUBLIC INPUT NEEDED: METROPOLITAN REDEVELOPMENT AREA PLAN OVERVIEW FOR WEST PICACHO AND MOTEL BOULEVARD.

Celina Morales, Deputy Director Economic Development introduced the topic.

Rhonda Bell, Stantec gave the overhead presentation.

Celina Morales continued the overhead presentation.

Councilor Corran said I am excited about transforming the West Picacho corridor. I support the extension out to the river as alluded to. I did have one sort of feedback point as I feel as if the catalyst project seemed not exactly as transformative as I imagined and I realized I'm asking that all these things cost money and they all have things related to them. I think I was thinking about when you were talking about the section of the road right, that to me is like a transformative idea and the catalyst projects feel like they are not even approaching that kind of transformation. So for me that feels like a little bit like oh, I wish we could do more or think of a way to dramatically do that and the question that I really have related to that is I think it took years of work to get one pedestrian safety measure on Picacho in part because of the fact that it is not exactly ours, right?

Celina Morales said correct.

Councilor Corran said I am wondering if you can sort of give an assessment of the capacity of us to actually do the kinds of transformative things that I am imagining. Like is there a conflict here and I would like to hear a little bit more about that conflict and understand it so that I can frame my expectations of what is possible and what really isn't necessarily possible, and I think you were kind of talking about this, but I would love to hear more.

Celina Morales said speaking to what Rhonda said, we did meet with Public Works and NMDOT, I don't know if you want to give more information on those meetings as far as to what led to the recommendation or Kyle as far as it being not our roads and also the level of staff capacity and the amount that would be required if we took over. That was an option that they provided that we can take over that street but the cost to do that and the amount of money that it would take for the maintenance and taking it over completely just didn't seem feasible at the time. Not to say that we can't ever do it in the future but just being realistic about that specific question. It seemed it was really hard to make it a catalytic project. Not to mention that these are not the only catalytic projects that we are thinking of course. We have that seven or eight that are in mind but as we have stated the MRA projects it takes one or two just to get the ball

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rolling to get interest going in the area and so these were the ones that we felt were the very doable, were aligned with other comments that we have gotten from the public and community feedback and it was really what the community asked for although they may not seem as grand as you were hoping. It is a really small area to work with in comparison to El Paseo/South Solano so that was some of the deciding factor with these catalytic projects.

Councilor Bencomo said as I am so excited for the potential of MRAs, obviously fought really hard for West Picacho to be one our top priorities as I always say I think what happens on West Picacho impacts the rest of the city, so I am very, very excited about what you presented here today. Thank you very much for the work that you all have done. I think having this MRA committee has been really excellent in how things are moving forward. So again, thank you. I do want to say that the catalyst project number one on Tashiro, I have been part of those meetings with that owner and developer and honestly this is really exciting and I think for me what has been most exciting is the communication between the city and the owner and the developer and their willingness to accept feedback and their willingness to say this is our vision and how can you support us and one of the things that has very clearly come out of this is that they are like full force, full on the pedal moving forward with some of the projects they want to do. Very multi use, the types of housing, commercial. That is going to be really exciting for the school, all the activities that take place here during after school, weekends and for Legends West neighborhood, and for the McClure/Hoagland neighborhood. It is going to be very exciting and I think one of the barriers that we have discovered through that conversation is that there are some kind of expensive barriers that have to get crossed that I really hope that the MRA can be supportive with and perhaps other funding sources so that if this is a catalyst much like we have talked about like the Boys and Girls Club being a catalyst for El Paseo I think this can be that for West Picacho and I really do hope that we try to find every possible solution to support them and investing in this part of town because I do think it is important to reward those that want to stay here number one, they don't want to leave this area but also who want to come. I hadn't seen the work up of Camunez Park and so this is really beautiful. Right now, it is a really sad park honestly, so this rendition is really beautiful and aspirational so I am very excited about that. Just in terms of the conversation with NMDOT, I know you have heard this all before. That median really between Second and Valley has hindered a lot of economic support for the businesses along that corridor and I think for us if we can continue to advocate for the state to think about that differently is really important. Like it is one of the number one thing I hear from business owners from that area and so I really think we need to continue to push them to just think about what that median does for that community. Other than that, I do want to thank you especially for the kind of community engagement that you have done with businesses and just general users and people who live in the area, and I can't wait to vote on the project. I also think the expansion is very important, so I do think that I hope we see that in the December resolution to approve the expansion.

Councilor Mattiace said I would like to just give support to the extension to the river.

Mayor Enriquez said I agree as Mayor Pro Tem said it is very exciting for an area of Las Cruces that has been long overdue needing an uplift and so looking forward to it.

Councilor Flores said I have lived in different cities, it is not like I lived in this part of the world or that part of the world, but I have lived in San Francisco, I grew up in Los Angeles. I got my BA in Sacramento, California. I have to say that when I came to Las Cruces, I fell in love with it. There is just something so wonderful about the people here and I want to thank you for the presentation, and I think you have really captured in the diagrams that we saw the future in your work, just the entire team and it is just so beautiful. It does take a while. Sacramento, it took about ten years for it to really get everything going and we are not in the best economy to boot, and you know governmental how should I say environment at least nationwide isn't very friendly right now to the human being. So, I just really want to thank you for capturing the beauty of this city and the design is absolutely beautiful. I just wanted to express my thank you and my gratitude.

Joan Woodward, Member of the Public said I fully support this plan and I am glad that the city prioritized its preparation. I have been involved with other earlier visioning processes with the city and one effort that always comes forward is to identify gateways to Las Cruces and in several of the other planning efforts we looked at a natural west gateway as being at the river. The bridge is dramatic, it appears in surfer movies. It is an asset for the community, and it was always around La Llorona Park that it was determined to be the gateway to Las Cruces and so I clearly support the extension and also I would just like to bring up since it is a park along the river that connects the Rio Grande Trail and is perhaps eligible for funding and support from the National Park Service Rivers and Trails Conservation Assistance Program and the state's Outdoor Recreation Trails Plus Grant I am just curious why the gateway which I think was number one in the plan was placed at what I consider to be a very hazardous intersection at Roadrunner and why is that the west gateway instead of the bridge and the river park? I would have liked to have seen traffic and accident analysis in the plan. I did see demographics. I saw income but I did not see that. That is my first question. As I understand it Picacho under this plan would remain a principal arterial which allows truck traffic through the area that hopefully will become calmed by the features that will be implemented on Picacho with more intersections and more friendliness to the pedestrian. I support and I want all of these improvements that you proposed but I noticed in suggesting that Picacho be transferred from DOT and federal highways to the city, I wonder what will become of that truck traffic? Will that increased pressure on other east/west arterials or will that trigger something that I would not like to see which has been on the MPO plan for many years which is a bypass from Engler Miles to the 10 and so that is a larger scale question I have as an implication of this very good plan and I would just be interested of know more of changes, especially with regards to truck traffic, I believe it is approved for transporting hazardous materials as a principal arterial, I am not sure about that though and to see what other pressure might be in our future on other east/west arterials. I love the motel conversions. I love the invocation of OPTED and I love that if you have ever tried to drive west on Picacho at 5 p.m. that so many of these improvement will overcome the glare issue which is so dangerous in both directions during the day so I think this rigorous plan is very highly appreciated and I thank you for prioritizing that. If we could address those two questions, thank you very much.

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Rhonda Bell said the location of the gateway, I believe we were looking at more of the land use concept of when you feel like you have arrived because there is more of a concentration of built structures. I will say that this is a draft plan. We are not opposed, and we are looking for input like that. That says, we really think that it should be at the river for all the reasons that were listed. If you like I can also respond to the second question regarding the truck traffic. So, when we talked to NMDOT and Public Works all together the question was on the table should the city take over control of West Picacho so that they can control the public realm to create more of the experience we are looking for? What came out of those meetings is the sole single thing that would necessarily change if the city took possession is they could prohibit truck traffic. On the other hand, the cost of taking over the roadway would be very high and so my apologies if we are unclear on the plan and we can update it to be clear. We are not recommending that the City of Las Cruces take control of West Picacho for the cost implications and so to answer the question it will remain until some point in future the context would change and the city would decide that they want to take control it would remain a state and federal roadway and truck traffic would remain on it so I think directly answering the question, no it wouldn't trigger a bypass because the intention is that truck traffic remains.

Councilor Mattiace said it would be interesting from Public Works, other departments to give us an idea of the future of east/west corridors that are going to be built in the city of Las Cruces. I would be interested in knowing that. I think that is really important for the traffic control, particularly Telshor and other streets that are getting pretty crowded.

Jason Silva, Member of the Public said I have lived and/or worked in the area for 30 plus years. I went to both Picacho and Mayfield and care about the area greatly. I agree that the area has been neglected for far too long and investment is needed as well. I like a lot of what Picacho MRA is trying to do. Bruce Apartments do need help. They do need to be brought into code. Camunez Park needs to look like the pictures that they showed. It needs to be safe and fun. I agree with bringing in housing and businesses here as well. Two things that I have. I also hope that there would be more down Picacho. I hope there would be the main focus. I went to all of the meetings that all of the MRA planners put on. They had asked us for our thoughts and ideas. Ideas such as better lighting, walking paths, new types of businesses, different places to eat, doctors, law offices, things to do at night were all amongst the mentioned ideas. This all would be great. Most people did mention crime as a big concern as Rhonda had stated. Some people even said they would like it to resemble the downtown area. That was their idea of how to transform it. I think that as well would be awesome. Number two is safety, safety, safety. I know everyone is excited about that big plot of land. It is a big plot of land and you can do a lot of things. I hope that we are putting safety in mind when looking at what would be allowed here. We have Mayfield with about 1,500 kids plus staff and Picacho Middle School with about 600 to 700 kids plus staff. Plus, we have the Field of Dreams and sports complex with soccer and baseball fields. Many people who live or work or travel in this area often know how bad it gets. The biggest example I have is Trunk or Treat. It was horrible down Tashiro. A lot of the events at the soccer fields makes everything plugged up. I know that we almost ran over two kids just sprinting across the street. Adding more homes will only add to this and that is to be expected and that is fine but the businesses that we place there I

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think that we have to be very thoughtful and careful. I know that the owner had said that he had wanted to do something big and that is totally fine. I think in the area a lot of people will be happy. Is this the right place? I don't think so. Maybe down Picacho I think that would be great. So, any commercial business that is allowed here I hope will have a small footprint and be more a low traffic type. Just some examples. If you look at the other three high schools in town, they don't have a middle school very close by. They don't have high traffic big stores very close to them. Las Cruces High, you have an Albertsons give or take a mile away. Organ Mountain no, Centennial you go down about a mile and you have a grocery store. So, we all know how high school kids drive, and I hope that this will all be put into place with what kind of businesses we have. The question to planners that I have is when you guys were going through the website how many people mention safety as something very important? Having things that were low traffic compared to high traffic. I am pretty sure you got a few of those. So, I hope that these are questions that city council would ask and hope to get before they make a vote.

Rhonda Bell said I can respond generally to Jason's last question about what we heard on the survey. We had about thirty people respond to the survey. I am not sure if you mean the survey that was done in the community at the beginning or if more recently the draft public plan that went up. We heard quite a lot on the survey, the community survey about safety at the beginning of the project. A lot of people did mention Picacho specifically. I am going into my memory bank because that is an older one that I read. I don't recall specific comments from the community survey done last year on Tashiro. I can say that on the most recent comments on the draft that was available last month we ask six questions. We asked for comments on each of those six categories that we went through and then we asked if there were any comments on each of the three catalytic projects. I would have to go back. We may have had one or two comments about Tashiro, the property, but they don't stand out in my mind that it was a wave of comments from communities about that one. I do recall talking to somebody at one of the public meetings who lived in the community directly south of there. Their comment was not so much about safety, they were concerned about the drainage coming off the site. We can certainly if you would like in the interim I am sorry I don't know your exact city process, we can supply those comments. We can look through them again and tell you if there was any about Tashiro Drive or any other specific concern that you have.

Mayor Enriquez said as Jason mentioned it is a valid concern when you have the gathering at Field of Dreams or the soccer fields and things and the congestion and the traffic that takes place so just making sure that we do have the safety in the area and that will be vital especially on Tashiro but all aspects we have to look at that.

Rhonda Bell said it is a really good point and I appreciate you bringing it to our attention. We had noted specifically on Picacho that traffic levels and volumes should continue to be monitored, and I mentioned that relative to pedestrian activated crossings or future signalizations and I would say we should expand that recommendation to specifically note Tashiro in that as well because it is a really good point. This is a major planning tenant that as new uses come in and traffic is going to go up. Tashiro is well designed now that I can certainly see as traffic increases it might need more of those items.

Councilor Bencomo said I do feel like Tashiro and the parking situation when there are big events like we really have to coordinate better with the schools, like the Gus Macker was kind of a disaster when it came to parking, to be honest and so I think that is a very valid concern. I also think there being a neighborhood there I do think it will help but I do think it is important we ask that we bring in LCPS for better coordinating on how some of these events happen. You know there is a giant parking lot on the other side and there is another giant empty lot on the other side of that so there is opportunity for us to do something better with some of that parking and then just lastly as Jason was speaking, can you go back to where we had some of the business response, what they wanted their priorities. I guess I would like to maybe make a pitch for like on West Picacho specifically the infrastructure of a lot of buildings though privately owned I think is struggling and I do feel for a lot of folks that just don't have that kind of capital, right? Like they are small business owners or perhaps not. Perhaps they are out of state landlords and were currently working on something like this already, right? Like to hopefully address some of those issues and honestly the MacArthur neighborhood is in the MRA and so I am excited for like the conversion of a couple of these things, right? Like the neglected properties ordinance that is coming up, but I do hope that as we start thinking about what the funding may look like that we consider a pot of money for folks who want to improve their store fronts especially along and in prioritizing on West Picacho given that they are part of what you see first.

4.3 AN UPDATE ON THE PLASTIC BAG FEE

Jenny Hernandez, Sustainability Officer gave the overhead presentation.

Molly Carrier, Sustainability Co-op continued the overhead presentation.

Jenny Hernandez continued the overhead presentation.

Councilor Flores asked is there any way you would be able to work with the school district in terms of the educational aspect and having children take bags home. It could be maybe smaller bags. I carry one in my trunk, so I never forget my bag and if I do all I have to do is put the groceries into my trunk. Just in terms, it is so important for children and I know that the school and a lot of the teachers and their classrooms do raise that awareness about recycling and all that sort of stuff but in terms of institutionalizing this with an existing organization such as the school district, is there any possibility of doing that? I don't know if there might be legal issues or anything like that, but has it been explored?

Jenny Hernandez said so we have a really great relationship with our community schools that we work with frequently with our Plugged in for Good efforts. We haven't specifically done anything with plastic bags, and they were recipients of several rounds of our reusable bags to hand out at schools but that is a great idea. That is I think something that we can definitely have our co-ops help lead on for the educational purposes, but I think that was a really great idea since there is an existing relationship with the community schools we can definitely look into it.

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Councilor Flores said Councilor Graham and I serve on that board. I served on that board even before its inception. It seems like it would be a good way to bring it home literally and figuratively to the children in the community.

Councilor Mattiace said when you go into a grocery store, and you go to the produce department, and you get the apples you use a lot of plastic bags. I mean you have 42 plastic bags and then you get one paper bag, and you put all of those plastic bags maybe in your carryout bag, have you addressed any of that with the grocery stores?

Jenny Hernandez said it depends on which grocery store. We actually reached out to Natural Grocers. I don't know if you all recall that they have like a green bag. I think Sprouts does too. Those are biodegradable and not made of plastic bags and so we were curious. We wanted to go down a rabbit hole and see how much, is it more expensive, was it cheaper so that we could propose a similar thing to all grocery stores.

Councilor Mattiace said that might be another proposed usage or some education that you could actually use the money to go into the bigger chain stores and say could you use the biodegradable? And then another proposed use is that sometimes you have a lot of the paper bags and biodegradable plastic bags on our streets, maybe we could allocate some funding for Mano y Mano because they do a great job cleaning up all the paper bags and plastic bags in our city. That would be another suggestion if we could maybe allocate another \$100,000 toward Mano y Mano. Just a suggestion from District 2 Councilor.

Councilor Bencomo said I think it is smart to think about how else to use the limited funding but nonetheless I think you have some really good options and I support that. I wanted to ask, four years ago or whenever we adopted this there was a concession made around restaurants, their ability to continue using plastic bags. I am curious if you revisited any conversations with any restaurants about this? If you haven't perhaps that could be the next step because I think at this point those are the only businesses that use the plastic bags.

Jenny Hernandez said yes, it has been a little bit harder with restaurants just because I don't know if you all have had experience when food spills in the paper bag. It is a mess, so plastic holds up a little bit better. We can revisit it though because it has been a long time since we initially had this discussion and so that is a great suggestion that we can revisit it.

Councilor McClure asked the energy audits, do you work with Utilities on that? I like the idea that you have multiple education opportunities and that is definitely one of them too.

Jenny Hernandez said we do not work with Utilities specifically currently for the energy audits that we are doing now but if the fee gets amended it is definitely something that we can explore with Utilities. Right now, our partnership is with or previously has been with the Community College. We have been working with Dona

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Ana Community College to help us with the energy audits that we have been doing.

Juan Garcia, Member of the Public said before I start, I would like to congratulate Councilor Corran for her re-election. I wish you the best over the next four years. I am glad to hear the Malpractice Act, and the Medical Compact are back on stage and hopefully it will be resolved. There is no excuse for this critical issue to still not be resolved. Hope the next council will support. One ordinance that I personally dislike is the ban of single use plastic bags. We still have plastic bags for bread, vegetables, fruit, and other items but let's make things difficult for the population and impose a usage tax for the use of paper bags so instead of plastic bags on the road we now see an increase in trash, needles, feces, and other garbage around the city but you scored some good political points with Las Cruces having the distinction of being the only city in New Mexico imposing this additional tax. On the other hand, the good point about this ordinance is every time I go to Fiesta Foods to get my groceries, and I forget my environmentally correct grocery bag I think of our councilors.

5. ADJOURNMENT

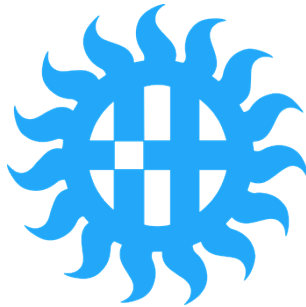
5.1

Councilor Yvonne Flores moved, seconded by Councilor Becky Corran, to adjourn at 3:59 p.m.

RESULT:	Carried
MOVER:	Councilor Yvonne Flores
SECONDER:	Councilor Becky Corran
AYES:	Councilor Yvonne Flores, Councilor Becky Corran, Mayor Eric Enriquez, Councilor Cassie McClure, and Councilor William Mattiace
ABSENT:	Councilor Johana Bencomo and Councilor Becki Graham

Mayor

City Clerk



MINUTES

City Council

Monday, November 17, 2025 @ 1:00 PM

City Council Chambers, City Hall

PRESENT: Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores

ABSENT: Councilor William Mattiace

1. OPENING CEREMONIES

1.1 PLEDGE OF ALLEGIANCE - COUNCILOR MCCLURE.

1.2 PRESENTATION OF CERTIFICATES OF APPRECIATION/PROCLAMATIONS - COUNCILOR MCCLURE.

Councilor McClure presented the Southern New Mexico Diabetes Alliance with a proclamation for Diabetes Awareness Month.

Councilor McClure presented the City's GIS Team with a proclamation for GIS Day.

1.3 PETS OF THE WEEK.

Carol Nielson, Animal Services Center of the Mesilla Valley presented Pets of the Week.

2. CONFLICT OF INTEREST INQUIRY BY MAYOR AS REQUIRED BY LCMC SECTION 2-27 (E)(2)

2.1

None.

3. PUBLIC PARTICIPATION

3.1

Liz Rodriguez-Johnson, Member of the Public said it looks like the \$15 million in funding that the city obtained from the state to implement a portion of the Lead and

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Copper Rule was gotten under false pretenses. The city claimed it would investigate disadvantaged properties first. Look at Handout A to read Deputy Director of Regulatory Compliance Steve Perez's promise to prioritize disadvantaged populations. However, in response to an IPRA request the Utilities Department stated that while there have been investigations completed at disadvantaged properties there are no reports created of this information. You can see the response in Handout B. This is unbelievable for several reasons. First as a basic administrative matter if no record exists that a required action took place it didn't happen, another reason the department personnel had actually investigated any disadvantaged properties within the city they would provide documents to prove it. They would probably be holding meetings throughout the city to brag about how responsive the city had been to disadvantaged people. Furthermore, if they did investigate disadvantaged properties why don't they want to document it? Did they decide that the findings were so bad that they needed to hide them? Did they find lead pipes that they don't want to acknowledge? Las Cruces Utilities has been claiming that no lead pipes whatsoever have been found. Look at Handout C and D. Disadvantaged neighborhoods are where lead pipes are most likely to be. It is extremely unlikely that all the lead pipes that were originally used in the properties building up through the 1960s would have been replaced with non-lead piping. Folks occupying these areas of the city most likely would not have had the financial resources to replace all that lead piping and probably still don't. It appears very unlikely that the Utilities Department has not actually investigated any properties in the oldest or the disadvantaged areas of the city or if they have they have looked at only very few. That appears to be the real reason they claim that they don't have any investigation records for disadvantaged properties. You need to instruct the City Manager to get moving and make sure that all the disadvantaged members of our community are treated decently, even handedly and in full compliance with the rule and that all promises made to the state are carried out fully. You need to instruct the City Manager to assure that every disadvantaged property in the city is investigated posthaste and fully documented in a written report. Then make public every inspection report for every single property.

Lynn Moorer, Member of the Public said as demonstrated by countless actions and omissions we have documented over the past year it is clear that Las Cruces Utilities neither respects the Lead and Cooper Rule nor the truth. The latest discovery that the city will not produce records of water pipe investigations at disadvantaged properties despite promising the state that it would prioritize such investigations is further evidence of this disrespect as well as profound disrespect for disadvantaged folks in our community. Las Cruces Utilities creates investigation reports for other properties like those with galvanized piping requiring replacement. Handout 1 provides five examples of these reports. If the department really did the investigations, why would it choose to not document findings of disadvantaged properties? Properties with galvanized piping get inspection reports but disadvantaged properties don't deserve a report? It is the department that disappeared countless records including all the designations of disadvantaged populations. Handout 2 is an inventory record dated June 9th showing designation as a disadvantaged property attached to an inventory record for the same property dated five months later showing that designation disappeared. Why does the city want to hide disadvantaged designations? Perhaps lead pipes have been found on those properties which were generally located in the oldest parts of the city where lead piping is likely to still be present. It seems to be

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more important to the department to insist publicly that the city has no lead pipes regardless of the truth rather than keep its promise to take care of the lower-income folks who need help. Las Cruces Utilities credibility and humanity are gone with the New Mexico wind. This is the department that leaves off the map most folks who live in mobile homes. It thumbs its nose at EPA's requirement to sample the tap when requested when requested. This is the department that failed for four months to send out an initial notification letter in Spanish. This department falsely claims that no galvanized piping has been found in the city even though as documented at the last meeting inspection reports reveal at least 77 properties with galvanized piping. Handout 3 documents the department's false statement. This is a serious problem that requires more than fact free cheerleading. It must take care of everyone within our community. You need to instruct the City Manager to rouse himself and assure that all disadvantaged properties are fully investigated and documented in writing without delay and a factual investigation report for every property be made public. Finally, the Utilities Board meeting November 13th was convened and chaired by Councilor Bencomo. I was surprised to see her there much less chairing the meeting. The City's website indicates her four-year term on the board has expired. See Handout 4. She had no authority for her actions. This calls into question the legality of all actions taken at the meeting.

Lucas Herndon, Member of the Public said I am a resident of District 2. This past week Chief Story made another of his grand social media videos celebrating the detention of Mr. Neal Garcia, a citizen of Las Cruces, by federal agents. I understand that there is a failing on more than one level of our overall systems responsible for someone like Mr. Garcia who continues to be arrested and released. I wish I had an answer to that problem, but I don't. What I do have is concern about the way in which this issue was handled, about the power creep of police chiefs going above and beyond their job descriptions and the directives I thought were pretty clearly supposed to protect all of us. Let's be clear, police overreach isn't an accident. It is not a rogue officer here or there, it's a pattern. One in which police chief bypass their own chain of command, ignore local oversight and appeal directly to federal agencies that are increasingly weaponized by a regime that sees descent as a threat. We have seen in the cities where mayors and city councils are sidelined, not by protest, not by riot but by police chiefs that picks up the phone and calls FBI, the DHS, or even the National Guard to intervene in local matters that should have never have left the city limits. These aren't emergency calls, these are power grabs dressed up as public safety. And what is the federal response? In this administration federal power is a check on abuse, it is a tool of escalation. The same agencies that surveil Black Lives Matter, that militarize local police, protests, that detain immigrants till due process, these are the agencies being invited into our neighborhoods by local police who want to bypass accountability. This is power creep, the slow deliberate expansion of authority beyond what is lawful, beyond what is democratic and beyond what is just. And let's not pretend this is about keeping order. When a police chief calls in federal agents because a city council won't fund a new surveillance system, that is not public safety that is authoritarianism is slow motion. This isn't about race, thought it does disproportionately impact black, brown, and indigenous communities. It is about a power, who holds it, who controls it, and who is allowed to question it. When local officials are sidelined, when the citizens are treated as suspects, when protest are criminalized, that is not policing. That is occupation and it is happening under the

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guise of law and order. A phrase that has been weaponized to justify everything from mass surveillance to no knock raids on peaceful homes. The same phrase that has been used to justify the militarization of our streets. The criminalization of poverty and a silencing of descent. We need to draw a line. We need to demand that the police chiefs answer to their elected officials. Not to federal task forces or shadowing agencies that are operated without transparency. We need to restore local control, reinstate civilian oversight and ensure that every municipal dollar be spent towards improving the lives of our communities and not further militarizing them because when police power creeps in beyond the law it doesn't just erode trust it erodes democracy, and we can't afford to let that happen. So, let's be clear. We will not be policed into silence. We will not be surveilled into submission. We will not let local power be surrendered to federal fascism. Our communities are not battle grounds, our people are not threats and our democracy is not negotiable.

Connie Chapman, Member of the Public said I would like to address the current conversation around the upcoming GRT funds and the request being made to our state legislators. I am here to remind everyone that during the January 23, 2025, police public safety townhall that was held here in this chamber in front of a full house Chief Story agreed that there is a need for more resources and all areas of social support to address public safety and juvenile crime. He stated several times that if a juvenile is being arrested then we have already failed. I believe public safety comes in all shapes and sizes. When making decisions around future GRT money and the upcoming list of priority projects we want our Santa Fe lobbyists to pitch to our legislators let's remember the Chief's own words and fund projects that directly address those underlying issues. Funds for affordable housing, more recreational centers, more park upgrades, the efforts and programs of organizations such as Mesilla Valley Community of Hope and yes even an expanded and improved public library that will offer youth programming in addition to new physical spaces versus hanging out on the street. Asking to fund a \$1.5 million driving track does nothing to address the very issues Chief Story stated needed to be addressed. City Council has never denied Chief Story the funds he has requested that directly benefit the Police Department and yet here we are dealing with the same issues year after year. Apparently fully funding every police request isn't the answer to all our problems. It is past time to prioritize directly funding the projects and programs that address the lack of resources for the underlying issues of mental health, substance abuse, and juvenile crime.

Jim Hoerst, Member of the Public said I am going to talk about history. There was an election 11 days ago. You may have remembered it and what I take away from it is Realize Las Cruces is here to stay. Votes are in. The voters affirm Realize Las Cruces and in spite of all of the efforts from the right the voter opposition to the measure was inconsequential. Two, the young are voters now. They have been awakened by opposition to ICE and illegal mass deportations, MAGA and Trump, and on the local front by opposition to Project Jupiter. They are voters now and any party that ignores them ignores them at their peril. Three, the Dona Ana School Board race proves the county is trending secular. The book burners, pardon me the book banners, the mothers of tyranny I mean the mothers of liberty lost not only in Dona Ana County but everywhere else in the USA. They were 0 for 30 nationally. They didn't win anywhere. Even in the bible belt. The candidate who most wholeheartedly endorsed separation

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of church and state won and one handedly. Those who warn of conservative backlash against liberal policies you know diversity, inclusion, and equality, protection from the immigrant community and the LGBTQ+ community can be and should be rationally ignored. To my knowledge the measure to end the opening prayer for Dona Ana County Commission was not mentioned in the school board race. This proves the forces of Christian nationalism and dominionism has not only lost the battle but have fled the field. Four, the bond issue. The bond issue was passed by nearly 2 to 1. Bond issues constitute the vote of confidence for the local governing body. If the citizens didn't believe that you were spending the money responsibly, they wouldn't approve your bond. In conclusion Las Cruces and Dona Ana County have identified themselves as liberal progressive communities. The people have spoken, govern accordingly.

4. **READ CLOSED MEETING STATEMENT**

4.1 **READ NOVEMBER 17, 2025 CLOSED MEETING STATEMENT INTO THE RECORD.**

The City JPA's met in closed session and only discussed those limited items as stated in the posted notice:

To conduct an audit exit conference FY25 for City of Las Cruces, South Central Solid Waste Authority, Metro Narcotics, Mesilla Valley Regional Dispatch Authority, and Animal Services Center of the Mesilla Valley, which is closed pursuant to NMSA 1978, Section 12-6-5 to 12-6-14.

5. **ACCEPTANCE OF AGENDA**

Councilor Yvonne Flores moved, seconded by Councilor Becki Graham, to accept the agenda as presented.

RESULT:	Carried
MOVER:	Councilor Yvonne Flores
SECONDER:	Councilor Becki Graham
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

6. **CITY COUNCIL MINUTES**

6.1 **WORK SESSION OF OCTOBER 14, 2025.**

6.2 **REGULAR CITY COUNCIL MEETING OF OCTOBER 20, 2025.**

7. **RESOLUTION(S) AND/OR ORDINANCE(S) FOR CONSENT AGENDA**

7.1 **RESOLUTION NO. 26-063: A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES TO PURCHASE ADDITIONAL LASERFICHE RIO LICENSES FROM ICC COMMUNITY DEVELOPMENT SOLUTIONS (FORMERLY GENERAL CODE CMS) OF ROCHESTER, NEW YORK, IN AN AMOUNT NOT TO EXCEED \$60,931.20, PLUS APPLICABLE TAXES**

(PROCUREMENT NO. 25-26-043).

8. RESOLUTION(S) AND/OR ORDINANCE(S) FOR DISCUSSION

8.1 **RESOLUTION NO. 26-064: A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES (CITY) TO ACCEPT BUDGET ADJUSTMENTS FOR VARIOUS CITY DEPARTMENTS THROUGH AN AMENDMENT TO THE CITY’S ADOPTED FISCAL YEAR (FY) 2025-26 BUDGET.**

Vanessa Perez, Budget Analyst gave the overhead presentation.

Councilor Corran asked I was hoping you could talk a little bit more about the \$4 million that is being put back into the Telshor Fund?

Natalie Green, Neighborhood and Housing Revitalization Services Administrator said the city received \$11 million from the State of New Mexico and so one of the those projects funded under that agreement was the Peachtree Project so the state funding Peachtree in its entirety and the city will not need to expend any of our funds so we are returning the \$4 million to the Telshor Fund and we do anticipate returning an additional 2 but I am holding on to it for just a little bit longer before I let it go but we should be able to make the Telshor Fund whole sooner than later.

Councilor Bencomo said I actually just really wanted to thank you and City Manager and staff for the \$150,000 to organization providing food given the recent SNAP benefits that were withheld and I am sure that set families back weeks if not months, so I just wanted to thank you all for that.

Councilor Becky Corran moved, seconded by Councilor Becki Graham, to Approve Resolution No. 26-064.

RESULT:	Carried
MOVER:	Councilor Becky Corran
SECONDER:	Councilor Becki Graham
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

8.2 **RESOLUTION NO. 26-065: A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES (CITY) TO ACCEPT A GRANT AWARD FOR THE POLICE DEPARTMENT THROUGH AN AMENDMENT TO THE CITY’S ADOPTED FY2026 BUDGET.**

Gaby Prats, Grant Manager gave the overhead presentation.

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to Approve Resolution No 26-065.

RESULT:	Carried
MOVER:	Councilor Becki Graham
SECONDER:	Councilor Becky Corran
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham,

	Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

8.3 RESOLUTION NO. 26-066: A RESOLUTION AMENDING THE FY2026 - 2031 CAPITAL IMPROVEMENTS PROGRAM.

Cynthia Alamillo, CIP Manager gave the overhead presentation.

Councilor Flores asked when I look at all these line items, I wonder exactly what kind of work was done and I don't know if that is within the purview? It is obviously not in the purview of today's presentation but in terms of letting city council and the city know exactly when improvements were made. For example, on page 6 of your presentation there was a renovation for the Amador Hotel. I thought it was a private entity? Do we have a partnership with the hotel after all these decades I have lived here?

Cynthia Alamillo said thank you for the feedback, on the next presentation I will be more than happy to provide more specifics as to when we said that there is project progress, what exactly does it mean. For this round, specifically for the Amador Hotel renovations I would like to either invite Public Works or Quality of Life to see if they can give us more details on this expense.

Councilor Flores said not only the expense. I want to know what the legal affiliation or relationship we have with Amador. I thought it was a private entity.

Carol Brey, Quality of Life Director said the Amador Hotel Project has been underway for some years now. We began, I would have to say for at least the last five years now. There has been some construction improvements going on at the Amador Hotel. So, you may have noticed that the west wall is completed. We are in Phase II right now which is exterior improvements and this phase will when it is completed all of the exterior improvements will be done and then the next phase which we are currently seeking funding for in fact we have a pending grant right now for the interior improvements and that would be the first floor which would allow us to open the facility to the public. So, the project is progressing steadily with the help of our colleagues at Public Works, and they are doing the heavy lifting because they are managing the contract with both of our architects and the contractor that has been hired to do the work.

Councilor Flores asked why is it a city function?

Carol Brey said the city owns the Amador Hotel, since 2007 we have owned it. It was transferred to the city for \$1 by the County and in early 2024 it was actually put under the Quality of Life Department for us as the user department. So, we are now considered the department that is sort of like the owner of the project although like I said we are working very closely with Public Works to actually make all of that happen, all of that magic happen.

Councilor Flores said I don't think I have ever seen anything in the newspaper about

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how we do our work here at City Hall, but I think it would be an interesting article or something, piece for the local newspaper to educate people. Just in case they see this and say why are we subsidizing a private entity when in fact it isn't. What I would like to see on the CIP amendments, the money that has been expended or not expended, an explanation as to how the expenses went or what they were? That would be good to know because some of these balances are actually higher and I don't know if there is any anticipation for example the University area, complete streets. What is going to happen with that? On page 9, the East Mesa roads and drainage? Do you know or someone in Public Works know exactly what was done there?

Kyle Arend, Interim Public Works Director said the East Mesa roads and drainage projects is currently in construction Cortez Drive Project, from Porter to Dunn to completely reconstruct that road with new gutters, sidewalks, and a trail alongside the road and utilities.

Councilor Flores said there are a lot of other areas in the East Mesa part that needs roads throughout. Is there any plan for that? Or has anything been designed or talked about? It is something that I raised a lot when I was more energetic and a lot younger and I haven't kept on top of it and so I apologize to my East Mesa residents, but I would like to know what the plan is? If there is a plan? And I know that Adrienne Widmer has had meetings out there regarding the septic tanks and all of that and money that came in for all of that but I haven't heard anything lately published about developments out there.

Kyle Arend said nothing has been funded just yet. We do have additional projects in the area that we are looking forward to getting to work on. Enterprise, there is another road up on the Hacienda Acres area. There is some work on Shannon and Dunn we would like to be looking at, but we will have to start on those and prioritize this additional funding that comes available.

Councilor Flores said drainage out there is a nightmare. I have shared before there was a residence there just off of Dunn and Cortez actually and they are like on the east side of that where it floods so much that even this woman's boots, the really tall boots that go right above your knee didn't cover it and she went out to get some groceries and came back and wasn't able to get them into her house and she was barely able to get into her own house. So, it would be great if you could just keep me posted as much as you can or my successor on city council.

Councilor Becky Corran moved, seconded by Councilor Becki Graham, to Approve Resolution No. 26-066.

RESULT:	Carried
MOVER:	Councilor Becky Corran
SECONDER:	Councilor Becki Graham
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

8.4 RESOLUTION NO. 26-067: A RESOLUTION ADOPTING A FEE SCHEDULE

PURSUANT TO LAS CRUCES MUNICIPAL CODE, CHAPTER 7, SECTION 7-46. FEES AND PENALTIES.

Henry Becker, Interim Deputy City Attorney gave the overhead presentation.

Councilor Graham asked do you have Exhibit A available that we can have it up on the screen?

Henry Becker said the first amendment is to take out the word, application because that word is a little confusing. So, you remove that word and then delete the remainder of this sentence and you will just have to imagine. In place of that highlighted remainder you would put, when a single site is processed for any of the following permits for the first time. It is just more clearly meant to say the first time you need to get a permit for your thing, for anything under this schedule you are going to have to pay \$20, which is just a processing fee. And then the second amendment was to insert after this language right here, the word permit just so it becomes more clear that if you are registering your property for the first time for a dangerous dog permit or potentially dangerous dog permit again you will have to pay the \$20 fee.

Councilor Bencomo asked where will the fees go?

Henry Becker said I believe the fees are going back into the program so they will feed directly back into the Animal Control Officer's budget.

Gino Jimenez, Animal Control Supervisor said those funds would go directly into the general fund.

Councilor Bencomo said we don't have to do this today, but I guess in the future if we wanted to see a change of that, I don't know what advocates think, I don't know what the Animal Services Center thinks. I know that sometimes citations that have fees out of Municipal Court sometimes they go back to Municipal Court for education programs or whatever. I guess I think that could be potentially something we can explore in the future? Where the fees go instead of the general fund to have them go specifically to education efforts or something like that but again we can do that at a future time, that would just be my request and then I just want to remind the public just because April feels ten years ago to be very honest and so I as soon I read dangerous or potentially dangerous dogs I could not remember what the statute said so I do want to remind folks to look at the ordinance that essentially Municipal Court Judge would make those determinations, right? So, Henry at that point when a Municipal Court Judge determines a potentially dangerous dog for example the fee would be assessed at that exact moment?

Henry Becker said it would be assessed at the time of registration. The court will order the individual to register which is just an order telling someone when to do something. Once the person complies with the order they would have to interface with the city administration and through the city process. I am not familiar, I assume it is online or in person that it can be done. The person would pay the fee at that time.

Councilor Bencomo said City Manager, that would be my request to future explore

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how these fees could potentially just be more intentionally used.

Kathe Stark, Member of the Public said I have a couple of questions and then I have what I hope will be something that you reconsider in fact to be in line with the county. On the enclosed feral cat colony, I am confused what we were trying to achieve there. Number one because a lot of our free roaming cats are not feral. They have been abandoned and if you question that just go into Cat's Meow and see how many ear tipped cats are there for adoption. So, what is the purpose, are we saying that we prefer someone like myself to allow them to just stay free roaming if I enclose my back patio to keep them safer and to keep them healthy then I pay a permit fee for that? Why is the fee for that more than for a multi-animal site permit which is residential and why is it more than for a guard dog? When a guard dog, not all of them but they can cause more damage if they get out then a feral cat getting out of an enclosed colony so that is one more question? On the intact animal permit to be in sync with the county it should read, per animal not per site. I could have four intact animals males and females and one of the objectives is to try and stop the backyard breeding and then to dumping the animals at the ASCMV. A question associated with that is, we had intact animal permits in the previous ordinance, but it was never executed, it was never enforced when it comes to reclaims at the ASCMV. So, the question is has a protocol been established to in fact enforce that at reclaims? I know we had put forward some ideas that came in from other municipalities. Finally on the litter fee again, to be in sync with the county it should be per litter not per site because again I can have multiple animals doing their thing and we have kitten and puppies when it is per site versus when it is per litter.

Councilor Graham said I recognize that there is limits to what we can amend from the dais, but I am hoping that we could strike the enclosed feral cat colony fee and then as suggested by Ms. Stark modify the intact animal permit to change per site to per animal. Would that be possible? That is possible, so I would just appeal to my colleagues that I agree with both of those. I don't know if we need to have any discussion on it? I don't want to make the amendment before people have the chance to talk about it.

Councilor Bencomo said I was just going to agree though I agree on the litter fee as well, per litter instead of per site. I am wondering if guard dog is kind of the same thing, right? You could have multiple guard dogs?

Henry Becker said it is indeed as how Councilor Graham said. So, I take responsibility for that. It should be struck for litter fee, it should be per litter so if you could amend and I could use this to show everybody where I was talking about. Instead of site here litter, and then here where I highlight, instead of site it could say animal and that would more closely align with the county and of course it's entirely within the councils prerogative to eliminate this entirely and I believe there was a question, what does this mean? Does this mean per dog, per what? And the answer to that is that is per site. That is accurate, per site. So, the number of guard dogs for which we require permitting under obviously this isn't the entirety of the ordinance pertaining to animals but the number of dogs I believe, and Mr. Jimenz can come up here and correct me if I am wrong is between three and seven, up to two there is no permitting requirement

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at all. After two there is a permitting requirement and there is no additional distinction made in the permit fee for how many dogs at that point so four, five, six, same fee will be \$50 per site.

Mayor Enriquez asked part of Ms. Stark’s question was what was the intent?

Gino Jimenez said on this one, this was included on the last ordinance and the last schedule of fees was well, so the writing wasn’t changed. Instead of saying enclosed feral cat colonies, the writing should have said enclosed community cat colony. The intent there is for the same thing. These are showing animals or cats that are enclosed within somebody’s property. Almost the same thing as a multi-animal site permit. Rather that these animals are being cared for by a citizen, domesticated if you will and then once they have reached that domestication stage they can go to a different home to be placed as adopted, given a better life. So, it is almost the same thing as a multi-animal site permit.

Councilor Corran asked if someone had a multi-site animal permit, if we cut this, they could still register their house as a multi-animal site permit? If we cut that it is not really functionally making a huge difference except it won’t be double assessed to people who have an enclosed colony.

Gino Jimenez said absolutely. They would need that multi-animal site permit for the excess of animals, whether it be dogs or cats and then a separate for the enclosed community cat colony.

Henry Becker said I think the Councilor’s question pertains to if we struck the language for enclosed feral cat colony there would still be a form of registration and fee paid. I think that is what the councilor’s question pertains to and that it would be yes.

Councilor Becky Corran moved, seconded by Councilor Becki Graham, to amend Resolution No. 26-067 in the exhibit for the sentence to state there shall be a onetime fee of \$20 when a single site is processed for any of the following permits for the first time and also to add the word permit after the dangerous or potentially dangerous dogs.

RESULT:	Carried
MOVER:	Councilor Becky Corran
SECONDER:	Councilor Becki Graham
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to amend Exhibit A to remove the enclosed feral cat colony and the \$75 annually, and to add for the intact animal permit per “animal” and for the litter fee per “litter”.

RESULT:	Carried
MOVER:	Councilor Becki Graham
SECONDER:	Councilor Becky Corran

AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to Approve Resolution No. 26-067 as amended.

RESULT:	Carried
MOVER:	Councilor Becki Graham
SECONDER:	Councilor Becky Corran
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

8.5 COUNCIL BILL NO. 26-009; ORDINANCE NO. 3101: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (ENDURANCE TECHNOLOGIES USA INC. PROJECT) IN A MAXIMUM PRINCIPAL AMOUNT OF \$17,600,000 IN ONE OR MORE SERIES TO PROVIDE FUNDS TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF AN INDUSTRIAL REVENUE BOND PROJECT FOR USE BY ENDURANCE TECHNOLOGIES USA INC. OR ITS SUCCESSORS OR ASSIGNS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, LEASE, BOND PURCHASE AGREEMENT, THE BONDS AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS AND THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

Elizabeth Teeters, Economic Development Director gave the overhead presentation.

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to Approve Ordinance No. 3101.

RESULT:	Carried
MOVER:	Councilor Becki Graham
SECONDER:	Councilor Becky Corran
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

9. BOARD APPOINTMENTS

9.1

None.

10. NOTICE OF PROPOSED ORDINANCE(S)

- 1) There will be no public discussion.
- 2) A Councilor may ask staff for clarification on the proposed ordinance(s).

10.1 COUNCIL BILL NO. 26-010; ORDINANCE NO. 3102: AN ORDINANCE

**AMENDING CHAPTERS 34-38 OF THE LAS CRUCES MUNICIPAL CODE
WITH THE CORRESPONDING ZONING MAP AS PRESENTED. (CASE NO.
ZCA-25-01)**

Council agreed to bring it forward.

11. CITY COUNCIL MEMBER BOARD REPORTS AND COMMENT

11.1 COUNCILOR MCCLURE

I just wanted to report back from some shenanigans this weekend. I went to our Sister City Lerdo, Mexico and it was fantastic, and we are going to have to up our game on the swag. It was intense but it was a lot. Their Mayor Susie might now be my bestie. She was really engaged and looking at opportunities that we might be able to share from Lerdo to Las Cruces specifically things like people who know how to make adobe. Which is something we severely lack here and helping them as well with things like high arsenic in their water. We have some really fantastic and talented Utilities folks. It was a great experience, and I want to say that I think we are open to collaborating a little bit more down there as well.

Mayor Enriquez asked how long was the ride?

Councilor McClure said it was ten hours, and I just got back this morning. We had a great reception from the Sister Cities Committee and from so many people, I was in a parade, I was on a stage last night giving, you all know I don't do speeches, and I did so many speeches, English and Spanish. It was crazy, crazy. We are going to have to make them give a zillion speeches, but they will do it with grace, and I hope that I had to represent Las Cruces.

11.2 COUNCILOR GRAHAM

I am just going to reiterate an announcement made at the beginning of the meeting by Carol, our amazing Pets of the Week ASCMV staff liaison to invite folks out Wednesday, this coming Wednesday the 19th, 4 to 6 p.m. at the Animal Services Center Medical Building for a meet and greet with our finalist for our ASCMV Director position. I will note that it is not a surgery day so we will not be supplanting any surgical operations. The lobby will be ours. We are going with a kind of more informal, kind of conversational type of event where each of the finalists will give just a brief talk about themselves, their background, their philosophies and then it will be more of an opportunity to get to converse with them. I know there are advantages and disadvantages to hauling them in here and putting them on the dais and having them face questions from the podium. It has its merits but so I think does this format and the community will be invited to share their impressions and input. There will be a QR code for everyone to scan on the way in and you can take a survey and also have access to their bios, resumes, etcetera. So please come on out to that if you are interested in the hiring of this next person.

Also harkening back to a comment made during public comment. I can't believe the election was only 11 days ago because it already feels like a month or something. But congratulations to everyone who ran. It is amazing to see people step up and a special shout out to Councilor Elect Michael Harris who will be filling my seat in the coming year and congratulations to Councilor Corran who was resoundingly reelected.

11.3 COUNCILOR CORRAN

Thank you, Councilor Graham, for working on the Executive Director Search Committee. I know you and the community members that were involved as well as the search firm, it's a hard job and it means a lot to the community that we had a pull of applicants, these are some great folks that are coming to town who really can lead us forward so I am really excited for the opportunity for our community to keep moving forward on the ASCMV. So, thank you for your work on that. I know it is a lot of scheduling and coordination and input that you get.

I also wanted to give a quick shout out to tomorrow morning, the City's pilot program. I will call it pilot, I don't know if it is really pilot for EV Rental Program is kicking off. We are partnering with Fourth Mobility to have electric vehicles that residents can rent, and the idea is since our climate action plan suggest that most of our local air pollution in particular but contributions to climate change comes from overall transportation. This is a tiny way to democratize transportation and in addition to our public transit, in addition to our paratransit and all of the other ways that we are working on addressing that and so tomorrow at 9 a.m. at 307 South Main I will see you all there for this sustainability EV car kick off.

11.4 COUNCILOR FLORES

None.

11.5 COUNCILOR BENCOMO

I also wanted to congratulate Councilor Corran on her reelection. You ran a great campaign, and I am very grateful that I will be serving with you for a couple more years. And of course, I congratulate two incoming city councilors. I look forward to working with both of them and for sure thank you to everyone who ran. Obviously as people who have done it before we know what it takes, and it is certainly not easy so thank you to everyone who ran and of course, thank you to our City Clerk for helping administer part of that election. As always that is why you are number one in our hearts and number one in the state, Christine.

Lastly, I have the great honor of serving on the Utilities Board which is one of my favorite duties and I will do that until Adrienne tells me to leave. I do just want to note that our Code does say, "Every member unless removed as provided in this section shall hold office until a successor has been duly qualified and appointed". And I don't believe there are any term limits so I will serve on that board until I am gone. However, that is not what I wanted to say about Utilities. Our very thoughtful Utilities staff, we were in our Utilities Board meeting last week and we talked about the Utilities Assistance Fund which to anybody who has been faced with a very sinister choice this month of buying food for your family or paying your bills please know that paying your bills at least set that Utilities does not have to weigh heavy on you. That the staff will not be conducting any shutoffs this month or next month for anyone who has struggled because they were furloughed, they weren't working or again some of their SNAP benefits got cut and there is still that Utilities Assistance Fund for both residents and commercial properties so please call Utilities and they will be more than happy to assist you and thank you very much Adrienne for ensuring your staff is thinking ahead on that.

11.6 MAYOR ENRIQUEZ

I too want to congratulate you Councilor Corran for your reelection. Good job and then to the new incoming Harris and Munoz. Again, I just want to thank everyone that attended the Veterans Parade and the whole week of honoring our Veterans and the committee and the city staff that helps out with the Veterans Parade. It was a great time and a healing purpose for our Veterans and also, I just want to give a kudos to our Library, Carol and Sarah. They celebrated the 90th year anniversary for Branigan Library. So good job, congratulations. They also this weekend had the Border Regional Library Association that they hosted here this week. Over 100 librarians coming from El Paso, New Mexico, Las Cruces areas. That was great to have. Also, a shout out to Mountain View Hospital for recognizing the importance in our healthcare and hosting the healthcare event at the downtown plaza this weekend.

12. CITY MANAGER REPORT

12.1 IKANI TAUMOEPEAU

Visit Las Cruces team, they were featured in the Forbes Holiday Travel story. This is the result of the hard work of our Visit Las Cruces Marketing Director Lorena Lozano and her collaboration with our new PR agency. As noted, the article highlights our seasonal events and festive atmosphere, Renaissance Arts Faire, Home Grown at the New Mexico Farm and Ranch Heritage Museum, City of Las Cruces Tree Lighting, Mesilla Plaza celebrations and more. Again, this also includes a photo and direct link. If you go to our website with over 53 million monthly readers this will result in significant national exposure for our city and that is our tourism staff and department doing everything they can to get our lodgers tax up and make money. So, we appreciate everything that they do and also keeping our region and our city top of mind for those looking to come and travel to Las Cruces.

I appreciate public comments. It is always an opportunity for people to express themselves and perspectives. One that was brought up was public safety which has been in the news lately and so I just wanted to share some perspective. Our Police Department has typically historically partnered with federal agencies. This isn't something new that we have done but I wanted our Chief to share and speak to that so he can share some perspective as well from our Police Department.

Jeremy Story, Police Chief said historically, and I don't expect people to know this and why would they. I wouldn't know if I was just a common citizen. Historically we have worked with federal agencies like the FBI, ATF, DEA for crimes within our community and that has been since before I started here. The Young Park shooting is a great example although is just one of many of how we can work together and collaborate. During that investigation, it was flawless how we worked with the FBI, ATF, and the US Attorney's Office, District Attorney's Office who ultimately charged the cases. That was the most appropriate in that case, was the state charges. Like almost all police departments we leverage task force officers which are police officers that are given federal authority for specific criminal statutes, completely separate from immigration enforcement so that we can leverage the resources in that tool to help hold people accountable when the state system fails. That is primarily with major incidents, egregious crimes or repeat offenders and some of those examples of cases that we

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do all the time, every year there is narcotics trafficking, all of our metro agents are part of the FBI task force. Our street crimes unit as well. So narcotics trafficking, human trafficking, weapons violations, serious weapons violations, especially ones that coincide with narcotics trafficking and then unfortunately we have far too many cases of child exploitation and child pornography that our task force officers deal with all the time. That tool is something that we have always used and need to continue to use to keep Las Cruces safe.

13. ADJOURNMENT

13.1

Councilor Yvonne Flores moved, seconded by Councilor Becki Graham, to adjourn at 2:37 p.m.

RESULT:	Carried
MOVER:	Councilor Yvonne Flores
SECONDER:	Councilor Becki Graham
AYES:	Mayor Eric Enriquez, Councilor Cassie McClure, Councilor Becki Graham, Councilor Johana Bencomo, Councilor Becky Corran, and Councilor Yvonne Flores
ABSENT:	Councilor William Mattiace

Mayor

City Clerk



26-076

City Council Action and Executive Summary

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:		Adopted:	December 15, 2025
Drafter:	Gaby Prats	Department:	Financial Services
Title:	A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES (CITY) TO ACCEPT GRANT AWARDS FOR VARIOUS CITY DEPARTMENTS THROUGH AN AMENDMENT TO THE CITY'S ADOPTED FY2026 BUDGET.		

TYPE OF ACTION: ☒ Administrative ☐ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
To accept various grant awards and amend the FY26 budget.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
The City of Las Cruces (City) relies on grant funding for many of the critical programs provided each year for the residents of Las Cruces. Grant funding awards are received throughout the fiscal year and are not budgeted during the normal fiscal year budgeting process. Funds are not budgeted until the City has received a grant award agreement due to the unpredictable nature of funding levels and timing.

Per the City’s Grants Administration Program Policy, the City Manager, or his designee, may execute grant agreements with funding agencies. Upon receipt of the fully executed agreement from the funding agency, the Council may adjust the budget.

The request for City Council is to accept the budget adjustments to be used by the departments for the scope of work as defined by each grant agreement.

SUPPORT INFORMATION:
[Exhibit "A" FY26 Fund Summaries 12-15-25](#)
[Attachment "A" - Grant Listing](#)
[Attachment "B" - LCU - SFY25 IGA SAP 25-J2388-GF Agreement Executed](#)
[Attachment "C" - SUS - EV Capital Grant Agreement fully executed](#)

PLAN(S):
Elevate Las Cruces

COMMITTEE/BOARD REVIEW:
None

DOES THIS AMEND THE BUDGET?:
☒ Yes

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☐ No

BUDGET / FISCAL IMPACT:

BUDGETED AMOUNT: Various

AVAILABLE AMOUNT: Various

EXPENDITURE AMOUNT:
Various

Funding Source(s):

Various

Overall Budget Impact:

Please refer to Exhibit "A" Fund Summaries

Does this action amend the Capital Improvement Plan (CIP)?

☒ Yes

☐ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution to accept the grant awards as presented and amend the City's FY2026 Budget.
2. Vote "No"; this will not approve the Resolution to accept the grant awards as presented and amend the City's FY2026 Budget.
3. Vote to "Amend"; this could delay the Resolution and the process of spending the grant funds within the predetermined grant schedule and require direction to staff.
4. Vote to "Table"; this will delay the Resolution and will impact the implementation of the grant agreement, the City department's ability to utilize the funds and return the grant funds to the granting agency.

RESOLUTION 26-076

A RESOLUTION AUTHORIZING THE CITY OF LAS CRUCES (CITY) TO ACCEPT GRANT AWARDS FOR VARIOUS CITY DEPARTMENTS THROUGH AN AMENDMENT TO THE CITY'S ADOPTED FY2026 BUDGET.

The City Council is informed that:

WHEREAS, the City has received notice of grant awards for various City departments; and

WHEREAS, the grants will be used as designated in the scope of work and within the specified time period as shown in the grant agreements executed by the City Manager, or his designee; and

WHEREAS, the grant agreements that are the subject of this budget adjustment will be attached to the Resolution with a Summary, as Attachment "A"; and each agreement will be attached as subsequent attachments.

NOW, THEREFORE, Be it Resolved by the Governing Body of the City of Las Cruces:

(I)

THAT the City hereby amends the FY2026 City Budget and accepts all grant awards as shown in the Fund Summary, Exhibit "A", attached hereto and made part of this Resolution, are hereby approved.

(II)

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

DONE AND APPROVED this day of

Agenda Item #6.1.

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS

CITY OF LAS CRUCES
BUDGET ADJUSTMENT REQUEST
BUDGET FISCAL YEAR 2025-26

Exhibit "A"

	5450 WASTEWATER CAPITAL IMPROVEMENT 2025-26			
	Original Budget	Amended Budget	Req. Adjustment	Adjusted Budget
RESOURCES				
Beginning Balance	\$ 1,450,809	0	0	1,450,809
Revenues				
Municipal Gross Receipts Tax	0	0	0	0
Public Safety Gross Receipts Tax	0	0	0	0
Hold Harmless Replacement GRT	0	0	0	0
State-Shared Gross Receipts Tax	0	0	0	0
Environmental Gross Receipts Tax	0	0	0	0
County Environmental Gross Receipts Tax	0	0	0	0
Internet Sales Gross Receipts Tax	0	0	0	0
Gasoline Tax	0	0	0	0
Cannabis Excise Tax	0	0	0	0
Lodgers Tax	0	0	0	0
Property Taxes	0	0	0	0
Payment In Lieu of Property Tax	0	0	0	0
Franchise Fees	0	0	0	0
Payment In Lieu of Franchise Fees	0	0	0	0
Licenses, Fees & Permits	0	0	0	0
Convention Center Fee	0	0	0	0
Auto License - State Shared	0	0	0	0
Fines & Forfeitures	0	0	0	0
Charges For Services	0	0	0	0
Natural Gas Sales - Commodity	0	0	0	0
Motor Pool Maintenances Charges	0	0	0	0
Fuel Charges	0	0	0	0
Intergovernmental	0	0	0	0
Investment Income	70,000	70,000	0	70,000
Miscellaneous Revenues	0	0	0	0
Federal Grants	0	0	0	0
State Grants	212,398	104,753	268,000	372,753
Local Grants	0	0	0	0
Debt Service	0	0	0	0
Total Revenues	282,398	174,753	268,000	442,753
TOTAL RESOURCES	\$ 1,733,207	174,753	268,000	1,893,562
Expenditures				
General Government	0	0	0	0
Legislative	0	0	0	0
Municipal Court	0	0	0	0
City Manager-300	0	0	0	0
Legal	0	0	0	0
Las Cruces Police Department	0	0	0	0
Las Cruces Fire Department	0	0	0	0
Utilities	3,838,708	3,754,060	268,000	4,022,060
Economic Development	0	0	0	0
Internal Audit	0	0	0	0
Assistant City Manager-400	0	0	0	0
Human Resources	0	0	0	0
Financial Services	0	0	0	0
Information Technology	0	0	0	0
Fleet	0	0	0	0
Assistant City Manager-500	0	0	0	0
Parks & Recreation	0	0	0	0
Community Development	0	0	0	0
Quality of Life	0	0	0	0
Public Works	0	0	0	0
Legislative Reserve	0	0	0	0
Total Expenditures	\$ 3,838,708	3,754,060	268,000	4,022,060
Other Resources				
Operating Transfers In	2,105,501	2,128,498	0	2,128,498
Operating Transfers Out	0	0	0	0
Total Other Resources	\$ 2,105,501	2,128,498	0	2,128,498
Accrual Adjustments	0	0	0	0
ENDING BALANCE	\$ 0	(1,450,809)	0	0

CITY OF LAS CRUCES
BUDGET ADJUSTMENT REQUEST
BUDGET FISCAL YEAR 2025-26

Exhibit "A"

	4100 CAPITAL PROJECTS REIMB GRANTS 2025-26			
	Original Budget	Amended Budget	Req. Adjustment	Adjusted Budget
RESOURCES				
Beginning Balance	\$ 0	0	0	0
Revenues				
Municipal Gross Receipts Tax	0	0	0	0
Public Safety Gross Receipts Tax	0	0	0	0
Hold Harmless Replacement GRT	0	0	0	0
State-Shared Gross Receipts Tax	0	0	0	0
Environmental Gross Receipts Tax	0	0	0	0
County Environmental Gross Receipts Tax	0	0	0	0
Internet Sales Gross Receipts Tax	0	0	0	0
Gasoline Tax	0	0	0	0
Cannabis Excise Tax	0	0	0	0
Lodgers Tax	0	0	0	0
Property Taxes	0	0	0	0
Payment In Lieu of Property Tax	0	0	0	0
Franchise Fees	0	0	0	0
Payment In Lieu of Franchise Fees	0	0	0	0
Licenses, Fees & Permits	0	0	0	0
Convention Center Fee	0	0	0	0
Auto License - State Shared	0	0	0	0
Fines & Forfeitures	0	0	0	0
Charges For Services	0	0	0	0
Natural Gas Sales - Commodity	0	0	0	0
Motor Pool Maintenances Charges	0	0	0	0
Fuel Charges	0	0	0	0
Intergovernmental	0	0	0	0
Investment Income	0	0	0	0
Miscellaneous Revenues	0	0	0	0
Federal Grants	3,733,290	7,622,748	0	7,622,748
State Grants	21,868,273	22,623,245	522,420	23,145,665
Local Grants	0	107,777	0	107,777
Debt Service	0	0	0	0
Total Revenues	25,601,563	30,353,770	522,420	30,876,190
TOTAL RESOURCES	\$ 25,601,563	30,353,770	522,420	30,876,190
Expenditures				
General Government	0	0	0	0
Legislative	0	0	0	0
Municipal Court	0	0	0	0
City Manager-300	6,212,832	7,970,107	0	7,970,107
Legal	0	0	0	0
Las Cruces Police Department	154,751	300,182	0	300,182
Las Cruces Fire Department	159,338	85,444	0	85,444
Utilities	0	0	0	0
Economic Development	1,710,644	2,412,364	0	2,412,364
Internal Audit	0	0	0	0
Assistant City Manager-400	0	0	0	0
Human Resources	0	0	0	0
Financial Services	0	0	0	0
Information Technology	0	0	0	0
Fleet	0	0	0	0
Assistant City Manager-500	0	0	522,420	522,420
Parks & Recreation	3,454,531	6,290,627	0	6,290,627
Community Development	0	0	0	0
Quality of Life	0	0	0	0
Public Works	13,909,467	13,295,045	0	13,295,045
Legislative Reserve	0	0	0	0
Total Expenditures	\$ 25,601,563	30,353,770	522,420	30,876,190
Other Resources				
Operating Transfers In	0	0	0	0
Operating Transfers Out	0	0	0	0
Total Other Resources	\$ 0	0	0	0
Accrual Adjustments	0	0	0	0
ENDING BALANCE	\$ 0	0	0	0



CITY OF LAS CRUCES

The following grant has been awarded to the City of Las Cruces

Today's Date: 09/17/2025

Grant Team Representative: Crystal Silva

Grant Award Amount: \$ 268,000.00

Council Budget Adjustment Date: 12/15/2025

Grant Agreement #: SAP 25-J2388-GF

ALN/CFDA#:

Grant Effective Date: 11/14/2025

Grant Reversion Date: 06/30/2029

Funding Agency: New Mexico Environment Department (NMED)

PROJECT INFORMATION

Grant Project Title: Wastewater Septic System Improvements

Type of Funding: State Capital

Type of Grant: Legislative Appropriation

Match Description: No Match Required-Provided

Match Amount: \$ 0.00

Match Percent/Ratio: 0

City Fiscal Year: FY2026

Funder Fiscal Year: FY2026

Grant Scope of Work: (Specify if this grant involves Sub-Grantees or Pass Through Grants)

The funding is to plan, design, construct, equip and install wastewater system improvements, including replacement of septic tanks with service lines in Las Cruces.

DEPARTMENT INFORMATION

Implementation Dept: 340- Utilities

User Dept: 340- Utilities

Line of Business: Utilities Engineering

Program: Utilities Engineering

Project Manager: Carl Clark



Phone: 575-528-3548

Email: cclark@lascruces.gov

Line of Business:

Program:

Project Manager: Domonique Rodriguez

Phone: 575-528-3528

Email: drodriguez@lascruces.gov

Check box if implementation and user departments are the same: ☒

ACCOUNT STRINGS:

Fund Number - Organization Number - Object Number - Amount for Revenue and Expense

(2100 for General Grants/4100 for Capital Grants)

Revenue: 5450-51034020-599200-25388 - \$268,000

Expense: 5450-51034020-804200-25388 - \$268,000

reviewed by gmp 11/24/25
REVIEWED- JT 12/02/25

Reimbursable Grant: ☒

Revenue Collected in Advance: ☐

Date to Accounting: 11/24/25

Project Number: 25388

Project Created By: J. Saffell

Set-Up Date: 12/2/25

Accounting Comments:



CITY OF LAS CRUCES

The following grant has been awarded to the City of Las Cruces

Today's Date: 11/19/2025

Grant Team Representative: Perla Galindo

Grant Award Amount: \$ 522,420.08

Council Budget Adjustment Date: 12/15/2025

Grant Agreement #: HW2C0245019

ALN/CFDA#:

Grant Effective Date: 07/01/2025

Grant Reversion Date: 06/30/2028

Funding Agency: New Mexico Department of Transportation

PROJECT INFORMATION

Grant Project Title: Direct Current Fast Charge (DCFC) Electric Vehicle (EV) Charger Grant- ASCMV

Type of Funding: State Capital

Type of Grant: Competitive

Match Description: No Match Required-Provided

Match Amount: \$ 0.00

Match Percent/Ratio: 0.00

City Fiscal Year: FY2026

Funder Fiscal Year: FY2026

Grant Scope of Work: (Specify if this grant involves Sub-Grantees or Pass Through Grants)
To plan, design, construct, and equip electric vehicle infrastructure statewide. The charger funded by this award is to be installed at the Animal Services Center of the Mesilla Valley (ASCMV) located at 3552 Bataan Memorial W, Las Cruces New Mexico 88012.

DEPARTMENT INFORMATION

Implementation Dept: 500- ACM (Sonya Delgado)

User Dept: SELECT

Line of Business: 0150- OFFICE OF THE ACM

Line of Business:

Program: 0150C- Sustainability

Program:

Project Manager: Jenny Hernandez

Project Manager:

Phone: 575-541-2177

Phone:

Email:

Email:

Check box if implementation and user departments are the same: ☒

ACCOUNT STRINGS:

Fund Number - Organization Number - Object Number - Amount for Revenue and Expense
(2100 for General Grants/4100 for Capital Grants)

REV: 4100-40150013-599200-24019 - \$522,420.08

EXP: 4100-40150013-721080-24019 - \$522,420.08

reviewed by JT 12/02/25

Reimbursable Grant: ☒

Revenue Collected in Advance: ☐

Date to Accounting: 11/24/25

Project Number: 24019

Project Created By: JOSH SAFFELL

Set-Up Date: 12/2/25

Accounting Comments:

**NEW MEXICO CAPITAL OUTLAY GRANT AGREEMENT
CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into by and between the State of New Mexico, New Mexico Environment Department, ("**Department**") and City of Las Cruces, ("**Grantee**") (individually "**Party**" and collectively "**Parties**"). This Agreement shall be effective as of the date the Department executes it ("**Effective Date**").

WITNESSETH

WHEREAS, in the Laws of 2025, Chapter 159, Section 28, Subsection 37, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of funds from this appropriation, in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

AGREEMENT

I. PROJECT DESCRIPTION, GRANT AMOUNT, AND REVERSION

- A. SAP 25-J2388-GF ("**Project**") **June 30, 2029** ("**Reversion Date**"). Laws of 2025, Chapter 159, Section 28, Subsection 37, Two Hundred Sixty Eight Thousand Dollars, (\$268,000.00), to plan, design, construct, equip and install wastewater system improvements, including replacement of septic tanks with service lines, in Las Cruces in Dona Ana county;.
- B. Grantee's total reimbursements shall not exceed Two Hundred Sixty Eight Thousand Dollars \$268,000.00 ("**Appropriation Amount**") minus the allocation for Art in Public Places ("**AIPP amount**"), if applicable, No Dollars, \$0.00, which equals Two Hundred Sixty Eight Thousand Dollars, \$268,000.00 ("**Adjusted Appropriation Amount**").
- C. In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I, the language of the laws cited herein shall control.

The information contained in Article I is referred to collectively as the "**Project Description**."

II. DISBURSEMENT LIMITATION

- A. Upon the Effective Date, the Grantee shall submit to the Department a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone (collectively, "**Project Budget**"). The Department shall review and approve the Project Budget by approving a Notice of Department's Obligation ("**Notice of Obligation**"), in accordance with the Project Description, a sample of which is attached hereto as **Exhibit B** and incorporated herein by reference. After receipt of approved Notice of Obligation, the Grantee may be reimbursed for allowable costs up to the Adjusted Appropriation Amount. This Agreement and any reimbursements up to the Adjusted Appropriation Amount are expressly conditioned upon the following:

- a. Irrespective of any Notice of Obligation, Grantee's expenditures shall be made in accordance with the Project Budget, on or before the Reversion Date and/or, if applicable, any Early Termination Date; and
 - b. The total amount received by Grantee shall not exceed the lesser of:
 - i. the Adjusted Appropriation Amount identified in Article I (B) herein; or
 - ii. the total of all amounts stated in the Notice(s) of Obligation evidencing the Department has received and accepted Grantee's Third Party Obligation(s); and
 - c. Grantee's expenditures are made and accounted for pursuant to the State Procurement Code, State's Model Accounting Practices, and execution of binding written obligations or purchase orders with third-party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project ("**Third Party Obligations**"); and
 - d. Grantee's submittal of timely Requests for Payment and supporting documentation in accordance with the procedures set forth in this Agreement; and
 - e. In the event capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
 - i. must be approved by the applicable oversight entity (if any) in accordance with §§ 13-6-2, 13-6-2.1, and 13-6-3; or
 - ii. If no oversight entity is required to approve the transaction, the Department of Finance and Administration's Infrastructure Planning Development Division (IPDD) must approve it as complying with the law.
- B. Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A)(e) (i) or (ii) herein, the Department may, in its sole and absolute discretion, unless inconsistent with State Board of Finance imposed conditions, reimburse Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, limited to planning and design expenditures; and
- C. Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:
- a. Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation, and request the Third Party to begin work after issuance of a Notice of Obligation by the Department.
 - b. Grantee acknowledges and agrees that any Third Party Obligations agreed to prior to receiving a Notice of Obligation are its sole responsibility.
 - c. Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party but prior to execution by the Grantee.
 - d. Department may, in its sole and absolute discretion, issue a Notice of Obligation for the particular amount of a Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is incorporated herein and attached hereto as **Exhibit B**.
- D. Grantee shall provide all necessary qualified personnel, materials, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.
- E. Prior to entering into this Agreement, the Department conducted a risk assessment on the Grantee and a project readiness review for the Project. In accordance with State Model Accounting Practices, FIN 9.2, if the Department determines that the expenditure of Project funds by the Grantee requires special

conditions, those conditions are identified and listed in **Exhibit C**, which is attached and incorporated by reference. The Parties agree that, to the extent the Department, in its sole and absolute discretion, determines additional special conditions are necessary or that existing special conditions are no longer required, it may update **Exhibit C** from time to time without the need for a formal amendment of this Agreement.

- F. Project funds shall not be used for purposes other than those authorized by the Department in accordance with the Project Description.
- G. Project funds cannot be used to reimburse the Grantee for indirect Project costs unless specifically allowed by law.

III. NOTICES

The following provisions shall apply whenever written notices, including written decisions, are to be given or received related to this Agreement.

- A. The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

Grantee: City of Las Cruces
Name: Gabriela M. Prats
Title: Grant Manager
Address: 700 N. Main St Las Cruces, NM 88001
Email: grants@lascruces.gov
Telephone: 575-541-2430

- B. The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

Grantee:
Name:
Title:
Address:
Email:
Telephone:

- C. The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

Environment Department
Name: Barbara Romero
Program Administrator
NMENV-cpbsap@state.nm.us or barbara.romero@env.nm.gov
Telephone: 505-670-3615

Environment Department
Name: Steven Deal
Project Manager
Email: steven.deal@env.nm.gov
Telephone: 505-670-2926

Environment Department
Sara Rhoton
Technical Section Manager
Sara.rhoton@env.nm.gov
Telephone: 505-469-2687

The Parties agree that all notices, including written decisions, related to this Agreement shall be sent to the persons named above by email or regular mail. For mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five (5) calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of the email.

IV. TERM & DEADLINE TO EXPEND FUNDS

- A. The term of this Agreement shall begin on the Effective Date and terminate on the 30th day of June during the calendar year of the Reversion Date unless Terminated Before Reversion Date ("**Early Termination**") pursuant to Article V herein (collectively "**Term**").
- B. The Project's funds must be expended on or before the Reversion Date and, if applicable, the Early Termination Date of this Agreement.
 - a. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Reversion Date or Early Termination Date.
 - b. For purposes of this Agreement, an expenditure of funds has occurred on the date the particular quantity of goods is delivered to and received by the Grantee, title to the goods is transferred to the Grantee, and/or as of the date particular services are rendered to and accepted by the Grantee.
 - c. For purposes of this Agreement, an encumbrance of funds pursuant to a contract or purchase order with a third party does not qualify as an expenditure.

V. EARLY TERMINATION

- A. General Provision. The Department may terminate this Agreement before the Reversion Date based on the Completion of the Project, Complete Expenditure of the Adjusted Appropriation, and/or Violation of this Agreement. Early Termination hereunder includes:
 - a. Termination due to completion of the Project before the Reversion Date;
 - b. Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date;
 - c. Termination for violation of the terms of this Agreement; or
 - d. Termination for suspected mishandling of public funds, including but not limited to fraud, waste, abuse, and conflicts of interest.
- B. Non-appropriation. This Agreement is expressly contingent upon the New Mexico State Legislature making sufficient appropriations and authorizations for the Project Description.

- a. If the Legislature does not appropriate the Appropriation Amount, this Agreement shall terminate upon the Department giving the Grantee written notice of such termination. Such termination shall be effective as of the effective date of the law making the non-appropriation.
 - i. The Department's decision as to whether sufficient appropriations or authorizations are available shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement.
- b. As used herein, "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature:
 - i. Deauthorization, reauthorization, or revocation of a prior authorization.
- C. Grant Disbursements in the Event of Early Termination. In the event of Early Termination, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II above.
- D. Notice. Either Party may terminate this Agreement prior to the Reversion Date by providing the other Party with a minimum of fifteen (15) days advance written notice of the Early Termination. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement by the Department.

VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

- A. Department, in its sole and absolute discretion, may provide written notice to Grantee to suspend entering into further obligations. Upon the receipt of such written notice by the Grantee:
 - a. Grantee shall immediately suspend entering into new or further written obligations with third parties;
 - b. Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
 - c. Department may direct the Grantee to implement a corrective action plan in accordance with Article VI (D) herein.
- B. In the event of Suspension of this Agreement, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.
- C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for a Notice of Obligation.
- D. Corrective Action Plan in the Event of Suspension. Where the Department, in its sole and absolute discretion, directs Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension.
 - a. Such a corrective action plan must be approved by the Department and be signed by the Grantee.
 - b. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(c).

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- c. A corrective action plan shall be in addition to, and not in lieu of, any other equitable or legal remedy authorized hereunder or at law, including but not limited to Early Termination.

VII. AMENDMENTS

Unless expressly stated otherwise herein, this Agreement shall not be altered, changed, or amended except by an instrument in writing duly executed by both parties hereto with the same formalities as this agreement.

VIII. REPORTING**A. Database Reporting**

- a. Grantee shall provide the Department with quarterly reports of Project activity, entering the required Project information directly into a database required by the Department.
- b. Additionally, Grantee shall certify on each Request for Payment form, attached hereto as **Exhibit A** and incorporated herein, that all information provided in the database is true and accurate, updates to the database have been maintained, and all Project activity complies with applicable law and the terms of this Agreement.
- c. Grantee hereby acknowledges that failure to perform and/or certify updates to the database will jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of fourteen (14) days' advance written notice of any changes to the information the Grantee is required to report.
- d. At the Department's discretion, all reports required hereunder may be directed to and facilitated through an electronic database.
- e. Quarterly reports shall be due on the last day of the month, that is, 30 days prior to the end of the quarter following the execution of this Agreement by the Department and ending during the quarter of the submission of the final request for reimbursement for the Project, or the following quarter.

B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- i. request such additional information regarding the Project as it deems necessary; and
- ii. conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.

Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

B. Requests for Additional Information/Project Inspection

- a. During the term of this Agreement and the Record Retention Period, the Department may:
 - i. Request additional information regarding the Project as it deems necessary and
 - ii. Conduct on-site inspections of the Project at reasonable times and upon reasonable notice.
- b. Grantee shall respond to such requests for additional information within the time established by the Department.

IX. REQUEST FOR PAYMENT PROCEDURES

- A. Grantee shall request payment by submitting the form attached hereto as **Exhibit A**. Payment requests are subject to the following procedures:

- a. Each Request for Payment must be in accordance with the Project Budget and contain proof of payment by the Grantee or liabilities incurred by the Grantee.
 - i. Proof of payment must demonstrate the validity of an expenditure or liabilities incurred by Grantee.
 - ii. However, Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
 - iii. The Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or in a shorter period than the Department may prescribe in writing.
 - iv. The Department reserves the right to make such payments directly to the contractors or vendors as a special condition under this Agreement.
 - v. The Grantee is required to certify to the Department proof of payment to the third-party contractor or vendor within five (5) business days from the date the Department reimburses the Grantee.

- B. Until the Project is fully planned, designed, and all necessary procurements identified in the Project Budget are completed, Grantee's reimbursements will be limited to the planning, design, and procurement costs outlined in the Project Budget. Once the planning, designing, and procuring stages are complete, the Grantee must obligate at least ten percent (10%) of the Adjusted Appropriation Amount within one (1) year and must have utilized at least eighty-five percent (85%) of the Adjusted Appropriation Amount six (6) months before the reversion date.

- C. Deadlines. Grantee shall submit requests for Payments to the Department on the earlier of:
 - a. Immediately as Grantee receives them, but at a maximum of thirty (30) days from when Grantee incurred the expenditure or liability; or
 - b. Twenty (20) days from the date of Early Termination or Reversion Date for expenditures or liabilities incurred before the Early Termination date or Reversion Date.

- D. Grantee's failure to abide by the requirements set forth in Article II and Article IX herein may result in the denial of its Request for Payment. Department reserves the right to reject a payment request for the Project unless and until it is satisfied that the expenditures or liabilities are for permissible purposes within the meaning of the Project Description, identified within the Project Budget, and that the Grantee is otherwise in compliance with this Agreement.
 - a. Department's authority to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department under this Agreement, at law, or in equity.

X. PROJECT CONDITIONS AND RESTRICTIONS

- A. The following general conditions and restrictions shall apply to the Project:
 - a. The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code.
 - b. The Project's expenditures and liabilities must be accounted for in accordance with the State's Model Accounting Practices, as amended from time to time.

Agenda Item #6.1.

- c. The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable.
- d. The Project must provide a public benefit above and beyond any incidental benefit to private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico.
- e. Without prior written approval from the Department and State Board of Finance, for the useful life of any asset purchased under this Agreement, Grantee shall not convert any property acquired, built, renovated, repaired, designed, or developed with Project funds to uses other than those specified in the Project Description.
 - i. In addition to other remedies available at law or in equity, any disposal or conversion of property acquired, built, renovated, repaired, designed, or developed with Project funds without the Department's and the Board of Finance's express written approval will trigger the Department's right to reimbursement from Grantee of the Appropriated Amount, transfer proceeds from any disposition of property to the State, or otherwise provide consideration to the State for the Appropriated Amounts.
- f. Grantee shall comply with all applicable federal and state laws, rules, and regulations pertaining to civil rights and equal employment opportunity.
 - i. In accordance with all such laws, rules, and regulations, the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age, or handicap, be excluded from participation in the Project, use of the Project, employment with Grantee, or otherwise be denied benefits/subject to discrimination for any activity performed under this Agreement.
- g. Where the Department, in its sole and absolute discretion, determines Grantee has failed to comply with the above conditions and restriction, Grantee agrees to take appropriate steps to correct any deficiencies immediately. The Grantee's failure to implement such appropriate steps within a reasonable time, but no longer than thirty (30) days after notice from the Department, constitutes a breach of this Agreement and grounds for Early Termination.

XI. REPRESENTATIONS AND WARRANTIES**A. Reliance by Department.**

- a. Grantee expressly acknowledges that the Department relies on the representations and warranties made by Grantee in this Agreement. Grantee acknowledges that such representations and warranties are a material inducement for the Department to enter into this Agreement and provide the Appropriated Amount.
- b. Grantee shall ensure all representations and warranties provided herein are true, accurate, and complete as of the date of the Effective Date and shall remain so throughout the Term of this Agreement. Grantee is responsible for promptly notifying the Department in writing of any changes or inaccuracies in the representations and warranties contained herein.

B. Grantee hereby represents and warrants the following:

- a. Grantee has taken all necessary steps to attain the legal authority to receive and expend the Project's funds.
- b. Grantee has duly authorized this Agreement, and the person executing it has authority to do so. Once executed by Grantee, this Agreement shall constitute a binding obligation of Grantee, enforceable according to its terms.
- c. Grantee's obligations hereunder do not conflict with any law, ordinance, or resolution applicable to Grantee, Grantee's charter (if applicable), or any judgment or decree to which Grantee is subject.

Agenda Item #6.1.

- d. Grantee has independently confirmed that the Project Description, including, but not limited to, the Appropriated Amount and Reversion Date, is consistent with the underlying appropriation in law.
 - e. Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign and submit Requests for Payment on behalf of Grantee.
 - f. Grantee will abide by New Mexico laws regarding conflicts of interest, governmental conduct, and whistleblower protection.
 - i. Grantee agrees explicitly none of its officers or employees or its designees or agents, no member of the governing body, and no other public official of Grantee who exercises any function or responsibility with respect to this Agreement, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for the Project.
 - ii. Further, Grantee will require all of its contractors to incorporate the language set forth in this paragraph prohibiting conflicts of interest in all subcontracts.
 - g. No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of the State, any agency, or body in connection with the awarding of any Third Party Obligation.
 - i. Grantee will require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans, and cooperative agreements.
- C. Consequences of False or Misleading Representations. If any representation or warranty made by Grantee is found to be false or misleading, the Department shall have the right to exercise any or all of the following remedies:
- a. **Termination of Agreement:** Department may terminate this Agreement immediately upon written notice to the Grantee.
 - b. **Repayment of Grant Funds:** Grantee shall repay all Appropriated Amounts disbursed under this Agreement, upon demand by the Department.
 - c. **Other Remedies:** Department may pursue any other remedies available at law or in equity.
- D. Survival of Representations and Warranties. The representations and warranties made by the Grantee shall survive the Early Termination or expiration of this Agreement.

XII. PROJECT RECORDS

- A. Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles and the State's Model Accounting Practices and, if feasible, maintain a separate bank account or fund with a separate organizational code to ensure separate budgeting and accounting of the funds.
- B. For six (6) years following the Project's completion ("**Record Retention Period**"), Grantee shall maintain all Project-related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the Appropriated Amount from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department may prescribe.
- C. Grantee shall make all Project records available to the Department, the Department's Independent Public Accountant, and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor or the Department finds any funds were improperly expended, Grantee shall be required to reimburse the State all amounts found to be improperly expended.

Agenda Item #6.1.**XIII. IMPROPERLY REIMBURSED FUNDS**

If the Department determines part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, after ten (10) days' notice to Grantee and the opportunity to return such funds to the Department, the Department may offset any funds due to Grantee from the State, until the Appropriation Amount is fully repaid.

XIV. LIABILITY

Neither Party shall be responsible for liability incurred as a result of the other Party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.

XV. SCOPE OF AGREEMENT

This Agreement constitutes the entire and exclusive agreement between the Parties concerning the subject matter hereof. The Agreement supersedes all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

XVI. REQUIRED NON-APPROPRIATIONS CLAUSE

- A. Grantee acknowledges and agrees to include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:
 - a. "The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of the State of New Mexico ("**Legislature**") for the performance of this Agreement.
 - b. If the Legislature does not make sufficient appropriations and authorization, [Grantee's name] may immediately terminate this Agreement by giving Contractor written notice of such termination.
 - c. [Grantee's name]'s decision as to whether sufficient appropriations are available shall be final and accepted by the Contractor. Contractor hereby waives any rights to assert an impairment of contract claim against the [Grantee's name] or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the [Grantee's name] or the State Department of Finance and Administration."

XVII. REQUIRED TERMINATION CLAUSE

- A. Grantee acknowledges and agrees to include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:
 - a. "This contract is funded in whole or in part by funds made available by the State of New Mexico ("**State**"). Should the State terminate its Agreement with [Grantee's name], [Grantee's name] may terminate this contract immediately by providing Contractor written notice of such termination.
 - b. In the event of termination pursuant to this paragraph, [Grantee's name] only liability to Contractor shall be for goods and services delivered and accepted prior to the termination date."

XVIII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA

- A. Throughout the term of this Agreement, Grantee shall:
- a. Submit all reports of annual audits and agreed-upon procedures required by § 12-6-3(A)-(B), NMSA 1978 by the due dates established in § 2.2.2 NMAC, reports of which must be a public record pursuant to § 12-6-5(A), NMSA 1978 within forty-five (45) days of delivery to the State Auditor;
 - b. Have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
 - c. Timely submit all required financial reports to its budgetary oversight agency (if any); and
 - d. Use accounting methods and procedures consistent with Generally Accepted Accounting Principles and the State's Model Accounting Principals to expend the Appropriated Amount in accordance with applicable law and account for and safeguard Project funds and assets acquired with Project funds.
- B. In the event Grantee fails to comply with the requirements of subparagraph A of this Article XVIII, Department may take one or more of the following actions:
- a. Suspend new or further obligations pursuant to Article VI(A) of this Agreement;
 - b. Require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
 - c. Impose special conditions to address the non-compliance by giving Grantee notice of such special conditions in accordance with Article III of this Agreement;
 - i. The Parties agree that any special conditions imposed to address non-compliance shall be incorporated into this Agreement, through **Exhibit C**, upon notice to Grantee, without need for formal amendment of this Agreement;
 - ii. Special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III or
 - d. Terminate this Agreement pursuant to Article V(A) of this Agreement.

XIX. SEVERANCE TAX AND GENERAL OBLIGATION BONDS

- A. Grantee acknowledges and agrees that the underlying appropriation for the Project may originate from the issuance of tax-exempt severance tax bonds or general obligation bonds by the State. Proceeds from such bonds are administered by the New Mexico State Board of Finance ("**SBOF**"), an entity separate and distinct from the Department.
- a. Grantee acknowledges and agrees:
- i. It is Grantee's responsibility to determine through SBOF what (if any) conditions are currently imposed on the Project;
 - ii. Department's failure to inform Grantee of an SBOF-imposed condition does not affect the validity or enforceability of the condition;
 - iii. The SBOF may in the future impose further or different conditions upon the Project;
 - iv. All SBOF conditions are attached to the Project and Appropriation Amount without the need for formal amendment of this Agreement;
 - v. All applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s) and
 - vi. The Department's obligation to reimburse Grantee from the Project is expressly contingent upon the satisfaction of the then-current SBOF conditions.

- B. Grantee acknowledges and agrees SBOF may, at its sole and absolute discretion, require reimbursement or remove eligibility for bond proceeds for the Project if the Project doesn't proceed sufficiently.
 - a. Grantee must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by Grantee in the Bond Questionnaire and Certification documents submitted to the SBOF.
 - b. Failure to comply may result in the reassignment of the bond proceeds. Upon reassignment of bond proceeds, this Agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.
- C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, § 2.61.6, NMAC, as may be amended from time to time or re-codified.

XX. GENERAL PROVISIONS

- A. Assignment: Grantee's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the State shall be subject to the provisions of this Agreement.
- B. Subcontractors: Grantee shall not enter any subgrant or subcontract in connection with its obligations under this Agreement without the prior written approval of the State. Upon request, Grantee shall submit to the Department a copy of each such subgrant or subcontract.
- C. Binding Effect: Except as otherwise provided, all provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.
- D. Authority: Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.
- E. Captions and References: The captions and headings in this Agreement are for the convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits, or other attachments are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- F. Counterparts: This Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.
- G. Digital Signatures: If any signatory signs this agreement using a digital signature in accordance with the State Policies regarding the use of digital signatures, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Agreement by reference.
- H. Modification: Except as otherwise provided in this Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment, properly executed and approved in accordance with applicable New Mexico law and State fiscal policies and rules. Modifications permitted under this Agreement, other than Agreement amendments, shall conform to the policies issued by the State.
- I. Statutes, Regulations, Fiscal Rules, and Other Authority: Any reference in this Agreement to a statute, regulation, policy, or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended after the Effective Date of this Agreement.

Agenda Item #6.1.

- J. External Terms and Conditions: Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Grantee's or a subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Agreement.
- K. Severability: The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with its intent.
- L. Survival of Certain Agreement Terms: Any provision of this Agreement that imposes an obligation on a Party after the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement and shall be enforceable by the other Party.
- M. Third Party Beneficiaries: Except for the Parties' respective successors and assigns described in this Agreement, it does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this Agreement are incidental to this Agreement and do not create any rights for such third parties.
- N. Waiver: A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.
- O. Standard and Manner of Performance: Grantee shall perform its obligations under this Agreement in accordance with the highest standards of care, skill, and diligence in Grantee's industry, trade, or profession.
- P. Licenses, Permits, and Other Authorizations: Grantee shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement and shall ensure that all employees, agents, and subcontractors secure and maintain at all times during the term of their employment, agency or subcontractor, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.
- Q. Publicity: Any Publicity regarding the subject matter of this Agreement may not be released without prior written approval from the Department. For purposes of this agreement, "**Publicity**" means notices, informational pamphlets, press releases, email responses, research, reports, signs, and similar public notices prepared by or for the Grantee or jointly with others.
 - a. Grantee shall obtain written approval prior to issuing any press release or making any public announcement regarding this agreement. Grantee agrees to obtain approval of the Department in advance with respect to all Public Relations, all communications with media, or all communications with any other member of the public with respect to this agreement, except to acknowledge that an agreement does exist.
 - b. For purposes of this agreement, "Public Relations" includes community relations and means those activities dedicated to maintaining the Department's image or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

Agenda Item #6.1.

- c. Violations of either Article XX (Q)(a) or (b) shall constitute a material Breach of Agreement.
- R. Data Sharing: The State intends to secure and collate specific data generated by Grantee under this Agreement to use in support of the State's organizational, policy-making, and management of public resource functions. State, in accordance with **Exhibit E**, attached hereto and incorporated herein by reference, reserves the right to require Grantee and/or its subcontractors to provide specific data relevant to the above-listed functions. Data provided by Grantee may be incorporated into existing or future developed State integrated analysis tools or databases, including but not limited to geographic information system (GIS) networks and databases accessible by the public. Dissemination of data collected may include historical data and projections based on such historical data.
- a. To the extent any data transferred as part of this Agreement is legally determined to be the property of Subrecipient or its subcontractors, Subrecipient and/or its subcontractors grants State a nonexclusive, fully paid-up right and license to reproduce, use, distribute, do derivative works based on, and archive data transferred as part of this Agreement.
- S. Venue and Choice of Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico, without regard to any conflict of law provisions. Any legal suit, action, or proceeding arising out of or related to this Agreement shall be instituted exclusively in the district courts located in Santa Fe, New Mexico. The Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such suit, action, or proceeding. The Parties waive any objection to the laying of the venue of any such suit, action, or proceeding in the district courts of Santa Fe, New Mexico, and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

[SIGNATURE PAGE AND EXHIBITS FOLLOW]
[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Department's date of execution.

APPROVED BY GRANTEE:

City of Las Cruces

Entity Name

Official with Authority to Bind Grantee:

Signature

Ikani Taumoepeau

(Print Name)

City Manager

(Title)

Date

Fiscal Officer or Chief Financial Officer: (OPTIONAL)

Lesley Doyle
Lesley Doyle (Sep 21, 2025 19:50:09 MDT)

Signature

Lesley Doyle

(Print Name)

Financial Services Director

(Title)

Sep 21, 2025

Date

Legal Counsel: (OPTIONAL)

Signature

Jocelyn A. Garrison for Brad Douglas

(Print Name)

City Attorney

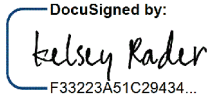
(Title)

09/10/2025

Date

APPROVED BY DEPARTMENT:

New Mexico Environment Department

DocuSigned by:

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11/14/2025

Dennis Romero, P.E., Bureau Chief, NMED Construction Programs Bureau

Signed pursuant to the June 23, 2025, Secretary of Environment Delegation Order

Rev. July 2025

**NEW MEXICO ENVIRONMENT DEPARTMENT
CONSTRUCTION PROGRAMS BUREAU
NMED DISBURSEMENT REQUEST
SPECIAL APPROPRIATIONS PROGRAM (SAP)**

A. NAME OF ENTITY _____ C. DISBURSEMENT REQUEST NUMBER _____
B. PROJECT NUMBER _____ D. GRANT AMOUNT _____

**EXHIBIT A
Request for Payment Form and Certification**

	PROJECT BUDGET		PREVIOUS EXPENDITURES		CURRENT EXPENDITURES		CUMULATIVE		FUNDS REMAINING	
	NMED PROGRAM	OTHER FUNDS	NMED PROGRAM	OTHER FUNDS	NMED PROGRAM	OTHER FUNDS	NMED PROGRAM	OTHER FUNDS	NMED PROGRAM	OTHER FUNDS
Engineer Fees										
<i>Other Professional</i>										
Service Fees										
Inspection Fees										
Property Acquisition										
Construction Cost										
Planning Cost										
Equipment										
Other Costs (specify)										
Contingencies										
TOTAL										

Article IX.A. (iii). By checking this box you are stating that payment has NOT been paid to the vendors associated with this request. Upon receipt of payment from NMED, certification of payment will be sent within 10 days from the date of receiving reimbursement.

Certification: I hereby certify that all conditions and requirements for Payments outlined in the Agreement have been met, including but not limited to:
a. Submission and approval of a Project Budget as per Article IV, Section A of the Agreement.
b. Compliance with the Project Budget and expenditure of funds in accordance with the State Procurement Code and the State's Model Accounting Practices.
c. Submission of supporting documentation as required by the Agreement.
d. Maintenance of all necessary records and documentation as stipulated in the Agreement.

Certification: I attest that the information provided is correct; expenditures are properly documented and valid or actual receipts; and that the activity fully complies with Article IX, Sec. 14 of the New Mexico Constitution, known as the "anti-donation" clause.

Certification: I hereby certify that all representations and warranties made in the Agreement remain true, accurate, and complete as of the date of this request, and will continue to be so throughout the term of the Agreement. I acknowledge that these representations and warranties are a material inducement for the Department to approve this pay request.

Reporting Certification: I hereby certify to the best of my knowledge and belief, that the database reporting is up to date; to include the accuracy of the expenditures and grant balance, project status, project phase, achievements and milestones, and in compliance with Article VIII of the Capital Outlay Grant Agreement.

Signature of Official Representative: X	Typed or Printed Name: 	Phone: 	Date:
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EXHIBIT B

**NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT B**

Notice of Obligation to Reimburse Grantee # _____

DATE: _____

TO: Department Representative: _____, Grant Manager

FROM: Grantee Entity: _____

Grantee Official Representative: _____

SUBJECT: Notice of Obligation to Reimburse Grantee

Grant Number: _____

Grant Termination Date: _____

As the designated representative of the Department for Grant Agreement number _____ entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: _____

Third Party Obligation Amount: _____

Vendor or Contractor: _____

Third Party Obligation Amount: _____

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): _____

The Amount of this Notice of Obligation: _____

The Total Amount of all Previously Issued Notices of Obligation: _____

The Total Amount of all Notices of Obligation to Date: \$ 0.00

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: _____

Title: Grant Manager

Signature: _____

Date: _____

1 Administrative and/or Indirect Cost -- generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

Revised 7/2025

EXHIBIT E

Data Sharing Provisions

Data Sharing Provisions for New Mexico Capital Outlay Agreements

I. Introduction:

This Data Sharing Provisions Exhibit ("Exhibit") is incorporated into the New Mexico Capital Outlay Agreements ("Agreements") between the State of New Mexico ("State") and [Insert Partner Name] ("Partner"). This Exhibit outlines the terms and conditions under which data will be shared between the Parties to ensure compliance with New Mexico state laws and regulations, focusing on data privacy, security, and compliance.

II. Definitions:

- a. **Authorized User:** An employee, agent, assign, representative, independent contractor, or other person or entity authorized by Partner or State to access, use, or disclose information through this exhibit.
- b. **Confidential Information:** All data or information shared in confidence, with the expectation that it will not be disclosed in an identifiable form. This includes data that is exempt from public disclosure under the New Mexico Inspection of Public Records Act (§ 14-2-1 et seq. NMSA 1978) or other relevant laws.
- c. **Data Storage:** Electronic media that hold recorded information.
- d. **Data Transmission:** The process of moving information over a network from its source to one or more destinations.
- e. **Direct Identifier:** Records or data containing personal identifiers such as names, addresses, and social security numbers.
- f. **Disclosure:** Permission to access, release, transfer, or otherwise communicate confidential information by any means to any third party, except as authorized by the Party that controls the record.
- g. **Encryption** involves using algorithms to encode data, rendering it unreadable without a specific key. It may be necessary during data transmission and/or storage.
- h. **Information:** Any data, figures, statistics, or other facts provided or learned about someone or something, including Confidential Information, that may be legally transmitted under this Exhibit.
- i. **Limited Dataset:** A data file that omits Direct Identifiers.
- j. **Protected Personally Identifiable Information:** Sensitive personal details such as social security numbers and financial account numbers, with specific exclusions as outlined in the Agreements.

III. Purpose:

Agenda Item #6.1.

The purpose of this exhibit is to promote transparency, facilitate information sharing between the parties, support better policy and decision-making, and enhance public services through collaborative data analysis from various sources.

IV. Use of Information:

- a. Use of Information obtained or created under this exhibit shall be strictly limited to the purposes stated herein and in the agreements. The parties agree not to sell Information to third parties or use it for commercial, solicitation, or political purposes.
- b. Each Party shall serve as the custodian of the Information and comply with all conditions for its use, including security measures to prevent unauthorized access.
- c. The Parties shall follow all relevant federal and state laws and regulations governing the use of such Information.

V. Safeguarding Information:

- a. Confidentiality: Access to Confidential Information shall be limited to the minimum necessary to accomplish the purposes of this Exhibit. Authorized Users must adhere to the confidentiality requirements.
- b. Security: Security practices shall comply with the requirements of the New Mexico Department of Information Technology Act and related regulations. The Parties agree to notify each other within three business days of any suspected or actual security breach.
- c. Information Storage and Transmission: Data Storage and Transmission shall take place on an encrypted server with appropriate security controls.

VI. Re-Disclosure of Information:

The Parties agree not to disclose Information except as required by law or with prior written approval of the other Party. If there is a public records request, the Party receiving it shall notify the other Party within three business days.

VII. Ownership of Information:

Legal title to Information shall remain with the provider. The Partner grants the State a royalty-free, non-exclusive, non-transferable license to use the Information in furtherance of the purposes outlined in this Exhibit.

Capital Appropriations Certification Document

Article IX. A. (ii) and (iii)

(City of Las Cruces SAP 25-J2388-GF)

Payment Request No _____

I certify that payment to all vendors on the above referenced payment request were paid no more than ten (10) days after receiving reimbursement from NMED.

Official Representative, Signed Name, Printed Name, Date

ATTACHMENT A**NEW MEXICO ENVIRONMENT DEPARTMENT
CONSTRUCTION PROGRAMS BUREAU****PROJECT BUDGET****GRANTEE:** City of Las Cruces**PROJECT NO:** SAP 25-J2388-GF

Please provide a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone, referred to collectively as the "Project Budget." While it can be difficult to estimate costs and timelines, setting a plan for these can help keep realistic expectations and goals to keep a project moving forward to achieve the project scope and objectives. Contact your NMED-CPB Project Manager with questions.

1) Expenditure Plan. Indicate what expenses funding will be used.

Detailed Expenditure Plan		
USES OF FUNDS	NMED PROGRAM	OTHER FUNDS
Engineer Fees		
Other Professional		
Service Fees		
Inspection Fees		
Property Acquisition		
Construction Cost	\$268,000	
Planning Cost		
Equipment		
Other Costs (specify)		
Contingencies		
TOTAL	\$ 268,000 -	\$ -

- 2) **Procurement Plan.** Describe how engineering or professional services, construction contractors, equipment, or other goods or services will be procured.

Chief Procurement Officer

All Public Bodies are required by 13-1-95.2 NMSA 1978 to have a Chief Procurement Officer to conduct all procurement activities.

Who is your Chief Procurement Officer (CPO)? Alicia Hernandez

Describe how you will secure CPO services, if you currently do not have a CPO. N/A

Professional Services

Have engineering or professional services already been procured and contracted? Yes

If not, describe how you will procure engineering or professional services N/A

Reminders:

- COSTS ABOVE \$60,000, require solicitation of services via a Request for Proposal (RFP).
- COSTS BELOW \$60,000 must adhere to 13-1-125 NMSA 1978 and procurements cannot be artificially divided into smaller units to circumvent legal requirements, such as formal solicitation.
- MULTI-TERM CONTRACTS can be renewed for up to four years 13-1-150 NMSA 1978. Monitor the remaining time on your contracts and plan for renewal in advance.

Construction

Contractors must be hired using a public bidding process for any project over \$60,000 (13-1-125 NMSA 1978) and procurements cannot be artificially divided into smaller units to circumvent legal requirements, such as formal solicitation.

Equipment Purchase

Equipment purchase must follow proper procurement code. Please see Chapter 13 Public Purchase and Property NMSA 1978.

- 3) **Project Timeline.** Setting a timeline can help keep a project on track to meet required expenditure deadlines. *(An example schedule is provided below.)*

Project Timeline:

OVERALL – MILESTONES		EXPECTED EXPENDITURE PER MILESTONE
ESTIMATED START DATE	December 2025	
5% FUNDS OBLIGATED*	January 2026	\$268,000
ESTIMATED END DATE	June 2027	
DETAILED – PHASES		
Update contracts for service line installations	1 Month	
Bidding Process	3 Months	
Awarding	1 Month	
Construction	6 Months	
Close Out	2 Months	
TOTAL		\$ 268,000

***Disclaimer:** You have accepted grant funds on the condition that 5% of these funds are to be obligated in a Notice of Obligation within 6 months of bond issuance in accordance with XIX.B.(STB's only) and at least 10% within one (1) year in accordance with IX.B (all projects).

You can obligate funds by entering into a contract with an engineer or contractor. State Procurement Code must be followed for the purchase of all goods and services.

Your NMED-CPB project manager will be happy to help you navigate these requirements, so that your grant money can be spent, and your project successfully completed.

Example Timeline:

OVERALL – MILESTONES		EXPECTED EXPENDITURE PER MILESTONE
ESTIMATED START DATE	Month 0	
5% FUNDS OBLIGATED*	+ 6 months from start date = Month 6	\$100,000
ESTIMATED END DATE	Use detailed schedule below. 2.5- 3 years	
DETAILED – PHASES		
HIRE AN ENGINEER	4 months	
PLANNING DOCUMENT	6 months	\$25,000
DESIGN, PERMIT	9 months	\$60,000
ADVERTISE FOR BID, AWARD PROJECT	6 months (allow for rebid)	
CONSTRUCTION AND ENGINEERING CONSTRUCTION PHASE SERVICES (START TO FINISH)	Varies widely. 6 months to a year, or more.	\$750,000 and \$15,000
CLOSEOUT CONSTRUCTION/ FUNDS	1 month at end of construction schedule.	
TOTAL		\$850,000

- 4) **Additional Information.** Please use this space below to provide any additional details about your project you would like to share to show your project plan and readiness.



Grantee Signatory Authority

Ikani Taumoepeau

Print Name

ATTACHMENT B
TECHNICAL REQUIREMENTS
NEW MEXICO ENVIRONMENT DEPARTMENT
CAPITAL OUTLAY

ARTICLE 1 REVIEW

Upon execution of the grant agreement, the Grantee will follow the procedures listed below unless waived in writing by the New Mexico Environment Department (NMED) (payment may be withheld if any of these procedures are not followed by the Grantee).

- A. The Grantee must submit copies to NMED of all unexecuted contracts or quotes the Grantee intends to enter in that are related to the project for the creation of a notice of obligation. Only approved eligible expenditures incurred after the effective date of the Grant Agreement shall be reimbursed or paid from these funds.
- B. If grant funds are used for construction, a site certificate must be submitted prior to project bid advertisement that certifies all necessary easements, rights-of-way, and/or property upon or through which the project is being constructed have been obtained. The Site Certificate must be signed by an attorney, engineer, surveyor, or title abstractor.
- C. If grant funds are used for meter installation, the Grantee must follow the NMED Guidelines for Meter Upgrade Projects. Meters must be installed before payment can be made. Request a copy of the Guidelines from your NMED Project Manager.
- D. If grant funds are used for construction, the Grantee will submit notice of the award and a copy of the executed construction contract documents.
- E. The Grantee will provide a full-time construction inspector during construction of the project unless NMED determines that part time inspection is adequate for the project. This must be requested and approved by NMED prior to the start of construction.
- F. All daily construction inspection reports shall be made available to the NMED upon request.
- G. Notwithstanding the inspections performed by the Grantee and its engineer, NMED will have the right to examine all installations comprising the project, including materials delivered and stored on-site for use on the project. Such examinations will not be considered an inspection for compliance with contract plans but will be a general NMED review as described in Article 2 below.

ARTICLE 2 NMED OVERSIGHT

NMED oversight is only for purposes of compliance with applicable state grant requirements, procedures, statutes, and regulations. NMED approval will not be interpreted as a warranty or guarantee of any kind. Responsibility for the design of the project will lie solely with the engineer of record. All defects and their correction will be the responsibility of the Grantee and its contractors and engineers or consultants. Any questions raised by NMED during its inspections and reviews shall be resolved exclusively by the Grantee. The Grantee and its contractors and engineers or consultants will remain responsible for the completion and success of the project. No action by NMED shall relieve the owner, engineer, or contractor of legal responsibilities for the overall integrity of the project, adequacy of the design, safety, or compliance with all applicable regulations.

ARTICLE 3 CLOSEOUT

- A. The project will not be considered complete until the work as defined in this agreement has been fully performed, and finally and unconditionally accepted by the Grantee and the engineer of record.

Agenda Item #6.1.

- B. If the grant funds are used for purchase of equipment, final payment will be made after receipt of the equipment and equipment title, if applicable. Appraisal reports are required for the purchase of used equipment.
- C. If the grant funds are used for construction, final payment will be made after the following items, unless waived by NMED, have been provided to NMED, and have been reviewed and approved by NMED:
 - i. A certificate of substantial completion including punch list items.
 - ii. A final certified construction pay request prepared by the Grantee's project engineer and approved by the Grantee.
 - iii. A written consent of the surety, if any, to final payment.
 - iv. Complete and legally effective releases or waivers (satisfactory to the Grantee) of all liens arising out of the contract documents and the labor services performed and the materials and equipment furnished there under. In lieu thereof and as approved by the Grantee, contractor(s) may furnish receipts or releases in full; an affidavit of contractor that the releases and receipts include labor, services, materials, and equipment for which a lien could be filed and that all payrolls, material and equipment bills, and other indebtedness connected with the work for which the Grantee or its property might in any way be responsible, have been paid or otherwise satisfied.
 - v. Certification letter by the Grantee and contractor that the Labor Standards Contract Provisions have been met.
 - vi. Certification letter of project acceptance by the Grantee and the Grantee's project engineer stating that work has been satisfactorily completed and the construction contractor has fulfilled all of the obligations required under the contract documents with the Grantee, or if payment and materials performance bonds are "called", an acceptance close-out settlement to the Grantee and contractors will be submitted to NMED.
 - vii. Certification letter from the Grantee confirming receipt and acceptance of the record drawings and operation and maintenance manuals.

RESOLUTION 26-LCU011

A RESOLUTION TO EXECUTE THE STATE OF NEW MEXICO ENVIRONMENT DEPARTMENT, 2025 LEGISLATIVE GRANT AGREEMENT NO. SAP 25-J2388-GF IN THE AMOUNT OF \$268,000.00.

The Board of Commissioners for the City of Las Cruces Utilities (LCU), on behalf of the City of Las Cruces, is informed that:

WHEREAS, the 2025 New Mexico State Legislature appropriated \$268,000.00 for the City of Las Cruces (City) to fund the following Capital Appropriations Project (CAP) SAP Agreement No. 25-J2388-GF; and

WHEREAS, the CAP grant funds will be utilized to plan, design, construct, equip and install the next phase of wastewater system improvements, including replacement of septic tanks with services line in high-priority areas in Las Cruces, Doña Ana County; and

WHEREAS, the high priority areas identified to receive funding shall be selected from the City of Las Cruces Septic Tank Identification and Prioritization Plan; and

WHEREAS, in accordance with the LCU Board By-Laws, is authorized to provide strategic policy direction to the Utilities, including development and approval to the City Council of the annual budget for the LCU Department; and

WHEREAS, additionally, the By-Laws provide the LCU Board with the authority to seek, apply, and accept grants that do not require monetary match; and

WHEREAS, the City of Las Cruces City Manager is authorized to sign the agreement for the project. The official designees, LCU Director or Finance Director, are official representatives who are authorized to sign and request reimbursement and act as a single point of contact concerning all matter related to the grant agreement. Alternate official representatives that are authorized to sign and request reimbursement would be the Assistant Utilities Director or Assistant Finance Director.

NOW, THEREFORE, Be it Resolved by the Board of Commissioners for the City of Las Cruces Utilities, on behalf of the City of Las Cruces:

(I)

THAT the LCU Board approve the execution of the New Mexico Environment Department, 2025 Legislative CAP Grant Agreement No. 25-J2388-GF, in the amount of \$268,000.00, attached herein as Exhibit "A", and made part of this Resolution.

(II)

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

DONE AND APPROVED this 11 day of September 2025

APPROVED



LCU BOARD CHAIR

ATTEST:



LCU BOARD SECRETARY

VOID

Moved by: Johana Bencomo

Seconded by: Elizabeth Bardwell

AYES Johana Bencomo, Edmund Archuleta, Philip Simpson, Elizabeth Bardwell

NAYS

RESOLUTION 26-LCU013

A RESOLUTION TO EXECUTE THE STATE OF NEW MEXICO ENVIRONMENT DEPARTMENT, 2025 LEGISLATIVE GRANT AGREEMENT NO. SAP 25-J2388-GF IN THE AMOUNT OF \$268,000.00 WITH REVISED LANGUAGE.

The Board of Commissioners for the City of Las Cruces Utilities (LCU), on behalf of the City of Las Cruces, is informed that:

WHEREAS, the 2025 New Mexico State Legislature appropriated \$268,000.00 for the City of Las Cruces (City) to fund the following Capital Appropriations Project (CAP) SAP Agreement No. 25-J2388-GF; and

WHEREAS, the CAP grant funds will be utilized to plan, design, construct, equip, and install the next phase of wastewater system improvements, including replacement of septic tanks with service lines in high-priority areas in Las Cruces, Doña Ana County; and

WHEREAS, the high priority areas identified to receive funding shall be selected from the City of Las Cruces Septic Tank Identification and Prioritization Plan; and

WHEREAS, in accordance with the LCU Board By-Laws, is authorized to provide strategic policy direction to the Utilities, including development and approval to the City Council of the annual budget for the LCU Department; and

WHEREAS, additionally, the By-Laws provide the LCU Board with the authority to seek, apply, and accept grants that do not require a monetary match; and

WHEREAS, the City of Las Cruces City Manager is authorized to sign the agreement for the project; and

WHEREAS, the official designees, LCU Director or Finance Director, are the official representatives who are authorized to sign all other documents necessary to fulfill the requirements, request reimbursement, and act as a single point of contact concerning all matters related to the grant agreement; and

WHEREAS, alternate official representatives that are authorized to sign and request reimbursement would be the Grant Manager or Assistant Finance Director; and

WHEREAS, the official designees, Grants Manager and Grant Development and Compliance Specialist, are the DFA database contacts who are designated to update the database quarterly per Article VIII.A. of the Intergovernmental grant agreement; and

WHEREAS, the official designees, Assistant Utilities Director or Grant Development and Compliance Specialist, are the designated contacts to submit and receive Notices of Obligations.

NOW, THEREFORE, Be it Resolved by the Board of Commissioners for the City of Las Cruces Utilities, on behalf of the City of Las Cruces:

(I)

THAT the LCU Board approve the execution of the New Mexico Environment Department, 2025 Legislative CAP Grant Agreement No. 25-J2388-GF, in the amount of \$268,000.00, attached herein as Exhibit "A", and made part of this Resolution.

(II)

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

DONE AND APPROVED this 09 day of October 2025

APPROVED



LCU BOARD CHAIR

ATTEST:



LCU BOARD SECRETARY

Moved by: Philip Simpson

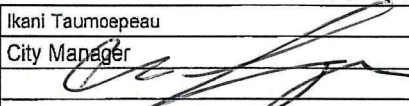
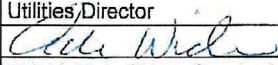
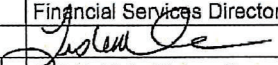
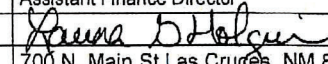
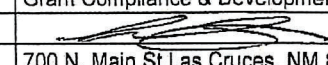
Seconded by: Elizabeth Bardwell

AYES Johana Bencomo, Edmund Archuleta, Philip Simpson, Elizabeth Bardwell, Cassie McClure,
John McElroy

NAYS

Name of Grantee: City of Las Cruces Project Number: SAP 25-J2388-GF

Current Authorized Signatures (submit with Signature Resolution, update when necessary)

Authorized to Sign Agreement			
Name	Ikani Taumoepeau	Name	N/A
Title	City Manager	Title	N/A
Signature		Signature	N/A
Address	700 N. Main St Las Cruces, NM 88001	Address	N/A
Email	grants@lascruces.gov	Email	N/A
Phone	575-541-2076	Phone	N/A
Official Representatives authorized to sign Disbursement Requests and all other documents.			
Name	Adrienne Widmer	Name	Lesley Doyle
Title	Utilities Director	Title	Financial Services Director
Signature		Signature	
Address	700 N. Main St Las Cruces, NM 88001	Address	700 N. Main St. Las Cruces, NM 88001
Email	awidmer@lascruces.gov	Email	ldoyle@lascruces.gov
Phone	575-528-3524	Phone	575-541-2080
Alternate Official Representative, to sign Disbursement Requests and all other documents and act as the Point of Contact.			
Name	Gabriela Prats	Name	Laura Holguin
Title	Grant Manager	Title	Assistant Finance Director
Signature		Signature	
Address	700 N. Main St Las Cruces, NM 88001	Address	700 N. Main St Las Cruces, NM 88001
Email	gprats@lascruces.gov	Email	lholguin@lascruces.gov
Phone	575-541-2430	Phone	575-541-2318
Designated Agent or Employee that will make DFA database updates			
Name	Gabriela Prats	Name	Crystal Silva
Title	Grant Manager	Title	Grant Compliance & Development Specialist
Signature		Signature	
Address	700 N. Main St Las Cruces, NM 88001	Address	700 N. Main St Las Cruces, NM 88001
Email	gprats@lascruces.gov	Email	csilva@lascruces.gov
Phone	575-541-2430	Phone	575-541-2281
Notice of Obligations			
Name	Dominique Rodriguez	Name	Crystal Silva
Title	Assistant Utilities Director	Title	Grant Compliance & Development Specialist
Signature	No Signature Required	Signature	No Signature Required
Address	700 N. Main St Las Cruces, NM 88001	Address	700 N. Main St Las Cruces, NM 88001
Email	drodriguez@lascruces.gov	Email	csilva@lascruces.gov
Phone	575-528-3528	Phone	575-541-2281

Contract Number: D20819Vendor Number: 0000054342Control Number: HW2C0245019

**STATE OF NEW MEXICO
DEPARTMENT OF TRANSPORTATION
FUND 93100 CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is between the Department of Transportation, hereinafter called the "Department" or abbreviation such as "NMDOT", and City of Las Cruces, hereinafter called the "Grantee". This Agreement is effective as of the date of the last party to sign it on the signature page below.

RECITALS

WHEREAS, in the Laws of 2024, SB 275, Chapter 66, Section 33, Subsection 94, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of, funds from this appropriation, in accordance with the terms and conditions of this Agreement; and

WHEREAS, pursuant to the NMSA 1978, Section 67-3-28, as amended, and State Highway Commission Policy No. 44, the Department has the authority to enter into this Grant Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE

A. The project that is the subject of this Agreement is described as follows:

DFA Appropriation ID I3324 NMDOT Control Number C0245019 **\$522,420.08**

APPROPRIATION REVERSION DATE: 6/30/2028

Laws of 2024, Chapter 66, Section 33, Subsection 94, Five Hundred Twenty Two Thousand Four Hundred Twenty Dollars and Eight Cents (\$522,420.08), to plan, design, construct and equip electric vehicle infrastructure statewide; 3551 Bataan Memorial W, Las Cruces, NM 88012.

The Grantee's total reimbursements shall not exceed Five Hundred Twenty Two Thousand Four Hundred Twenty Dollars and Eight Cents \$522,420.08 (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")¹, if applicable, Zero Dollars and No Cents (\$ 0.00), which equals Five

¹ The AIPP amount is "an amount of money equal to one percent or two hundred thousand dollars (\$200,000), whichever is less, of the amount of money appropriated for new construction or any major renovation exceeding one hundred thousand dollars (\$100,000)." Section 13-4A-4 NMSA 1978.

Hundred Twenty Two Thousand Four Hundred Twenty Dollars and Eight Cents (**\$522,420.08**) (the "Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the "Project"; the information contained in Article I(A) is referred to collectively throughout the remainder of this Agreement as the "Project Description." Optional Attachment A sets forth additional or more stringent requirements and conditions, which are incorporated by this reference as if set forth fully herein. If Optional Attachment A imposes more stringent requirements than any requirement set forth in this Agreement, the more stringent requirements of Attachment A shall prevail, in the event of irreconcilable conflict. The Grantee shall reference the Project's number in all correspondence with and submissions to the Department concerning the Project, including, but not limited to, Requests for Payment and reports.

ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE

A. Upon the Effective Date of this Agreement, for permissible purposes within the scope of the Project Description, the Grantee shall only be reimbursed monies for which the Department has issued and the Grantee has received a Notice of Department's Obligation to Reimburse² Grantee (hereinafter referred to as "Notice of Obligation"). This Grant Agreement and the disbursement of any and all amounts of the above referenced Adjusted Appropriation Amount are expressly conditioned upon the following:

- (i) Irrespective of any Notice of Obligation, the Grantee's expenditures shall be made on or before the Reversion Date and, if applicable, an Early Termination Date (i.e., the goods have been delivered and accepted or the title to the goods has been transferred to the Grantee and/or the services have been rendered for the Grantee); and
- (ii) The total amount received by the Grantee shall not exceed the lesser of: (a) the Adjusted Appropriation Amount identified in Article I(A) herein or (b) the total of all amounts stated in the Notice(s) of Obligation evidencing that the Department has received and accepted the Grantee's Third Party Obligation(s), as defined in subparagraph iii of this Article II(A); and
- (iii) The Grantee's expenditures were made pursuant to the State Procurement Code and execution of binding written obligations or purchase orders with third party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project, hereinafter referred to as "Third Party Obligations"; and
- (iv) The Grantee's submittal of timely Requests for Payment in accordance with the procedures set forth in Article IX of this Agreement; and
- (v) In the event that capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
 - a. must be approved by the applicable oversight entity (if any) in accordance with law; or
 - b. if no oversight entity is required to approve the transaction, the Department must approve the transaction as complying with law.

² "Reimburse" as used throughout this Agreement includes Department payments to the Grantee for invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee.

Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A)(v)(a) and II(A)(v)(b) herein, the Department may, in its sole and absolute discretion and unless inconsistent with State Board of Finance imposed conditions, reimburse the Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, such as plan and design expenditures; and

(vi) The Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance and the Grantee's receiving of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:

- a. The Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party **but prior to execution by the Grantee.**
- b. Grantee acknowledges and agrees that if it chooses to enter into a Third Party Obligation prior to receiving a Notice of Obligation that covers the expenditure, it is solely responsible for such obligations.
- c. The Department may, in its sole and absolute discretion, issue to Grantee a Notice of Obligation for the particular amount of that Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is attached to this Agreement as Exhibit 2.
- d. The date the Department signs the Notice of Obligation is the date that the Department's Notice of Obligation is effective. After that date, the Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation and request the Third Party to begin work. Payment for any work performed or goods received prior to the effective date of the Notice of Obligation is wholly and solely the obligation of the Grantee.

B. The Grantee shall implement, in all respects, the Project. The Grantee shall provide all necessary qualified personnel, material, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.

C. Project funds shall not be used for purposes other than those specified in the Project Description.

D. Unless specifically allowed by law, Project funds cannot be used to reimburse Grantee for indirect Project costs.

ARTICLE III. NOTICE PROVISIONS AND GRANTEE AND DEPARTMENT DESIGNATED REPRESENTATIVES

Whenever written notices, including written decisions, are to be given or received, related to this Agreement, the following provisions shall apply.

The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

Grantee: City of Las Cruces

Name: Gabriela Prats
 Title: Grants Manager
 Address: 700 N Main St, Las Cruces, NM 88001-1120
 Email: Grants@lascruces.gov
 Telephone: 575-541-2430

The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

Grantee: City of Las Cruces
 Name: Lesley Doyle
 Title: Finance Director
 Address: _____
 Email: ldoyle@lascruces.gov
 Telephone: 575-541-2080

The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

Department: Department of Transportation District 0 Office
 Name: Andrew Gonzales
 Title: Deputy Director- Special Projects
 Address: 1131 Cerrillos Road, Santa Fe, NM 87504
 Email: andrew.gonzales@dot.nm.gov
 Telephone: 505-699-0072

The Grantee and the Department agree that either party shall send all notices, including written decisions, related to this Agreement to the above named persons by email or regular mail. In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of email.

ARTICLE IV. REVERSION DATE, TERM, DEADLINE TO EXPEND FUNDS

A. As referenced in Article I(A), the applicable law establishes a date by which Project funds must be expended by Grantee, which is referred to throughout the remainder of this Agreement as the "Reversion Date." Upon being duly executed by both parties, this Agreement shall be effective as of the date of execution by the Department. It shall terminate on 6/30/2028 the Reversion Date unless Terminated Before Reversion Date ("Early Termination") pursuant to Article V herein.

B. The Project's funds must be expended on or before the Reversion Date and, if applicable, Early Termination Date of this Agreement. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Project's Reversion Date or Early Termination Date. Funds are expended and an expenditure has occurred as of the date that a particular quantity of goods are delivered to and received by the Grantee or title to the goods is transferred to the Grantee and/or as of the date

particular services are rendered for the Grantee. Funds are *not* expended and an expenditure has *not* occurred as of the date they are encumbered by the Grantee pursuant to a contract or purchase order with a third party.

ARTICLE V. EARLY TERMINATION

A. Early Termination Before Reversion Date Due to Completion of the Project or Complete Expenditure of the Adjusted Appropriation or Violation of this Agreement

Early Termination includes:

- (i) Termination due to completion of the Project before the Reversion Date; or
- (ii) Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date; or
- (iii) Termination for violation of the terms of this Agreement; or
- (iv) Termination for suspected mishandling of public funds, including but not limited to, fraud, waste, abuse, and conflicts of interest.

Either the Department or the Grantee may early terminate this Agreement prior to the Reversion Date by providing the other party with a minimum of fifteen (15) days' advance, written notice of early termination. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(A).

B. Early Termination Before Reversion Date Due to Non-appropriation

The terms of this Agreement are expressly made contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. Throughout this Agreement the term "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature: deauthorization, reauthorization or revocation of a prior authorization. The Legislature may choose to non-appropriate the Appropriation referred to in Article I and, if that occurs, the Department shall early terminate this Agreement for non-appropriation by giving the Grantee written notice of such termination, and such termination shall be effective as of the effective date of the law making the non-appropriation. The Department's decision as to whether sufficient appropriations or authorizations are available shall be accepted by the Grantee and shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(B).

C. Limitation on Department's Obligation to Make Grant Disbursements to Grantee in the Event of Early Termination

In the event of Early Termination of this Agreement by either party, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth Article II.

ARTICLE VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

A. The Department may choose, in its sole and absolute discretion, to provide written notice to the Grantee to suspend entering into new and further obligations. Upon the receipt of such written notice by the Grantee:

- (i) The Grantee shall immediately suspend entering into new or further written obligations with third parties; and

- (ii) The Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
- (iii) The Department may direct the Grantee to implement a corrective action plan in accordance with Article VI(D) herein.

B. In the event of Suspension of this Agreement, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for Notice of Obligation.

D. Corrective Action Plan in the Event of Suspension

In the event that the Department chooses, in its sole and absolute discretion to direct the Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension. Such corrective action plan must be approved by the Department and be signed by the Grantee. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan, is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(iii). The corrective action plan is in addition to, and not in lieu of, any other equitable or legal remedy, including but not limited to Early Termination.

ARTICLE VII. AMENDMENT

This Agreement shall not be altered, changed, or amended except by instrument in writing duly executed by both the parties hereto.

ARTICLE VIII. REPORTS

A. Database Reporting

The Grantee shall report quarterly Project activity by entering such Project information as the Department and the Department of Finance and Administration may require, such information entered directly into a database maintained by the Department of Finance and Administration (<http://cpms.dfa.state.nm.us>). Additionally, the Grantee shall certify on the Request for Payment form (Exhibit 1) that updates have been maintained and are current in the database. The Grantee hereby acknowledges that failure to perform and/or certify updates into the database will delay or potentially jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of thirty (30) days' advance written notice of any changes to the information the Grantee is required to report.

Quarterly reports shall be due on the last day of the month that is 30 days prior to the end of the quarter following execution of this Agreement by the Department and ending during the quarter of the submission of the final request for reimbursement for the Project, or the following quarter.

B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- (i) request such additional information regarding the Project as it deems necessary; and
 - (ii) conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.
- Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES

A. The Grantee shall request payment by submitting a Request for Payment, in the form attached hereto as Exhibit 1. Payment requests are subject to the following procedures:

- (i) The Grantee must submit a Request for Payment; and
- (ii) Each Request for Payment must contain proof of payment by the Grantee or liabilities incurred by the Grantee showing that the expenditures are valid or are liabilities incurred by the Grantee in the form of actual unpaid invoices received by the Grantee for services rendered by a third party or items of tangible personal property received by the Grantee for the implementation of the Project; provided, however, that the Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
- (iii) In cases where the Grantee is submitting a Request for Payment to the Department based upon invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee, the Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or such shorter period of time as the Department may prescribe in writing. The Grantee is required to certify to the Department proof of payment to the third party contractor or vendor within ten (10) business days from the date of receiving reimbursement from the Department.

B. The Grantee must obligate 5% of the Adjusted Appropriation Amount within six months of acceptance of the grant agreement and must have expended no less than 85% of the Adjusted Appropriation Amount six months prior to the reversion date.

C. Deadlines

Requests for Payments shall be submitted by Grantee to the Department on the earlier of:

- (i) Immediately as they are received by the Grantee but at a minimum thirty (30) days from when the expenditure was incurred or liability of the Grantee was approved as evidenced by an unpaid invoice received by the Grantee from a third party contractor or vendor; or
- (ii) Twenty (20) days from date of Early Termination; or
- (iii) Twenty (20) days from the Reversion Date.

D. The Grantee's failure to abide by the requirements set forth in Article II and Article IX herein will result in the denial of its Request for Payment or will delay the processing of Requests for Payment. The Department has the right to reject a payment request for the Project unless and until it is satisfied that the expenditures in the Request for Payment are for permissible purposes within the meaning of the Project Description and that the expenditures and the Grantee are otherwise in compliance with this Agreement, including but not limited to, compliance with the reporting requirements and the requirements set forth in

Article II herein to provide Third Party Obligations and the Deadlines set forth in Article IX herein. The Department's ability to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department due to Grantee's violation of this Agreement.

ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS; REPRESENTATIONS AND WARRANTIES

- A. The following general conditions and restrictions are applicable to the Project:
- (i) The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code (or local procurement ordinance, where applicable).
 - (ii) The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable. Every contract or project in excess of sixty thousand dollars (\$60,000) that the Grantee is a party to for construction, alteration, demolition or repair or any combination of these, including painting and decorating, of public buildings, public works or public roads and that requires or involves the employment of mechanics, laborers or both shall contain a provision stating the minimum wages and fringe benefits to be paid to various classes of laborers and mechanics, shall be based upon the wages and benefits that will be determined by the New Mexico Department of Workforce Solutions to be prevailing for the corresponding classes of laborers and mechanics employed on contract work of a similar nature in the locality. Further, every contract or project shall contain a stipulation that the contractor, subcontractor, employer or a person acting as a contractor shall pay all mechanics and laborers employed on the site of the project, unconditionally and not less often than once a week and without subsequent unlawful deduction or rebate on any account, the full amounts accrued at time of payment computed at wage rates and fringe benefit rates not less than those determined pursuant to Section 13-4-11 (B) NMSA 1978 to be the prevailing wage rates and prevailing fringe benefit rates issued for the project.
 - (iii) The Project may only benefit private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico, the "Anti-Donation Clause."
 - (iv) The Grantee shall not for a period of 10 years from the date of this agreement convert any property acquired, built, renovated, repaired, designed or developed with the Project's funds to uses other than those specified in the Project Description without the Department's and the Board of Finance's express, advance, written approval, which may include a requirement to reimburse the State for the cost of the project, transfer proceeds from the disposition of property to the State, or otherwise provide consideration to the State.
 - (v) The Grantee shall comply with all federal and state laws, rules and regulations pertaining to equal employment opportunity. In accordance with all such laws, rules and regulations the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with Grantee, be excluded from participation in the Project, be denied benefits or otherwise be subject to discrimination under, any activity performed under this Agreement. If Grantee is found to be not in compliance with these requirements during the life of this Agreement, Grantee agrees to take appropriate steps to correct any deficiencies. The Grantee's failure to implement such appropriate steps within a reasonable time constitutes grounds for terminating this Agreement.

- B. The Grantee hereby represents and warrants the following:
- (i) The Grantee has the legal authority to receive and expend the Project's funds.
 - (ii) This Agreement has been duly authorized by the Grantee, the person executing this Agreement has authority to do so, and, once executed by the Grantee, this Agreement shall constitute a binding obligation of the Grantee, enforceable according to its terms.
 - (iii) This Agreement and the Grantee's obligations hereunder do not conflict with any law or ordinance or resolution applicable to the Grantee, the Grantee's charter (if applicable), or any judgment or decree to which the Grantee is subject.
 - (iv) The Grantee has independently confirmed that the Project Description, including, but not limited to, the amount and Reversion Date, is consistent with the underlying appropriation in law.
 - (v) The Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign the Agreement and to sign Requests for Payment.
 - (vi) The Grantee shall abide by New Mexico laws regarding conflicts of interest, governmental conduct and whistleblower protection. The Grantee specifically agrees that no officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Grant, during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed or goods to be received, pursuant to this Grant. Further, Grantee shall require all of its contractors to incorporate in all subcontracts the language set forth in this paragraph prohibiting conflicts of interest.
 - (vii) No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of this or any agency or body in connection with the awarding of any Third Party Obligation and that the Grantee shall require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans and cooperative agreements. All subrecipients shall be required to certify accordingly.

ARTICLE XI. STRICT ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS; PROJECT RECORDS

A. The Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles, and, if feasible, maintain a separate bank account or fund with a separate organizational code, for the funds to assure separate budgeting and accounting of the funds.

B. For a period of six (6) years following the Project's completion, the Grantee shall maintain all Project related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the total funds from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department shall prescribe.

C. The Grantee shall make all Project records available to the Department, the Department of Finance and Administration, and the New Mexico State Auditor upon request. With respect to the funds that are the

subject of this Agreement, if the State Auditor or the Department of Finance and Administration finds that any or all of these funds were improperly expended, the Grantee may be required to reimburse to the State of New Mexico, to the originating fund, any and all amounts found to be improperly expended.

ARTICLE XII. IMPROPERLY REIMBURSED FUNDS

If the Department determines that part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to, Project funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, or violation of this Agreement, the Grantee shall return such funds to the Department for disposition in accordance with law.

ARTICLE XIII. LIABILITY

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.

ARTICLE XIV. SCOPE OF AGREEMENT

This Agreement constitutes the entire and exclusive agreement between the Grantee and Department concerning the subject matter hereof. The Agreement supersedes any and all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

ARTICLE XV. REQUIRED NON-APPROPRIATIONS CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

The Grantee acknowledges, warrants, and agrees that Grantee shall include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:

"The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the City of Las Cruces may immediately terminate this Agreement by giving Contractor written notice of such termination. The City of Las Cruces's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Las Cruces or the Department of Transportation or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the City of Las Cruces or the Department"

ARTICLE XVI. REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

Grantee acknowledges, warrants, and agrees that Grantee shall include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

"This contract is funded in whole or in part by funds made available under a Department of Transportation Grant Agreement. Should the Department of Transportation early terminate the grant agreement, the City of Las Cruces may early terminate this contract by providing Contractor written notice of such termination. In the event of termination pursuant to this paragraph, the City of Las Cruces only liability shall be to pay Contractor for acceptable goods delivered and services rendered before the termination date."

Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department.

XVII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA.

A. Throughout the term of this Agreement, Grantee shall:

1. submit all reports of annual audits and agreed upon procedures required by Section 12-6-3(A)-(B) NMSA 1978 by the due dates established in 2.2.2 NMAC, reports of which must be a public record pursuant to Section 12-6-5(A) NMSA 1978 within forty-five days of delivery to the State Auditor;
2. have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
3. timely submit all required financial reports to its budgetary oversight agency (if any); and
4. have adequate accounting methods and procedures to expend grant funds in accordance with applicable law and account for and safeguard grant funds and assets acquired by grant funds.

B. In the event Grantee fails to comply with the requirements of Paragraph A of this Article XVII, the Department may take one or more of the following actions:

1. suspend new or further obligations pursuant to Article VI(A) of this Agreement;
2. require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
3. impose special grant conditions to address the non-compliance by giving the Grantee notice of such special conditions in accordance with Article III of this Agreement; the special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III; or
4. terminate this Agreement pursuant to Article V(A) of this Agreement.

ARTICLE XVIII. SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES

A. Grantee acknowledges and agrees that the underlying appropriation for the Project is a severance tax bond or general obligation bond appropriation, and that the associated bond proceeds are administered by the New Mexico State Board of Finance (SBOF), an entity separate and distinct from the Department. Grantee acknowledges and agrees that (i) it is Grantee's sole and absolute responsibility to determine through SBOF staff what (if any) conditions are currently imposed on the Project; (ii) the Department's failure to inform Grantee of a SBOF imposed condition does not affect the validity or enforceability of the condition; (iii) the SBOF may in the future impose further or different conditions upon the Project; (iv) all SBOF conditions are effective without amendment of this Agreement; (v) all applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s); and (vi) the Department's obligation to reimburse Grantee from the Project is contingent upon the then current SBOF conditions being satisfied.

B. Grantee acknowledges and agrees that the SBOF may in its sole and absolute discretion remove a project's assigned bond proceeds if the project doesn't proceed sufficiently. Entities must comply with the

requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by the grantee in the Bond Questionnaire and Certification documents submitted to the SBOF. Failure to comply may result in the bond proceeds reassignment to a new ready project. If this should occur this grant agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.

C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, NMAC 2.61.6, as may be amended or re-codified. The rule provides definitions and interpretations of grant language for the purpose of determining whether a particular activity is allowable under the authorizing language of the agreement.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date of execution by the Department.

GRANTEE


 Signature of Official with Authority to Bind Grantee

CITY of LAS CRUCES.
 Entity Name

By: JAVI TAGUIRAN.
 (Type or Print Name)

Its: City Mgr
 (Type or Print Title)

7/2/25.
 Date

Approved as to Form:

 fn 8D 08/20/2025

CITY ATTORNEY

DEPARTMENT OF TRANSPORTATION

DocuSigned by:

Ricky Serna
 By: 5910E8A6255842F...

Its: Cabinet Secretary or Designee

09/19/25
 Date

REVIEWED AND APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S OFFICE OF GENERAL COUNSEL

Signed by:

John Newell
 John Newell
 By: 67509EC71625D48B

By: Office of General Counsel

09/19/25
 Date

STATE OF NEW MEXICO CAPITAL GRANT PROJECT Request for Payment Form Exhibit 1			
I. Grantee Information (Make sure information is complete & accurate)		II. Payment Computation	
A. Grantee: _____ B. Address: _____ (Complete Mailing, including Suite, if applicable) City State Zip C. Phone No: _____ D. Grant No: _____ E. Project Title: _____ F. Grant Expiration Date: _____	A. Payment Request No. _____ B. Grant Amount: _____ C. AIPP Amount (If Applicable): _____ D. Funds Requested to Date: _____ E. Amount Requested this Payment: _____ F. Reversion Amount (If Applicable): _____ G. Grant Balance: _____ H. ☐ GF ☐ GOB ☐ STB (attach wire if first draw) I. ☐ Final Request for Payment (if Applicable)		
III. Fiscal Year : _____ (The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)			
IV. ☐ Reporting Certification: I hereby certify to the best of my knowledge and belief, that database reporting is up to date; to include the accuracy of expenditures and grant balance, project status, project phase, achievements and milestones; and in compliance with Article VIII of the Capital Outlay Grant Agreement.			
V. ☐ Compliance Certification: Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; and that the grant activity is in full compliance with Article IX, Sec. 14 of the New Mexico Constitution known as the "anti donation" clause.			
Grantee Fiscal Officer or Fiscal Agent (if applicable)		Grantee Representative	
Printed Name		Printed Name	
Date:		Date:	
(State Agency Use Only)			
Vendor Code:		Fund No.:	
Loc No.:			
I certify that the State Agency financial and vendor file information agree with the above submitted information.			
Division Fiscal Officer		Division Project Manager	
Date		Date	

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT 2

Notice of Obligation to Reimburse Grantee [# 1]

DATE: [_____]

TO: Department Representative: [_____]

FROM: Grantee: [_____]

Grantee Official Representative: [_____]

SUBJECT: Notice of Obligation to Reimburse Grantee

Grant Number: [_____]

Grant Termination Date: [_____]

As the designated representative of the Department for Grant Agreement number [_____] entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): [_____]

The Amount of this Notice of Obligation: [_____]

The Total Amount of all Previously Issued Notices of Obligation: [_____]

The Total Amount of all Notices of Obligation to Date: [_____]

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: [_____]

Title: [_____]

Signature: [_____]

Date: [_____]

¹ Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

NMDOT ATTACHMENT A

The City of Las Cruces shall agree to comply with the following Provisions:

1. Assume the lead role for the Project.
2. Be responsible for all applicable design, environmental and archaeological clearances, and right-of-way acquisition, in accordance with current local, state, federal laws, Uniform Relocation Act, and current design practices and specifications.
3. Be responsible for project development, project construction, construction management, and testing.
4. Utilize the Project Control Number in all correspondence and submittals to the Department.
5. Adopt a written resolution of support for the Project, including as applicable an assumption of ownership, liability, and maintenance responsibility for the scope, or related amenities and required funding to support the Project.
6. Complete the Project using current American Public Works Association (APWA) specifications, implemented Grantee's design standards and specifications, or Department specifications.
7. Use Rental Rate Blue Book rates, if not provided in the Department established equipment rates, in the implementation of this Project. Any equipment rates not found in the Department established rates shall be reimbursed at the Blue Book rates.

The City of Las Cruces shall agree to comply with the following Lighting and Signal Provisions as applicable:

1. After subject signal system(s) has/have been constructed, make provisions for and provide, at its own expense, all electrical energy, routine maintenance such as lamp replacement, emergency shutdown in case of accidental damage or equipment failure and make any repairs necessary due to accidental damage to, or equipment failure of, the signal head and poles.
2. In the event that accidental damage or equipment failure should occur, provide for equipment shut down/or emergency traffic control as needed. In addition, should the accidental damage or equipment failure involve the Controller (and cabinet) or the loop detection system, promptly notify the Traffic Technical Support Bureau of the Department.
3. In the event that the traffic signal should be rendered completely inoperable as a result of accidental damage, secure the intersection with stop signs at all approach legs until such time as the traffic signal is made operable.
4. Make ample future provisions in its budget each year for the cost of maintaining and providing energy to the traffic signals and telephone service to the signal system and intersection lighting.
5. At its own expense, maintain the signal controller and control equipment (the "Controller") including and maintenance of the machine vision vehicle detection system with cameras and emergency vehicle pre-empt system and repair or replace the Controller in the event the Controller and/or cabinet is damaged or there is an equipment failure.
6. After the installation of the roadway lighting system, if any, provide any and all utilities, maintenance, and such other items as may be necessary of continued satisfactory operation of said subject lighting system.
7. Make all timing adjustments to the Signal Control equipment and review the Signal System(s) for efficient and satisfactory operation.
8. Obtain approval from the Department for all signal equipment prior to installation.
9. Require the construction contractor to name the Department and the Grantee as an additional insured in the construction contractor's general liability policy.
10. Enter into a Signalization and Lighting Agreement with the Department's Traffic Technical Support Bureau as required.



26-077

City Council Action and Executive Summary

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:		Adopted:	December 15, 2025
Drafter:	Christine Rivera	Department:	City Manager's Office
Title:	A RESOLUTION APPROVING RECOMMENDED POLICY ITEMS FOR THE 2026 NEW MEXICO LEGISLATIVE SESSION.		

TYPE OF ACTION: ☒ Administrative ☐ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
To approve recommended policy items.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
City staff has identified a set of policies that would be advantageous for the City to advocate for in the upcoming legislative session. These policies were presented by the supporting departments during the December 8, 2025 work session. City staff recommends approval of the listed priorities for presentation to legislators during the 2026 New Mexico Legislative Session.

SUPPORT INFORMATION:
[Exhibit "A" - Legislative Policies](#)

PLAN(S):
Elevate Las Cruces

COMMITTEE/BOARD REVIEW:
None

DOES THIS AMEND THE BUDGET?:
☐ Yes
☒ No

Does this action amend the Capital Improvement Plan (CIP)?
☐ Yes
☒ No

OPTIONS / ALTERNATIVES:
1. Vote "Yes"; this will approve the recommended policies.
2. Vote "No"; this will not approve the recommended policies.
3. Vote to "Amend"; this will require direction to staff.

Agenda Item #6.2.

4. Vote to "Table"; this will delay advocacy and require direction to staff.

RESOLUTION 26-077

A RESOLUTION APPROVING RECOMMENDED POLICY ITEMS FOR THE 2026 NEW MEXICO LEGISLATIVE SESSION.

The City Council is informed that:

WHEREAS, city staff has identified a set of policies that would be advantageous for the City to advocate for in the upcoming legislative session; and

WHEREAS, these policies were presented by the supporting departments during the December 8, 2025 work session; and

WHEREAS, city staff recommends approval of the listed priorities for presentation to legislators during the 2026 New Mexico Legislative Session.

NOW, THEREFORE, Be it Resolved by the Governing Body of the City of Las Cruces:

(I)

THAT the recommended list of policies as noted in Exhibit "A" are hereby approved, attached hereto and made part of this resolution.

(II)

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

DONE AND APPROVED this day of

APPROVED

Mayor

ATTEST:

City Clerk

Moved by:

Seconded by:

AYES

NAYS

LEGISLATIVE POLICIES

- Rural Air Service Enhancement (RASE) funding – multi year funding source and distribution methodology
- Source of Income
- Eviction Sealing
- Mobile Home Parks
- Residential Uses in Commercial Zones
- New Mexico Housing Trust Fund - \$135 million
- Affordable Housing Act - \$500 million
- Multi-Year Stable Fund for Affordable Housing and Homelessness
- Juvenile Crime
- Repeat Offenders
- Modernize Law Enforcement Training
- 2026 New Mexico Library GO Bond



26-078

City Council Action and Executive Summary

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

District:	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5	☐ 6	☐ N/A
1st Reading:					Adopted:	December 15, 2025	
Drafter:	William "Bill" Hamm				Department:	Economic Development	
Title:	A RESOLUTION AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LITTLE TUMBLEWEED RENTALS, LLC FOR THE SALE OF APPROXIMATELY 6,478 SQUARE FEET OF MUNICIPALLY-OWNED LAND FOR THE PURCHASE PRICE OF \$23,000.00, IN ACCORDANCE WITH LCMC 1997, SECTION 2-1312.						

TYPE OF ACTION: ☒ Administrative ☐ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
Approve the sale of City property.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
This resolution authorizes the sale of approximately 6,478 square feet of municipal land located adjacent to Little Tumbleweed Rentals, LLC's (Little Tumbleweed) property located at 4505 Bataan Memorial West. The property was appraised by a local appraiser in May 2025, which concluded a value of Twenty-Three Thousand Dollars (\$23,000.00) and is the agreed upon purchase price.

The City land is the former site of a water storage facility, which was decommissioned and removed by the City Utilities Department once utility service expanded throughout the East Mesa. The Utilities Department has confirmed it has no foreseeable use for the property, as have all other City Departments.

Little Tumbleweed wishes to purchase the City land for inclusion into their adjacent developed property for access, parking and on-site ponding purposes.

Little Tumbleweed shall be solely responsible for all surveying and closing costs. The licensed broker who is representing Little Tumbleweed in this transaction, will be paid a six (6) percent commission by the City pursuant to Resolution 02-125, which totals \$1,380 plus applicable gross receipts tax.

The sale will eliminate City liability for the land and will enable Little Tumbleweed to utilize the land for a productive purpose and be added to the Dona Ana County Property Tax rolls.

SUPPORT INFORMATION:
[Exhibit "A" - Real Estate Purchase Agreement](#)
[Attachment "A" - Appraisal](#)
[Attachment "B" Aerial Vicinity Map](#)

PLAN(S):

Agenda Item #7.1.

City Council Strategic Plan, Department Strategic Business Plan, Elevate Las Cruces

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

BUDGET / FISCAL IMPACT:

BUDGETED AMOUNT:

AVAILABLE AMOUNT:

EXPENDITURE AMOUNT:

Funding Source(s):

Net Sale Proceeds to be deposited to Utilities Fund 5300-50334001-591190

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution and Real Estate Purchase Agreement to sell approximately 6,478 square feet of land to Little Tumbleweed Rentals, LLC for Twenty - Three Thousand dollars (\$23,000.00).
2. Vote "No"; this will not approve the Resolution and Real Estate Purchase Agreement and City will retain ownership of the land.
3. Vote to "Amend"; this will modify the terms of the Agreement based on direction from Council.
4. Vote to "Table"; this will postpone the Resolution and Council will need to direct staff.

REFERENCE INFORMATION:

Resolution 02-155

RESOLUTION 26-078

A RESOLUTION AUTHORIZING A REAL ESTATE PURCHASE AGREEMENT BETWEEN THE CITY OF LAS CRUCES AND LITTLE TUMBLEWEED RENTALS, LLC FOR THE SALE OF APPROXIMATELY 6,478 SQUARE FEET OF MUNICIPALLY-OWNED LAND FOR THE PURCHASE PRICE OF \$23,000.00, IN ACCORDANCE WITH LCMC 1997, SECTION 2-1312.

The City Council is informed that:

WHEREAS, the City owns approximately 6,478 square feet of land located adjacent to 4505 Bataan Memorial West; and

WHEREAS, Little Tumbleweed Rentals, LLC (Little Tumbleweed), is the owner of a developed property located at 4505 Bataan Memorial West; and

WHEREAS, the City land is the former site of a water storage facility, which was removed by the City Utilities Department; and

WHEREAS, the Utilities Department has confirmed it has no foreseeable use for the property, as have all other City Departments; and

WHEREAS, the property was appraised by a local appraiser in May 2025, which concluded a value of Twenty-Three Thousand Dollars (\$23,000.00); and

WHEREAS, Little Tumbleweed wishes to purchase the City land for the appraised value of Twenty-Three Thousand Dollars, for inclusion into their adjacent developed property; and

WHEREAS, the sale will eliminate City liability for the land and will enable the land to be placed into productive use and added to the Dona Ana County Property Tax rolls.

NOW, THEREFORE, Be it Resolved by the Governing Body of the City of Las Cruces:

(I)

THAT The Real Estate Purchase Agreement between City and Little Tumbleweeds, LLC, as shown in Exhibit "A" attached hereto and made a part of this Resolution, is hereby approved.

(II)

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

DONE AND APPROVED this day of

Agenda Item #7.1.

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE SALES AGREEMENT is entered into on this ____ day of, _____, 2025, between **The City of Las Cruces**, a New Mexico municipal corporation, hereafter called the “Seller” whose address is 700 N. Main Street, Las Cruces, New Mexico 88001 and Little Tumbleweed Rentals, LLC, hereafter called the “Buyer”, whose address is 4817 Rociante Drive, Las Cruces, New Mexico 88005.

RECITALS

1. The Seller is the owner of the real property located north of Bataan Memorial West and adjacent to the east side of N. Jornada Road and being described as 0.195 acres in Section 22, Township 22 South, Range 2 East and more particularly described in Exhibit "A," attached hereto and incorporated herein ("City Owned Property").

2. The Buyer desires to purchase a 0.149 acre portion of the City Owned Property from the Seller, as depicted in Exhibit "B" attached hereto and incorporated herein and being more particularly described upon receipt of the lot line adjustment Subdivision plat provided for in Paragraph 2.A. below and metes and bounds legal description of the 0.149 acre tract of land herein ("Property").

NOW THEREFORE, for valuable consideration, the Seller and the Buyer agree as follows:

TERMS AND CONDITIONS

1) **Purchase Price.**

The purchase price for the Property shall be Twenty-Three Thousand Dollars (\$23,000) cash or certified funds, payable as follows:

A. One Thousand One Hundred and Fifty Dollars (\$1,150) as an earnest money deposit which the Buyer shall deposit with Dona Ana Title Company upon signing this Agreement by the parties; and

B. Twenty-One Thousand Eight Hundred and Fifty Dollars (\$21,850.00) in cash or certified funds at Closing (defined below).

2) **Closing Date.**

A. Prior to Closing, Buyer, at their sole cost and expense, will take the necessary steps to adjust the Property's lot lines, as depicted in Exhibit "B" attached hereto and made a part hereof, by completing the subdivision process pursuant to Chapter 37 of the Las

SS

Cruces Municipal Code and recording said subdivision with the Doña Ana County Clerk. Upon recording of the subdivision, a copy will be provided to the Seller. Buyer will also provide a metes and bounds legal description for the Property to be attached to the Special Warranty Deed referred to in Paragraph 3. F. below.

- B. The "Closing" for the sale of the Property shall occur on a mutually agreeable date after City Council's approval of the resolution authorizing the sale, pursuant to Municipal Code Section 2-1312 et. Seq. No closing can occur without the adoption of the Resolution. If such Resolution is not adopted for any reason, then either party may terminate the Agreement.

3) **Inspection Period.**

The "Inspection Period" shall commence on the date of the Seller's execution of this Agreement (the "Acceptance Date") and shall end ninety (90) days from the Acceptance Date. For purposes of this agreement, "Executed" shall be defined as the date the agreement is signed by the Las Cruces City Manager or authorized designee.

During the Inspection Period, Buyer shall review all of the information regarding the Property provided by the Seller. In addition, during the Inspection Period, Buyer may perform such other inspections and review such other information as reasonably desired by it. Such inspection, unless otherwise specified in this Agreement, shall be at Buyer's sole expense. Such inspections and reviews may include, but are not limited to, physical inspection of the Property, environmental inspection of the Property, soil inspection, and review of governmental approvals and permits related to the Property zoning, title, survey, service agreements, management contracts, leases, and financial information.

- A. Buyer, at its sole expense, but with the Seller's full cooperation, may elect to obtain Approvals prior to Closing, provided that no approvals or permits shall be recorded against the Property prior to Closing. The Seller's cooperation in this regard shall include signing its consent as Property owner to applications for such Approvals and, governing authorities and/or utility service providers in connection with Buyer's efforts to procure any Approvals.
- B. The Seller will provide certain representations and warranties, including but not limited to the following:
 - 1. Rights of Acquisition: The Seller agrees to disclose to the Buyer any existing right or option to acquire the Property or any portion thereof or any interest therein.
 - 2. Environmental. The Seller agrees to complete an owner disclosure form for Buyer to complete a Phase I Environmental Site Assessment as part of its due diligence. To the Seller's actual knowledge with no duty of inquiry, there is no violation of any current laws or ongoing remediation of the

Property. The Buyer shall assume no liability for any hazardous conditions resulting from the prior use(s) of the Property.

3. Authority: The Seller is authorized to enter into a Purchase Agreement and consummate closing on the sale of the Property and the execution of a Purchase Agreement is not a breach or violation of any agreement that is binding on the Seller.
- C. Buyer acknowledges that the Seller is selling, and Buyer shall accept, the Property in an "AS-IS, WHERE-IS" condition without any representation or warranty whatsoever by the Seller. The Buyer acknowledges that it is a sophisticated real estate Buyer who shall have had, as of the Closing Date, open access to, and sufficient time to review, all information, documents, studies and test relating to the Property that the Buyer elects to conduct. Buyer covenants and warrants to the Seller that Buyer shall rely solely on the Buyer's own due diligence investigation in determining to purchase the Property.
 - D. All parties agree that Kary Bulsterbaum of Steinborn Commercial Real Estate is representing the Buyer and is a licensed real estate broker in New Mexico representing the Buyer and is the only broker involved in this transaction and will be paid by the Seller pursuant to Resolution 02-125.
 - E. Buyer has expressed its desire to obtain an Owner's Policy of Title Insurance. Buyer will, at its own expense, cause the Title Company to deliver to Buyer a Commitment for Title Insurance, with copies of all exception documents referenced therein.
 - F. The Seller will transfer the Property via Special Warranty Deed, conveying the Property to the Buyer, in fee simple, which shall also state that it is "subject to all covenants, conditions, restrictions and easements of record". The Property shall be delivered free of any monetary liens and encumbrances other than taxes and assessments not yet due and payable.
- 4) **Costs, Fees, and Alternative Dispute Resolution.**
- A. Buyer will pay all closing costs. Each party will pay its own attorney fees. The Buyer will be responsible for the cost of any new survey it desires, including but not limited to the lot line adjustment Subdivision described in Paragraph 2. A. above.
 - B. Applicable real property taxes shall be prorated through the date of Closing based on the latest tax information available to the Title Company. Buyer shall pay all special assessments, standby charges, prorated charges and other similar charges and/or assessments existing at the time of the Closing.
 - C. Prior to the institution of any litigation, however, the parties have the contractual

duty to, in good faith, attempt to resolve any controversy hereunder at the least possible expense using alternative dispute resolution. Should alternative dispute resolution fail, and litigation be brought, if either party is found by a court to have breached this Agreement, the other party may recover its costs, including reasonable attorney fees.

5) **Compliance with Code and Statutes.**

The Seller has complied or will comply with the requirements of the Las Cruces Municipal Code and New Mexico State statutes and has or will obtain the authority to sell the Property to the Buyer.

6) **Governing Laws.**

This Agreement shall be subject to the laws of the State of New Mexico.

7) **Default and Remedy.**

- A. If Buyer cannot perform this Agreement solely as a result of the Resolution approving the sale of the Property not being adopted, this Agreement is automatically terminated and all monies paid by the Buyer shall be refunded to the Buyer promptly, including the earnest money deposit.
- B. If Buyer defaults in the performance of this Agreement by failure to complete the purchase after the adoption of the Resolution approving the sale of the Property, the Seller shall keep the earnest money as its sole and exclusive property.

8) **Hold Harmless.**

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred by the Seller in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act.

9) **Risk of Loss.**

In the event of a Material Change, as hereinafter defined, Buyer shall have no obligation to complete its acquisition of the Property unless such Material Change has been approved in writing by Buyer. For purposes of this Agreement, "Material Change" shall mean a change in the status of a use, occupancy, tenancy, financial condition or physical condition of the Property prior to Closing. All risk of loss or damage to the Property will pass from the Seller to the Buyer at Closing. In the event of a Material Change, Buyer may, without liability, refuse to accept the conveyance of title and this Agreement shall be null and void in its entirety and the earnest money deposit and accrued interest, in its entirety, shall be promptly returned to Buyer. Possession of the Property will be released to Buyer at Closing.

10) **Counterparts.**

This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on the parties.

11) **Successors and Assigns.**

This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. Neither party may assign this Agreement or duties hereunder without the express written consent of the other party which consent shall not be unreasonably withheld.

12) **Termination.**

This Agreement shall be terminated on the closing date for sale of Property, unless either party terminates the Agreement prior to that date per the provisions of this Agreement.

13) **Severability.**

If any clause or provision of this Agreement is found to be illegal, invalid or unenforceable under present laws, the remainder of this Agreement shall not be affected thereby.

14) **Notice.**

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City of Las Cruces, 700 N. Main Street, Las Cruces, NM 88001; and to Kary Bulsterbaum, Steinborn Commercial Real Estate in care of Buyer Rentals, LLC, 141 Roadrunner Parkway, Suite 141, Las Cruces, NM 88011 or to such address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

15) **Conditions Precedent.**

- A. Both the Seller and Buyer have no obligation hereunder until this Agreement is approved by the City Council at a properly noticed public hearing. Should either party decide to terminate this Agreement prior to a vote by City Council on this Agreement by giving written notice to terminate to the other party, then the earnest money, in its entirety will be returned to Buyer.
- B. If the City Council does not approve this, this Agreement is terminated, and the earnest money deposit shall be returned to Buyer.

16) **Miscellaneous.**

- A. **Inspection of the Property.** After signing this Agreement, Buyer or the designated agents of Buyer, may inspect the Property and conduct tests deemed necessary by the Buyer at its expense; however, any damage to the Property will be repaired at Buyer's expense promptly if this Agreement is terminated.

- B. Buyer will be responsible for any additions, personal projects, and taxes on the Property from the date of closing and thereafter. The Seller will be responsible for any of the said taxes prior to the closing date.

IN WITNESS WHEREOF, the parties have signed this Agreement of the date first written above.

CITY OF LAS CRUCES

By: _____
Ikani Taumoepeau, City Manager

LITTLE TUMBLEWEED RENTALS, LLC

By:  11/02/25
Sheri M. Seay, Manager and Member

By:  11/01/25
Brandon D. Seay, Member

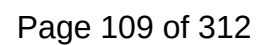
APPROVED AS TO FORM

By:  10/31/2025
Brad Douglas, City Attorney

EXHIBIT "A"

A tract of land situate in the W1/2 of Section 22, Township 22 South, Range 2 East, N.M.P.M., U.S.G.L.O. Surveys in Doña Ana County, New Mexico, being located in Tract 1 of the proposed Jornada North-Jornada South Subdivision, and being more particularly described as follows, to wit:

BEGINNING at the southwest corner of the tract herein described, marked by an iron rod on the East line of Jornada Road North, when the intersection of the East of Jornada Road North and on the North line of U.S. Highway No. 70 bears S.6°37'W. a distance of 88.63 feet and whence the Northwest corner of Section 22, Township 22 South, Range 2 East, marked by a U.S.G.L.O. Brass cap bears N.28°53'19"W. a distance of 3126.14 feet; thence from the place of beginning, N.6°37'E., 100.00 feet along the East line of Jornada Road North to an iron rod at the Northwest corner of this tract; thence N.65°08'35'E. 100.00 feet to an iron rod at the Northeast corner of this tract; thence S.6°37'W. 100.00 feet to an iron rod at the Southeast corner of this tract said corner being a point on a curve; thence 100.00 feet along the arc of a curve to the left, having a radius of 5879.58 feet and a chord bearing S.65°08'35"W. a distance of 100.00 feet, through a central angle of 00°58'28" to the place of beginning, containing 0.195 acres of land, more or less.



**VACANT LAND APPRAISAL
JORNADA ROAD
LAS CRUCES NEW MEXICO 88011**

MAY 30, 2025

**FOR
CITY OF LAS CRUCES
WILLIAM R. HAMN
LAND AND REAL ESTATE MANAGER
PO BOX 20000
LAS CRUCES, NEW MEXICO 88004**

**BY
LEE MORRIS
MORRIS APPRAISAL SERVICES INC.
PO BOX 1119
LAS CRUCES, NM 88004**

MORRIS APPRAISAL SERVICES, INC.

SPECIALIZING IN RURAL, FARM AND RANCH PROPERTIES

LEE MORRIS
State Certified – New Mexico
General Certificate #02932
Federal Tax ID #26-

PO Box 1119.
LAS CRUCES, NEW MEXICO 88004
(575) / 636-2003

May 30, 2025

City of Las Cruces
William R. Hamm
Land and Real Estate Manager
PO Box 20000
Las Cruces NM 88004

Dear Mr. Hamm:

In accordance with your request, I have made an appraisal of the property identified as a vacant 8,525.72 SF tract on N. Jornada Rd. Doña Ana County parcel ID# R0215805. This appraisal is completed “AS WILL BE”. The subject tract is encumbered by a gas lien easement on the southern part. This part will be retained by the city of Las Cruces. The size of the part to be retained is 2,046.99 SF. See the attached survey and line drawing in the body of this report.

While making this appraisal, I made a detailed inspection of the subject property and gathered data on the sales of the comparable properties. The specific use of this data is more fully shown in the body of this report, of which this letter is a part.

Therefore, by reason of my research of the current market, and by virtue of my experience, I have formed the opinion that the market value of the fee simple interest in the property identified as a vacant tract of land R0215805. as of date of this report in the before is,

\$30,000.00

THIRTY THOUSAND DOLLARS.

Therefore, by reason of my research of the current market, and by virtue of my experience, I have formed the opinion that the market value of the fee simple interest in the property identified as a vacant tract of land R0215805. as of date of this report in the after is,

R0215805
CLC

Agenda Item #7.1.

\$23,000.00

TWENTY-THREE THOUSAND DOLLARS.

I invite your attention to the data, analysis, and conclusions that follow. I appreciate this opportunity to perform this work for you and the City of Las Cruces.

Respectfully submitted

A handwritten signature in blue ink, appearing to read "Lee Morris, MNAA.", is written over a light blue rectangular background.

Lee Morris, MNAA
NM General Certificate #02932

R0215805
CLC



26-079

Action and Executive Summary

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

District:	☐ 1	☐ 2	☒ 3	☐ 4	☐ 5	☐ 6	☐ N/A
1st Reading:				Adopted:	December 15, 2025		
Drafter:	Natalie Green			Department:	City Manager's Office		
Title:	A RESOLUTION DEDICATING CITY-OWNED PROPERTY LOCATED AT 1701 E. NEVADA AVENUE TO THE AFFORDABLE HOUSING LAND BANK FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.						

TYPE OF ACTION: ☒ Administrative ☐ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
Dedicate Land for Affordable Housing

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
The City acquired the 0.87-acre parcel at 1700/1701 E. Nevada Avenue in 2019 (Resolution No. 19-098) as part of the Nevada Street Cool Corridor. The parcel was intended to support temporary small-scale community benefit projects such as a community garden, but no long-term partners were identified to implement or maintain such a use. The lot is not suitable for a park or other City-owned facility due to its size and location.

The parcel is located near Young Park, which already provides recreational amenities to the surrounding neighborhood. This proximity further supports the decision to repurpose the site for affordable housing.

During the October 14, 2025 City Council work session, Council directed staff to evaluate alternative housing options and pilot programs. This dedication responds directly to that directive.

This resolution aligns with the City Council’s goals to expand affordable housing options and supports the following Elevate Las Cruces policies:

- CP-7.1.4: Inventory current City-owned land for affordable housing development.
- CP-9.1.4: Promote and encourage alternative housing options...

If approved, the Affordable Housing Land Bank and Trust Fund will assume responsibility for all costs and maintenance of the property until it is developed. Any future disposition or development of the property must comply with the provisions of LCMC Chapter 13, Article II, Division 2 – Affordable Housing General Oversight.

PLAN(S):
Other, Department Strategic Business Plan, 2021-2025 Consolidated Plan, Elevate Las Cruces

COMMITTEE/BOARD REVIEW:
Affordable Housing Committee

DOES THIS AMEND THE BUDGET?:
☐ Yes
☒ No

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

Vote "Yes"; this will dedicate the City-owned parcel at 1701 E. Nevada Avenue to the Affordable Housing Land Bank, enabling it to be used for future affordable housing development in alignment with Elevate Las Cruces policies and LCMC Chapter 13, Article II, Division 2.

Vote "No"; this will retain the parcel without a designated use, and the property will remain under general City ownership without a clear path for development or maintenance responsibility.

Vote to "Amend"; this would modify the resolution based on City Council's direction and then vote "Yes" on the amended resolution.

Vote to "Table"; this would postpone the resolution and City Council would need to provide direction to staff.

REFERENCE INFORMATION:

Resolution No. 19-098

RESOLUTION 26-079

A RESOLUTION DEDICATING CITY-OWNED PROPERTY LOCATED AT 1701 E. NEVADA AVENUE TO THE AFFORDABLE HOUSING LAND BANK FOR THE DEVELOPMENT OF AFFORDABLE HOUSING.

The City Council is informed that:

WHEREAS, the City of Las Cruces acquired the parcel located at 1700/1701 E. Nevada Avenue in 2019 through Resolution No. 19-098 for community benefit as part of the Nevada Street Neighborhood Initiatives and the Cool Corridor project; and

WHEREAS, the parcel was initially considered for a community garden, but no long-term stewards or partners were identified to implement or maintain such a use; and

WHEREAS, the parcel is not suitable in size or location for a park or other City-owned facility, and is located in close proximity to Young Park, which already serves the area's recreational needs; and

WHEREAS, during the October 14, 2025 City Council work session, Council directed staff to evaluate alternative housing options and pilot programs to address housing needs in Las Cruces; and

WHEREAS, the City Council has expressed a desire to promote alternative housing types and increase the supply of affordable housing in Las Cruces; and

WHEREAS, if this dedication is approved, the use and disposition of the property shall comply with the provisions of LCMC Chapter 13, Article II, Division 2 – Affordable Housing General Oversight; and

WHEREAS, upon dedication to the Affordable Housing Land Bank, the Land Bank and Trust Fund shall assume responsibility for all associated costs and maintenance of the property until it is developed.

NOW, THEREFORE, Be it Resolved by the Governing Body of the City of Las Cruces:

(I)

THAT the parcel located at 1701 E. Nevada Avenue is hereby dedicated to the City's Affordable Housing Land Bank.

(II)

THAT City staff is authorized to take all necessary actions to prepare the site for future affordable housing development consistent with the Elevate Las Cruces Comprehensive Plan and in compliance with LCMC Chapter 13, Article II, Division 2.

(III)

THAT the Affordable Housing Land Bank and Trust Fund shall be responsible for all costs and maintenance of the property until such time as it is developed.

(IV)

Agenda Item #7.2.

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

DONE AND APPROVED this day of

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS



**3103; Council
Bill 26-011**

City Council Action and Executive Summary

Type of Action:
☐ Resolution
☒ Ordinance
☐ TIDD Resolution

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:	December 1, 2025	Adopted:	December 15, 2025
Drafter:	Chris Faivre	Department:	Community Development
Title:	AN ORDINANCE ADDING CHAPTER 16, ARTICLE XII - SHORT TERM RENTALS TO THE LAS CRUCES MUNICIPAL CODE.		

TYPE OF ACTION: ☐ Administrative ☒ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
To establish standards for short-term rental properties to ensure safety, security, and neighborhood integrity.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
Short-term rentals (STRs), typically advertised through third-party platforms such as Airbnb and Vrbo, have grown significantly within the City of Las Cruces in recent years. These properties differ from traditional residential uses in that they operate as lodging businesses within residential neighborhoods, generating lodging revenue and visitor impacts without the land use protections or operational standards required of hotels, motels, or bed-and-breakfast establishments.

As of October 2025, approximately 460 short-term rentals were actively listed in Las Cruces, while only 28 units were registered through Visit Las Cruces. The existing municipal ordinance governing STRs applies only to the collection of lodgers tax and does not provide enforceable standards related to neighborhood impacts, safety, property owner accountability, or business licensing requirements. As a result, the City does not currently have the necessary authority to ensure compliance with building and fire safety codes, regulate occupancy, or respond to nuisance complaints related to STR operations.

The growth in STR activity has raised concerns related to Neighborhood livability and noise disturbances; Parking and roadway congestion; lack of clear contact information for responsible parties during emergencies; impacts on long-term housing availability; and unequal treatment between regulated commercial lodging establishments and unregulated short-term rentals.

Many municipalities across New Mexico, including Doña Ana County (adopted 2020), have implemented local STR ordinances to address these issues. The proposed ordinance establishes a clear regulatory framework to balance private property rights with neighborhood integrity and public safety.

The ordinance introduces enforceable standards requiring business registration through the Community Development Department, posting of registration on site, minimum insurance coverage, 24-hour contact information, compliance with building and fire codes, occupancy limits, off-street parking requirements, and notification to neighboring property owners. It also establishes an enforcement process to ensure accountability for repeated violations and provides clear mechanisms for citation, remediation, and revocation when necessary.

Agenda Item #7.3.

This regulatory update ensures that STR operators are subject to the same level of oversight as other business uses within the City, protects residential neighborhoods, and provides the City with the tools necessary to promote compliance, enhance safety, and protect quality of life for residents.

SUPPORT INFORMATION:

[EXHIBIT "A" SHORT-TERM RENTALS](#)

PLAN(S):

Elevate Las Cruces

COMMITTEE/BOARD REVIEW:

None

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will adopt a short-term rental Ordinance.
2. Vote "No"; this will not adopt a short-term rental Ordinance.
3. Vote to "Amend"; this would require City Council to provide direction to staff.
4. Vote to "Table"; this will delay the Ordinance and would require City Council to provide direction to staff.

ORDINANCE 3103; COUNCIL BILL 26-011

AN ORDINANCE ADDING CHAPTER 16, ARTICLE XII - SHORT TERM RENTALS TO THE LAS CRUCES MUNICIPAL CODE.

The City Council is informed that:

WHEREAS, the City of Las Cruces has experienced a significant increase in the number of residential properties being used as short-term rental lodging units advertised on third-party platforms; and

WHEREAS, the existing City ordinance only addresses lodgers tax collection and does not provide enforceable standards for the operation, safety, or neighborhood impacts of short-term rentals; and

WHEREAS, the lack of enforceable regulations has resulted in unregistered short-term rental units operating without adequate insurance, safety inspections, or local contact information for emergency response; and

WHEREAS, the City Council finds it necessary to establish standards to protect the health, safety, and welfare of residents and visitors, preserve neighborhood quality of life, and ensure fairness among all lodging providers; and

WHEREAS, many municipalities in New Mexico, including Doña Ana County, have adopted local ordinances regulating short-term rentals to ensure proper licensing, taxation, and accountability; and

WHEREAS, the proposed ordinance requires short-term rental operators to obtain a business registration, comply with building and fire safety codes, provide 24-hour contact information, maintain adequate insurance, and notify nearby property owners; and

WHEREAS, the ordinance establishes reasonable occupancy limits, off-street parking requirements, and enforcement mechanisms to address nuisance issues and ensure compliance; and

WHEREAS, the City Council finds that adopting these regulations balances private property rights with the preservation of neighborhood integrity and promotes responsible short-term rental operation within the City of Las Cruces.

NOW, THEREFORE, Be it Ordained by the Governing Body of the City of Las Cruces:

(I)

THAT Chapter 16, Article XII - Short Term Rentals of the Las Cruces Municipal Code will be added as noted in Exhibit "A", attached hereto and made part of this ordinance.

(II)

THAT the requirements of this ordinance shall become effective on January 1, 2026, and enforcement shall begin on July 1, 2026, allowing time for operators to come into compliance.

(III)

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

Agenda Item #7.3.

DONE AND APPROVED this day of

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS

PART II - MUNICIPAL CODE
Chapter 16 - LICENSES, TAXATION AND MISCELLANEOUS BUSINESS REGULATIONS
ARTICLE XII. SHORT TERM RENTALS

ARTICLE XII. SHORT TERM RENTALS

Sec. 16-506. Short title.

Section 16-506 and its subsection shall be referred to as the "Short Term Rental Ordinance" and may sometimes be referred to as "this article." Due to the recent influx and popularity of short-term rental properties in the City of Las Cruces (also called the "City" herein), it is necessary to regulate these businesses and promulgate rules for the safety and security of property owners, short-term renters, and the communities in which the rentals are located. This ordinance is adopted to implement procedures, processes, and standards for the regulation and operation of short-term rental properties in the City of Las Cruces' jurisdiction.

Sec. 16-507. Definitions.

For the purposes of this article, the following words shall have the following meanings:

Adequate Insurance means property and liability insurance to cover damage or loss to the short-term rental unit and contents within the dwelling with a minimum of \$500,000.00 liability insurance. Adequate insurance shall be in the form of a traditional homeowner's policy with a specific rider for the short-term rental property, a dwelling policy with proper endorsements for short-term rental, or a landlord's policy. A policy provided by a short-term rental property marketing company may be acceptable if adequate insurance limits are met.

Business registration means the authority granted by the City of Las Cruces to a person, authorizing the person to engage in a business activity or engage in business in a listed licensed activity.

Offense means a violation of this article by a short-term rental operator engaging in a short-term rental in the City and includes:

- (1) Failure to pay all business registration license fees or late fees;
- (2) Failure to file City forms or provide information required by City staff for licensing;
- (3) Failure to perform the terms, conditions, or requirements set forth on the license;
- (4) Actions or inactions that violate the requirements of this article; or
- (5) Actions or inactions that violate the requirements of other City ordinances that may, pursuant to the express terms of this article, form an offense under this article.

Person means any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity.

Short-term rental operator means any person who is or acts as or on behalf of an owner, property manager, or party otherwise responsible for a short-term rental unit. To the extent that any short-term rental property is owned or managed by multiple persons, each such person shall be a short-term rental operator equally subject to the requirements of this article.

Short-term rental unit means any real property that is rented to a member of the public by a short-term rental operator where the rental unit is either advertised or regularly rented on a short-term basis, with a short-term basis meaning an agreement for a rental period lasting for no longer than three continuous months. However, a short-

term rental property does not include an owner- or management-occupied property where meals are regularly prepared and provided for guests, also known as a bed-and-breakfast, and does not include hotels and motels.

Sec. 16-508. General Provisions.

- (a) All persons owning real property within the City of Las Cruces with the intent of using that property for a short-term rental unit must obtain a certificate of business registration from the City of Las Cruces Community Development Department pursuant to Chapter 16 of this Code prior to establishing that service. To the extent that the owner(s) of the property intend to register a short-term rental unit managed by other persons qualifying as short-term rental operators, the registering owner(s) shall provide business and contact information for such additional persons. A change in ownership or management shall require an updated registration before the short-term rental unit may be made available for rent.
- (b) The Community Development Department shall periodically monitor all relevant short-term rental related websites or advertising media for the purpose of identifying any short-term rental property not registered by the City of Las Cruces and take appropriate action to bring any of such properties into compliance or to stop the unauthorized activity.
- (c) Any person operating such short-term rental property prior to the effective date of this ordinance must submit an application for the required business registration permit within 30 days of the effective date of this ordinance.
- (d) The business registration obtained from the Community Development Department must be posted inside the unit in a clearly visible area accessible to anyone renting or occupying the unit.
- (e) The short-term rental operator must maintain adequate insurance for the short-term rental. Proof of insurance shall be required at the time of registration of the property with the Community Development Department, when there is a material change in the scope or amount of coverage, and at any other time upon request by the City of Las Cruces.
- (f) For any short-term rental unit, the short-term rental operator must provide off-street parking onsite via garages, parking shelters, or driveway space. If off-street parking is not possible, the short-term rental operator shall advise the renters of appropriate parking locations that do not affect traffic, roadways, or the peaceful enjoyment of the area by adjacent residents. The short-term rental operator has the right to restrict the number of vehicles allowed at the rental premises. On-street parking must conform to other parking regulations and provide priority for adjacent residents when there is a conflict.
- (g) All applicable building, fire, and other municipal and state codes for the construction and maintenance of residential properties including fire, health, and safety codes shall be met. In addition, and without limitation, smoke detector installations and appropriate entrance/egress identification (via a map on the wall or the back of the door at each egress) must be installed. Smoke detectors must be maintained and batteries replaced at least once per year. One currently serviced fire extinguisher must be placed within 10 feet of any kitchen or indoor cooking area. The City of Las Cruces Fire Chief or designee shall have access to inspect compliance with fire codes upon a 24-hours' notice. To the extent that a violation of any of these requirements is in the context of a short-term rental, it shall be considered an offense under this article additional and alternative to other available enforcement mechanisms.
- (h) The maximum overnight occupancy of a short-term rental unit is limited to two people per bed plus an additional two people per unit. For the purpose of calculating occupancy, children under the age of two are excluded.
- (i) Noise or other disturbance in or outside the short-term rental is prohibited according to Chapter 19 of this Code. To the extent that a violation of Chapter 19 is in the context of a short-term rental, it shall be considered an offense under this article additional and alternative to other available enforcement mechanisms.

- (j) Short-term rental properties shall not be used for gatherings of more than 15 additional persons above the allowed number of renters or more than twice the limit of the number of renters allowed, whichever is greater.
- (k) The short-term rental operator is expected to pay all applicable local, state, and federal taxes, including but not limited to lodger's tax, gross receipts tax, and income tax. Upon obtaining a business registration from the Community Development Department, the owner must provide the New Mexico State Tax ID number associated with the short-term rental business.

Sec. 16-509. Enforcement.

- (a) The City Manager shall designate officials responsible for enforcing this article, including the authority to investigate, cite, and prosecute all alleged offenses.
- (b) The City may cite a short-term rental operator for an offense under this article and seek enforcement in the municipal court or another court of competent jurisdiction.
 - (1) For a first offense, a short-term rental operator shall be subject to a civil fine of \$50 to \$300. For a second or subsequent offense, a short-term rental operator shall be subject to a civil fine of \$300 to \$500.
 - (2) In addition to fines, the City may request a finding that a short-term rental operator's offense reflects continuing noncompliance with the terms of this article. In the event of such a finding, the court shall set terms for the remedy of the noncompliance and a deadline for the remedy. The court shall select a deadline for the remedy that reflects both the severity of the noncompliance and the burden on the short-term rental operator of completing the remedy. The court shall set a hearing for the date by which the short-term rental operator shall provide proof of completion of the remedy. If the short-term rental operator fails to provide proof of remedy within the time set by the court, the court shall have discretion to order revocation of the business registration for the short-term rental unit(s) in noncompliance or to set further proceedings as appropriate.
 - (3) Findings and conclusions under this subsection are civil in nature and may be established by a preponderance of the evidence.
 - (4) The New Mexico Rules of Evidence shall apply in proceedings brought pursuant to this subsection.
- (c) In addition to prosecution under this section, staff designated by the City Manager may use their administrative authority to revoke the business registration for all short-rental properties managed or owned by a short-term rental operator for one of the grounds provided by this subsection. A finding shall be in the form of a written determination including a review of evidence for the finding.
 - (1) For a first or subsequent offense, a finding that a short-term rental operator is responsible for creating or perpetuating a significant risk of substantial harm to health or safety at or near a short-term rental unit.
 - (2) For a third or subsequent offense, a finding that the short-term rental operator has engaged in a pattern of conduct demonstrating negligence or indifference in relation to the requirements of this article or the health or safety of short-term renters or adjacent property owners.
 - (3) For a fifth offense within a three-year period, revocation shall be mandatory.
- (d) A person adversely affected by a final order of the municipal court may appeal the order to the district court within 15 days pursuant to NMSA 1978, § 35-15-1. A decision by staff for the revocation of a business license may be appealed to the district court within 15 days pursuant to Rule 1-074 NMRA.
- (e) All fines collected pursuant to this section shall be reserved to fund the enforcement of this article.

- (f) This ordinance does not affect any other law enforcement or codes enforcement officer's ability and duty to enforce any state laws or other City ordinances that are alleged to have occurred in connection with, inside, or on the premises of a short-term rental property.

Sec. 16-510. Operative Date and Enforcement Date.

All of the requirements set forth in this article shall become effective January 1, 2026, except that enforcement of these requirements under Sec. 16-509 shall commence on July 1, 2026.

Sec. 16-511. Fees.

The fee to obtain a registration for any short-term rental unit from the Community Development Department shall be an annual fee of \$35.00. Short-term rental operators will also need to register each short-term rental unit with Visit Las Cruces, and are required to pay a one-time \$50.00 registration fee and a subsequent annual renewal fee of \$35.00.

Sec. 16-512. Community Notification.

- (a) Within 10 days of the short-term rental business registration submission, the short-term rental operator shall, for informational purposes only, mail or hand-deliver to all other property owners within 500 feet of the property notice of the issuance of a short-term rental property registration. The Community Development Department shall provide the short-term rental operator(s) a list of all property owners within 500 feet of the property to facilitate this notice. The short-term rental operator submitting a request for registration shall provide the Community Development Department contact information for the short-term rental operator and any other qualifying operator, and any contractor, employee, or agent of the said operator(s) for contacting such persons during business hours and upon emergency at other times to respond to any complaints regarding the operation or occupancy of the short-term rental. No registration shall be issued if the application for registration fails to provide a qualifying person or company responsible for responding to complaint, including by providing names of individuals and all available contact information including physical addresses, email addresses, and phone numbers. If there is a change in the contact information, the property owner will send an updated notice per this section within 30 days.
- (b) Within 10 days of the mailing, the short-term rental operator shall provide the Community Development Department with a copy of the notice and a statement that includes a list of addresses for the neighboring property owners to whom the notice was mailed or hand delivered. The short-term rental operator shall notify the Community Development Department and neighboring property owners of any changes in the status or contact information for the short-term rental within 30 days.
- (c) Failure of the property owner to comply with these provisions shall result in non-issuance of the short-term rental business registration until such requirements are met.

Sec. 16-511. Interpretation and Severability.

- (a) The terms of this article shall be interpreted to be supplemental to other laws or regulations governing the business of a short-term rental or providing for the general peace, safety, and health of communities.
- (b) The provisions of this article do not abrogate the right of a short-term rental operator to impose otherwise lawful conditions on the enjoyment of a short-term unit, on gatherings at a short-term rental unit, or that limit disturbance to the neighborhood and the community.
- (c) The provisions of this article do not abrogate the terms and conditions of any covenants or restrictions on the use of private property.
- (d) If any part or provision of this article is for any reason held to be invalid, void, or unenforceable by a decision of a court of competent jurisdiction, such part or provision shall be given an interpretation that preserves

its original intent with maximum permissible force, and in all cases the decision of the court shall not affect the remainder of the article.



City Council Action and Executive Summary

3104; Council
Bill 26-012

Type of Action:
☐ Resolution
☒ Ordinance
☐ TIDD Resolution

District:	☒ 1	☒ 2	☒ 3	☒ 4	☒ 5	☒ 6	☐ N/A
1st Reading:	December 1, 2025			Adopted:	December 15, 2025		
Drafter:	Jenny Hernandez			Department:	City Manager's Office		
Title:	AN ORDINANCE AMENDING CHAPTER 16, ARTICLE XI OF THE LAS CRUCES MUNICIPAL CODE-LIMITING THE USE OF PLASTIC SINGLE-USE CARRYOUT BAGS IN CERTAIN RETAIL OPERATIONS.						

TYPE OF ACTION: ☐ Administrative ☒ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:

To amend Ordinance 2984, limiting the use of single-use carryout plastic bags in certain retail operations.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces is committed to implementing its Climate Action Plan. The current code constrains the use of the environmental service fee. Expanded authorization is needed to allow use of fee proceeds for any initiative that advances Climate Action Plan objectives, including mitigation, adaptation, resilience, energy efficiency, beneficial electrification, waste reduction, public education, community engagement, compliance activities, data and evaluation, and interdepartmental coordination.

Revising permitted uses will enable the City to deploy revenues in direct support of these goals. Clarifying enforcement roles, procedures, and penalties, and streamlining collection and remittance will provide clear notice, reduce administrative burden, and strengthen implementation.

Authorizing eligible reimbursements for the current fiscal year will prevent funding gaps and accelerate program delivery.

Collectively, these amendments tie fee revenues to measurable climate outcomes and improve program administration.

SUPPORT INFORMATION:

- [Exhibit "A" - AMENDED ORDINANCE 2984](#)
- [Exhibit "B" - Redline_ORDINANCE 2984_FINAL VERSION](#)

PLAN(S):

Department Strategic Business Plan

COMMITTEE/BOARD REVIEW:

None

Agenda Item #7.4.

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will amend the ordinance to limit the use of single-use carryout plastic bags.
2. Vote "No"; this will not amend the ordinance to limit the use of single-use carryout plastic bags.
3. Vote to "Amend"; this will change the ordinance to limit the use of single-use carryout plastic bags.
4. Vote to "Table"; to amend the ordinance to limit the use of single-use carryout plastic bags.

ORDINANCE 3104; COUNCIL BILL 26-012

AN ORDINANCE AMENDING CHAPTER 16, ARTICLE XI OF THE LAS CRUCES MUNICIPAL CODE-LIMITING THE USE OF PLASTIC SINGLE-USE CARRYOUT BAGS IN CERTAIN RETAIL OPERATIONS.

The City Council is informed that:

WHEREAS, the current code limits the flexibility of the environmental service fee. Expanded authorization is needed so the city may use fee proceeds for any initiative that advances Climate Action Plan objectives, including mitigation, adaptation, resilience, energy efficiency, beneficial electrification, waste reduction, public education, community engagement, compliance activities, data and evaluation, and interdepartmental coordination; and

WHEREAS, the city of Las Cruces remains committed to implementing its adopted Climate Action Plan and the revised use of fees will allow the city to deploy revenues in service of those goals; and

WHEREAS, clarifying enforcement roles, procedures, penalties, and streamlining collection and remittance will create clear notice and strengthen implementation; and

WHEREAS, authorizing eligible reimbursements for the current fiscal year will prevent funding gaps and accelerate program delivery; and

WHEREAS, the above amendments will better connect fee revenues to measurable climate outcomes, improve program administration.

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

(I)

THAT the Las Cruces Municipal Code, 1977, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations is hereby amended by adding Article XI. Limiting the Use of Plastic Single-use Carryout Bags, as shown in "Exhibit A" attached hereto and made part of this ordinance.

(II)

THAT this ordinance will take effect January 1, 2026, and eligible reimbursements include costs accrued from fiscal year 26 July 1st 2025 through June 30th 2026.

(III)

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

DONE AND APPROVED this day of

Agenda Item #7.4.

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS

Exhibit “A” AMENDED ORDINANCE 2984

**Article XI.- LIMITING THE USE OF PLASTIC SINGLE-USE
CARRYOUT BAGS**

Sec. 16-500. Short title.

Section 16-500 and its subsection shall be referred to as the “Single-Use Bag Ordinance” and may sometimes be referred to as “this article”. The purpose of the Single Use Bag Ordinance is to abate the nuisance caused by the proliferation of single-use plastic bags by eliminating the use of single-use plastic carryout bags by all retail establishments within the jurisdiction of the City of Las Cruces.

Sec. 16-501 Definitions: For the purposes of this Ordinance, the following words shall have the following meanings:

- (a) *Single-Use Plastic Carryout bag* means a carryout bag made of plastic that is provided by a retail establishment to a customer at the point of sale or checkout, that is neither intended nor suitable or durable for continuous reuse as a carryout bag.
- (b) *Reusable bag* means a bag with stitched handles that is specifically designed and manufactured for multiple reuse and is either made of cloth or other machine-washable fabric or other durable material suitable for reuse with stitched handles.
- (c) *Paper Grocery bag* means a paper bag that contains a minimum of 40 percent post-consumer recycled content and is 100 percent recyclable.
- (d) *Retail establishment* means any retail business in a

commercial setting including, without limitation, clothing, household goods, or personal items of any kind that sells directly to a customer. Examples include, but are not limited to, department stores, clothing stores, jewelry stores, grocery stores, pharmacies, home improvement stores, liquor stores, convenience stores, gas stations, and farmers markets. For purposes of this Ordinance, food banks, public eating establishments defined as restaurants, take-out food establishments, to be eaten on or off its premises, are not defined as retail establishments.

(e) The following bags are excluded from this ordinance:

1. Laundry dry cleaning bags, door-hanger bags, newspaper bags, or packages of multiple bags intended for use as garbage, pet waste, or yard waste;
2. Bags provided by pharmacists or veterinarians to contain prescription drugs or other medical necessities;
3. Bags used by restaurants to take away prepared food; and
4. Bags used by a consumer inside a retail establishment to:
 - a. Contain bulk items, such as produce, nuts, grains, candy, or small hardware
 - b. Contain or wrap frozen foods, meat, or fish

- c. Contain or wrap flowers, potted plants or other items to prevent moisture damage to other purchases, or
- d. Contain unwrapped prepared foods or bakery goods; and

5. Bags used by a non-profit corporation or other hunger relief charity to distribute food, grocery products, clothing, or other household items.

Sec. 16-502. MANDATORY USE OF REUSABLE BAGS AND PAPER GROCERY BAGS.

- (a) A retail establishment shall not provide a single-use plastic carryout bag to any customer. All covered retail establishments shall provide only the following bag types at checkout to customers: reusable bags, paper grocery bags and/or cardboard boxes. For every paper grocery bag provided by a retail establishment, an environmental service fee of (10 cents) shall be charged to the customer for each paper grocery bag provided. The use of paper grocery bags and the environmental service fee shall be reviewed one year after the adoption of this ordinance and reevaluated every three years after. Retail establishments shall not collect the environmental service fee from any person with a voucher or electronic benefits card issued under Women, Infants and Children Program (WIC), the Emergency Food Assistance Program (TEFAP),

Temporary Assistance to Needy Families Program (TANF), or the federal Supplemental Nutrition Assistance Program (SNAP), also known as Basic Food Stamps).

- (b) Retail establishments shall indicate on the customer transaction receipt the number of paper grocery bags provided, and the total amount of the environmental service fees charged.
- (c) Fifty percent (50%) of the environmental service fee collected by a retail establishment shall be retained for administrative costs incurred by the collection and reporting of the environmental service fee to the city. The remainder of the environmental service fee collected shall be transmitted to the city of Las Cruces. The city shall use the environmental service fees to support a wide range of initiatives that advance the goals of the City's Climate Action Plan, including but not limited to climate mitigation and adaptation, energy conservation, public education, and community engagement.
- (d) It shall be a violation of this Ordinance for any retail establishment to pay or otherwise reimburse a customer for any portion of the environmental service fee. To further promote the use of reusable bags and reduce the quantity of single-use carryout bags entering the city's waste stream, retail establishments are encouraged to make reusable bags free or for sale at checkout counters and/or provide boxes for use at checkout counters free of

charge. The sustainability office is authorized to provide reusable bags for the public at low cost or free of charge, with specific emphasis on reaching out to low-income households to the greatest degree possible.

- (e) Nothing in this section shall be read to preclude retail establishments from making reusable bags available for sale to customers.

Sec.16-503. ENFORCEMENT, ADMINISTRATIVE REMEDIES,
AND PENALTIES.

- (a) The city manager shall designate officials responsible for the enforcement of this article.
- (b) The City may cite an offender for violation of this article and seek enforcement in the municipal court or another court of competent jurisdiction. For a first violation, a civil fine of \$50 to \$300 shall be imposed. For a second or subsequent violation, a civil fine of \$300 to \$500 shall be imposed.
- (c) Additional and alternative to citation, staff designated by the city manager may exercise the administrative authority to revoke the business registration for an offender upon a finding that the offender has engaged in a pattern of conduct demonstrating negligence or indifference in relation to the requirements of this article. A finding under this paragraph shall be in the form of a written determination including a review of evidence for the finding. Such findings require the revocation of the

offender's business license, except that a decision of revocation may defer the revocation subject to the satisfaction of conditions to assure future compliance.

- (d) A decision by the municipal court or staff under this Section may be appealed to the district court within 15 days pursuant to NMSA 1978, § 35-15-1. A decision by staff for the revocation of a business license, or to set conditions for deferment of revocation, may be appealed to the district court within 15 days pursuant to Rule 1-074 NMRA.
- (e) All fines collected pursuant to this article shall be deposited in the environmental remittance fee fund to assist the department/division with its costs of implementing and enforcing the requirements of this Section.

Sec. 16-505. SEVERABILITY.

If any part or provision of this article is for any reason held to be invalid, void, or unenforceable by a decision of a court of competent jurisdiction, such part or provision shall be given an interpretation that preserves its original intent with maximum permissible force, and in all cases the decision of the court shall not affect the remainder of the article.

Attachment “A” REDLINE AMENDMENT TO ORDINANCE 2984

AN ORDINANCE AMENDING CHAPTER 16, ARTICLE XI OF THE LAS CRUCES MUNICIPAL CODE -LIMITING THE USE OF PLASTIC SINGLE-USE CARRYOUT BAGS IN CERTAIN RETAIL OPERATIONS.

The City Council is informed that:

WHEREAS, the current code limits the flexibility of the environmental service fee. Expanded authorization is needed so the city may use fee proceeds for any initiative that advances Climate Action Plan objectives, including mitigation, adaptation, resilience, energy efficiency, beneficial electrification, waste reduction, public education, community engagement, compliance activities, data and evaluation, and interdepartmental coordination; and

WHEREAS, the city of Las Cruces remains committed to implementing its adopted Climate Action Plan and the revised use of fees will allow the city to deploy revenues in service of those goals; and

WHEREAS, clarifying enforcement roles, procedures, penalties, and streamlining collection and remittance will create clear notice and strengthen implementation; and

WHEREAS, authorizing eligible reimbursements for the current fiscal year will prevent funding gaps and accelerate program delivery; and

WHEREAS, the above amendments will better connect fee revenues to measurable climate outcomes, improve program administration.

NOW, THEREFORE, Be it Ordained, by the governing body of the city of Las Cruces:

(I)

THAT the amendment to the Las Cruces Municipal Code, 1977, Chapter 16, Licenses, Taxation and Miscellaneous Business Regulations is hereby amended by adding: Article XI. Limiting the Use of Plastic Single-use Carryout Bags, as shown in "Exhibit A" attached hereto and made part of this ordinance.

(II)

THAT this ordinance will take effect January 1, 2026~~2~~, and eligible reimbursements include costs accrued from fiscal year 26 July 1st 2025 through June 30th 2026.-

(III)

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

"Exhibit A"

Article XI.- LIMITING THE USE OF PLASTIC SINGLE-USE CARRYOUT BAGS

Sec. 16-500. Short title.

Section 16-500 and its subsection shall be referred to as the "Single-Use Bag Ordinance" and may sometimes be referred to as "this article". The purpose of the Single Use Bag Ordinance is to abate the nuisance caused by the proliferation of single-use

Agenda Item #7.4.

plastic bags by eliminating the use of single-use plastic carryout bags by all retail establishments within the jurisdiction of the City of Las Cruces.

Sec. 16-501 Definitions: For the purposes of this Ordinance, the following words shall have the following meanings:

(a) Single-Use Plastic Carryout bag means a carryout bag made of plastic that is provided by a retail establishment to a customer at the point of sale or checkout, that is neither intended nor suitable or durable for continuous reuse as a carryout bag.

(b) Reusable bag means a bag with stitched handles that is specifically designed and manufactured for multiple reuse and is either made of cloth or other machine-washable fabric or other durable material suitable for reuse with stitched handles.

~~a. Made of cloth or other machine washable fabric;~~

~~b. Other durable material suitable for reuse with stitched handles~~

(c) Paper Grocery bag means a paper bag that contains a minimum of 40 percent post-consumer recycled content and is 100 percent recyclable.

(d) Retail establishment means any retail business in a commercial setting including, without limitation, clothing, household goods, or personal items of any kind that sells directly to a customer. Examples include, but are not limited to, department stores, clothing stores, jewelry stores, grocery stores, pharmacies, home improvement stores, liquor stores, convenience stores, gas stations, and farmers markets. For purposes of this Ordinance, food banks, public eating establishments defined as restaurants, take-out food establishments, to be eaten on or off its premises, are not defined as retail establishments.

(e) The following bags are excluded from this ordinance:

1. Laundry dry cleaning bags, door-hanger bags, newspaper bags, or packages of multiple bags intended for use as garbage, pet waste, or yard waste;

2. Bags provided by pharmacists or veterinarians to contain prescription drugs or other medical necessities;

3. Bags used by restaurants to take away prepared food; and

4. Bags used by a consumer inside a retail establishment to:

- a. Contain bulk items, such as produce, nuts, grains, candy, or small hardware
 - b. Contain or wrap frozen foods, meat, or fish
 - c. Contain or wrap flowers, potted plants or other items to prevent moisture damage to other purchases, or
 - d. Contain unwrapped prepared foods or bakery goods; and
5. Bags used by a non-profit corporation or other hunger relief charity to distribute food, grocery products, clothing, or other household items.

Sec. 16-502. MANDATORY USE OF REUSABLE BAGS AND PAPER GROCERY BAGS.

(a) A retail establishment shall not provide a single-use plastic carryout bag to any customer. All covered retail establishments shall provide only the following bag types at checkout to customers: reusable bags, paper grocery bags and/or cardboard boxes. For every paper grocery bag provided by a retail establishment, an environmental service fee of (10 cents) shall be charged to the customer for each paper grocery bag provided. The use of paper grocery bags and the environmental service fee shall be reviewed ~~one two years~~ after the adoption of this ordinance. ~~Then and reevaluated every three years after.~~ Retail establishments shall not collect the environmental service fee from any person with a voucher or electronic benefits card issued under Women, Infants and Children Program (WIC), the Emergency Food Assistance Program (TEFAP), Temporary Assistance to Needy Families Program (TANF), or the federal Supplemental Nutrition Assistance Program (SNAP), also known as Basic Food Stamps).

(b) Retail establishments shall indicate on the customer transaction receipt the number of paper grocery bags provided and the total amount of the environmental service fees charged.

(c) Fifty percent (50%) of the environmental service fee collected by a retail establishment shall be retained for administrative costs incurred by the collection and reporting of the environmental service fee to the city. The remainder of the environmental service fee collected shall be transmitted to the city of Las Cruces. The city shall use the environmental service fees to support a wide range of initiatives that advance the goals of the City's Climate Action Plan, including but not limited to climate mitigation and adaptation, energy conservation, public education, and community engagement. ~~The city~~

~~shall dedicate the environmental service fees towards promoting the ordinance, purchasing reusable bags for the public, and public education regarding sustainability.~~

(d) It shall be a violation of this Ordinance for any retail establishment to pay or otherwise reimburse a customer for any portion of the environmental service fee. To further promote the use of reusable bags and reduce the quantity of single-use carryout bags entering the city's waste stream, retail establishments are encouraged to make reusable bags free or for sale at checkout counters and/or provide boxes for use at checkout counters free of charge. The sustainability office is authorized to provide reusable bags for the public at low-cost or free of charge, with specific emphasis on reaching out to low-income households to the greatest degree possible.

(e) Nothing in this section shall be read to preclude retail establishments from making reusable bags available for sale to customers.

Sec.16-503. ENFORCEMENT, ADMINISTRATIVE REMEDIES, AND PENALTIES.

(a) ~~The city manager shall assign primary responsibility for department/division enforcement~~ The city manager shall designate officials responsible for the enforcement of this article.

~~(b). The City has the right to execute the following actions to remedy violations of this Ordinance or noncompliance with approved plans in accordance with NMSA 3-17-1, and that assigned shall be authorized to promulgate regulations and to take any and all other actions reasonable and necessary to enforce this Ordinance, including, but not limited to: investigating violations, issuing fines and entering the premises of any store during business hours.~~ The City may cite an offender for violation of this article and seek enforcement in the municipal court or another court of competent jurisdiction. For a first violation, a civil fine of \$50 to \$300 shall be imposed. For a second or subsequent violation, a civil fine of \$300 to \$500 shall be imposed.

(c) Additional and alternative to citation, staff designated by the city manager may exercise the administrative authority to revoke the business registration for an offender upon a finding that the offender has engaged in a pattern of conduct demonstrating negligence or indifference in relation to the requirements of this article. A finding under this paragraph shall be in the form of a written determination including a review of evidence for the finding. Such finding shall require the revocation of the offender's business license, except that a decision of revocation may defer the revocation subject to the satisfaction of conditions to assure future compliance.

(d) A decision by the municipal court or staff under this Section may be appealed to the district court within 15 days pursuant to NMSA 1978, § 35-15-1. A decision by staff for the revocation of a business license, or to set conditions for deferment of revocation, may be appealed to the district court within 15 days pursuant to Rule 1-074 NMRA.

~~32. If the assigned department/division director determines that a violation has occurred, a written or email warning notice shall be issued to the operator of a store hat a violation has occurred and the potential penalties that will apply for future violations.~~

~~3. Any store that violates or fails to comply with any of the requirements, after a written warning notice is issued for that violation shall be guilty of an infraction.~~

~~34. If a store has subsequent violations that are similar in kind to the violation addressed in a written warning notice, the following fine shall be imposed and shall be payable by the operator of the store: a fine not to exceed one hundred dollars (\$100.00) for the first violation, after the written warning notice is given. The fine is a remedy to abate a nuisance and it purely civil in nature and not criminal in nature.~~

~~5. A fine shall be imposed for each day a violation occurs or is allowed to continue.~~

~~6 (e) All fines collected pursuant to this chapter article shall be deposited in the environmental remittance fee enforcement department/divisions' services fund to assist the department/division with its costs of implementing and enforcing the requirements of this Section.~~

~~67. Any person who is issued a fine under this article may request a hearing to contest the fine by filing a timely hearing request within fifteen days of receiving the fine to the City Attorney's Office in the City of Las Cruces and paying a \$50 hearing fee. The hearing shall be conducted by an independent hearing officer. The hearing shall be held within 20 working days, excluding weekends and holidays, of receipt of the hearing request unless the hearing is continued by the agreement of the parties. The hearing shall be informal and not bound by the technical rules of evidence. The independent hearing officer shall determine whether a violation of this article has occurred. The independent hearing officer shall mail a written notice of decision to the person who requested the hearing within five working days of the hearing, excluding holidays. If the independent hearing officer finds that there is no violation of the article, then the independent hearing officer shall order the City to refund the hearing fee and issue an order indicating compliance with this article on the date in question during the hearing. If the independent hearing officer determines that a violation of this article did occur, then the independent hearing officer shall impose a fine as above prescribed.~~

~~Sec. 16-504. OPERATIVE DATE. All of the requirements set forth in this Ordinance shall become effective January 1, 2020~~

Sec. 16-505. SEVERABILITY.

If any part or provision of this article is for any reason held to be invalid, void, or unenforceable by a decision of a court of competent jurisdiction, such part or provision shall be given an interpretation that preserves its original intent with maximum permissible force, and in all cases the decision of the court shall not affect the remainder of the article.
~~If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of this Ordinance would be subsequently declared invalid or unconstitutional. Stating: "attached hereto and made part of this Resolution."~~



**3105; Council
Bill 26-013**

City Council Action and Executive Summary

Type of Action:
☐ Resolution
☒ Ordinance
☐ TIDD Resolution

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:	December 1, 2025	Adopted:	December 15, 2025
Drafter:	Natalie Green	Department:	City Manager's Office
Title:	AN ORDINANCE APPROVING A FIVE-YEAR LEASE AGREEMENT (WITH OPTIONS TO RENEW FOR UP TO FOUR ADDITIONAL FIVE-YEAR TERMS) BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE MESILLA VALLEY COMMUNITY OF HOPE (MVCH) FOR THE OPERATION AND MANAGEMENT OF THE CITY-OWNED COMMUNITY OF HOPE CAMPUS LOCATED AT 999 WEST AMADOR AVENUE.		

TYPE OF ACTION: ☐ Administrative ☒ Legislative ☐ Quasi-Judicial

PURPOSE(S) OF ACTION:
Approve Lease Agreement

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
The City of Las Cruces has leased the Community of Hope Campus to the Mesilla Valley Community of Hope (MVCH) since 1994. MVCH serves as the manager and operator of the campus and subleases portions of the site to local nonprofit alliance agencies, including Amador Health Center, El Caldito Soup Kitchen, Casa de Peregrinos, and Jardin de los Niños. These organizations provide coordinated services to individuals and families who are experiencing homelessness or housing insecurity, are sick and/or indigent, or are low-income or otherwise in need.

The City established the Community of Hope Campus in 1994 with the acquisition of land and construction of the first building at 999 West Amador Avenue. Since then, the City has continued to invest in additional facilities and site improvements to expand service capacity and better support the campus’s nonprofit partners. Today, the campus occupies approximately 17 total acres of City-owned land, of which 12.35 acres are covered by this agreement, and serves as the region’s central hub for programs addressing homelessness, food insecurity, health, and early childhood education.

The new lease agreement reaffirms the City’s long-standing partnership with the allied agencies and updates key provisions to reflect current operations and needs. New provisions strengthen accountability and collaboration between the City and allied agencies.

Lease Agreement Highlights

- Updated market rental value based on new appraisal (Attachment A).
- Clearer maintenance responsibilities: MVCH handles day-to-day operations, utilities, and minor maintenance; the City is responsible for major capital improvements and any structural/major systems repairs.
- City will use reasonable efforts to budget annually for maintenance.

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- City is required to maintain at least one full-time equivalent (FTE) staff position dedicated to facilities oversight and maintenance.
- Added provisions for the Art in Public Places program.
- Formalized security provisions with standards comparable to other City facilities and subject to budget availability.
- Continued quarterly reporting on both program services and maintenance activities.
- The City, MVCH, and allied agencies are required to meet regularly to review compliance, maintenance, and service delivery.

This agreement continues a proven and effective partnership that maximizes public benefit through coordinated nonprofit service delivery, preserves City assets, and supports the long-term sustainability of one of Las Cruces' most critical social service campuses.

SUPPORT INFORMATION:

[EXHIBIT "A" Lease Agreement FINAL 12.1.25](#)

[ATTACHMENT "A" - Appraisal Report - MVCH - 11.3.25](#)

[ATTACHMENT "B" - 2015 to 2025 LEASE](#)

PLAN(S):

Elevate Las Cruces

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

Does this action amend the Capital Improvement Plan (CIP)?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Ordinance, authorizing a five-year lease agreement between the City and the MVCH
2. Vote "No"; this will not approve the Ordinance.
3. Vote to "Amend"; this will delay the lease agreement and would require direction and specific amendments from the City Council.
4. Vote to "Table"; this will delay the lease agreement. City staff will require direction from
5. City Council on how to proceed.

REFERENCE INFORMATION:

1. Ordinance No. 2763
2. Ordinance No. 2676
3. Resolution No. 23-021
4. Resolution No. 00-132
5. Resolution No. 95-182

ORDINANCE 3105; COUNCIL BILL 26-013

AN ORDINANCE APPROVING A FIVE-YEAR LEASE AGREEMENT (WITH OPTIONS TO RENEW FOR UP TO FOUR ADDITIONAL FIVE-YEAR TERMS) BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE MESILLA VALLEY COMMUNITY OF HOPE (MVCH) FOR THE OPERATION AND MANAGEMENT OF THE CITY-OWNED COMMUNITY OF HOPE CAMPUS LOCATED AT 999 WEST AMADOR AVENUE.

The City Council is informed that:

WHEREAS, the City of Las Cruces is the owner of the Community of Hope Campus located at 999 West Amador Avenue, Las Cruces, Doña Ana County, New Mexico, consisting of approximately 12.35 acres comprised of two parcels described as Lot 1, Las Cruces Community of Hope Subdivision (11.35 acres) and Lot 5B-1, Amador Tracts Replat No. 6 (1 acre); and

WHEREAS, the Mesilla Valley Community of Hope, Inc. (MVCH), a New Mexico non-profit corporation, has served as the Manager and Operator of the Community of Hope Campus since 1994; and

WHEREAS, MVCH, as Lessee, subleases portions of the campus to its allied non-profit agencies: Amador Health Center, El Caldito Soup Kitchen, Casa de Peregrinos, and Jardin de los Niños, collectively known as the Community of Hope Alliance; and

WHEREAS, these agencies deliver coordinated services to individuals and families who are experiencing homelessness or housing insecurity, are sick and/or indigent, or are low-income or otherwise in need; and

WHEREAS, the new lease agreement will be for a five (5) year term commencing upon approval by the City Council and execution by both parties, with options to renew for up to four (4) additional five-year terms under the same terms and conditions, subject to updates to the market rate rent; and

WHEREAS, the market rate rent has been established at \$690,000 per year based on an appraisal, payable in services of equal or greater value to be provided by MVCH and its allied agencies to the public; and

WHEREAS, the City of Las Cruces and MVCH desire to continue their long-standing partnership to provide essential human services through the operation of the Community of Hope Campus.

NOW, THEREFORE, Be it Ordained by the Governing Body of the City of Las Cruces:

(I)

THAT the lease agreement between the City of Las Cruces and the Mesilla Valley Community of Hope, Inc., for the use and operation of the Community of Hope Campus located at 999 West Amador Avenue is hereby approved for a five (5) year term, with the option to renew for up to four (4) additional five-year terms under the same terms and conditions, subject to City Council approval of each renewal.

(II)

THAT the estimated market rate annual rental value of \$690,000 shall be provided in services of equal or greater value to the residents of Las Cruces and Doña Ana County in lieu of monetary rent, as documented in quarterly reports submitted to the City.

(III)

Agenda Item #7.5.

THAT the City Manager is hereby authorized to execute the lease agreement and all related documents on behalf of the City.

(IV)

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

DONE AND APPROVED this day of

Agenda Item #7.5.

APPROVED

ATTEST:

Moved by:

Seconded by:

AYES

NAYS

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “Lease”) is made by and between the CITY OF LAS CRUCES, a municipal corporation of the State of New Mexico, having offices at 700 North Main Street, Las Cruces, New Mexico 88001 (the “Lessor”), and the MESILLA VALLEY COMMUNITY OF HOPE, INC., a New Mexico tax exempt and non-profit corporation, having offices at 999 West Amador Avenue, Building 5, Las Cruces, New Mexico 88005 (the “Lessee”).

RECITALS:

WHEREAS, the City of Las Cruces, as Lessor, is the owner of certain real property located at 999 West Amador Avenue, Las Cruces, Doña Ana County, New Mexico, more specifically described as follows:

Parcel 1 - 11.35 acre tract:

Lot 1, LAS CRUCES COMMUNITY OF HOPE SUBDIVISION situated in the City of Las Cruces, Doña Ana County, New Mexico, as the same is shown and designated on the plat thereof, filed for record in the Office of the County Clerk of said County on April 6, 2023, and recorded under Reception No. 2306979, Plat Records, Doña Ana County, New Mexico.

Parcel 2 - 1 acre tract:

Lot 5B-1, AMADOR TRACTS REPLAT NO. 6, situate in the City of Las Cruces, Doña Ana County, New Mexico, as the same is shown and designated on Plat No. 5603 thereof, filed for record in the Office of the County Clerk of said County on April 20, 2018, and recorded in Book 24, Page 299, Plat Records, Doña Ana County, New Mexico.

The real property and its improvements are collectively referred to as the “Leased Premises” herein. The Leased Premises is comprised of the above-described two (2) parcels totaling 12.35 acres, more or less. A depiction of the two (2) parcels is attached hereto as Exhibit A and incorporated herein by reference. Each building on the Leased Premises may be singularly referred to as an “Improvement” herein and collectively as the “Improvements” herein and this Lease may reference the Improvement and Improvements when referring to the building(s) specifically, but the term Leased Premises as used herein shall include both the real property and the Improvements thereon at any given time. The buildings on the Leased Premises each have their own building number for purposes of identification. A map of the Leased Premises as of the Commencement Date (as is hereinafter defined) showing the buildings is attached hereto as Exhibit B and incorporated herein by reference.

WHEREAS, the City of Las Cruces is authorized under relevant and applicable New Mexico statutes, opinions and case law, to enter into a transaction with a non-profit corporation where services are provided in lieu of monetary rent payments, provided that there is no violation of the Procurement Code adopted by the City of Las Cruces (Chapter 24

of the City Municipal Code) and the Anti-Donation Clause of the New Mexico Constitution (Article IX, §14).

WHEREAS, the Mesilla Valley Community of Hope, Inc., a New Mexico non-profit corporation, as Lessee, is part of an alliance of five (5) non-profit agencies: (1) the Mesilla Valley Community of Hope, Inc.; (2) Amador Health Center, Inc.; (3) El Caldito; (4) Casa de Peregrinos; and (5) Jardin de los Niños, collectively known as the “Community of Hope”, with a common mission to provide services for basic human needs for impoverished persons, homeless persons, near-homeless persons, low-income persons, and abused and/or neglected children who are residents of Las Cruces and the surrounding areas within Doña Ana County.

WHEREAS, the Lessor and the Lessee are parties to that certain lease of the Leased Premises which is commonly known as the Community of Hope Campus Located at 999 West Amador Avenue, which lease is dated effective July 1, 2015, with an initial term of five (5) years, commencing on or about December 1, 2015, and ending on or about November 30, 2020, which term was extended by that certain Lease Extension Agreement dated February 8, 2021, extending the term from December 1, 2020 through December 30, 2025.

WHEREAS, the Lessee desires to continue to lease the Leased Premises from the Lessor.

WHEREAS, the Lessor desires to continue to lease the Leased Premises to the Lessee.

WHEREAS, Lessor and Lessee desire to enter into this new Lease Agreement to better express the terms upon which they intend to continue the lease arrangement into the future.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Lease Agreement and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Lessor and Lessee, intending to be legally bound hereby, agree as follows:

ARTICLE 1.

Recitals

The foregoing recitals are a material part of this Lease and said recitals and the terms defined therein are incorporated herein by reference.

ARTICLE 2.

Leased Premises; Permitted Use

2.1 Lease of Leased Premises and Improvements. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Leased Premises, together with all improvements located thereon, now existing or hereafter erected (the “Improvements”). Lessee accepts the Leased Premises and Improvements “AS IS, WHERE IS” without relying on any representation,

covenant or warranty by Lessor.

2.2 Use of Leased Premises. Lessee shall use the Leased Premises for the purpose of providing services for the care of impoverished persons, homeless persons, near-homeless persons, low-income persons, and abused and/or neglected children who are residents of Las Cruces and the surrounding areas within Doña Ana County, New Mexico (the “Service Recipients”). Services to the Service Recipients shall include meals, groceries, treatment, shelter, counseling, education and advocacy. Lessee shall also be permitted to use the Leased Premises for the operation of social service programs as they relate to the services described herein.

In relation to its use, Lessor and Lessee acknowledge that Lessee will sublease parts of the Leased Premises to its allied non-profit agencies, being: (1) Amador Health Center, Inc.; (2) El Caldito; (3) Casa de Peregrinos; and (4) Jardin de los Niños; the “Allied Agencies” herein, who will use the Leased Premises for the following purposes:

Lessee, Mesilla Valley Community of Hope, occupies Building 5 of the Leased Premises and provides services to shelter and support the homeless and near-homeless by providing access to housing assistance, case management, assistance with Social Security disability benefits applications, education and training in an effort to address and end homelessness. Lessee also provides showers, laundry, and donated goods to its Service Recipients and provides temporary shelter through its overnight tent city (a/k/a Camp Hope).

Amador Health Center, Inc. occupies Building 3 of the Leased Premises and provides integrated health and wellness support and education to the Service Recipients, including medical, dental and behavioral health services.

El Caldito occupies Building 3 of the Leased Premises and is a soup kitchen that prepares and serves meals to the Service Recipients. El Caldito will be eventually moving to Building 2 which is soon to be constructed.

Casa de Peregrinos occupies Building 1 of the Leased Premises and is a food program that warehouses and distributes surplus and salvaged donated groceries to the Service Recipients and provides education concerning nutrition to the Service Recipients and also provides hunger awareness education to the greater Las Cruces community.

Jardin de los Niños occupies Building 4 of the Leased Premises and is a daycare center and preschool providing comprehensive early childhood education, after-school programs, and therapeutic intervention services to Service Recipients ages six (6) weeks to ten (10) years and their families.

The services described herein to the Service Recipients, and any other services described herein to be provided by Lessee and its Allied Agencies hereunder are collectively referred to as the “Services” herein. All Services are provided to Service Recipients regardless of race, color, religion, sex, national origin, age, disability, or sexual preference. All services shall be provided in a manner consistent with the nondiscrimination obligations set forth in Article 24 of this

Lease.

2.3 Events. It is acknowledged that the Lessee and its Allied Agencies use the Leased Premises for public events and activities promoting education and advocacy for the Service Recipients. Lessee shall be responsible for the safe operation of all activities and events held or occurring at the Leased Premises. Lessee shall ensure that all activities are conducted in a safe and secure manner, consistent with all applicable city code requirements and city approvals.

2.4 No Other Use. No other use shall be permitted on the Leased Premises without Lessor's express written consent which shall not be unreasonably withheld.

2.5 Permits and Licenses Related to Lessee's Use. Lessee, at Lessee's expense, shall obtain and maintain at all times during the Term (as is hereinafter defined) all licenses and permits which may be required by any government agency or authority in relation to Lessee's operation and use of the Leased Premises under this Lease.

2.6 Quiet Enjoyment. Lessee will not use, occupy, or knowingly permit or allow the use or occupancy of the Leased Premises for any purpose which is directly or indirectly forbidden by law, ordinance, or governmental or municipal regulation or order, or which may be dangerous to life, limb, or property, or permit any public or private nuisance, or do or permit any act which may disturb the quiet enjoyment of adjacent property owners.

ARTICLE 3.

Term

3.1 Initial Term; Commencement Date. The initial term of this Lease shall be for five (5) years commencing on the last of: (1) the date that this Lease is approved by Las Cruces City Council; (2) the date this Lease is executed by an authorized representative of Lessor; and (3) the date this Lease is executed by an authorized representative of Lessee; all as indicated on the date next to their signatures hereinbelow (the "Commencement Date"), and ending on the date that is the day prior to the fifth anniversary of the Commencement Date (the "Initial Term").

3.2 Renewal Term. Lessee shall have the option to extend this Lease for four (4) additional five-year terms each commencing in immediate succession to the end of the then-expiring term, upon the same terms and conditions of this Lease; provided, however, the Lessor may update the Market Rate Rent, as that term is hereinafter defined, to reflect the then-current market value for the extended term. To exercise an option to extend this Lease, the Lessee must provide written notice to the Lessor no later than one hundred eighty (180) days prior to the expiration of the then-effective term. If no such notice is provided by Lessee, then the then-effective term shall be the final Lease term and the Lease shall thereafter end. The option to extend the Lease term as set forth herein shall be exercised in the sole discretion of the Lessee.

The Initial Term and any extended term exercised by Lessee hereunder are collectively referred to as the "Term" herein.

3.3 Holdover. If Lessee should remain in possession of the Leased Premises after the

expiration or termination of this Lease without the execution by Lessor and Lessee of a new Lease, the Lessee shall be deemed to be occupying the Leased Premises as a tenant-at-sufferance subject to all the covenants and obligations of this Lease, and shall pay as rent an amount equal to the then-current Market Rate Rent to be determined at that time by the Land and Real Estate Services Manager of the City of Las Cruces, or such other similarly positioned and qualified representative of the City of Las Cruces. Services in lieu of rent (as described herein) shall be included in this determination.

ARTICLE 4. Rent

4.1 Rent. The market rate rent for the Initial Term is SIX HUNDRED NINETY THOUSAND and 00/100 DOLLARS (\$690,000.00) per lease year (the "Market Rate Rent"), for a total Initial Term rent of THREE MILLION FOUR HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (\$3,450,000.00). The Market Rate Rent shall be adjusted in writing signed by Lessor and Lessee at the commencement of any extended term to conform to a market rent analysis performed by an independent, third-party, licensed and MAI certified, general real property appraiser to perform such analysis and experienced in Doña Ana County, New Mexico.

The Market Rate Rent shall not be payable in cash but rather shall be payable in the Services to be provided to the Service Recipients by Lessee and its Allied Agencies hereunder which shall, annually, be equal or greater in value to the Market Rate Rent.

4.2 Quarterly Reports; Quantification and Valuation of Services. Lessee shall provide reports to Lessor within thirty (30) days of the end of each calendar quarter, with the first such report due within thirty (30) days of the end of the first calendar quarter that includes the month that is the month of the Commencement Date. Each such report shall summarize and document the Services provided during the just-ended calendar quarter with both quantity and quality measures which describe the entirety of Services and the approximate value of same being offered to the Service Recipients (the "Quarterly Report"). The overall value of the Services must be equal or greater than the annual Market Rate Rent. If the value of the Services is less than the Market Rate Rent, the difference is due and payable to Lessor within thirty (30) days of the last calendar quarter Quarterly Report.

ARTICLE 5. Maintenance and Repairs of Premises and Improvements

5.1 Lessor's Obligations. Lessor will keep the foundations and roof of the buildings that are part of the Leased Premises in good condition and repair and will make all repairs necessary to maintain the structural soundness of the floors and walls during the term hereof.

Lessor will make all building changes, renovations or installations required to conform the Leased Premises with applicable codes, laws, regulations and ordinances.

Lessor will be responsible for repair, replacement and maintenance as necessary of all HVAC, electric and plumbing systems and equipment to the buildings that are part of the Leased

Premises.

Lessor will provide regular cleaning and maintenance of the vents and ducts that are part of the Leased Premises.

Lessor will provide initial fire extinguishers and will provide, install and maintain all fire alarm systems to the buildings that are part of the Leased Premises.

Lessor will repair and repave and otherwise maintain the parking areas that are part of the Leased Premises. Lessor will provide, repair, replace and maintain adequate lighting for the parking areas that are part of the Leased Premises.

Lessor will provide, maintain, and repair as needed light systems for the interior buildings that are part of the Leased Premises. Lessor will provide, install and maintain all exit signs and egress lighting in the buildings that are part of the Leased Premises.

Lessor will maintain, repair and replace as needed all built-in refrigeration and freezer systems that are part of the Casa de Peregrinos building on the Leased Premises. Lessor will repair and replace as needed the grease traps and range hoods that are part of any operating commercial kitchen in any building on the Leased Premises.

Lessor will provide all landscaping to the Leased Premises and will maintain and replace same as necessary and will repair, maintain and replace any related irrigation systems. Lessor will also provide tree removal and/or replacement as needed.

Lessor will repair, maintain and replace all exterior doors, including glass exterior doors, and windows, and all interior plate glass walls and doors as needed.

Any damages to the interior or exterior of the buildings that are part of the Leased Premises due to equipment failure for equipment to be maintained by Lessor hereunder shall be corrected and resolved by Lessor.

All items listed under this Section 5.1 as the responsibility of Lessor shall be conducted or performed by Lessor, or Lessor's contractees and/or agents, at Lessor's own sole cost and expense.

Notwithstanding any provision in this Lease to the contrary, Lessor shall be responsible for any expenses required to repair or replace any damage or injury done to any of the Improvements or any other part of the Leased Premises caused by Lessor or Lessor's agents, employees, licensees, invitees or visitors.

5.2 Lessee's Displacement. Should any of Lessor's repairs required hereunder result in Lessee's displacement and impact Lessee's usual operating hours for a period exceeding seven (7) days and which period is expected to continue for at least thirty (30) days, Lessor shall use its best efforts to find a temporary operating location for Lessee during the duration of the repair and displacement on another vacant or otherwise available property owned by Lessor, if any, that is reasonably appropriate for Lessee's use. Such temporary arrangement shall be subject to Lessor's

reasonable accommodation and subject to such other terms and conditions as may be appropriate at the time including requirements and arrangements for security, insurance, and any other reasonably applicable matter which shall be set forth and agreed to in a separate writing between Lessor and Lessee. Notwithstanding the foregoing, Lessee may, at Lessee's option, find its own temporary operating location under such terms and conditions as may be acceptable to Lessee and at Lessee's own sole cost and expense.

5.3 Lessor's Budget for Lease Obligations. Lessor shall use reasonable efforts to include and project in its annual budget reasonable estimates for costs to enable Lessor to meet its obligations hereunder. Lessor shall also hire a dedicated full-time, fully-vetted employee to oversee the maintenance and repairs to the Leased Premises in accordance with the terms of this Lease Agreement.

5.4 Lessor's Right of Entry. Lessor shall, subject to any security regulations imposed by any governmental authority or reasonably imposed by Lessee, have the right to enter all parts of the Leased Premises, subject to twenty-four (24) hour notice to Lessee and its Allied Agencies, as applicable, at a reasonable hour, to inspect, clean, make repairs, conduct safety inspections on the Leased Premises which are reasonably required and as it may deem necessary or desirable, or to provide any service which Lessor is obligated to provide hereunder. Lessor shall be mindful of Lessee's and its Allied Agencies' operations so as not to negatively impact same or create a hardship on Lessee and its Allied Agencies during any such right of entry and shall, when feasible, provide ideally seventy-two (72) hours' notice of same to Lessee and its Allied Agencies, as applicable. Notwithstanding the foregoing, Lessor shall have the right to enter all parts of the Leased Premises without notice in the event of an accident or urgent situation such as a fire, medical or police emergency being declared on the Leased Premises.

5.5 Lessor's Failure to Meet Lessor's Obligations. In the event Lessor shall fail or neglect to make any repairs, maintenance or replacements or fail or neglect to complete any work which it is responsible for under this Article 5, Section 5.1, and of which notice has been given to Lessor by Lessee, or having started such repairs, maintenance, replacements or work shall fail to complete same at the earliest possible date, Lessee may give written notice of noncompliance to Lessor and should Lessor continue to fail or neglect to make or complete said repairs, maintenance, replacements or work, for one hundred twenty (120) days after receipt of such notice, Lessee may cause such repairs, maintenance, replacements or work to be made or completed at Lessee's reasonable expense and Lessee may submit invoices for reimbursement for same to the Lessor for payment within thirty (30) days after receipt thereof. Lessee acknowledges and agrees that any reimbursement pursuant to this Section 5.5 is contingent on sufficient funds being appropriated for such purposes.

5.6 Lessee's Obligations. Lessee shall be responsible for resolving plumbing clogs.

Lessee will service and provide routine maintenance and replacement of fire extinguishers in the buildings that are part of the Leased Premises and ensure that all such equipment is maintained as required by any applicable codes, laws, regulations and ordinances.

Lessee shall be responsible for all repair, maintenance and replacement of all kitchen

refrigeration and other equipment not expressly reserved to Lessor under Section 5.1, that is part of any Improvements on the Leased Premises, including, without limitation, pumping and regular maintenance of grease traps.

Lessee shall be responsible for all repair, maintenance and replacement of all laundry appliances on the Leased Premises.

Lessee shall be responsible for all repair, maintenance and replacement of all equipment on the Leased Premises which is not otherwise reserved to Lessor under Section 5.1.

Lessee shall maintain and keep the interiors of the Leased Premises in good repair and condition and shall provide interior cleaning, painting, custodial services as necessary.

Lessee shall be responsible for all repair, maintenance and replacement of interior doors, interior flooring and carpet.

Lessee shall be responsible for pest control for the Leased Premises.

Notwithstanding any provision in this Lease to the contrary, Lessee shall be responsible for any expenses required to repair or replace any damage or injury done to any of the Improvements or any other part of the Leased Premises caused by Lessee or Lessee's agents, employees, licensees, invitees or visitors.

5.7 Lessee Responsible for Lessee's Obligations. All items listed under this Section 5.6 as the responsibility of Lessee shall be conducted or performed at Lessee's own sole cost and expense and all work related thereto shall comply with all applicable building codes. Lessee may contract with Lessor for any of the work that is Lessee's responsibility hereunder and, if so, Lessor will invoice Lessee for same at Lessor's normal hourly rate with payment to be made in accordance with Lessor's normal billing practices.

5.8 Lessee's Work and Maintenance Logs; Quarterly Reports. Lessee shall provide written logs to the Lessor within thirty (30) days of the end of each calendar quarter during the Term showing all services, repairs, maintenance, and work performed by Lessee, Lessor, or a third-party service provider. All servicing maintenance and replacement parts must meet and be maintained as per manufacturer recommendations and specifications.

5.9 Lessee's Failure to Meet Lessee's Obligations. In the event Lessee shall fail or neglect to make any repairs, maintenance or replacements or fail or neglect to complete any work which it is responsible for under this Article 5, Section 5.6, and of which notice has been given to Lessee by Lessor, or having started such repairs, maintenance, replacements or work shall fail to complete same at the earliest reasonable date, Lessor may give written notice of noncompliance to Lessee and should Lessee continue to fail or neglect to make or complete said repairs, maintenance, replacements or work, for one hundred twenty (120) days after such notice, Lessor may cause such repairs, maintenance, replacements or work to be made or completed at Lessor's expense and Lessor may submit invoices for reimbursement for same to the Lessee for payment within thirty (30) days after receipt thereof.

ARTICLE 6.
New Improvements, Expansion and Construction

6.1 Title to Improvements/New Improvements; Notice. Title to the Improvements is vested in the Lessor. During the Term, if Lessee constructs any new improvements or increases the square footage of the existing Improvements, then such new improvements and increased existing Improvements shall all collectively become what is referred to herein as the Improvements and the title to same shall inure to the benefit of the Lessor. Lessee shall not construct any new improvements or increase the size of any existing Improvements without Lessor's prior written consent, which shall not be unreasonably withheld, and without first furnishing Lessor thirty (30) days' advance written notice outlining in detail the proposed additions, changes or alterations, including, as applicable, a set of building plans and specifications. If such proposed additions, changes or alterations are approved by Lessor, then Lessee may commence same provided that Lessee obtain all necessary governmental approvals and permits and satisfy all legal requirements for the erection, construction or installation of same. The footprint of all new improvements shall be wholly within the boundary lines of the Leased Premises as designated in the adopted master plan and shall be aligned with any applicable Capital Improvement Plan. Lessor may exercise its discretion to require Lessee to remove any unapproved improvements made by Lessee at Lessee's sole cost.

6.2 Funding for New Improvements. The parties acknowledge that it is the customary practice of Lessee and its Allied Agencies to seek and apply for funding for new improvements and changes to existing improvements from capital outlay, congressionally directed spending, and grant programs. Given the ownership of the Leased Premises by the Lessor, the parties agree that all such funding applications shall be a coordinated effort between Lessor and Lessee and Lessor shall be notified in advance by Lessee of Lessee's intent to seek or apply for funding and Lessor shall be part of the funding process from the onset.

6.3 Lessee's Responsibility; Cooperation. Lessor and Lessee shall work cooperatively in all construction projects and both parties shall participate in the selection and supervision of all architectural and building construction firms to be engaged by Lessor for Lessee's approved construction projects. Lessor and Lessee will both approve all construction drawings and specifications before any project shall be set to bid or any firm is engaged for said work.

6.4 Prompt Payment by Contractors. Every contract for the construction, installation, alteration, repair, replacement of or addition to the Leased Premises shall contain a provision obligating the contractor to make prompt payment for all material furnished, labor supplied or performed, rental for equipment employed, and services rendered by public utilities, in or in connection with such work, whether or not the said material, labor, equipment or services enter into and become component parts of the Improvements.

6.5 Discharge of Liens. Lessee will not create and will not permit to remain, and will, at Lessee's sole cost and expense, within thirty (30) days after notice of the filing thereof, pay or cause to be paid, in full, or cause to be removed from record by bonding over the same,

discharge, or by order of a court of competent jurisdiction, all liens, encumbrances and charges upon the Leased Premises or any part thereof or the income therefrom, by reason of any labor or materials furnished, or claimed to have been furnished, or by reason of any construction, alteration, addition, improvement (including, without limitation, any Improvements), repair or demolition of any part of the Leased Premises made at the request or direction of Lessee. Lessee shall further indemnify and hold Lessor harmless from and against any such claims, liens, encumbrances and charges and any suits or actions related thereto.

6.6 No Consent or Request by Lessor. Nothing contained in this Lease shall be construed in any way as constituting the consent or request of Lessor, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific alteration, improvement (including, without limitation, the Improvements), repair or other work to the Leased Premises.

6.7 Lessee's Trade Fixtures and Personal Property; Removal. All trade fixtures, equipment and other personal property brought, installed, erected or placed by Lessee in, on or about the Leased Premises shall be deemed to be personal and shall remain the property of the Lessee and Lessee shall have the right at any time during the Term, so long as Lessee is not in default and when not prohibited by any mortgages or other contractual arrangements of Lessee, to remove same subject to Lessee's obligation to repair all damage, if any, to the Leased Premises resulting from such removal. Trade fixtures remaining on the Leased Premises after the termination of the leasehold for over thirty (30) days may, at the sole discretion of Lessor, become Lessor's exclusive property or be removed at Lessee's sole cost.

6.8 Temporary Structures. All temporary structures on the Leased Premises erected by Lessee which include, without limitation, structures not intended for long-term use and designed for easy assembly, disassembly and relocation, such as tents, sheds, portable buildings, pop-ups, and storage units shall meet all applicable City codes and shall be deemed to be personal and shall remain the property of the Lessee and Lessee shall have the right at any time during the Term, so long as Lessee is not in default and when not prohibited by any mortgages or other contractual arrangements of Lessee, to remove same subject to Lessee's obligation to repair all damage, if any, to the Leased Premises resulting from such removal, and all such temporary structures shall be removed by Lessee from the Leased Premises at the end of the Term.

6.9 Obligations for Repair and Maintenance of New Improvements. The parties' obligations for repair and maintenance as set forth in Article 5 hereof shall apply to all new and expanded improvements that become part of the Improvements, if such improvements are approved by Lessor in conformity with Section 6.1, to the Leased Premises beginning at such time of the completion thereof.

ARTICLE 7.

Utilities, Services and Assessments

7.1 Utilities. Lessee shall pay all costs and charges for gas, electricity, water, sewer, phone, internet, and any other utility used, consumed in, or serving the Leased Premises during the Term as same shall become due. Lessee shall further be responsible for paying or posting any bonds or deposits required by all applicable service providers for the utility services

hereunder. As such, and to the extent same will not violate any otherwise pending contractual obligations of Lessor or Lessee, Lessee shall control all lights, thermostats, and other arrangements setting hours of operation and conditions of lighting, air conditioning and heating for each building and Improvement on the Leased Premises. All remote controls, or other controls for all such programming and settings shall be in the possession and control of the Lessee at all times during the Term.

7.2 Security. Lessor shall pay and arrange for security guards for the Leased Premises to provide security and patrol the Leased Premises which services shall be comparable to those security services provided at other Lessor-facilities, subject to budget availability.

7.3 Assessments. Lessee shall pay when same become due all valid taxes, special assessments, excises, backflow fees, license fees, and permit fees of whatever nature applicable to its operation use of the Leased Premises or levied or assessed against the Leased Premises and shall apply for, receive and keep current all licenses (City, County, State and Federal) required for conducting its business. Notwithstanding the foregoing, the Lessor shall pay the annual alarm fees. Lessee further agrees not to permit any of said taxes, excise or license fees to knowingly become delinquent. Lessee shall furnish to Lessor, upon request, satisfactory evidence showing prompt payment of Social Security, Unemployment Compensation and Workmen's Compensation Insurance, all required licenses, all taxes, all undisputed bills, debts and obligations incurred by it in connection with its operation on the Leased Premises, and to protect Lessor from any lien, judgment or execution filed against the Leased Premises which could in any way impair the rights of Lessor.

ARTICLE 8.

Keys and Signage

8.1 Keys. Lessor and Lessee shall each have keys to all buildings on the Leased Premises for access for operations, repairs, maintenance, security and other requirements and rights of the parties as set forth in this Lease.

8.2 Lessor's Signage; Campus Map. Lessor shall arrange for proper, clear and consistent signage for easy reference and access to each building on the Leased Premises that is consistent with Lessee's and its Allied Agencies' occupation and shall use its best efforts to insure that all such signage and related addressing is consistently applied for Lessee's general operations, emergency access and purposes, mail and deliveries, funding applications, marketing, and all other official purposes. Lessor shall create a map showing building numbers and signage consistent with Exhibit B and shall update same for circulation as the Campus Improvements and/or building occupants change or shuffle during the Term.

8.3 Lessee's Signage. Lessee shall have the right to install necessary and usual trade signs, including electrical signs, said signs to be erected, installed and maintained in a first-class manner, in accordance with all applicable governmental ordinances and codes.

**ARTICLE 9.
Parking**

The parking areas on the Leased Premises shall be for the exclusive use of Lessee and its employees, customers, clients, patrons, visitors and invitees. Lessee shall be solely responsible for addressing any parking needs or requirements that result for any expanded or new improvements Lessee makes to the Leased Premises.

**ARTICLE 10.
“Art in Public Places” Artwork**

10.1 Ownership and Maintenance. Lessor has acquired works of art in consultation with New Mexico Arts (a state art agency and a division of the Department of Cultural Affairs providing financial support to arts services programs to non-profit organizations in New Mexico) that are installed within the Leased Premises (the “Artwork”). Lessor will oversee all matters pertaining to the Artwork and its maintenance, including but not limited to the Articles in the Artist Contract held by Lessor, and the provisions of the New Mexico Art in Public Places Act (§13-4A-1 et. seq. NMSA 1978), and the provisions of the federal Visual Artists’ Rights Act of 1990 (VARA) as applied in the Artist Contract.

10.2 Insurance. Lessor shall put in place insurance against loss or damage to the Artwork in an amount equal to or greater than the purchase price of the Artwork.

10.3 Maintenance. Lessor shall reasonably assure that the Artwork is properly maintained and protected in accordance with the Artist’s maintenance schedule, instructions, and the requirements of the Artist Contract.

10.4 Notice. Lessee is required to give notices, requests, and other communications related to the Artwork to Lessor immediately upon circumstances or incidents materializing or occurring requiring notice, such as in the event of damage to the Artwork or its display system. Notice shall be addressed to: Public Arts Coordinator, City of Las Cruces, P.O. Box 20000, Las Cruces, New Mexico 88004, with other communication provided to same at (575) 541-2780.

**ARTICLE 11.
Insurance**

11.1 Lessee’s Insurance. Lessee shall maintain insurance coverage at all times during the Term on the Leased Premises in conformance with the provisions contained in this Lease. Proof of insurance required hereunder shall be provided to Lessor at the Commencement Date. In no event shall the failure to provide this proof on the Commencement Date be deemed a waiver by Lessor of Lessee’s insurance obligations set forth herein.

All insurance requirements set forth below extend to all subcontractors and sublessees of Lessee.

All insurance requirements set forth below shall be obtained through carriers with ratings

of A- VII or better by Best's Key Rating Guide.

Commercial general liability insurance: \$1,000,000 per occurrence; \$2,000,000 general aggregate.

Workmen's Compensation Insurance: In such minimum amounts as required by law.

Renter's Contents Insurance: In Lessee's discretion covering Lessee's contents, improvements, fixtures, and personal property.

11.2 Additional Insured. Lessor shall be named as an additional insured on all general liability insurance policies carried by Lessee in connection with its occupancy and operations at the Leased Premises. This additional insured status shall apply solely with respect to liability arising out of the acts or omissions of Lessee, its agents, employees, contractors or invitees. Nothing in this Lease shall require Lessee to provide insurance coverage or indemnification for any claim, loss, suit, action, or other legal proceeding to the extent such claim arises from the negligence, misconduct, or legal responsibility of the Lessor or its agents, employees, or contractors. If both Lessee and Lessor are found to bear responsibility for a claim, loss, or action, each party shall look to its own insurance for coverage in proportion to its share of liability.

11.3 Certificate of Insurance. Upon request, at any time during the Term, Lessee shall furnish Lessor a certificate evidencing the insurance required to be carried hereunder. Lessor shall be given thirty (30) days' written notice prior to any cancellation of any policy required to be carried hereunder.

11.4 Waiver of Subrogation/Release. Each party hereby waives subrogation and releases the other party and its agents from any liability for loss or damage to its own property, but only to the extent such loss or damage is covered by that party's property insurance, and only if such waiver or release is permitted by the applicable insurance policy. This waiver and release shall not apply to losses arising from gross negligence or willful misconduct by the other party or its agents. If any policy does not permit such a waiver, the releasing party shall use commercially reasonable efforts to obtain an endorsement allowing for the waiver. Notwithstanding any provision herein to the contrary, Lessor shall at all times retain all rights and immunities available to Lessor under the New Mexico Tort Claims Act (§41-4-1 et. seq. NMSA 1978).

ARTICLE 12. Fire and Casualty

12.1 Fire and Casualty. The parties hereto mutually agree that if the Leased Premises are partially or totally destroyed or damaged by fire or other casualty covered by the property insurance maintained by Lessor pursuant to Article 11, then the proceeds of any insurance payment attributable to damage to improvements owned by Lessor shall be delivered to Lessor. Lessor shall be responsible for carrying and maintaining property insurance on the Improvements at full replacement value. Lessor shall as soon as reasonably practicable, repair and restore the Improvements to substantially the same condition as before such damage. However, if the Leased Premises are so severely damaged that repairs cannot reasonably be commenced within thirty (30)

days and completed within three (3) months, then either party may terminate this Lease as of the date of the casualty by providing written notice to the other. Notwithstanding the foregoing, if repairs have not been commenced within thirty (30) days or completed within four (4) months from the date of destruction, Lessee may terminate this Lease immediately upon written notice to Lessor. During any period when the Leased Premises or a portion thereof is unusable due to such damage, and provided Lessee was not responsible for the damage, Lessee shall not be obligated to provide Services in lieu of rent for the unusable portion. In such case, the parties shall reasonably in good faith agree to prorate or temporarily suspend service obligations under Article 4.1 during the period of disruption.

12.2 Lessee's Negligence. If the Leased Premises are damaged by fire or other casualty resulting from the negligence or willful misconduct of Lessee or its agents, employees, or invitees, such damage shall be repaired by and at the expense of Lessee under the direction and supervision of Lessor, and this Lease shall continue.

ARTICLE 13.

Sublease and Assignment

13.1 Subleases Exclusive to Allied Agencies. It is understood and agreed that Lessee will be subleasing parts of the Leased Premises to the Allied Agencies. It is Lessee's responsibility to create and consummate said subleases, subject to Lessor's prior review and approval of the specific terms and conditions contained therein. All such subleases must state that Lessee's responsibilities under this Lease as passed through, as appropriate, to the Allied Agencies and the Allied Agencies are assuming same. Notwithstanding that fact, Lessee shall not be released from any of its obligations under this Lease by virtue of said subleases. Lessee shall only be permitted to enter into subleases with the Allied Agencies identified herein. Any other proposed sublessee shall be subject to the prior written approval and consent of Lessor, which shall not be unreasonably withheld, and otherwise subject to the terms and conditions of this Article 13. All subleases shall contain and operate to give Lessor all rights and benefits accorded to third-party beneficiaries for the performance of duties and obligations under the sublease.

13.2 Attornment. Each sublease shall contain a provision, satisfactory to Lessor, requiring sublessee to attorn to Lessor. Accordingly, if Lessee defaults under this Lease or if for any other reason this Lease is terminated, the sublessee under the attorn provisions of the sublease may not be ejected from the Leased Premises for a period of six (6) months after receiving notice of the termination of this Lease.

13.3 Lessor's Approval of Allied Agencies' Subleases. All subleases with the Allied Agencies must be submitted for approval by Lessor within thirty (30) days of the Commencement Date and, upon receipt of Lessor's written approval as to the form of sublease, shall be consummated by Lessee and each separate Allied Agency with a copy returned to Lessor within thirty (30) days.

13.4 No Unauthorized Occupants. No sublessee shall be permitted to occupy any part of the Leased Premises without a written and fully executed sublease which has been approved

by and provided to the Lessor. Lessee's failure to comply with this provision shall be a material breach of this Lease.

13.5 Assignment. This Lease may not be assigned by Lessee or any sublessee without the express written consent of Lessor which shall not be unreasonably withheld.

ARTICLE 14. Meetings

Lessor and Lessee and the Allied Agencies shall be required to meet on a routine basis throughout the Term. A scheduled date and time shall be set or reset by mutual agreement of the parties. Meetings may be in person, by teleconference, or by videoconference, or any combination, provided only that all participating parties are able to speak and hear the other participating parties. Notice of the meetings shall be made available to all attendees at least ten (10) days in advance; provided, however, no notice is necessary if the meetings are scheduled to be held on a regularly occurring basis, such as the first Wednesday of every even numbered calendar month.

The purpose of the meetings shall be to ensure the terms of this Lease are being carried out and that the obligations of Lessor and Lessee as it concerns reporting, maintenance, repairs and construction as outlined herein, and all other matters set forth herein, are being met by the parties hereto. As such it is imperative and a material provision of this Lease that representatives of Lessor, Lessee, and the Allied Agencies are all present at such meetings, as applicable. Specifically, it is anticipated that the Allied Agency meetings will be held every odd month and meetings with representatives of the Allied Agencies and appropriate Lessor representatives are held every even month.

ARTICLE 15. Condemnation

15.1 Entire of Substantial Taking. If the whole or any substantial part of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall terminate, effective when the physical taking of said Leased Premises shall occur.

15.2 Insubstantial Taking. If only less than a substantial part of the Leased Premises should be taken for public or quasi-public use under any government law, ordinance, regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall remain in effect as to the portion of the Leased Premises not taken. At the sole and absolute discretion of the Lessor, Market Rate Rent shall be adjusted during the unexpired portion of this Lease.

15.3 Compensation. Any compensation paid for any such taking or conveyance, whether for the whole or a part of the Leased Premises, shall be the property of Lessor, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the Leased Premises, and Lessee hereby assigns to Lessor all of Lessee's rights, title and interest in and to any and all such compensation. However, Lessor shall not be entitled to any payment

made to Lessee for loss of business, depreciation to and cost of removal of stock and fixtures, but any such payment made to Lessee shall not reduce the amount of any payment made to Lessor.

15.4 Lessee Participation in Proceedings. In the event of any condemnation or taking affecting the Leased Premises, in whole or in part, the Lessor shall provide prompt written notice to the Lessee and shall consult in good faith with the Lessee regarding the scope, timing, and impact of such taking, particularly where the area affected includes Improvements or portions of the Leased Premises actively occupied or used by the Lessee or its Allied Agencies. Lessee shall retain the right to appear in or participate in condemnation proceedings to the extent necessary to assert claims for loss of leasehold interest, relocation costs, loss of business goodwill, or unamortized capital improvements paid for by Lessee or its Allied Agencies, provided such claims are distinct from and not duplicative of the Lessor's compensation claims and are of secondary priority in relation to Lessor's claims.

ARTICLE 16.

Compliance with Laws

16.1 Compliance with Laws. Lessee shall at its sole cost and expense comply with all statutes, laws, regulations, ordinances and other legal requirements applicable to the Leased Premises and Lessee's operations and use thereof. Lessee shall respond promptly and fully to any notices of violations relating to the Leased Premises (including, without limitation, any fines, interest or penalties thereon due to noncompliance therewith) issued by any governmental authorities having jurisdiction over the Leased Premises. Lessee shall promptly give notice to Lessor of any such notices of violations received by Lessee.

16.2 Environmental Laws. Lessee shall not cause or permit any waste, damage, deterioration or injury to the Leased Premises, nor shall Lessee cause or permit any Contamination to the Leased Premises and Lessee shall be responsible for any Contamination to the Leased Premises that occurs during the Terms, except as specifically provided herein. The term "Contamination" means the seeping, spilling, leaking, pumping, pouring, emitting, using, emptying, discharging, injecting, escaping, leaching, dumping, disposing, releasing or the presence of Hazardous Substances (as is hereinafter defined) at, under or upon the Leased Premises, which may require notification, treatment, response or removal action or remediation under any Environmental Laws. The term "Environmental Laws" shall mean the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601, et. seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901, et. seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251, et. seq.), the Clean Air Act (42 U.S.C. 7401, et. seq.), the Toxic Substance Control Act (15 U.S.C. 2601, et. seq.), the Emergency Planning Community Right To Know Act (42 U.S.C. 11001, et. seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C. 650, et. seq.), the Environmental Improvement Act of New Mexico (§74-1-1, et. seq. NMSA 1978), the Solid Waste Act of New Mexico (§74-9-1, et. seq. NMSA 1978), the Hazardous Waste Act of New Mexico (§74-4-1, et. seq. NMSA 1978), and any other analogous present or future federal, state or local statutes or laws, and any regulations promulgated pursuant to any of the foregoing. Lessee, however, shall not be liable for any Contamination at the Leased Premises that existed prior to Lessee's possession of the Leased Premises, unless exacerbated by Lessee or its agents, employees, contractors or invitees but only to the extent of such

exacerbation. Lessor shall in all events be responsible to remediate: (i) any Contamination existing prior to Lessee's possession; and (ii) during the Term, any Contamination caused by Lessor or its agents, employees, contractors or invitees.

Lessor shall remain responsible for ensuring that any Contamination on the Leased Premises that predates Lessee's occupancy or is caused by Lessor, its contractors, or invitees is identified and properly remediated in compliance with applicable Environmental Laws. Upon written request by Lessee, Lessor shall, within a reasonable time, provide documentation or disclosure of any known or suspected environmental conditions affecting the Leased Premises, including those disclosed in prior environmental assessments, site inspections, or government reports.

16.3 Hazardous Substances. Lessee shall not cause or allow any release or discharge of Hazardous Substances into the environment at, under or emanating from the Leased Premises. The term "Hazardous Substances" includes any substances, chemicals, materials or elements that are prohibited, limited or regulated by the Environmental Laws, or any other substances, chemicals, materials or elements that are defined as "hazardous" or "toxic", or otherwise regulated, under the Environmental Laws, or that are, pursuant to applicable Environmental Laws, known or considered to be harmful to the health or safety of occupants or users of the Leased Premises. Lessee agrees to (i) promptly comply with any Environmental Laws requiring the removal, treatment or disposal of such Hazardous Substances; and (ii) defend, indemnify and hold harmless Lessor, its agents, employees, officers, and directors from any and all claims, demands, damages, fees, penalties, fines, suits, proceedings, costs and expenses of any and every kind and nature which may now or in the future be asserted, imposed or incurred as a result of any Hazardous Substances on the Leased Premises.

Lessee shall ensure that any Tier II reporting obligations under EPCRA or similar environmental laws related to the storage of hazardous materials on the Leased Premises are fulfilled by the party responsible for such storage, whether the Lessee or any Allied Agency.

16.4 Infectious Waste. Notwithstanding anything to the contrary contained in the Lease, Lessee shall be responsible for and shall pay all costs of segregating, packaging, treating, transporting and disposing of all Infectious Waste generated by Lessee or any sublessee at or from the Leased Premises. All Infectious Waste shall be identified, segregated, measured, stored and disposed of by Lessee in a manner that complies with all federal state and local laws or regulations applicable to Infectious Waste. As used herein, the term "Infectious Waste" means any infectious waste as defined in the infectious waste regulations of the State of New Mexico, including without limitation 20 N.M.A.C §9.1 and 20 N.M.A.C §9.8, as amended from time to time. Lessee hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage and disposal of Infectious Waste generated from the Leased Premises by Lessee and any sublessee.

ARTICLE 17.

Default; Remedies

17.1 Default. Lessor or Lessee, as the case may be, shall be in default of this Lease if

any of the following (each, a “Default”) shall occur:

17.1.1 Lessor’s or Lessee’s failure to keep, observe or perform any of the terms, covenants, obligations, agreements, provisions, conditions or limitations contained in this Lease, all of which shall be deemed material breaches of this Lease.

17.1.2 Lessee dissolves its 501(c)(3) business status, becomes insolvent, makes an assignment for the benefit of its creditors, files a petition in bankruptcy or has filed against it a petition in bankruptcy and fails to dismiss same within ninety (90) days, is subject to a proceeding for the appointment of a receiver or other custodian for its property, or if proceedings for reorganization or composition with creditors under any law or instituted by or against Lessee or if any levy or sale or execution of any kind is made upon any property of Lessee at the Leased Premises.

17.1.3 Lessee transfers or assigns this Lease to any third party without the explicit written approval of Lessor, which shall not be unreasonably withheld.

17.2 Notice. In the event of a Default, the non-defaulting party shall give written notice to the defaulting party expressing the specifics of the default and providing the defaulting party with the right to cure the Default; provided, however, Lessee’s failure to promptly give notice of the occurrence of an event of default described in Articles 17.1.2 and 17.1.3 shall be deemed a conclusive default without right to cure.

17.3 Remedies. If after receipt of the notice of Default, the defaulting party has not cured or otherwise remedied the Default to the satisfaction of the non-defaulting party within one hundred twenty (120) days, the non-defaulting party may give notice of termination of this Lease. Upon the date specified in the notice of termination, this Lease and the estate hereby granted will terminate with the same force and effect as if the date specified in the notice was the end of the Term. Upon such termination, Lessee shall immediately quit and surrender the Leased Premises to Lessor and Lessor may enter upon, reenter, possess and repossess same, but only through summary proceedings if Lessee remains in possession of the Leased Premises or repudiates an obligation to cure a Default or quit and surrender the Leased Premises, and again have, repossess and enjoy same as if this Lease had not been made, and in any such event Lessee and no person claiming through or under Lessee by virtue of any sublease or separate agreement with Lessee or any law or an order of any court will be entitled to possession or to remain in possession of the Leased Premises but shall immediately quit and surrender the Leased Premises to Lessor.

If Lessor terminates this Lease pursuant to the terms hereof, Lessee will remain liable for all reasonable expenses incurred by Lessor in reentering the Leased Premises, repossessing same, and making good any default of Lessee hereunder.

Notwithstanding any other provision to the contrary, in the event of the Lessee’s uncured default, Lessor agrees that it will endeavor to negotiate in good faith among and with Lessee and the Allied Agencies for the purpose of establishing one or more written leases or subleases of the Leased Premises by the Allied Agencies without disruption to their services.

ARTICLE 18.
Surrender of Leased Premises

18.1 Surrender. Upon the expiration or sooner termination of this Lease, Lessee shall peaceably and quietly surrender, vacate, and deliver up possession of the Leased Premises to Lessor free and clear of all occupancies, lettings, liens and encumbrances and in good order and condition. In the event Lessee does not so surrender the Leased Premises, Lessor, upon or at any time after any such expiration or termination, may enter upon and reenter the Leased Premises and possess and repossess itself thereof by summary proceedings, ejectment or otherwise, and may dispossess Lessee and remove Lessee and all other persons and property from the Leased Premises and may have, hold and enjoy the Leased Premises.

18.2 Abandonment of Property. Any property of Lessee, including, without limitation, Lessee's trade fixtures, personal property and temporary structures (as described in Paragraphs 6.7 and 6.8) which shall remain on the Leased Premises, or any part thereof, more than thirty (30) days after the expiration or earlier termination of this Lease may, at the option of Lessor, be deemed to have been abandoned by Lessee and may be either retained by Lessor as its property or be disposed of by Lessor (including, but not limited to, demolition), without accountability to Lessee, in such manner as Lessor may see fit. Lessee shall reimburse Lessor the costs of removal, disposal, and demolition, as applicable, within ten (10) days of Lessor providing an invoice or other proof of payment therefore to Lessee.

18.3 Damage to Property. Lessor shall not be responsible for any loss or damage occurring to any property owned by Lessee which shall remain on the Leased Premises or any part thereof after the expiration or earlier termination of this Lease, and Lessee hereby releases Lessor from any claims for such loss or damage, it being agreed that the foregoing release shall survive the expiration of the Term or any sooner termination of this Lease.

ARTICLE 19.
Relinquishment

At any time, upon forty-five (45) days' prior written notice, provided Lessee is not in default under this Lease, Lessee may cancel this Lease and relinquish possession of the Leased Premises to Lessor whereupon Lessee shall be relieved of any further liability and obligations under this Lease; provided, however, Article 6.7 and Article 18.2 shall apply to the removal of fixtures, equipment and personal property. Article 6.8 and Article 18.2 shall apply with respect to ownership and removal of temporary structures upon such relinquishment.

ARTICLE 20.
Notices

20.1 Notices. All notices, demands, requests, consents, certificates, waivers or other communications from either party to the other with respect to this Lease or the Leased Premises shall be in writing and shall be effective if sent (i) by certified or registered United States mail, postage prepaid, return receipt requested, (ii) by hand delivery with receipt obtained, (iii) by

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email with read receipt or (iv) by overnight courier service providing receipted proof of delivery:

As to the Lessor:	City of Las Cruces Attn: City Manager 700 North Main Street Las Cruces, New Mexico 88001
with a copy to:	City of Las Cruces Legal Department Attn: City Attorney 700 North Main Street Las Cruces, New Mexico 88001 City of Las Cruces Facilities Management Department Attn: Facilities Management Administrator 700 North Main Street Las Cruces, New Mexico 88001 City of Las Cruces Grants Attn: _____ _____ _____ City of Las Cruces City Clerk Attn: City Clerk _____ _____
As to Lessee:	Mesilla Valley Community of Hope, Inc. Attn: President 999 West Amador Avenue, Building 5 Las Cruces, New Mexico 88005
with a copy to:	Amador Health Center, Inc. Attn: President 999 West Amador Avenue, Building 3 Las Cruces, New Mexico 88005 Or by mail to: P.O. Box 2243

Las Cruces, New Mexico 88004-2243
Or electronically to:
contracts@amadorhealthcenter.org

El Caldito
Attn: President
999 West Amador Avenue,
Building 3
Las Cruces, New Mexico 88005

Casa de Peregrinos
Attn: President
999 West Amador Avenue,
Building 1
Las Cruces, New Mexico 88005

Jardin de los Niños
Attn: President
999 West Amador Avenue,
Building 4
Las Cruces, New Mexico 88005

or to such other address as the party to receive notice may from time to time designate by written notice to the other in the manner above described. Notices sent by email with read receipt or by registered or certified mail shall be effective three (3) Business Days after emailing or mailing, as the case may be. Notices sent by hand delivery shall be effective on the date of delivery if delivered during a Business Day, or on the next Business Day if not delivered during a Business Day. Notices sent by overnight courier service shall be effective on the Business Day following the day that such notice was received by such courier service for delivery. For purposes of this Article 20, the term "Business Day" shall exclude Saturdays, Sundays and all official holidays for employees of Lessor.

ARTICLE 21.

Certificates

Lessor and Lessee agree that they shall, at any time and from time to time, upon not less than fifteen (15) days' prior written notice by one to the other, execute, acknowledge and deliver to the other a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, identifying such modifications with particularity and stating that the same are in full force and effect as modified), and (ii) stating whether or not the party executing the statement has knowledge of any existing default by the other, or had sent a notice of default to the other, and stating the nature of any such defaults. It is agreed by Lessor and Lessee that any such statement delivered pursuant to this Article 21 may be relied upon by any assignee of Lessor or Lessee.

**ARTICLE 22.
Indemnification**

Lessee shall save and hold harmless, indemnify and defend Lessor, its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims, losses and damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee, its agents, employees, contractors, subcontractors, and sublessees under this Lease.

**ARTICLE 23.
Nondiscrimination**

All Services provided by Lessee and its Allied Agencies under this Lease shall be delivered in a manner that is free from discrimination. No person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the provision of Services on the basis of race, color, national origin, ancestry, religion, sex (including pregnancy, sexual orientation, and gender identity), age, disability, marital status, genetic information, veteran status, citizenship, language proficiency, income level, or any other status protected by federal, state or local law. Lessee shall comply with all applicable nondiscrimination laws and regulations, including but not limited to Title VI and Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975, Section 1557 of the Affordable Care Act, the New Mexico Human Rights Act, and relevant portions of the Las Cruces Municipal Code.

Lessee shall also ensure that all Services are accessible to individuals with disabilities and individuals with limited English proficiency and shall provide reasonable accommodations and language assistance services in accordance with applicable law.

**ARTICLE 24.
Miscellaneous**

24.1 Captions. The captions of this Lease are for convenience only, are not a part of this Lease, and do not in any way define, limit or describe the scope, intent or terms of this Lease.

24.2 Time of the Essence. Time is of the essence in the parties' performance of their respective obligations under this Lease.

24.3 Entire Agreement. This Lease contains all of the promises, agreement, conditions and understandings between Lessor and Lessee relating to the Leased Premises, and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, between the parties other than as set forth in this Lease.

24.4 Amendments, Material Changes, Approvals. This Lease shall not be amended, altered or modified except by an instrument in writing executed by Lessor and Lessee after

approval of the Las Cruces City Council has been provided. All approvals and consents required in this Lease shall be provided in writing in order to be effective. No oral representations, whenever or wherever made, by any official or employee of Lessor or Lessee shall be effective to amend the terms of this Lease. No right of action shall accrue to either party for reason of the failure of the Las Cruces City Council to approve this Lease.

24.5 Invalidity of Certain Provisions. If any term or covenant of this Lease or the application thereof to any persons or circumstances shall, to any extent, be held invalid or unenforceable, the remaining terms and covenants of this Lease, or the application of such term or covenant to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected hereby, and each term and covenant of this Lease shall be valid and enforceable to the fullest extent permitted by law.

24.6 Survival. Any and all provisions set forth in this Lease which, by its or their nature, would reasonably be expected to be performed after termination or expiration of this Lease shall survive and be enforceable after such termination or expiration. Any and all liabilities, actual or contingent, which shall have arisen in connection with this Lease, shall survive any termination or expiration of this Lease as necessary to allow the full term of an applicable statute of limitations to take effect and expire, accounting for any applicable late-discovery or tolling laws. Any express statement of survival contained in any article or section of this Lease shall not be construed to affect the survival of any other article or section, which shall be determined pursuant to this Section 23.6.

24.7 Governing Law. This Lease shall be governed by, and construed in accordance with, the laws of the State of New Mexico without regard to any applicable principles of conflicts of law. Lessee consents to jurisdiction and venue, in any legal proceeding involving, directly or indirectly, any matter arising out of or related to this Lease or the relationship created or evidenced hereby, in the Third Judicial District Court of the State of New Mexico and agrees not to raise any objection to such jurisdiction or to the laying or maintaining of venue in said jurisdiction.

24.8 Binding Effect. The terms, covenants and conditions contained in this Lease shall extend to and be binding upon the parties hereto and their successors and assigns.

24.9 Counterparts. This Lease may be signed by the parties in two or more counterparts, each of which shall be deemed to be an original, and all of which when taken together shall constitute one and the same document. Receipt by email of a Portable Document Format (.PDF) signed copy of this Lease shall be deemed the receipt of the original document.

[Remainder of page intentionally left blank.]

IN WITNESS HEREOF, the Lessor and Lessee have executed this Lease as of the date next to their signatures hereinbelow.

LESSOR:

LESSEE:

CITY OF LAS CRUCES, a New Mexico
municipal corporation

MESILLA VALLEY COMMUNITY OF
HOPE, INC., a New Mexico domestic non-
profit corporation

By: _____
_____, City Manager

By: _____
_____, President

Date: _____

Date: _____

Approved as to Form:

City Attorney
Date: _____



City of Las Cruces
Community Development Department
700 N Main St
Las Cruces, NM 88001
(575) 528-3043
Date: 7/11/2025

Lease Parcels

Legend

- Lease Parcels
- Roads
- DAC Parcel



0 100 200 400 US Feet



City of Las Cruces
Community Development Department
700 N Main St
Las Cruces, NM 88001
(575) 528-3043
Date: 7/11/2025

Building Labels

Legend

-  Lease Parcels
-  Roads
-  DAC Parcel



0 100 200 400 US Feet

REAL PROPERTY "APPRAISAL REPORT"

MESILLA VALLEY COMMUNITY OF HOPE

999 W. AMADOR AVENUE

LAS CRUCES, DONA ANA, NEW MEXICO 88005



ALLIANCE OF NON-PROFIT SERVICE AGENCIES OCCUPIED PROPERTY

EFFECTIVE DATE:

AUGUST 19, 2025

REPORT DATE:

NOVEMBER 3, 2025

PREPARED FOR:

CITY OF LAS CRUCES C/O MR. BILL HAMM

PURCHASE ORDER 26202708

PREPARED BY:

BROOKS REAL ESTATE SERVICES

APPRAISER:

STEVE BROOKS, MAI

NEW MEXICO GENERAL CERTIFICATION No. 850-G

BROOKS REAL ESTATE SERVICES

STEVEN W. BROOKS, MAI



GENERAL CERTIFIED APPRAISER – NM LICENSE No. 850-G

300 W. UNION AVENUE, LAS CRUCES NM 88005

REAL ESTATE
APPRAISAL & CONSULTING

PH. 575.541.5555

SW_BROOKS@OUTLOOK.COM

LETTER OF TRANSMITTAL

November 3, 2025

Mr. Bill Hamm
City of Las Cruces
Attn: Economic Development
700 N. Main St.
Las Cruces, NM 88001

RE: Market Rent Analysis
Mesilla Valley Community of Hope
5-Structures Contained on 10.069 +/- Acres
999 W. Amador Avenue
Las Cruces, Dona Ana County, New Mexico 88005

Dear Mr. Hamm,

At your request, an appraisal report has been prepared of the above referenced property. The purpose of the appraisal assignment is to estimate market rent estimate of the following-identified property.

The subject of this assignment consists of five (5) structures of contained within the commonly identified Mesilla Valley Community of Hope (MVCH). The property is owned by the City of Las Cruces occupied by an alliance of non-profit organizations who provided combined provide services to the City's less fortunate population. Net land area appraised in association with the structures is estimated by the appraiser at 10.69 +/- acres and includes deduction of access easement lands providing interior access to the campus as well as land area contained within the development boundaries of an excluded structure scheduled for demolition. The combined gross heated and cooled building area of the included five structures is 54,597 SF.

The appraisal has been developed in conformity with the City of Las Cruces Purchase Order # 26202708 and our discussions. The scope of work developed and applied in this "appraisal report" is intended to be consistent with our discussions and the client's intended use.

The value opinions reported are qualified by certain definitions, limiting conditions, and certifications as set forth in the attached report.

The market rent estimate derived is limited to development of the observed most applicable valuation methodology and includes methodologies included for each of the three traditional valuation approaches of the cost, sales comparison and income approaches to value. The analysis developed and applied was discussed with the client at the time of assignment engagement and considered to result in credible assignment results.

Reliance upon the report and value conclusions reached is intended for use by the City of Las Cruces and-or Participants. Our professional fee was billed to the City of Las Cruces. The intended use of the appraisal is towards internal asset allocation and State of New Mexico compliance by the City of Las Cruces.

The analysis contained in the report is intended to meet or exceed the clients requested scope of work and to comply with the requirements stated under Standards Rule 1-4 (a) (b) and (c) of the Uniform Standards of Professional Appraisal Practice (USPAP) relative to the collection, verification, and analysis of all information necessary for formation a credible assignment result.

Agenda Item #7.5.

The attached report is intended to comply with; **1)** the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation; **2)** requested scope of work requirements of City of Las Cruces % Mr. Bill Hamm; **3)** applicable regulations of the state of New Mexico; **4)** the Standards and Ethics Provisions of the Appraisal Institute of which the appraiser is a designated member.

The below signed is the sole appraiser of the valuation and is individually responsible for the conclusions reached. I personally inspected the subject property on August 19, 2025, which is equal to the effective date of the report and following estimates of value.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Community of Hope – Five Structures Contained within an Estimated 10.069 Acre Net Site
Year One – Current Market Rent Estimate
\$690,000 – Six Hundred and Ninety Thousand Dollars

Subject to the general limiting conditions and assumptions as outlined within the Section III of the report.

This letter must remain attached to the following appraisal report, containing 112 pages including addenda, in order for the value estimates set forth to be considered valid and suitable for reliance upon by the intended user.

Thank you for allowing Brooks Real Estate Services to be of your service. Please contact me should you have questions or require additional information.

Respectfully submitted,



Steve Brooks, MAI
New Mexico General Certified Appraiser #850-G

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SUMMARY OF SALIENT FACTS

<u>Appraisal Assignment:</u>	The appraisal assignment is to prepare an Appraisal Report relative to the property and improvements identified and generally located at 999 W. Amador Avenue. The property lies within the city limits of Las Cruces, Dona Ana County, New Mexico.
<u>Appraisal Premises:</u>	Per discussions with the client the valuation services requested are limited to: 1) Market Rent – Fee Simple
<u>Client:</u>	City of Las Cruces – c/o Mr. Bill Hamm Purchase Order Number 26202708
<u>Intended User</u>	The intended user of this report is the City of Las Cruces and-or Participants.
<u>Intended Use:</u>	As stated by Mr. Bill Hamm, project coordinator with the city of Las Cruces, the intended use of the appraisal is to estimate market rent intended towards State of New Mexico compliance and asset allocation of the property.
<u>Ownership Interest</u>	
<u>Appraised:</u>	Fee Simple
<u>Property Appraised:</u>	Since original partial property acquisition in March of 1996 and subsequent assemblage through multiple acquisitions and development, the subject of this assignment as well as other non-subject portions are commonly identified as the Community of Hope. Dating from original acquisition and assemblage, the property has remained under the control of the City of Las Cruces with structural improvements occupied agreement with the city. The Mesilla Valley Community of Hope (MVCH) is a nonprofit alliance based in Las Cruces, New Mexico, dedicated to serving individuals and families experiencing homelessness and-or financial distress. The mission of the City with the Community of Hope is to consolidate a variety of essential services within a consolidated campus configuration allowing for improved service delivery efficiency to the served clients. Within the assignment no distinction is made between the City of Las Cruces and the Mesilla Valley Community Hope.
<u>Site Data:</u>	Physical address of the of the MVCH is 999 W. Amador Ave. and also includes identified addressed portions of 921 and 991 W. Amador, Las Cruces NM 88005. The Community of Hope Campus as appraised is comprised of two separate and legally identified and tracts containing a combined plated land area of 12.35. The majority of the campus is contained within the boundaries of Lot 1 of the Las Cruces Community of Hope Subdivision. Plated land area of Lot 1 is 11.35 acres or 494,406 SF of which an estimated or 70,643 SF or 1.622 acres are identified on the plat as access and utility easement area and utilized for interior campus vehicle access and utility delivery use. Deducting the easement area from the Lot 1 platted area leaves an estimated building and associated site improvement and surplus land area of 423,763 SF or 9.728 acres. Contained within the boundaries

of the net access and easement area five structural improvements identified in this analysis as buildings 1, 2, 4, 5, and 6.

Remaining portions identified for inclusion with the Community of Hope is identified as Lot 5B-1 of the Amador Tracts Replat No. 6 subdivision. Plated land area of Lot 5B-1 is 1.0 acres. Lot 5B-1 is access from within the identified access easement area of Lot 1. Contained within the boundaries of Lot 5B-1 is a single structural improvement identified in this analysis as building 3.

As identified and appraised, assigned building two is unoccupied, and as suggested by the Mr. Lorenzo Alba Jr. - Director of Casa de Peregrinos, building two is not utilized and intended for demolition. This was discussed with the client who agreed to the building and underlying development site extraction from the market rent estimate.

As estimated by the appraiser land area occupied by the building two divisible site, and not utilized in association with the remaining structure, is estimated at 28,707 SF or 0.66 +/- acres. The building site is observed as excess land not utilized in association with the Community of Hope campus and is available for potential liquidation and-or speculative holding by the City of Las Cruces for future campus structural addition.

The following table summarizes the subject two legal lots and includes individual and gross area figures as well as calculation of net access easement, excess land and the appraised net Community of Hope utilized land area estimate of 438,616 SF or 10.069 +/- acres.

LAND AREA SUMMARY – APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH)	
Lot 1 - LCCH Subdivision	
Site Area (Ac.)	11.3500
Site Area (Sq. Ft.)	494,406
- Access Easement Area (+/-)	70,643
Lot 1 - Net Access Easement Area (Sq. Ft.)	423,763
Lot 1 - Net Access Easement Area (Ac.)	9.728
Lot 5B-1 - Amador Tracts No. 6	
Site Area (Ac.)	1.0000
Site Area (Sq. Ft.)	43,560
Combined Gross Land Area - Lot 1 & 5B-1	537,966
- Lot 1 - Access Easement Area (+/-)	70,643
- Lot 1 - Excess Land Area - Building 2 Site Area (+/-)	28,707
Combined Net Access Easement Area (Sq. Ft.)	438,616
Combined Net Access Easement Area (Ac.)	10.069
Land to Building Area Ratio - Net Access & Utility Easement & Excess Land	8.03

As developed and utilized the subject Mesilla Valley Community of Home campus possesses an approximate 8.03:1 land to building area ratio. As improved and to including developed portions, the 10.019 acres site is observed to be fully utilized. Although areas of potential surplus land could be considered available for future structural improvement, without changes to the portions utilized status, no surplus land area is observed or applied.

The subject neighborhood is centrally located in the community and characterized as a developed mixed-use district to include mixed commercial office, retail, and industrial uses.

Improvements:

Principle structural improvements included within the boundaries of the 10.019 acres consist of five structures identified in the report as buildings 1, 3, 4, 5, & 6.

Building 2 of the MVCH was extracted from the analysis therefore not included. Please see Section 1 – Preface of the report for identifying maps including a Campus Building Map for each of the five structural improvements with number assignments utilized for descriptive purposes through-out the appraisal report. The following table summarizes the six structural improvements including identified occupants, use and applied estimates of improvement heated and cooled building area.

STRUCTURAL IMPROVEMENT SUMMARY				
APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH) – FIVE STRUCTURES				
Building ID - Address	Occupant	Use	Building Area Source	Bld. Area (SF)
Building 1 - 991 E. Amador	Casa de Peregrinos	Food Pantry - Distribution WH - Offices	Bld. Plans	12,022
Building 3 - 999 W. Amador	Community of Hope	Warehouse - Maint. Office	DAC Assessor	5,000
Building 4 - 999 W. Amador	Community of Hope	Medical Clinic - Counseling - Soup Kitchen	DAC Assessor	13,414
Building 5 - 999 W. Amador	Community of Hope	Day Care - Child Development	DAC Assessor	11,241
Building 6 - 999 W. Amador	Community of Hope	Client Services - Adm. Offices (under renovation)	DAC Assessor	12,920
Total Site Contained Building Floor Area				54,597
Appraised Floor Area				54,597

Gross building area of the five structural improvements contained within the boundaries delineated 10.019 acres totals an estimated 54,597 SF. Building area estimates were extracted from provided building plans as well as records of the Dona Ana County Assessor’s Office.

Identified in the previous table occupied use of the improvements is mixed and extends from warehouse, food pantry, soup kitchen, general office, day care, counseling medical office, and medical clinic use including general medical use, dental and pharmacy use.

Associated site improvements include asphalt paved parking for an observed 168 vehicles including handicap parking with wheelchair building access, concrete walkways and pads, landscaping, storm water retention ponding and pole mounted signage. Also associated with the structural improvements are multiple associated improvements.

Highest & Best Use:

The highest and best use analysis indicates the highest and best use as though vacant is multi-lot light industrial development. The use as improved is as improved to include excess land area portion available for speculative holding and-or disposition.

Zoning:

Located within the corporate boundaries of Las Cruces under the 2001 zoning code the subject site is zoned PUD – Planned Unit Development.
Established in February 2025 is the City of Las Cruces new “Realize Las Cruces” (RLS) zoning and building code ordinance with a full implementation in eight-months from final city council approve or September 2025.

Upon full establishment of the RLS zoning code the subject is identified to be zoned CR.U.MX – Commercial Retail – Urban – Mixed Use.

Valuation Method: The market rent estimate derived is limited to development of the observed most applicable valuation approaches, which as applied includes methodologies associated with the cost, sales comparison and income approaches. The analysis developed and applied was discussed with the client at the time of assignment engagement and considered suitable to the clients intended use and results in credible assignment results.

Reconciled Final Estimate of Year One Market Rent:

Community of Hope – Five Structures Contained within an Estimated 10.069 Acre Net Site
Year One – Current Market Rent Estimate
\$690,000 – Six Hundred and Ninety Thousand Dollars

Subject to the general limiting conditions and assumptions as outlined within the Section III of the report.

Exposure Time: 3 - 12 months or less

SECTION I

PREFACE

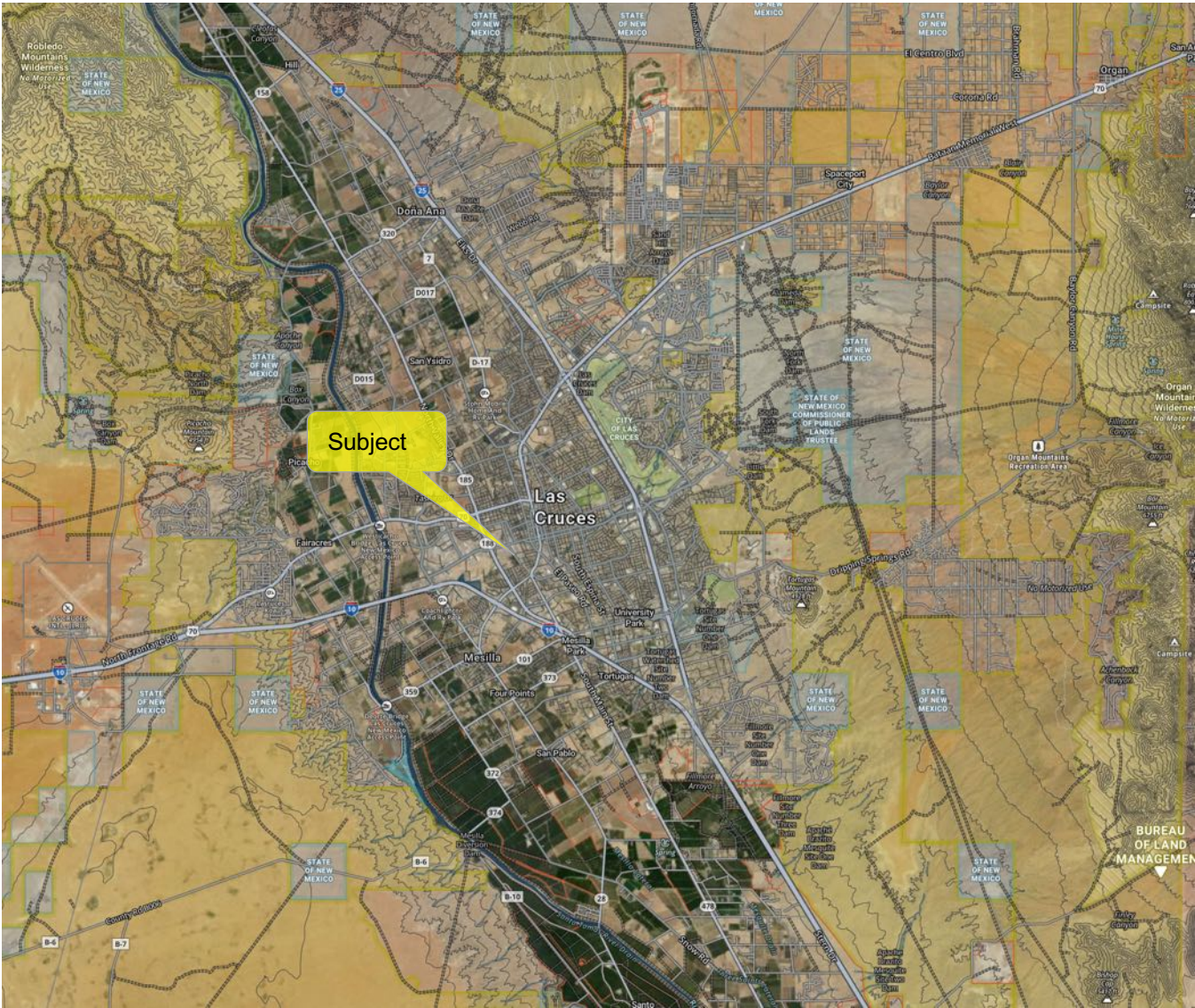
The preface to the report contains the various maps and photographs that relate to the subject property and its environment.

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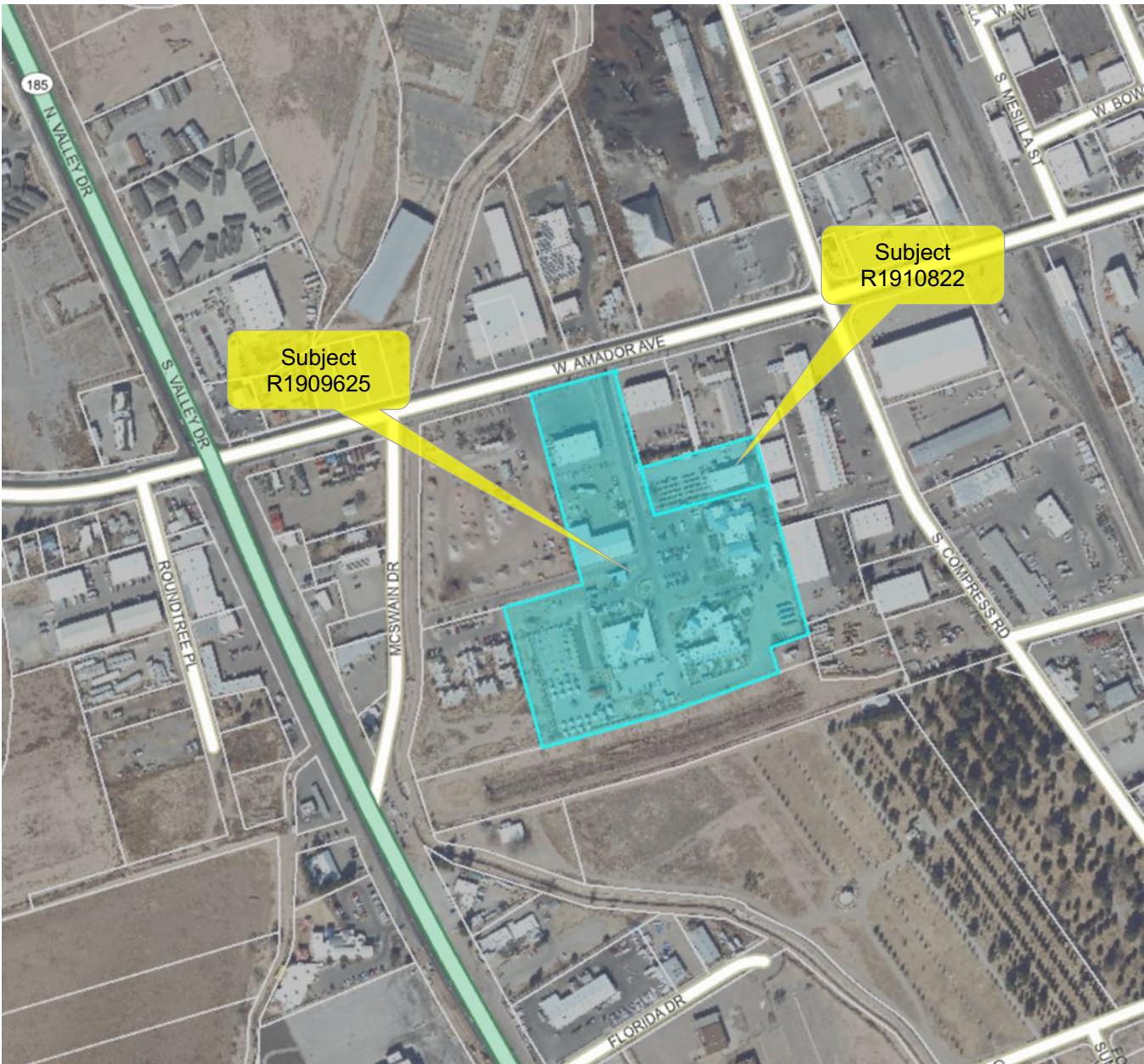
REGIONAL LOCATION MAP



METROPOLITAN LOCATION MAP



ASSESSOR’S PARCEL MAP



AERIAL PHOTOGRAPH



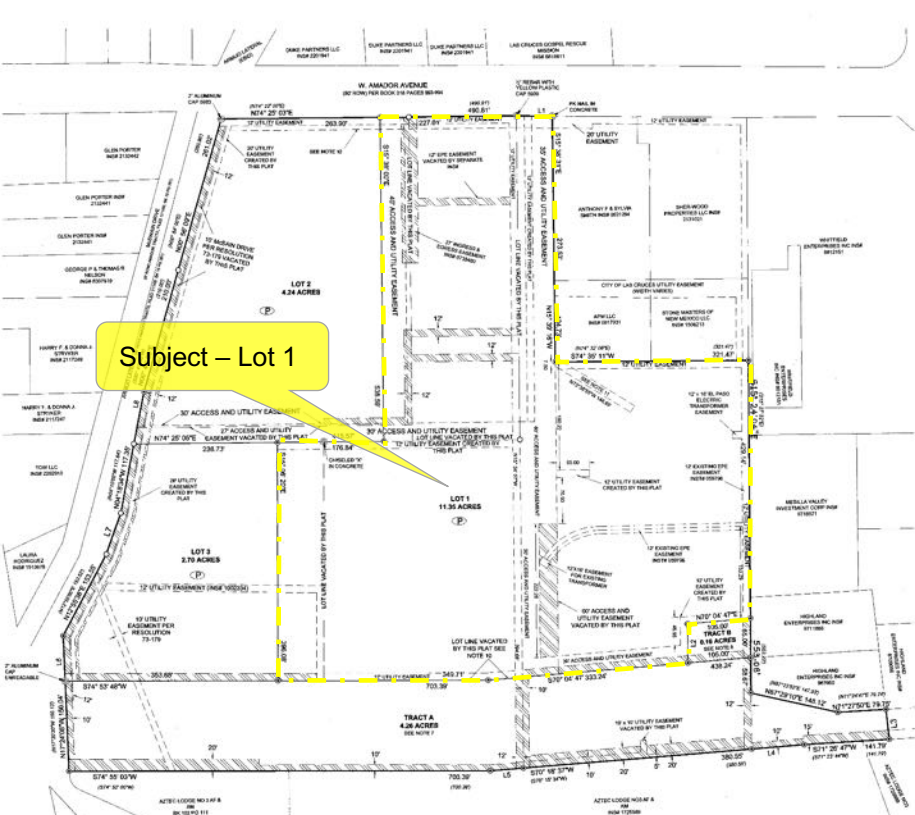
SUBDIVISION PLAT – LOT 1 OF THE LAS CRUCES COMMUNITY OF HOPE

LOCATION OF BUILDINGS 1, 2, 4, 5, 6

LAS CRUCES COMMUNITY OF HOPE SUBDIVISION

A SUMMARY SUBDIVISION BEING A REPLAT OF AMADOR TRACTS AS FILED JANUARY 11, 2000 IN BOOK 19 PAGE 361, AMADOR TRACTS REPLAT 1 AS FILED MARCH 14, 2003 IN BOOK 20 PAGE 276, AMADOR TRACTS REPLAT 2 AS FILED AUGUST 19, 2004 IN BOOK 20 PAGE 783, AMADOR TRACTS REPLAT 3 AS FILED JUNE 21, 2006 IN BOOK 21 PAGE 668, AMADOR TRACTS REPLAT NO. 4 AS FILED OCTOBER 5, 2007 IN BOOK 22 PAGE 392, AMADOR TRACTS REPLAT NO. 5 AS FILED JULY 23, 2008 IN BOOK 22 PAGE 516, AMADOR TRACTS REPLAT NO. 6 AS FILED APRIL 20, 2018 IN BOOK 24 PAGE 296, CHILTON TRACTS REPLAT NO. 1 AS FILED IN OCTOBER 6, 2000 BOOK 19 PAGE 528 IN THE DOÑA ANA COUNTY RECORDS WITHIN THE CITY OF LAS CRUCES, DOÑA ANA COUNTY, NEW MEXICO

18.29 ACRES
SURVEYED: SEPTEMBER 2022



GENERAL NOTES:

- 1. THE SURVEYOR IS RESPONSIBLE FOR (A) ALL EASEMENTS, MAIN LINE EXTENSIONS, AND STURDIES NECESSARY TO PROVIDE SEPARATE UTILITY SERVICES TO EACH LOT AND (B) COMPLIANCE WITH ALL APPLICABLE CITY UTILITY STANDARDS.
- 2. THIS DEVELOPMENT IS LOCATED WITHIN FLOOD ZONE "X" AREAS DETERMINED TO BE OUTSIDE 100 YEAR FLOOD PLAIN IN MAP NO. 35015C-18-1, EFFECTIVE JULY 4, 2016.
- 3. EXCESS STORM DRAINAGE TO BE RETAINED WITHIN EACH LOT.
- 4. (P) - DENOTES PONDING AREA TO BE MAINTAINED BY INDIVIDUAL PROPERTY OWNERS.
- 5. RECORD BEARINGS AND DISTANCES ARE SHOWN IN PARENTHESES.
- 6. FOUND AND ACCEPTED MONUMENTS EXCEPT THOSE FOUND ON HARD SURFACES ARE TAGGED WITH WINE AND WASHED STAMPED NMP'S 28532.
- 7. TRACT A IS RESERVED BY THE OWNER (CITY OF LAS CRUCES) AS A DRAINAGE TRACT AND UTILITY EASEMENT.
- 8. TRACT B IS DEDICATED TO CITY OF LAS CRUCES UTILITIES AS A WELL SITE AND UTILITY EASEMENT.
- 9. THERE IS A 10' DEDICATED RIGHT OF WAY MATCHED ALONG THE WEST PORTION OF THIS DEVELOPMENT, DEDICATED VIA A SAVE AND EXCEPT CLAUSE IN RESOLUTION IN 75-173 AND VACATED BY THIS PLAT.
- 10. THERE ARE TWO LINES BEING VACATED ALONG TRACT A, BOTH LINES DO NOT ACCURATELY REFLECT THE EXISTING FENCINGS OF TRACT A.
- 11. CENTERLINE UTILITY EASEMENT BEING 7.5' ON EITHER SIDE AS SHOWN CREATED BY THIS PLAT.
- 12. 20' DEDICATED TO THE CITY OF LAS CRUCES FOR FUTURE EXPANSION OF W. AMADOR AVENUE.

LEGEND

- SET 1/2" REBAR & 2" ALUMINUM CAP MARKED "CITY OF LAS CRUCES" MINUS ZERO
- FOUND MONUMENT AS NOTED
- FOUND 1/2" REBAR, UNCAPPED
- RECORDED DOCUMENT
- VACATED UTILITY EASEMENT AT WIDTH NOTED OR VACATED ROW AS NOTED

BASIS OF BEARING:

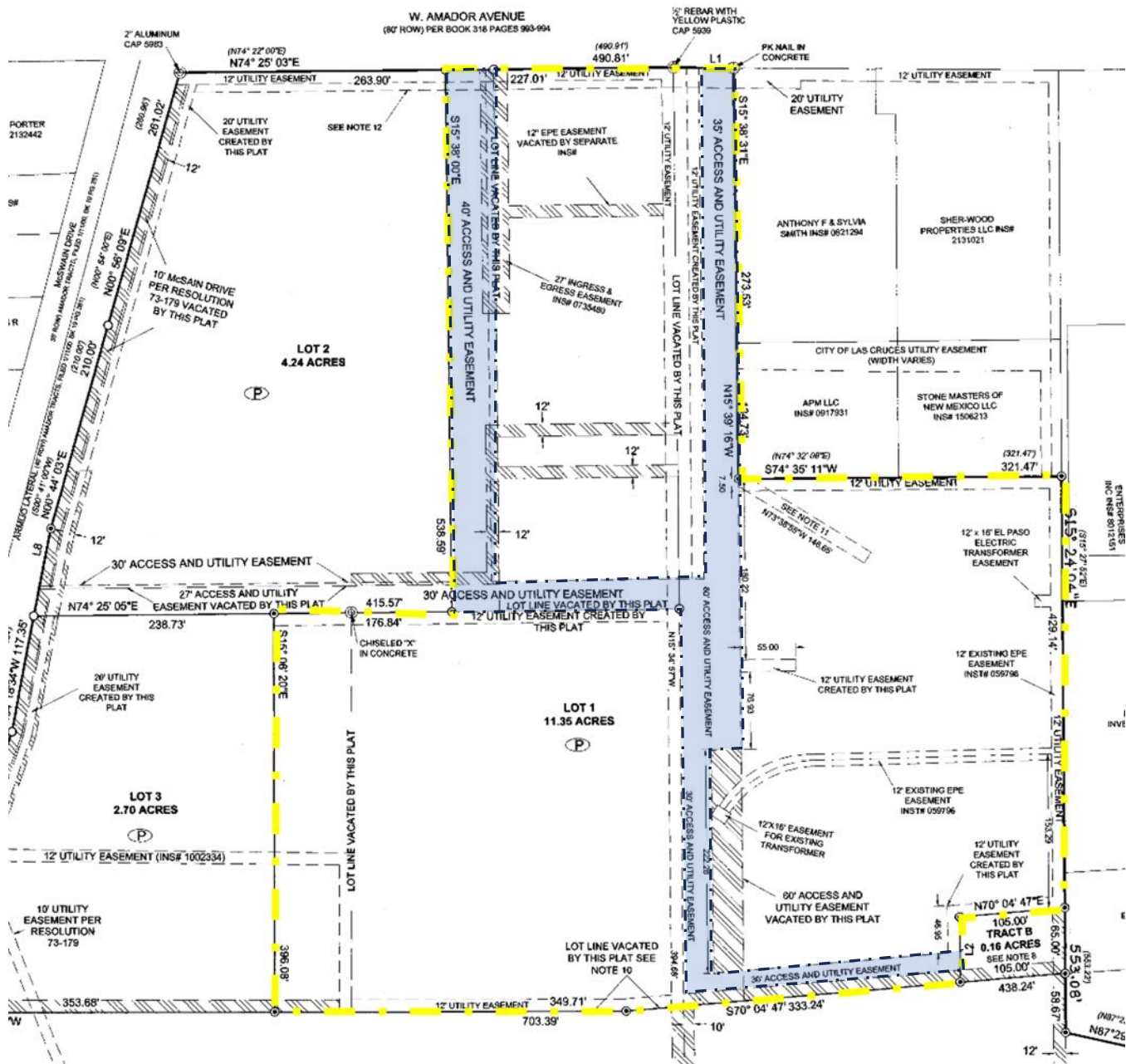
UNITS	METRIC/US INTERNATIONAL FEET
HORIZONTAL DATUM	NAD83 (GEOID 1985) LOCAL GEOGRAPHIC SYSTEM/EPSS 8318
VERTICAL DATUM	SEMI-MAJOR AXIS
PROJECTION	TRANSVERSE MERCATOR (SAUS ATUROS FORM)
GEOD	GRADE 14 NOS LAT/UT HYBRID GEOD MODEL, INTENDED TO BE USED WITH NAD83 (GEOID 1985) LOCAL GEOGRAPHIC SYSTEM/EPSS 8318
PROJECTION ORIGIN	FALSE NORTHING
	FALSE EASTING
	SCALE

LINE	BEARING	DISTANCE	(BEARING)	(DISTANCE)
L1	N75°39'10"E	59.66	(N75°28'29"E)	(60.01)
L2	N15°32'01"W	65.07		
L3	S21°48'20"E	50.17	(S21°33'48"E)	(50.07)
L4	S70°18'30"W	87.83	(S70°15'30"W)	(87.83)
L5	S70°15'05"W	55.62	(S70°12'02"W)	(55.62)
L6	N17°30'30"W	75.28	(N17°30'30"W)	(75.27)
L7	N04°17'38"E	72.16	(N04°23'00"E)	(72.22)
L8	N03°52'42"W	88.63	(N04°10'00"W)	(88.36)



PUBLIC WORKS DEPARTMENT		2025034
CITY OF LAS CRUCES, NEW MEXICO		
LAS CRUCES COMMUNITY OF HOPE SUBDIVISION		
PROJECT NO.	225034	
SCALE	AS NOTED	
DRAWN BY	J. FAJELA	
CHECKED BY	J. FAJELA	
DATE	OCT 2022	

ACCESS ROAD AREA IDENTIFICATION

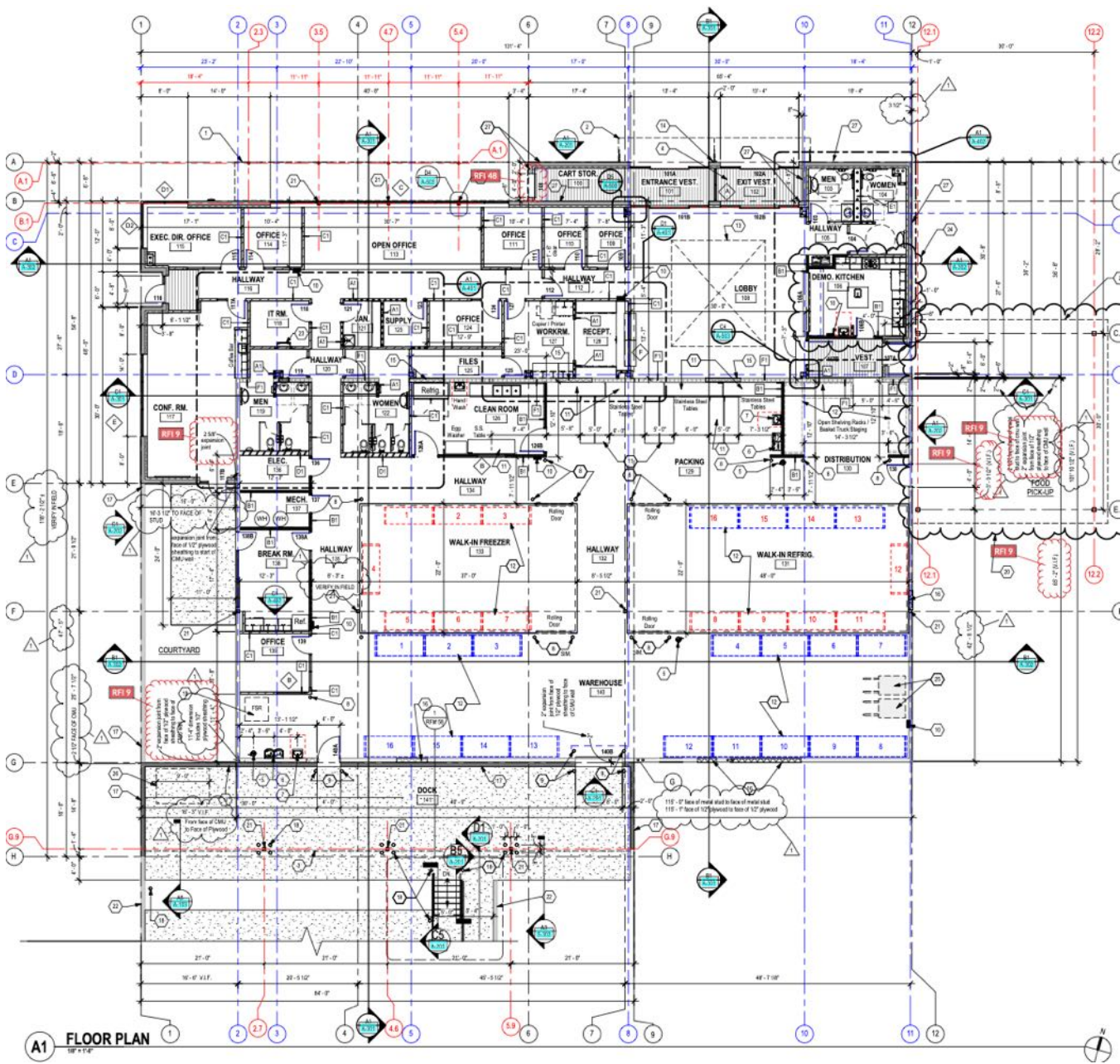


Lot 1 - LCCH Subdivision	
Site Area (Ac.)	11.3500
Site Area (Sq. Ft.)	494,406
- Access Easement Area (+/-)	70,643
Lot 1 - Net Access Easement Area (Sq. Ft.)	423,763
Lot 1 - Net Access Easement Area (Ac.)	9.728

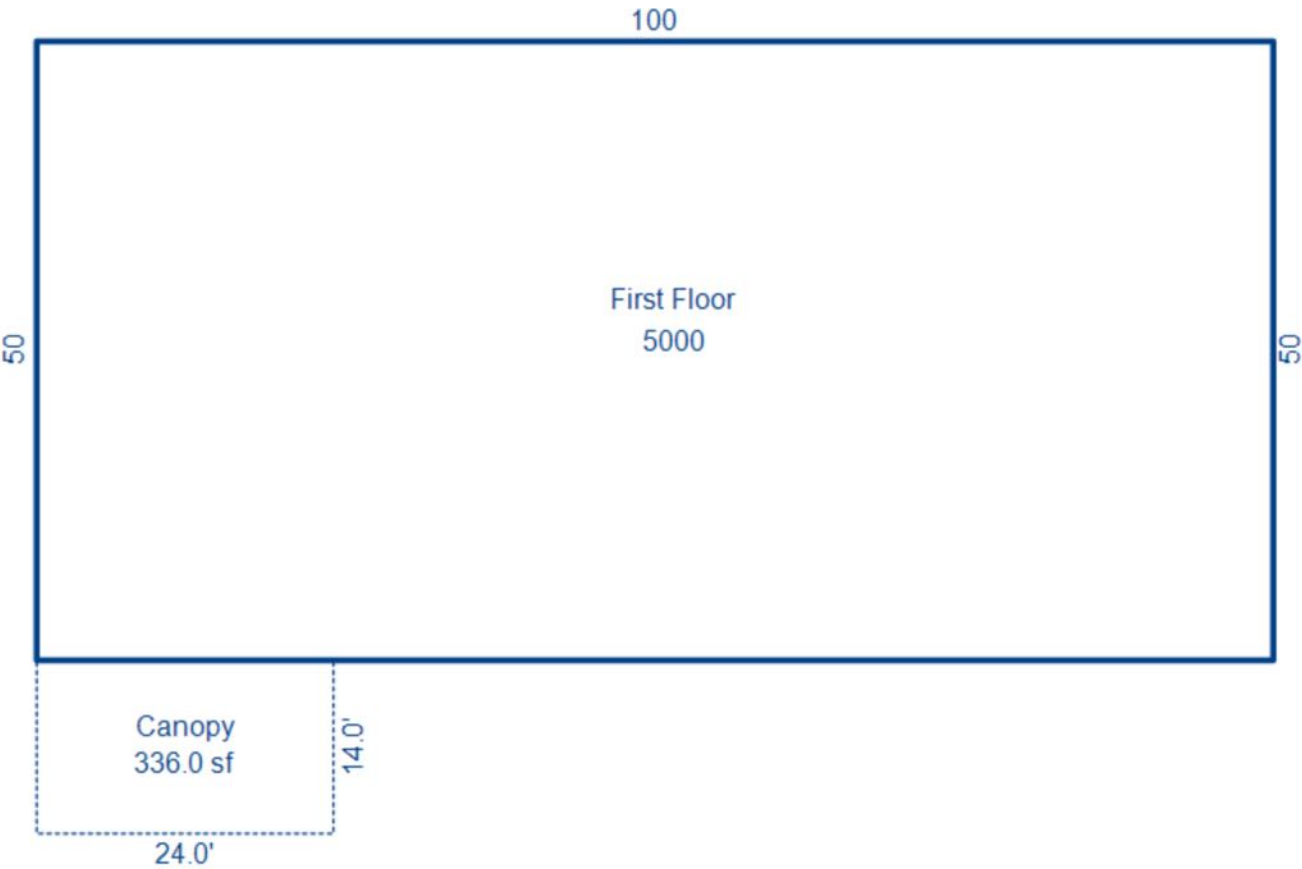
LOCATION OF BUILDING 3

8

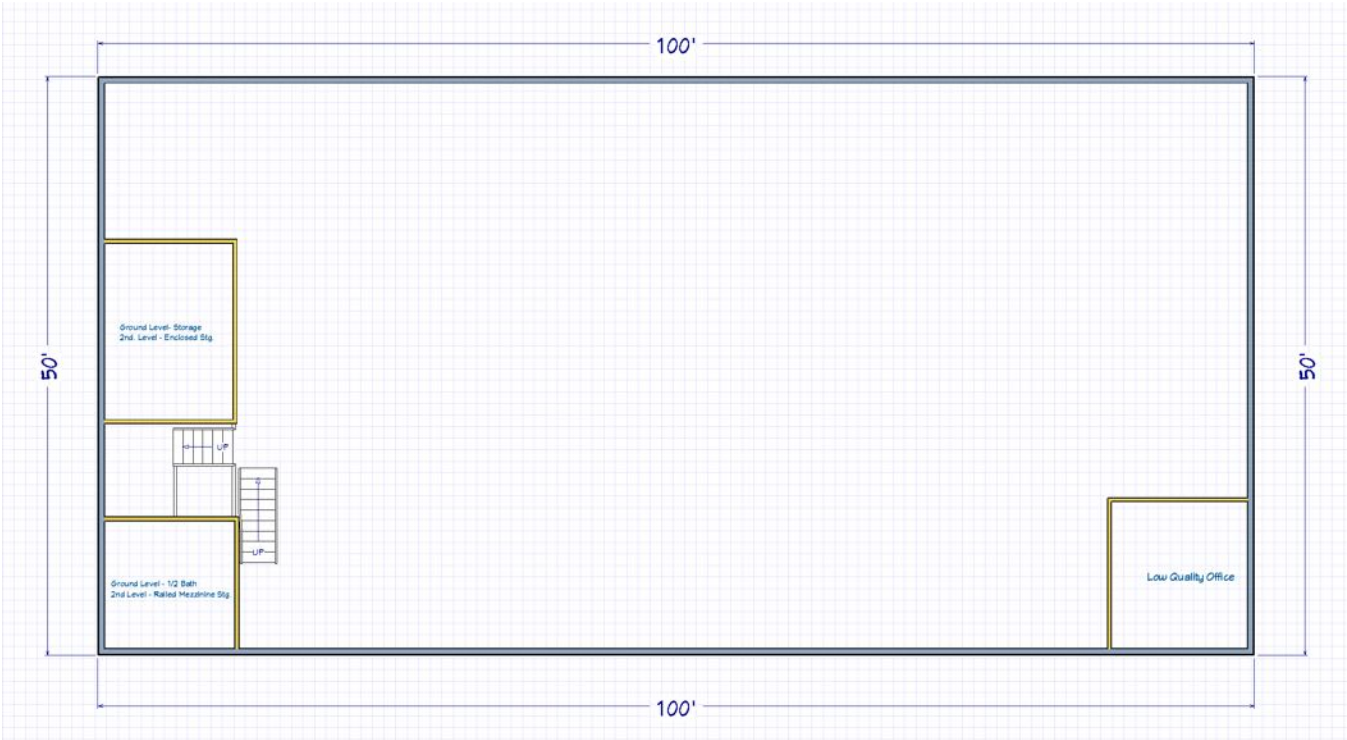
BUILDING 1- FLOOR PLAN (CLIENT PROVIDED)



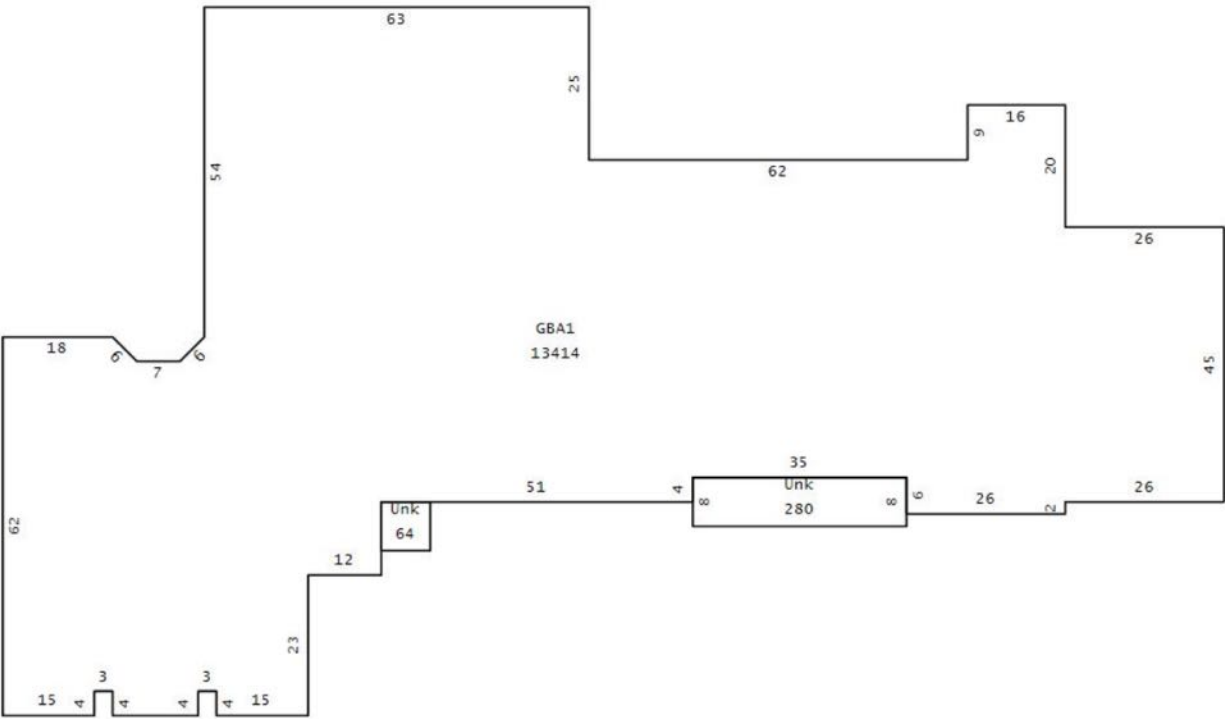
BUILDING 3 - IMPROVEMENT SKETCH - DONA ANA ASSESSORS OFFICE



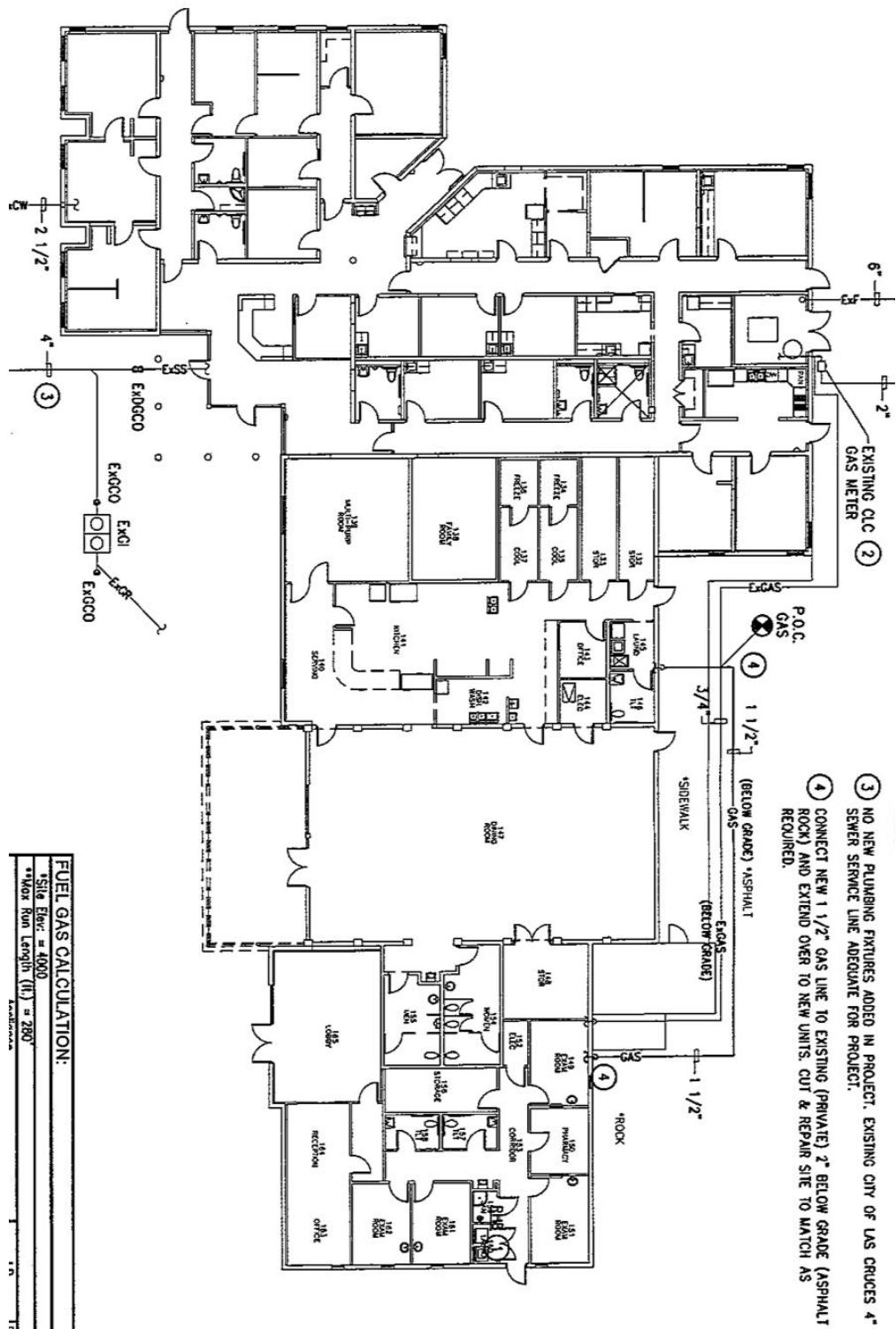
BUILDING 3 - FLOOR PLAN (APPRAISER DEVELOPED)



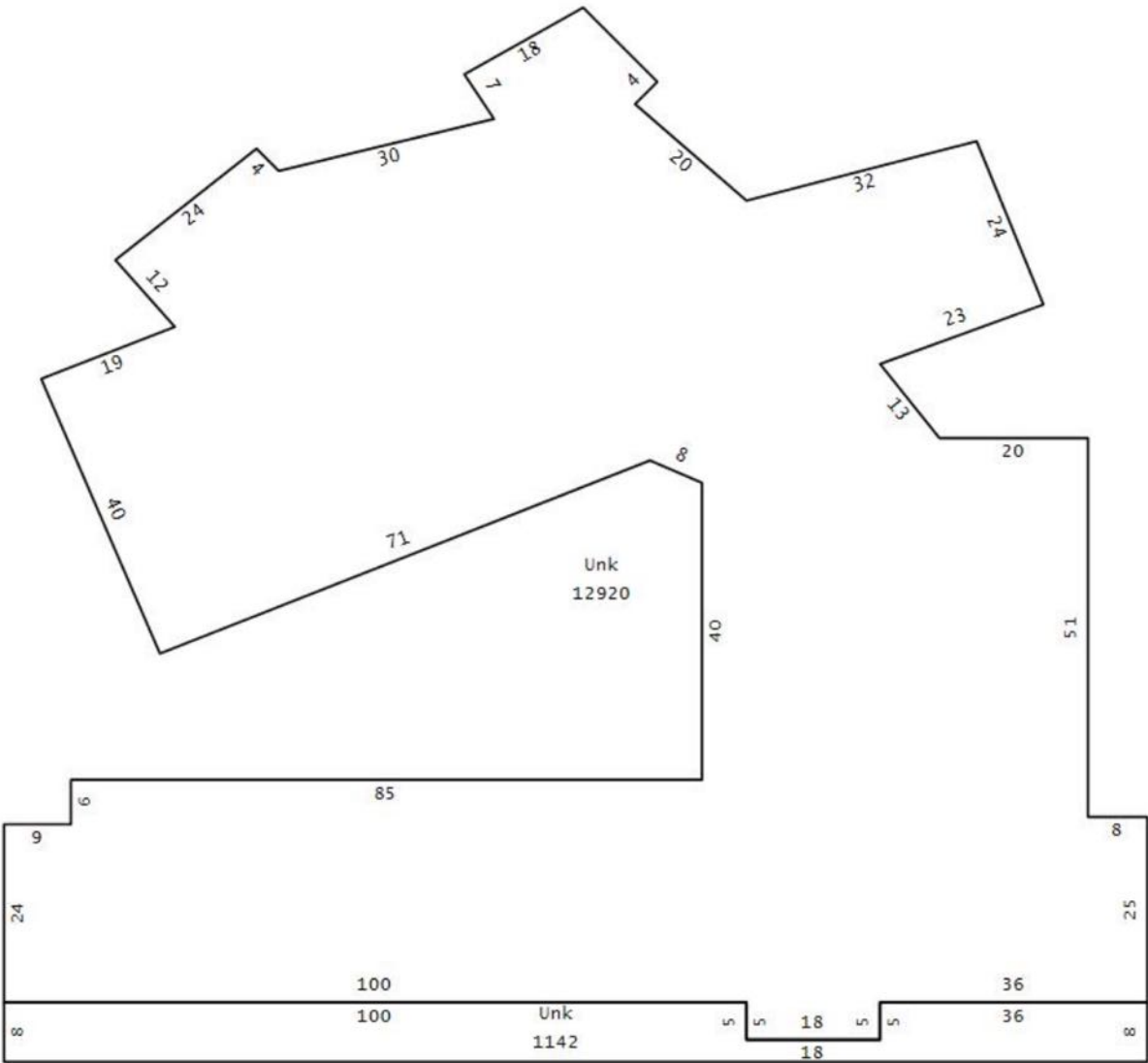
BUILDING 4 - IMPROVEMENT SKETCH - DONA ANA ASSESSORS OFFICE



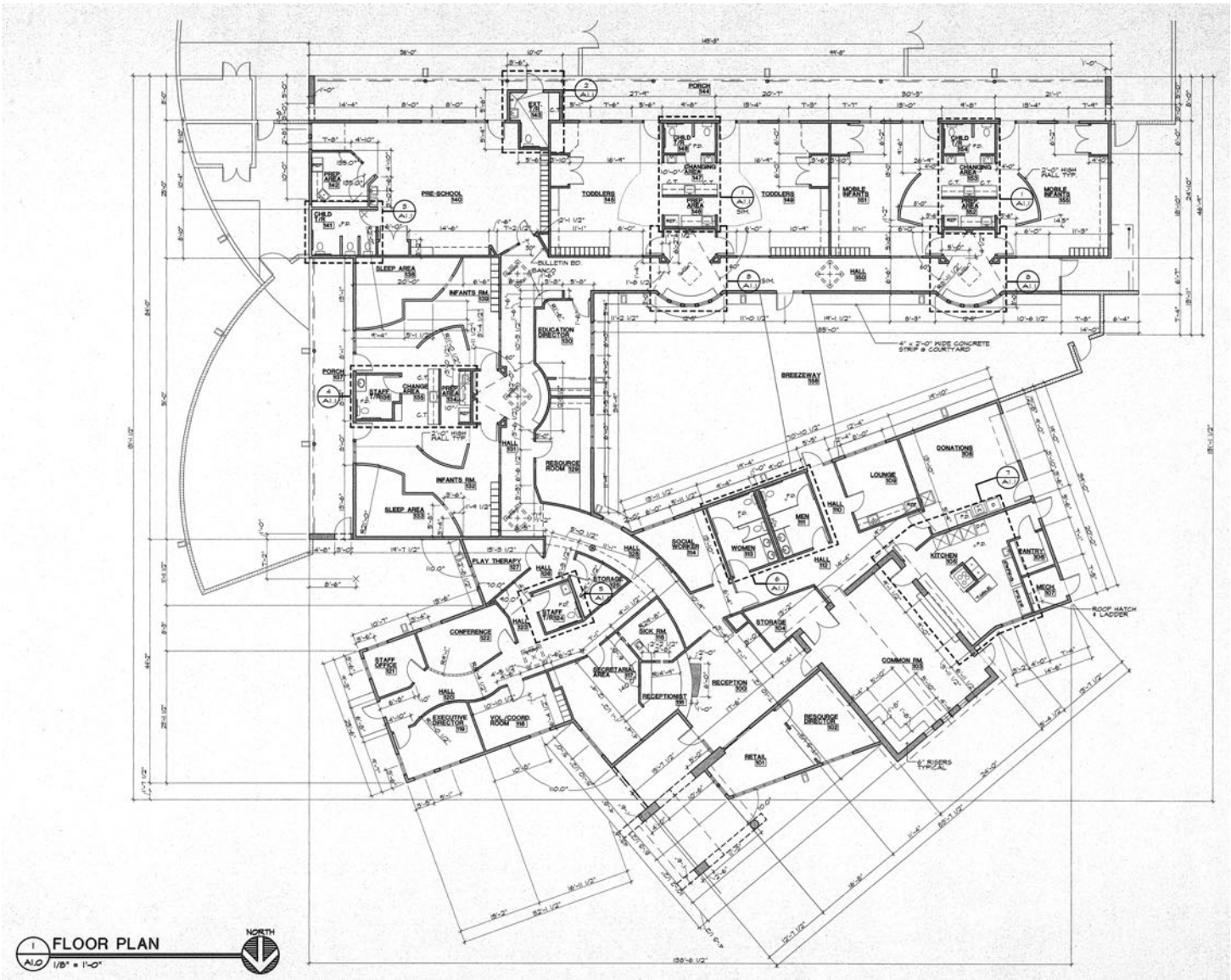
BUILDING 4 - FLOOR PLAN (CLIENT PROVIDED)



BUILDING 5 - IMPROVEMENT SKETCH - DONA ANA ASSESSORS OFFICE



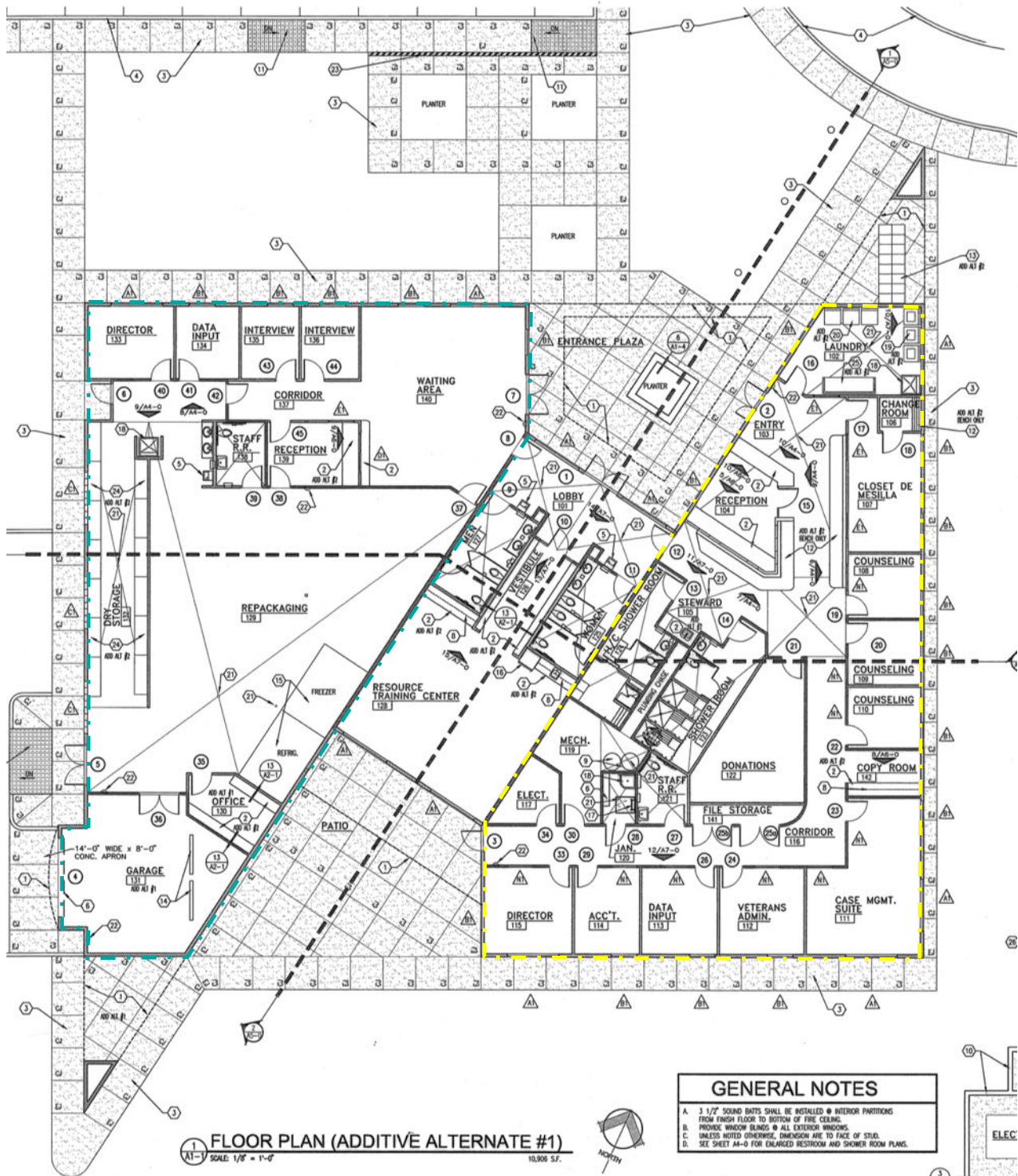
BUILDING 5- FLOOR PLAN (CLIENT PROVIDED)



[illegible]

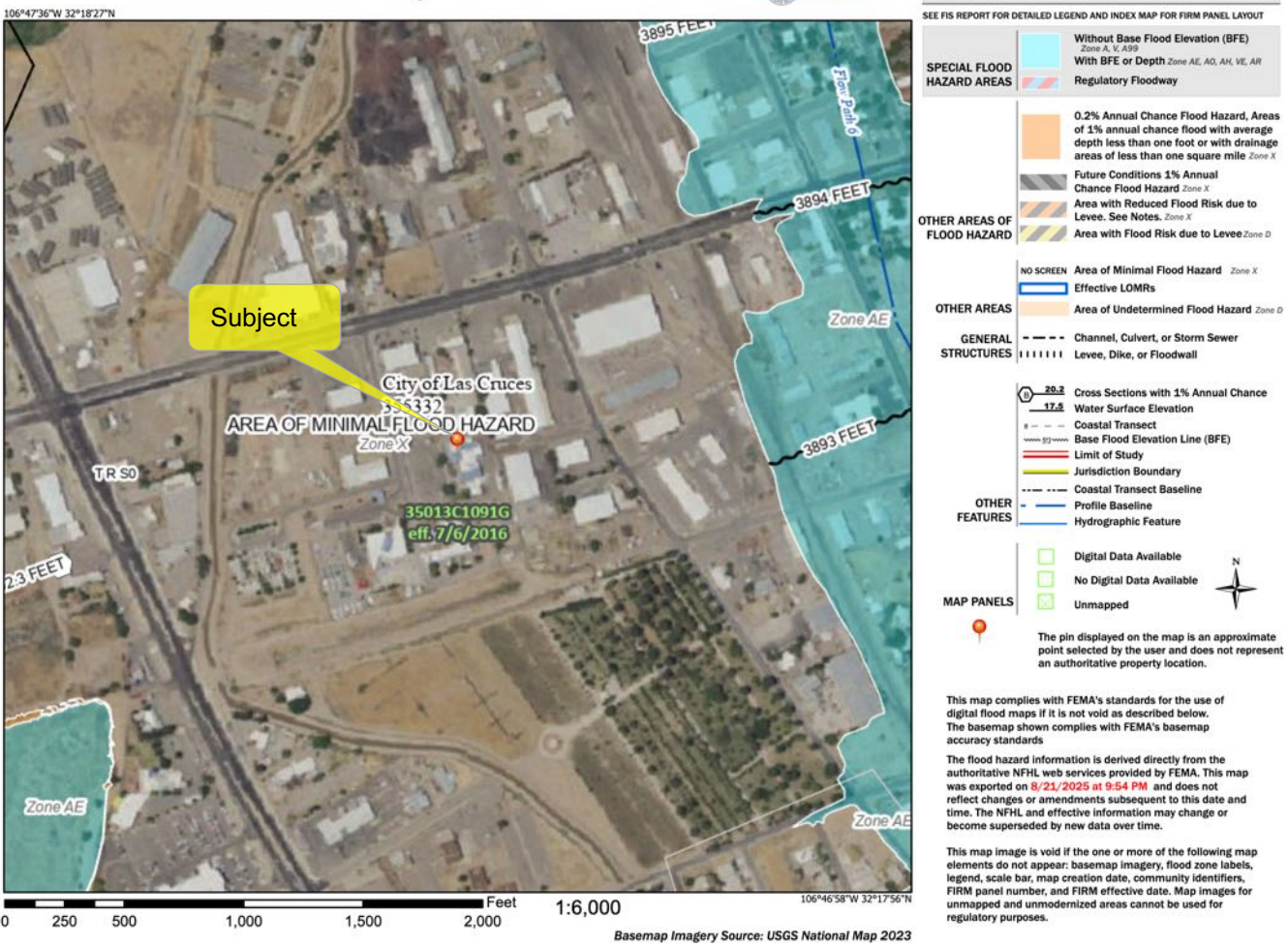
BUILDING 6- FLOOR PLAN (CLIENT PROVIDED)

Yellow = Under Renovation including reconfiguration of space
Blue = Prior to Renovation including reconfiguration of space



FLOOD MAP

National Flood Hazard Layer FIRMette



SUBJECT PHOTOS
INTERIOR ACCESS ROADS AND COMMON AREAS



Street view west of Amador Ave.



Street view east of Amador Ave.



Eastern north to south interior access road.



East north to south interior access road.



Eastern south to north interior access road.



Southern west to east interior access road.



Southern east to west interior access road.



Southern north to south access road.

EXTERIOR VIEW - BUILDING ONE



Front View



Front View



Rear View



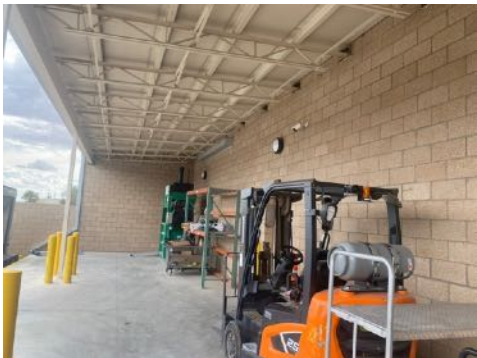
Rear View



Rear View

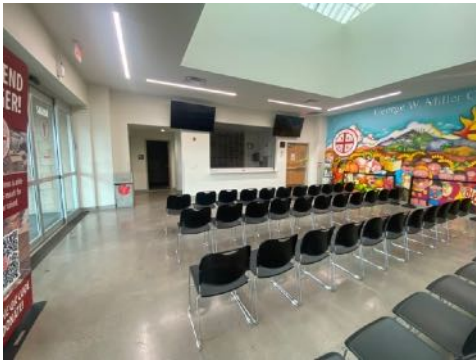


Employee Courtyard



Loading Dock

INTERIOR VIEW – BUILDING ONE



Entrance



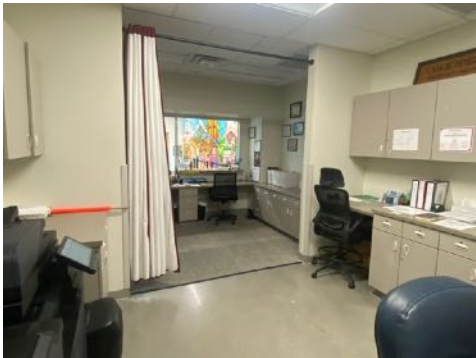
Office Corridor



Private Office



Conference Room



Group workstation



Presentation Kitchen



Distribution Warehouse Offices



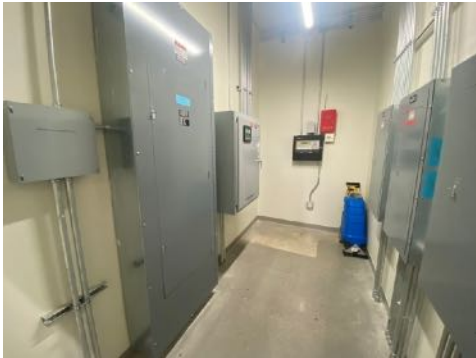
Distribution Warehouse



Cold Storage



Dry Storage



Electrical Room



Plumbing Room



Warehouse mechanical

EXTERIOR VIEW - BUILDING TWO – INTENDED FOR DEMOLITION AND NOT INCLUDED AS A SUBJECT OF THIS ASSIGNMENT



Front View



Side and Rear View

EXTERIOR VIEW - BUILDING THREE



Front View



Side and Rear View

INTERIOR VIEW – BUILDING THREE



Warehouse Interior View



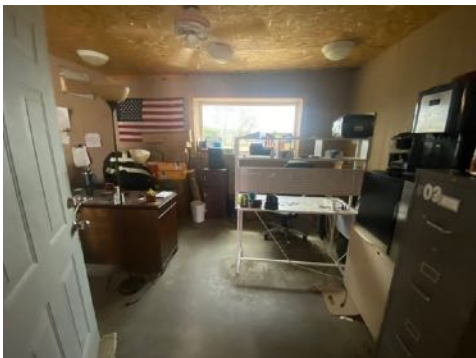
Restrooms – Storage – Mezzanine - Storage



Mezzanine Office



Warehouse



Warehouse Office



Restroom

EXTERIOR VIEW - BUILDING FOUR



Front View



Front View



Rear View



Rear View

INTERIOR VIEW – BUILDING FOUR – MEDICAL CLINIC



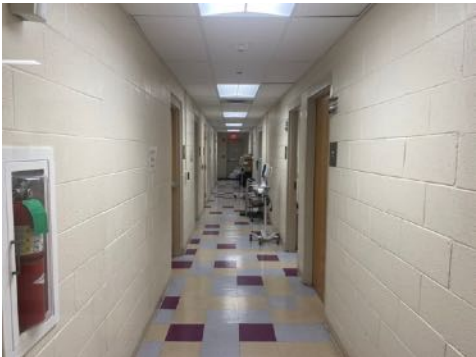
Building Front



Building Rear



Lobby and Reception



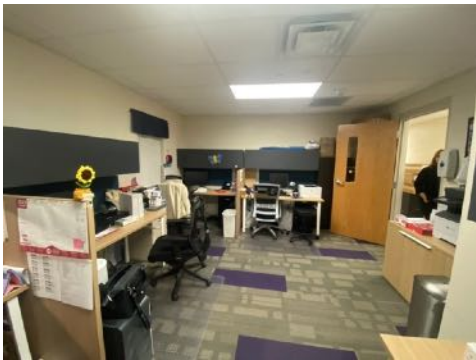
Interior Corridor



Pharmacy



Medical Lab



Nurses Station



Exam Room



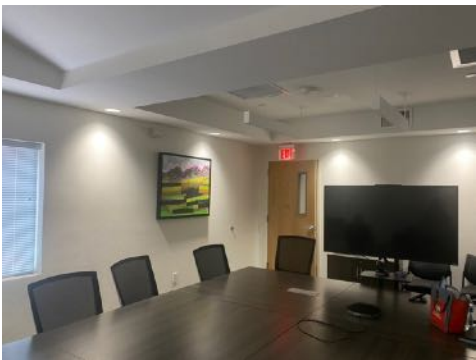
Exam Room



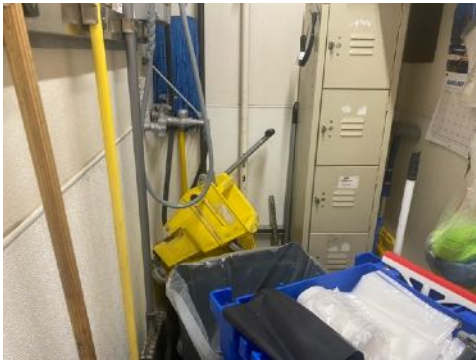
Physician / Provider Office Corridor



Patient Services



Conference Room



Janitorial



Electrical and IT

INTERIOR VIEW – BUILDING FOUR – SOUP KITCHEN



Dining Area



Kitchen

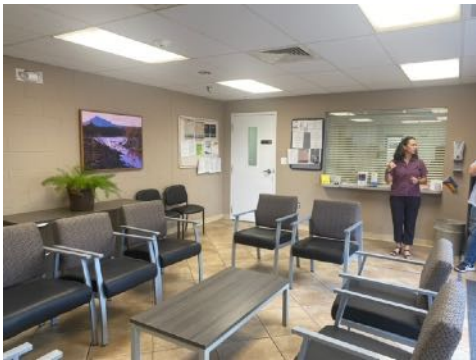


Dry and Cold Storage



Guest Restroom

INTERIOR VIEW – BUILDING FOUR – COUNSELING



Lobby / Reception



Interior Corridor

Provider Office



Exam Room



Restroom



Electrical / IT / Mechanical Room

EXTERIOR VIEW - BUILDING FIVE



Front View



Rear View



Employee Courtyard

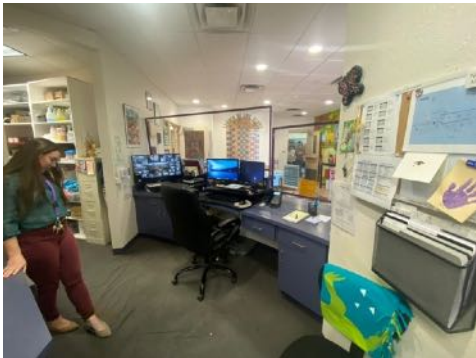


Playgrounds

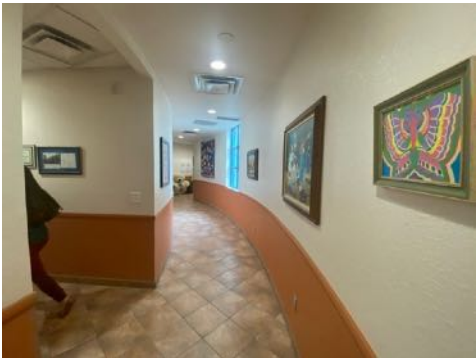


Playgrounds

INTERIOR VIEW – BUILDING FIVE



Reception



Interior Corridor



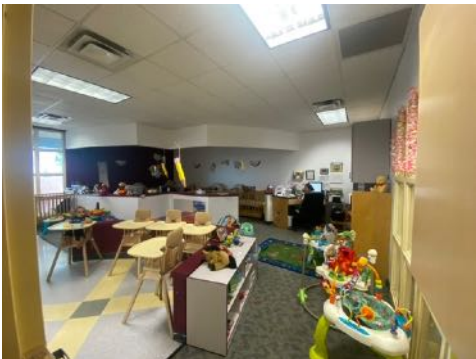
Private Office



Office Workroom and Storage



Daycare Interior Corridor



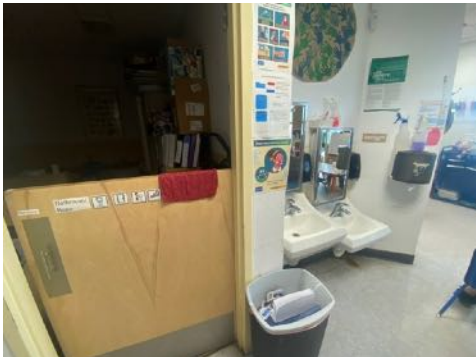
Daycare Children's Room



Daycare Children's Room



Food Preparation and Storage



Child sized plumbing fixtures



Child sized restroom



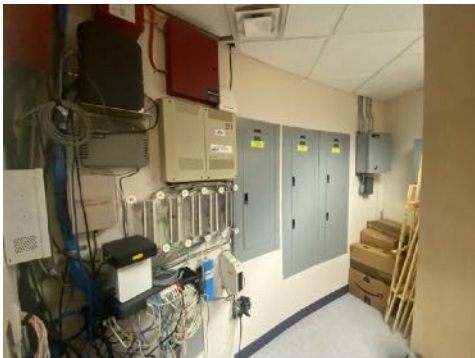
Kitchen



Dining Area



Adult Restroom



Electrical and IT

EXTERIOR VIEW - BUILDING SIX



Front View



Side View



Rear View



Rear View

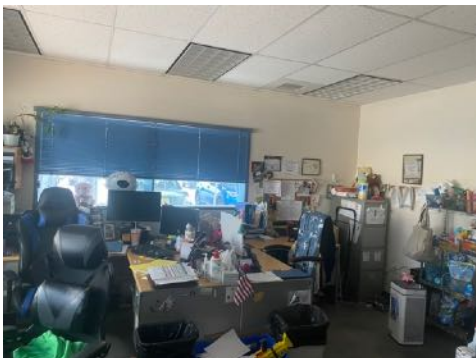
INTERIOR VIEW – BUILDING SIX



Reception



Group work area



Group Office



Restroom



Newly Renovated Office Wing – Lobby / Reception



Newly Renovated Office Wing – Office Cubicles



Newly Renovated Office Wing – Interior Corridor



Newly Renovated Office Wing – Restrooms



Newly Renovated Office Wing – Electrical / IT



Janitorial and Roof Access



Existing Wing – Electrical / IT

CAMP HOPE



Tent Condos



Restroom / Showers and Open Kitchen

SECTION II

INTRODUCTION AND SCOPE OF WORK

PROPERTY APPRAISED

Since original partial property acquisition in March of 1996 and subsequent assemblage through multiple acquisitions and development, the subject of this assignment as well as other non-subject portions are commonly identified as the Community of Hope. Dating from original acquisition and assemblage, the property has remained under the control of the City of Las Cruces with structural improvements occupied agreement with the city.

The Mesilla Valley Community of Hope (MVCH) is a nonprofit alliance based in Las Cruces, New Mexico, dedicated to serving individuals and families experiencing homelessness or financial distress. The mission of the City with the Community of Hope is to consolidate a variety of essential services within a consolidated campus configuration allowing for improved service delivery efficiency to the served clients.

Physical address of the of the MVCH is 999 W. Amador Ave. and also includes identified addressed portions of 921 and 991 W. Amador, Las Cruces NM 88005.

The following table summarizes the subject two legal lots and includes individual and gross area figures as well as calculation of net access easement, excess land and the appraised net Community of Hope utilized land area estimate of 10.069 acres.

LAND AREA SUMMARY – APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH)**Lot 1 - LCCH Subdivision**

Site Area (Ac.)	11.3500
Site Area (Sq. Ft.)	494,406
- Access Easement Area (+/-)	70,643
Lot 1 - Net Access Easement Area (Sq. Ft.)	423,763
Lot 1 - Net Access Easement Area (Ac.)	9.728

Lot 5B-1 - Amador Tracts No. 6

Site Area (Ac.)	1.0000
Site Area (Sq. Ft.)	43,560

Combined Gross Land Area - Lot 1 & 5B-1**537,966**

- Lot 1 - Access Easement Area (+/-)

70,643

- Lot 1 - Excess Land Area - Building 2 Site Area (+/-)

28,707

Combined Net Access Easement Area (Sq. Ft.)**438,616****Combined Net Access Easement Area (Ac.)****10.069****Land to Building Area Ratio - Net Access & Utility Easement & Excess Land****8.03**

Principle structural improvements included within the boundaries of the 10.019 acres consist of five structures identified in the report as buildings 1, 3, 4, 5, & 6. Gross building area of the five structural improvements contained within the boundaries delineated 10.019 acres totals an estimated 54,597 SF. Building area estimates were extracted from provided building plans as well as records of the Dona Ana County Assessor's Office. Please see Section 1 – Preface of the report for identifying maps including a Campus Building Map for each of the five structural improvements with number assignments utilized for descriptive purposes through-out the appraisal report.

The following table summarizes the five structural improvements including identified occupants, use and applied estimates of improvement heated and cooled building area.

STRUCTURAL IMPROVEMENT SUMMARY				
APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH) – FIVE STRUCTURES				
Building ID - Address	Occupant	Use	Building Area Source	Bld. Area (SF)
Building 1 - 991 E. Amador	Casa de Peregrinos	Food Pantry - Distribution WH - Offices	Bld. Plans	12,022
Building 3 - 999 W. Amador	Community of Hope	Warehouse - Maint. Office	DAC Assessor	5,000
Building 4 - 999 W. Amador	Community of Hope	Medical Clinic - Counseling - Soup Kitchen	DAC Assessor	13,414
Building 5 - 999 W. Amador	Community of Hope	Day Care - Child Development	DAC Assessor	11,241
Building 6 - 999 W. Amador	Community of Hope	Client Services - Adm. Offices (under renovation)	DAC Assessor	12,920
Total Site Contained Building Floor Area				54,597
Appraised Floor Area				54,597

As developed and utilized the subject Mesilla Valley Community of Home campus possesses an approximate 8.03:1 land to building area ratio. As improved and to including developed portions, the 10.019-acre site is observed to be fully utilized. Although areas of potential surplus land could be considered available for future structural improvement, without changes to the portions utilized status, no surplus land area is observed or applied.

Associated site improvements include asphalt paved parking for an observed 168 vehicles including handicap parking with wheelchair building access, concrete walkways and pads, landscaping, storm water retention ponding and pole mounted signage. Also associated with the structural improvements are multiple associated improvements.

All FF&E related to current operations of Mesilla Valley Community of Hope (MVCH) were observed to be non-permanent improvements and as such are not included in the valuation.

CLIENT AND INTENDED USER

Reliance upon the report and the value conclusions reached is intended for use by the City of Las Cruces and-or Participants.

INTENDED USE OF THE APPRAISAL

As stated by Mr. Bill Hamm, project coordinator with the city of Las Cruces, the intended use of the appraisal is to estimate market rent intended towards State of New Mexico anti-donation clause compliance and asset allocation of the property.

REPORTING FORMAT

The reporting format is intended to meet the requirements of an Appraisal Report under Standards Rule 2-2a of the 2020 - 2021 edition of the Uniformed Standards of Professional Appraisal Practice (USPAP).¹

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate a market derived estimate of “as is - market rent – fee simple”.

1 Uniform Standards of Professional Appraisal Practice (USPAP) 2024 Edition, Pg. 22-24; Copywrite - the Appraisal Standards Board (ASB).

No extraordinary assumption or hypothetical conditions are included for either of the requested and concluded valuation scenarios.

APPRAISAL DATES

Report Date	November 3, 2025
Effective Date of Value Estimate.....	August 19, 2025
Date of final Subject property Inspection.....	August 19, 2025
Final Research Date.....	November 3, 2025

PROPERTY RIGHTS APPRAISED

The property rights appraised is fee simple.
The *fee simple estate* is defined as the absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

MARKET RENT

As defined in The Dictionary of Real Estate Appraisal - Market Rent is defined as the most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).²

SCOPE OF WORK

- In the appraisal of the subject property, the appraiser completed the following steps and analysis:
- Discussed with Mr. Bill Hamm the purpose and intended use as well as valuation premises and to be applied appraisal methodologies.
 - Interviewed the subject client, regarding ownership, restrictions, and historical and prospective use. Reconciled the reported data within the context of this assignment estimates of market rent.
 - Inspected the subject property and neighborhood on August 19, 2025. Meet onsite with Ms. Nicole Martinez, executive director of the Mesilla Valley Community of Hope (MVCH) who assisted in gaining access and conduction of the individual structure building inspections. Was provided access to all interior accessible and representative areas of the structures with the exclusion of occupied patient and pharmacy areas of the medical clinic. Walked exteriors of all structures as well as common areas of the MVCH. Discussed historical occupancy and use as well as maintenance and upkeep of the structures as well as planned future uses. Only ground level inspection completed with no roof level access conducted.
 - Analyzed regional, city, neighborhood, site and improvement data.
 - Studied the subject small area neighborhood relative to the sites zoning and extraction of the properties most probable highest and best use, both as is and as though vacant.
 - Within the appraisal report the market rent estimate derived is limited to development of the observed most applicable valuation approaches, which as applied includes methodologies associated with the cost, sales comparison and income approaches to value. The analysis developed and applied was discussed with the client at the time of assignment engagement and considered suitable to the clients intended use and results in credible assignment results.
 - Reconciled the results of this analysis to arrive at a final value estimate of the subject property's current market.

1 The Dictionary of Real Estate Appraisal 6th Edition, Appraisal Institute, 2015, pg. 90
2 The Dictionary of Real Estate Appraisal 6th Edition, Appraisal Institute, 2015, pg. 140

- Developed an “Appraisal Report” documenting the above process and data as well as opinions and conclusions reached.

COMPETENCY TO PERFORM

The appraiser involved in this assignment has experience appraising this property type and has been actively engaged in appraisal work for 30+ years in the geographical area of the subject property. All steps necessary to acquire adequate data on this area for similar properties have been taken, resulting in adequate knowledge of the property type and related market conditions to meet the competency requirements of 2025 edition of USPAP.

LEGAL DESCRIPTION

As extracted from active ownership documents, the host development tract containing the subject delineated 10.69-acre appraised portions, is legally identified by subdivision lot and block as two separate land parcels and identified as follows. Combined acreage of the two legal tracts is 12.35 acres = (11.35 + 1.0).

Lot 1, Las Cruces Community of Hope Subdivision

As filed January 11, 2000, in book 19, Page 361 of the plat records of the Dona Ana County Clerk – Instrument Number 2306979 – 11.35 Acres.

&

Lot 5B-1, Amador Tracts Replat No. 6

As filed April 20, 2018, in book 24, Page 299 of the plat records of the Dona Ana County Clerk – Instrument Number 1809405 – 1.0 Acres.

Please see the Preface to this report for a copy of the subject portions of the above identified host subdivision plats.

OWNERSHIP HISTORY

Ownership of each of the subject two legal lots is identified from fillings with the Dona Ana County Clerks records as the City of Las Cruces. Transferers of ownership are summarized as follows.

LOT 1 – LAS CRUCES COMMUNITY OF HOPE

The subject lot one is identified to have been assembled by the City of Las Cruces through multiple acquisitions with the sum of the acquisitions making up the host lands of the Mesilla Valley Community of Hope (MVCH) Subdivision. Ownership of record and instruments of ownership to include instrument numbers and dates of public record filing as extracted from the host subdivision plat is as follows.

OWNERS OF RECORD

CITY OF LAS CRUCES

INSTRUMENTS OF OWNERSHIP

WARRANTY DEED-INSTRUMENT #2127011, FILED AUGUST 23, 2021
WARRANTY DEED-INSTRUMENT #2018393, FILED JULY 31, 2020
QUITCLAIM DEED-INSTRUMENT #0238761, FILED DECEMBER 26, 2002
WARRANTY DEED-INSTRUMENT #0918139, FILED JUNE 30, 2009
WARRANTY DEED-INSTRUMENT #967050, FILED MARCH 28, 1996

RESOURCES FOR CHILDREN & YOUTH INC

WARRANTY DEED-INSTRUMENT #0823852, FIELD AUGUST 22, 2008

LOT 5B-1 – AMADOR TRACTS REPLAT NO. 6

The subject lot 5B-1 is identified to have been transferred to City of Las Cruces from Stone Masters of New Mexico, LLC, via warranty deed dated December 21, 2023, and recorded the same day under instrument 2326067 of the records of the Dona Ana County Clerk.

OCCUPANCY HISTORY

Since original partial obtainment in March of 1996 and subsequent assemblage through multiple acquisitions and development, the subject of this assignment as well as other non-subject portions, are commonly identified as the

Introduction and Scope of Work

Mesilla Valley Community of Hope (MVCH) and have remained under control by the City of Las Cruces. Individual structural improvements are occupied under undisclosed and assumed agreement with the city.

The Mesilla Valley Community of Hope (MVCH) is a nonprofit alliance based in Las Cruces, New Mexico, dedicated to serving individuals and families experiencing homelessness or at risk of it.

Within this assignment, no distinction is made between the City of Las Cruces, the MVCH, or individual parties associated with the nonprofit alliance.

MARKETING HISTORY

As of the effective date of value the property is not reported to be listed for sale or under negotiations or contract for purchase. Additionally, no listing or negotiations are reported or identified. Reported is development of a new lease agreement between the parties, to which this assignment is intended.

SECTION III

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal has been made subject to the following hypothetical condition(s):

- *None*

This appraisal has been made subject to the following extra ordinary assumption(s):

- *None*

This appraisal has been made subject to the following assumptions and limiting conditions:

- *The appraiser reserves the right to modify the contents of this appraisal and analysis, to include valuation conclusions, should additional information become available, which in the opinion of the appraiser warrants consideration.*
- *As of the writing of this report, impact on property use and values in the Las Cruces community – if any, from implementation of the newly developed RLS zoning code and ordinance is unknown. Therefore, for the purposes of this assignment implementation of the RLS is assumed non-detrimental to the subject relative to continued use and estimates of value arrived.*
- No responsibility is assumed for the legal description provided or for matter pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering studies are assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions have been compiled with, unless nonconformity has been stated, defined, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

Assignment Conditions

- The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- It is assumed that all the mechanicals in any building improvement such as, but not limited to, plumbing, electrical, heating system, air conditioning system, well and pump, and septic system are operable and sufficient to serve the property under appraisal unless otherwise informed.
- Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- The distribution, if any, of the total valuation in this report between allocations for land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed and his assigns without the written consent of the appraiser, and in any event only in its entirety.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
- Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the subject property will cost, sell for, or lease for, the indicated amounts.
- Mortgage financing, if any, is assumed to be available for the project. Assumptions in the valuation are based on conventional mortgage sources, terms, and conditions.
- The appraiser's duties, pursuant to his employment to make the appraisal, is complete upon delivery and acceptance of the appraisal report.
- Upon acceptance of this report, the Assumptions and Limiting Conditions set forth herein have been agreed to by the client and the appraiser.

SECTION IV

METROPOLITAN ANALYSIS

MARKET CONDITIONS SUMMARY

The subject property is located at the west portion of central Las Cruces and within the city’s corporate boundaries. The subject economic environment is best represented by that of Doña Ana County and the City of Las Cruces. Las Cruces is the largest in Southern New Mexico and is the second most populous urban area in the state. The city encircles the intersection of Interstate 25 (north-south) and Interstate 10 (east-west).

The subject neighborhood is identified as N. Valley portions to the City and generally consists of agricultural and rural residential development uses.

POPULATION

The 2020 Census show New Mexico’s population grew by 2.8% over the last decade, making it one of the slowest-growing states in the West. In the West, only Wyoming had a slower growth rate. New Mexico 2020 Census reported population was 2,106,981. Through the prior decade the population in New Mexico generally stagnated with an average annual growth rate of just 0.2%. This following rates of growth over the three prior decades of 1.3% (2010’s), 2.0% (2000’s) and 1.6% (1990). In recent years New Mexico has seen more people moving out of the state each year than moving into the state, known as negative net migration. In 2018, the Land of Enchantment had 3,509 more people move out than move in. However, that was the lowest net-migration loss since 2012, according to census statistics.

For Dona Ana County, equal to the boundaries of the Las Cruces MSA, population was reported in the newly released 2020 Population Census at 218,971. While the Las Cruces MSA exceeded the State average the prior decade population was curtailed at an average annual growth rate of just 0.5%. This following annual average rates of growth over the three prior decades of 2.0% (2010’s), 2.9% (2000’s) and 4.1% (1990).

HISTORICAL NEW MEXICO AND LAS CRUCES (MSA) POPULATION (DECADES)

County	Census Year				
	1980	1990	2000	2010	2020
New Mexico	1,303,445	1,515,069	1,819,046	2,059,179	2,106,981
Ave. Annual Growth	1.6%	2.0%	1.3%	0.2%	
Dona Ana County	96,340	135,510	174,682	209,233	218,971
Ave. Annual Growth	4.1%	2.9%	2.0%	0.5%	

US Census Data as compiled by Brooks Real Estate Services

Population growth rates for New Mexico and Dona Ana County as reported by the UNM - Geospatial and Population Studies are summarized in the following table. The estimates for both the State of New Mexico and the Las Cruces MSA tend to follow prior decade historical trends with further slight decreases generally expected.

PROJECTED NEW MEXICO AND LAS CRUCES (MSA) POPULATION (DECADES)

	July 2010	July 2020	2025	2030	2035	2040
New Mexico	2,065,194	2,106,981	2,125,258	2,136,414	2,138,099	2,132,755
Ave. Annual Growth	0.20%	0.17%	0.10%	0.02%	-0.05%	
Dona Ana County	209,941	218,971	223,282	226,879	229,484	231,331
Ave. Annual Growth	0.43%	0.39%	0.32%	0.23%	0.16%	

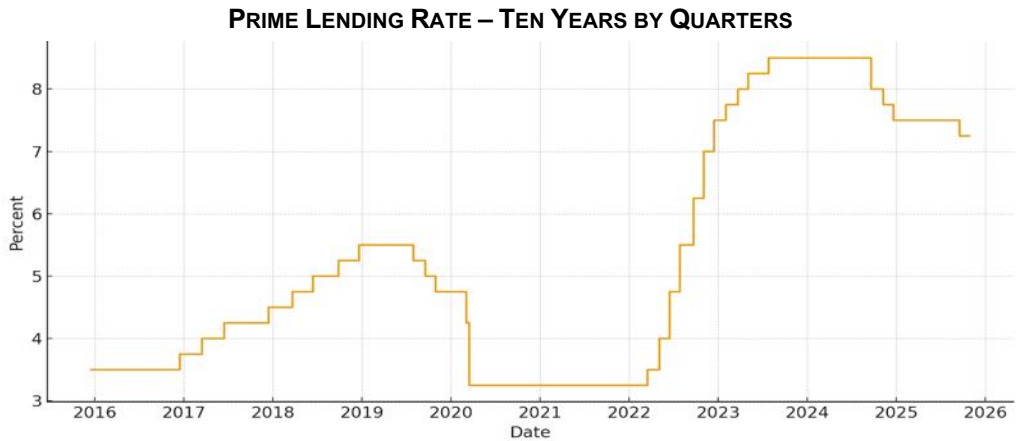
University of New Mexico - Geospatial and Population Studies
<https://gps.unm.edu/pru/projections>

The states declining population growth is observed to reflect declines in birth rates as well as outward migration. Between 2010 and 2019 nearly 60,000 people are projected to have moved out of New Mexico with the neighboring states of Texas, Arizona, Nevada and Oklahoma being the preferred destinations. Relative to surrounding states New Mexico is suffering from a relatively weak economy compounded by poor national rankings in education, health

and safety. State lawmakers and economic development officials are working to attract new employers and shore-up the working-age population with subsidies and tax incentives for businesses.

NATIONAL MONETARY POLICY

The following graphic illustrates the prime lending rate or bank rate as tabulated by the Wall Street Journal. Rates peaked over the 10-year period in mid-2023 followed by three cuts in 2024 totaling 750 basis points and one cut in 2025 totaling 250 basis points. The current October 2025 rate is 7.25%



In 2025, U.S. national monetary policy centered on the Federal Reserve’s cautious shift from a restrictive stance toward gradual easing as inflation moderated but remained above its 2% target. The Fed cut the federal funds rate to around 4.0–4.25 % in September 2025—the first reduction since 2023—signaling the start of a measured easing cycle aimed at supporting slowing economic growth and guarding against labor-market weakness. Policymakers reaffirmed their dual mandate of price stability and maximum employment while emphasizing data-driven flexibility and vigilance against unanchored inflation expectations. The Fed’s updated policy framework also highlighted readiness to use broader tools, such as balance-sheet and liquidity measures, if economic or financial conditions warrant.

The Fed has signaled between two- and three-quarter rate cuts in 2025 as inflationary fears have cooled together with cooling on inflationary impacts from recent tariffs in 2025. The rate cuts are viewed as a positive signal to housing starts which have slowed in recent years due to the periods relatively high mortgage rates.

INCOME

The next table lists per capita income to include National, Southwest and Rocky Mountain States and New Mexico Metropolitan Statistical Areas (MSA’s). Per capita personal income is total personal income divided by total midyear population.

In 2022, New Mexico had a per capita personal income (PCPI) of \$52,194. This PCPI ranked 46th in the United States and was 79.7 percent of the national average, \$65,470. The 2022 PCPI reflected an increase of 2.1 percent from 2021. The 2021–2022 national change was 1.6 percent. In 2012, the PCPI of New Mexico was \$35,695 and ranked 44th in the United States. The 2012–2022 compound annual growth rate of PCPI was 3.9 percent. The compound annual growth rate for the nation was 4 percent.

Dona Ana County, location of the Las Cruces MSA in 2022, Las Cruces, NM (MSA) had a per capita personal income (PCPI) of \$45,361. This PCPI ranked 353rd in the United States and was 69.3 percent of the national average, \$65,470. The 2022 PCPI reflected a decrease of 0.6 percent from 2021. The 2021–2022 national change was 1.6 percent. In 2012, the PCPI of Las Cruces, NM (MSA) was \$31,228 and ranked 360th in the United States. The 2012–2022 compound annual growth rate of PCPI was 3.8 percent. The compound annual growth rate for the nation was 4 percent.

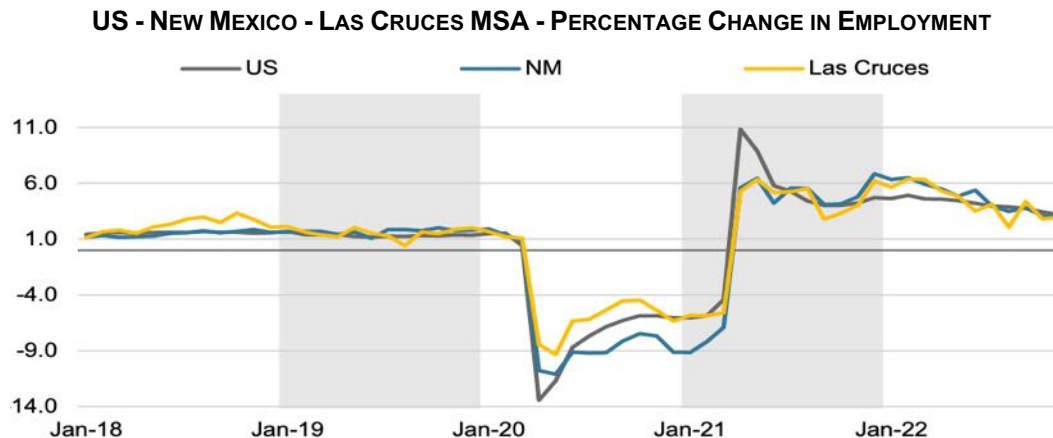
PER CAPITA INCOME - NATIONAL – REGIONAL – STATE OF NM AND NM MSA DATA

	2022	% Δ	2021	% Δ	2020	% Δ	2019	% Δ	2018	% Δ	2017	% Δ	2016	% Δ
	2020-2021		2020-2021		2019-2020		2018-2019		2017-2018		2016-2017		2015-2016	
US. Average	65,470	3.2%	63,444	7.0%	59,003	4.4%	56,490	3.5%	54,606	4.8%	52,118	4.5%	\$49,883	3.7%
US. MSA Average					\$59,510	1.5%	\$58,650	3.4%	56,711	4.8%	54,104	8.5%	\$49,870	0.1%
Southwestern States														
Arizona	58,442	3.6%	56,411	15.2%	48,950	6.3%	46,058	3.3%	44,597	4.7%	42,590	5.3%	40,456	3.3%
New Mexico	52,194	2.1%	51,120	11.6%	45,803	5.7%	43,326	4.0%	41,670	4.8%	39,747	2.5%	38,793	2.3%
Oklahoma	56,298	2.1%	55,140	12.0%	49,249	4.0%	47,341	3.3%	45,843	4.7%	43,794	4.2%	42,047	-7.7%
Texas	62,586	3.4%	60,528	10.4%	54,841	3.8%	52,813	3.3%	51,136	5.7%	48,394	5.0%	46,092	0.3%
Rocky Mountain States														
Idaho	56,614	4.6%	54,124	11.3%	48,616	5.8%	45,968	3.2%	44,554	5.4%	42,268	4.5%	40,438	5.3%
Montana	60,984	4.5%	58,357	9.4%	53,329	7.2%	49,747	3.2%	48,194	4.3%	46,199	5.1%	43,951	5.1%
Utah	59,457	4.2%	57,060	9.2%	52,251	6.8%	48,939	4.1%	47,008	6.4%	44,178	4.7%	42,203	7.4%
Wyoming	73,248	3.9%	70,498	11.4%	63,263	1.7%	62,189	2.5%	60,689	7.4%	56,524	1.8%	55,511	-1.0%
New Mexico Metropolitan Statistical Area (MSA) Figures														
Albuquerque, NM	53,954	1.9%	52,948	11.6%	47,442	7.9%	43,986	3.6%	42,469	3.8%	40,912	1.6%	40,287	4.5%
Las Cruces, NM	45,361	0.6%	45,090	12.1%	40,218	6.5%	37,756	4.3%	36,192	3.0%	35,144	1.8%	34,516	7.1%
Farmington, NM	43,489	1.1%	43,015	12.1%	38,370	6.6%	35,999	2.0%	35,278	3.7%	34,006	2.8%	33,070	-12.5%
Santa Fe, NM	65,470	2.5%	63,873	1.4%	63,004	4.5%	60,276	2.7%	58,696	6.6%	55,063	1.2%	54,386	7.3%
New Mexico Southern County Figures														
Luna County	37,413	-3.6%	38,810	2.1%	38,022	12.1%	33,927	5.2%	32,257	5.9%	30,471	0.3%	30,376	1.7%
Grant County	51,917	6.4%	48,794	7.1%	45,561	6.1%	42,959	4.2%	41,216	6.7%	38,612	2.5%	37,658	5.1%
Sierra County	48,636	-0.1%	48,665	2.7%	47,388	12.1%	42,255	6.8%	39,547	4.8%	37,743	3.4%	36,503	2.0%
Otero County	41,853	-0.3%	41,979	8.3%	38,779	8.1%	35,889	2.8%	34,905	3.9%	33,605	1.2%	33,205	-2.5%
Lincoln County	50,253	0.7%	49,904	11.6%	44,732	4.3%	42,900	4.3%	41,130	2.9%	39,963	-0.7%	40,250	1.7%
Chavez County	47,792	2.5%	46,626	6.9%	43,615	4.5%	41,746	5.7%	39,477	3.5%	38,140	4.5%	36,514	0.1%
Eddy County	67,457	4.0%	64,863	4.0%	62,356	4.5%	59,661	8.6%	54,956	14.3%	48,074	2.5%	46,900	-12.5%
Lea County	52,825	10.7%	47,719	1.1%	47,215	-3.7%	49,039	3.8%	47,230	17.6%	40,171	7.0%	37,544	7.3%

Source: US Bureau of Economic Analysis - BearFacts

EMPLOYMENT

The following figure illustrates year over year national, state of New Mexico and Las Cruces growth rates in employment.



National - The national unemployment rate in November was 3.7 percent, unchanged from October and down from 4.2 percent last year.

State of New Mexico – New Mexico's seasonally adjusted unemployment rate (based on the Current Population Survey, also known as the household survey) was 4.1 percent in November 2022, down from 4.3 percent in October 2022 and down from 6.0 percent in November 2021.

Over the year, New Mexico's total nonagricultural employment increased by 24,500 jobs, or 2.9 percent. Most of these gains were in the private sector, which was up 21,300 jobs, or 3.2 percent. The public sector was up 3,200 jobs, or 1.7 percent. Six of the nine major private industry sectors reported employment increases over the year.

Dona Ana County - Las Cruces MSA - The Las Cruces MSA total nonfarm employment was up 2,200 jobs, or 2.9

percent. The following private sector industries reported growth: education and health services (up 600 jobs, or 3.6 percent); leisure and hospitality (up 500 jobs, or 5.9 percent; mining and construction (up 200 jobs, or 5.3 percent); information (up 100 jobs, or 20.0 percent); manufacturing (up 100 jobs, or 3.3 percent); and professional and business services (up 100 jobs, or 1.4 percent). Trade, transportation, and utilities was down 200 jobs, or 1.7 percent, and financial activities was down 100 jobs, or 4.3 percent. In the public sector, local government was up 800 jobs, or 8.6 percent; federal government was up 100 jobs, or 2.9 percent; and state government employment was unchanged from the previous year’s level.

STATE ECONOMY

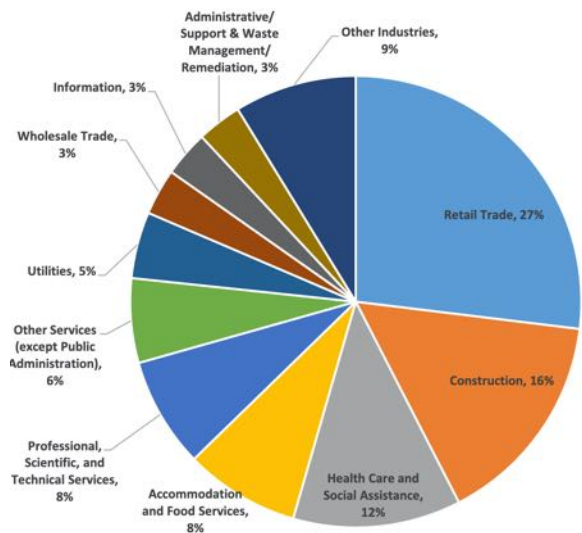
Matched Taxable Gross Receipts (MTGR) are the best tax data available to show underlying economic activity. The data collection process matches a tax payment with reported receipts for each taxpayer by industry.

In the first quarter of FY24, 28 of 33 New Mexico counties saw year-over-year economic growth, with 9.1% growth statewide in matched taxable gross receipts (MTGR). State gross receipts increased from the fourth quarter of FY23, bringing it to the highest ever quarterly total in MTGR for the state of

Doña Ana County’s matched taxable gross receipts (MTGR) increased by nearly \$60M, or 4.3%, from Q4 FY23 to Q1 FY24, as seen in Chart 1. The amount reported during Q1 FY24 (\$1.48B) was \$40M larger than the eight-quarter average (\$1.44M). As seen in the following chart the largest industry as a percentage of MTGR was the retail trade industry, which accounted for 27% of the total MTGR during Q1 FY24. Last quarter, the industry accounted for 29%.

The following figure summarizes 1st Quarter 2024 Gross Receipts by Industry. Of the twenty-one industry classifications thirteen had levels of growth with eight showing decline.

2024 - 1ST QUARTER GROSS RECEIPTS BY INDUSTRY



SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND ECONOMIC DEVELOPMENT DEPARTMENT CALCULATIONS.

The data is further illustrated in the following table showing New Mexico Gross Receipts by Industry. Noted is the annual increase of 76% Mining, Quarrying, and Oil and Gas Extraction.

TAXABLE GROSS RECEIPTS - Q1 NEW MEXICO INDUSTRIES

Industries	FY23 - Q1	FY24 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 116,310,443	\$ 121,975,619	\$ 5,665,176	5%
Administrative/Support & Waste Management/Remediation	\$ 36,490,188	\$ 47,350,986	\$ 10,860,798	30%
Agriculture, Forestry, Fishing, and Hunting	\$ (2,342,257)	\$ 6,340,619	*	*
Arts, Entertainment, and Recreation	\$ 7,671,590	\$ 8,517,107	\$ 845,516	11%
Construction	\$ 187,741,364	\$ 229,212,564	\$ 41,471,201	22%
Educational Services	\$ 14,545,340	\$ 15,685,547	\$ 1,140,207	8%
Finance and Insurance	\$ 8,898,466	\$ 10,084,159	\$ 1,185,693	13%
Health Care and Social Assistance	\$ 184,294,552	\$ 178,083,412	\$ (6,211,140)	-3%
Information	\$ 42,824,417	\$ 48,549,048	\$ 5,724,631	13%
Management of Companies and Enterprises	\$ 729,430	\$ 496,007	\$ (233,423)	-32%
Manufacturing	\$ 29,159,536	\$ 30,845,781	\$ 1,686,245	6%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,318,144	\$ 2,319,256	\$ 1,001,111	76%
Other Services (except Public Administration)	\$ 87,097,875	\$ 89,437,031	\$ 2,339,156	3%
Professional, Scientific, and Technical Services	\$ 128,249,737	\$ 116,745,298	\$ (11,504,439)	-9%
Public Administration	\$ 19,809	\$ -	\$ (19,809)	-100%
Real Estate and Rental and Leasing	\$ 28,878,600	\$ 27,268,334	\$ (1,610,265)	-6%
Retail Trade	\$ 375,102,181	\$ 398,137,750	\$ 23,035,569	6%
Transportation and Warehousing	\$ 8,609,073	\$ 5,772,135	\$ (2,836,938)	-33%
Unclassified Establishments	\$ 35,591,678	\$ 22,199,766	\$ (13,391,911)	-38%
Utilities	\$ 79,542,252	\$ 70,416,649	\$ (9,125,602)	-11%
Wholesale Trade	\$ 47,482,670	\$ 49,000,996	\$ 1,518,326	3%
All Industries	\$ 1,423,149,473	\$ 1,481,591,524	\$ 58,442,051	4%

NEW MEXICO OIL AND GAS

The Permian is the leading oil field in the United State and one of the premier oil basins in the world. The basin is currently producing over 6 Mbpd (million barrels per day). The Delaware basin, the western portion of the Permian located in New Mexico and West Texas, pulls up crude oil worth at the wellhead of over \$2billion per month for New Mexico operators.

The latest projection is that crude oil from the Permian will increase 8% in 2024. Levels of oil production in the U.S. that will approach 14 Mbpd by 2025 according to EIA—the highest oil production in the world.

The oil and gas revenues are determined by oil production level and the price of a barrel of oil. In New Mexico, oil production rose from 817,000 bpd in FY19 to an estimated 1,876,000 bpd in FY24. A \$1 increase in the price of a barrel over the course of a year implies an uplift of about \$60 million in annual statewide revenue.

DONA ANA COUNTY ECONOMY

The following table summarizes gross receipts from the state of New Mexico and the Las Cruces MSA – Dona Ana County. For the years studied statewide gross receipts reached an all-time high in 2023. The highest annual rate of change was in 2019. Statewide figures are greatly influenced by collections from New Mexico Oil and Gas industries.

Dona Ana County Gross Receipts in recent years have trended with statewide figures with 2023 representing the highest level on record. For 2023 gross receipts were up 13% which was preceded by prior years increases of 9% and 8% respectively. Lower levels of increase in recent years between state and local figures are observed impacted again my oil and gas figures contained in the Statewide numbers. As observed the local figures are influenced by levels of new construction which will be reported later in this Metropolitan Analysis. Also observed to impact levels of increase in recent years are observed levels of inflation as observed from consumer price index (CPI) reporting.

At present, the economy also includes a growing manufacturing segment, a retail and medical services hub, New Mexico State University (second largest university in the state), and a scientific community involved in development in such areas as telecommunications, bioengineering, and defense. Las Cruces, as part of the Rio Grande Research Corridor, has high tech facilities located at NASA's Johnson Space Center, White Sands Test Facility,

White Sands Missile Range, the Physical Science Laboratory, and Centers of Technological Excellence at New Mexico State University. Doña Ana County remains one of New Mexico's most important agricultural centers in the State of New Mexico, combining a mix of high-value crop production, large areas of irrigated land, and a growing livestock sector. According to the 2022 Census of Agriculture, the county reported 1,990 farms operating across 713,474 acres, representing a 2 percent increase in farm numbers and a substantial 35 percent increase in land in farms compared to 2017. The average farm size expanded to 359 acres, reflecting both the consolidation of larger holdings and the retention of many small-acreage operations.

GROSS RECEIPTS - NEW MEXICO AND LAS CRUCES MSA (DONA ANA COUNTY)

Year	New Mexico		% Δ	Dona Ana Las Cruces MSA		% Δ
2013	\$	107,068,248		\$	7,654,224	
2014	\$	109,458,440	2%	\$	7,155,446	-7%
2015	\$	106,229,575	-3%	\$	7,358,901	3%
2016	\$	97,151,637	-9%	\$	7,250,954	-1%
2017	\$	109,040,107	12%	\$	7,828,212	8%
2018	\$	123,237,758	13%	\$	9,000,099	15%
2019	\$	147,403,216	20%	\$	9,292,811	3%
2020	\$	140,082,711	-5%	\$	9,543,405	3%
2021	\$	147,496,365	5%	\$	10,283,353	8%
2022	\$	165,960,121	13%	\$	11,168,369	9%
2023	\$	189,538,566	14%	\$	12,673,121	13%

Figures in ,000's of dollars

<https://www.tax.newmexico.gov/all-nm-taxes/>

AGRICULTURE

Historically, the economy Las Cruces and Dona Ana County has been tied to agriculture. The majority of farmland in the county is classified as pastureland, with over 612,000 acres used for grazing and ranching. Cropland accounts for about 80,000 acres, much of which is devoted to irrigated production. The county reports nearly 62,928 acres of irrigated farmland, a vital feature in this desert region, supporting high-value crops such as pecans, chile, onions, cotton, and vegetables. The remainder of farmland includes woodland and other uses totaling just over 21,000 acres.

Agriculture generated approximately \$320.6 million in sales during 2022, down about 13 percent from 2017 but still ranking Doña Ana among the top counties in New Mexico. Of this total, crops accounted for 71 percent and livestock for 29 percent. Net cash farm income rose modestly to \$88.5 million, while government payments to producers surged to \$6.9 million, reflecting increases in support programs and disaster assistance.

Through the previous 10-years the agricultural base of the area has suffered from regional drought conditions. The result of the drought is a decrease in available surface water flows of the Rio Grande River, which in average to good years supplied the majority of irrigation to area farms. With the drought, farms are forced to rely on ground water pumping which increased fuel and resulting production costs and negatively impacted profitability. Further, many farmers have reduced acreage under production thereby decreasing yields and the impact of agriculture to the area. The state is currently involved in a lawsuit brought by the state of Texas which seeks compensation for stated negative impact to surface water flows of the Rio Grande as a result of saturation caused by high levels of ground water pumping.

DONA ANA COUNTY / CHIHUAHUA MEXICO BORDER COMMERCE

Located at the southern boundary of Dona Ana County is the border with border state of Chihuahua Mexico. Northbound border traffic reached an all-time high in 2020 with 141,000 crossings last year at Santa Teresa. Total imports and exports passing through the border-crossing reached \$24 billion in 2020, up from \$13.7 billion in 2010. As a result, Santa Teresa now ranks as the sixth biggest land port for merchandise trade among 48 existing border crossings along the U.S.-Mexico border.

Impacting many sectors of the economy are commodity, materials and component shortfalls and related impacted inflation that are hampering the recovery to include construction and manufacturing sectors. Also impacting the historically high levels inflation were massive levels of Government Stimulus Spending and now continued levels of government spending which led to high levels inflationary conditions resulting from increases to the money supply and national debt seen as driving forces.

HOUSING

NEW CONSTRUCTION

Residential Construction: Within the city of Las Cruces total site built single-family residential construction permits in 2024 totaled 648 units which was up from 568 units in 2023, and below 697 units in 2022, 906 units in 2021, and 767 units in 2020. The 2024 monthly average permits were 54 units which is up from 47.3 units in 2023.

Through September 2025 there have been 471 single family residential building permits issued yielding an average monthly rate for the year of 52 units, or 2 units under 2024 average monthly figures.

New multi-family construction is on an upward trend with multiple new complexes under planning and construction. These units tend to be large scale developments with complementary amenities and include traditional family as well as senior designated projects.

Commercial Construction: Within the city of Las Cruces, 2024 commercial building permits totaled approximately 197.3 million. Average permit value of the 129 Las Cruces commercial permits in was \$1,529,490. The majority of new commercial and residential construction continues to be located on the city’s east side and principally within the city’s northeast quadrant.

The 2024 figures exceed 2023 commercial building permits totaling approximately \$86.5 million. Average permit value of the 137 Las Cruces commercial permits in was \$631,274.

Through February 2025 there have been 17 commercial building permits issued with a combined project valuation of \$38.3 million and an average permit value of \$2,253,979.

LAS CRUCES MULTIPLE LISTING HOUSING SALES

The following table contains current and historical site built residential sale and listing data as extracted from the Las Cruces Association of Realtors and BRES calculations. Included are end of year sales and listing data dating from 2015 to 2024. Areas included are limited to those areas of the systems search criteria located in Dona Ana County. Residential property types excluded from the single family researched data include manufactured and modular homes.

For 2024 a total of 1,793 new and existing homes, townhomes and condominiums were sold representing a decline from 2023 sales figures by 2%. Average and median sales prices for the year were \$349,569 and \$324,000, which represent increases above 2023 figures of 7% and 1% respectively. Average days on market was 54 days, which while still brisk is the highest marketing term realized since 2019.

New-home sales were responsible for 367 of the 2024 closings and carried average and median sales price of \$383,988 and \$349,950, with the average sales price for new homes near equal to 2023 and a modest median price increase of 2%. Average days on market was 79 days, the highest since 2017. MLS reported new home sales are less than half of all permits issued with non-MLS sales representing direct home builder sales and custom home construction.

Year to date through September 2025 a total of 1,054 new and existing homes, townhomes and condominiums were sold representing a decline from 2024 average sales volume of 21.62%. Average and median sales prices for the year were \$349,569 and \$324,000, which represent increases above 2023 figures of 4.9% and 0.23% respectively. Average days on market was 64 days, which while still brisk is the highest marketing term realized since 2019.

LAS CRUCES MULTIPLE LISTING SERVICE SALES AND LISTING DATA

Residential Sales - All Site Built										
	2024 Sales	2023 Sales	2022 Sales	2021 Sales	2020 Sales	2019 Sales	2018 Sales	2017 Sales	2016 Sales	2015 Sales
Number of Sales - All	1,793	1,830	2,318	2,441	2,285	2,090	1,279	1,764	1,667	1,468
Annual Change	-2%	-21%	-5%	7%	9%	63%	-27%	6%	14%	6%
Average Price	\$ 349,569	\$ 325,568	\$ 312,347	\$ 285,556	\$ 243,564	\$ 213,280	\$ 183,281	\$ 194,908	\$ 179,477	\$ 180,746
Annual Change	7%	4%	9%	17%	14%	16%	-6%	9%	-1%	2%
Median Price	\$ 324,000	\$ 293,000	\$ 279,900	\$ 255,000	\$ 210,000	\$ 188,000	\$ 183,000	\$ 170,000	\$ 159,900	\$ 159,255
Annual Change	11%	5%	10%	21%	12%	3%	8%	6%	0%	4%
Days on Market	54	37	24	24	49	72	77	82	97	112
Annual Change	46%	54%	0%	-51%	-32%	-6%	-6%	-15%	-13%	-3%
Source: Las Cruces Association of Realtors as assembled by Brooks Real Estate Services										
Residential Sales - Site Built Detached Single Family - New (<1 yr. and presales)										
	2024 Sales	2023 Sales	2022 Sales	2021 Sales	2020 Sales	2019 Sales	2018 Sales	2017 Sales	2016 Sales	2015 Sales
Number of Sales - New	367	303	351	343	297	320	322	274	206	181
Annual Change	21%	-14%	2%	15%	-7%	-1%	18%	33%	14%	28%
Average Price	\$ 383,988	\$ 383,105	\$ 305,959	\$ 308,290	\$ 271,309	\$ 240,198	\$ 224,989	\$ 217,461	\$ 203,425	\$ 214,558
Annual Change	0%	25%	-1%	14%	13%	7%	3%	7%	-5%	6%
Median Price	\$ 349,950	\$ 343,425	\$ 283,000	\$ 285,905	\$ 253,940	\$ 216,000	\$ 211,950	\$ 201,227	\$ 192,250	\$ 207,500
Annual Change	2%	21%	-1%	13%	18%	2%	5%	5%	-7%	10%
Home Size (Sq.Ft.)	1,987	2,013	2,032	2,040	1,983	1,940	1,807	1,857	1,807	1,905
Annual Change	-1%	-1%	0%	3%	2%	7%	-3%	3%	-5%	1%
Average Sales Price (Sq.Ft.)	\$ 193.25	\$ 190.32	\$ 150.57	\$ 151.12	\$ 136.82	\$ 123.81	\$ 124.51	\$ 117.10	\$ 112.58	\$ 112.63
Annual Change	2%	26%	0%	10%	11%	-1%	6%	4%	0%	4%
Days on Market	79	56	23	22	57	73	67	81	99	125
Annual Change	41%	143%	5%	-61%	-22%	9%	-17%	-18%	-21%	-19%
Source: Las Cruces Association of Realtors as assembled by Brooks Real Estate Services										
Residential Listings - All Site Built										
	2024 Listings	2023 Listings	2022 Listings	2021 Listings	2020 Listings	2019 Listings	2018 Listings	2017 Listings	2016 Listings	2015 Listings
End of Year Totals	548	349	128	273	230	608	806	638	774	875
Annual Change	57%	173%	-53%	19%	-62%	-25%	26%	-18%	-12%	-12%
Average Price	\$ 449,244	\$ 432,661	\$ 388,706	\$ 421,626	\$ 397,652	\$ 307,565	\$ 265,509	\$ 274,000	\$ 261,375	\$ 247,542
Annual Change	4%	11%	-8%	6%	29%	16%	-3%	5%	6%	3%
Source: Las Cruces Association of Realtors as assembled by Brooks Real Estate Services										

As of October 18, 2025, there were 607 active site-built listings representing an approximate 5.2-month supply based on year-to-date average monthly sales volume. Days on market of the listings is 87 days.

As previously discussed, recent increases in lending rates are reported as being most impactful to first time home buyers. Rates are also restricting sales of existing homes as property owners are retaining their existing homes and pre-existing lower typical mortgage rates.

Increasing mortgage rates and construction costs are positively impacting the residential rental market with increased demand resulting in high levels of recent rent appreciation.

Given the constraints observed relative to owner available housing, multifamily occupancy rates for newer modern complexes are observed to reflective frictional occupancy with rates ranging from 95 - 100%. While somewhat higher older yet well managed complexes occupancy rates are in excess of 90%.

SCHOOLS

Schools within neighborhood fall within the jurisdiction of the Las Cruces Public School District.

LAS CRUCES PUBLIC SCHOOLS – LCPS

Annual enrollment, change, and percentage change is displayed in the following table. To include public and charter school enrollment figures for the current 2023-2024 school year totaled 23,882 students, a decrease below prior year enrollment of 3.2%. As reported by Las Cruces Public Schools, recent years new school construction in the northeastern part of the city reflects the continued push of residential development in the area. As evidenced from the figures public school enrollment is near flat with increases observed to be within the communities seven charter schools.

LAS CRUCES PUBLIC SCHOOL ENROLLMENTS

Fiscal Year	Public School	Charter School	Total	% Change
2016 - 2017	24,965	159	25,124	0.64%
2017 - 2018	25,174	162	25,336	0.84%
2018 - 2019	24,857	166	25,023	-1.24%
2019 - 2020	24,605	183	24,788	-0.94%
2020 - 2021	23,832	293	24,125	-2.67%
2021 - 2022	23,891	379	24,270	0.60%
2022 - 2023	23,759	906	24,665	1.63%
2023-2024	23,051	831	23,882	-3.17%

Source: NM Department of Education

NEW MEXICO STATE UNIVERSITY

Located in Las Cruces is New Mexico State University. Enrollment figures for both the NMSU main campus and Dona Ana Branch Community College are contained in the following table. Fall 2023 enrollment figures continued a trend of declining enrollments with main campus students 7.7% and Dona Ana Branch reporting an increase of 4.8%. Spring 2024 enrollment figures are up at both main campus and DACC by 4.1% and 6.2% respectively.

NEW MEXICO STATE UNIVERSITY ENROLLMENTS

Year (Fall)	Main Campus	% Change	Dona Ana Branch	% Change
2020	14,221	-0.52%	7,105	-13.07%
2021	13,904	-2.23%	6,534	-8.04%
2022	14,268	2.62%	5,409	-17.22%
2023	13,168	-7.71%	5,666	4.75%
2024	13,708	4.10%	6,016	6.18%

Dona Ana Branch enrollment includes all Dona Ana County branch campuses locations

Source: NMSU and DACC Data

The large number of students living off campus makes up a vital part of the local rental housing market. In the recent year multiple older university dormitories have been raised and replaced with more modern apartment styled units to include kitchen facilities. New for the 2017 fall semester were required on-site housing for all incoming freshmen. Wavers for Las Cruces area resident / students are reported to be available. The mandatory on campus residency for freshman was created in an attempt to better orient incoming freshman with campus life as well as educational resources all in an effort to increase retention and improve graduation rates.

New Mexico State University represents a major economic impact to the community as well as providing quality educational choices to area residents.

UTILITIES

Public facilities are available to all Las Cruces and Mesilla residents as well as many properties located within the County’s unincorporated portions.

TRANSPORTATION

Transportation in and out of Las Cruces is good with Interstate-25 and Interstate-10 at its center. The city is also served by several U.S. highways as well as numerous state highways. Public transportation is available to many areas of the city to include the subject neighborhood. National carrier air travel is limited to services provided by the El Paso International Airport located less than an hour from Las Cruces.

MEDICAL FACILITIES

Located in Las Cruces are three regional hospitals to include Mountain View Hospital, Memorial Medical Center, and Three Crosses. Las Cruces serves as the regional health care provider to many south-central New Mexico residents. Excluded from this are Level I Trauma services with University Medical Center of El Paso located in El Paso TX and 40 miles south of Las Cruces providing services.

Three-Crosses Medical Center opened in the fourth quarter of 2020 and consists of a 78,000 SF - 36 patient bed, 10 intensive care unit beds, 10 post-op and 10 pre-op beds, 10-bed emergency room and four surgical suites hospital. The original \$120 million facility provides a full range of services including emergency room, surgical suites, cardiac catheterization, radiology services, laboratory, and pharmacy. Further additions to the facility are in planning and include family medical facility and urgent care as well as continued expansion of specialization services. Many of the communities more established physicians have located to Three Crosses which is negatively impacting the community's two preexisting hospitals.

SECTION V

NEIGHBORHOOD ANALYSIS

Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property, which, in turn, directly affect the value of the subject property itself. Therefore, it is necessary to delineate the boundaries of the area of influence to conduct a thorough analysis. These boundaries are identified by determining the area within which the forces affect all surrounding properties in the same way they affect the property being appraised. Although physical boundaries may be drawn, the significant boundaries are those that fix the limits of influences on property values. By coincidence, these limits may be physically observable. The area of influence is commonly called a neighborhood. A neighborhood is a group of complementary land uses. A residential neighborhood, for example, may contain single- family homes and commercial properties that provide services for local residents.

IDENTIFICATION OF THE AREA

The subject neighborhood is centrally located in the community and characterized as a developed mixed-use district to include commercial office, retail, industrial, and public institutional uses. The northern boundary of the district is Picacho Ave., the southern boundary Boutz Ave., the western boundary is Motel Blvd., with the eastern boundary being Main Street.

USE PATTERNS

Use patterns of the neighborhood is best identified by multiple sub-neighborhoods to include 1) Motel Blvd., 2) W. Amador, 3) N. Valley Dr., 4) S. Valley Dr., 5) Avenida de Mesilla, and 6) the city's Main Street neighborhood.

The Motel Blvd. portion is best identified by the 26-acre tract by Dona Ana County for use as the location of many of the Counties departments including Assessor, Treasurer, Clerk, Mapping, Developmental Services, Sheriff's Department and County Management. Multiple State agencies are also located in the area.

The W. Amador portion is best identified by the industrial development improvements located off W. Amador, Westgate, 17th St., Copper Lp., and Hadley Street. The area possesses the highest concentration of industrial improvements in the city.

The Valley drive portion is centered at the intersection of S. Valley Dr. and Avenida de Mesilla. Valley Dr. improvements located north of Avenida de Mesilla are characterized by a high level of automobile and mobile home sales businesses. Currently under development is a Toyota dealership that represents a relocation from the existing location on S. Valley Drive.

Valley Dr. improvements located south of Avenida de Mesilla are characterized by the location of the cities western most and 2003 developed Walmart Supper Center. As is typical with properties surrounding a supper Wal-Mart the area possesses a high level of national retailers to include outparcels of Wal-Mart and surrounding lands. As of the effective date of value all pad sites to the development have been sold by Wal-Mart with four of the five out-parcels receiving vertical improvements. Valley Dr. is the principle point of access to the development with secondary access gained from Hickory Rd. to the west.

Located on Avenida de Mesilla is the highest concentration of motels in the city with access provided from I-10 and serving as the gateway to the historic community of Mesilla, NM.

Located east of the subject is the central business district (CBD) of Las Cruces. The neighborhood is undergoing a level gentrification to include public and private investment. Also located in the district are residential neighborhoods typical to the cities original town site to include portions of the Alameda and Mesquite historic districts. Results of the new development are showing modest impacts to the neighborhood.

Non-residential developed portions of the subject's neighborhood are approximately 30% commercial retail, 15% hospitality, 10% office, 10% public institutions, 20% light industrial, 5% heavy industrial and 10% mobile home development. The neighborhood is approximately 75% developed.

ACCESS NETWORK

Transportation in and out of Las Cruces is good with Interstate-25 and Interstate-10 at its center. The city is also served by several U.S. highways as well as numerous state highways. Passenger bus service and railroad freight services is available within the city. Passenger rail and commercial air service is available to area residents from El Paso to the south. City mass transit service is available to many areas of the city including the subject neighborhood.

The overall accessibility of the subject neighborhood is good. From south to north the neighborhood is accessed from central Las Cruces via Boutz Rd., Avenida de Mesilla, Amador Ave. and Picacho Boulevard. From west to east neighborhood arterials include Motel Blvd., Valley Dr. and Main Street. The Las Cruces CBD lies approximately 0.75 miles east of the subject. The area is bordered on the west by I-10 with access located 0.8 miles west via Amador Ave. and Motel Boulevard.

ECONOMIC DEMOGRAPHIC INFLUENCES

As illustrated in the following map, per the 2020 Census, the subject site is located at the northwest boundary of Census Tract (CT) 6.0 and adjacent to the southern boundary of CT 5.0.

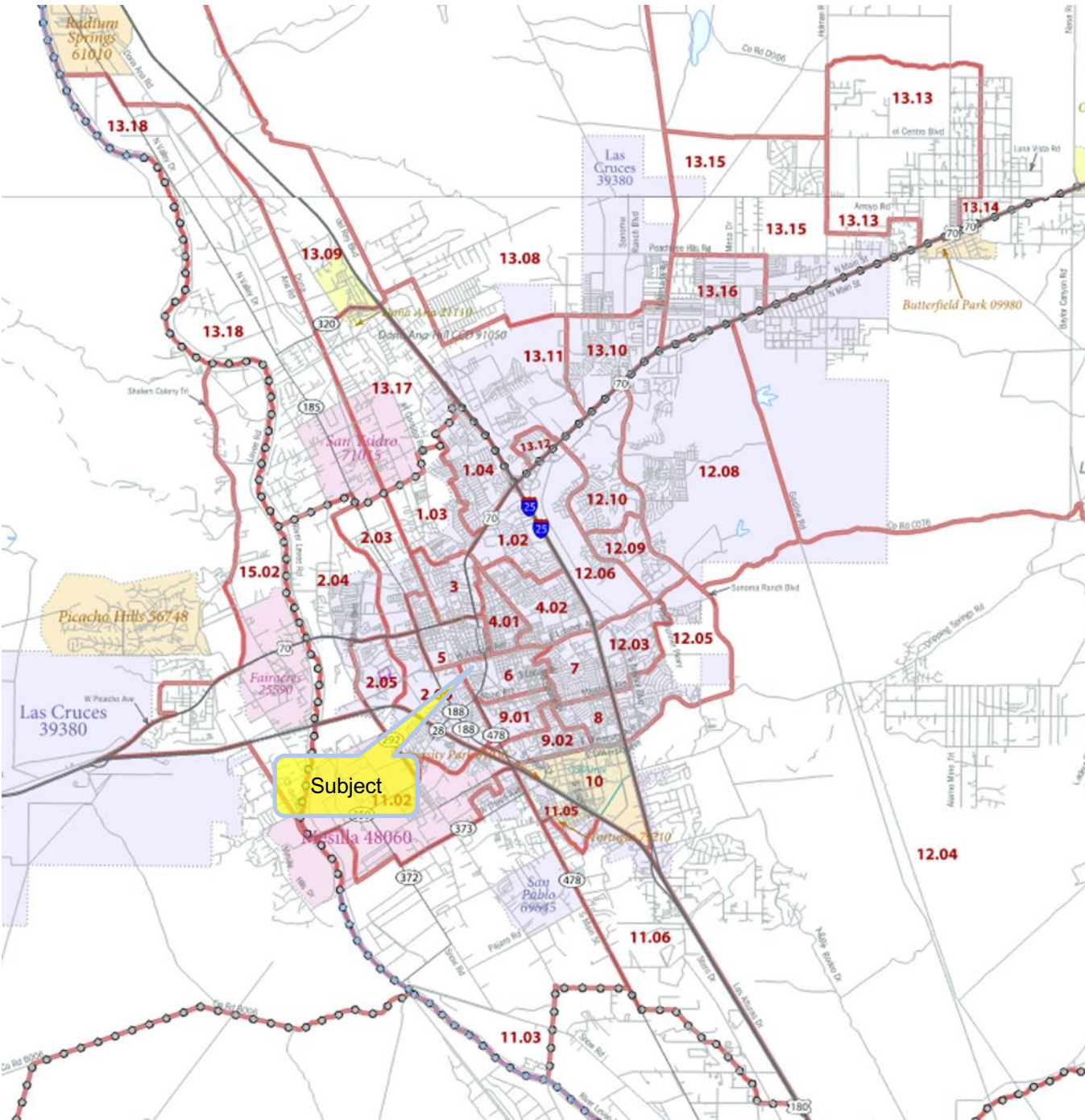
Census Tract 6 Year 2000 population of the CT was 2,776 with year 2010 population is reported at 2,801, which represents an increase of 25 persons or less than 1% for the decade. For 2020 the CT had a reported population of 2,570, which represents a decrease of 231 persons or -8.2%.

Census year 2020 housing figures are pending. Per the 2010 Census CT 6 had a total of 1,347 housing units of which 1,233 were occupied. There were 114 vacant housing units identified or 8.4% of total housing units.

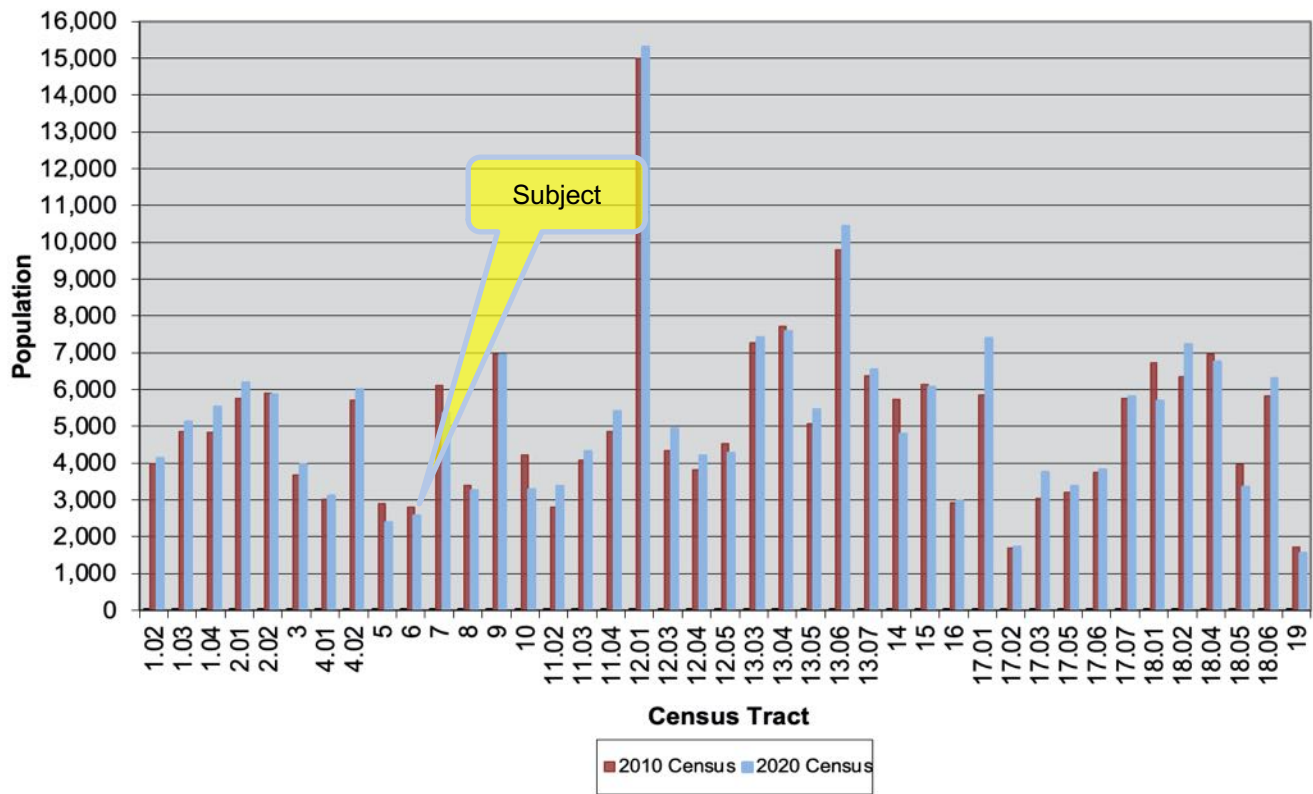
Census Tract 5 Year 2000 population of the CT was 2,902 with a year 2010 population is reported at 2,888, which represents a decrease in population of 14 persons or less than 1% for the decade. For 2020 the CT had a reported population of 2,397, which represents a decrease of 491 persons or -17%

Per the 2010 Census CT 5 had a total of 1,306 housing units of which 1,191 were occupied. There were 115 vacant housing units identified or 8.8% of total housing units.

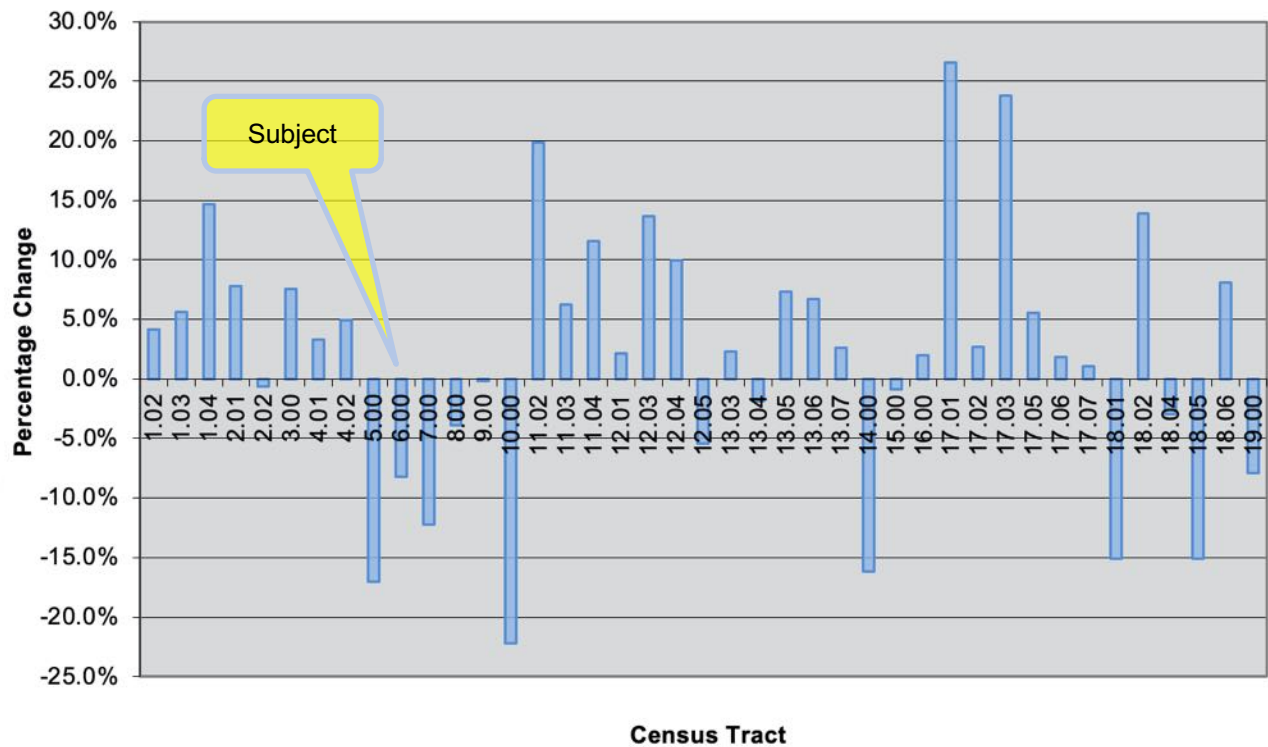
2020 CENSUS TRACT MAP - CITY OF LAS CRUCES



CHANGE IN POPULATION BY CENSUS TRACT- DOÑA ANA COUNTY 2010 -2020



POPULATION BY CENSUS TRACT - DOÑA ANA COUNTY 2010 - 2020



PUBLIC FACILITIES AND SERVICES

All public utilities are available to properties located within the city limits of Las Cruces including electrical power, wire and wireless phone service, natural gas, water, sewage and sanitation are generally available to the neighborhood. Please see the preceding Section IV – Metropolitan Analysis for a list of utility providers.

EMERGENCY SERVICES

Fire, police and Medical Emergency services are available to the neighborhood. The nearest available city fire department is located on Valley Drive approximately 0.4 miles northwest of the subject. Ambulance service is available from the Valley Dr. dispatch station located approximately 0.5 miles southwest of the subject. The Las Cruces City Police department is located on W. Hadley approximately 1.1 miles northeast.

SECTION VI

SITE ANALYSIS

LOCATION

Physical address of the Community of Hope is 999 W. Amador Ave. and also includes identified addressed portions of 921 and 991 W. Amador, Las Cruces NM 88005. The Community of Hope Campus as appraised is comprised of two separate and legally identified and tracts containing a combined plated land area of 12.35.

The following table summarizes the subject two legal lots and includes individual and gross area figures as well as calculation of net easement and excess land Community of Hope utilized land area estimate. Description of the excepted easement and excess land areas utilized for estimating the appraised net land area estimate of 10.069-acres follows.

LAND AREA SUMMARY – APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH)	
Lot 1 - LCCH Subdivision	
Site Area (Ac.)	11.3500
Site Area (Sq. Ft.)	494,406
- Access Easement Area (+/-)	70,643
Lot 1 - Net Access Easement Area (Sq. Ft.)	423,763
Lot 1 - Net Access Easement Area (Ac.)	9.728
Lot 5B-1 - Amador Tracts No. 6	
Site Area (Ac.)	1.0000
Site Area (Sq. Ft.)	43,560
Combined Gross Land Area - Lot 1 & 5B-1	537,966
- Lot 1 - Access Easement Area (+/-)	70,643
- Lot 1 - Excess Land Area - Building 2 Site Area (+/-)	28,707
Combined Net Access Easement Area (Sq. Ft.)	438,616
Combined Net Access Easement Area (Ac.)	10.069
Land to Building Area Ratio - Net Access & Utility Easement & Excess Land	8.03

As developed and utilized the subject Community of Home campus possesses an approximate 8.03:1 land to building area ratio. As improved and to including the building 2 structure and associated site excess land area, remaining portions of the site are observed to be fully utilized. Although areas of surplus land could be considered available for future structural improvement, without changes to the portions utilized status, no surplus land area is observed or applied.

SIZE/SHAPE

The subject host tract 12.35 +/- acres and 10.069 +/- acre net appraised site is irregular in shape. The site possesses a somewhat limited frontage to depth ratio of 0.29:1.

ACCESS/FRONTAGE/VISIBILITY

Access to the subject is gained from W. Amador Avenue. At the location of the subject W. Amador Ave. is a four-lane divided asphalt paved road with dedicated turning lane and maintained by the city of Las Cruces. At the location of the subject the roadway includes concrete curbing and sidewalks, streetlights, and drainage.

The subject host site possesses approximately 280' of frontage to W. Amador Avenue.

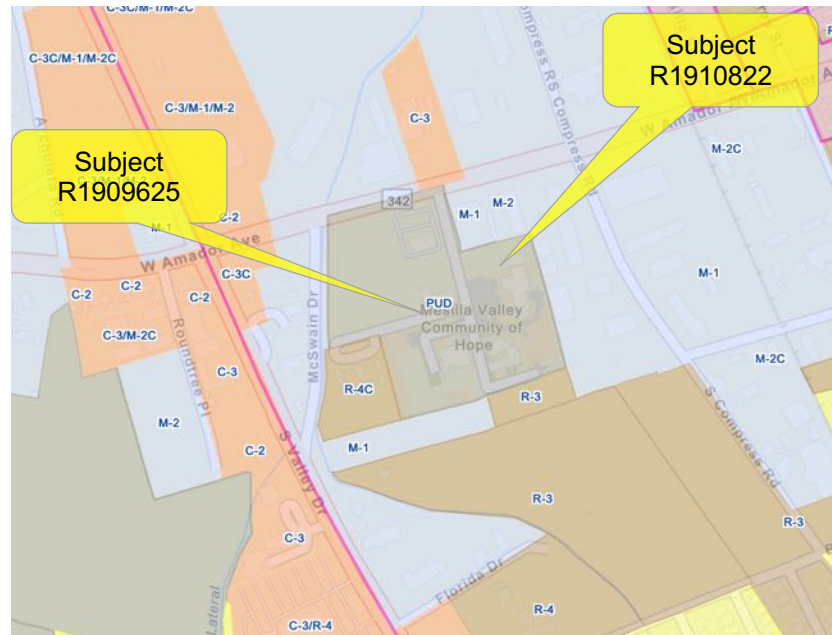
Visibility of the site and subject improvements to W. Amador Ave. is average to the neighborhood.

ZONING

2001 ZONING CODE

As illustrated on the following zoning map under the 2001 zoning code the subject is zoned PUD - Planned Unit Development.

ZONING MAP



The purpose of the zoning designation is stated in the zoning ordinance as follows

Sec. 38-49. PUD - Planned Unit Development

A. PURPOSES.

The purposes of planned unit developments (PUD) are to:

- (1) Comply with Growth Management Policy as established in the Land Use Element, other applicable elements and all companion documents to the Comprehensive Plan.
- (2) Produce more flexibility in development than would result from a strict application of this Code.
- (3) Permit design flexibility that will encourage a more creative approach to the development of land and that will result in more efficient and aesthetically desirable alternatives to the housing and other development needs of the community.
- (4) Permit flexibility in land use, density, placement of buildings, arrangement of open space, circulation facilities, and off-street parking areas, and maximize the potential of individual sites under development.
- (5) Promote the infill of vacant land.
- (6) Create developments that balance the benefits to the community with the developer's interests.

The subject's developed use is included as an allowable use under the PUD - Planned Unit Development designation and identified as a legally conforming land use.

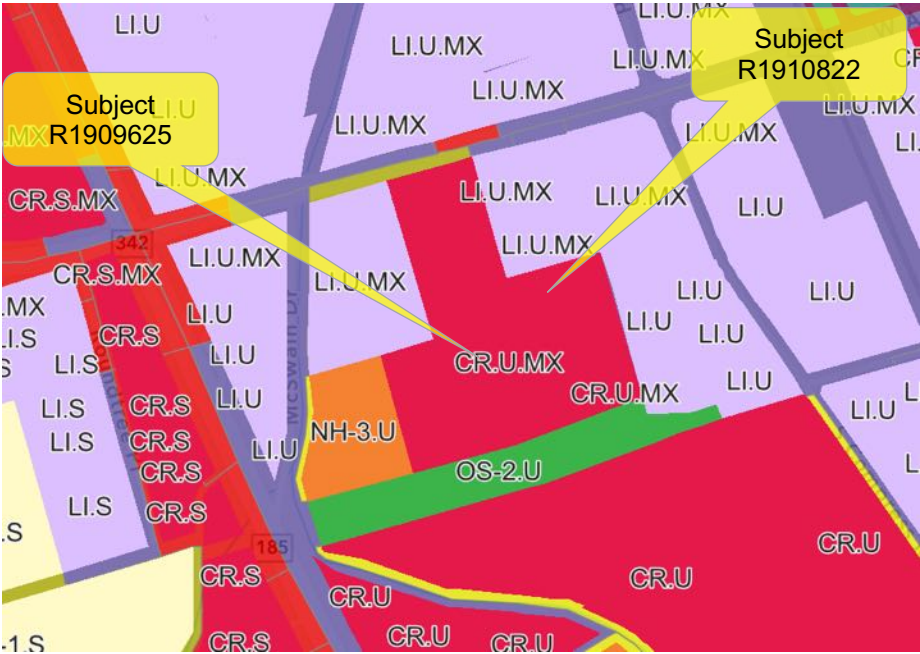
2025 ZONING CODE – REALIZE LAS CRUCES

Adopted February 18, 2025, is the City of Las Cruces new “Realize Las Cruces” (RLS) zoning and building ordinances intended to help modernize the city’s Development Code in conformity with the “Elevate Las Cruces” comprehensive plan. Established with the new zoning and development plan is an eight-month grace period where applicants can submit development plans using either the old “2001” or new “Realize Las Cruces” (RLS) zoning code and ordinance before the scheduled phase out in September 2025.

Upon full establishment of the RLS zoning code the subject is identified to be zoned CR.S – Commercial Retail – Suburban. The district provides for a wide range of commercial uses at various scales to serve residents and attract regional customers.

The purpose of the CR - Commercial/Retail District provides a wide range of commercial uses at various scales to serve residents and attract regional customers. The UR - Urban classification describes areas including traditional downtowns and medium- to high-density center-city neighborhoods. The MX - mixed use classification is intended to implement the Comprehensive Plan’s Mixed Use Corridor Place Type Overlay. Mixed Use Corridors support a mix of residential and nonresidential land uses along roadway or trail corridors.

ZONING MAP 2025 REALIZE LAS CRUCES ZONING CODE



EASEMENTS/ENCROACHMENTS/COVENANTS

As indicated from the two host parcels subject plat containing the subject appraised lands multiple easements are included. Principle easements are identified a follows

- 1) Located at the northern front portion of the sites western and eastern boundaries are two access and contained utility easements totaling 40’ and 60’ respectively, with each extending south before terminating (W) within the interior of the site and narrowing (E) to 30’ before terminating at the sites southern boundary. Bisecting portions of the sites mid-section from east to west is an additional combined access and utility easement. An additional 30’ access and utility easement is located near the southern boundary of the sites southeast corner and allows for access to a City of Las Cruces water well. Combined the access and access easement contained utility easements are estimated to contain a combined land area of the site of approximately 1.62-acres.
- 2) Located at the sites southern portions of the sites western, southern and eastern boundaries are 12’

utility easements.

- 3) Additional multiple smaller interior site utility easements are contained on site and best identified by the subdivision plat of Lot 1 located in Section 1 – Preface of the report.

The level of easement is observed reflective of a large area multi-use developed property. With extraction of dedicated and city development standards designed access roads, remaining levels of easement are observed as reasonable and not considered to negatively impacting the sites development or value.

No encroachments to or from the subject have been reported or identified. It is noted that no formal site survey was provided or uncovered which might formally identify such encroachments.

No covenants or restrictions were made available or realized upon research of the subject site.

TOPOGRAPHY & SOILS

Topography of the site is near level, the result of prior and existing improvements predevelopment site preparation.

All soils of the site are assumed typical for the area and pose minimal negative aspects to current or future development. Negative aspects can be mitigated by property engineering and planning which are assumed.

DRAINAGE FEATURES

The subject site appears to drain off-site towards drain towards the southern boundary and towards the location of a City of Las Cruces Storm Water drainage pond and channel.

The subject structures appear to be adequately built-up to promote the flow of storm waters away from the structures foundations.

FEMA FLOOD DATA

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

Based upon FEMA Map 35013C1091G, dated 07/06/2016, all portions of the site are indicated to fall outside areas of designated flood hazard and within un-shaded zone X. A copy of the map is continued within the Preface – Section I of the report.

Low to Moderate Risk Zones

X (un-shaded) – These properties are outside the high-risk zones. This flood risk is reduced but not removed. Flood insurance is not required in this zone but is available and local floodplain development codes may apply.

The intended user to this report is advised that flood determinations for purposes of determining whether or not a specific site lies within areas identified as potential hazards for floods should be made by a certified land Surveyor.

HAZARDS/NUISANCES

No specifically identifiable hazards or nuisances were observed at the time of inspection, nor are any known to the appraiser that would have an adverse impact on the subject property.

SURROUNDING AREA IMPROVEMENTS

Existing surrounding improvements include the following;

- North – Multi-tenant light industrial retail and self-storage facility
- South – City of Las Cruces Storm Water drainage pond and channel
- East – Light industrial including Multi-tenant service warehouse and Single tenant light industrial manufacturing use property.

West – Developing multi-tenant and multi-structure low-income housing as well as a multi-structure women's shelter. Each of the developments are owned by the city of Las Cruces and developed in association with City's consolidated Community of Hope concept.

The immediately surrounding improvements as well as additional improvements of the small area neighborhood are varied in condition from fair to average.

UTILITIES AND SERVICES

Utility suppliers were identified in the previous Metropolitan Analysis Section of this report.

Electric, telephone, water, sewer and gas utilities are all available to the subject site and extended to each of the subject appraised structural improvements. Power enters the site below ground from the property's northern boundary.

PROPERTY TAXES

Unless otherwise expressly exempt, all tangible property, personal or real located in New Mexico is subject to valuation for property taxation purposes, and subject to advalorem taxation. The assessment ratio is uniform statewide at a rate of 33 1/3 % of the value (except oil and gas). The tax applied is a composite of state, county, municipal, school district, and other special district levies. Taxes are collected by and paid to the county treasurer. Property taxes are due in two installments, the first half on November 5 and the latter half on April 5.

As of the effective date of this appraisal the subject property is identified by the county assessor's office as owner numbers R1909625 and R1910822.

The following Table is a breakdown of the properties assessor's' determined current market and assessed values and taxes for the 2025 tax year.

ASSESSMENTS AND PROPERTY TAXES

Owner Number	Breakdown	Area (SqFt)	Full Value	Full Value (SqFt)	Assessed Value (1/3 market)	2024 Property Taxes	Total Due (8/21/25)
R1909625	Land	494,406	\$ 510,750	\$ 1.03	\$ 170,250		
Bld. 1	Improvements	7,360					
Bld. 2	Improvements	8,384					
Bld. 4	Improvements	13,414					
Bld. 5	Improvements	11,241					
Bld. 6	Improvements	12,920					
Imp. Totals		53,319	\$ 5,327,445	\$ 99.92	\$ 1,775,815	\$ -	\$ -
Total			\$ 5,838,195	\$ 109.50	\$ 170,250	Exempt	\$ -
R1910822	Land	43,560	\$ 108,900	\$ 2.50	\$ 36,300		
Bld. 3	Improvements	5,000	\$ 294,285	\$ 58.86	\$ 98,095		
Total			\$ 403,185	\$ 80.64	\$ 134,395	Exempt	\$ -
Combined	Land	537,966	\$ 619,650	\$ 1.15	\$ 206,550		
Bld. 1 - 6	Improvements	58,319	\$ 5,621,730	\$ 96.40	\$ 1,873,910		
Total			\$ 6,241,380	\$ 107.02	\$ 2,080,460	Exempt	\$ -

The subject combined Community of Hope site is assessed at \$1.15 per square foot. Improvements are assessed on average at \$96.40 pSF. As a whole the combined tax parcels assessor's determined full value is \$6,241,380 or \$107.02 per square foot of assessed improvement area.

As City owned property the subject is exempt from property tax liability. The current assessments are reasonable given assessments of similar properties in the subject neighborhood as well as the subject determined value estimates as developed in this report. Relative to taxation the subject is not identified to be located within the boundaries of any special districts.

ENVIRONMENTAL STATEMENT

An inspection of the site, made by this appraiser, did not reveal any apparent signs of hazardous materials unrelated to the current multi-use development. Hazardous materials may or may not be present on the site, but the appraiser is not qualified to detect such substances. Prior historical use of the site is identified as a Lumber Yard. The presence of substances such as asbestos, urea formaldehyde foam insulation, leaking oil or gas tanks, or other potentially hazardous materials may affect the value of the property. The value estimate is predicted on the assumption that there is no such material on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

SUMMARY

Per zoning code, the subject property as improved appears to be a legally conforming improvement. Missing from the structural improvements sites are levels of onsite ponding that would be required if developed under the current and pending development codes. Locational characteristics of the subject site are suitable to the property's developed and occupied use. No negative economic impact from the subject Community of Hope use is applied and if applied could be observed as discriminatory to a sub-group of the population. Net easement and excess land estimates are utilized in the assignment which is typical to large area multi-structure and multi-use developments.

SECTION VII

IMPROVEMENT ANALYSIS

GENERAL DESCRIPTION AND TYPE

Principle structural improvements to the delineated net 10.069 +/- acre site consists of five structures identified in the report as buildings 1, 3, 4, 5, & 6. Please see Section 1 – Preface of the report for identifying maps including a Campus Building Map, improvement sketches and provided floor plans as well as photographs of each of the improvement exteriors and interiors.

The following table summarizes the six structural improvements including identified occupants, use and applied estimates of improvement heated and cooled building area.

STRUCTURAL IMPROVEMENT SUMMARY
APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH) – FIVE STRUCTURES

Building ID - Address	Occupant	Use	Building Area Source	Bld. Area (SF)
Building 1 - 991 E. Amador	Casa de Peregrinos	Food Pantry - Distribution WH - Offices	Bld. Plans	12,022
Building 3 - 999 W. Amador	Community of Hope	Warehouse - Maint. Office	DAC Assessor	5,000
Building 4 - 999 W. Amador	Community of Hope	Medical Clinic - Counseling - Soup Kitchen	DAC Assessor	13,414
Building 5 - 999 W. Amador	Community of Hope	Day Care - Child Development	DAC Assessor	11,241
Building 6 - 999 W. Amador	Community of Hope	Client Services - Adm. Offices (under renovation)	DAC Assessor	12,920
Total Site Contained Building Floor Area				54,597
Appraised Floor Area				54,597

To include the Community of Hope utilized buildings 1, 3, 4, 5, and 6 improvement area applied in the appraisal totals 54,597 SF. Identified in the previous table occupied use of the improvements is mixed and extends for warehouse, food pantry, soup kitchen, general office, day care, counseling, and medical clinic use including general medical, dental and pharmacy use.

Also associated with the structural improvements are multiple associated improvements which are summarized in the following table.

ASSOCIATED IMPROVEMENT SUMMARY – APPRAISED MESILLA VALLEY COMMUNITY OF HOPE (MVCH)

Bld. ID -	Use	Associated Improvements	Building Area Source	Bld. Area (SF)
1	Food Pantry - Distribution WH	Elevated and Covered Loading Dock	Bld. Plans	1,344
		Concrete Truck Parking and Delivery Staging	Aeiral CAD	12,875
		Drive-Up Delivery w/ 2-Lane Staging	Bld. Plans	900
3	Warehouse - Maint. Office	Side Canopy	DAC Assessor	336
4	Medical Clinic - Soup Kitchen - Counseling	Entrance Canopy	DAC Assessor	344
		Cold Storage	Aeiral CAD	96
		Exercise - Basketball Slab	Aeiral CAD	
		Entrance Awnings	Aeiral CAD	180
5	Day Care	Entrance Awnings	Aeiral CAD	1,737
		Playground Patio Shading	Bld. Plans	1,165
		Enclosed Playground Stg.	Aeiral CAD	240
		Maintenance Shop	Aeiral CAD	180
6	Client Services - Adm. Off.	Parking Canopy w/ Solar Array	Aeiral CAD	3,797
		Shade Canopy - Out door food preparation	Aeiral CAD	388
	Camp Hope	Restrooms / Showers	Aeiral CAD	388
		Outdoor Food Prep - Shaded Dining Area	Aeiral CAD	388
		Shade Canopy	Aeiral CAD	225
		Tent Canopies x 25	Aeiral CAD	120

Associated site improvements include asphalt paved parking for an observed 168 vehicles including handicap parking with wheelchair building access, concrete walkways and pads, landscaping, storm water retention ponding and pole mounted signage. Individual structure site improvements including landscaped areas, fencing, walls, ground cover, and excess concrete pads in excess of hardscapes included in parking cost allocations are summarized with the depreciated value tables for each of the five improvements as contained in the replacement cost portion of Section X – Valuation.

All FF&E related to current operations of Mesilla Valley Community of Hope (MVCH) were observed to be non-permanent improvements and as such are not included in the valuation.

Following general summaries of each of the five structural improvements as observed from onsite inspection.

GENERAL SUMMARY OF IMPROVEMENTS

STRUCTURAL DESIGN – BUILDING 1 – CASA DE PEREGRINOS

Improvement Area (SqFt)	12,022
Designed Use:	Food Pantry – professional offices with public meeting room / entrance reception.
Interior Layout:	Front portions of the structure are developed to include professional office portions including private offices and central open work portions. Conference room with side walled and landscaped patio. Front entrance reception area doubles as a community meeting space with vaulted and arched translucent roof panels with back commercial kitchen utilized for cooking demonstrations and meeting food preparation. Rear portions of the structure consist of the food pantry with office and food handling conforming rooms and warehouse offices. Forklift accessible large area cold (1,057 SF) and deep freeze (814 SF) storage consisting of prefab panels with auto lifting doors and interior motion-controlled lighting. Located at the rear of the structure is a large area 1,344 SF metal post and roof covered loading dock / distribution staging area. Dual semi-truck accessible loading dock with bumpers and levelers. Located at the side of the

	structure is a 900-metal post and decked drive-up passenger vehicle food delivery canopy with dual vehicle staging lanes. Battery back-up to the food storage facility is provided from exterior ground set and natural gas fired generator.
Foundation:	Reinforced concrete
Exterior Walls:	Metal frame w/ metal stud perimeter walls. Stucco exterior common with decorative cut block storefront and rear doc wall portions.
Roof Support:	Wood truss
Exterior Building Height:	14' – 18' - 16' - clear height in food storage warehouse
Roof:	Flat roof with metal decking / rigid insulation /TPO roof coverings.
Insulation:	
Office / Public Meeting:	Fiberglass batt
Food Pantry Warehouse:	Vinal rapped fiberglass batt
HVAC:	
Office / Public Meeting:	Roof top combination units - gas forced air heat & refrigerated cooling.
Food Pantry Warehouse:	Roof top combination units - gas forced air heat & refrigerated cooling.
Doors:	Commercial Storefront: Dual 2 @ 3070 (aluminum frame / glass) doors with sliding motion sensing openers.
Service:	Metal frame and skinned
Metal Roll-up:	10' x 10' metal roll-up doors with auto openers provided to warehouse / loading dock portions.
Windows:	Commercial Storefront. Aluminum frame / low-e double pane
Electrical:	Commercial Grade – high level of service including natural gas-powered generator back-up system to protect food storage. Security system, emergency light packs, computer network and multi-line phones.
Sprinkler System:	Wet system provided
Interior Buildout:	
Office / Public Area:	4,593 SF
Food Pantry Warehouse:	7,429 SF
Interior Walls:	Gyp board – taped / textured / paint typical. Vinyl wall panels provided in food handling and packaging rooms.
Office / Public Meeting:	9'– 10' with elevated decorative arch translucent ceiling in entrance / meeting space.
Food Pantry Warehouse:	14' clearstory height
Flooring:	
Office / Public Meeting:	Ceramic Tile and Carpet
Food Pantry Warehouse:	Polished Concrete
Ceiling:	
Entrance/ Public Meeting:	Painted textured drywall
Offices:	4' x 2' panel drop ceiling - typical
Restrooms:	Painted textured drywall
Food Pantry Warehouse:	Exposed trusses and roof deck
Lighting:	Good quality commercial fixtures – LED and motion-controlled lighting

- Overall design and appeal are good relative to original date of construction.
- Condition of the improvement is generally observed as new and reflective of the 2024 completion of construction.
- Economic life of similar improvements of 50 – 60 years.
- Effective age estimate of 0 years.
- Remaining Economic Life estimate of 55 years.

STRUCTURAL DESIGN - BUILDING 3 – MAINTENANCE WAREHOUSE

Improvement Area (SqFt)	5,000 SF
Designed Use:	Service / Warehouse – with limited low-quality office. Located at the exterior side of the building is a 336 SF metal awning shade structure.
Interior Layout:	Open warehouse with front low-quality wood framed and walled office and rear tool storage rooms and low-quality restroom.
Foundation:	Reinforced concrete
Exterior Walls:	Prefab metal post and beams with r-panel sides and roof
Roof Support:	Metal beams and purlins
Interior Ceiling Height:	16' at building eaves
Roof:	Low pitched r-panel.
Insulation:	Vinal wrapped fiberglass batt to walls and ceiling
HVAC:	Single wall mount gas forced air heater with no AC
Doors:	
Service:	2 @ 3070 (metal frame and skinned)
Metal Roll-up:	1 @ 10' x 12'
Sliding:	1 @ 10' x 12'
Windows:	Single office window
Electrical:	Commercial Grade – 220 V service
Sprinkler System:	None
Interior Buildout:	Minimal low quality office space and open warehouse / service area.
Flooring:	Exposed concrete
Ceiling:	Exposed trusses and roof deck
Lighting:	Average quality commercial fixtures – LED Lighting observed

- Overall design and appeal are fair relative to original date of construction.
- Condition of the improvement is fair relative to the improvements actual age of 19 years.
- Economic life of similar improvements of 40 - 50 years.
- Effective age estimate of 25 years.
- Remaining Economic Life estimate of 20 years.

STRUCTURAL DESIGN – BUILDING 4 – MIXED INSTITUTIONAL USE

Improvement Area (SqFt)	13,414 SF
Designed Use:	Mixed use and divided public institutional use including medical office clinic (7,458 SF), soup kitchen (4,434 SF) and mental health counseling office (1,522 SF).
Interior Layout:	
Medical Clinic:	Full-service health care clinic to include medical, developing dental and pharmacy services. Located at the front entrance of the facility is a patient lobby and reception leading to two side wings of the clinic to include patient exam rooms with sinks and built-in cabinetry, developing dental wing, physician / medical provider offices, nurses stations and labs with built-in cabinetry, secured storage, electrical IT, janitorial, employee break area, multiple ADA restrooms. Good quality and condition.
Soup Kitchen:	Front cafeteria entrance with side large area guest ADA restrooms. Side large area commercial kitchen with vent hood fire suppression, food preparation and service / plating areas, dry and cold food storage, office, employee restrooms.
Counseling Office:	Front entrance lobby with windowed reception office. Interior patent rooms with built in cabinetry and sinks, provider offices, storage, electrical IT and ADA restrooms.
Exterior Walls:	CMU block with stucco finish
Roof Support:	Metal truss
Interior Ceiling Height:	
Medical Clinic:	8' – 10' at entrance lobby

Improvement Analysis

Soup Kitchen:	8' – 16' dining room 12' – 14' building parapet with 8' – 9' interior building height
Counseling:	8'
Roof:	Flat roof with metal decking / rigid insulation /TPO roof coverings. Metal roofing accents at entrances and lean-to building portions
Insulation:	Fiberglass batt assumed typical
HVAC:	Roof top combination units - gas forced air heat & refrigerated cooling.
Doors:	
Entrances:	Commercial storefront to each of the three mixed use improvements (aluminum frame / glass)
Service:	Metal frame and skinned
Windows:	Commercial Storefronts. Aluminum frame / double pane
Electrical:	Commercial Grade – 220 V service
	Security system, emergency light packs, high levels of computer network and multi-line phones.
Sprinkler System:	Wet system provided to each of the three mixed use improvements.
Interior Buildout:	
Medical Clinic:	6,677 SF
Soup Kitchen:	5,017 SF
Counseling Office:	1,720
Interior Walls:	Gyp board – taped / textured / paint typical. Painted interior CMU perimeter and partial common area traffic hallway walls.
Flooring:	
Medical Clinic:	VCT typical
Soup Kitchen:	Ceramic tile with no slip kitchen tile
Counseling:	VCT typical
Ceiling:	
Medical Clinic:	4' x 2' panel drop ceiling – typical w/ partial painted textured drywall
Soup Kitchen:	Painted textured drywall in commercial kitchen and exposed rafters and roof decking in dining room.
Counseling:	4' x 2' panel drop ceiling – typical
Lighting:	Average quality commercial fixtures – LED Lighting assumed

- Overall design and appeal are average relative to mixed improvements reported date construction.
- Condition of the improvement ranges from good in in the medical clinic, fair to average in the soup kitchen, and average in the counseling office.
- Economic life of similar improvements of 50 - 60 years.
- Effective age estimate of 20-years - medical clinic, 30-years - soup kitchen, and 25-years - counseling office. Principle in the estimate is observed levels of renovation in the medical clinic, high levels of traffic assumed in the soup kitchen, and minimal levels of observed renovation in the counseling office.
- Remaining Economic Life estimate of 35-years - medical office, 25-years – soup kitchen, and 30-years – counseling office.

STRUCTURAL DESIGN – BUILDING 5

Improvement Area (SqFt)	11,241
Designed Use:	Day Care
Interior Layout:	Commercial quality main covered entrance leading to a dedicated lobby and reception area. Multiple nursery, childcare and pre-school areas designed for specific age groups, each furnished and equipped appropriately for their developmental and age-appropriate needs. The structure is equipped with a commercial-grade kitchen, separate dry and cold food storage spaces, and plumbing fixtures sized for children, along with employee-only restrooms and break areas. Each childcare section shares a common restroom and food service room with each section having storage rooms for the supply of educational materials and learning assistance crafts and activities. Staff amenities include a

	separate administrative office including private and group work areas, break room, and conference/meeting space and copying / office supply room. Also included are an IT and phone distribution room and multiple janitorial closets and storage rooms.
Site Improvements:	Outdoor play areas, enclosing perimeter CMU block walls, interior dividing fencing, and mature landscaped areas including trees and grass as well as building and stand-alone shade structures. Outbuildings include a 240 SF CMU block and metal roof toy storage shed and 180 SF CMU block and metal roof maintenance shop. Located in the playground areas are two prefab shade structures as well as two triangular fabric sunshades.
Foundation:	Reinforced concrete
Exterior Walls:	Wood or metal frame with stucco finish
Roof Support:	Metal truss
Interior Ceiling Height:	9' typical – 10' entrance - 12' commercial kitchen
Roof:	Flat roof with metal decking / rigid insulation /TPO roof coverings. Metal roofing accents at entrances and lean-to building portions
Insulation:	Fiberglass batt assumed typical
HVAC:	Roof top combination units - gas forced air heat & refrigerated cooling.
Doors:	
Commercial Storefront:	3070 (aluminum frame / glass)
Service:	3070 (metal frame and skinned)
Metal Roll-up:	10' x 10' delivery entrance
Windows:	Aluminum frame / double pane
Electrical:	Commercial Grade – 220 V service
	Security system, emergency light packs, high levels of computer network and multi-line phones.
Sprinkler System:	None – assumed to code
Interior Buildout:	100% Day Care Center and child assistance offices
Interior Walls:	Gyp board – taped / textured / paint - typical
Flooring:	
Daycare:	Carpet squares
Office:	Ceramic Tile and carpet
Kitchen:	No slip tile
Ceiling:	4' x 2' panel drop ceiling – typical
Lighting:	Commercial quality commercial fixtures – LED Lighting assumed

- Overall design and appeal are average relative to original date of construction.
- Condition of the improvement is average relative to the improvements actual reported age of approximately 20-years.
- Economic life of similar improvements of 50 - 60 years.
- Effective age estimate of 20-years. Principle in the estimate is average levels of maintenance and upkeep
- Remaining Economic Life estimate of 35-years.

STRUCTURAL DESIGN – BUILDING 6

Improvement Area (SqFt)	12,920
Designed Use:	Client Services and Administrative Offices
Interior Layout:	Client services portion of the improvement include commercial quality main covered entrance leading to a dedicated lobby and reception work area. Multiple private offices and group work areas with interior client services including laundry room and large ADA bathrooms including client showers.
	Administrative offices portion is nearing completion of an observed near total interior renovation project to include reconfiguration of interior dividing walls and finish, flooring, ceiling treatment, all new electrical and IT, HVAC duct work, and

	plumbing include new ADA restrooms. Final finishes were uncomplete at the time of inspection and are assumed nearing completion.
Site Improvements:	Site structure included with the structure include a 3,797 SF solar array that doubles for shaded employee parking. No design capacities or historical operational energy production figures were made available. Based on solar panel count of 144 panels kWh capacity is estimated at 57.6 +/- kWh with the system assumed fully functional and energy producing.
Camp Hope:	Developed in at the western side of the Administrative office is the location of the MVCH "Camp Hope". The facility allows for placement of clients tents and includes bathroom / shower facilities (388 SF) as well as an outdoor awning covered food pre-kitchen (388 SF). The site includes 25 shaded three-sided wood frame and exterior walled shade tent cubbies with 20 open air tent pads. The perimeter of the facility includes 6' chain link fencing with portions including privacy screening. Also included are two prefab sunshades structured of 225 and 400 SF small fabric sunshade. Located onsite but not included due to its non-permanent status is a 100 SF portable building.
Foundation:	Reinforced concrete
Exterior Walls:	Wood or metal frame with stucco finish
Roof Support:	Metal truss
Interior Ceiling Height:	9' typical 14' open work room
Roof:	Flat roof with metal decking / rigid insulation /TPO roof coverings. Metal roofing accents at entrances and lean-to building portions
Insulation:	Fiberglass batt assumed typical
HVAC:	Roof top combination units - gas forced air heat & refrigerated cooling.
Doors:	
Commercial Storefront:	3070 (aluminum frame / glass)
Service:	3070 (metal frame and skinned)
Windows:	Aluminum frame / double pane
Electrical:	Commercial Grade – 220 V service
	Security system, emergency light packs, high levels of computer network and multi-line phones.
Sprinkler System:	None – assumed to code
Interior Buildout:	
Client Services:	7,882 SF
Admin. Offices:	5,038 SF
Interior Walls:	Gyp board – taped / textured / paint - typical
Flooring:	
Client Services:	Polished Concrete and Ceramic Tile
Admin. Offices:	Pending
Ceiling:	4' x 2' panel drop ceiling – typical
Lighting:	Commercial quality commercial fixtures – LED Lighting assumed

- Overall design and appeal are average relative to original date of construction.
- Condition of the improvement is varied. Interior improvements to the Client Services portion appear generally original to the date of construction and are in fair condition and reflective of the improvements high occupancy load and use. At the time of construction, the interior to the Administrative Offices portion were nearing completion of full interior and mechanical systems upgrade resulting in a good condition rating and assumes completion of the improvements near term.
- Economic life of similar improvements of 50 - 60 years.
- Effective age estimate of the Client Services portion is estimated 35-years and above the reported actual age. Effective age estimate of the Administrative Offices portion is estimated 10-years and considers the actual age of the overall structural improvement and exterior finishes and coverings and levels of developing interior retrofit.

- Remaining Economic Life estimate of the Client Services and Administrative offices of 20-years and 45-years respectively.

ANALYSIS OF CONDITION AND DEPRECIATION

Depreciation is a loss in property value from any cause, as of the effective appraisal date. In other words, it is the difference between reproduction or replacement cost of an improvement and its market value as of the effective date of appraisal. Depreciation can emanate from three sources: physical deterioration, functional obsolescence attributable to a deficiency or a super adequacy, and external obsolescence caused by changes in the overall economy, demand patterns, or general property use in the neighborhood. Physical deterioration and functional obsolescence can usually be observed in an improvement. Depreciation represents a penalty because the market recognizes it as a value loss. A temporary under supply of properties relative to demand may offset the value loss older buildings generally experience. Historic or architectural significance may also compensate for the value penalty that time imposes.

To measure accrued depreciation, it is necessary to estimate the amount of value loss incurred by the subject structure in its present condition, as compared with the value of the property as if it were new. Economic life is the period over which improvements to real estate contribute to property value. Generally, the economic life of a property is shorter than its physical life if the property is not rehabilitated. Remaining economic life is an estimate of how long improvements will continue to contribute to property value.

Actual age (i.e., historical or chronological age) is the number of years that have elapsed since construction was completed. Effective age is the age indicated by the condition and utility of the structure. If a building has been well maintained, has an especially good design, or happens to be in an under supplied market, its effective age may be less than its actual age.

The various forms of depreciation as they apply to the subject property are considered as follows:

PHYSICAL DEPRECIATION – CURABLE

No items of significant curable physical depreciation were observed. Low levels of curable physical depreciation were observed but reflective of improvements receiving continued levels of reasonable maintenance and upkeep.

PHYSICAL DEPRECIATION – INCURABLE

The following table summarizes each of the five improvements Dona Ana County Assessor reported actual age, current historical age and dates of renovation identified at the time of property inspection. Effective age is estimated by the appraiser and considers observed physical condition and comparison to the reported actual age and reported dates of renovation. Economic life estimates for each of the improvement types and quality classification are estimated and based on average figures reported from Marshall and Swift as well as the appraisers working knowledge of useful lives of similar use and classed improvements observed in the subject market. Using estimates of effective and typical reported and observed economic life, estimates of straight-line physical incurable depreciation are estimated and include estimates for each structure as well as component estimates of the multi-use occupancies of buildings three and six.

As estimated in the table levels of observed and applied incurable physical depreciation range from a low of 0% for the newly completed building one to a high of 63.6% for the client services occupancy portion of building six. Using the high estimate as an example of the applied calculation, the effective age estimate of 35-years is divided by the estimate of typical observed economic life yielding an estimate of incurable physical depreciation of $63.6\% = (35 \text{ yr.} / 55 \text{ yr.})$.

STRAIGHT LINE - PHYSICAL INCURABLE DEPRECIATION ESTIMATES

Bld. #	Use	Assessor Reported Date of Construction	Actual Age (Yr.'s)	Date of Reported - Renovation	Effective Age Estimate (Yr.'s)	Economic Life Estimate (Yr.'s)	Straight Line Incurable Physical Depreciation
1	Food Pantry - Offices & WH	2024	1	na	new	55	0.0%
3	Warehouse - Maint. Office	2004	21	na	25	45	55.6%
4	Medical Clinic -	1998	27	2025	20	55	36.4%
4	Soup Kitchen	1998	27	na	30	55	54.5%
4	Metal Health Counseling	1998	27	na	25	55	45.5%
5	Day Care	2005	20	na	20	55	36.4%
6	Client Services	2002	23	na	35	55	63.6%
6	Admin. Office (under renovation)	2002	23	2025	10	55	18.2%

FUNCTIONAL OBSOLESCENCE - CURABLE / INCURABLE

This value loss is caused by defects in design or changes in structural standards and building materials. To be curable, the cost of replacing the outmoded or unacceptable aspect must be less than or equal to the anticipated increase in value. Curable functional obsolescence can result from a deficiency requiring additions, a deficiency requiring substitution or modernization, or a super adequacy. If the cost is based on replacement rather than reproduction of the improvements, the cost of super adequate items is not included.

As the result of comparison of the functionality of the improvements to other similar properties, it is concluded that no functional obsolescence exists.

EXTERNAL OBSOLESCENCE – CURABLE / INCURABLE

Sometimes known as "economic obsolescence," this form of value loss is caused by negative influences external to the property itself. Examples may range from an unattractive adjacent property to the economic failure of an entire community in which the property is located. Such value loss is usually incurable on the part of the owner.

No economic obsolescence is considered to affect the subject property as of the date of valuation. The conclusion considers the continued operation of the Community of Hope as designed and utilized with no negative impact from the use applied.

SUMMARY OF DEPRECIATION

Depreciation observed to affect the subject is limited incurable physical estimated. Incurable physical depreciation is estimated using straight line depreciation includes estimates for each structure as well as component estimates of those structures with multi-use occupancies. No other forms of depreciation were observed or applied.

SECTION VIII

HIGHEST AND BEST USE ANALYSIS

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

As long as the value of the property *as improved* is greater than the value of the site *as unimproved*, the highest and best use of the property is *as improved*. Once the value of the vacant land exceeds the value of the improved property, then the highest and best use becomes use of the land as though vacant.

For either analysis, as improved or as unimproved, the four basic criteria are the same, that the use must be legally permissible, physically possible, financially feasible and maximally productive.

The process of identifying highest and best use follows a pattern of systematically eliminating various forms of property use that fail to meet all four criteria until only one use, or perhaps one category of uses remains.

ANALYSIS OF THE SITE AS IF VACANT

LEGALLY PERMISSIBLE

One of the most important factors of the potential uses of a property is the legal limitations imposed by either public or private sources. Private restrictions are most frequently imposed by deed restrictions, easements, and restrictive covenants. A land lease is also a form of private legal restriction. No covenants, conditions or restrictions were realized upon research of the subject property.

Public restrictions are typically imposed by zoning regulations. As discussed in the preceding zoning analysis, the subject property is zoned PUD. Permitted uses within the zoning classification include a broad mix of commercial office, retail, service as well as residential uses.

PHYSICALLY POSSIBLE

Another limitation, which controls potential uses of the site, is the physical configuration of the site. Physical characteristics were described in detail in the Site Analysis section of this report, including size, shape, frontage and visibility, access, topography, soil/subsoil conditions, surrounding land uses and the availability of utilities and services.

With the exception of low-density residential uses, all remaining legally permissible uses are considered physically possible to include those uses requiring high levels of visibility.

FINANCIALLY FEASIBLE

The primary test of feasibility is an indication that a project has a reasonable likelihood of satisfying explicit objectives and is limited to those uses already identified as being both legally permissible *and* physically possible.

Strong consideration is given to the Principle of Conformity, one version of which holds that property values of an area are maximized when there are reasonable degrees of architectural homogeneity and compatibility of land uses in that area, (The Appraisal of Real Estate, Twelfth Edition). As described in the Neighborhood Analysis section of this report, small area surrounding land uses included mixed commercial and light industrial uses.

When the overall state of the market is considered, vacancies indicate that there is relatively strong demand for properties that meet the test of legally permissible and physically possible. Therefore, uses concluded to be legally permissible, physically possible, and financially feasible are retail - office / service - warehousing uses.

MAXIMALLY PRODUCTIVE

As will be developed in the valuation sections of the subject which follows, the subject existing improvements

Community of Hope constitute a beneficial use of the site.

ANALYSIS OF THE PROPERTY AS IMPROVED

“As is” the subject 54,597 SF Mixed Use - Social Services Campus improvements and 10.069-acres net access and utility easement and excess land adjusted site possesses a land to building area ratio of 8.03:1. The level of land to building area ratio is within range of ratios relative to other similar use somewhat institution and campus-oriented properties. Improvements are assumed to have been developed to city design standards and as such are classified as a legally conforming land use.

The subject “as is” improvements do possess contributory value to the property and as such represent a beneficial use. Therefore, as analyzed, and with comparison to the highest and best use as though vacant, the highest and best use as improved, is as improved as a Mixed Use - Social Services Campus.

SECTION IX

APPRAISAL METHODOLOGY

IMPROVEMENTS - EXISTING OR PROPOSED

Recognized appraisal practice generally values improved properties by the application of three traditional approaches to value described as follows:

The Cost Approach is based on the concept that the value of a property can be indicated by the current cost to construct a reproduction or replacement for the improvements, minus the amount of depreciation evident in the structures from all causes, plus the value of the land and entrepreneurial profit. This approach to value is more appropriate for the appraisal of new or nearly new improvements.

The Sales Comparison Approach is founded upon the principle of substitution which holds that the cost to acquire an equally desirable substitute property without undue delay can be used to project a probable value indication for the subject, that is, that the best measure of the "most probable price" of the subject can be estimated based on the prices historically paid for similar properties by active participants in the market. The validity of a value indication derived by this approach is dependent upon the availability of data on recent sales of properties similar in location, size, and utility to the appraised property.

The Income Capitalization Approach is based on the principle of anticipation that recognizes the present value of the future income benefits to be derived from ownership in a particular property. The Income Capitalization Approach is most applicable to properties that are bought and sold for investment purposes and is considered very reliable when adequate income and expense data are available. Since income producing real estate is most often purchased by investors, this approach is most useful when the property being appraised was designed for, or is easily capable of, producing a satisfactory rental income.

APPLIED VALUATION METHODOLOGY

The market rent estimate derived is limited to development of the observed most applicable valuation approaches, which as applied includes methodologies associated with the cost, sales comparison and income approaches. As applied towards determination of market rent, the cost approach is developed towards estimating the current replacement cost new and "as is" depreciated value estimates for each of the five subject structural improvements and associated site developed out-buildings and site improvements. Next a land value estimate is developed utilizing methodologies associated with the sales comparison approach. The depreciated improvement value is then added to land value resulting in an estimate of overall site and depreciated improvement value. Next market rates of return for mixed use and similar occupied improvements are studied, which is then applied to the depreciated property and improvement value resulting in an estimate of market rent.

The analysis developed and applied was discussed with the client at the time of assignment engagement and considered suitable to the clients intended use.

The applied methodology is observed to be consistent with that applied under similar conditions and developed infrastructure by the appraiser's peers and in this appraiser's opinion results in credible assignment results suitable to the Clients intended use.

SECTION X

VALUATION AND ESTIMATE OF MARKET RENT

The market rent estimate derived is limited to development of the observed most applicable valuation approaches, which as applied includes methodologies associated with the cost and income approaches. The analysis developed and applied was discussed with the client at the time of assignment engagement and considered suitable to the clients intended use and results in credible assignment results.

MARKET VALUE ESTIMATE – COST APPROACH

The Cost Approach is based on the Principle of Substitution that reasons that a prudent investor would pay no more for a property than the cost of producing a similar structure with similar design and utility. The methodology is best suited towards newer improvements and generally assumes fee simple ownership.

Current construction cost estimates can be derived for both replacement and-or reproduction.

Replacement cost as applied in the analysis is defined as:

Replacement Cost is the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction cost as applied in the analysis is defined as:

Reproduction cost is the estimated cost to construct, as of the effective appraisal date, an exact duplicate or replica of the building being appraised, insofar as possible, using the same materials, construction standards, design, layout, and quality of workmanship. As a reproduction of existing improvements, the estimate includes deficiencies, superadequacies, and obsolescence.

IMPROVEMENTS REPLACEMENT COST ESTIMATE

Current construction cost estimates can be derived for both replacement and-or reproduction. In this case replacement costs are estimated. Replacement cost as applied in the analysis is defined as follows.

Replacement Cost is the estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. The applied analysis adjusts for super adequacies and-or functional deficiencies.

The data source utilized for estimates of the subject structural improvements is the Calculator sections of the Marshall Valuation Service Cost Manual, a recognized supplier of national cost figures. Reference pages, dates of cost, base costs, refinements and applied multipliers, and resulting adjusted replacement cost pSF is contained in the following table.

Included in the per unit cost calculation are architect's fees, engineer's fees, building permits, survey, normal interest on the actual building funds during construction, processing fees, taxes including federal state and local as well as gross receipts taxes on material and labor, site preparation, utilities from lot line to structure, fire and liability insurance, workmen's comp, unemployment insurance, temporary facilities and security, and contractors overhead, profit and contingency.

Costs not included in the per unit calculation are land related fees of purchase or assemblage, storm drains, rough grading, inclusive developers overhead and profit (entrepreneurial incentive), consulting, FF&E, site improvements and offsite costs.

PHYSICAL DEPRECIATED REPLACEMENT COST ESTIMATE

Following each structural improvements replacement cost estimate is a breakdown of the structural and site principal cost components. The data source utilized for structural improvements was described above with non-

structural improvements to include site improvement and outbuildings is also estimates using Marshall and Swift. Also included in the secondary table for each of the five structural improvements is incurable physical depreciation is deducted from the replacement cost new estimate. No other forms of depreciation to include curable physical depreciation, functional depreciation or economic depreciation is observed to impact the structures. Please see the Depreciation portion of the Improvement Analysis – Section VII for additional narrative on depreciation. Where applicable, accrued incurable physical depreciation estimates are extracted utilizing average age life estimates for each of the individual line-item cost estimates using age – life straight-line depreciation.

Not observed to impact the subject are curable physical depreciation, functional obsolescence, or external obsolescence.

ENTREPRENEURIAL PROFIT

Observed to impact real estate improvements development is entrepreneurial profit or cost coordination, without which there would be no incentive to undertake development by speculative developers or investors. As a mixed use and multi-structural campus development intended for occupancy by non-profit providers in partnership with the City of Las Cruces, no entrepreneurial incentive or profit is observed applicable to the property or included in the depreciated cost estimate.

Following are Structural Improvements - Replacement Cost New Structural and Site improvements, and Physical Depreciated Cost estimates for each five structures contained within in the boundaries of the Mesilla Valley Community of Hope (MVCH) and included in the Analysis towards estimate of market rent.

Valuation and Estimate of Market Rent

**BUILDING ONE – CASA DE PEREGRINOS - FOOD PANTRY - DISTRIBUTION WH – OFFICES
MARSHAL AND SWIFT – STRUCTURAL IMPROVEMENT COST**

Structure	Offices	Food Pantry Warehouse	Cold Storage	Deep Freeze	Total
Building Area SF	4,593	7,429	1,057	814	12,022
MVS Reference	344	407			
Section	15	14	58	58	
Page	17	23	1	1	
Date	Nov-25	Feb-24	Sep-23	Sep-23	
Class	C	C	prefab	prefab	
Quality	Good	Good	Good	Good	
Base Cost PSF	\$ 221.00	\$ 103.00	\$ 146.00	\$ 158.00	
Refinements (HVAC, Finishes, Elevator, Sprinkler, Ect.)					
A - Cooling - Included					
B - Heating - Included					
C -					
Total	\$ 221.00	\$ 103.00	\$ 146.00	\$ 158.00	
Multipliers					
Floor Area / Perimeter	1.000	1.000	1.000	1.000	
No. of Stories	1.000	1.000	1.000	1.000	
Height per Story	1.046	1.046	1.000	1.000	
Current Cost Multiplier	1.060	1.080	1.050	1.050	
Local Multiplier (Las Cruces, NM)	0.940	0.940	1.000	1.000	
Adjusted Total	\$ 230.33	\$ 109.38	\$ 153.30	\$ 165.90	\$ 180.30
Allocated Area	4,593	7,429	1,057	814	12,022
Area Cost	\$ 1,057,923	\$ 812,551	\$ 162,038	\$ 135,043	\$ 2,167,555

BUILDING ONE DEPRECIATED COST ESTIMATE

Component	Quantity	Unit of Measure	Unit Cost	Replacement Cost	Incurable Physical Depreciation	Inc. Phy. Dep. Replacement Cost
Structural Improvements - Existing						
Admin. Office	4,593	Sq./Ft.	\$ 230.33	\$ 1,057,906	new - 0% \$ -	\$ 1,057,906
Food Pantry - Distribution Warehouse	7,429	Sq./Ft.	\$ 109.38	\$ 812,584	new - 0% \$ -	\$ 812,584
Cold Storage	1,057	Sq./Ft.	\$ 153.30	\$ 162,038	new - 0% \$ -	\$ 162,038
Deep Freeze	814	Sq./Ft.	\$ 165.90	\$ 135,043	new - 0% \$ -	\$ 135,043
Two Lane - Drive Up Awning	900	Sq./Ft.	\$ 76.00	\$ 68,400	new - 0% \$ -	\$ 68,400
Loading Dock & Awning	1,344	Sq./Ft.	\$ 88.00	\$ 118,272	new - 0% \$ -	\$ 118,272
Total				\$ 2,354,242	\$ -	\$ 2,354,242
Site Improvements						
Asphalt Parking / Hardscapes	55	Pk. Spaces	\$ 2,070	\$ 113,850	new - 0% \$ -	\$ 113,850
Landscaping	14,175	Sq./Ft.	\$ 3.12	\$ 44,226	new - 0% \$ -	\$ 44,226
Drive-up Distribution Lanes - Concrete	6,062	Sq./Ft.	\$ 3.90	\$ 23,642	new - 0% \$ -	\$ 23,642
CMU Wall @ 6'	572	Lin. Ft.	\$ 87.00	\$ 49,764	new - 0% \$ -	\$ 49,764
Dock Staging and Well - Concrete	12,875	Sq./Ft.	\$ 6.42	\$ 82,658	new - 0% \$ -	\$ 82,658
Dock Levelers & Pads	2	sum	\$ 3,800.00	\$ 7,600	new - 0% \$ -	\$ 7,600
Iron Fencing and Gates @ 6'	572	Lin. Ft.	\$ 38.66	\$ 22,114	new - 0% \$ -	\$ 22,114
Back-up Generator - 30kw gas	1	sum	\$ 47,300	\$ 47,300	new - 0% \$ -	\$ 47,300
Total				\$ 391,153	\$ -	\$ 391,153
FF&E (none included)						
Total Replacement Cost New				\$ 2,745,395	\$ -	\$ 2,745,395
Per Square Foot (12,022 SF)						\$ 228.36

Valuation and Estimate of Market Rent

BUILDING THREE – COMMUNITY OF HOPE - WAREHOUSE - MAINTENANCE OFFICE

MARSHAL AND SWIFT – STRUCTURAL IMPROVEMENT COST

	Prefabricated Metal Warehouse / Minimal Office
Structure	
Building Area SF	5,000
MVS Reference	406
Section	14
Page	26
Date	Feb-24
Class	S
Quality	Low Cost
Base Cost PSF	\$ 38.75
Refinements (HVAC, Finishes, Elevator, Sprinkler, Ect.)	
A - Cooling - None	
B - Heating - None	
C -	
Total	\$ 38.75
Multipliers	
Floor Area / Perimeter	1.000
No. of Stories	1.000
Height per Story	1.000
Current Cost Multiplier	1.070
Local Multiplier (Las Cruces, NM)	0.970
Adjusted Total	\$ 40.22
Allocated Area	5,000
Area Cost	\$ 201,093

BUILDING THREE - DEPRECIATED COST ESTIMATE

Component	Quantity	Unit of Measure	Unit Cost	Replace- ment Cost	Incurable Physical Depreciation	Inc. Phy. Dep. Replace- ment Cost
Structural Improvements - Existing						
Warehouse - Low Value Office	5,000	Sq./Ft.	\$ 40.22	\$ 201,100	55.6% \$ 111,722	\$ 89,378
Lean Too Awning	336	Sq./Ft.	\$ 14.00	\$ 4,704	55.6% \$ 2,613	\$ 2,091
Total				\$ 205,804	\$ 114,336	\$ 91,468
Site Improvements						
Perimeter Chain Link	590	Lin. Ft.	\$ 23.75	\$ 14,013	55.6% \$ 7,785	\$ 6,228
Total				\$ 14,013	\$ 7,785	\$ 6,228
FF&E (none included)						
Total Replacement Cost New				\$ 219,817	\$ 122,120	\$ 97,696
Per Square Foot (XXX SF)						\$ 19.54

Valuation and Estimate of Market Rent

BUILDING FOUR – COMMUNITY OF HOPE - MEDICAL CLINIC / COUNSELING / SOUP KITCHEN

MARSHAL AND SWIFT – STRUCTURAL IMPROVEMENT COST

Structure	Medical Clinic	Soup Kitchen / Cafeteria	Deep Freeze	Medical Counseling	Total
Building Area SF	6,677	5,017	96	1,720	13,414
MVS Reference	341	530		341	
Section	15	13	58	15	
Page	22	15	1	22	
Date	Nov-23	May-24	Sep-23	Nov-25	
Class	C	C	prefab	C	
Quality	Average	Average	Average	Low Cost	
Base Cost PSF	\$ 198.00	\$ 165.00	\$ 215.55	\$ 150.00	
Refinements (HVAC, Finishes, Elevator, Sprinkler, Ect.)					
A - Cooling - Included					
B - Heating - Included					
C -					
Total	\$ 198.00	\$ 165.00	\$ 215.55	\$ 150.00	
Multipliers					
Floor Area / Perimeter	1.000	1.000	1.000	1.000	
No. of Stories	1.000	1.000	1.000	1.000	
Height per Story	0.930	1.000	1.000	0.900	
Current Cost Multiplier	1.060	1.040	1.040	1.060	
Local Multiplier (Las Cruces, NM)	0.940	0.940	0.940	0.940	
Adjusted Total	\$ 183.44	\$ 161.30	\$ 210.72	\$ 134.51	\$ 170.39
Allocated Area	6,677	5,017	96	1,720	13,414
Area Cost	\$ 1,224,813	\$ 809,262	\$ 20,229	\$ 231,364	\$ 2,285,669

BUILDING FOUR - DEPRECIATED COST ESTIMATE

Component	Quantity	Unit of Measure	Unit Cost	Replacement Cost	Incurable Physical Depreciation	Inc. Phy. Dep. Replacement Cost
Structural Improvements - Existing						
Medical Clinic	6,677	Sq./Ft.	\$ 183.44	\$ 1,224,829	36.4%	\$ 445,392 \$ 779,437
Soup Kitchen	5,017	Sq./Ft.	\$ 161.30	\$ 809,242	54.5%	\$ 441,405 \$ 367,837
Soup Kitchen - Outdoor Freezer	96	Sq./Ft.	\$ 210.72	\$ 20,229	54.5%	\$ 11,034 \$ 9,195
Medical Counseling	1,720	Sq./Ft.	\$ 134.51	\$ 231,357	45.5%	\$ 105,162 \$ 126,195
Entrance Awnings	180	Sq./Ft.	\$ 48.50	\$ 8,730	45.5%	\$ 3,968 \$ 4,762
Total				\$2,294,387		\$ 1,006,962 \$1,287,426
Site Improvements						
Asphalt Parking & Hardscapes	38 Pk. Spaces		\$ 2,070	\$ 78,660	45.5%	\$ 35,755 \$ 42,905
Landscaping	10,994	Sq./Ft.	\$ 3.12	\$ 34,301	45.5%	\$ 15,591 \$ 18,710
Exercise Concrete Pad	2,760	Sq./Ft.	\$ 6.42	\$ 17,719	45.5%	\$ 8,054 \$ 9,665
Iron Fencing w/ Walkthrough Gate	87	Lin. Ft	\$ 28.17	\$ 2,451	45.5%	\$ 1,114 \$ 1,337
Total				\$ 133,131		\$ 60,514 \$ 72,617
FF&E (none included)						
Total Replacement Cost New				\$2,427,519	\$ 1,067,476	\$ 1,360,043
Per Square Foot (13,414 SF)						\$ 101.39

BUILDING FIVE – COMMUNITY OF HOPE – DAY CARE / CHILD DEVELOPMENT

MARSHAL AND SWIFT – STRUCTURAL IMPROVEMENT COST

		Child Day Care Center
Structure		
Building Area SF		11,241
MVS Reference		426
Section		18
Page		13
Date		Feb-25
Class		D
Quality		Good
Base Cost PSF	\$	243.00
Refinements (HVAC, Finishes, Elevator, Sprinkler, Ect.)		
A - Cooling - Included		
B - Heating - Included		
C -		
Total	\$	243.00
Multipliers		
Floor Area / Perimeter		1.000
No. of Stories		1.000
Height per Story		1.000
Current Cost Multiplier		1.050
Local Multiplier (Las Cruces, NM)		0.930
Adjusted Total	\$	237.29
Allocated Area		11,241
Area Cost	\$	2,667,371

BUILDING FIVE - DEPRECIATED COST ESTIMATE

Component	Quantity	Unit of Measure	Unit Cost	Replace-ment Cost	Incurable Physical Depreciation	Inc. Phy. Dep. Replace-ment Cost
Structural Improvements - Existing						
Day Care	11,241	Sq./Ft.	\$ 237.29	\$ 2,667,377	36.4% \$ 969,955	\$ 1,697,422
Covered Entrance Canopy	595	Sq./Ft.	\$ 48.50	\$ 28,858	36.4% \$ 10,494	\$ 18,364
Covered Entrance Canopy	1,142	Sq./Ft.	\$ 48.50	\$ 55,387	36.4% \$ 20,141	\$ 35,246
Rear Covered Porch	1,165	Sq./Ft.	\$ 37.90	\$ 44,154	36.4% \$ 16,056	\$ 28,098
Total				\$ 2,795,775	\$ 1,016,645	\$ 1,779,129
Site Improvements						
CMU Block Stg. Shed	240	Sq./Ft.	\$ 37.75	\$ 9,060	36.4% \$ 3,295	\$ 5,765
CMU Block Stg. Maint. Bld.	180	Sq./Ft.	\$ 37.75	\$ 6,795	36.4% \$ 2,471	\$ 4,324
Asphalt Parking & Hardscapes	33	Pk. Spac.	\$ 2,070	\$ 68,310	36.4% \$ 24,840	\$ 43,470
Landscaping	9,244	Sq./Ft.	\$ 3.12	\$ 28,841	36.4% \$ 10,488	\$ 18,354
Playground - Hardscapes - Fencing	12,824	Sq./Ft.	\$ 3.92	\$ 50,270	36.4% \$ 18,280	\$ 31,990
Playground CMU Block Wall @ 4'	533	Lin. Ft.	\$ 61.80	\$ 32,939	36.4% \$ 11,978	\$ 20,961
Prefab Metal Shade Structure	2	sum	\$ 358.00	\$ 716	36.4% \$ 260	\$ 456
				\$ 196,932	\$ 71,612	\$ 125,320
FF&E (none included)						
Total Replacement Cost New				\$ 2,992,707	\$ 1,088,257	\$ 1,904,450
Per Square Foot (11,241 SF)						\$ 169.42

Valuation and Estimate of Market Rent

BUILDING SIX – COMMUNITY OF HOPE - CLIENT SERVICES - ADMINISTRATIVE OFFICES

MARSHAL AND SWIFT – STRUCTURAL IMPROVEMENT COST

Structure	Client Services	Administrative Offices	Total
Building Area SF	7,882	5,038	12,920
MVS Reference	491	344	
Section	15	15	
Page	11	17	
Date	Nov-23	Nov-23	
Class	D	D	
Quality	Average	Average	
Base Cost PSF	\$ 162.00	\$ 149.00	
Refinements (HVAC, Finishes, Elevator, Sprinkler, Ect.)			
A - Cooling - Included			
B - Heating - Included			
C -			
Total	\$ 162.00	\$ 149.00	
Multipliers			
Floor Area / Perimeter	1.000	1.000	
No. of Stories	1.000	1.000	
Height per Story	1.046	1.046	
Current Cost Multiplier	1.040	1.040	
Local Multiplier (Las Cruces, NM)	0.930	0.930	
Adjusted Total	\$ 163.89	\$ 150.74	\$ 158.77
Allocated Area	7,882	5,038	12,920
Area Cost	\$ 1,291,812	\$ 759,438	\$ 2,051,250

BUILDING SIX - DEPRECIATED COST ESTIMATE

Component	Quantity	Unit of Measure	Unit Cost	Replace- ment Cost	Incurable Physical Depreciation	Inc. Phy. Dep. Replace- ment Cost
Structural Improvements - Existing						
Client Services	7,882	Sq./Ft.	\$ 163.89	\$ 1,291,781	63.6%	\$ 822,042 \$ 469,739
Admin. Offices - New Interior Buildout	5,038	Sq./Ft.	\$ 150.74	\$ 759,428	18.2%	\$ 138,078 \$ 621,350
Total	12,920			\$ 2,051,209		\$ 960,120 \$ 1,091,089
Site Improvements - Admin. Structure						
Asphalt Parking & Hardscapes	42	Pk. Spac.	\$ 2,070	\$ 86,940	45.5%	\$ 39,518 \$ 47,422
Landscaping	7,438	Sq./Ft.	\$ 3.12	\$ 23,207	45.5%	\$ 10,548 \$ 12,658
Solar Array / Shade Parking Structure	3,797	Sq./Ft.	\$ 12.00	\$ 45,564	45.5%	\$ 20,711 \$ 24,853
Solar System - 144 Pannels - 57.6kWh	1	sum	\$ 172,800	\$ 172,800	45.5%	\$ 78,545 \$ 94,255
				\$ 328,511		\$ 149,323 \$ 179,188
Site Improvements - Camp Hope						
CMU Block - Restroom / Showers	388	Sq./Ft.	\$ 67.75	\$ 26,287	80.0%	\$ 21,030 \$ 5,257
Metal Awning - Outdoor Kitchen	388	Sq./Ft.	\$ 48.50	\$ 18,818	80.0%	\$ 15,054 \$ 3,764
Chain Link Fencing @ 6'	1,149	Lin. Ft.	\$ 23.75	\$ 27,289	80.0%	\$ 21,831 \$ 5,458
Crusher Fine Ground Cover	48,795	Sq./Ft.	\$ 0.93	\$ 45,379	80.0%	\$ 36,303 \$ 9,076
Tent Canopy's w/ 3 Sided OSB	25	sum	\$ 685.00	\$ 17,125	80.0%	\$ 13,700 \$ 3,425
Metal Shade Structure	225	Sq./Ft.	\$ 12.00	\$ 2,700	80.0%	\$ 2,160 \$ 540
Metal Shade Structure	400	Sq./Ft.	\$ 12.00	\$ 4,800	80.0%	\$ 3,840 \$ 960
				\$ 142,398		\$ 113,918 \$ 28,480
FF&E (none included)						
Total Replacement Cost New				\$ 2,522,118	\$ 1,223,362	\$ 1,298,756
Per Square Foot (12,920 SF)						\$ 100.52

SUMMARY OF DEPRECIATED COST ESTIMATES

The following table summarizes the above independent replacement and depreciated cost analysis of the five structural improvements identified as being utilized by the Mesilla Valley Community of Hope (MVCH). The combined depreciated costs estimate of **\$7,406,340**

is included in the assignments estimate property value.

SUMMARY DEPRECIATED COST – BUILDINGS 1, 3, 4, 5, & 6 – COMMUNITY OF HOPE

Building	Structural Imp. Area Sq. Ft.	Use / Occupancy	Dep. Cost	Total Structural & Site	Dep. Cost Sq. Ft.
1	12,022	Food Pantry - Dist. WH			
		Structural	\$ 2,354,242		
		Site	\$ 391,153		
				\$ 2,745,395	\$ 228.36
3	5,000	Maintenance WH			
		Structural	\$ 91,468		
		Site	\$ 6,228		
				\$ 97,696	\$ 19.54
4	13,414	Mixed Use - Med. Clinic Soup Kitchen - Counseling			
		Structural	\$ 1,287,426		
		Site	\$ 72,617		
				\$ 1,360,043	\$ 101.39
5	11,241	Day Care- Preschool			
		Structural	\$ 1,779,129		
		Site	\$ 125,320		
				\$ 1,904,449	\$ 169.42
6	12,920	Client Services - Admin. Offices Camp Hope			
		Structural	\$ 1,091,089		
		Site	\$ 179,188		
		Site	\$ 28,480		
				\$ 1,298,757	\$ 100.52
Totals	54,597			\$ 7,406,340	\$ 135.65

VALUATION - SUBJECT LAND

The Sales Comparison or Market Approach as described in the valuation process section of this report is used to value the subject Land. Comparable vacant land sales are chosen and compared to the subject property. Various analytical techniques may then be used to identify and measure adjustments. Comparative analysis refers to the basic analytical process that may employ quantitative techniques, qualitative techniques, or a combination to derive a value indication. When quantitative analytical techniques are applied, mathematical processes are used to identify which elements of comparison require adjustment and to measure the amount of these adjustments. When qualitative assessments of the varying elements of comparison are used and an appraiser studies the relationships indicated in market data without recourse to quantification. The method reflects the imperfect nature of real estate markets.

The process of comparative analysis consists of four steps:

1. Identification of the elements of comparison affecting the value of the property being appraised.
2. Comparison of each comparable with the subject and measurement of the difference in each element of comparison, either quantitatively or qualitatively

3. Derivation of a net adjustment for each comparable.
4. Review of the comparable prices after adjustment or ranking and reconciliation of the various indications into a single value estimate.

Adjustments derived through quantitative techniques may be applied to a comparable property either as percentages or dollar amounts. The relationship between the subject and the comparable should be expressed as it is perceived by the market. The relationship between the subject and a comparable property is converted into an algebraic statement to determine the percentage adjustment to be applied to the price of the comparable.

The comparables are analyzed using a market data grid. Adjustments to those elements of comparison in which quantifiable adjustments may be extracted are conducted within the grid. The adjusted or unadjusted sales prices of the comparables are then viewed using ranking analysis. The application of ranking analysis involves separating the comparables into those that are overall superior to the subject and those that are inferior. These ratings lead to a net negative or net positive indicated adjustment. The adjusted prices, derived through quantitative and/or qualitative adjustments will, ideally, closely bracket the probable value range of the subject. By studying the comparables most similar to the subject, the appraiser reconciles a single value indication for the subject.

The following sales are the most recent transactions of similar properties in the subject's market area deemed appropriate for comparison. Every effort was made to include the most recent comparable sales available.

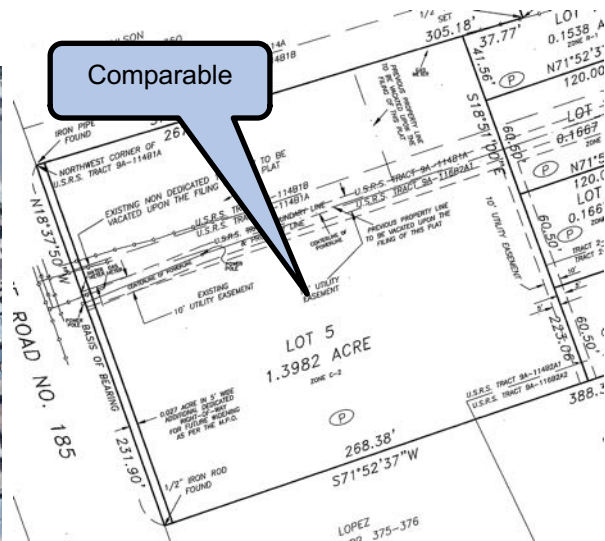
COMPARABLE LAND SALES



Valuation and Estimate of Market Rent

COMPARABLE LAND SALE #1

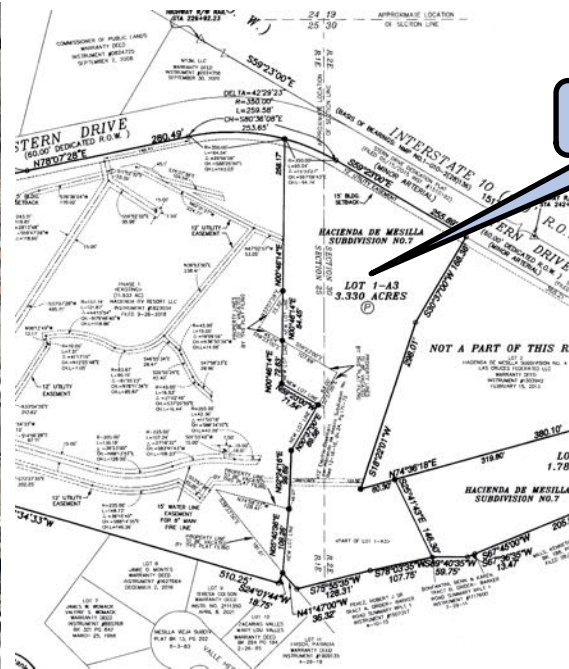
Date of Sale:	October 16, 2024	Recording:	2422309
Grantor:	GNM Investments, LLC	Grantee:	Tierney Properties, LLC
Sale Price:	\$225,000	Price pSF:	\$3.69 SF
Size:	1.3982 acres	Size SF:	60,906
Terms:	Market	Zoning:	C-2
Legal Description:	W. Lewis Summary Subdivision, Replat 1, Lot 5		
Parcel Number:	R0232347		
Location:	Property located on the east side of N. Valley Dr., just east of the street's intersection with Tashiro Drive. Physical address of 1400 N. Valley Dr.		
Comments:	All usable rectangular shaped level parcel w/ all utilities provided. Located within designated flood area AE. Listing price at the time of sale of \$305,000. Days on market prior to sale of 197 days.		
Intended Use:	Intended for speculative holding.		
Confirmed By:	Timothy Tharp – Listing Broker with Keller Williams Realty to BRES via LCMLS# 2400809		



Valuation and Estimate of Market Rent

COMPARABLE LAND SALE #2

Date of Sale:	March 16, 2023	Recording:	2305302
Grantor:	Hacienda RV, LLC	Grantee:	Americo Real Estate Company
Sales Price:	\$585,000 / \$4.03 pSF	Size:	3.33 Ac.
Terms:	Cash to Seller	Zoning:	C-3
Legal Description:	Hacienda de Mesilla Sub. 7 (Rec. No. 2303889) Lot: 1-A3 S: 24 T: 23S R: 1E S: 25 T: 23S R: 1E		
Parcel ID:	R0242087		
Location:	Property on the west side of Stern with a physical address of 750 Stern Drive. Property located south of the Hacienda RV Park.		
Comments:	Very Irregular shaped interior parcel, located outside areas of designated flood hazard and with visibility to I-10. All utilities available. Property sold at asking price.		
Intended Use:	U-Haul branded mini-storage and vehicle rental.		
Confirmed By:	Selling Broker, Kary Bulsterbaum of Steinborn Realty to BRES 3.21.23 and review of County property records. CARNM ID#23746312 with days on market reported at 1,270 days or 3.5 years or 42 months.		



Comparable

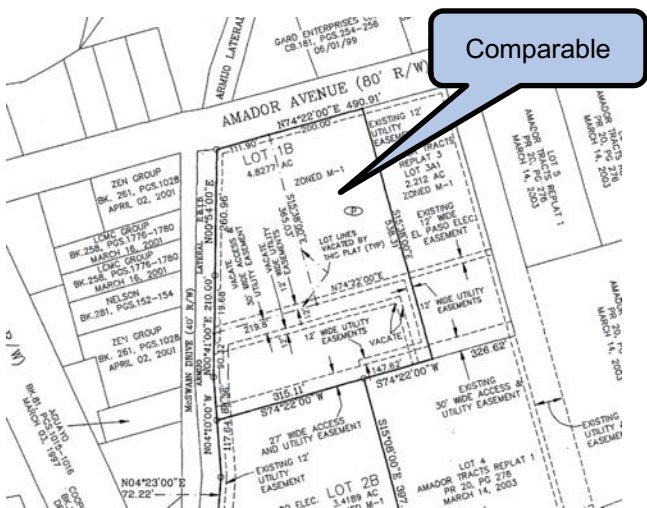
Valuation and Estimate of Market Rent

COMPARABLE LAND LISTING #3			
Date of Sale:	January 21, 2025	Recording:	2501314
Grantor:	MAB Real Estate	Grantee:	Barker Road, LLC
Sales Price:	\$500,000 / \$3.75 pSF	Size:	3.06 Ac.
Adj. Sales Price:	\$659,375 / \$4.95 pSF		
Terms:	Cash to Seller	Zoning:	C-2
Legal Description:	Parcel 1 - Ponderosa Tracts, Lot: TR A Parcel 2 – Metes and Bounds – 0.79 Ac.		
Parcel ID:	R0207275 & R0207297		
Location:	Physical address of 1243 Barker Road. Property located at the southwest corner of Avenida De Mesilla and Barker Rd. and generally west of the ATSF Railroad Tracks.		
Comments:	Pie shaped corner parcel located within areas of designated flood hazard. Sales price adjusted by reported cost of fill of \$159,375 required to bring the property above levels of base flood elevation. All utilities available. Listing price at the time of sale of \$550,000.		
Intended Use:	Mini-storage development.		
Confirmed By:	Listing Broker, Juan Uribe of Uribe Real Estate Services via LCMLS # 2300099 and review of public property records. Days on market of 333 days.		



COMPARABLE LAND SALE #4

Date of Sale:	August 23, 2021	Recording:	I2127011
Grantor:	Brewer Oil	Grantee:	City of Las Cruces
Sale Price:	\$1,155,000 / \$5.49 SF	Size:	4.83 acres
Terms:	Market	Zoning:	M-1
Legal Description:	Lot 1B – Amador Tracts Replat No. 4		
Parcel Number:	R0230417		
Location:	Property located east of east of southeast corner of Amador Ave. and Valley Dr. and generally north of the Community of Hope. Physical address of 1101 W. Amador.		
Comments:	All usable level and near rectangular shaped parcel w/ all utilities provided. Located outside areas of designated flood.		
Intended Use:	Expansion of services in relation to the City's Community of Hope.		
Confirmed By:	City of Las Cruces Resolution #21-188 dated June 21, 2021.		



The comparables are analyzed relative to the subject using an adjustment grid. The sales price per square foot is used as the unit of comparison.

Valuation and Estimate of Market Rent

LAND SALE COMPARABLES ADJUSTMENT GRID

Subject		Sale Comp #1	Sale Comp #2	Sale Comp #3	Sale Comp #4
"As Though Vacant"		1400 N. Valley Dr.	750 Stern Dr.	1243 Barker Rd.	1101 W. Amador Ave.
Sale Price		\$ 225,000	\$ 585,000	\$ 659,375	\$ 1,155,000
Size (Ac.)	10.0690	1.3980	3.3300	3.0600	4.8300
Size (SF) Total	438,606	60,897	145,055	133,294	210,395
Price Per Acre		\$ 160,944	\$ 175,676	\$ 215,482	\$ 239,130
Price Per Sq/Ft.		\$3.69	\$4.03	\$4.95	\$5.49
Terms	Market	Cash	Cash	Cash	Cash
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Market Conditions (Date)	Current	Oct-24	Mar-23	Jan-25	Aug-21
Time (yr.)		0.83	2.39	0.57	3.93
Adjustment @ 3.0% pYr.		2.5%	7.2%	1.7%	11.8%
Adjusted Sale Price		\$3.79	\$4.32	\$5.03	\$6.14
Condition of Sale	Normal	Normal	Normal	Normal	Normal
Ranking		Equal	Equal	Equal	Equal
Adjustment		0%	0%	0%	0%
Adjusted Sales Price		\$3.79	\$4.32	\$5.03	\$6.14
Zoning	PUD	C-2	C-3	C-2	M-1
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Intended / H&B Use	Mix Use	Speculative	Mini-Stg.	Mini-Stg.	Public Development
Ranking	Institutional	Equal	Equal	Equal	Equal
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Locational Characteristics					
Location	Average	Small Inferior	Small Inferior	Superior	Near Equal
Adjustment		Small Positive	Small Positive	Negative	Negative
Physical Characteristics					
Size	10.0690	1.3980	3.3300	3.0600	4.8300
Ranking		Superior	Superior	Superior	Superior
Adjustment		Negative	Negative	Negative	Negative
Access	Average	Near Equal	Near Equal	Near Equal	Near Equal
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Topography & Flood	X - Outside	AE - Within	X - Outside	AE - Within	X - Outside
Ranking		Sm. Inferior	Near Equal	Sm. Inferior	Near Equal
Adjustment		Sm. Positive	No Adj.	Sm. Positive	No Adj.
Utilities	Average	Equal	Equal	Equal	Equal
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Frontage/Easements /Shape/Elevation	Average	Sm. Superior	Inferior	Near Equal	Superior
Adjustment		Sm. Negative	Positive	No Adj.	Negative
Non Realty Items	Average	Equal	Equal	Equal	Equal
Adjustment		No Adj.	No Adj.	No Adj.	No Adj.
Adjusted Sales Price		\$3.79	\$4.32	\$5.03	\$6.14
Overall Rating		Inferior	Small Inferior	Small Superior	Superior
Indicated Overall Adjustment		Positive	Small Positive	Small Negative	Negative
Indicated Value pSF		>\$3.79	>\$4.32	<\$5.03	<\$6.14

ELEMENTS OF COMPARISON

When determining land value there are eight basic elements of comparison that should always be considered in sales comparison analysis. Elements of comparison are the characteristics of properties and transactions that cause the prices paid of real estate to vary. Description and application of the elements of comparison follows.

Real Property Rights Conveyed

The first step in the adjustment process used is the adjustment for differences in real property rights. The subject land ownership interest applied in the analysis is Fee Simple. The ownership interest appraised is equal to the ownership interest conveyed for each of the comparable sales, therefore no adjustment is required.

Financing Terms

Due to different financing arrangements the transaction price of one property may differ from that of an identical property. Cash equivalency calculations are commonly used to adjust sales in which the seller pays points or finances the loan at a rate that differs from the prevailing market rate for the date of sale. All comparables used in the analysis were sold for cash with no required adjustment.

Conditions of Sale

This element of comparison is used to reflect the motivations of buyers or sellers in sales that are not arm's-length transactions due to duress or special relationships. Such an adjustment may also be required in transactions influenced by unusual tax considerations or lack of market exposure. All sale comparables are considered arms-length and normal with respect to conditions of sale.

Market Conditions

An adjustment for market conditions is used to show market trends over time. Analysis of comparable sales in the subject neighborhood indicates moderate of levels price appreciation since the end of the recent recession. For use in the analysis a marginal annual adjustment factor of 3.0% has been extracted and applied. The adjustments range from 1.7% to 11.8%.

Use

Adjustments for use consider the intended use or the highest and best use of a comparable to the subject property. In the valuation of vacant land, zoning is one of the primary factors in determining the best use of the property. Zoning of each of the comparables at the time of sale allow for or intended for development near equal to the commercial use of the subject. Therefore, no adjustment for zoning and use is warranted.

Locational Characteristics

This element of comparison considers the locational characteristics of the comparables to the subject site. The considerations are proximity to employment and labor pools, city amenities, transportation time, availability to goods and services, general neighborhood conditions, surrounding land use compatibility and neighborhood traffic patterns. Comparables have been adjusted based upon each property's appraiser perceived locational qualities as compared to the subject site.

Physical Characteristics

Adjustments for physical characteristics account for differences in site's size, access, topography and flood zone, utilities, and unique characteristics of frontage, easements, shape, and elevation. Comparables have been adjusted based upon the physical characteristics as compared to the subject site and identified as follows.

Typically, with vacant commercially zoned lands, with all other elements of comparison being equal, the larger the land area of a given parcel, the lower the sales price per square foot. Each of the comparables has received negative qualitative adjustments to reflect the comparable parcels superior smaller size to the subject.

Access of each of the comparables include direct city-maintained access with no required or applied adjustment.

Topography of each of the comparables was near equal to the subject with no observed required adjustment.

The subject is located outside areas of designated flood hazard and within unshaded zone X. Sale comparables one and three are each located within areas of flood hazard and under current development code will require fill prior to development. The classification is inferior to the subject with each of the two comparables receiving positive adjustments for inferior flood hazard. Sale comparables two and four are located outside areas of flood hazard, equal to the subject with no applied adjustments.

Each of the comparables possessed full utility availability to the sites at the time of purchase, equal to the subject, with no required adjustment.

The final physical characteristics applied adjustment category include elements of a site that are less typically observed but when present are observed to warrant consideration and-or adjustment. These elements include detrimental consideration of low levels of frontage, excessive easements, highly irregular shape, or high variations in elevation requiring unique access consideration or negative impacts to visibility or development. Observed between the subject and comparables is lot shape and frontage to depth ratios with the subject being irregular in shape and possessing a limited frontage to depth ratio. The subject is observed superior in shape and reasonable equal in frontage to sale comparable two with an overall inferior classification and positive adjustment applied to the comparable. Each of the three remaining comparables sale comparables are superior in shape and frontage, observed superior to the subject site with negative qualitative adjustments applied.

Non-Realty Items

Adjustments for non-realty components of value include personality, business concerns, or other items that do not constitute real property but are included in the sale price of either the comparable or the subject. No non-realty items were included in the comparables.

RANKING ANALYSIS

Application of the ranking analysis involves separating the comparables into those that are overall superior to the subject and those that are inferior. These ratings lead to a net negative or net positive required adjustment. The adjusted prices, derived through quantitative and/or qualitative adjustments will, ideally, closely bracket the probable value range of the subject. By studying the comparables most similar to the subject, the appraiser reconciles a single value indication for the subject.

The following ranking analyses grid has been developed as a result of the above quantitative and qualitative analysis, as illustrated in the preceding adjustment grid. The analysis indicates that the pSF value of the subject site should fall between the overall corresponding inferior and superior time adjusted sales prices of comparables two and three of \$4.32 and \$5.03 pSF respectively. Mean of the indicated value range is \$4.68. Of the two overall corresponding inferior and superior comparables, the subject is considered most similar to comparable three. Therefore, the indicated value should fall between the \$4.68 mean value of comparables two and three and the \$5.03-time adjusted sales price of comparable three. Mean of the secondary value range is \$4.85. Based upon qualitative and ranking analysis, a value of \$4.85 pSF is considered a reasonable estimate of value from the available data and is used to represent the current pSF market value of the subject 10.069-acre net appraised area.

LAND SALE COMPARABLE RANKING ANALYSIS			
Comp #	Overall Rating	Price pSF	Overall Net Adjustment
1	Inferior	\$3.79	Positive
2	Small Inferior	\$4.32	Small Positive
Subject	-	\$4.85	-
3	Small Superior	\$5.03	Small Negative
4	Superior	\$6.14	Negative

The indicated market value of the subject 10.069 acre or 438,606 SF site is estimated at \$4.85 SF or \$2,127,237 = (438,606 x \$4.85 pSF), say **\$2,125,000** after rounding.

Valuation and Estimate of Market Rent

SUMMARY OF COST APPROACH ANALYSIS

The following table with continuation summarizes the results of the cost approach as developed in the above analysis. Summarized for each of the five structural improvements identified to be included in the analysis are replacement costs new for both structural site improvements and site contained out-structures, observed and applied depreciation, included entrepreneurial profit and individual and combined structures "as is" depreciated improvement values. Within the combined totals column, combined estimates are included.

COST APPROACH SUMMARY & VALUE CONCLUSION

	Building 1	Building 3	Building 4
Structural Improvements	\$2,354,242	\$ 205,804	\$ 2,294,387
Site Improvements	\$ 391,153	\$ 14,013	\$ 133,131
Total Improvement Replacement Cost	\$2,745,395	\$ 219,817	\$ 2,427,518
- Incurable Physical Depreciation	\$ -	\$ 122,120	\$ 1,067,476
- Curable Physical Depreciation	\$ -	\$ -	\$ -
- Functional Obsolescence	\$ -	\$ -	\$ -
- Economic Obsolescence	\$ -	\$ -	\$ -
Total Depreciation	\$ -	\$ 122,120	\$ 1,067,476
Depreciated Value of Improvements	\$2,745,395	\$ 97,697	\$ 1,360,042
+ Entrepreneurial Profit (0%)	\$ -	\$ -	\$ -
As Is - Depreciated Improvement Value	\$2,745,395	\$ 97,697	\$ 1,360,042

COST APPROACH SUMMARY & VALUE CONCLUSION – (CONTINUED)

	Building 5	Building 6	Combined Total
Structural Improvements	\$2,795,775	Building 6	\$ 9,701,417
Site Improvements	\$ 196,932	\$2,051,209	\$ 1,206,138
Total Improvement Replacement Cost	\$2,992,707	\$ 470,909	\$ 10,907,555
- Incurable Physical Depreciation	\$1,088,257	\$2,522,118	\$ 3,521,075
- Curable Physical Depreciation	\$ -	\$1,243,222	\$ -
- Functional Obsolescence	\$ -	\$ -	\$ -
- Economic Obsolescence	\$ -	\$ -	\$ -
Total Depreciation	\$1,088,257	\$ -	\$ 3,521,075
Depreciated Value of Improvements	\$1,904,450	\$1,243,222	\$ 7,386,480
+ Entrepreneurial Profit (0%)	\$ -	\$1,278,896	\$ -
As Is - Depreciated Improvement Value	\$1,904,450	\$ -	\$ 7,386,480
Site Value		\$1,278,896	\$ 2,127,237
As Is - Depreciated Improvement and Improvement Value			\$ 9,513,717
Rounded			\$9,515,000
pSF of Improvement - 54,597 SF			\$174.28

The analysis results in a final value conclusion relative to the subject "as is" combined cost approach estimated depreciated improvement cost and land included market value estimate under fee simple ownership of \$9,515,000. The depreciated value of the subject improvements constitutes 67.8% of the depreciated cost value estimate.

The **\$9,515,000** estimate will be applied to an estimate of market rate of return yielding a final estimate of market rent in the following analysis. The estimate results in an average per square foot value for the combined 54,597 SF improvements of 174.28

MARKET RENT – INCOME APPROACH RATE OF RETURN ANALYSIS

The following rate of return on value methodology is utilized towards estimating market rent of the subject Mesilla Valley Community of Hope (MVCH) five principal building contained and appraised estimated 54,597 SF and included site and associated out-building improvements together with an allocated net 10.069-acre site.

Given the unique nature of the property including large area and specialized mixed-use improvements, investor rates of return could not be extracted directly from sales of comparable income producing properties.

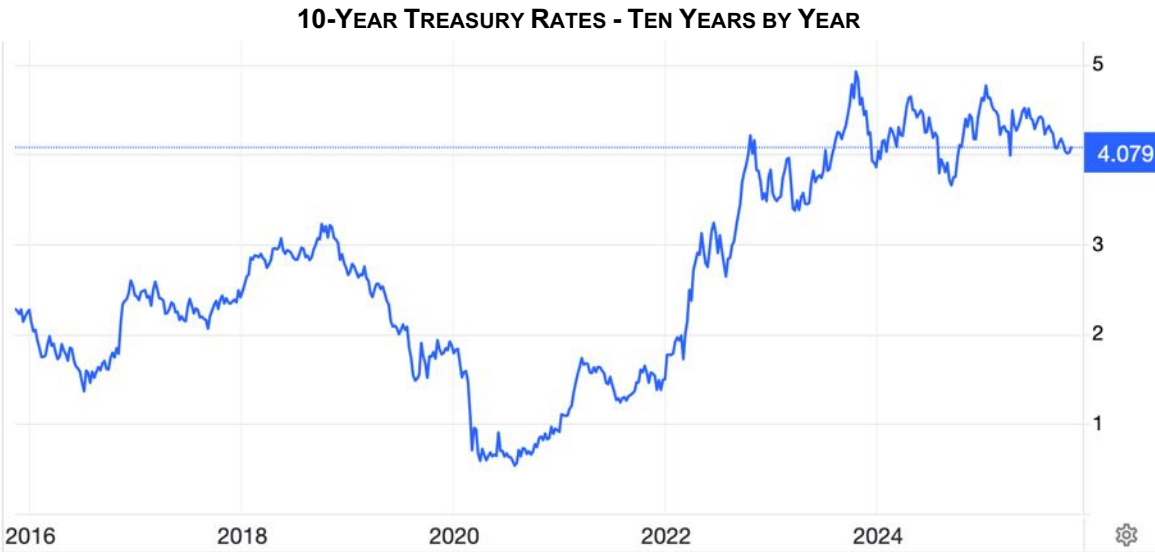
RATES OF RETURN

The investor’s rate of return for real estate reflects the overall investment risk associated with a property. Generally, a property or investment with a higher risk, a higher rate of return will be sought by the investor. Conversely, the lower the investment risk, the lower the required rate of return.

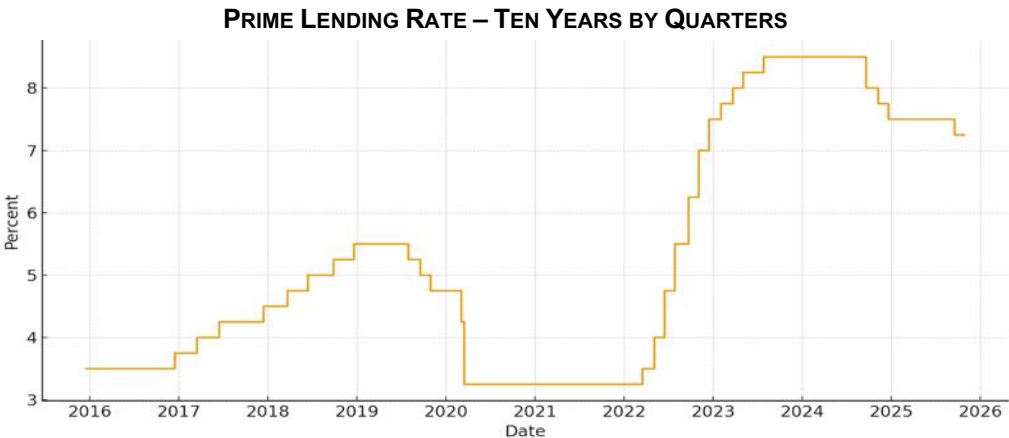
The Subject is a special-purpose property and includes mixed-use and older and near new buildings as well as site improvements of mixed condition. The development was designed and built by the City using assumed Federal and State Grants and-or taxpayer approved General Obligation Bond Initiatives. Currently the State of New Mexico is paying between 5.0 and 5.5% coupons or interest rates for outstanding bonds with typical ten-year maturities. Bond rates fluctuate based on market conditions, treasury bill rates at the time of issuance, and is also impacted by credit ratings, structure and timing of the bonds.

INVESTMENT PREMIUMS RATES

The following table summarizes the 10-year treasury rate over the previous ten years with a current quoted yield of 4.1% after rounding. Applied to the research quoted average yields being paid by the State of New Mexico on bonds the States credit worthiness indicates premiums on the current treasury rate of 90 – 140 basis points.



The following graphic illustrates the prime lending rate or bank rate as tabulated by the Wall Street Journal. Rates peaked over the 10-year period in mid-2023 followed by three cuts in 2024 totaling 750 basis points and one cut in 2025 totaling 250 basis points. The current October 2025 rate is 7.25%



In 2025, U.S. national monetary policy centered on the Federal Reserve’s cautious shift from a restrictive stance

toward gradual easing as inflation moderated but remained above its 2 % target. The Fed cut the federal funds rate to around 4.0–4.25 % in September 2025—the first reduction since 2023—signaling the start of a measured easing cycle aimed at supporting slowing economic growth and guarding against labor-market weakness. Policymakers reaffirmed their dual mandate of price stability and maximum employment while emphasizing data-driven flexibility and vigilance against unanchored inflation expectations. The Fed’s updated policy framework also highlighted readiness to use broader tools, such as balance-sheet and liquidity measures, if economic or financial conditions warrant.

The Fed has signaled between two- and three-quarter rate cuts in 2025 as inflationary fears have cooled together with cooling on inflationary impacts from recent tariffs in 2025. The rate cuts are viewed as a positive signal to housing starts which have slowed in recent years due to the periods relatively high mortgage rates. Market participants anticipate a further 4th quarter reduction of 25 - 50 basis points.

As such current observed rates of return are observed to have been positively impacted by the Federal Reserves monetary policy with rate reductions anticipated in the next twelve months and a return to more stabilized rates in the early periods of the projected holding period of the subject.

NATIONAL AND LOCAL SURVEY – GOVERNMENT AND QUASI GOVERNMENT USE

The following summarizes capitalization rates for Federal, State of New Mexico and City of Las Cruces government and Quasi-government leased real estate capitalization rates or rates of return as sourced from the national investment surveys. As extracted from the survey a rate at the upper end of the survey rates of between 6.25% and 7.25% is reconciled.

NATIONAL GOVERNMENT - LEASED PROPERTIES RATES OF RETURN			
Region / Tenant Type	Estimated Cap Rate Range	Typical Equivalent Annual Yield	Comments
Federal (GSA, VA, DHS) – New Mexico	5.0% – 6.0%	Low yield; highest credit strength	Federal lease, strongest credit profile; long term, bond-like returns
State or County Government – New Mexico	5.75% – 6.75%	Moderate yield; strong credit	State/county leases; solid credit, but market/liquidity premium applies
Municipal / Local Government – New Mexico	6.5% – 7.5%	Higher yield; smaller municipality risk	Local city or village lease; subject to annual appropriations
Las Cruces (Prime) – State/County Tenant	5.75% – 6.0%	Lower yield due to strong lease terms	Best locations in Las Cruces with long-term state or county leases
Las Cruces (Typical) – Local Government Tenant	6.25% – 7.25%	Moderate yield; typical for Las Cruces	Average local assets; moderate term and typical market demand
Las Cruces (Rural or Smaller Asset)	7.0% – 7.5%	Higher yield; smaller market risk premium	Outlying areas or specialized assets; smaller investor pool

(These figures assume long-term NNN or modified-gross leases and stabilized occupancy; actual investor surveys like PwC Real Estate Investor Survey, CBRE Cap Rate Survey, and The Boulder Group’s Net Lease Reports show similar ranges.)

RECONCILIATION – SUBJECT APPLIED RATE OF RETURN

As reconciled from the above analysis a rate of 7.25%. The rate is equal to the upper quoted rate for Las Cruces local government tenants. The utilized rate is considered reflective of a stabilized rate of return applicable to the subject large area mixed-use and non-profit alliance tenant occupancy status of the Mesilla Valley Community of Hope (MVCH) Campus appraised five structures.

MARKET RENT CALCULATION – MESILLA VALLEY COMMUNITY OF HOPE (MVCH)

Therefore, based on the appraiser’s estimate of depreciated value and a market extracted rate of return of 7.25%, the resulting combined market rent is estimated at Subject property based on this analysis is calculated as follows and estimated after rounding at \$690,000.

RATE OF RETURN ON VALUE – MESILLA VALLEY COMMUNITY OF HOPE (MVCH)			
	Market Value	Rate of	Income
	VO	Return	IO
Combined Land and Building	\$ 9,515,000	7.25%	\$ 689,838
Rounded - Current Market Rent Estimate - Gross			\$ 690,000

Applied to the subject overall LCCH gross building area estimate of 54,597 SF produces an average annual rent rate per square foot estimate of \$11.90 = (\$690,000 / 54,597 SF). The pSF figure is observed to be within range of average maintained commercial improvements in the subject market and observed to be reasonable and reflective of the subject mixed special use and mixed aged improvements.

In this case, because the property is owned by City of Las Cruces, the lease would typically be structured on a Gross expense basis. In a Gross lease, the landlord is responsible for property taxes, hazard insurance and major property maintenance. The tenant is responsible for utilities, janitorial and daily upkeep. As a municipally owned improvement the subject is exempt for property taxes with property and liability insurance assumed to be included as a municipally owned insured under Public Property Reserve Fund (PPRF) as administered by the Risk Management Division of the State of New Mexico.

SUMMARY OF THE ANALYSIS

The Subject of this study are five structural improvements and associated use site and out-structures Mesilla Valley Community of Hope (MVCH) located in Las Cruces, New Mexico and owned by the City of Las Cruces. The estimate of market rent excludes the identified building two located on campus as well as the building’s delineated site area. Exclusion of building 2 was based on the structured scheduled demolition as discussed with the Client’s appraisal coordinator and reported as appropriate. No FF&E is included in the analysis of market rent. A comprehensive analysis has been completed to determine the market rental rate for the property. Because of the unique nature of the facilities, a variety of information was considered and applied. Overall, there was sufficient data from which to develop the analysis and provide a credible opinion of the market rental rate of the Community of Hope applied five structure properties.

SECTION XI

RECONCILIATION

The Subject of this study are five structural improvements and associated use site and out-structures identified for analysis and contained in the Mesilla Valley Community of Hope (MVCH) located in Las Cruces, New Mexico.

The estimate of market rent excludes the identified building two located on campus as well as the appraiser's estimate of the building's delineated site area. Exclusion of building 2 was based reported scheduled demolition and was discussed with the Client's appraisal coordinator and reported as appropriate.

The market rent estimate was limited to development of the observed most applicable valuation methodology, which as applied includes methodologies associated with the cost, sales comparison, and income approaches. As applied towards determination of market rent, the cost approach is developed towards estimating the current "as is" depreciated value estimate for each of the five subject structural improvements and associated site developed out-buildings and site improvements. Next a land value estimate is developed utilizing methodologies associated with the sales comparison approach. The depreciated improvement value is then added to land value resulting in an estimate of depreciated value. Next market rates of return for mixed use and similar occupied improvements are studied which is then applied to the depreciated property and improvement value resulting in a final estimate of market rent.

Community of Hope – Five Structures Contained within an Estimated 10.069 Acre Net Site

Year One – Current Market Rent Estimate

\$690,000 – Six Hundred and Ninety Thousand Dollars

Subject to the general limiting conditions and assumptions as outlined within the Section III of the report.

ESTIMATE OF EXPOSURE TIME

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based upon an analysis of past events assuming a competitive and open market. In this instance the estimate of value is market rent with exposure time observed reflective of the sale of the property under consideration if offered as an income investment held under formal lease agreement and market terms at the determined estimate of market rent. The estimate can base upon one or more of the following:

- Statistical information about days on market
- Information gathered through sales verification
- Interviews with market participants

With consideration to the subject property's competitive posture in the market, it is concluded that the most likely exposure period for the subject should be 3 to 12 months or less. Observed exposure periods over the recent past range from 3 - 24 months with extended periods generally representing properties with unreasonable asking prices at the time of offering. The estimate is contingent upon continued professional management and operation of the facility as well as professional marketing of the property and assumes appropriate pricing.

SECTION XIV
CERTIFICATION

I certify that, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ◆ I have performed no prior services, as an appraiser, regarding the as is property that is the subject of this report within the three-year period immediately preceding this assignment effective date of value.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- ◆ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ◆ I have made a personal inspection of the property that is the subject of this report.
- ◆ No one provided significant real property appraisal assistance to the person signing this certification.
- ◆ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ◆ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ◆ As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.



Signature

November 3, 2025

Date

Steven W. Brooks, MAI

New Mexico General Certified Appraiser #850-G

SECTION XV
ADDENDA

ITEM	PAGE
<i>PURCHASE ORDER – CITY OF LAS CRUCES</i>	<i>B</i>
<i>APPRAISER QUALIFICATIONS</i>	<i>E</i>

PURCHASE ORDER – CITY OF LAS CRUCES



CITY OF LAS CRUCES

Bill To
City of Las Cruces
Attention: Disbursements
PO Box 20000
Las Cruces, NM 88004
disbursements@lascruces.gov

Vendor
STEVE BROOKS
DBA: BROOKS REAL ESTATE SERVICES
300 W UNION AVE
LAS CRUCES, NM 88005

BILL
Ship To
700 N. MAIN ST.
ATTN: ECONOMIC DEVELOPMENT
LAS CRUCES, NM 88001

ECODEV

Purchase Order

Fiscal Year 2026 Page 1 of 1

THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES AND SHIPPING PAPERS.

Purchase Order Number 26202708
Purchase Order Date 08/28/2025
Department ECONOMIC DEVELOPMENT
Freight Terms FOB DEST FFA/NET 30

FEDERAL TAX I.D. 85-6000147 | NM CRS # 01-406383-00-2

VENDOR PHONE NUMBER	VENDOR EMAIL	VENDOR NUMBER	REQUISITION NUMBER	BUYER NAME	DELIVERY REFERENCE
575-541-5555	SW_BROOKS@MSN.COM	7071	26103524	Alysha Zamora-Morales	BILL HAMM 575-528-3410

NOTES

MESILLA VALLEY COM OF HOPE CAMPUS MARKET RENT ANA
The Above Purchase Order Number Must Appear On All Correspondence - Packing Sheets And Bills Of Lading
PLEASE REFERENCE THE PO# ON ALL INVOICES. FAILURE TO DO SO WILL RESULT IN DELAY OF PAYMENT.

ITEM #	DESCRIPTION	QUANTITY	UOM	UNIT PRICE	EXTENDED PRICE
1	APPRAISAL SERVICES, REAL ESTATE MESILLA VALLEY COMMUNITY OF HOME CAMPUS MARKET RENT ANALYSIS GL #: 10347001 - 780120	1.0000	EACH	\$9,041.4200	\$9,041.42
2	NM GRT GL #: 10347001 - 780120	1.0000	EACH	\$758.5800	\$758.58

IMPORTANT: Vendor agrees to accept City terms and conditions.


Alysha Zamora Morales / Buyer I
almazoraes@lascruces.gov 575.541.2520

Total Ext. Price \$9,800.00
Purchase Order Total \$9,800.00

CITY OF LAS CRUCES (CITY) PURCHASE ORDER

TERMS AND CONDITIONS

- 1. CONTRACT** The contract resulting from the acceptance of this order is to be construed according to the laws of the State of New Mexico.
This contract is non-assignable by the Seller.
- 2. DELIVERY SCHEDULE** Deliveries are to be made both in quantities of finished goods, service or construction and at times specified by the City. The City will have no liability for payment of material, service or construction delivered to the City which exceed purchase order requirements. The City may from time to time change delivery schedules or issue temporary suspension of scheduled material, service or construction.
- 3. EXCUSABLE DELAYS** Except with respect to defaults of subcontractors, Seller shall not be liable for delays or defaults in deliveries due to causes beyond its control and without its fault or negligence. Written notice setting forth the cause for any anticipated delay will be given immediately to the City. Any delay due to default of subcontractor will be excusable if beyond the control and without the fault or negligence of both the Seller and subcontractor and if Seller established that it could not obtain supplies or services from any other source in time to meet scheduled deliveries.
- 4. CANCELLATION** The City reserves the right to cancel all or any part of the work covered by this purchase order if Seller does not make deliveries as specified or so fails to make progress as to endanger performance of the work and does not correct such failure within 10 days after receipt of written notice from City specifying such failure, or if Seller breaches any of the terms hereof. Additionally, performance of work under this purchase order may be terminated by the City at its option, in whole or in part by delivery, or by e-mailing a written notice of termination whenever the City determines such termination is in its best interest. Upon termination under this paragraph, City shall pay to Seller the following amounts without duplication: the purchase order price for all completed deliveries of materials, services or construction and not previously paid for. The actual costs incurred by Seller in accordance to this purchase order to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting practices to the terminated portion of this purchase order. Payments shall not exceed the aggregate price specified in this purchase order, less payments otherwise made or to be made.
- 5. INSPECTION** All material shall be received subject to City inspection and acceptance. Defective material or material not in accordance to City specifications will be held for Seller's instruction and at Seller's risk and, if Seller so directs, will be returned at Seller's expense. Any payment for material, service or construction on this order prior to inspection shall not constitute an acceptance thereof, nor will acceptance remove Seller's responsibility for latent defects.
- 6. SHIPPING & BILLING** Deliveries shall be shipped F.O.B Las Cruces, NM; Prepaid & Allowed. All deliveries shall be suitably packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation cost and without additional charges unless otherwise specified on the purchase order. Seller shall properly mark each package with the City's order number including single shipments comprised of multiple packages. Purchase order, line item, and package numbers shall be shown on packing slips, bills of lading and invoices. **Packages and invoices delivered without the purchase order number shall be rejected and returned to Seller at Seller's expense.** Packing slips must accompany each shipment. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded by Seller attached to invoice. Invoices shall be rendered in duplicate on day of shipment accompanied by bill of lading and sworn statement and waiver of lien if the order covers repairs and maintenance of premises. Payments made by voucher only. No drafts will be honored.
- 7. WARRANTY** Seller expressly warrants that all the material and work covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by the City, and will be merchantable, of good material and workmanship and free from defect. Seller expressly warrants that all material covered by the order, which is the product of Seller or is in accordance with Seller's specifications, will be fit and sufficient for the purposes intended. Seller is responsible for including product warranty documentation with shipment.
- 8. REMEDIES** All remedies are herein reserved by the City and shall be cumulative and in addition to any further remedies provided in law or equity. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach or of such provision.
- 9. APPLICABLE LAW** This Agreement and the rights and obligations of the parties shall be governed by and construed by the laws of the State of New Mexico applicable to Agreements between New Mexico parties made and performed in that state, without regard to conflicts of law principles. Venue shall be in the Third Judicial District, State of New Mexico.
- 10. PUBLIC RECORDS** In accordance to LCMC Chapter 2, Article 6, Sec. 2.1352 and NMSA, 1978 § 14-2-1 et seq., as amended are subject to IPRA.
- 11. ACCOUNTABILITY IN GOVERNMENT** In accordance with Chapter 2, Article 3, Sec. 2-177.1 of Las Cruces Municipal Code, all procurement transactions fall under the jurisdiction and authority of inspector general.

By acceptance of this Purchase Order, delivering goods and/or rendering services, vendor acknowledges and agrees to these terms and conditions.

APPRAISER QUALIFICATIONS

APPRAISER QUALIFICATIONS AND LICENSE

Steve W. Brooks, MAI

REAL ESTATE EXPERIENCE:

- Owner / Appraiser, Brooks Real Estate Services**, Las Cruces, NM, 1995 - Present
- Owner / Broker, Venture Real Estate and Development**, Las Cruces, NM, 1997 - 1999
- Commercial Appraiser, Barrett Appraisal Services**, Las Cruces, NM, 1991 - 1995

EDUCATION:

- Bachelor of Business Administration**, Finance and Real Estate, May 1989,
New Mexico State University, Las Cruces, NM
- Associate of Engineering Technology**, Electronics Option, December 1985,
New Mexico State University, Las Cruces, NM

PROFESSIONAL DESIGNATIONS:

- Appraisal Institute**, MAI Designation, March 2014

PROFESSIONAL ASSOCIATIONS:

- Appraisal Institute**, designated member, multiple board member positions held
- Association of Realtors**, member number, multiple board member positions held

APPRAISAL COURSES AND SEMINARS COMPLETED:

- Appraisal Principals**, Appraisal Institute Course 110, Phoenix, AZ. March 1994
- Appraisal Procedures**, Appraisal Institute Course 120, Phoenix, AZ. March 1994
- Residential Case Study**, Appraisal Institute Course 210, Phoenix, AZ. March 1994
- Basic Income Capitalization**, Appraisal Institute Course 310, Phoenix, AZ. March 1994
- General Applications**, Appraisal Institute Course 320, Phoenix, AZ. March 1994
- Standards of Professional Practice A & B**, Appraisal Institute, San Diego, CA. June 1994
- Narrative Report Writing**, Appraisal Institute Course 540, Albuquerque, NM. October 1994
- Advanced Applications**, Appraisal Institute Course 550, Albuquerque, NM. October 1994
- Advanced Income Capitalization**, Appraisal Institute Course 510, Phoenix, AZ. February 1995
- Highest and Best Use, Market Analysis**, Appraisal Institute Course 520, Phoenix, AZ. March 1995
- Advanced Sales and Income**, Appraisal Institute Course 530, Tempe, AZ. March 1996
- Introduction of GIS**, Appraisal Institute, Online Education, May 2002
- State of Valuation Profession**, Appraisal Institute, Albuquerque, NM, April 2002
- Rates and Ratios**, Appraisal Institute, Santa Fe, NM, October 2004
- Standards of Professional Practice C**, Appraisal Institute, El Paso, TX, January 2005
- URAR - Revised Form Update**, Appraisal Institute El Paso, TX, June 2005
- Subdivision Valuation**, Appraisal Institute, Santa Fe, NM, April 2006
- Forecasting Revenue**, Appraisal Institute, Santa Teresa, NM, June 2007

- **Yellow Book - Uniform Standards for Federal Land Acquisitions, 15 hr.**, Albuquerque NM, March 2007
- **Attaching & Defending an Appraisal in Litigation**, Appraisal Institute, Santa Teresa, NM, October 2008
- **Appraisal Business Practices and Ethics**, Appraisal Institute, Online Education, December 2009
- **Appraisal Curriculum Overview (2-Day General)**, Appraisal Institute, El Paso, TX, July 2010
- **Marketability Studies – The Six Step Process**, Appraisal Institute, Albuquerque NM, April 2013
- **Marketability Studies – Advanced Considerations and Applications**, Appraisal Institute, Alb. NM, April 2013
- **Separating Real, Personal Property and Intangible Assets**, Appraisal Institute, Alb. NM, June 2013
- **Capstone – MAI Demonstration Report Class**, Appraisal Institute, Albuquerque NM, February 2014
- **Uniform Standards of Professional Practice, 15 hr.**, Appraisal Institute, Albuquerque NM, November 2014
- **Standards and Ethics of the Appraisal Institute**, Appraisal Institute, Albuquerque NM, January 2016
- **Condemnation Appraising – Applications and Concepts**, Appraisal Institute, Albuquerque NM, October 2016
- **Residential and Commercial Valuation of Solar**, Appraisal Institute, Albuquerque NM, January 2019
- **New Technology for Real Estate Appraisers**, Appraisal Institute, Online Education, April 2019
- **Marshall & Swift Commercial Cost Approach**, Columbia Institute, Online Education, April 2021
- **Identifying and Correcting Appraisal Failures**, OREP, Online Education, April 2023
- **How to Raise Appraisal Quality and Minimize Risk**, OREP, Online Education, April 2025
- **Uniform Standards of Professional Practice, 7 hr. Update**, American Society of Farm Managers & Rural Appraisers, Ruidoso NM, February 2024

PROFESSIONAL LICENSE:

- **New Mexico General Certified Appraiser** - Certificate No. 000850-G, Issued 3/29/1993 with reissue through 4/30/2027



State of New Mexico

Real Estate Appraisers

HEREBY CERTIFIES THAT

Steven Wyatt Brooks

HAVING GIVEN SATISFACTORY EVIDENCE OF THE COMPLETION OF
PROFESSIONAL AND OTHER REQUIREMENTS PRESCRIBED BY LAW
IS GRANTED A LICENSE TO PRACTICE IN THE STATE OF NEW MEXICO

General Certified Appraiser

License No. 850-G

Issued 03/29/1993

Expires 04/30/2027

THIS LICENSE SHOULD BE CONSPICUOUSLY POSTED IN PLACE OF BUSINESS OR AS REQUIRED BY LAW

AMENDMENT TO LEASE AGREEMENT BETWEEN
CITY OF LAS CRUCES AND MESILLA VALLEY COMMUNITY OF HOPE, INC.

This Amendment to Lease Agreement entered into on the 1st day of May, 2023, to the Lease Agreement commenced on December 1, 2015 and extended by Extension of Lease on February 8, 2021 between CITY OF LAS CRUCES, as ("CITY"), whose address is P.O. Box 20000, Las Cruces, NM 88004 and Mesilla Valley Community of Hope ("MVCH"), a New Mexico domestic non-profit corporation, as Lessee, whose address is 999 West Amador Avenue, Building 3, Las Cruces, NM 88005, for the Leased Premises located at 999 West Amador Avenue, Las Cruces, New Mexico ("Premises").

Pursuant to the Lease, the parties agree as follows:

- a.) The parties agree to amend the Exhibit A attached to the Lease showing the Lease premises City is going through an Administrative replat to include additional property recently purchased to relocate Casa de Peregrinos food pantry for the Mesilla Community of Hope campus.
- b.) Article 3. Rent Payments. A. The Market Rate Annual Rental will increase from \$400,000.00 as of the date of this Amendment to \$568,000.00 per year. In lieu of the rental payment, and beginning on June 1, 2023, the Lessee providing services for the care and maintenance of sick and indigent persons, persons who are homeless, or have low income, as well as abused and/or neglected children who are residents of Las Cruces and surrounding area of Dona Ana County, as itemized for rent on Exhibit "B" of Amendment.
- c.) Article 9. Sublease. MVCH shall provide the City with a new sub-lease between MVCH to Casa de Peregrinos to delineate the new leased site.

All capitalized terms used in the Amendment and not otherwise defined herein will have the meaning given such term in the Lease.

IN WITNESS WHEREOF, this Amendment to Lease Agreement is entered into on this 1st day of May, 2023.

MESILLA VALLEY COMMUNITY OF HOPE

BY: [Signature]

CITY OF LAS CRUCES

BY: [Signature]
Ifo Pili, City Manager

Approved as to Form:

[Signature] 4/20/23
Jocelyn Garrison, Acting City Attorney

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EXHIBIT "A"

Lot 1 of Las Cruces Community of Hope Subdivision, in Las Cruces, Dona Ana County, New Mexico as shown and designated on the Plat thereof filed in the office of the County Clerk of said County on April 6, 2023 as Instrument No: 2306979 more fully depicted on Exhibit A-1 and Exhibit A-2.

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$\frac{3}{8}$



Exhibit "B"

Grants awarded to Campus		
Amador Health Center (St. Lukes)	HRPS	\$ 30,000.00
Casa De Peregrinos	HRPS	\$ 32,000.00
El Caldito	HRPS	\$ 32,000.00
Jardin De Los Ninos	HRPS	\$ 32,000.00
Mesilla Valley Community of Hope	HRPS	\$ 32,000.00
Mesilla Valley Community of Hope	Mano y Mano	\$ 543,000.00
Mesilla Valley Community of Hope	Outreach services	\$ 75,000.00
Mesilla Valley Community of Hope	CDBG	\$ 30,000.00
Casa De Peregrinos	CDBG	\$ 30,000.00
Jardin De Los Ninos	CDBG	\$ 30,000.00
Value of Lease Space	Fair Market	\$ 568,000.00
	TOTAL	\$ 1,434,000.00

Funding or Services in Lieu	
Non-City Grants-MVCH	\$ 2,081,727.00
Volunteer Hours-MVCH	\$ 218,560.00
Donations-MVCH	\$ 2,984,722.00
Non-City Grants-CDP	\$ 386,141.00
Volunteer Hours-CDP	\$ 359,609.65
Donations-CDP	\$ 1,485,281.00
Value of El Caldito Meals (Less City Grant)	\$ 324,400.00
Volunteer Hours-El Caldito	\$ 853,575.00
Donations-El Caldito	\$ 250,000.00
Non-City Grants-Amador	\$ 2,205,251.00
Donations-Amador	\$ 69,690.00
Non-City Grants-Jardin	\$ 582,784.00
Volunteer Hours-Jardin	\$ 34,801.00
Donations-Jardin	\$ 145,460.84
Subtotal	\$ 11,982,002.49
Facility Improvement Funding-MVCH	\$ 1,150,000.00
Facility Improvement Funding-Jardin	\$ 250,000.00
Facility Improvement Funding-CDP	\$ 1,875,000.00
Facility Improvement Funding-Amador	\$ 1,625,000.00
Facility Improvement Funding-MVCH	\$ 600,000.00
Facility Improvement Funding-MVCH	\$ 200,000.00
Total	\$ 17,682,002.49

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MVCH SERVICES: See Attachment

CDP SERVICES: See Attachment

EL CALDITO SERVICES: El Caldito Soup Kitchen provides a hot nutritious mid-day meal Sunday through Friday, and a sack lunch on Saturdays, we serve lunch all 365 days of the year. A continental breakfast is served three days a week and a hot breakfast is served two days a week. Meals are free of charge to all who come to our doors including provisions on site.

AMADOR SERVICES: Primary Health Care, Pharmacy, Behavioral Health Counseling including Diagnosis and Treatment; Substance Use Recovery Support including counseling, case management and peer support; Psychology with Medication Management; Case Management including assistance with transportation and referrals for housing, food, and medical specialties. They do vary from year to year, as some of our federal funding grants for Covid are going away.

JARDIN SERVICES: Jardin de los Niños is a non-profit organization with a Five-Star early childhood education program certified by the FOCUS Program of New Mexico. We are designated as a Trauma-Informed Care Center by the New Mexico Association for Infant Mental Health. Jardin provides early childhood education, therapeutic intervention including dental, vision, medical, behavioral and mental health services, and comprehensive wrap-around services to homeless and near-homeless children, from the ages of six weeks to 10 years, and their families. Jardin provides a holistic, strengths-based approach to serving families and breaking the cycle of generational poverty.

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Casa de Peregrinos Programs within the City of Las Cruces

Food Security Program – Provide supplemental groceries (average of 85 lbs. per family) to families and individuals (18,000 people) below the poverty level as well as low-income families at our flagship pantry on the Community of Hope. This is a largest program.

Homeless Program – Provide food baskets or custom food bags for homeless individuals and families, that includes all those already in transitional homes through services provided on our campus.

Children's Relief Program – This program is designed to provide additional relief with additional food distributions (baskets) to families with children during the school year's fall, winter spring and summer breaks.

Seniors Program – These are mobile food pantries set up on location at each of the City of Las Cruces' Senior Centers specifically for seniors.

Student Pantries – These are mobile food pantries on location at NMSU and both DACC Campuses. This program is designed to serve the students in college as well as staff that may require our services.

Hope or the Holidays (Thanksgiving Distribution) – This project serves over 3,500 families in Las Cruces with full Thanksgiving meal.

Healthy Snacks Program – This program is to provide healthy snacks for students at the LCPS Community Schools.

CdP Delivers – This program is new and is currently providing food boxes to homebound individuals in collaboration with several other agencies including LCDF, LCPD, Adult Protective Services, La Clinica de Familia and others.

Food Rescue Program – Instrumental part of our operation, this program is designed to collect food that has passed its "sell-by" date and would have been destined for the landfill, then distributes it to families in Las Cruces through several of our programs.

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Mesilla Valley Community of Hope Programs

- **Day Shelter:** Showers, Laundry, mail, case management, clothing
- **Permanent Supportive Housing:** Group Living and Individual, scattered-site apartments for homeless people with disabilities & their families. Individuals must be chronically homeless.
- **Rapid Rehousing:** Subsidized rental assistance to help transition homeless individuals, families, & veterans back into permanent housing. Individuals must be literally homeless.
- **Veteran Housing:** Ongoing rental assistance & supportive services for veterans. Other assistance available to homeless vets includes security deposits, first month's rent, homeless prevention, & utility assistance.
- **Linkages:** Permanent supportive housing voucher program for persons with severe mental illness who are homeless or precariously housed. MVCH partners with La Clinica de Familia & Amador Health Center to provide supportive services.
- **Homeless Prevention:** Assistance to help individuals, families & veterans who are at risk of becoming homeless.
- **Camp Hope:** MVCH operates a tent city for the homeless located on the Community of Hope campus which provides a safe place for homeless residents to stay while they transition into housing.
- **SOAR:** Social Security Disability Application assistance (SSI/SSDI Outreach, Access and Recovery)
- **Housing Stability Services:** For participants enrolled in the eRAP program
- **Outreach Services:** Outreach team delivering services to unhoused people throughout the community; presentations to businesses, clubs, educational opportunities, etc.

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LEASE EXTENSION AGREEMENT BETWEEN
CITY OF LAS CRUCES AND MESILLA VALLEY COMMUNITY OF HOPE, INC.

The Lease Agreement entered into on the 5th day of October, 2015, and commenced on December 1, 2015 between CITY OF LAS CRUCES, as ("CITY"), whose address is P.O. Box 20000, Las Cruces, NM 88004 and Mesilla Valley Community of Hope ("MVCH"), a New Mexico domestic non-profit corporation, as Lessee, whose address is 999 West Amador Avenue, Building 3, Las Cruces, NM 88005, for the Leased Premises located at 999 West Amador Avenue, Las Cruces, New Mexico ("Premises").

The parties hereby agree to extend the Lease Agreement on the same terms and conditions from December 1, 2020 through December 30, 2025, being the extension of an additional five (5) year term as set out on Article 2 Item B of said Lease Agreement.

IN WITNESS WHEREOF, this Lease Extension Agreement is entered into on this 8th day of February 2021.

MESILLA VALLEY COMMUNITY OF HOPE

BY: 

CITY OF LAS CRUCES

BY: 

Ifo Pili, City Manager

Approved as to Form:

Electronic Approval JG 2-8-21
Jocelyn Garrison, Sr. Assistant City Attorney

**LEASE OF THE COMMUNITY OF HOPE CAMPUS LOCATED
AT 999 WEST AMADOR AVENUE**

THIS LEASE, (hereinafter the 'Lease') is entered into this 2015, and is effective as of December 1, 2015, between the City of Las Cruces, a New Mexico municipal corporation, (hereinafter called the 'City'); and Mesilla Valley Community of Hope, Inc. a New Mexico domestic non-profit corporation, whose address is 999 West Amador Avenue, Building 3, Las Cruces, NM 88005, (hereinafter 'Lessee').

WITNESSETH:

WHEREAS, the City is the owner of certain real property located at 999 West Amador Avenue, as depicted further in Exhibit A attached hereto and incorporated herein by reference, (hereinafter 'Leasehold Property'); and

WHEREAS, Lessee desires to lease the Leasehold Property to continue the operations at that location of programs providing services for the care and maintenance of sick, indigent persons, persons who are homeless, or have low income as well as abused and/or neglected children who are residents of Las Cruces and the surrounding area of Dona Ana County and

WHEREAS, the City is willing to lease the Leasehold Property to Lessee; and

WHEREAS, the parties desire to execute a written Lease containing the terms and conditions of this lease agreement.

NOW THEREFORE, for valuable considerations, the following is agreed:

Article 1. Leasehold Property Description.

The City hereby leases to Lessee, the Leasehold Property with all improvements located thereon.

Article 2. Leasehold Term. Extended Term and Possession.

A. The term of this Lease shall be five (5) years (hereinafter 'Lease Term') commencing on the 'Commencement Date, as hereinafter defined, and terminating on the fifth anniversary of the Commencement Date. The Commencement Date shall be December 1, 2015.

B. Lessee shall have the option to extend this Lease for one five (5) year term (the 'Extended Term'), upon the same terms and conditions herein provided, except that the City may update the market rate annual rental to reflect the then current market value for the extended term. To exercise the Extended Term, the Lessee must notify the City in writing not later than six (6) months prior to the termination of the Lease Term. If the Lessee does not notify the City within the

appropriate time period, the City may terminate the lease at the end of the Lease Term. The right to exercise the option for the Extended Term shall be solely at the discretion of the Lessee.

C. If Lessee should remain in possession of the Leasehold Property after the expiration or termination of this Lease, without the execution by City and Lessee of a new Lease, or without the request for the Extended Term, the Lessee shall be deemed to be occupying the Leasehold Property as a hold over tenant, subject to all the terms and condition of this Lease; and shall pay as rent an amount equal to the then-current Market Rate Annual Rental, as established by the City's Land and Real Estate Services Manager at that time. Services in lieu of rent will be included in this calculation.

Article 3. Rent Payments.

A. The Market Rate Annual Rental as of the Commencement Date is \$400,000.00 per year. In lieu of the rental payment, and beginning on December 1, 2015, the Lessee providing services for the care and maintenance of sick and indigent persons, persons who are homeless, or have low income, as well as abused and/or neglected children who are residents of Las Cruces and the surrounding area of Dona Ana County. The services to the public shall be at least equal in value to the Market Rate Annual Rental, and are to be performed on an on-going basis during the Lease Term by the Lessee as follows:

- 1) Lessee, shall continue the public service for the sick and indigent, homeless, low income, and/or abused and/or neglected children to residents of Las Cruces and the surrounding area of Dona Ana County
- 2) Lessee shall operate programs to carry out the goals outlined in Section 3A of this Lease, with programs such as shown on Exhibit 'B' attached hereto and made a part hereof:
- 3) Lessee shall provide services regardless of race, color, religion, sex, national origin, age, disability or sexual preference. No person shall be excluded from participation in or denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities based on race, color, religion, sex, national origin, age, disability or sexual preference.

B. Lessee shall provide a report to the City at least annually to document the type of services with both quantity and quality measures which describes the caseload of services and the approximate amount of same being offered to residents of the City. The overall value of those services must at a minimum meet the value assigned to the property as defined in Article 3, Section A above. If the value of the services is less than the value assigned to the property that difference becomes due and payable to the City within 30 days.

Article 4. Maintenance and Repairs.

A. Lessee and City shall jointly share the responsibility for maintenance and repair of the Leasehold Property as defined in this Article 4 and more specifically defined on Exhibit 'C'. The City shall be responsible for maintenance and repair of major mechanical systems and the roof. Lessee shall be responsible for servicing and maintenance of the building and equipment therein. Lessee agrees to comply with the City building codes at all times.

B. The City shall be responsible for capital improvement and major maintenance items as set out on Exhibit C attached hereto and made a part hereof being within the buildings owned by City. The City shall also be responsible for necessary building renovations, as determined by the City, and as deemed necessary from time to time during the Lease. City will bill Lessee for requested minor repairs at normal hourly rate.

C. Lessee shall maintain the Leasehold Property and any improvements, fixtures or equipment on the Leasehold Property in a workman-like manner excluding the City's responsibilities in Sections 5A and 5B above. Lessee shall be responsible for all maintenance responsibilities as set out on Exhibit 'C' attached hereto and made a part hereof.

D. Lessee shall maintain and provide the City with a copy of written log on a quarterly basis of the maintenance records whether handled by their staff or contracted to an outside party. Any servicing maintenance or replacement parts must meet and be maintained as per manufacturer recommendations and specifications.

E. Lessee shall be responsible for any expenses required to repair or replace any damage or injury done to the building, or any part thereof, caused by Lessee, Lessee's agents, employees, licensees, invitees or visitors, provided, however, if Lessee fails to make such repairs or replacements promptly, City may, at its option, make such repairs or replacements and Lessee shall pay the cost thereof to City on demand.

F. City, its officers, agents and representatives, subject to any security regulations imposed by any governmental authority or Lessee, shall have the right to enter all parts of the premises, subject to a Twenty-four (24) hour notice and at a reasonable hour, to inspect, clean, make repairs, conduct safety inspections on the building or premises which are reasonably required and as it may deem necessary or desirable, or to provide any service which it is obligated to furnish to Lessee. Notwithstanding the above, the City shall have the right to enter the Leasehold Property without notice in the event of an accident or urgent situation, such as a fire, medical or police emergency being declared on the Leasehold Property.

G. All trade fixtures, portable buildings, equipment and other personal property brought, installed, erected or placed by Lessee in, on or about the Leasehold Property shall be deemed to be personal and shall be and remain the property of Lessee, except as

otherwise provided herein; and Lessee shall have the right at any time during the term hereof when not in default and when not prohibited by any mortgages of Lessee to remove any or all of its property, subject to Lessee's obligation to repair all damage, if any resulting from such removal. All such portable buildings, trade fixtures, and other personal property of Lessee shall be removed by Lessee from the Leasehold Property at the expiration of this Lease or the expiration of any renewal hereof, whichever occurs last, unless this Lease is earlier terminated as provided for herein.

Article 5. General Provisions.

A. No hazardous waste shall be permitted to be stored or disposed of on the Leasehold Property. Any Medical waste must be stored and disposed of in the specified containers as required.

B. City of Las Cruces Design Standards For Construction and Landscaping Regulations are applicable to the Leasehold Property for any construction and development activities which may occur in the future. Lessee must meet minimum City standards for infrastructure construction, including water, waste water, gas, streets, drainage, signs, and landscaping, etc. City may allow use of rain barrels on leasehold property upon City and State appropriate review and approvals of such system if applicable.

C. Lessee acknowledges that it has fully inspected the leasehold property and Lessee hereby accepts the leasehold property buildings, improvements and each appurtenance thereto as is, in their present state and condition, as suitable for the purpose for which the same are leased and agrees to allow for changes in such condition, occurring by reasonable deterioration between the date this Lease is executed and the date such changes shall occur.

D. Lessee shall pay all utility costs for electric power, water, waste water and natural gas utilities during the lease term and extended term. Lessee shall pay all other charges made against the Leasehold Property, including telecommunications, or any other utility furnished to the premises during the continuance of this lease, as the same shall become due. Lessee shall also be responsible for paying or putting up any bonds or deposits required by electric power, water, waste water and natural gas utility services to the Leasehold Property which is the subject matter of this lease agreement.

E. Lessee covenants and agrees to 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 Leasehold Property and to take out and keep current all licenses (City, County, State and Federal) required for the conduct of its business, and further agrees not to permit any of said taxes, excise or license fees to knowingly become delinquent. Lessee shall furnish to the City, upon request, satisfactory evidence showing prompt payment by it of Social Security, Unemployment Compensation and Workmen's Compensation Insurance, all required licenses, all taxes, all undisputed bills, debts and

obligations incurred by it in connection with its operation on the Leasehold Property, and to protect the City from any lien, judgment or execution filed against said property or improvements thereon which could in any way impair the rights of the City

F The City shall not sell or lease any fixtures or personal property not attached to the Leasehold Property for any reason during the Lease Term, without first seeking written permission in the form of a Partial Leasehold Relinquishment Statement to be approved by Lessee. Lessee may request fair and equitable compensation for approval of any such complete or partial leasehold relinquishment. The City shall give 120 day written notice of any sale or lease of the Leasehold property

G. The parking area on the Leasehold Property shall be for the exclusive use of the customers, clients, patrons, officers and employees of the Lessee. Lessee must accommodate parking needs, as a result from building expansion, such as a multi-story addition on the Leasehold Property which may require additional parking spaces pursuant to a zoning ordinance code requirement to achieve a land to building area ratio for number of parking spaces which may not be available due to size limitations of the Leasehold Property

Article 6. Permitted Uses.

A. Lessee shall have use of the Leasehold Property granted in this Lease for the purpose of providing services for the care and maintenance of sick, indigent persons, persons who are homeless, or have low income as well as abused and/or neglected children who are residents of Las Cruces and the surrounding area of Dona Ana County and related counseling, education and advocacy programs. Lessee shall also be permitted to operate related social service programs as these may relate to the provision of services to victims of sick, indigent, homeless, low income and abused and/or neglected children, and as deemed necessary by Lessee, with these additional programs, if any to be reported annually to the City

B. No other use shall be permitted unless the City in writing, has previously granted its consent.

C. Lessee will not use, occupy or knowingly permit or allow the use or occupancy of the Leasehold Property for any purpose which is directly or indirectly forbidden by law, ordinance, or governmental or municipal regulation or order, or which may be dangerous to life, limb, or property or permit the maintenance of any public or private nuisance; or to do or permit any act or thing which may disturb the quiet enjoyment of adjacent City uses.

Article 7. Insurance.

A. Lessee shall maintain insurance coverage at all times on the Leasehold Property its operations, and the building and building contents, as follows:

1. General Commercial Liability Insurance in the amount of one million dollars (\$1,000,000) with the City named as an additional insured.

2. City does not insure tenant's contents and recommends Lessee maintain their own coverage for all contents with exception of the items owned by the City

3. State of New Mexico requires Workmen's Compensation Insurance. Lessee and Sub-Lessee shall provide written evidence to the City

B. Lessee and the City shall review insurance coverage limits at periodic intervals during the Lease.

C. If the Leasehold Property is partially or totally destroyed or damaged by fire or other casualty covered by the all-risk property insurance carried by Lessee under the terms hereof, then the City and Lessee shall work jointly in a cooperative manner to repair and restore the Leasehold Property as soon as it is reasonably practicable, to substantially the same condition in which the Leasehold Property was prior to such damage. The City and Lessee shall negotiate at such a time as to each parties' pro rata share of financial responsibility to fund the repair and reconstruction. However, in the event the Leasehold Property may be completely destroyed or so badly damaged that repairs cannot be commenced within thirty (30) days and completed within three (3) months thereafter, then this Lease shall be terminable, as of the date of the occurrence of the damage or destruction, by Lessee hereto by serving written notice upon the City. In such event Lessee and the City shall jointly determine if the building should be rebuilt or if the proceeds to the City from any property insurance settlement should be used to reconstruct facilities at another location.

D. If the leasehold property shall be damaged by fire or other casualty resulting from the fault or negligence of Lessee, or the agents, employees, licensees, or invitees of Lessee, the City may require such damage to be repaired by and at the expense of Lessee.

Article 8. Construction and Ownership of Improvements.

A. During the Term or Extended Term of this Lease, title to all permanent improvements existing or constructed upon the Leasehold Property shall be vested in City. Lessee shall not construct any improvements, which represent an increase in the square footage of the building, on the Leasehold Property without the express written consent of the City which consent shall not be unreasonably withheld.

B. All temporary buildings and other temporary improvements owned by the Lessee shall meet City codes.

C. Lessee covenants and agrees that it will make no structural change or addition without City's prior written consent, and without first furnishing the City fifteen (15) days advance written notice outlining in detail the proposed changes or alterations, including a set of building plans and specifications.

D. Lessee shall be permitted to expand the building(s) and facilities on the Leasehold Property based on needs as determined by Lessee, according to applicable regulations and as approved by the City. Lessee shall be responsible for all expenses related to building expansion, consistent with the City as the fiscal agent. The Lessee and the City shall work cooperatively in all building expansion and construction projects. The City shall seek input from the Lessee regarding the selection and supervision of all architectural and building construction firms to be employed by the City for Lessee's building expansion program(s) pursuant to City purchasing regulations. The City shall not seek bids nor begin construction of any improvements on the Leasehold Property unless the Lessee has granted written approval of the construction drawings and specifications. Lessee shall also have the right to construct detached storage buildings and other facilities on the leasehold property pursuant to applicable regulations.

E. Should the City allow expansion in certain circumstances, the Lessee will assume all capital replacement and maintenance of the improvement.

Article 9. Sublease.

A Lessee has the responsibility of issuing, requiring and executing subleases for any other organizations providing services for the care and maintenance of sick and indigent persons, persons who are homeless, or have low income as well as abused and/or neglected children who are residents of Las Cruces, Dona Ana County and surrounding area, subject to City approval, that occupy any portion of the leasehold property. All sub-leases must insure that MVCH responsibilities as stated herein are passed through as appropriate to all organizations signing subleases under this lease. A draft sublease for all sub-lessees under this lease must be approved by the City's Land and Real Estate Services / Facilities Department of the City.

All subleases for current occupants shall be signed by MVCH and sub lessee within Thirty (30) days of executing of this Lease, with copies provided to the Land and Real Estate Services/ Facilities Section of the City.

Future organizations coming onto the Leased property must sign a sublease with MVCH before moving on-site.

B. Lessee shall not assign or sublease the Leasehold Property granted by this Lease or the improvements on the Leasehold Property without the prior written consent of the City. The City's consent shall be conditioned by the continued use and purpose of the Leasehold Property, as stated herein, and may require other conditions or covenants before.

consenting to an assignment or sublease. Such additional conditions or covenants shall not be unreasonable but shall be in accord with the proper administration of the Leasehold Property and the dedicated purposes granted by this Lease. If the Lease is assigned, all clauses herein binding the parties hereto are also binding on any and all successors and/or assigns.

C. Each sublease shall contain a provision, satisfactory to Lessor, requiring sublessee to attorn to Lessor. Accordingly in Lessee defaults under this lease and if the sublessee qualifying under the attorn provisions of the sublease may not be ejected from the premises for a period of six (6) months after receiving notice of the termination of the lease with the Lessee.

Article 10. Meetings.

The City and MVCH and their alliance agencies are to meet on a routine basis. A scheduled time shall be by mutual agreement between the parties.

Article 11. Default and Cancellation.

A. The violation by Lessee of any of the terms, conditions or covenants of this Lease shall be considered a default and may cause this Lease to be cancelled and terminated following at least one hundred twenty (120) day advance written notice of such default from City to the Lessee; provided, however, said cancellation shall not be made if, within the one hundred twenty (120) day notice period, Lessee cures or remedies said default or otherwise complies with any demand contained within such written notice which cures or remedies the default.

B. If Lessee is determined to be in default by the City and in a state of continuing default after the designated period has elapsed to cure a default as defined in Section 11A herein, the City may at its option, immediately or at any time thereafter, without further notice or demand, enter upon and into the Leasehold Property

Article 12. Relinquishment.

At any time, upon 45 days prior written notice, provided all rentals due and owing have been fully paid and Lessee is not in default under this Lease, Lessee may cancel and relinquish possession to the City whereupon Lessee shall be relieved of any further liability and obligations under this Lease. Article 4G shall apply with respect to ownership and removal of temporary improvements upon such termination and Article 8 shall apply to removal of fixtures and furniture. Lessee shall not be entitled to a refund of any rentals paid.

Article 13. Compliance with Laws.

Lessee shall at its own expense fully comply with all laws, regulation, rules, ordinances, and requirements of the applicable city county state and federal authorities and agencies witch have been or may be enacted or promulgated in all matters and things affecting the Leasehold Property granted by this Lease and operations thereon

Article 14. Indemnification.

Lessee shall save and hold harmless, indemnify and defend the City its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims losses, or damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee under this Lease, or arising out of the presence of the Leasehold Property of any agent, contractor or subcontract of Lessee.

Article. 15. Scope of Agreement.

This Lease incorporates all the agreements, covenants and understandings between City and Lessee concerning the Leasehold Property granted by this Lease and the use permitted by this Lease and all such agreements, covenants, and understandings have been merged into this written Lease. No prior agreement or understanding, verbal or otherwise, between the City and Lessee or their agents shall be valid or enforceable unless embodied in this Lease.

Article 16. Amendment.

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

Article 17. Waiver.

No waiver of any breach or default by Lessee of any of the terms, conditions or covenants of this Lease shall be held to a waiver of any subsequent breach. No waiver shall be valid or binding unless the same is in writing and signed by City

Article 18. Applicable Law

A. This Lease shall be governed by the laws of the State of New Mexico. If any clause or provision of this Lease is found to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, the remainder of this Lease shall not be affected thereby

Article 19. Notices.

A. 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, when deposited in the United States mail, postage prepaid, return receipt requested, addressed to the parties at their respective addresses set forth below. Notice shall be deemed to be received on the fifth day following posting.

City Manager
City of Las Cruces
P.O. Box 20000

Las Cruces, New Mexico 8800

(Copy to Land and Real Estate Services)

(Copy to City Attorney)

President

Mesilla Valley Community of Hope.

999 West Amador

Las Cruces, NM 88005

(Copy to Executive Director)

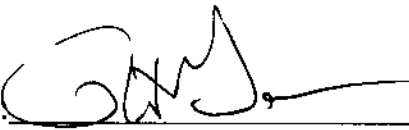
Article 20. Covenants of the City.

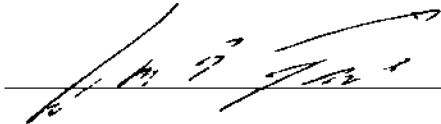
The City covenants that Lessee, upon services or documentation in lieu of reserved herein and the performance of each of the covenants, agreements and conditions on the part of Lessee to be observed and performed, shall and may peaceably and quietly have, hold and enjoy the Leasehold Property for the term thereof, 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 this Lease.

IN WITNESS WHEREOF City and Lessee have executed this Lease as of the date first written above.

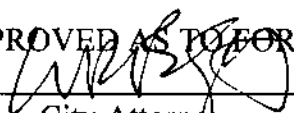
OWNER. CITY OF LAS CRUCES

LESSEE – Mesilla Valley Community
Of Hope.

By: 
Robert Garza
Its. City Manager

By: 

APPROVED AS TO FORM:


City Attorney



Article 19. Notices.

A. 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, when deposited in the United States mail, postage prepaid, return receipt requested, addressed to the parties at their respective addresses set forth below. Notice shall be deemed to be received on the fifth day following posting.

City Manager
City of Las Cruces
P.O. Box 20000

Las Cruces, New Mexico 8800

(Copy to Land and Real Estate Services)

(Copy to City Attorney)

President

Mesilla Valley Community of Hope.

999 West Amador

Las Cruces, NM 88005

(Copy to Executive Director)

Article 20. Covenants of the City.

The City covenants that Lessee, upon services or documentation in lieu of reserved herein and the performance of each of the covenants, agreements and conditions on the part of Lessee to be observed and performed, shall and may peaceably and quietly have, hold and enjoy the Leasehold Property for the term thereof, 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 this Lease.

IN WITNESS WHEREOF City and Lessee have executed this Lease as of the date first written above.

OWNER. CITY OF LAS CRUCES

LESSEE – Mesilla Valley Community
Of Hope.

By: 
Robert Garza, City Manager

By: 
William Fisk, President

APPROVED AS TO FORM:

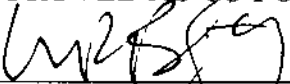

City Attorney

Exhibit "A"

A certain real property located at 999 West Amador in the City limits of Las Cruces in Dona Ana County, New Mexico, being part of Lot 1 of the Amador Tracts Subdivision as filed January 11, 2000, in Plat Book 19 at page 361 of the records of the Dona Ana County Clerk. This tract is located within the City Limits of Las Cruces, Dona Ana County, New Mexico, and is more particularly described as follows.

A Tract of Land being a part of Lot 1 of the Amador Tracts Subdivision as filed January 11, 2000, in Plat Book 19 Page 361 of Clerk Records; this tract is located within the City of Las Cruces, Dona Ana County, New Mexico, and is being more particularly described as follows:

Beginning at the southeast corner of this tract, which point is identical to the southeast corner of said Lot 1, Thence from said point of beginning the following two courses along the south line of said Lot 1, S70 deg.12'02"W a distance of 60.46 feet to a corner of this tract; Thence S74 deg.52'00' W a distance of 269.79 feet to the southwest corner of this tract; Thence N15 deg. 08'00"W leaving the south line of said Lot 1, A distance of 397.01 feet to the northwest corner of this tract; Thence N74 deg.22'00"E, a distance of 326.62 feet to a point along the east line of said Lot 1 for the Northeast corner of this tract; Thence S15 deg.38'00' E, along the east line of said Lot 1 a distance of 394.95 feet back to the point and place of beginning. This tract contains 3.000 acres, more or less, of land. This tract is subject to a 12 foot utility easement along and parallel to the east line of this tract and is also subject to other reservations, restrictions and easements of record.

Exhibit "B"

This Exhibit is to set out the programs as outlined on Article 3, paragraph numbered 2 to be performed by the Lessee and/or their agents.

Mesilla Valley Community of Hope: MVCH operates a service center for homeless and near-homeless persons where they can access housing assistance, case management, free legal services, and assistance with social security disability applications, showers, laundry, trainings, donated goods and an overnight tent city (Camp Hope). Services offered provide solutions to addressing and ending homelessness.

Casa de Peregrinos: Casa de Peregrinos, a nonprofit and nondenominational emergency food program, provides free supplemental groceries to individuals and families at risk of hunger in Las Cruces and Doña Ana County. Our mission is to serve as a safety link for those unable to purchase nutritious food due to an emergency or unforeseen personal crisis.

As part of that mission, we also commit ourselves to promoting public awareness of hunger in Doña Ana County and to securing broad-based support for hunger prevention and relief in the county.

El Caldito Soup Kitchen: It is the Mission of El Caldito, The Soup Kitchen, to prepare and serve food and meals free of charge to needy, indigent, and homeless individuals, children, families, and the elderly, while prohibiting discrimination on the basis of race, color, gender, age, handicap, religion, national origin, sexual orientation, marital status, veteran status, or in any way whatsoever.

El Caldito serves hot meals at lunch time Sunday through Friday, and a sack lunch on Saturday to 200 to 350 people a day, adding up to about 90,000 each year.

Jardin De Los Ninos:

Jardin de los Niños provides early childhood education, therapeutic intervention, and comprehensive services to homeless and near homeless children, from the ages of six weeks to 10 years, and their families. The mission at Jardin de los Niños is to create new possibilities for homeless and near homeless children and their families through loving childcare, education, and the use of community resources.

The vision is to be the premier provider of specialized/therapeutic child care and family support in the state of New Mexico.

St. Luke's Health Care Clinic:

St. Luke's Health Care Clinic's mission is to improve the health and well-being of homeless and indigent individuals and family members in Doña Ana County.

Programs: St. Luke's provides primary health care, health prevention, education and promotion, behavioral health counseling, oral health, and outreach and well-being services to people who are homeless and indigent in the City of Las Cruces and Doña Ana County. St. Luke's facilitates these services through paid staff, volunteers, and partnerships with other community based health and wellness organizations.

St Luke's Annex:

St. Luke's Health Care Clinic's mission is to improve the health and well-being of homeless and indigent individuals and family members in Doña Ana County.

Programs: St. Luke's provides primary health care, health prevention, education and promotion, behavioral health counseling, oral health, and outreach and well-being services to people who are homeless and indigent in the City of Las Cruces and Doña Ana County. St. Luke's facilitates these services through paid staff, volunteers, and partnerships with other community based health and wellness organizations.

EXHIBIT C
Maintenance Responsibilities- Page 1

City of Las Cruces shall be responsible for the following:

- Capital Improvements and major maintenance items.
- Necessary building renovations, as determined by the City, and deemed necessary time to time during the lease.
- Roof repair and replacement
- Fire alarms
- Parking lot repaving and repair
- Parking lot lighting fixture and bulbs and time set for lights
- Boiler repair and replacement
- Heating and Cooling system equipment replacement-including maintenance of filters
- Plumbing system replacement
- Light systems and fixtures for interior and exterior of buildings and parking lot
- Power distribution-wiring or main breaker panel
- Built in Refrigerators and Freezers in Casa De Peregrinos only
- Landscaping Irrigation system
- Replacement, Maintenance and Repair of Grease Trap
- Exterior Doors, also include Glass Exterior doors.
- Windows

Mesilla Valley Community of Hope shall be responsible for the following:

Agencies must obtain written permission through MVCH first then City's Facility Department, or assigned must be notified before making any alterations or improvements of a permanent nature to the grounds or buildings

- Responsible for all Kitchen equipment repair and replacement except for built-in refrigerated equipment
- Kitchen refrigeration equipment (Built In)-Equipment in Caldito only
- All laundry equipment or replacement
- Any other equipment at the Leasehold property that is owned by the Lessee or Lessee's clients or visitors.
- Maintain and keep the interior of the Leasehold property in good repair and condition at the Lessee's expense
- Interior Cleaning, painting, custodial and landscaping services as necessary
- Responsible for all plate Glass
- Glass Doors
- Glass Walls- Interior
- Light bulbs Interior
- Interior Doors
- Interior Flooring
- Carpet
- Ceiling vent and duct cleaning
- Landscaping, Plants, Lawn and Landscaping materials
- Exterior plumbing associated with Camp Hope
- Grease Traps, cleaning

EXHIBIT C
Maintenance Responsibilities – Page 2

Mesilla Valley Community of Hope shall be responsible for the following:

- Intrusion Alarms
- Fire Extinguishers
- Hood Alarm- Operational done with annual inspection
- Pest Control
- Clogs drains and lavatories
- Keys and any Key replacement. City must be provided with duplicate keys. Upon agreement termination all keys must be surrendered to the City
- Clean and sweeping of Parking and Driveway and Campus area.
- Provide a copy of quarterly written maintenance log to the city of all services performed.