CITY COUNCIL
AGENDA

Monday, March 4, 2024 at 1:00 PM

Council Chambers

Mayor
Eric Enriquez

Mayor Pro Tem
Johana Bencomo

Councilors
Cassie McClure
William Mattiace
Becki Graham
Becky Corran
Yvonne Flores

CITY OF LAS CRUCES

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

700 N. Main St.
PHONE (575) 541-2067

If you need an accommodation for a disability to enable you to fully participate in this event please contact us 72 hours before this event at 541-2115/V.

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. Jobs of the Week.

1.4. 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. Regular City Council Meeting of February 5, 2024. 4 - 32
City Council - Feb 05 2024 - Minutes - Pdf

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

6.1. RESOLUTION NO. 24-086: A RESOLUTION AUTHORIZING AN INCREASE IN THE ANNUAL NOT-TO-EXCEED AMOUNT OF THE 33 - 38

CONTRACT FOR OUTSIDE COUNSEL SERVICES WITH ROBLES, RAEL & ANAYA, P.C. TO $1,500,000, PLUS NEW MEXICO GROSS RECEIPTS TAX ANNUALLY AND AMEND THE FY2024 BUDGET (PROCUREMENT NO 23-24-021).

Resolution No. 24-086 - Pdf

6.2. RESOLUTION NO. 24-087: A RESOLUTION AUTHORIZING AN ANNUAL NOT-TO-EXCEED AMOUNT OF $750,000.00 COMBINED FOR BARRICADE RENTALS WITH JAVIER R. CHAVEZ DBA LAS CRUCES BARRICADES AND R2 CONTRACTORS SPECIALTY INC. BOTH FROM LAS CRUCES, NEW MEXICO SUBJECT TO ANNUAL RENEWALS AND APPROVED BUDGET APPROPRIATIONS (PROCUREMENT 22-23-057). 39 - 116

Resolution No. 24-087 - Pdf

6.3. RESOLUTION NO. 24-088: A RESOLUTION APPROVING A ROADWAY LIGHTING MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE FOR THE MAINTENANCE OF ROADWAY LIGHTING ON I-10 BETWEEN MP 141.40 AND MP 141.80, CONTROL NO. LC00371. 117 - 124

Resolution No. 24-088 - Pdf

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

7.1. RESOLUTION NO. 24-089: A RESOLUTION ADOPTING THE CITY OF LAS CRUCES AFFORDABLE HOUSING INVESTMENT STRATEGY. 125 - 159

Resolution No. 24-089 - Pdf

7.2. RESOLUTION NO. 24-090: A RESOLUTION APPROVING A PEDESTRIAN HYBRID BEACON MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE MAINTENANCE OF THE HAWK SIGNAL ON PICACHO AVENUE AT 4TH STREET, CONTROL NO L100518. 160 - 168

Resolution No. 24-090 - Pdf

7.3. COUNCIL BILL NO. 24-020; ORDINANCE NO. 3062: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER 169 - 318

AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

Ordinance No. 3062 - Pdf

7.4. COUNCIL BILL NO. 24-021; ORDINANCE NO. 3063: AN ORDINANCE APPROVING A ZONE CHANGE FROM R-3 (HIGH-DENSITY RESIDENTIAL FROM THE SOUTH MESQUITE OVERLAY) TO C-1 (NEIGHBORHOOD COMMERCIAL DISTRICT FROM THE SOUTH MESQUITE OVERLAY). THE SUBJECT PROPERTY ENCOMPASSES 0.233 ± ACRES AND IS LOCATED AT 541 CAMPO STREET. THE ZONE CHANGE IS TO ALLOW FOR THE FUTURE DEVELOPMENT OF A COMMERICAL BUSINESS ON THE SUBJECT PROPERTY. 319 - 456

Ordinance No. 3063 - 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
City Council
Monday, February 5, 2024 @ 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 MATTIACE.

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

None.

1.3 PETS OF THE WEEK.

Amy Defelix, Animial 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

Donnell Bell, Member of the Public said I am a member of the pickleball community here in Las Cruces. Because of its growing popularity my colleagues and I are here to request of our elected officials more access to courts. In 2023, pickleball was named for the third year in a row the fastest growing sport in America by Sports and Fitness

Industry Association. Las Cruces is no exception. We appreciate the city and voters' approval of the new courts of East Mesa. Still these courts are not yet available. Additionally, we do not want to replace tennis. We just want to share the courts including Young and Lions Park. Many may think pickleball is a game meant for retirees. Just recently however during a school break the courts were filled with teenagers enjoying a game many playing with and demolishing their parents. The courts are often used by medical students from the university or other NMSU or high school students. Not only can pickleball contribute to our community financially as it drives tourism, relocation decisions, and more it benefits physical and mental health. We recognize our request will take some consideration, but we welcome the opportunity to meet with council to form a feasibility study. Tennis and pickleball are great sports and we can coexist. We also ask you to consider supply and demand.

Cece Hunter, Member of the Public said I am the mother of Aaron Gifford who served with the US Army in the first invasion in Iraq. We went on to serve three more deployments. Aaron came back with PTSD, and it finally became too much for him to bear and he committed suicide January 8th, 2018. I established a 501(3)(c) the Aaron Gifford Pickleball Benefit shortly after to raise awareness and proceeds for PTSD. Aaron found pickleball in 2016 and he became passionate about it and met many friends and formed a great community. I truly believe that it extended his life and gave him an outlet for PTSD. We have held an annual pickleball tournament here in Las Cruces in honor of Aaron and other Veterans who suffer from PTSD. We not only support our local Mesilla Valley Community of Hope Veteran's Program, but we also support Mission 22. It is a national organization that brings awareness that approximately 22 Veterans commit suicide every day. We have donated approximately $60,000 to date to these organizations through this tournament. We would like to continue to support our local Veterans and Mission 22 with the annual tournament but we just do not have enough pickleball courts to accommodate this growing sport in tournament. This year we expect over 300 players to come across the country. I submitted an application to the Parks and Rec for the use of 6 tennis courts at Lions Park and was approved but I was asked to contact the Tennis Association to get their approval as well and I was denied. It was stated that since we already have 8 Apodaca courts and 8 more at East Mesa coming up that we should not expect the tennis players to be misplaced. We have approximately 700 pickleball players in Las Crues and it is growing every week. We would just ask for the support to bring more pickleball courts to our community.

Diane Giever, Member of the Public said I am here today to speak on behalf of the Parkinson's community. I am joined by Sarah Stegall and John Roberts and they are co-leaders of the Parkinsons Support Group of Southern New Mexico and other members of our local group. Ten years ago I learned that I had Parkinsons a progressive neurological disease for which there is no cure. The Michael J Fox Foundation has funded more than $1 billion towards research programs and progress has been made but there still is no cure. While medications help with symptoms there is nothing that can slow the progression of this disease except exercise. I discovered pickleball in 2019 and despite physical setbacks I have played regularly ever since. I am grateful there is a sport that I can participate in despite my disabilities but the best benefit for me and those like me is knowing I am proactively doing the best thing that I can do to slow the progression of this debilitating disease. This is why with the help of

Coach Allevi and many others who donate their time and talents I started Pickleball for Parkinsons. Over the past year those with Parkinsons have played every Thursday afternoon and now we are into our second year. The benefits of this game for improving our symptoms are endless. I believe that I speak for the rest of our group when I say that for a few hours that we play pickleball I forget that I have Parkinsons. This is why pickleball is so important to me and I will continue to play until I am no longer able. I will also continue to encourage others with or without the disease to join me. It is my hope that someday we will have enough courts to serve the needs of our community.

Yoli Diaz, Member of the Public said I will begin with my ask, there are four. I ask that you put the issues of accessing healthcare at Memorial Medical Center on your next agenda since there is now a new Mayor and new Mayor Pro Tem. Two, I am again requesting a meeting with each council member. Three, since I have continued to receive calls from residents who need access to cancer treatment, a potentially fatal disease, I am asking each of you again to please consider the healthcare fund proposal I provided you on October 2, 2023. Four, create a joint powers agreement with Dona Ana County similar to the Animal Services Center to provide health and human services and/or oversight in healthcare. I believe that Memorial Medical Center C-suite of LifePoint/Apollo Global Management denying and delaying cancer treatment of chemotherapy and radiation and other needed health care services to residents is atrocious, barbaric, and illegal. According to the lease between the City of Las Cruces and Dona Ana County and them and according to NMSA 1978 Chapter 27, Article V as a private equity firm of operation they are a profit driven, price gauging business with aggressive collection practices, predatory billing and very high cost ratios known as markups. Why do I say this? This severely disabled resident to the Dona Ana County health care assistance program that the county's indigent program that I talked to you on the October 2, 2023, council meeting recently received a bill for $5,966 from a collection agency. I called Memorial Medical Center and told that the bill was not from the hospital services, but it was from the physicians that read diagnostic tests of her breast biopsy done at Memorial Medical Center on August 9th, 2023. So, I then asked what was Memorial Medical Center's portion of the services? The answer was $9,696.34 which was covered by 100% discount. This means that the biopsy cost of services for this uninsured indigent resident in the Dona Ana County Healthcare Systems Program was $16,000. Doesn't almost everyone agree that almost $16,000 is a lot of money and unaffordable to most. I have requested the CPT codes of services and have compared them to UNM. It was nowhere near $16,000. I have helped residents at Memorial Medical Center was asking for payments and flat rate service amounts upfront prior to their health care service or there would be no service. Amounts of over $7,000.00, $6,000.00, $3,000.00, $2,300.00. I have helped residents where huge amounts were paid out by insurance. I helped a resident that was not satisfied at Memorial Medical Cancer Center, she left them. We compared her EOBs, explanation of benefits, in the three months that she was at MMC, MMC collected over $110,000. In five months with her new oncologist, they collected over $5,000. At the time we looked it up MMC collected over $440,000 from the insurance of the resident that caused me to look into these issues in the first place.

Yoli Diaz translated for Claudia Muro, Member of the Public. Good afternoon, my

name is Claudia Muro. I am here to express my sad experience with Memorial Medical Center. My son and I live in Las Cruces since 1997, almost 27 years. My son has autism, and he went to the Las Cruces Public Schools from the second grade to the twelfth grade. With my work I have been able to sustain my son and myself with our necessities. For many years my son and I have insurance coverage with New Mexico Medical Insurance Pool. In 2017, they found a cancer, stomach cancer and thanks to the doctor that was able to give me quick attention I am able to be in front of you today to tell you about the absurd and inhumane experience with Memorial Medical Center. In May 2023, I required a biopsy for my breast since I had a suspicious mammogram and sonogram. She was very concerned because of her 2017 history of her cancer and the breast cancer that runs in her family. My biopsy was scheduled for very early in the morning so that her surgeon would be able to do it at Memorial Medical Center. Within hours before my procedure, I received a call from a lady in the finance department telling me that I needed to pay $6,000 before my procedure. This was something that was absurd and impossible for me, and I am sure for many others. Claudia said to the lady at Memorial that $6,000 within hours before her biopsy, it was impossible for her to bring so the finance person started offering different payment plans. The finance lady then offered me payments of $3,000 before her procedure and within another week to pay the other $3,000. Then she offered her $600 a week and then finally offered her $350 every week. I felt anguish and frustrated with Memorial Medical Center was bargaining or haggling with my life. Then all she could do was cry and then she asked if there was a program that would be able to help her in one way or another. The finance person had answered her that there was no program to be able to help her and she needed to know because of her cancer. The finance person asked her what can you pay? And then she started offering her $200 and then Claudia still said I couldn't do it and then the finance person said I am sorry that she couldn't take not even $200. So, she was denied. When she saw that I was very desperate that is when she gave me a phone number and she had to cancel her procedure.

Barbara Corral, Member of the Public said I have lived here since I was six years old. I have been a nurse for almost thirty years, and I ended up getting sick. I ended up having vaginal cancer. I had a hysterectomy. Nobody ever told me that you needed to have a pap smear after that. I had vaginal cancer. I did have insurance through the Marketplace and I was doing home health nursing. I was doing really well and then I got diagnosed. Vaginal cancer is a very rare form that only effects about 4% of the population. I wasn't concerned about anything, I had insurance. My doctor called over to Memorial, spoke to the radiation oncologist. Well then, the radiation oncologist called the medical oncologist back and said we don't take that insurance. We can't do anything about it. They were unable to make any kind of memorandum agreement to provide care in spite of the insurance being out of network which sometimes they can do. So, there I was 61, a nurse with cancer needing radiation and chemo and I was unable to get treatment in my own hometown. I have been here a long time, so it was important for me to stay here. I was outraged and devastated at the same time. My hospital that I had worked for early in my career would not treat me. The new plan was for me to go to Albuquerque for treatment. I was going to have chemotherapy and radiation. So, I had to quit my job, my husband quit his job. We went to Albuquerque, so we had to find somewhere to stay, we had to have food, we had to have gas, we had to pay all our bills here in Cruces. We had to get a dog sitter, so we

went through what money we did have really quickly. We were finally able to get approved for Medicaid and that was the only bright thing through this whole thing is that Medicaid helped us, I am so grateful. We needed more help than that though, with just the medical. So Yoli actually helped me pay some of my bills which was very much appreciated. We finally got done and we came back, and I am a survivor now. I have to tell you that I feel really betrayed by Memorial Medical Center. How could they do that to me? I have taken care of this community for almost 30 years. So, I just feel like we were raised to lend a helping hand. I want to know what happened to that? We need to try and fix this.

Marisol Anderson, Member of the Public said I am from Sunny Acres Mobile Home Park. We are here with the community of pickleball. We are just here asking to see if you can help us with this problem. We do have our tournament for Aaron Gifford and my friend Cece and Ken Hunter tried to see if we can get Lions Club and it was not possible. So hopefully I remember you telling me that you are going to help us. So, the thing is to me is that we are all taxpayers, and I am sure Sunny Acres pays a lot of money. We see these courts with lights in the night, nobody is playing. So, we are still paying for that. So why don't you help us to go and do this tournament and help all these people with the Veterans and all of this? Now why are we paying for all of this lights and all this maintenance? Why can't we help these people with the money we are spending with nothing in there. So, we do have Parkinsons, we do have cancer with people, but we have lights on with nobody playing. Save that money to help these people.

Jeff Anderson, Member of the Public said I am the President of the Organ Mountain Pickleball Club and I want to tell you that we have been working with the City for years now and even before we had the club we were working with the City, with Ms. Delgado and Steven who is in Parks and Rec right now. We appreciate the efforts they are making but it is going to take more than Parks and Rec. We have to get the other parts of our city government involved in this too. Like the course up at East Mesa. Why did we coat those courts with that expensive, wonderful, nice cushion pickleball coating over a year ago and just let it sit out there in the sun and let it burn up when we could be playing on it, but we are still not playing on those courts. I think that is a DPW thing I am not sure or contracting but it seems like a waste. Talking about our tournaments, we have a tournament also and our tournaments we are bringing in so many players we require a lot of pickleball courts. We only have 8 pickleball courts, outdoor pickleball courts in town now. We also have the courts over at Meerscheidt that we can play in indoors, but they are booked and packed all the time too. So, I just want to say I appreciate what you are doing but this is nothing new we have been talking about this for years. Pickleball is still the fastest growing sport. We have over 800 people on our mailing list under the pickleball club. We have over 400 paying members and we would appreciate maybe helping us to work with the tennis folks a little bit more in the near future so we can maybe get some more pickleball courts in town. Who knows when we are going to get this East Mesa thing figured out and 8 courts ain't going to be enough. When you open those 8 courts they are going to be packed.

Valerie Fernandez, Member of the Public said I arrived in Las Cruces after experiencing the full Katrina treatment from New Orleans. I love Las Cruces. I have

started participating in the past two to three years at the Aquatic Center. Now you have built this enormous million-dollar facility, the Nautic Center next door but you can't maintain the older facility. These people need exercise, but they can't use the channel at the Aquatic Center. Half this facility is down, and it has been down for months and then if you go into the showering or bathroom facilities fully a third of the plumbing fixtures need repair. You can build a million-dollar nautic center, but you can't maintain what your already have? You ought to be ashamed. It's a mess and it's filthy too. I don't know what is going on over there, but somebody ought to address the older facility and take care of what is in need of repair.

Julia Ruiz, Member of the Public said my comments are based on the KRWG interview News Makers 1601 Guaranteed Basic Income. Most welfare programs come with different types of conditions for recipients however my understanding is that UBI is distinctive in that recipients have no conditions as to how they are to spend the American Rescue Plan, ARPA money received which is not their own money as stated in the KRWG interview by Councilor Bencomo. She states this is a guaranteed monthly income to low-income families with no strings attached. Income is defined as money that is received as an exchange for labor or products. What labor or products will be exchanged? The Kellogg Foundation was mentioned in that it will do the research component as well as the NMSU Crimson Research Program. What are the data points? Anecdotal information does not qualify the program as successful, and it is not scientific evidence which can be verified objectively. In addition, Las Cruces is not a laboratory. As far as I know the people of the community of Las Cruces have not signed up to be any part of an experiment. When LCPD asked for 18 officers and 18 new vehicles the purpose was specifically for public safety. Universal Basic Income poses more questions than solutions to poverty. How will the recipients be better prepared to be successful and productive citizens at the end of the program? How many one-time pilot programs will be looked at before the right one is found? The question stands, what happens at the end of the program and how will the recipients be better prepared to be successful and productive citizens at the end of the program? Will they have learned a skill or received training in a skill? Will they be employable? Will community businesses be involved? Will the experts having over a hundred years of experience together I am generally interested in understanding in how they have they have decided that UBI is the best interest of the recipients and the community. Where is the accountability and the self-efficacy?

Juan Garcia, Member of the Public said "HHS defines poverty level on household size and adjusts it every year based on inflation and other factors. Rapidly rising prices and high levels of inflation aren't good for the economy either as they often out pace wages and make products and services more expensive for consumers". From the fundamental policy of redistribution. The recent governments cannot simply take money from some people according to how able they are and give it to others based on how needy they are is because people who are aware of that plan would not be foolish enough would not accurately reveal their abilities and needs. Actual taxes and transfer payments distort behavior in ways that undermine economic progress and commonly produce results such as trapping people in poverty out of their opposite of their stated intent. So, in Las Cruces we have taxpayer funding wealth redistribution or Universal Basic Income. KRWG interview, Guaranteed Basic Income provides unconditional and unrestricted payments to help individuals with their basic needs.

There is nothing exchanged. That is $9,000 of taxpayer funds. That is taxpayer funds to recipients to do as they please. We need accountability. In the same interview with New Mexico CAFé organizer, “anecdotal evidence show that the program was a success, when you ask the definition of anecdotal, it’s not necessarily true or reliable because based on personal accounts rather than facts or research”. We invested 1.7 million dollars on an experiment. Yoli Diaz back there has been pleading for funds for cancer treatment and other major health issues save lives with documented illnesses. How much has she received from the city? What happens when UBI funds run out? Senator Soules has the answer, he has proposed SB164 which is ready to go and evaluate the impacts of UBI on “pregnant people”, I need to understand what that means but okay. That is in the bill and that is $1,500 month per pregnant person after the $80 million is expended. Can you imagine what Yoli could do with a tenth of that and a social financial addiction continues.

Yoli Diaz translated for Lorenza Granados, Member of the Public. Good afternoon my name is Lorenza Granados. She is going to talk about her diagnosis of cancer and her situation at an FQHC, Ben Archer and La Clinica de Familia, both of them. Since 1995 she has been a patient at Ben Archer. It has been two years since she had been very very sick, things happening in her body. That who was attending to her the provider was not doing anything for her because she did not have health insurance. That she had tried in the past since 1998, I think she said to get health insurance, but she couldn’t get it because she didn’t have a social security number. That she kept trying to get of course diagnostic testing, or whatever test to find out what was wrong with her but they didn’t help her because she didn’t have the health insurance. That they diagnosed her a year and a half ago with cancer, a stage 2. So, she is saying that I helped her get her health insurance which was with the New Mexico Medical Insurance Pool because people who don’t have a social security number that is the only insurance that they can get and so I helped her back then. She says thank you that I helped her and that she does not want to see other women go through what she went through and how she wasn’t being listened to.. She is saying that if it wasn’t for me and helping her with the insurance, she would not be here to be able to tell you what happened to her.

Sarah Smith, Member of the Public said I am with the New Mexico Freedoms Alliance. I am concerned about your continued focus on housing first as a solution to homelessness in Las Cruces including your recent $7 million request from the legislature. We have already seen what the Desert Hope Homeless Housing Project on the corner of Pecos and Foster that housing first can harm our overall community. According to the San Antonio Haven for Hope, which serves 7,000 homeless people yearly, housing first only works for 15% of people, 85% of people need different kinds of stability before they move into housing. Here in Las Cruces residents at Desert Hope have reported that there is chaos and fighting there all day and night. These people are trying to turn their lives around, trying to break free from addiction and they have people coming back to them over and over again offering them drugs. Several drug dealers have even been housed there. We can look around and see that what is being done in Las Cruces is not working. The city is looking at the number of people being housed as the measure of success, but this is not enough. It is not compassionate to enable people to continue to destroy their lives and their health with drugs. We need to look at whether the people that we are supposedly helping we are

actually reforming their lives, becoming free of their drug addiction and moving towards independence. Will you invest in other approaches instead of just putting all of our resources towards housing first. One example is the work first model being used at Boulder Bridge House in Colorado. I want to tell you some more details about this program. It has the following three pillars, number one they provide job readiness training and paid work. Number two, they utilize a drug and alcohol-free dormitory style shelter. Number three, they have ongoing supportive of services including money management training and long term after care. According to Dustin from this program who was formally homeless and addicted to drugs ready to work “teaches you how to be responsible and accountable for your behavior”. The work first part builds self-efficacy, actually doing something for yourself that is what works. In that program people start by working with an outdoor crew similar to our Mano y Mano Program here. But that is just a steppingstone to learning the skills needed to work in a community table kitchen. The people also pay rent up to 1/3 of their income for their supportive housing. After one year people graduate from this Ready to Work Program. Ready for employment and permanent housing. This program has a 74% success rate in having people maintain employment and independence. We should be aiming for improved rehabilitative lives for the homeless people so that they can become responsible members of our community. Will you please take a more balanced approach instead of investing only in housing first?

Stanley Engle, Member of the Public said I am here actually to congratulate the former City Council body for making our transit system zero fare. I would say I am probably a typical middle-aged guy with middle income, access to cars, access to bicycles when I ride my bike to work and because of the zero fare I have been enjoying using the bus. It has actually been quite pleasant. I have gone to see friends at Bosque using the bus. I have gone to work at NMSU using the bus. I have taken my six-year-old son, then to Apodaca Park, to Young Park, to his swim lessons at Gym Magic and during that whole time I have seen a mini culture on the bus of riders who I recognize over and over now and who recognize each other, and they are very friendly and it is quite a good experience. I am just glad for that opportunity to be able to pay my taxes and get a service in return and even if I didn’t use it, I am very glad to pay my taxes so others may use that service. Since I am talking about buses, I would just like to acknowledge that Rosa Parks birthday was yesterday.

Israel Chavez, Member of the Public said I am an attorney here in Southern New Mexico but arguably more important I am an advocate for public transit. I want to thank council for continuing the zero fares program. As you have heard from your own department zero fares is wildly successful. It would not be cost effective to collect fares again. I just want to advocate that the program continue because it makes a huge difference in the lives of so many. I understand that a lot of people like pickleball, but the buses really get folks to work, to health care appointments, and so it is one of the unique areas where council can and does effect daily change. As my friend said just a minute ago Sunday it was the birthday of Rosa Parks. It also marks Transit Equity Day. Buses are literally about movements. They have moved people, the Freedom Riders through the south to do protests, they have moved bracero workers through this community. Today we often punish folks who ride the bus. We make it difficult. We make it uncomfortable, we don’t put shades. Despite the fact that and I do personal injury cases so this is kind of against my practice, but they are

safer. They cause less car crashes. They are safer for pedestrians. There is an environmental element that can keep our communities cleaner. If we truly believe in our bus system like we have shown in recent history, we should reduce the parking requirements for businesses. Promote busing, it will reduce DWIs. It would be my hope and wish that council would promote buses to such a level that would put me entirely out of business. Maybe it will do something entirely different. Business is quite good, and I would hope that council would take that and heed that into an inspiration to invest further in public transit because what we have seen based on the recent investment, what we have seen across the state and across the country is that when you invest in buses you are investing in people. You are investing in people's ability to get where they need to go and often that is related to health, that is related to employment, that is related to advocacy. It is related to everything that council says they care about in the resolutions that often don't do much, and so this is an area where council and the Mayor and the administration can really make an incredible difference in people's lives. I thank you for having that program and I encourage its continued support.

Jorge Aguirre, Member of the Public said I am a small business owner and employer and I come here today because I would like to request increased funding for public transportation. Over the last several decades we have developed the city with a car centered mentality of the previous century which is to build everything for cars and assume a car for every situation. This has made our roads wide and our sidewalks tiny, symbolic even resulting in a city that is alarmingly difficult to navigate without a car. Even the most menial tasks like buying groceries, a trip to the doctor, or to the bank may take more hours than necessary without a vehicle. The city paves and maintains roads to anyone who drives a car even if they don't live here at no additional cost to them. We would like that same benefit for people who don't drive. Like those who navigate the city in a wheelchair or by foot, pushing a stroller or riding an electric scooter or bicycles or the myriad of other personal transportation devices that in combination with buses that thank you, are fare free, that this council approved that could provide true practical transportation for our citizens at a very low cost to our people. This is important because cars are expensive. Twelve thousand dollars is what it cost last year to own a new car and the unfortunate case of the matter is that they are also expensive for the city to fuel and maintain those. In the unfortunate case of the matter is that a car centered development does not generate enough tax revenue to pay for itself. In fact, cars are the most expensive way not to solve the problem. They are dangerous to our elders, expensive for our young and very often lethal for pedestrians of all ages. I encourage you to find ways to increase bus frequency and add bus service on Sundays even if it means reducing the budget from traditional car centered infrastructure or reducing space for cars to add dedicated bus lanes. I encourage you to find ways to install bollards on all of our streets to protect pedestrians and riders on our bike lanes, especially near bus stops. Yes, cars may be damaged but it makes more sense to risk potential repairable damage to property then expose the fragile, irreplaceable human bodies of our citizens being mauled by a vehicle just to run their daily errands. We can fully fund our public transportation to unburden our citizens from having to buy a vehicle to navigate life in our city. Lastly, I am also a business owner. I sell insurance and it is very expensive increasingly so and people of every income bracket have to have to buy insurance. It is insanely expensive and to have to demand of our citizens to have to have a car just to exist.

William Gilman, Member of the Public said I also am a Las Cruces resident and small business owner and a recent father. I am also going to comment on the need for improved transit access in the city and the comment counter argument is well it's so expensive, but we also need to think about the cost of the lack of that action. The cost of lack of investment. The opportunity cost that we are losing out on by only investing in a single mode of transportation. You know for the last few decades, really a hundred years we as a nation of localities have invested in car centered infrastructure and once a road a build a city is on the hook for the maintenance of that perpetually, forever. It is an endless expense and in addition the city has to fund expensive emergency services to respond to crashes. So, I am going to talk about the cost of just the crashes that happen on our roads. The National Highway Traffic Safety Administration release report in 2019 that in one year motor accidents caused $340 billion of expenses to the American people. That is about $1,000 per person and for perspective according to the Dona Ana County Website if you own a piece of property that is valued at $100,000 you could expect to pay about $850 in taxes. This is comparable to the tax payments that we pay. It is basically an invisible tax and so with a population of Las Cruces of about 115,000 our share of that national cost is about $119 million a year. This figure also includes medical costs. legal and court fees, emergency services, and other things and so it is not all directly coming from the city but it is all being paid by us the American people. Crashes due to speeding account for 14% of that. We built huge roads of wide lanes that encourage people to drive 50 miles an hour down Roadrunner Parkway even though the speed limit is 35 miles. Twenty percent is from alcohol use and 30% is from distracted driving which is a new epidemic that we have, and all of these things could be mitigated by public transit. You can spend all your time on your phone or reading a book without being a danger to the public on a bus and buses are a permanent designated driver on nights out and holidays. So, I think it is about time to get real with our accounting what the actual cost of lack of investment and transit is for all of our people. I was run off the road November 2022, my car was totaled, and I was going to have that long story of how much I love that truck and how much work I put into it myself and the sweat and blah blah blah, long story short we had to buy a new car. That is money that we could have put for a down payment on house which is a real asset that actually accrues value over time instead we had to buy a car which is a liability and always takes more money and depreciates like crazy.

Diane Starbuck, Member of the Public said with Animal Advocates for Change. Did you know that February is spay and neuter month? Well, if you were here last year you should know that because I believe I came up here and said the same thing last year but what has really changed in that year? Well, the new Animal Service Center did open. That is something positive, but we need to follow up on that with a new animal welfare ordinance. The old one is outdated. Attitudes about animals have changed, we need a new animal welfare ordinance. Animal Advocates for Change, we are waiting for a reply from the Mayor to see what happened to an animal welfare ordinance that was discussed last October and was supposed to be a compromise between all stakeholders. But something else that has happened in the last year for 2023 there was 2,740 animals put down. I hope it just doesn't become a number to people and we need a fully funded mandated spay and neuter law with exceptions and I am requesting that the City Council, the Mayor, and the City Manager please

think very seriously about the budget this time with money for animals and the Animal Service Center so that they can hire people at a reasonable salary. We saw the study of the last board meeting that the salaries were way below what they should be. The County has given money to SNAP. They have hired a vet. I hear they are revamping their mobile unit. I think the city really needs to step up.

Fred Huff, Member of the Public said what I want to talk about today is the big homeless camp that was right behind Caliches over here on Valley Drive. Last Saturday I was at my house, I live right on the edge of Burn Lake, and I looked over towards Caliches and saw a massive amount of smoke coming up. Being a camera guy, I grabbed my camera and headed over there as quick as I could and by then the Fire Department had the fire out. It looked like a pile of clothing. Probably as big as this podium if not bigger that had been burned. I walked around and saw all the just absolute junk. Finally, I decided I am going to walk through this camp and take pictures and I am sure most of you may realize that when you see something in real life and then go back and look at picture your eyes miss a lot of stuff. I was snapping those pictures, but I decided if anybody was hostile or threatening to me, I would make my way over towards the firemen that were still there. I got about three quarters of the way through the camp, and a guy about 100 feet away to the north came out at me and he was quite bit bigger than me and he was shouting at me. Every other word was a cuss word. I ignored him until basically he got right in my face and at these moments, I had migrated over towards the Fire Department guys. They intervened and basically saved my rear end and allowed and me to make a safe exit. Today the police are cleaning out that camp. By the time I get out with the city council that should be all cleaned up. I do want to express a heartfelt deep gratitude to our firefighters and our police force for the job that they do. My question is where do these people go? We need some sort of solution, and I would sure like to work with the city on that.

Rochelle Puce-Wafford, Member of the Public said I am a native Las Crucen. I was born on Alameda Street sixty years ago tomorrow. Saturday afternoon about 3 o'clock in the afternoon a young man was shot in the street across the street from my home. A home I bought as a single mom by myself on my own income. I am very proud of that home, and I am very proud of my neighborhood but across the street from me are some apartments where a well-known drug dealer conducts business every single day and on Saturday I believe, I don't know all the details, but I believe it was a drug deal gone bad. A young man lost his life in front on my home. The neighborhood and some of my neighbors are with me today, we have been complaining about the situation across the street from my house for years and nothing has happened. The police have arrested people over there, the next day they are back out and I know you guys are not judges and you are not the District Attorney, but something has to be done about the catch and release program, it's not working. The crime statistics on your website, they look great but when you are not arresting people and you are not charging people and there is no convictions the crime statistics look really good but the reality is really bad so I am going to ask respectfully, the Mayor and the City Council and the Police Chief to increase the patrols in the Alameda neighborhood, specifically on Armijo Street. Yesterday afternoon after the smoke had cleared, all of the police had left the neighborhood once again it was business as usual for the drug dealer across the street from my home. So, I would ask that we increase the patrols in

the neighborhood and clean up the mess that is across the street with the drug dealer. He owns the apartments where he is conducting his business. That is one of the things that I would like to ask that is done. Also, in that neighborhood just a couple of blocks down the street is the Alma De Arte Charter High School and the J Paul Taylor Charter Elementary School. So, this is a neighborhood where there is school kids, walking in the neighborhood, elderly people, me, and I would like to be able to sit on my front porch in the afternoon and not fear being shot by a stray bullet by a drug dealer.

Jennifer Kreie, Member of the Public said I am a tennis player, so I just have to get up and speak at how excited I was when I interviewed for my job at NMSU. So, when I came and interviewed and I saw Lions Park, 12 courts, I said yes, this is my kind of community. I am a member of the Las Cruces Tennis Association. I am not a spokesman for them, but those 12 courts are critical to the activities that we have when we have community scrambles. When we have summer programs for children to learn how to play tennis. We are involved in the community, so we don't want to give up any courts to pickleball. Pickleball is great I am sure, but we are tennis players as my Councilor Corran will know because I sent her emails. Just protect what we have because we are a great organization, and it is an important community activity.

Donald Wilson, Member of the Public said since the last time I came before the council I have now become the President of Velo Cruces but I wanted to assure you that George Pearson is still around he is just freed up from some of the administrative duties of the organization. At the last time I came to the council the Mayor, the outgoing Mayor encouraged us to come back when the new council was seated and bring up some of the issues we had brought up before because since the election is over now maybe we can get to the business of governing the city. I just wanted to reiterate the two requests from Velo Cruces. The first is to expedite and prioritize the hiring an Active Transportation Coordinator for the city so that we can work together with the city and the county and improve the pedestrian bicycle facilities and the second request is for the City Council to adopt a Vision Zero commitment. It is a long-term commitment to eliminate road user deaths of all kinds. That is not just bicyclist, it's pedestrians and motorcyclists and the baby carriage pushers. We had some people here talking about the importance of making the road safe and equitable for all users. So those requests are out there. Velo Cruces is standing ready to assist the city in this effort. We will make sure to immobilize the groups to staff the various committees so that we can take a safe systems approach to improving traffic safety and road use safety in Las Cruces.

Eden Lachey, Member of the Public said I am referring to the same incident that Rochelle did. On Saturday, February 3rd at approximately 3:16 p.m. I witnessed a man being shot dead with a shotgun on the Armijo side of 335 Van Patten. This property is located exactly 200 yards from the J Paul Taylor School where I am a contract school nurse. I have also been at Alma since 2018. There are 200 yards between the corner of their lot and the blood pile that is still left from Saturday. I was on the phone, and I was working on my computer and I looked to the right and the shooter was there. The gentleman was there. He shot him with a shot gun. The victim stood for a minute and then he dropped, and it was confirmed yesterday that he is deceased. I reported that there was a white and slight gold tint on the bottom of either

Explorer or an Expedition. The other gentleman driving that car with short white sleeves got out of his car and spoke with the shooter. They both kind of used their feet to touch and see if he was alive and then the guy with the white shirt got back in his car and then the guy with the shotgun ran back into the property. This has happened so many times. This exact same scenario happened August 17, 2023. We were out of town but our tenant that lives at 701 Armijo called and said there is a shooting at 335 Van Patten. What happens at 335 Van Patten is a 24/7 drug dealing issue. They have been raided by the DEA, LCPD, State Police. We have called and called, and the problem is the response has become less and less and less. Saturday, the only reason that the response was so quick, which I appreciate was because there was a dead person in front of my house.

4. READ CLOSED MEETING STATEMENT

4.1 READ JANUARY 22, 2024 CLOSED MEETING STATEMENT INTO THE RECORD.

The Las Cruces City Council met in Closed Session and only discussed those limited items as stated in the posted notice to discuss pending litigation regarding:

1. to discuss pending litigation regarding Mark Anthony Montoya v. Alfonso L. Vasquez, Jr., et al. D-307-CV-2021-00306, which is closed pursuant to NMSA 1978, Section 10-15-1H(7).

2. to discuss pending litigation regarding Yazmin Gutierrez, et al. v. City of Las Cruces, et al. D-307-CV-2017-01409, which is closed pursuant to NMSA 1978, Section 10-15-1H(7).

3. to discuss pending litigation regarding Brandon Barron, et al. v. City of Las Cruces, et al., D-307-CV-2023-02217, which is closed pursuant to NMSA 1978, Section 10-15-1H(7).

4. to discuss pending litigation regarding the Estate of Teresa Gomez v. City of Las Cruces, Case No. 2:23-CV-00952 GBW/JHR, which is closed pursuant to NMSA 1978, Section 10-15-1H(7).

5. to discuss pending litigation regarding Robert Lewis Ramzy v. City of Las Cruces, et al. D-307-CV-2023-00231, which is closed pursuant to NMSA 1978, Section 10-15-1H(7).

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 REGULAR CITY COUNCIL MEETING OF JANUARY 2, 2024.

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

7.1 RESOLUTION NO. 24-078: A RESOLUTION APPROVING A HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM AGREEMENT BETWEEN THE CITY AND MESILLA VALLEY HABITAT FOR HUMANITY FOR THE CONSTRUCTION OF THREE SINGLE-FAMILY AFFORDABLE HOUSING UNITS IN THE METRO CENTRAL PHASE 1 SUBDIVISION.

7.2 RESOLUTION NO. 24-079: A RESOLUTION AUTHORIZING AN ANNUAL NOT-TO-EXCEED AMOUNT OF $150,000.00 FOR GILLIG BUS PARTS WITH GILLIG, LLC OF LIVERMORE, CALIFORNIA, SUBJECT TO APPROVED BUDGET APPROPRIATIONS.

7.3 COUNCIL BILL NO. 24-017; ORDINANCE NO. 3059: AN ORDINANCE APPROVING ZONE CHANGES FOR LAND WITHIN THE HEATHER HILLS MASTER PLAN BOUNDARY LOCATED AT 5150 STERN DRIVE. SUBMITTED BY ZACHARY LIBBIN, LIBBIN UNDERWOOD ENGINEERING AND SURVEYING.

7.4 COUNCIL BILL NO. 24-018; ORDINANCE NO. 3060: AN ORDINANCE REPEALING SECS. 7.8-110—7.8-199, ARTICLE III. - WAGE PLUS AND SECS. 7.8-200—7.8-299 ARTICLE IV. - FILM, FROM CHAPTER 7.8 OF THE LAS CRUCES MUNICIPAL CODE 1997, AS AMENDED.

8. OLD BUSINESS

8.1 RESOLUTION NO. 24-050: A RESOLUTION APPROVING A NUISANCE, SUBSTANDARD STRUCTURE IN NEED OF ABATEMENT AT 643 EAST PICHACO AVENUE WITHIN THE CITY LIMITS OF LAS CRUCES, NEW MEXICO, SO RUINED, DAMAGED, AND DILAPIDATED, AS TO BE A MENACE TO THE PUBLIC COMFORT, HEALTH, PEACE, OR SAFETY AND THAT IS REQUIRED TO BE DEMOLISHED AND AMEND THE CITY'S ADOPTED FY2023-24 BUDGET THROUGH A BUDGET ADJUSTMENT OF $28,000.

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to remove Resolution No. 24-050 from the table for discussion.

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 Johana Bencomo moved, seconded by Councilor Becki Graham, to table Resolution No. 24-050 indefinitely.

RESULT:	**Carried**
MOVER:	Councilor Johana Bencomo
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

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

9.1 RESOLUTION NO. 24-080: A RESOLUTION ADOPTING THE NORTHRISE BLUEPRINT PLAN.

David Weir, Deputy Director Community Development gave the overhead presentation.

Councilor Graham said I want to agree with the Planning and Zoning Commission comments on how nice this blueprint plan looks. I found this very palatable, easy to read. Based on that blueprint and making sure this is part of the suburban neighborhood place type which does allow for both low and moderate density housing and I just want to ensure that we are going to uphold our commitment to housing density, to multifamily housing. If you could give just a little idea of how this might look in this particular area?

David Weir said in regard to the area, there is an area inside the plan that is already zoned R-4 and so that has the multifamily component. The suburban neighborhood is called out in Elevate Las Cruces as that mixed use. It has that full range of houses. It has appropriate commercial development in it. Because of the couple of zoning categories that are on here are ones that we asked that they rezone and is going forward and so that any person that would come forward to develop it would have to rezone those portions and then staff would make recommendations as they follow Elevate Las Cruces. The other thing that will take place as a part of the Realize Las Cruces adoption there is a whole rezoning of the city's map and at that point in time we would recommend that the suburban neighborhood designation be placed on this property again. If would have those list of land uses including multifamily and other housing types.

Councilor Flores asked looking at just page 10, did you say that the development would be above the upside horseshoe, so adjacent to the arroyo, is that correct?

David Weir said yes, the arroyo is adjacent to this. You see the light lines?

Councilor Flores said yes.

David Weir said those are individual parcels. So, what the green reflects is a way for all of them to have a roadway so that they could be accessed. Development in flood plains is very limited and so they either couldn't develop that area or they would have to come up with a way to engineer change the flood plain area and go forward. The properties that have been purchased has had those designations on it for quite some time.

Councilor Flores said my concern is I think there is a development just south of that and that is where there has been some flooding due to the arroyo. I don't know the years it was before I sat on city council but became aware of it going to community meetings when Ceil Levantino was our councilor in that district and there was an outcry by residents who lived there who had experienced flooding and everybody seems to think that these floods they only happen once in a blue moon but if that blue moon happens to be me, I am going to care about it. It's going to affect a woman, an elderly couple who I think was Mr. and Mrs. White. I think Mr. White passed away from a heart condition that was attributed to the stress of having paid a number of $10,000/$20,000 to prevent flooding to happen and I think it happened a couple of times. My concern always is for the wellbeing of people and safety. Have there been any studies and of the proximity and development of homes that would be built there to the arroyo and I know that no one can predict when that arroyo would run but I know that right now it's just like a huge dry gulch. So, has the city taken all necessary steps to ensure that in the event there is any deluge that the homes there, the roads would be safe?

David Weir said I think what you are is expressing is one of the reasons we wanted to be sure and go forward with this blueprint plan. There is no development proposed for this property at all right now. The plan just calls out that the city recognizes the future development, those things would be looked at so in the development process that if any flood area or any development would take place it would have to be reviewed and the desire is the plan could be utilized to not only make sure that there is quality development here but we would advance or we would learn from other past developments. I think the area you are talking about is the arroyo on this side.

Councilor Flores asked is this near Los Amigos?

David Weir said no, this is the Walmart, Eastside Walmart.

Councilor Flores asked but the arroyo still abuts with that side so?

David Weir said correct but those more detailed flood analysis take place when there is actual a subdivision or a building permit for a property in that area and at that time they would have to address the way that they would either stay out of that flood area or take measures to make sure that there wouldn't be additional damage.

Councilor Flores said it seems to me that a lay person such as myself who isn't familiar with this, yes it's wonderful that it is consistent with Realize Las Cruces but it is still very close to the arroyo there, the road. You said that the green lines are proposed or potential roadways. That is still very close.

David Weir said again I think that is the reason we wanted to do these blueprints for those types of issues come up before development is even proposed to you and they are aware of what they are going to have to deal with. It puts not only the property owner, makes them aware of that but also city staff. We have a public meeting here where you have expressed your concern if the develop that to stay out of the arroyo

or take every measure possible to ensure there is no damage to properties as to where future development would take place. To me that is the essence as to why we do these plans.

Councilor Flores asked how much weight does my word carry? I am here for just a short period of time. That particular event has been etched in my brain, my heart and this is troublesome to me Mr. Weir to see that. I understand what you just said very clearly that in the event, upon the event that there is development there that all measures will be taken to assure that the flooding doesn't in any way reach the homes but as we all know we don't control water. We don't control an outburst and that is why on the other side that happened to several people, but it was the ones that I had met that particular day and it had a horrible impact on them and they had put their life's savings into something that was recommended and it still didn't work and their house flooded not once but twice. So, this sort of stuff is just problematic to me. I don't know exactly, with all due respect to the department and to the Planning and Zoning Commission, I don't know if they are aware of the history of that arroyo. I think that we take it for granted that, but we think it's just dry there will never be a deluge. I just hope that when the time comes for development the city does keep an eye on that the safety concern.

Councilor Becki Graham moved, seconded by Councilor Johana Bencomo, to Approve Resolution No. 24-080.

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

9.2 RESOLUTION NO. 24-081: A RESOLUTION APPROVING AN AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT 19-20-077A POLICE AUDITOR SERVICES, WITH MICHAEL J. GENNACO DBA OIR GROUP, LLC, OF PLAYA DEL REY, CALIFORNIA, ADDING UP TO FOUR (4) COMMUNITY OUTREACH MEETINGS PER FISCAL YEAR (PROCUREMENT NO. 19-20-077A).

Virginia Barela, Buyer gave the overhead presentation.

Councilor Flores asked the first dotted amendment, up to four community outreach meetings per fiscal year, where would those community outreach meetings be held?

Chief Jeremy Story, Police Department said the language is fairly open so that we can be flexible, but they will be held in Las Cruces. It may be in Council Chambers or at another location around the city.

Councilor Flores asked it could be in different districts, council districts and who would make that decision?

Chief Jeremy Story said per the contract they can be anywhere in the City of Las

Cruces. I will defer to City Manager.

Ifo Pili, City Manager said we wanted to be in an area that would be accessible to have a set up like this. Preference would be council chambers but of course we haven't talked about where around the city if we can. If there is an area within the city where we can get more participation, we will certainly go there. At this point we have contemplated council chambers. There are four, two of them coordinate with the time they come here and visit and give their reports.

Councilor Flores said there would be four in addition to the two when they present to council.

Ifo Pili said yes.

Councilor Bencomo said just reading on the packet on exhibit B there is a list of the kind of meetings that will be held. I imagine this came from the contractor or did this come from OIR?

Virginia Barela said yes, the original list was part of the original contract of the type of meetings.

Councilor Bencomo said where it says meetings, it says City Leadership Police Chief, and command staff, community leaders, and other stakeholders. Goal is to gain perspective on status of Police Department and identify its specific concerns and then gather input from the department. These four meetings could be community meetings. They could be meetings with staff, with the department. That is what these four meetings, up to four meetings would include?

Ifo Pili said this is in response to the community wanting an opportunity to address this group with transparency and being able to have the communication directly with the OIR group.

Councilor McClure asked would these be recorded?

Ifo Pili said we haven't even talked about that if we are going to record them or not.

Councilor Bencomo said I think if it's a public meeting then it should be recorded.

Chief Jeremy Story said we did discuss it. Of course, there is pros and cons for everything. One thing that did come up if we record the meetings, it might discourage certain residents from coming and voicing their concerns. If they felt that there was a recorded record it is just something to consider. I am neutral either way because there are pros and cons.

Councilor Corran said I just want to thank you for reupping this and revisiting it and readding the transparency component. I just sort of want to speak back to the idea of why we are working with OIR and what it has meant. I think as far as community

engagement goes I think that you all have seen the LCPD has been doing extraordinary work on this front and I think that I am really optimistic about the ways that Chief Story and his leadership have been working on thinking of community engagement and proactive understanding of how policing happens in our community and so I just want to appreciate you all and the way that you have worked with OIR to make changes has been something really interesting and powerful and I thank you for being reflective in that way and the way that you all are leading. I think this is a productive relationship that we have, and I appreciate the Chief's willingness to continue on and expand that in this way.

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to Approve Resolution No. 24-081.

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

9.3 RESOLUTION NO. 24-082: A RESOLUTION TO AWARD A PROFESSIONAL SERVICE AGREEMENT FOR METROPOLITAN REDEVELOPMENT AREA PLAN DEVELOPMENT SERVICES TO PLACES SOUTHWEST INC. DBA SITES SOUTHWEST LTC CO., OF ALBUQUERQUE, NEW MEXICO IN AN AMOUNT NOT TO EXCEED $220,482.00, PLUS GROSS RECEIPTS TAX AS APPLICABLE (PROCUREMENT NO. 22-23-015).

Virginia Barela, Buyer gave the overhead presentation.

Councilor Bencomo said I have a couple of questions on the process and really it's just not to place blame on anybody or anything or specific person but I do just want to name from my end just my concerns about how long it took just for us to get here and I know that revitalization, I know we have a new council, I do know that it has been a big priority for the city because I think we all know that what happens on El Paseo, South Solano, West Picacho, what happens or what doesn't happens impacts the rest of the city. And often I am like it's not our money we have to do our due diligence as we move through these processes because it's not my money to spend. We have to be careful and sometimes I do get frustrated about some of these pieces and how slow they are moving. Especially even last year during the Legislative session we had a huge win on the MRA and how we can make an even bigger impact. I still want to reiterate that at least this revitalization is key priority for me. Now that being said I know that this is just for the El Paseo/South Solano corridor. Can you talk about West Picacho? I don't want to be leaving at the end of my term and just then West Picacho is coming up to an RFP. I know that when we last approved both of these areas, we said we would stager them. one with that given all the data that it was presented form the MRA, the initial assessment we said El Paseo/South Solano would be a priority. I wanted to ask city publicly if you had any ideas around when the West Picacho RFP would be moving forward.

Chris Faivre, Deputy Director Economic Development said today we are approving

the contract for El Paseo/South Solano. On the 7th we are actually going to SAC to start the procurement process for the West Picacho MRA. My hope is that we can go through the process through the springtime and by the summertime we will be back here with another contract with consultants to begin that process sometime later in the summer or early in the fall.

Councilor Bencomo said I appreciate it even especially and I know you have mentioned this before in a public meeting around the cannabis dollars and there is just such a big opportunity there to really get these going before, they start making their own money essentially and I think the staggered process works well. I also wanted to ask around or maybe our City Manager if there are dedicated staff that are sort of leading the MRA projects forward and if there is not I would like to add advocacy for that right now.

Ifo Pili, City Manager said I know Chris and his team have been essentially leading the way. I don't know if we have anybody, say an MRA staff member that has been designated as the MRA person and I don't know if there is anybody else within your Economic Development Department that have been helpful or assigned specifically but as of now, we don't have an MRA designated person.

Councilor Bencomo said I just ask because I don't know why for me it took this long to get here on this but I don't want to it to fall through the cracks and so I really do hope that we can designate some folks to lead the project.

Chris Faivre said I do have with me Blairre Flores, she is our newest member of our Economic Development Department. She is an Economic Development Coordinator who will be working specifically within the MRAs. So, while it will be a coordinated effort among staff, she will be the point person between business development, the consultants, the community and ultimately back to city council. So right now, she is in the process of going out, meeting with all the businesses, establishing that database and those connections so that when the public input does begin early in the process and continues throughout, she will be a good point person to liaison between the consultants and the community and get the businesses engaged. It's not an official title as MRA, she is an Economic Development Coordinator, but she will be leading those efforts and then as we move from one MRA to another she will also move around and reprioritize the areas in which she is working with.

Councilor Becky Corran moved, seconded by Councilor Yvonne Flores, to Approve Resolution No. 24-082.

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

9.4 COUNCIL BILL NO. 24-019; ORDINANCE NO. 3061: AN ORDINANCE AMENDING CHAPTER 27, TRAFFIC, ARTICLE I AND ARTICLE VI OF THE LAS CRUCES MUNICIPAL CODE (LCMC) 1997 BY ADDING NEW

DEFINITIONS AND REGULATION OF ELECTRIC VEHICLE CHARGING PARKING SPACES

Lisa LaRocque, Sustainability Officer gave the overhead presentation.

Councilor Graham asked if you are in good faith charging your electric vehicle but then you are like I am just going to stay parked here, is that what this standing part refers to? So, what happens if you are an EV and you have faithfully charged your EV but then you are just not coming back and technically you are not icing the spot you are EVing the spot, is that what the standing part refers to?

Lisa LaRocque said not in this case. It would just mean that you were idling, is what standing is but I feel your pain and there is something that we do as a city and since this is a recorded I hope others learn from this but the common practice is that if you are still plugged in which you would be because you have not returned you get a parking charge. So, let's say it cost you $2 in electricity for each hour that you are there while you are charging you will still pay another $2. So, they are not getting a free ride they are paying for a parking. I agree with you though that it is inappropriate because they are not leaving it open for other EV folks, but the other thing is that most apps that you use will tell you, hey your charge is up and there is a fine or there is an additional fee. There is a lot of times that you can even reserve an upcoming spot, so the nasty grams are even more encouraging to move.

Councilor Corran said first of all $56 seems like a great number. I just got a $35 ticket at NMSU, and I am 100% going to park illegally again there I am sure, I take my chances. Bring it, $35 is not enough to change my behavior but $56 sounds like something I should rethink but I did want to sort of just talk about this just to make sure folks understand the context while we are happy that many of these businesses have EV charging stations can folks call codes on like at Chick-fil-A, this is really for our city parking spots, right? The private businesses we are happy for them, but they are going to have to regulate this on their own. I might recommend $100 tickets for them but that is correct, right?

Lisa LaRocque sad I believe so, yes.

Councilor Corran said while it is good to know where those are at the businesses, but this ordinance does not go into that domain. Please don't call the police on an electric car at Chick-fil-A.

Lisa LaRocque said yes, private property is just that.

Councilor Flores asked can you go back to page 3? So, the fee is $56 for being there beyond the time of charging, is that correct?

Lisa LaRocque said yes. If you are not actively charging.

Councilor Flores asked so you can leave your car there if it takes a couple of hours you can go to the Saturday Market or whatever if it is downtown? How would you

determine or the enforcement person what would they look at?

Lisa LaRocque said you are right. That is what you can see, the charging.

Councilor Flores said I think this is great. I think it is a fair thing to do but the only thing I would ask for is that the word really gets out because you are absolutely correct. There are people who are parked in those and especially that little grid between Griggs and that little alley like between Griggs and Main Street. People are parked there and it's not even an EV. So, I think this would be good since this is a new ordinance. So when would it go into effect? So, say it passes today, when does it become law?

Lisa LaRocque said one thing I was going to do was to get signage that identifies that this will be a fee if you do park illegally. You will be fined if you park incorrectly, and we will send a press release out for that. I don't know if there should be a time lag for this. It is a pretty common-sense practice.

Councilor Flores said I think proposed ordinances or local laws do have a date.

Mayor Enriquez said it is in the packet here, it says April 1, it goes into effect.

Councilor Becki Graham moved, seconded by Councilor Becky Corran, to Approve Ordinance No. 3061.

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

10. BOARD APPOINTMENTS

10.1 BEVERLY DRUM

Councilor Becky Corran moved, seconded by Councilor Cassie McClure, to Appoint Beverly Drum to the Veterans Advisory Board.

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

11. 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).

11.1 COUNCIL BILL NO. 24-020; ORDINANCE NO. 3062: AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

Council agreed to bring it forward.

12. CITY COUNCIL MEMBER BOARD REPORTS AND COMMENT

12.1 COUNCILOR MCCLURE

I really feel for the need that people really need to advocate for different issues and I feel like if the United States had a Universal Health Care a lot of these issues, frankly heart-breaking issues would get resolved and helped.

12.2 COUNCILOR GRAHAM

I would like to thank amazing community advocate Athena Huckabee. We are having some really great meetings about some really hard problems that we are all facing as a community, and it is refreshing to see people working so hard and also hard solutions. I am not a pickleball expert but I have been at pickleball meetings and one thing that was kind of revelatory to me, from what I understand the dealing with pickleball versus tennis is the line configuration on the courts. So, they have different areas and that would acquire different lines and obviously painting a lot of different lines is kind of a no go because it gets really confusing, taping different lines is problematic. I am looking toward Sonya because I think you told me this. When you take the tape up and then all the sticky gunk is left over then dirt collects on said sticky gunk and makes a cleaning problem. However, there are I am going to say vinyl, I don't know if it is actually vinyl, there are plastic overlays that you can bring to any area, put down and you have this insta pickleball court. I know this is probably not up to Pickleball Olympic standards or whatever, but it is a nice temporary solution where we could dedicate a different sporting court to say a pickleball tournament. Again, I'm sure there are problems with the vinyl overlay but that is something that I feel was presented to me an hour into a pickleball meeting that I am like wow bury the lead there that was a pretty easy solution. So anyways, look into these things with pickleball.

Finally, just a shoutout and a plug, I am sure a lot of people who follow local boxing

and fighting that Austin Trout our former WBA Champion who started his career at the Las Cruces PAL Boxing Gym, come out any night, I am there volunteering and I am happy to throw punches with you, for you, at you. Austin got his start there and he won a belt over the weekend in Bareknuckle Fighting Championship Welterweight Class which is just an incredible move up in a new form of fighting for him and I was delighted to see him still repping Las Cruces even though he is not living here full time anymore. Shoutout Austin No Doubt Trout, still our champ and just wanted to acknowledge that and see where you can go when you start off in Las Cruces PAL Boxing.

12.3 COUNCILOR CORRAN

I will third that Universal Health Care, so we are on our way to making it happen. Tomorrow, we don't have a TSI PRC and I know our PRC members are really excited and some folks who are hear today and often come to our TSI PRC so I just want to say that we are on a hiatus with a planned future to be determined but we don't have a meeting tomorrow morning at 8:30 so I didn't want folks to show up who often do.

The other thing that I wanted to highlight is I wanted to thank Letty and Deb who are two folks organizing a neighborhood watch in Metro Verde and in my district and they have been working with Officer Velasco who has sort of set that up and it is really sweet to see folks carrying about their neighborhood to see how well LCPD can support them and just watch this magic happen because it is also just really interesting. My district is different from other folks' districts in that the average age might be a bit older than other places but for me one of the more exciting things is that to see people of different generations coming together to look out for their neighborhood in different ways. I think it is really cool to see that neighborhood watch coming along so I really just wanted to show gratitude to LCPD for helping that happen and giving that space and to the community organizers that are really thinking about how to support their neighborhood and support their neighbors and build community.

12.4 COUNCILOR FLORES

Following up with what Councilor Graham said about Universal Health Care, I totally agree with that. I don't understand why we don't have Universal Health Care. You would think that it would be a moral duty to provide especially since we tout ourselves as being one of the most advanced nations in the world and when I hear that I think well I pity the rest of the world because when it comes to healthcare it's terrible, it's dismal and think Yoli has made it very clear to us and I really want to applaud her for not letting up and for those of you who don't know she started up CARE, I don't know what the acronym is but its cancer related in helping people and actually it comes out of her own pocket. We encouraged her to get a non-profit status so that she can get some money. I think she might have done that. Nonetheless, for Mr. Pili our City Manager I know that you sit on the board at Memorial Medical and I think some of the concerns that she has brought up have been, it's not the first time we hear that and since you sit on the board, I think it is advisory though, right? It's not a board of directors but its advisory but they got set up because of the Telshor Fund or that was part of the deal and I don't know if Yoli if she had a proposal or she mentioned a JPA with the County because the County also has an advisory seat on that board but I think that is something we can look into Mr. Pili because it is just pitiful to hear and it

was interesting that I believe it was all women who came up to talk about their plights and it is interesting that they shared that they work, they have kids, they have this, they have that. And also getting inadequate medical care because I think there were one to two woman who came up and said that they actually had a different kind of cancer or something but at any rate I think that the City of Las Cruces has been in the forefront of caring for its residents, its people and I think this is another way that we can make sure that these people who live in the area and the county can at least get a modicum of medical care.

The other event is I think most of us were up in Sante Fe trying to get money for the things that we want to have improve here in our city and in my humble opinion our meeting with the Governor's Office Tuesday but that was a very good meeting then it was scheduled with the Governor, but we didn't meet with her. It was one of her top aides Jesse Guillen who was very accepting and was very receptive to what we were asking for. He asked a lot of questions because when we are asking for money, they want to know what have you done? What are you doing and how can we augment that? Because they don't want these pie in the sky proposals that don't have any track record. So, I think all of us contributed to because we are asking for the Amador Crossing money and we all spoke to the existing facilities there and I think he was genuinely impressed with the fact that we have Jardin de Los Ninos, we have the clinic there. I forgot to mention the soup kitchen but at any rate he didn't know what part of the city it was in and so he asked a lot of questions. I am hoping that we do get our money. The money that we have asked for from the Governor's Office and it wasn't that cold in Santa Fe and it snowed like a week or so ago and so we were spared and in fact it became warm in our warm jackets but I will have to say that it was really a pleasure being up there with our troop and the members there.

12.5 COUNCILOR BENCOMO

Also ditto on Universal Health Care. What does that mean, there is consensus? I also wanted to speak to that because I think these stories are incredibly heartbreaking and a lot more common than we realize. I am currently reading a book called Poverty by America by Matthew Desmond that I highly recommend. A lot of it is not anything new. Things that we already knew about this country and our welfare system and how deeply broken but it is but it is a really stark revelation how in this country it is incredibly difficult to escape poverty. Yet we have made it incredibly easy to remain very wealthy and I really resent some folks attempt to pit poor folks against each other in this room around not having health care, providing GBI. Like there is this attempt to pit poor folks against each other when the reality is that the systems that keep people in poverty are the same systems that keep people uninsured or having to go bankrupt because they are not insured and the for-profit health care system frankly doesn't care about anybody actually whether you are wealthy or not and I especially resent that. Pitting poor folks against each other because just this morning the Senate passed a giant bill that including $60 billion to military aid to Ukraine, $14 billion to Israel, and $20 billion to border security so the fact that we have money to take care of people and it depends on where you want to use it. I always say that budgets are moral documents and I hope we can keep this in mind while we go to our very own budget retreat next week and that budgets are moral documents, and they should represent what you care about in your community.

I also really wanted to thank Mayor Enriquez, Milissa who is our Court Manager at Municipal Court and our new Municipal Judge Anthony Filosa who I am just really impressed by both of them. They have incredible ideas on how to streamline the court system for how to make it more effective for everyone involved. For people who are facing the justice system, our officers, attorneys, everybody involved, and I am really excited for the things that we discussed on Friday and to bring those ideas forward to the council. I hope we get an opportunity to talk about them at the Budget Retreat because I think they are definitely a priority, it's a piece of the puzzle for solving some of the issues our people have brought here today. Gun violence is very scary in our neighborhoods and so not that that would even go to Municipal Court, but I do think it is an important place to intervene early with many folks.

I did want to thank Chief Story and his staff for the townhall event that they had a couple of weeks ago. I was not present personally, but I watched online and I just really wanted to convey my gratitude for that kind of event and looking forward to more now that we amended this OIR contract.

I went to the LCU banquet with Councilor McClure and the rest of the LCU commission last Wednesday we celebrated people who have been in the department for five years, ten years, fifteen years, twenty, twenty-five years, and it was really beautiful to even see some of the folks that had recently retired from the department, so I think that that is just really beautiful.

I also just wanted to give a quick shoutout to our Legislators for their incredible hard work in this 30 day session but I especially and I have told him many times I just want to commend Larry our lobbyist because without him I would literally be walking around lost in a circle and so last Friday I was there and he took Natalie Green and I around and Nicole Martinez and we talked to so many Legislators and it really only because of him and the relationships that he has and so I think. He is a good choice for us and is very hard working.

My last request is that we soon put the PRC discussion on a Work Session so that we can begin talking about how we move forward with PRCs and all of that so I would just request that we put that in a Work Session pretty soon.

12.6 MAYOR ENRIQUEZ

I just want to state we do value the public input. A lot of these things, the issues that are brought up we do value. I think we need to really look at how we structure public participation and we will continue to work on that but the feedback that we get is no different from, I will echo as Councilor Flores and Mayor Pro Tem said we were all in Santa Fe last week for the Las Cruces Days and a lot of the issues that we are advocating for are a lot of these issues. Whether it is real time crime lab, whether its mobile integrated in the mental crisis treatment, all of these issues that they bring forward, affordable housing, the East Mesa Sports Complex, we are advocating for these for our Legislators to get that external funding so that we can help finish these projects for all these issues that are brought up and I want to thank staff and the City Manager, those who went out there also and the Chiefs that were out there

advocating and lobbying for our community to get the things that we need that we hear from the public that we want to address so thank you and a shoutout to Mandy Guss and her Communications Department as we delivered those they did a video of all the requests and it was well done. It was really good that when the schools and NMSU, the Las Cruces Public Schools Superintendent went up there and said we need to step up our game. So, Mandy, thank you for making us look good and setting the bar.

I also want to say kudos to an Officer from the Las Cruces Police Department, De la Garza for coordinating the run yesterday. They had a run. They had a large participation for the fallen officer, New Mexico State Police Jarrod so it was well done. I hope that I can attend next year if the make it an annual function. It was in his honor and the De la Garza was there and even got wounded during that scene and said how it had changed his life and I appreciate him stepping up and showing the commitment and to this community and showing that we really do care for our police officers that are out there really fighting the crime so thank you for that.

13. CITY MANAGER REPORT

13.1 IFO PILI

Just a couple of things, I have been doing this a lot lately just some things with my reports that I can address quickly from earlier comments by council or the public. I want to talk about the Active Transportation Planner because I also want to advertise that as well as we are publicly looking for this position to be filled. I know we had an individual earlier on when I first got here, and it has been a hard position to fill. Two individuals were offered and rejected the offer, and so we are going back. I know it was suggested that we go and use a firm to go out and actually recruit and use some of the other positions that we had. I think it was Councilor McClure that had that idea and I think if we do that, we may have a little bit more success. I do want the public to know that we are looking but also to let you know if there is interest out there. It seems that we have a lot of advocates maybe we could hire some of them or one of them. So, I wanted to mention that we are still in process, and I know there had been conversation on the Aquatic Center and I know last time I mentioned that we are hoping that we get the part in by the 22nd of January. Latest update is that it has not come in yet and we are still waiting on that.

I know Mrs. Diaz has come several times with concerns regarding Memorial. We have talked to Memorial and talked to John, Mr. Harris to come to City Council and have Work Session to report and be able to address these issues himself. So, he has agreed to do that. So, when they have a board meeting coming up soon and we will get a date to where he can come to the council. It is an advisory board which we sit on. It really doesn't mean a whole lot but certainly we can have those conversations and address the issues.

This was hot off the press, I was reminded when Councilor Graham talked about our hometown hero Mr. Trout. This wasn't even sent as an update it was just an FYI that they are looking to Las Cruces to be his first match to defend his title. They are looking to bring it to Las Cruces. That is not anything solid yet but they are looking

somewhere in August and so I think he will be defending his title in Las Cruces. We can throw a big parade for him if that happens here.

Visit Las Cruces has launched its annual Scenic Southern Social Media Photo Contest. The campaign runs from February 1st to 29th and encourages visitors and locals to take photos of their outdoor experience and post with #scenicsouthernnm2024 for a chance to win prizes. More information can be found at visitlascruces.com. Also save the date for MIRA Las Cruces Fest 2024. This is our second year to be held April 27 at the Plaza de Las Cruces and downtown areas. This year's headline is Grupo Control, a nationally recognized norteno group with roots in the borderland. More details to come on visitlascruces.com.

From our Parks and Rec, Youth Basketball registration opens online February 8th from 9 to 4 p.m. Youth Cheer registration opens February 22nd noon to 8 p.m. The annual Father/Daughter dance will take place on February 9th, a Night for a Princess at the Frank O'Brien Papen Community Center.

As you know Larry Horan sends reports. I just wanted to share some highlights from his last report. I appreciate the opportunity to go as well, and I think we will see how productive our visits were. I appreciate everybody that went up as well. The Session has passed its halfway point and so January 31st was the last day of bill introductions so there was a total of 658 bills and 97 memorials and resolutions. The budget has passed the house and is now in the Senate where it will be changed. All the Legislators have funded their capital outlay or port project and now they will begin hearing bills in earnest and the House considered some gun bills and clean fuel on Saturday night, apparently, they didn't adjourn until 3:20 a.m. A couple of items we asked him to watch as well, Paid Family Medical Leave passed at second committee yesterday in the Senate and now heads to the Senate floor for a vote. Senate Bill 16 Criminal Competency in the house version were both heard in committee. The house version moved on with a no recommendation and the Senate Bill received a due pass out of committee. However, there was a lot of discussion. They are saying there seems to be technical drafting issues with the bills to be an uphill climb to pass this year apparently and additionally Senate Bill 236 a fix to the MRA statute passed. It's in first committee and likely have a second hearing on Thursday.

14. ADJOURNMENT

14.1

Councilor Johana Bencomo moved, seconded by Councilor Yvonne Flores, to adjourn at 3:39 p.m.

RESULT:	**Carried**
MOVER:	Councilor Johana Bencomo
SECONDER:	Councilor Yvonne Flores
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

24-086

Type of Action:
☒ **Resolution**
☐ **Ordinance**
☐ **TIDD Resolution**

City Council Action and Executive Summary

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:		**Adopted:**	March 4, 2024
Drafter:	Suri Molina	**Department:**	Financial Services
Program:	Purchasing	**Line of Business:**	Procure-to-Pay

Title: **A RESOLUTION AUTHORIZING AN INCREASE IN THE ANNUAL NOT-TO-EXCEED AMOUNT OF THE CONTRACT FOR OUTSIDE COUNSEL SERVICES WITH ROBLES, RAEL & ANAYA, P.C. TO $1,500,000, PLUS NEW MEXICO GROSS RECEIPTS TAX ANNUALLY AND AMEND THE FY2024 BUDGET (PROCUREMENT NO 23-24-021).**

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

PURPOSE(S) OF ACTION:
To increase the annual contract amount for outside counsel services.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
The City's Legal Department has contracted with Robles, Rael & Anaya, P.C. for outside counsel services. Services of attorneys are exempt from competitive bidding as outlined in the City's procurement code, Las Cruces Municipal Code Chapter 24-4.

On October 16, 2023, City Council approved Resolution 24-038 authorizing an annual amount not to exceed $500,000, plus New Mexico Gross Receipts Tax. The Legal Department is anticipating the need for additional services, and is requesting authorization to amend contract no. 23-24-021 to a new amount not to exceed $1,500,000, plus New Mexico Gross Receipts Tax annually, as outlined in Exhibit "A".

The budget amendment is needed for the increase in cost for legal services to Robles, Rael & Anaya, P.C.

SUPPORT INFORMATION:
Exhibit "A" 23-24-021 Legal Services - Robles, Rael & Anaya - Amendment No. 2
Exhibit "B" 6340 FS_Budget Adjustment Request

PLAN(S):
None

COMMITTEE/BOARD REVIEW:
None

DOES THIS AMEND THE BUDGET?:
☒ Yes

☐ No

BUDGET / FISCAL IMPACT:

BUDGETED AMOUNT: 1,500,000 **AVAILABLE AMOUNT:** 1,612,089 **EXPENDITURE AMOUNT:** 1,500,000

Funding Source(s):
60331004

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

☐ Yes
☒ No

Does this action align with Elevate Las Cruces?

☐ Yes
☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Resolution authorizing the increase in the annual not-to-exceed amount of the contract with Robles, Rael & Anaya, P.C. for outside counsel services from $500,000 to $1,500,000, plus tax annually and amend the FY2024 Budget.
2. Vote "No"; this will not approve the Resolution and City Councill will need to provide staff with alternative direction and amend the FY2024 Budget.
3. Vote to "Amend"; this could modify the Resolution based on direction from City Council to staff.
4. Vote to "Table"; this will delay the increase in the annual not-to-exceed amount of the contract with Robles, Rael & Anaya, P.C. which will impact Legal Department operations, and City council will need to provide alternative direction to staff.

RESOLUTION 24-086

A RESOLUTION AUTHORIZING AN INCREASE IN THE ANNUAL NOT-TO-EXCEED AMOUNT OF THE CONTRACT FOR OUTSIDE COUNSEL SERVICES WITH ROBLES, RAEL & ANAYA, P.C. TO $1,500,000, PLUS NEW MEXICO GROSS RECEIPTS TAX ANNUALLY AND AMEND THE FY2024 BUDGET (PROCUREMENT NO 23-24-021).

The City Council is informed that:

WHEREAS, the City's Legal Department has contracted with Robles, Rael & Anaya, P.C. for outside counsel services; and

WHEREAS, services of attorneys are exempt from competitive bidding as outlined in the City's procurement code, Las Cruces Municipal Code, Chapter 24; and

WHEREAS, on October 16, 2023, City Council approved Resolution 24-038 authorizing an annual amount not to exceed $500,000, plus New Mexico Gross Receipts Tax; and

WHEREAS, the Legal Department is anticipating the need for additional services and is requesting authorization to amend contract no. 23-24-021 to a new amount; and

WHEREAS, a budget amendment is needed for the increase legal services to the City.

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

(I)

THAT the amendment to the professional services agreement with Robles, Rael & Anaya, P.C. to an amount not to exceed $1,500,000, plus New Mexico Gross Receipts Tax annually, as outlined in Exhibit "A", attached hereto and made part of this Resolution, is hereby approved.

(II)

THAT the FY2024 budget amendment as indicated in Exhibit "B", attached hereto and made a part of this Resolution, is hereby approved.

(III)

THATCity 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

CITY OF LAS CRUCES

AMENDMENT NO. 2

23-24-021 LEGAL SERVICES – OUTSIDE COUNSEL

This amendment, made this _____ day of March, 2024 by and between the CITY OF LAS CRUCES and Robles, Rael & Anaya, P.C. of Albuquerque, NM.

W I T N E S S E T H

WHEREAS, the parties desire to modify the terms and conditions of their original contract dated July 1, 2023, the parties hereby agree as set forth below:

The following provisions are added:

1. Section 4. COMPENSATION is modified to an annual amount not to exceed $1,500,000, plus applicable taxes.

Subject to the modifications set forth in this amendment, the above referenced original agreement dated July 1, 2023 between the parties is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties, through their authorized representatives, have affixed the signatures below.

ROBLES, RAEL & ANAYA, P.C.

BY: _____
Luis Robles
President

_____
Date

CITY OF LAS CRUCES

BY: _____
Alicia Hernandez
Purchasing Manager

_____
Date

APPROVED AS TO FORM

for _____ 2/1/24
City Attorney

Revised: May 2023

CITY OF LAS CRUCES *Exhibit "B"*

BUDGET ADJUSTMENT REQUEST

BUDGET FISCAL YEAR 2023-24

	6340 LIABILITY CLAIMS 2023-24			
	Original Budget	Amended Budget	Req. Adjustment	Adjusted Budget
RESOURCES				
Beginning Balance	$ 1,541,414	4,028,079	0	4,028,079
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	0	0	0	0
State Grants	0	0	0	0
Local Grants	0	0	0	0
Debt Service	0	0	0	0
Total Revenues	**0**	**0**	**0**	**0**
TOTAL RESOURCES	**$ 1,541,414**	**4,028,079**	**0**	**4,028,079**
Expenditures				
General Government	0	0	0	0
Legislative	0	0	0	0
Municipal Court	0	0	0	0
Chief Administrative Officer	0	0	0	0
City Manager	0	0	0	0
Legal	7,304,072	7,304,072	1,500,000	8,804,072
Las Cruces Police Department	0	0	0	0
Las Cruces Fire Department	0	0	0	0
Utilities	0	0	0	0
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 Manger-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	**$ 7,304,072**	**7,304,072**	**1,500,000**	**8,804,072**
Other Resources				
Operating Transfers In	6,300,000	6,300,000	0	6,300,000
Operating Transfers Out	0	0	0	0
Total Other Resources	**$ 6,300,000**	**6,300,000**	**0**	**6,300,000**
Accrual Adjustments	0	0	0	0
ENDING BALANCE	**$ 537,342**	**3,024,007**	**(1,500,000)**	**1,524,007**

24-087

Type of Action:
☒ **Resolution**
☐ **Ordinance**
☐ **TIDD Resolution**

City Council Action and Executive Summary

District:	☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☒ N/A		
1st Reading:		**Adopted:**	March 4, 2024
Drafter:	Virginia Barela	**Department:**	Financial Services
Program:	Purchasing	**Line of Business:**	Procure-to-Pay

Title: **A RESOLUTION AUTHORIZING AN ANNUAL NOT-TO-EXCEED AMOUNT OF $750,000.00 COMBINED FOR BARRICADE RENTALS WITH JAVIER R. CHAVEZ DBA LAS CRUCES BARRICADES AND R2 CONTRACTORS SPECIALTY INC. BOTH FROM LAS CRUCES, NEW MEXICO SUBJECT TO ANNUAL RENEWALS AND APPROVED BUDGET APPROPRIATIONS (PROCUREMENT 22-23-057).**

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

PURPOSE(S) OF ACTION:

To increase the contract amounts for barricade services.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces (City) rents barricades for utility/road work and special events to ensure the safety of citizens and City staff, and to protect City property.

An invitation to bid (ITB) was issued for Procurement No. 22-23-057. The Purchasing program received two (2) bids from Javier R. Chavez dba Las Cruces Barricades and R2 Contractors Specialty, Inc. both from Las Cruces, New Mexico. The bids were reviewed and evaluated. Both respondents demonstrated their ability to meet the City's needs, including emergency response, for barricades.

Las Cruces Municipal Code, Chapter 24, Section 24-5, b (1) - Small Purchases allows the City to award price agreements $50,000.00 or more but less than $100,000.00, unless determined impractical by the purchasing manager, with no less than three solicited sources. Awards are to be based on the lowest prices meeting specifications. The City moved forward with entering into agreements with Javier R. Chavez dba Las Cruces Barricades and R2 Contractors Specialty, Inc. for a term of four (4) years through June 20, 2027, in an annual not-to-exceed amount of $99,999.99, to ensure continuity of municipal service.

Although primarily used by the Public Works and Utilities departments, this agreement may be utilized by all City departments to rent barricades on an as-needed basis throughout the year. To meet the needs of the City, Purchasing is requesting that the City be allowed to purchase barricade services in an amount not to exceed $750,000.00 combined annually, subject to budget appropriations.

SUPPORT INFORMATION:

Exhibit "A" - 22-23-057 LC Barricades Price Agreement
Exhibit "B" - 22-23-057 R2 Price Agreement

PLAN(S):

None

COMMITTEE/BOARD REVIEW:

None

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

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

☐ Yes

☒ No

Does this action align with Elevate Las Cruces?

☐ Yes

☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the resolution to authorize an annual not-to-exceed amount of $750,000.00 combined for barricade rentals price agreement 22-23-057, subject to annual renewals and approved budget appropriations.
2. Vote "No"; this would deny the resolution and prohibit the barricade rentals in an annual not-to-exceed amount of $750,000.00 combined. This would require Public Works to pursue other options as directed by Council which may interrupt the supply of road construction materials and could cause roadway and flood control structure maintenance and repair work stoppages.
3. Vote to "Amend"; this could modify the resolution and advise staff of necessary adjustments as deemed appropriate.
4. Vote to "Table"; this could delay the authorization of an annual not-to-exceed amount of $750,000.00 for barricade rentals price agreement 22-23-057 and may interrupt the utility/road work and special events and could cause delays in municipal services, and negatively impact public safety.

RESOLUTION 24-087

A RESOLUTION AUTHORIZING AN ANNUAL NOT-TO-EXCEED AMOUNT OF $750,000.00 COMBINED FOR BARRICADE RENTALS WITH JAVIER R. CHAVEZ DBA LAS CRUCES BARRICADES AND R2 CONTRACTORS SPECIALTY INC. BOTH FROM LAS CRUCES, NEW MEXICO SUBJECT TO ANNUAL RENEWALS AND APPROVED BUDGET APPROPRIATIONS (PROCUREMENT 22-23-057).

The City Council is informed that:

WHEREAS, the City rents barricades for utility/road work and special events to ensure the safety of citizens and City staff, and to protect City property; and

WHEREAS, the City's contract for barricades rentals expired in May 2023; and

WHEREAS, an invitation to bid was issued and received two (2) responses; and

WHEREAS, pursuant to Las Cruces Municipal Code, Chapter 24, Section 24-5, b (1), the City entered into price agreements with Javier R. Chavez dba Las Cruces Barricades and R2 Contractors Specialty, Inc. for a term of four (4) years through June 20, 2027, in an annual not-to-exceed amount of $99,999.99; and

WHEREAS, to meet the needs of the City, the Purchasing program is recommending increasing the authorized purchase amount.

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

(I)

THAT the City is authorized to purchase barricade rentals under price agreement 22-23-057, as shown in Exhibit "A" and Exhibit "B" attached hereto and made part of this resolution, in an annual not-to-exceed amount of $750,000.00 combined, subject to approved budget appropriations.

(II)

THATCity 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

Exhibit "A"

22-23-057
Barricade Rental

CITY OF LAS CRUCES

PRICE AGREEMENT

THIS AGREEMENT made and entered into on this 18th day of August, 2023 by and between the City of Las Cruces, New Mexico, hereinafter called "CITY" and Javier R. Chavez DBA Las Cruces Barricades, of 1865 S. Valley Drive, Las Cruces, New Mexico 88005, hereinafter called "CONTRACTOR".

1. PRODUCT DESCRIPTION
Barricade Rental

2. SCOPE OF SERVICES
In a satisfactory and proper manner, the CONTRACTOR shall deliver PRODUCT/SERVICES as bid in response to the CITY'S Invitation to Bid No. 22-23-057 as set forth in Exhibit A, attached hereto and made a part of this Agreement.

3. APPROPRIATIONS
The terms of this Agreement are contingent on sufficient appropriations and authorization being made by the City Council for the performance of this Agreement. If sufficient appropriations and authorizations are not made by the City Council, this Agreement shall terminate upon written notice given by the CITY to CONTRACTOR. The CITY'S decision as to whether sufficient appropriations and authorizations exist shall be accepted by CONTRACTOR and shall be final.

4. COMPENSATION
In consideration for CONTRACTOR'S satisfactory performance agreed to herein, the CITY shall compensate CONTRACTOR based upon pricing offered in CONTRACTOR'S bid response, plus applicable taxes. CONTRACTOR shall deliver product/services upon receipt of a purchase order from the CITY. The CITY cannot authorize costs to be incurred prior to such purchase order.

CONTRACTOR is responsible for payment of State of New Mexico Gross Receipts Tax levied on the amounts payable under this Agreement. CONTRACTOR agrees to comply with all federal and state tax payments and report all items of gross receipts as income from the operations of its business.

5. DEVOTION OF ADEQUATE TIME
CONTRACTOR will devote the necessary hours each week to the performance of project that are required by the CITY, and it will serve the CITY, diligently and faithfully, and according to its best ability in all respects and will promote the best interests of the CITY.

6. TERM AND SCHEDULE
This Agreement shall become effective on July 29, 2023 through June 30, 2027, for a term of four (4) years, subject to budget appropriations. CONTRACTOR shall deliver PRODUCT/SERVICES in accordance with the time set forth as agreed upon by the CITY and CONTRACTOR.

7. EXTENSIONS, CHANGES, AND AMENDMENTS
This Agreement shall not be extended, changed, or amended except by instrument in writing executed by the parties. The CITY shall not be liable for payment of any extra services nor shall CONTRACTOR be obligated to perform any extra services except upon such written agreement. Such written approval shall indicate the date said extension, change, or amendment is effective and shall be signed by the parties to this Agreement. In the event that the parties cannot reach agreement as to a particular change, the issue shall be resolved pursuant to Article 21.

8. CHANGES AND EXTRA SERVICES BY THE CITY
The CITY may make changes within the general scope of the SERVICES plus may also request CONTRACTOR to perform other extra services not incorporated within the Services set forth in this Agreement. If the CONTRACTOR is of the opinion that such change causes an increase or decrease in the cost and/or the time required for performing the changes or other services required by the CITY, CONTRACTOR shall so notify the CITY, of that fact within five (5) business work days from the date of receipt of change by the CITY. The CITY shall provide written response to the CONTRACTOR within five (5) business work days from the date of receipt of CONTRACTOR'S written notification.

9. CHANGES AND EXTRA SERVICES BY THE CONTRACTOR
In the event a condition is identified by the CONTRACTOR which, in the opinion of the CONTRACTOR, changes the services, costs, and/or time required for performance under this Agreement, the CONTRACTOR shall provide written notification to the CITY within five (5) business work days of such identification. The CITY shall respond in writing to such notification within five (5) business work days from the date of receipt of CONTRACTOR'S notification.

10. DELAYS
In the event that performance of SERVICES is delayed by causes beyond reasonable control of CONTRACTOR, and without the fault or negligence of CONTRACTOR, the time and total compensation for the performance of the SERVICES may be equitably adjusted by written agreement to reflect the extent of such delay. CONTRACTOR shall provide the CITY, with written notice of delay pursuant to Article 9 including therein a description of the delay and the steps contemplated or actually taken by CONTRACTOR to mitigate the effect of such delay. The CITY will make the final determination as to reasonableness of delays.

11. TERMINATION
This Agreement may be terminated by either party hereto upon fifteen (15) calendar days written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement through no fault of the terminating party. This Agreement may also be terminated by the CITY, for its convenience or because the PROJECT has been permanently abandoned, but only upon fifteen (15) calendar days written notice to CONTRACTOR.

In the event of termination, CONTRACTOR shall be compensated for all services performed and costs incurred up to the effective date of termination for which CONTRACTOR has not been previously compensated.

Upon receipt of notice of termination from the CITY, CONTRACTOR shall discontinue the SERVICES unless otherwise directed and upon final payment from the CITY, deliver to the CITY, the required number of copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONTRACTOR in the performance of this Agreement, whether completed or in process.

12. RECORDS AND AUDITS

CONTRACTOR will maintain records indicating dates, length of time, and services rendered. The CITY has the right to audit billings both before and after payment and contest any billing or portion thereof. Payment under this Agreement does not foreclose the CITY'S, right to recover excessive or illegal payments. CONTRACTOR will retain records for five (5) years after the completion of the project.

13. DISCLOSURE AND OWNERSHIP OF DOCUMENTS, PRODUCTS, DESIGN, ELECTRONIC FILES

All technical data, electronic files, and other written and oral information not in the public domain or not previously known, and all information, electronic files, and data obtained, developed, or supplied by the CITY, will be kept confidential and CONTRACTOR will not disclose to any other party, directly or indirectly, without the CITY'S, prior written consent unless required by lawful order.

All technical data, electronic files, products developed, operational parameters, blueprints, and other information and work of the CONTRACTOR shall be the sole property of the CITY, and shall be delivered to the CITY, when requested and at the end of the Agreement.

14. INDEPENDENT CONTRACTOR

CONTRACTOR represents that it has, or will secure, at its own expense, all personnel required in performing the SERVICES under this Agreement. Such personnel shall not be employees of, nor have any contractual relationship with the CITY, CONTRACTOR, consistent with its status as an independent contractor, further agrees that its personnel will not hold themselves out as, nor claim to be officers or employees of the CITY, by reason of this Agreement.

To the extent that CONTRACTOR employs any employees, CONTRACTOR shall be solely responsible for providing its own form of insurance for its employees and in no event shall CONTRACTOR'S employees be covered under any policy of the CITY.

CONTRACTOR'S retention hereunder is not exclusive. Subject to the terms and provisions of this Agreement: (i) CONTRACTOR is able, during the Term hereof, to perform services for other parties; and (ii) CONTRACTOR may perform for its own account other professional services outside the scope of this Agreement.

CONTRACTOR is and shall be an Independent Contractor and shall be responsible for the management of its business affairs. In the performance of the work under this Agreement, CONTRACTOR will at all times be acting and performing as an Independent Contractor, as that term is understood for federal and state law purposes, and not as an employee of the CITY. Without limitation upon the foregoing, CONTRACTOR shall not accrue sick leave, jury duty pay, retirement, insurance, bonding, welfare benefits, or any other benefits, which may or may not be afforded employees of the CITY. CONTRACTOR will not be treated as an employee for purposes of: Workers' Compensation benefits; the Federal Unemployment Tax Act; Social Security; other payroll taxes, federal or any state income tax withholding; or the employee benefit provisions described in the Internal Revenue Code of 1986, as amended. Neither the CITY, nor its agents or representatives, shall have the right to control or direct the manner, details or means by which CONTRACTOR accomplishes and performs its services. Nevertheless, CONTRACTOR shall be bound to fulfill the duties and responsibilities contained in the Agreement.

15. NO JOINT VENTURE OR PARTNERSHIP

Nothing contained in this Agreement shall create any partnership, association, joint venture, fiduciary or agency relationship between CONTRACTOR and CITY. Except as otherwise specifically set forth herein, neither CONTRACTOR nor CITY, shall be authorized or empowered to make any representation or commitment or to perform any act which shall be binding on the other unless expressly authorized or empowered in writing.

16. ASSIGNMENT

CONTRACTOR shall perform all the services under this Agreement and shall not assign any interest in this Agreement or transfer any interest in same or assign any claims for money due or to become due under this Agreement without the prior written consent of the CITY.

17. INSURANCE

CONTRACTOR shall obtain and maintain at least the following insurance at its own cost and expense during the life of this Agreement, and shall require Subcontractors, if any, to maintain the same insurance during the life of the subcontracted work:

1. Commercial General Liability Insurance
   a. $1,000,000 per occurrence / $2,000,000 aggregate
   b. Coverage must include premises and operations, and personal and advertising injury.
   c. The City of Las Cruces must be named as an Additional Insured for all coverages listed above on endorsements acceptable to the City.
   d. Coverage must be primary and non-contributory.
   e. Coverage must be per project or per location.
   f. Coverage must be on an occurrence form.
   g. Subrogation must be waived.
2. Commercial Auto Liability
   a. $1,000,000 per occurrence

b. Coverage must be for “owned, leased, hired, and non-owned autos” or “any autos.”

3. Workers’ Compensation and Employers Liability
   a. Statutory Limits
   b. Employer liability – $1,000,000 each accident, $1,000,000 each employee by disease, $1,000,000 policy limit
   c. Subrogation must be waived.

Endorsements for additional insured coverage and waivers of subrogation must be provided as a condition of this Agreement and shall be noted on the certificate.

CONTRACTOR shall furnish the CITY with a certificate(s) of insurance showing CONTRACTOR and Subcontractors, if any, have complied with this Article. The CONTRACTOR shall provide insurance certificates before work is to start on the project and shall provide the CITY thirty (30) days written notification of cancellation of such policies.

18. INDEMNITY AND LIMITATION

CONTRACTOR shall indemnify, defend, and hold harmless the CITY, from and against any and all claims, suits, actions, judgments, demands, losses, costs, expenses, damages, and liability caused in whole or in part by, resulting in whole or in part from, or arising in whole or in part out of the negligent acts, errors, or omissions of CONTRACTOR, its officers, employees, agents, or representatives in the performance of SERVICES under this agreement.

19. 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.

CONTRACTOR shall abide and be governed by all applicable state law, CITY ordinances, and laws regarding the CONTRACTOR’S services or any work done pursuant to this Agreement, including anti-discrimination.

20. BREACH

In the event CONTRACTOR breaches any obligation contained in this Agreement, prior to instituting any action or dispute resolution procedure, the CITY, shall give CONTRACTOR written notice of such breach. In the event CONTRACTOR fails to remedy the breach within five (5) working days of receiving such written notice, the CITY, at its sole discretion, without any obligation to do so and in addition to other remedies available under applicable law, may remedy CONTRACTOR’S breach and recover any and all costs and expenses in so doing from CONTRACTOR.

21. DISPUTE RESOLUTION

In the event that a dispute arises between CITY and CONTRACTOR under this Agreement or as a result of breach of this Agreement, the parties agree to act in good faith to attempt to resolve the dispute.

22. NOTIFICATION

All notices required or permitted under this Agreement shall be in writing and shall be deemed sufficiently served if served by Registered Mail addressed as follows:

TO CITY:	City of Las Cruces PO Box 20000 Las Cruces, NM 88004 ATTENTION: Virginia M. Barela, Buyer II
With Copies to:	Purchasing Manager
TO CONTRACTOR:	Javier R. Chavez DBA Las Cruces Barricades 1865 S. Valley Drive Las Cruces, NM 88005 ATTENTION: Javier R. Chavez, President

23. SCOPE OF AGREEMENT

This Agreement incorporates all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof and that all such covenants, agreements, and understandings have been merged into this written agreement. No prior agreement or understanding verbal or otherwise of the parties or their agents shall be valid or enforceable unless embodied in this agreement.

24. SEVERABILITY

The parties agree that each provision of this Agreement is severable and the invalidity or unenforceability of any one or more of the provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

25. CONFLICT OF INTEREST

CONTRACTOR represents and warrants that CONTRACTOR has no business, professional, personal, or other interest, including, but not limited to, the representation of other clients, that would conflict in any manner or degree with the performance of its obligations under this Agreement. If any such actual or potential conflict of interest arises under this Agreement, CONTRACTOR shall immediately inform the CITY in writing of such conflict. If, in the reasonable judgement of the CITY, such conflict poses a conflict to and with the performance of CONTRACTOR'S obligations under this Agreement, or is otherwise a violation of the CITY'S current policy or ordinances, then the CITY may terminate the Agreement immediately upon written notice to CONTRACTOR; such termination of the Agreement shall be effective upon the receipt of such notice by CONTRACTOR.

JAVIER R. CHAVES (DBA LAS CRUCES BARRICADES)

BY: _____
Javier R. Chavez
President

8-14-23
Date

CITY OF LAS CRUCES

BY: _____ Alicia Hernandez (Aug 18, 2023 16:54 MDT)
Alicia Hernandez
Purchasing Manager

08/18/2023
Date

APPROVED AS TO FORM

_____ 8/8/23
City Attorney

EXHIBIT A

Item	Description	Rental Period	Unit Cost
1.	Vertical panel barricade	Daily	$5.00
2.	Vertical panel with type "A" or "C" warning light attached	Daily	$5.50
3.	Type I barricade	Daily	$4.00
4.	Type I barricade with type "A" or "C" warning light attached	Daily	$4.50
5.	Type II barricade	Daily	$4.00
6.	Type II barricade with type "A" or "C" warning light attached	Daily	$4.50
7.	Type III barricade	Daily	$40.00
8.	Type III barricade with type "A" or "C" warning light attached	Daily	$41.00
9.	Traffic cone, 28"	Daily	$4.80
10.	Sandbag (one-time charge)	Each	$1.00
11.	Sign (36" square or smaller) with supports	Daily	$5.00
12.	Sign (36" square or smaller) with supports and two (2) flags	Daily	$5.50
13.	Sign (36" square or smaller) with supports, two (2) flags, and type "A" warning light attached	Daily	$6.00
14.	Sign (36" square or smaller) with supports and type "A" warning light attached	Daily	$5.50
15.	Sign (larger than 36" square) with supports, two (2) flags, and type "A" warning light attached	Daily	$6.00
16.	Sign (larger than 36" square) with supports and type "A" warning light attached	Daily	$5.50
17.	Flashing arrow panel, battery-operated solar, trailer mount, self-contained, with daily maintenance	Daily	$40.00
18.	Barrels, reflective, with tire bases	Daily	$5.50

Item	Description	Rental Period	Unit Cost
19.	Stands, wind-masking	Daily	$3.50
20.	Tubular markers, candlestick type	Daily	$5.00
21.	Steel traffic plates	Daily	$ N/A
22.	Flag men	Hourly	$48.50
23.	Percent off contractor's rental price for items not listed in this document	n/a	%
24.	Routine call and set-up response time (hours)	n/a	Hrs:

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/15/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	Ruben Del Valle	
Grindell & Romero Insurance PO Box 1929 Las Cruces, NM 88004	PHONE (A/C, No, Ext):	(575)524-8531	FAX (A/C, No): (575)524-8056
	E-MAIL ADDRESS:	ruben@grindellromero.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A :	Admiral Insurance Company	
INSURED	INSURER B :	New Mexico Mutual	
Las Cruces Barricades, Inc 1324 Yucca Rd Mesilla Park, NM 88047	INSURER C :		
	INSURER D :		
	INSURER E :		
	INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** 00082520-174412 **REVISION NUMBER:** 42

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	Y	Y	SCR18935723	04/27/2023	04/27/2024	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	POLICY X PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			0096306	07/06/2023	07/06/2024	X PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N: Y	N / A					E.L. EACH ACCIDENT	$ 1,000,000
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Workers Comp: Javier Chavez is excluded

CERTIFICATE HOLDER

City of Las Cruces
PO BOX 20000
Las Cruces, NM 88004

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

(RDV)

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/15/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Lucy Serna(160922R)
1100 S MAIN ST STE 114

Las Cruces NM 88005-2953

CONTACT NAME:

PHONE (A/C, NO, EXT): 575-526-9226
FAX (A/C, NO): 575-526-9114

E-MAIL ADDRESS: lserna@farmersagent.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Truck Insurance Exchange	21709
INSURER B:	Farmers Insurance Exchange	21652
INSURER C:	Mid Century Insurance Company	21687
INSURER D:		
INSURER E:		
INSURER F:		

INSURED

LAS CRUCES BARRICADES INC
1324 YUCCA RD

MESILLA PARK NM 88047

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAME ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDTL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea Occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PROJECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☒ SCHEDULED AUTOS	Y	Y	603040685	10/29/2023	10/29/2024	BODILY INJURY (Per accident)	$
	☒ HIRED AUTOS ONLY ☒ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						☐ PER STATUTE ☐ OTHER	$
	ANY PROPRIETOR/PARTNER/ EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N ☐	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CITY OF LAS CRUCES
PO BOX 20000

LAS CRUCES NM 88004

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Policy Number: CA000048963-01 **AD 68 93 01 23**

Effective Date: 04/27/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS ENHANCED COVERAGE
(Commercial General Liability Coverage Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

I. AMENDED EXCLUSIONS

NON-OWNED WATERCRAFT COVERAGE - Up to 55 feet

SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, sub-paragraph **(2)** of Exclusion **g. Aircraft, Auto or Watercraft**, is amended as follows:

(2) A watercraft you do not own that is:

(a) Less than 55 feet long; and

(b) Not being used to carry persons or property for a charge;

MEDICAL PAYMENTS –
PRODUCTS-COMPLETED OPERATIONS HAZARD

SECTION I – COVERAGES – COVERAGE C – MEDICAL PAYMENTS Exclusion **f.** Products-Completed Operations Hazard is deleted in its entirety.

CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM EXCLUSION

(LIMITED EXCEPTION FOR OPERATIONS AWAY FROM PROJECT LOCATION)

The following exclusion is added to paragraph **2.,** Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section **I –** Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at any location for which a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

(1) Provides coverage identical to that provided by this Coverage Form;

(2) Has limits adequate to cover all claims; or

(3) Remains in effect.

However, if the consolidated (wrap-up) insurance program does not provide coverage for your operations that are performed away from the location of the construction project, this exclusion will not apply.

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II. AMENDED COVERAGES

KNOWLEDGE OF OCCURRENCE

The following paragraph is added to Section IV – Commercial General Liability Conditions Paragraph **2**. Duties In The Event Of Occurrence, Offense, Claim or Suit:

Notice of an "occurrence" which may result in a claim under this insurance shall be given as soon as practicable after knowledge of the "occurrence" has been reported to you, one of your "executive officers", or any "employee" authorized by you to give or receive notice of an "occurrence".

UNINTENTIONAL ERRORS AND OMISSIONS

The following paragraph is added to Section IV – Commercial General Liability Conditions Paragraph **6**. Representations:

However, the unintentional omission of, or unintentional error in, any information given or provided by you shall not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our right of cancellation or non-renewal.

III. ADDED COVERAGES

PERSONAL PROPERTY OF OTHERS IN YOUR CARE, CUSTODY OR CONTROL – LIMITED COVERAGE

SCHEDULE

Sub-Limits of Insurance:

$10,000 Each Occurrence (Included in the Each Occurrence Limit shown in the Declarations)

$10,000 Aggregate (Included in the General Aggregate Limit shown in the Declarations)

The Sub-Limits of Insurance shown above are included within and not in addition to the Each Occurrence Limit and the General Aggregate Limit shown in the Declarations.

Supplementary Payments will reduce the Each Occurrence and Aggregate Sub-Limits of Insurance shown above.

It is agreed COMMERCIAL GENERAL LIABILITY COVERAGE FORM - SECTION I – COVERAGE A Exclusion **j. (4)** is deleted, but only with respect to personal property of others in the care, custody or control of the Named Insured, subject to the following exclusions, conditions and limitations.

1. Exclusions

This insurance does not apply to:

a. "Property damage" arising out of operations performed on behalf of the Named Insured by others;

b. "Property damage" arising out of an "occurrence" at premises owned, rented, leased, operated, occupied or used by you;

c. "Property damage" to property while in transit;

d. "Property damage" arising out of any error, omission or deficiency in the design, specifications, workmanship or materials of the personal property in the Named Insured's care, custody or control;

e. "Property damage" arising out of delay, loss of market, loss of use, loss of profits, or any similar indirect or consequential loss of any kind;

f. "Property damage" included within the "products-completed operations hazard"; or

g. Damages exceeding the actual cash value of the personal property in the care, custody or control of the Named Insured at the time of the "occurrence."

2. Conditions

Our right and duty to defend ends when we have used up the applicable sub-limit of insurance in the payment of judgments or settlements or Supplementary Payments under the insurance provided by this endorsement.

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3. **Limits of Insurance**

   a. The amount we will pay for damages is limited as described below with respect to damages covered under this endorsement:

      (1) The Aggregate Limit shown in the Schedule is the most we will pay for the sum of all damages because of "property damage";

      (2) The Each Occurrence Limit shown above is the most we will pay for the sum of all damages because of "property damage" arising out of any one "occurrence";

      (3) Supplementary Payments will reduce the Each Occurrence and Aggregate Limits of Insurance shown in the Schedule; and

      (4) All sums we pay for damages or Supplementary Payments under this endorsement will reduce the Each Occurrence Limit and the General Aggregate Limit shown in the Declarations.

4. **Other Insurance**

   This insurance is excess over any other valid and collectible Property or Inland Marine insurance available to you, either as a Named Insured or an Additional Insured, whether primary, excess, contingent or any other basis.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

(Insurance Services Office Endorsement CG 20 01 04 13)

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and
(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

(Insurance Services Office Endorsement CG 24 04 05 09)

SCHEDULE

Name Of Person Or Organization:
Any person or organization, but only if the following conditions are met: (1) You have expressly agreed to the waiver in a written contract; and (2) The injury or damage first occurs subsequent to the execution of the written contract.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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CONTRACTUAL LIABILITY – RAILROADS

(Insurance Services Office Endorsement CG 24 17 10 01)

SCHEDULE

Scheduled Railroad:	**Designated Job Site:**
Any railroad, but only if the following conditions are met: a. You have expressly agreed to indemnify the railroad in a written contract entered into by you; and b. The injury or damage occurs subsequent to the execution of the written contract.	Any job site covered by this insurance where you are performing operations for or affecting a Scheduled Railroad.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to operations performed for, or affecting, a Scheduled Railroad at a Designated Job Site, the definition of "insured contract" in the Definitions section is replaced by the following:

9. "Insured Contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(1)** above and supervisory, inspection, architectural or engineering activities.

DESIGNATED CONSTRUCTION PROJECT(S) GENERAL AGGREGATE LIMIT (WITH TOTAL AGGREGATE LIMIT FOR COVERAGES A, B AND C)

SCHEDULE

Designated Construction Projects:
All construction projects covered by this insurance.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

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A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which can be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. A separate Designated Construction Project General Aggregate Limit applies to each designated construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.

   However, the most we will pay under the Designated Construction Project General Aggregate Limit for all Designated Construction Projects combined is $5,000,000 .

2. The Designated Construction Project General Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under COVERAGE C regardless of the number of:

   a. Insureds;

   b. Claims made or "suits" brought; or

   c. Persons or organizations making claims or bringing "suits".

3. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the Designated Construction Project General Aggregate Limit for that designated construction project. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Construction Project General Aggregate Limit for any other designated construction project shown in the Schedule above.

4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Construction Project General Aggregate Limit.

B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under COVERAGE A (SECTION I), and for all medical expenses caused by accidents under COVERAGE C (SECTION I), which cannot be attributed only to ongoing operations at a single designated construction project shown in the Schedule above:

1. Any payments made under COVERAGE A for damages or under COVERAGE C for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and

2. Such payments shall not reduce any Designated Construction Project General Aggregate Limit.

C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Construction Project General Aggregate Limit.

D. If the applicable designated construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

E. The provisions of Limits Of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

IV. ADDITIONAL INSUREDS

ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT – AUTOMATIC STATUS WHEN REQUIRED IN LEASE AGREEMENT WITH YOU

(Insurance Services Office Endorsement CG 20 34 04 13)

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an additional insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

However, the insurance afforded to such additional insured:

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1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

C. With respect to the insurance afforded to these additional insureds, the following is added **to Section III – Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement you have entered into with the additional insured; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

(Insurance Services Office Endorsement CG 20 11 04 13)

SCHEDULE

Designation Of Premises (Part Leased To You): All premises leased to you and covered by this insurance.
Name Of Person(s) Or Organization(s) (Additional Insured): Any person or organization that is a manager or lessor of real property, but only if coverage as an additional insured is required by a written contract or written agreement that is an "insured contract", and provided the "bodily injury" or "property damage" first occurs, or the "personal and advertising injury" offense is first committed, subsequent to the execution of the contract or agreement.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

(Insurance Services Office Endorsement CG 20 18 04 13)

SCHEDULE

Name Of Person(s) Or Organization(s)	Designation Of Premises
Any person or organization that is a mortgagee, assignee or receiver for a premises shown in this Schedule, but only if coverage as an additional insured is required by a written contract or written agreement that is an "insured contract", and provided the "bodily injury" or "property damage" first occurs, or the "personal and advertising injury" offense is first committed, subsequent to the execution of the contract or agreement.	All premises covered by this insurance.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and

2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

ADDITIONAL INSURED – TRADE SHOW SPONSOR –
AUTOMATIC STATUS WHEN REQUIRED IN WRITTEN AGREEMENT WITH YOU

A. **Section II – Who Is An Insured** is amended to include as an additional insured any person or organization who is a sponsor of a trade show where you are operating a booth or displaying your product, but only:

1. For injury or damage occurring at the trade show; and

2. When you and such person or organization have agreed in writing in a contract or agreement executed prior to the beginning of the trade show that such person or organization be added as an additional insured on your policy.

Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

while attending the trade show sponsored by this additional insured.

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A person's or organization's status as an additional insured under this endorsement ends when your attendance at the trade show ends.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury" or "property damage" arising out of "your work" or "your product" and included in the "products-completed operations hazard".

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS

(INSURANCE SERVICES OFFICE ENDORSEMENT CG 20 12 04 13)

SCHEDULE

State Or Governmental Agency Or Subdivision Or Political Subdivision:
Any state or governmental agency or subdivision or political subdivision that has issued a permit or authorization for operations performed by you or on your behalf.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

However:

a. The insurance afforded to such additional insured only applies to the extent permitted by law; and

b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or

b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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22-23-05_PA_LCBarricade (1)

Final Audit Report 2023-08-18

Created:	2023-08-18
By:	Virginia Barela (vbarela@las-cruces.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA5FQlFsuy7dxW5iZoJNCYIDNtUACI9Kgt

"22-23-05_PA_LCBarricade (1)" History

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Exhibit "B"

22-23-057
Barricade Rental

CITY OF LAS CRUCES

PRICE AGREEMENT

THIS AGREEMENT made and entered into on this 6th day of September, 2023 by and between the City of Las Cruces, New Mexico, hereinafter called "CITY" and R2 Contractors Specialty Inc., of 2500 Lakeside Drive, Las Cruces, New Mexico 88007, hereinafter called "CONTRACTOR".

1. PRODUCT DESCRIPTION
Barricade Rental

2. SCOPE OF SERVICES
In a satisfactory and proper manner, the CONTRACTOR shall deliver PRODUCT/SERVICES as bid in response to the CITY'S Invitation to Bid No. 22-23-057 as set forth in Exhibit A, attached hereto and made a part of this Agreement.

3. APPROPRIATIONS
The terms of this Agreement are contingent on sufficient appropriations and authorization being made by the City Council for the performance of this Agreement. If sufficient appropriations and authorizations are not made by the City Council, this Agreement shall terminate upon written notice given by the CITY to CONTRACTOR. The CITY'S decision as to whether sufficient appropriations and authorizations exist shall be accepted by CONTRACTOR and shall be final.

4. COMPENSATION
In consideration for CONTRACTOR'S satisfactory performance agreed to herein, the CITY shall compensate CONTRACTOR based upon pricing offered in CONTRACTOR'S bid response, plus applicable taxes. CONTRACTOR shall deliver product/services upon receipt of a purchase order from the CITY. The CITY cannot authorize costs to be incurred prior to such purchase order.

CONTRACTOR is responsible for payment of State of New Mexico Gross Receipts Tax levied on the amounts payable under this Agreement. CONTRACTOR agrees to comply with all federal and state tax payments and report all items of gross receipts as income from the operations of its business.

5. DEVOTION OF ADEQUATE TIME
CONTRACTOR will devote the necessary hours each week to the performance of project that are required by the CITY, and it will serve the CITY, diligently and faithfully, and according to its best ability in all respects and will promote the best interests of the CITY.

6. TERM AND SCHEDULE
This Agreement shall become effective on July 29, 2023 through June 30, 2027, for a term of four (4) years, subject to budget appropriations. CONTRACTOR shall deliver PRODUCT/SERVICES in accordance with the time set forth as agreed upon by the CITY and CONTRACTOR.

7. EXTENSIONS, CHANGES, AND AMENDMENTS
This Agreement shall not be extended, changed, or amended except by instrument in writing executed by the parties. The CITY shall not be liable for payment of any extra services nor shall CONTRACTOR be obligated to perform any extra services except upon such written agreement. Such written approval shall indicate the date said extension, change, or amendment is effective and shall be signed by the parties to this Agreement. In the event that the parties cannot reach agreement as to a particular change, the issue shall be resolved pursuant to Article 21.

8. CHANGES AND EXTRA SERVICES BY THE CITY
The CITY may make changes within the general scope of the SERVICES plus may also request CONTRACTOR to perform other extra services not incorporated within the Services set forth in this Agreement. If the CONTRACTOR is of the opinion that such change causes an increase or decrease in the cost and/or the time required for performing the changes or other services required by the CITY, CONTRACTOR shall so notify the CITY, of that fact within five (5) business work days from the date of receipt of change by the CITY. The CITY shall provide written response to the CONTRACTOR within five (5) business work days from the date of receipt of CONTRACTOR'S written notification.

9. CHANGES AND EXTRA SERVICES BY THE CONTRACTOR
In the event a condition is identified by the CONTRACTOR which, in the opinion of the CONTRACTOR, changes the services, costs, and/or time required for performance under this Agreement, the CONTRACTOR shall provide written notification to the CITY within five (5) business work days of such identification. The CITY shall respond in writing to such notification within five (5) business work days from the date of receipt of CONTRACTOR'S notification.

10. DELAYS
In the event that performance of SERVICES is delayed by causes beyond reasonable control of CONTRACTOR, and without the fault or negligence of CONTRACTOR, the time and total compensation for the performance of the SERVICES may be equitably adjusted by written agreement to reflect the extent of such delay. CONTRACTOR shall provide the CITY, with written notice of delay pursuant to Article 9 including therein a description of the delay and the steps contemplated or actually taken by CONTRACTOR to mitigate the effect of such delay. The CITY will make the final determination as to reasonableness of delays.

11. TERMINATION
This Agreement may be terminated by either party hereto upon fifteen (15) calendar days written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement through no fault of the terminating party. This Agreement may also be terminated by the CITY, for its convenience or because the PROJECT has been permanently abandoned, but only upon fifteen (15) calendar days written notice to CONTRACTOR.

In the event of termination, CONTRACTOR shall be compensated for all services performed and costs incurred up to the effective date of termination for which CONTRACTOR has not been previously compensated.

Upon receipt of notice of termination from the CITY, CONTRACTOR shall discontinue the SERVICES unless otherwise directed and upon final payment from the CITY, deliver to the CITY, the required number of copies of all data, drawings, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONTRACTOR in the performance of this Agreement, whether completed or in process.

12. RECORDS AND AUDITS

CONTRACTOR will maintain records indicating dates, length of time, and services rendered. The CITY has the right to audit billings both before and after payment and contest any billing or portion thereof. Payment under this Agreement does not foreclose the CITY'S, right to recover excessive or illegal payments. CONTRACTOR will retain records for five (5) years after the completion of the project.

13. DISCLOSURE AND OWNERSHIP OF DOCUMENTS, PRODUCTS, DESIGN, ELECTRONIC FILES

All technical data, electronic files, and other written and oral information not in the public domain or not previously known, and all information, electronic files, and data obtained, developed, or supplied by the CITY, will be kept confidential and CONTRACTOR will not disclose to any other party, directly or indirectly, without the CITY'S, prior written consent unless required by lawful order.

All technical data, electronic files, products developed, operational parameters, blueprints, and other information and work of the CONTRACTOR shall be the sole property of the CITY, and shall be delivered to the CITY, when requested and at the end of the Agreement.

14. INDEPENDENT CONTRACTOR

CONTRACTOR represents that it has, or will secure, at its own expense, all personnel required in performing the SERVICES under this Agreement. Such personnel shall not be employees of, nor have any contractual relationship with the CITY, CONTRACTOR, consistent with its status as an independent contractor, further agrees that its personnel will not hold themselves out as, nor claim to be officers or employees of the CITY, by reason of this Agreement.

To the extent that CONTRACTOR employs any employees, CONTRACTOR shall be solely responsible for providing its own form of insurance for its employees and in no event shall CONTRACTOR'S employees be covered under any policy of the CITY.

CONTRACTOR'S retention hereunder is not exclusive. Subject to the terms and provisions of this Agreement: (i) CONTRACTOR is able, during the Term hereof, to perform services for other parties; and (ii) CONTRACTOR may perform for its own account other professional services outside the scope of this Agreement.

CONTRACTOR is and shall be an Independent Contractor and shall be responsible for the management of its business affairs. In the performance of the work under this Agreement, CONTRACTOR will at all times be acting and performing as an Independent Contractor, as that term is understood for federal and state law purposes, and not as an employee of the CITY. Without limitation upon the foregoing, CONTRACTOR shall not accrue sick leave, jury duty pay, retirement, insurance, bonding, welfare benefits, or any other benefits, which may or may not be afforded employees of the CITY. CONTRACTOR will not be treated as an employee for purposes of: Workers' Compensation benefits; the Federal Unemployment Tax Act; Social Security; other payroll taxes, federal or any state income tax withholding; or the employee benefit provisions described in the Internal Revenue Code of 1986, as amended. Neither the CITY, nor its agents or representatives, shall have the right to control or direct the manner, details or means by which CONTRACTOR accomplishes and performs its services. Nevertheless, CONTRACTOR shall be bound to fulfill the duties and responsibilities contained in the Agreement.

15. NO JOINT VENTURE OR PARTNERSHIP

Nothing contained in this Agreement shall create any partnership, association, joint venture, fiduciary or agency relationship between CONTRACTOR and CITY. Except as otherwise specifically set forth herein, neither CONTRACTOR nor CITY, shall be authorized or empowered to make any representation or commitment or to perform any act which shall be binding on the other unless expressly authorized or empowered in writing.

16. ASSIGNMENT

CONTRACTOR shall perform all the services under this Agreement and shall not assign any interest in this Agreement or transfer any interest in same or assign any claims for money due or to become due under this Agreement without the prior written consent of the CITY.

17. INSURANCE

CONTRACTOR shall obtain and maintain at least the following insurance at its own cost and expense during the life of this Agreement, and shall require Subcontractors, if any, to maintain the same insurance during the life of the subcontracted work:

1. Commercial General Liability Insurance
    a. $1,000,000 per occurrence / $2,000,000 aggregate
    b. Coverage must include premises and operations, and personal and advertising injury.
    c. The City of Las Cruces must be named as an Additional Insured for all coverages listed above on endorsements acceptable to the City.
    d. Coverage must be primary and non-contributory.
    e. Coverage must be per project or per location.
    f. Coverage must be on an occurrence form.
    g. Subrogation must be waived.
2. Commercial Auto Liability
    a. $1,000,000 per occurrence

   b. Coverage must be for “owned, leased, hired, and non-owned autos” or “any autos.”
3. Workers’ Compensation and Employers Liability
   a. Statutory Limits
   b. Employer liability – $1,000,000 each accident, $1,000,000 each employee by disease, $1,000,000 policy limit
   c. Subrogation must be waived.

Endorsements for additional insured coverage and waivers of subrogation must be provided as a condition of this Agreement and shall be noted on the certificate.

CONTRACTOR shall furnish the CITY with a certificate(s) of insurance showing CONTRACTOR and Subcontractors, if any, have complied with this Article. The CONTRACTOR shall provide insurance certificates before work is to start on the project and shall provide the CITY thirty (30) days written notification of cancellation of such policies.

18. INDEMNITY AND LIMITATION

CONTRACTOR shall indemnify, defend, and hold harmless the CITY, from and against any and all claims, suits, actions, judgments, demands, losses, costs, expenses, damages, and liability caused in whole or in part by, resulting in whole or in part from, or arising in whole or in part out of the negligent acts, errors, or omissions of CONTRACTOR, its officers, employees, agents, or representatives in the performance of SERVICES under this agreement.

19. 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.

CONTRACTOR shall abide and be governed by all applicable state law, CITY ordinances, and laws regarding the CONTRACTOR’S services or any work done pursuant to this Agreement, including anti-discrimination.

20. BREACH

In the event CONTRACTOR breaches any obligation contained in this Agreement, prior to instituting any action or dispute resolution procedure, the CITY, shall give CONTRACTOR written notice of such breach. In the event CONTRACTOR fails to remedy the breach within five (5) working days of receiving such written notice, the CITY, at its sole discretion, without any obligation to do so and in addition to other remedies available under applicable law, may remedy CONTRACTOR’S breach and recover any and all costs and expenses in so doing from CONTRACTOR.

21. DISPUTE RESOLUTION

In the event that a dispute arises between CITY and CONTRACTOR under this Agreement or as a result of breach of this Agreement, the parties agree to act in good faith to attempt to resolve the dispute.

22. NOTIFICATION
All notices required or permitted under this Agreement shall be in writing and shall be deemed sufficiently served if served by Registered Mail addressed as follows:

TO CITY:	City of Las Cruces PO Box 20000 Las Cruces, NM 88004 ATTENTION: Virginia M. Barela, Buyer II
With Copies to:	Purchasing Manager
TO CONTRACTOR:	R2 Contractors Specialty, Inc. 2500 Lakeside Drive Las Cruces, NM 88007 ATTENTION: Rick R. Gonzales, President

23. SCOPE OF AGREEMENT
This Agreement incorporates all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof and that all such covenants, agreements, and understandings have been merged into this written agreement. No prior agreement or understanding verbal or otherwise of the parties or their agents shall be valid or enforceable unless embodied in this agreement.

24. SEVERABILITY
The parties agree that each provision of this Agreement is severable and the invalidity or unenforceability of any one or more of the provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

25. CONFLICT OF INTEREST
CONTRACTOR represents and warrants that CONTRACTOR has no business, professional, personal, or other interest, including, but not limited to, the representation of other clients, that would conflict in any manner or degree with the performance of its obligations under this Agreement. If any such actual or potential conflict of interest arises under this Agreement, CONTRACTOR shall immediately inform the CITY in writing of such conflict. If, in the reasonable judgement of the CITY, such conflict poses a conflict to and with the performance of CONTRACTOR’S obligations under this Agreement, or is otherwise a violation of the CITY’S current policy or ordinances, then the CITY may terminate the Agreement immediately upon written notice to CONTRACTOR; such termination of the Agreement shall be effective upon the receipt of such notice by CONTRACTOR.

R2 CONTRACTORS SPECIALTY, INC.

BY: _____

Rick R. Gonzales
President

9/5/23
Date

CITY OF LAS CRUCES

BY: _____
Alicia Hernandez (Sep 6, 2023 11:38 MDT)

Alicia Hernandez
Purchasing Manager

09/06/2023
Date

APPROVED AS TO FORM

_____ 8/8/23
City Attorney

EXHIBIT A

Item	Description	Rental Period	Unit Cost
1.	Vertical panel barricade	Daily	$ 8.50
2.	Vertical panel with type "A" or "C" warning light attached	Daily	$ 8.75
3.	Type I barricade	Daily	$ 7.00
4.	Type I barricade with type "A" or "C" warning light attached	Daily	$ 7.50
5.	Type II barricade	Daily	$ 7.00
6.	Type II barricade with type "A" or "C" warning light attached	Daily	$ 7.50
7.	Type III barricade	Daily	$ 56.00
8.	Type III barricade with type "A" or "C" warning light attached	Daily	$ 58.00
9.	Traffic cone, 28"	Daily	$ 7.00
10.	Sandbag (one-time charge)	Each	$ 3.00
11.	Sign (36" square or smaller) with supports	Daily	$ 8.50
12.	Sign (36" square or smaller) with supports and two (2) flags	Daily	$ 8.75
13.	Sign (36" square or smaller) with supports, two (2) flags, and type "A" warning light attached	Daily	$ 8.60
14.	Sign (36" square or smaller) with supports and type "A" warning light attached	Daily	$ 8.60
15.	Sign (larger than 36" square) with supports, two (2) flags, and type "A" warning light attached	Daily	$ 8.75
16.	Sign (larger than 36" square) with supports and type "A" warning light attached	Daily	$ 8.75
17.	Flashing arrow panel, battery-operated solar, trailer mount, self-contained, with daily maintenance	Daily	$ 85.00
18.	Barrels, reflective, with tire bases	Daily	$ 8.50

Item	Description	Rental Period	Unit Cost
19.	Stands, wind-masking	Daily	$ 7.50
20.	Tubular markers, candlestick type	Daily	$ 8.25
21.	Steel traffic plates	Daily	$ no bid
22.	Flag men	Hourly	$ 175.00
23.	Percent off contractor's rental price for items not listed in this document	n/a	% +60 %
24.	Routine call and set-up response time (hours)	n/a	Hrs: 2

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/5/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Burke Insurance Group, LLC 1690 S. Telshor Blvd Las Cruces NM 88011	**CONTACT NAME:** Stacey Boswell **PHONE (A/C, No, Ext):** 575-524-2222 x2 **FAX (A/C, No):** **E-MAIL ADDRESS:** sboswell@burke-insurance.com
INSURED R2CONTR-01 R2 Contractors Specialties, Inc. and Gonzales Investments LLC 2500 Lakeside Dr P O Box 16015 Las Cruces NM 88004	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Cincinnati Insurance Company (10677 **INSURER B :** Builders Trust of NM 52519 **INSURER C :** **INSURER D :** **INSURER E :** **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 1406500586 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	EPP 0280425	10/1/2022	10/1/2023	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 10,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY	Y	Y	EPP 0280425	10/1/2022	10/1/2023	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Hired & Non-owned	$ 1,000,000 $ $ $ $ 1,000,000
A	[X] UMBRELLA LIAB [X] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			EPP 0280425	10/1/2022	10/1/2023	EACH OCCURRENCE AGGREGATE	$ 2,000,000 $ 2,000,000 $
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	Y	WC-100-0006008-2023A	1/1/2023	1/1/2024	[X] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 2,000,000 $ 2,000,000 $ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Project: Barricade Rental Price Agreement 22-23-057

See Attached...

CERTIFICATE HOLDER

City of Las Cruces
P O Box 20000
Las Cruces NM 88004

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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AGENCY CUSTOMER ID: R2CONTR-01

LOC #:

ACORD®

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
Burke Insurance Group, LLC	R2 Contractors Specialties, Inc. and Gonzales Investments LLC 2500 Lakeside Dr P O Box 16015 Las Cruces NM 88004
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

City of Las Cruces and Owner are named as Additional Insured per Additional Insured Endorsement for ongoing and completed operation for General Liability as required by written contract. City of Las Cruces and Owner are named as Additional Insured all policies except Worker's Compensation per written contract. A waiver of subrogation exists in favor of City of Las Cruces and Owner as to the general liability, auto, umbrella and workers compensation policies per written contract. The general liability, auto and umbrella policies are primary and non-contributory. Thirty (30) day written notice of cancellation applies, with the exception of 10 days for non-payment of premium.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this Coverage Part restrict this insurance. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY;** or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**.

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the "coverage term" in which "bodily injury" or "property damage" occurs, you did not know, per Paragraph **1.d.** below, that the "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part.

c. "Bodily injury" or "property damage" which:

(1) Occurs during the "coverage term"; and

(2) Was not, prior to the "coverage term", known by you, per Paragraph **1.d.** below, to have occurred;

includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "coverage term" in which it first became known by you.

d. You will be deemed to know that "bodily injury" or "property damage" has occurred at the earliest time when any "authorized representative":

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage";

(3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";

(4) Becomes aware, or reasonably should have become aware, by any means other than as described in **(3)** above, that "bodily injury" or "property damage" had occurred or had begun to occur; or

(5) Becomes aware, or reasonably should have become aware, of a

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condition from which "bodily injury" or "property damage" is substantially certain to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" which may reasonably be expected to result from the intentional or criminal acts of the insured or which is in fact expected or intended by the insured, even if the injury or damage is of a different degree or type than actually expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. When a claim for such "bodily injury" or "property damage" is made, we will defend that claim provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured sustained in the "workplace";

(2) An "employee" of the insured arising out of the performance of duties related to the conduct of the insured's business; or

(3) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraphs **(1)** or **(2)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollutant

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, Paragraph **(a)** does not apply to:

1) "Bodily injury" to any person injured while on any premises, site or location owned or occupied by, or rented or loaned to, you provided:

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a) The injury is caused by the inadequate ventilation of vapors;

b) The person injured is first exposed to such vapors during the policy period; and

c) Within 30 days of such first exposure, the person injured is clinically diagnosed or treated by a physician for the medical condition caused by the exposure to such vapors. However, Paragraph **c)** does not apply if the "bodily injury" is caused by vapors produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

This exception **1)** shall apply only to Named Insureds; we shall have no duty to defend or pay damages for any person or organization that is not a Named Insured. However, this paragraph does not apply if the "bodily injury" is caused by vapors produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

For the purpose of the exception granted in Paragraph **1)** only, vapors means any gaseous or airborne irritant or airborne contaminant, including smoke, fumes, vapor or soot, but excluding asbestos, which is discharged, dispersed, emitted, released or escapes from materials, machinery or equipment used in the service or maintenance of the premises. Vapors does not mean any gaseous or airborne irritants or contaminants used in a manufacturing process or which is the product or by-product of any manufacturing process;

2) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor, and the owner or lessee of such premises, site or location has been added to this Coverage Part as an additional insured with respect to your ongoing operations or "your work" performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

1) Any insured; or

2) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, Paragraph **(d)** does not apply to:

1) "Bodily injury" or "property damage" arising out of the discharge, dispersal, seepage, migration, release, es-

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cape or emission of fuels, lubricants or other operating fluids, or exhaust gases, which are needed to perform, or are the result of, the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids, or exhaust gases, escape, seep or migrate, or are discharged, dispersed, released or emitted with the intent to cause "bodily injury" or "property damage" or with the knowledge that "bodily injury" or "property damage" is substantially certain to occur, or if such fuels, lubricants or other operating fluids, or exhaust gases, are brought on or to the premises, site or location with such intent to escape, seep or migrate, or be discharged, dispersed, released or emitted as part of the operations being performed by such insured, contractor or subcontractor;

2) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

3) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, Paragraphs **(2)(a)** and **(b)** do not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

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(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage to Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of an insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days, for which the amount we will pay is limited to the Damage To Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

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l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Any liability or damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal and Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Asbestos

"Bodily injury" or "property damage" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Employment-Related Practices

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)** or **(c)** above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

r. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that "bodily injury" or "property damage" had occurred or had begun to occur, in whole or in part, prior to the "coverage term" in which such "bodily injury" or "property damage" occurs or begins to occur.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that "bodily injury" or "property damage" has occurred or has begun to occur at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

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(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage";

(3) First observes, or reasonably should have first observed, the "bodily injury" or "property damage";

(4) Becomes aware, or reasonably should have become aware, by any means other than as described in **(3)** above, that "bodily injury" or "property damage" had occurred or had begun to occur; or

(5) Becomes aware, or reasonably should have become aware, of a condition from which "bodily injury" or "property damage" is substantially certain to occur.

s. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

t. Distribution of Material in Violation of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **q.** do not apply to "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the Damage to Premises Rented To You Limit as described in **SECTION III - LIMITS OF INSURANCE**.

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY; SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY;** or medical expenses under **SECTION I - COVERAGES, COVERAGE C. MEDICAL PAYMENTS**.

No other obligation or liability to pay sums or perform acts or services is covered unless expressly provided for under **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**.

b. This insurance applies to "personal and advertising injury" only if:

(1) The "personal and advertising injury" is caused by an offense arising out of your business; and

(2) The "personal and advertising injury" offense was committed in the "coverage territory" during the policy period; and

(3) Prior to the "coverage term" in which the "personal and advertising injury" offense is committed, you did not know, per Paragraph **1.d.** below, that the offense had been committed or had begun to be committed, in whole or in part.

c. "Personal and advertising injury" caused by an offense which:

(1) Was committed during the "coverage term"; and

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(2) Was not, prior to the "coverage term", known by you, per Paragraph **1.d.** below, to have been committed;

includes any continuation, change or resumption of that offense after the end of the "coverage term" in which it first became known by you.

d. You will be deemed to know that a "personal and advertising injury" offense has been committed at the earliest time when any "authorized representative":

(1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";

(3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";

(4) Becomes aware, or reasonably should have become aware, by any means, other than as described in **(3)** above, that the offense had been committed or had begun to be committed; or

(5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation of Rights of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior to Coverage Term

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the later of the following:

(1) The inception of this Coverage Part; or

(2) The "coverage term" in which insurance coverage is sought.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "personal and advertising injury" is caused by or arises out of an offense committed subsequent to the execution of the contract or agreement. When a claim for such "personal and advertising injury" is made, we will defend that claim, provided the insured has assumed the obligation to defend such claim in the "insured contract". Such defense payments will not reduce the limits of insurance.

f. Breach of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality or Performance of Goods - Failure to Conform to Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, pat-

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ent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds in Media and Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **17. a., b.** and **c.** of "personal and advertising injury" under **SECTION V - DEFINITIONS**.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet is not, by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board any insured hosts, owns, or over which any insured exercises control.

l. Unauthorized Use of Another's Name or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Employment Related Practices

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a), (b)** or **(c)** above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

n. Pollutant

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" at any time.

o. Pollutant-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

p. Asbestos

"Personal and advertising injury" arising out of, attributable to, or any way related to asbestos in any form or transmitted in any manner.

q. Additional Insured Prior Knowledge

An additional insured added by attachment of an endorsement to this Coverage Part that is seeking coverage for a claim or "suit", if that additional insured knew, per the following paragraph, that a "personal and advertising injury" offense had been committed or had begun to be committed, in whole or in part, prior to the "coverage term" in which such offense

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was committed or began to be committed.

An additional insured added by attachment of an endorsement to this Coverage Part will be deemed to have known that a "personal and advertising injury" offense has been committed or has begun to be committed at the earliest time when that additional insured, or any one of its owners, members, partners, managers, executive officers, "employees" assigned to manage that additional insured's insurance program, or "employees" assigned to give or receive notice of an "occurrence", "personal and advertising injury" offense, claim or "suit":

(1) Reports all, or any part, of the "personal and advertising injury" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "personal and advertising injury";

(3) First observes, or reasonably should have first observed, the offense that caused the "personal and advertising injury";

(4) Becomes aware, or reasonably should have become aware, by any means other than as described in **(3)** above, that the "personal and advertising injury" offense had been committed or had begun to be committed; or

(5) Becomes aware, or reasonably should have become aware, of a condition from which "personal and advertising injury" is substantially certain to occur.

r. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

s. Distribution of Material in Violation of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

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a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation and Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletic Activities

To any person injured while officiating, coaching, practicing for, instructing or participating in any physical exercises or games, sports, or athletic contests or exhibitions of an athletic or sports nature.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $250 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we become obligated to pay and which falls within the applicable limit of insurance. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
   - **a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
   - **b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
   - **c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
   - **d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
   - **e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
   - **a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by

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you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) Owned, occupied or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by,

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Insurance under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. a. The General Aggregate Limit is the most we will pay for the sum of:

(1) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS;**

(2) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY,** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(3) Damages under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY.**

This General Aggregate Limit will not apply if either the Location General Aggre-

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gate Limit of Insurance, Paragraph **2.b.**, or the Construction Project General Aggregate Limit of Insurance, Paragraph **2.c.** applies.

b. A separate Location General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each location owned by, or rented or leased to you and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS,**

which can be attributed to operations at only a single location owned by, or rented or leased to you.

c. A separate Construction Project General Aggregate Limit of Insurance, equal to the amount of the General Aggregate Limit shown in the Declarations, shall apply to each construction project and is the most we will pay for the sum of:

(1) Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

(2) Medical expenses under **COVERAGE C. MEDICAL PAYMENTS;**

which can be attributed only to ongoing operations and only at a single construction project.

d. Only for the purpose of determining which General Aggregate Limit of Insurance, **2.a., 2.b.,** or **2.c.**, applies:

(1) Location means premises involving the same or connecting lots, or premises, whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

(2) Construction project means a location you do not own, rent or lease where ongoing improvements, alterations, installation, demolition or maintenance work is performed by you or on your behalf. All connected ongoing improvements, alterations, installation, demolition or maintenance work performed by you or on your behalf at the same location for the same persons or organizations, no matter how often or under how many different contracts, will be deemed to be a single construction project.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to **2.a.** above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to **2. or 3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; and

b. Medical expenses under **COVERAGE C. MEDICAL PAYMENTS**;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to **5.** above, the Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire or explosion, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to **5.** above, the Medical Expense Limit is the most we will pay under **COVERAGE C. MEDICAL PAYMENTS** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each "coverage term".

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or

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a "personal and advertising injury" offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Liberalization

If, within 60 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will automatically apply to this Coverage Part as of the latter of:

a. The date we implemented the change in your state; or

b. The date this Coverage Part became effective; and

will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for "your work";

(b) That is Fire or Explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to

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premises rented to you or temporarily occupied by you with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto or Watercraft.**

(2) Any other primary insurance available to the insured covering liability for damages arising out of the premises or operations, or the products and completed operations, for which the insured has been added as an additional insured by attachment of an endorsement.

(3) Any other insurance:

(a) Whether primary, excess, contingent or on any other basis, except when such insurance is written specifically to be excess over this insurance; and

(b) That is a consolidated (wrap-up) insurance program which has been provided by the prime contractor/project manager or owner of the consolidated project in which you are involved.

When this insurance is excess, we will have no duty under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** or **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If:

(1) The earned premium is less than the deposit premium, we will return the excess to the first Named Insured; or

(2) The earned premium is greater than the deposit premium, the difference will be due and payable to us by the first Named Insured upon notice from us.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

7. Representations

By accepting this Coverage Part, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this Coverage Part in reliance upon your representations.

8. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

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a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

9. **Transfer of Rights of Recovery Against Others to Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

10. **Two or More Coverage Forms or Policies Issued by Us**

If this Coverage Part and any other Coverage Form, Coverage Part or policy issued to you by us or any company affiliated with us apply to the same "occurrence" or "personal and advertising injury" offense, the aggregate maximum limit of insurance under all the Coverage Forms, Coverage Parts or policies shall not exceed the highest applicable limit of insurance under any one Coverage Form, Coverage Part or policy. This condition does not apply to any Coverage Form, Coverage Part or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Part.

11. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast, telecast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes a publicity article. For purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".

2. "Authorized representative" means:

a. If you are designated in the Declarations as:

(1) An individual, you and your spouse are "authorized representatives".

(2) A partnership or joint venture, your members, your partners, and their spouses are "authorized representatives".

(3) A limited liability company, your members and your managers are "authorized representatives".

(4) An organization other than a partnership, joint venture or limited liability company, your "executive officers" and directors are "authorized representatives". Provided you are not a publicly traded organization, your stockholders are also "authorized representatives".

(5) A trust, your trustees are "authorized representatives".

b. Your "employees":

(1) Assigned to manage your insurance program; or

(2) Responsible for giving or receiving notice of an "occurrence", "personal and advertising injury" offense, claim or "suit";

are also "authorized representatives".

3. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. "Coverage term" means the following individual increment, or if a multi-year policy period, increments, of time, which comprise the policy period of this Coverage Part:

a. The year commencing on the Effective Date of this Coverage Part at 12:01 AM standard time at your mailing address shown in the Declarations, and if a multi-year policy period, each consecutive annual period thereafter, or portion thereof if any period is for a period of less than 12 months, constitute individual "coverage terms". The last "coverage term" ends at

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12:00 AM standard time at your mailing address shown in the Declarations on the earlier of:

(1) The day the policy period shown in the Declarations ends; or

(2) The day the policy to which this Coverage Part is attached is terminated or cancelled.

b. However, if after the issuance of this Coverage Part, any "coverage term" is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding "coverage term".

6. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in **a.** above;

(2) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication,

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement to which we agree.

7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "property damage" by fire or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal and advertising injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury", "property damage" or "personal and advertising injury" arising out of construction or demolition operations, within 50 feet of any rail-

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road property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(2)** above and supervisory, inspection, architectural or engineering activities;

(4) That indemnifies an advertising, public relations or media consulting firm for "personal and advertising injury" arising out of the planning, execution or failure to execute marketing communications programs. Marketing communications programs include but are not limited to comprehensive marketing campaigns; consumer, trade and corporate advertising for all media; media planning, buying, monitoring and analysis; direct mail; promotion; sales materials; design; presentations; point-of-sale materials; market research; public relations and new product development;

(5) Under which the insured, if an advertising, public relations or media consulting firm, assumes liability for "personal and advertising injury" arising out of the insured's rendering or failure to render professional services, including those services listed in Paragraph **(4)**, above;

(6) That indemnifies a web-site designer or content provider, or Internet search, access, content or service provider for injury or damage arising out of the planning, execution or failure to execute Internet services. Internet services include but are not limited to design, production, distribution, maintenance and administration of web-sites and web-banners; hosting web-sites; registering domain names; registering with search engines; marketing analysis; and providing access to the Internet or other similar networks; or

(7) Under which the insured, if a web-site designer or content provider, or Internet search, access, content or service provider, assumes liability for injury or damage arising out of the insured's rendering or failure to render Internet services, including those listed in Paragraph **(6)**, above.

13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" includes supervisors furnished to you by the labor leasing firm. "Leased worker" does not include a "temporary worker".

14. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to

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permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

18. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property or the environment regardless of whether the injury or damage is caused directly or indirectly by the "pollutants" and whether:

a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or

b. The insured uses, generates or produces the "pollutant".

19. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed; or

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a schedule, states that products-completed operations are included.

20. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which money damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or

c. An appeal of a civil proceeding.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Workplace" means that place and during such hours to which the "employee" sustaining "bodily injury" was assigned by you, or any other person or entity acting on your behalf, to work on the date of "occurrence".

25. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

26. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS' COMMERCIAL GENERAL LIABILITY BROADENED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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B. Limits Of Insurance:

The Commercial General Liability Limits of Insurance apply to the insurance provided by this endorsement, except as provided below:

1. Employee Benefit Liability Coverage

Each Employee Limit: $1,000,000
Aggregate Limit: $3,000,000
Deductible Amount: $ 1,000

3. Damage To Premises Rented To You

The lesser of:

a. The Each Occurrence Limit shown in the Declarations; or

b. $500,000 unless otherwise stated $ _____

4. Supplementary Payments

a. Bail Bonds: $2,500

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b. Loss Of Earnings: $ 500

5. Medical Payments

Medical Expense Limit: $ 10,000

9. Property Damage To Borrowed Equipment

Each Occurrence Limit: $10,000
Deductible Amount: $ 250

16. Voluntary Property Damage Coverage (Coverage **a.**) **And Care, Custody Or Control Liability Coverage** (Coverage **b.**)

Limits Of Insurance
Coverage **a.**
$1,000 Each Occurrence
$5,000 Aggregate
Coverage **b.** $5,000 Each Occurrence unless otherwise stated $ _____

Deductible Amount (Each Occurrence)
Coverage **a.** $250
Coverage **b.** $250 unless otherwise stated $ _____

COVERAGE	PREMIUM BASIS **(a)** Area **(b)** Payroll **(c)** Gross Sales **(d)** Units **(e)** Other	RATE (For Limits in Excess of $5,000)	ADVANCE PREMIUM (For Limits in Excess of $5,000)
b. Care, Custody Or Control			$
		TOTAL ANNUAL PREMIUM	$

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C. Coverages

1. Employee Benefit Liability Coverage

a. The following is added to **Section I - Coverages:**

Employee Benefit Liability Coverage

(1) Insuring Agreement

(a) We will pay those sums that the insured becomes legally obligated to pay as damages caused by any act, error or omission of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any claim or "suit" that may result. But:

1) The amount we will pay for damages is limited as described in **Section III - Limits Of Insurance**; and

2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

(b) This insurance applies to damages only if the act, error or omission, is negligently committed in the "administration" of your "employee benefit program"; and

1) Occurs during the policy period; or

2) Occurred prior to the "first effective date" of this endorsement provided:

a) You did not have knowledge of a claim or "suit" on or before the "first effective date" of this endorsement.

You will be deemed to have knowledge of a claim or "suit" when any "authorized representative";

i) Reports all, or any part, of the act, error or omission to us or any other insurer;

ii) Receives a written or verbal demand or claim for damages because of the act, error or omission; and

b) There is no other applicable insurance.

(2) Exclusions

This insurance does not apply to:

(a) Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

(b) Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

(c) Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

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(d) Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

(e) Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any claim based upon:

1) Failure of any investment to perform;

2) Errors in providing information on past performance of investment vehicles; or

3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

(f) Workers' Compensation And Similar Laws

Any claim arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

(g) ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

(h) Available Benefits

Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

(i) Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

(j) Employment-Related Practices

Any liability arising out of any:

(1) Refusal to employ;

(2) Termination of employment;

(3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment - related practices, acts or omissions; or

(4) Consequential liability as a result of **(1)**, **(2)** or **(3)** above.

This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

(3) Supplementary Payments

Section I - Coverages, Supplementary Payments - Coverages A And B also apply to this Coverage.

b. Who Is An Insured

As respects **Employee Benefit Liability Coverage, Section II - Who Is An Insured** is replaced by the following:

(1) If you are designated in the Declarations as:

(a) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

(b) A partnership or joint venture, you are an insured. Your members, your part-

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ners, and their spouses are also insureds but only with respect to the conduct of your business.

(c) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

(d) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

(e) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

(2) Each of the following is also an insured:

(a) Each of your "employees" who is or was authorized to administer your "employee benefit program";

(b) Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed; or

(c) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

(3) Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However, coverage under this provision:

(a) Is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

(b) Does not apply to any act, error or omission that was committed before you acquired or formed the organization.

c. Limits Of Insurance

As respects **Employee Benefit Liability Coverage, Section III - Limits Of Insurance** is replaced by the following:

(1) The Limits of Insurance shown in Section **B. Limits Of Insurance, 1. Employee Benefit Liability Coverage** and the rules below fix the most we will pay regardless of the number of:

(a) Insureds;

(b) Claims made or "suits" brought;

(c) Persons or organizations making claims or bringing "suits";

(d) Acts, errors or omissions; or

(e) Benefits included in your "employee benefit program".

(2) The Aggregate Limit shown in Section **B. Limits Of Insurance, 1. Employee Benefit Liability Coverage** of this endorsement is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

(3) Subject to the limit described in **(2)** above, the Each Employee Limit shown in Section **B. Limits Of Insurance, 1. Employee Benefit Liability Coverage** of this endorsement is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

(a) An act, error or omission; or

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(b) A series of related acts, errors or omissions, regardless of the amount of time that lapses between such acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program."

(4) Deductible Amount

(a) Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the Deductible Amount stated in the Declarations as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

(b) The Deductible Amount stated in the Declarations applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

(c) The terms of this insurance, including those with respect to:

1) Our right and duty to defend the insured against any "suits" seeking those damages; and

2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or claim;

apply irrespective of the application of the Deductible Amount.

(d) We may pay any part or all of the Deductible Amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as we have paid.

d. Additional Conditions

As respects **Employee Benefit Liability Coverage, Section IV - Commercial General Liability Conditions** is amended as follows:

(1) Item **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a claim. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a claim is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers re-

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ceived in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

(2) Item **5. Other Insurance** is replaced by the following:

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **c.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **b.** below.

b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

c. No Coverage

This insurance shall not cover any loss for which the insured is entitled to recovery under any other insurance in force previous to the effective date of this Coverage Part.

e. Additional Definitions

As respects **Employee Benefit Liability Coverage, Section V - Definitions** is amended as follows:

(1) The following definitions are added:

1. "Administration" means:

a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";

b. Interpreting the "employee benefit programs";

c. Handling records in connection with the "employee benefit programs"; or

d. Effecting, continuing or terminating any "employee's" participation in

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any benefit included in the "employee benefit program".

However, "administration" does not include:

a. Handling payroll deductions; or

b. The failure to effect or maintain any insurance or adequate limits of coverage of insurance, including but not limited to unemployment insurance, social security benefits, workers' compensation and disability benefits.

2. "Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.

3. "Employee benefit programs" means a program providing some of all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

c. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and

d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

4. "First effective date" means the date upon which coverage was first effected in a series of uninterrupted renewals of insurance coverage.

(2) The following definitions are deleted in their entirety and replaced by the following:

8. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

21. "Suit" means a civil proceeding in which money damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or

c. An appeal of a civil proceeding.

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2. **Unintentional Failure To Disclose Hazards**

   Section IV - Commercial General Liability Conditions, 7. Representations is amended by the addition of the following:

   Based on our dependence upon your representations as to existing hazards, if unintentionally you should fail to disdose all such hazards at the inception date of your policy, we will not reject coverage under this Coverage Part based solely on such failure.

3. **Damage To Premises Rented To You**

   a. The last Paragraph of **2. Exclusions** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

   Exclusions **c.** through **q.** do not apply to "property damage" by fire, explosion, lightning, smoke or soot to premises while rented to you or temporarily occupied by you with permission of the owner, for which the amount we will pay is limited to the **Damage To Premises Rented To You** Limit as described in **Section III - Limits Of Insurance.**

   b. The insurance provided under **Section I - Coverage A - Bodily Injury And Property Damage Liability** applies to "property damage" arising out of water damage to premises that are both rented to and occupied by you.

   (1) As respects Water Damage Legal Liability, as provided in Paragraph **3.b.** above:

   The exclusions under **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions**, other than **i. War** and the **Nuclear Energy Liability Exclusion (Broad Form)**, are deleted and the following are added:

   This insurance does not apply to:

   (a) "Property damage":

   (i) Assumed in any contract or agreement; or

   (ii) Caused by or resulting from any of the following:

   1) Wear and tear;

   2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

   3) Smog;

   4) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

   5) Settling, cracking, shrinking or expansion;

   6) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals; or

   7) Presence, growth, proliferation, spread or any activity of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

   (b) "Property damage" caused directly or indirectly by any of the following:

   (i) Earthquake, volcanic eruption, landslide or any other earth movement;

   (ii) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

   (iii) Water under the ground surface pressing on, or flowing or seeping through:

   1) Foundations, walls, floors or paved surfaces;

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2) Basements, whether paved or not; or

3) Doors, windows or other openings.

(c) "Property damage" caused by or resulting from water that leaks or flows from plumbing, heating, air conditioning, fire protection systems, or other equipment, caused by or resulting from freezing, unless:

(i) You did your best to maintain heat in the building or structure; or

(ii) You drained the equipment and shut off the water supply if the heat was not maintained.

(d) "Property damage" to:

(i) Plumbing, heating, air conditioning, fire protection systems, or other equipment or appliances; or

(ii) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet or ice, whether driven by wind or not.

c. Limit Of Insurance

With respect to the insurance afforded in Paragraphs **3.a.** and **3.b.** above, the **Damage To Premises Rented To You** Limit as shown in the Declarations is amended as follows:

(1) Paragraph **6.** of **Section III - Limits Of Insurance** is replaced by the following:

6. Subject to Paragraph **5.** above, the **Damage To Premises Rented To You** Limit is the most we will pay under **Coverage A - Bodily Injury And Property Damage Liability** for damages because of "property damage" to any one premises:

a. While rented to you, or temporarily occupied by you with permission of the owner;

b. In the case of damage by fire, explosion, lightning, smoke or soot, while rented to you; or

c. In the case of damage by water, while rented to and occupied by you.

(2) The most we will pay is limited as described in Section **B. Limits Of Insurance, 3. Damage To Premises Rented To You** of this endorsement.

4. Supplementary Payments

Under **Section I - Supplementary Payments - Coverages A And B:**

a. Paragraph **2.** is replaced by the following:

Up to the limit shown in Section **B. Limits Of Insurance, 4.a.** Bail Bonds of this endorsement for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

b. Paragraph **4.** is replaced by the following:

All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to the limit shown in Section **B. Limits Of Insurance, 4.b.** Loss Of Earnings of this endorsement per day because of time off from work.

5. Medical Payments

The Medical Expense Limit of Any One Person as stated in the Declarations is amended to the limit shown in Section **B. Limits Of Insurance, 5. Medical Payments** of this endorsement.

6. 180 Day Coverage For Newly Formed Or Acquired Organizations

Section II - Who Is An Insured is amended as follows:

Subparagraph **a.** of Paragraph **3.** is replaced by the following:

a. Insurance under this provision is afforded only until the 180th day after

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you acquire or form the organization or the end of the policy period, whichever is earlier;

7. **Waiver Of Subrogation**

Section IV - Commercial General Liability Conditions, 9. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract or agreement with that person or organization and included in the "products-completed operations hazard". However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

8. **Automatic Additional Insured - Specified Relationships**

a. The following is added to **Section II - Who Is An Insured**:

(1) Any person(s) or organization(s) described in Paragraph **8.a.(2)** of this endorsement (hereinafter referred to as additional insured) whom you are required to add as an additional insured under this Coverage Part by reason of a written contract, written agreement, written permit or written authorization.

(2) Only the following persons or organizations are additional insureds under this endorsement, and insurance coverage provided to such additional insureds is limited as provided herein:

(a) Managers Or Lessors Of Premises

The manager or lessor of a premises leased to you with whom you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

(i) Any "occurrence" which takes place after you cease to be a tenant in that premises;

(ii) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

(b) Lessor Of Leased Equipment

Any person or organization from whom you lease equipment when you and such person(s) or organization(s) have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance. Such person(s) or organization(s) are insureds only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s). A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends. However, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

(c) Vendors

Any person or organization (referred to below as vendor) with whom you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the

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vendor's business, subject to the following additional exclusions:

(i) The insurance afforded the vendor does not apply to:

1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

2) Any express warranty unauthorized by you;

3) Any physical or chemical change in the product made intentionally by the vendor;

4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

a) The exceptions contained in Paragraphs **(c) (i) 4)** or **6)** of this endorsement; or

b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(ii) This insurance does not apply to any insured person or organization:

1) From whom you have acquired such products, or any ingredient, part

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or container, entering into, accompanying or containing such products; or

2) When liability included within the "products-completed operations hazard" has been excluded under this Coverage Part with respect to such products.

(d) State Or Governmental Agency Or Subdivision Or Political Subdivision - Permits Or Authorizations Relating To Premises

Any state or governmental agency or subdivision or political subdivision with which you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

(i) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or

(ii) The construction, erection or removal of elevators; or

(iii) The ownership, maintenance or use of any elevators covered by this insurance.

(e) Mortgagee, Assignee Or Receiver

Any person or organization with whom you have agreed per Paragraph **8.a.(1)** of this endorsement to provide insurance, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you. However, this insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

(3) The insurance afforded to additional insureds described in Paragraph **8.a.(1)** of this endorsement:

(a) Only applies to the extent permitted by law; and

(b) Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and

(c) Does not apply to any person, organization, vendor, state, governmental agency or subdivision or political subdivision, specifically named as an additional insured under any other provision of, or endorsement added to, this Coverage Part, provided such other provision or endorsement covers the injury or damage for which this insurance applies.

b. With respect to the insurance afforded to the additional insureds described in Paragraph **8.a.(1)** of this endorsement, the following is added to **Section III - Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

(1) Required by the written contract, written agreement, written permit or written authorization described

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in Paragraph **8.a.(1)** of this endorsement; or

(2) Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

c. Section IV - Commercial General Liability Conditions is amended to include the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

(1) During the policy period; and

(2) Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraph **8.a.(1)**.

d. Section IV - Commercial General Liability Conditions is amended as follows:

Condition **5. Other Insurance** is amended to include:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured per Paragraph **8.a.(1)** of this endorsement provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract, agreement, permit or authorization described in **8.a.(2)** of this endorsement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

9. Property Damage To Borrowed Equipment

a. The following is added to **Exclusion 2.j. Damage To Property** under **Section I - Coverage A - Bodily Injury And Property Damage Liability:**

Paragraphs **(3)** and **(4)** of this exclusion do not apply to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

b. With respect to the insurance provided by this section of the endorsement, the following additional provisions apply:

(1) The Limits of Insurance shown in the Declarations are replaced by the limits designated in Section **B. Limits Of Insurance**, **9. Property Damage To Borrowed Equipment** of this endorsement with respect to coverage provided by this endorsement. These limits are inclusive of and not in addition to the limits being replaced. The Limits of Insurance shown in Section **B. Limits Of Insurance**, **9. Property Damage To Borrowed Equipment** of this endorsement fix the most we will pay in any one "occurrence" regardless of the number of:

(a) Insureds;

(b) Claims made or "suits" brought; or

(c) Persons or organizations making claims or bringing "suits".

(2) Deductible Clause

(a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible Amount stated in Section **B. Limits Of Insurance**, **9. Property Damage To Borrowed Equipment** of this endorsement. The limits of insurance will not be reduced by the application of such deductible amount.

(b) Section IV - Commercial General Liability Conditions, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit, applies to each claim or "suit" irrespective of the amount.

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(c) We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

10. Employees As Insureds - Specified Health Care Services And Good Samaritan Services

Paragraph **2.a.(1)(d)** under **Section II - Who Is An Insured** does not apply to:

a. Your "employees" who provide professional health care services on your behalf as a duly licensed nurse, emergency medical technician or paramedic in the jurisdiction where an "occurrence" or offense to which this insurance applies takes place; or

b. Your "employees" or "volunteer workers", other than an employed or volunteer doctor, providing first aid or good samaritan services during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

11. Broadened Notice Of Occurrence

Paragraph **a.** of Condition **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** under **Section IV - Commercial General Liability Conditions** is replaced by the following:

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

This requirement applies only when the "occurrence" or offense is known to an "authorized representative".

12. Nonowned Aircraft

The following is added to **Exclusion 2.g. Aircraft, Auto Or Watercraft** under **Section I - Coverage A - Bodily Injury And Property Damage Liability**:

This exclusion does not apply to an aircraft you do not own, provided that:

a. The pilot in command holds a current effective certificate, issued by a duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;

b. The aircraft is rented with a trained, paid crew; and

c. The aircraft does not transport persons or cargo for a charge.

13. Bodily Injury Redefined

Section V - Definitions, 4. "Bodily injury" is replaced by the following:

4. "Bodily injury" means bodily harm or injury, sickness, disease, disability, humiliation, shock, fright, mental anguish or mental injury, including care, loss of services or death resulting from any of these at any time.

14. Expected Or Intended Injury Redefined

The last sentence of **Exclusion 2.a. Expected Or Intended Injury** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

15. Former Employees As Insureds

The following is added to Paragraph **2.** under **Section II - Who Is An Insured:**

2. Each of the following is also an insured:

Any of your former "employees", directors, managers, members, partners or "executive officers", including but not limited to retired, disabled or those on leave of absence, but only for acts within the scope of their employment by you or for duties related to the conduct of your business.

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16. Voluntary Property Damage Coverage

a. Coverage D - Voluntary Property Damage Coverage

Section I - Coverages is amended to include the following:

(1) Insuring Agreement

(a) We will pay the cost to repair or replace "property damage" to property of others arising out of operations incidental to your business when:

1) Damage is caused by you; or

2) Damage occurs while in your possession.

At your written request, we will make this payment regardless of whether you are at fault for the "property damage".

If you, at our request, replace, or make any repairs to, damaged property of others, the amount we will pay under **Voluntary Property Damage Coverage** will be determined by your actual cost to replace or repair the damaged property, excluding any profit or overhead.

Any payment we make under **Voluntary Property Damage Coverage** shall not be interpreted as an admission of liability by you or by us.

It shall be your duty, not our duty, to defend any claim or "suit" to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered.

(b) This insurance applies to "property damage" only if:

1) The "property damage" takes place in the "coverage territory"; and

2) The "property damage" occurs during the policy period.

(2) Exclusions

This insurance does not apply to "property damage" that would be excluded by **Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions**, except for **j. Damage To Property**, paragraphs **(3), (4), (5)** and **(6)**, **k. Damage To Your Product**, and **l. Damage To Your Work**.

(3) Definitions

For purposes of **Voluntary Property Damage Coverage** only, the following definitions under **Section V - Definitions** are replaced by the following:

16. "Occurrence" means an incident, including continuous or repeated exposure to substantially the same general harmful conditions that result in "property damage".

20. "Property damage" means physical injury to tangible property. "Electronic data" is not tangible property, and "property damage" does not include disappearance, abstraction or theft.

b. Care, Custody Or Control Liability Coverage

For purposes of the coverage provided by **Care, Custody Or Control Liability Coverage** in this endorsement only:

(1) **Section I - Coverage A - Bodily Injury And Property Damage Liability, 2. Exclusions, j. Damage To Property**, Subparagraphs **(3), (4)** and **(5)** do not apply to "property damage" to the property of others described therein.

(2) It shall be your duty, not our duty, to defend any claim or "suit" to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered.

This Paragraph **(2)** supersedes any provision in the Coverage Part to the contrary.

(3) "Property damage" for which **Care, Custody Or Control Liability Coverage** provides cover-

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age shall be deemed to be caused by an "occurrence" but shall not serve to limit or restrict the applicability of any exclusion for "property damage" under this Coverage Part.

c. Limits Of Insurance And Deductibles

For purposes of the coverage provided by **Voluntary Property Damage Coverage** and **Care, Custody Or Control Liability Coverage, Section III - Limits Of Insurance** is amended to include the following:

(1) The Limits of Insurance shown in the Declarations are replaced by the limits designated in Section **B. Limits Of Insurance, 16. Voluntary Property Damage Coverage And Care, Custody Or Control Liability Coverage,** in this endorsement. These limits are inclusive of, and not in addition to, the limits being replaced. The Limits of Insurance shown in the Schedule fix the most we will pay regardless of the number of:

(a) Insureds;

(b) Claims made or "suits" brought; or

(c) Persons or organizations making claims or bringing "suits".

(2) (a) Subject to **(3)** below, the **Voluntary Property Damage Coverage,** Each Occurrence Limit Of Insurance is the most we will pay for the sum of damages under **Voluntary Property Damage Coverage**;

(b) The **Care, Custody Or Control Liability Coverage,** Each Occurrence Limit Of Insurance is the most we will pay for the sum of damages under **Care, Custody Or Control Liability Coverage**;

because of all "property damage" arising out of any one "occurrence".

(3) The **Voluntary Property Damage Coverage,** Aggregate Limit Of Insurance is the most we will pay for the sum of all damages under **Voluntary Property Damage Coverage.** This limit applies separately to each "coverage term".

(4) Deductible Clause

(a) Our obligation to pay damages on your behalf applies only to the amount of damages for each "occurrence" which are in excess of the Deductible Amount stated for the applicable coverage in the Schedule. The limits of insurance will not be reduced by the application of such Deductible Amount.

(b) Section IV - Commercial General Liability Conditions, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit, applies to each claim or "suit" irrespective of the amount.

(c) We may pay any part or all of the Deductible Amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as has been paid by us.

17. Broadened Contractual Liability - Work Within 50' Of Railroad Property

Section V - Definitions, 12. "Insured contract" is amended as follows:

a. Paragraph **c.** is replaced by the following:

c. Any easement or license agreement;

b. Paragraph **f.(1)** is deleted in its entirety.

18. Alienated Premises

Exclusion 2.j. Damage to Property, Paragraph **(2)** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** does not apply if the premises are "your work".

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CONTRACTORS ADDITIONAL INSURED - AUTOMATIC STATUS AND AUTOMATIC WAIVER OF SUBROGATION WHEN REQUIRED IN WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Additional Insured - Owners, Lessees Or Contractors - Automatic Status For Other Parties When Required In Written Contract Or Agreement With You

1. **Section II - Who Is An Insured** is amended to include as an additional insured any person or organization you have agreed in writing in a contract or agreement to add as an additional insured on this Coverage Part. Such person(s) or organization(s) is an additional insured only with respect to liability for:

   a. "Bodily injury", "property damage" or "personal and advertising injury" *caused, in whole or in part, by* the performance of your ongoing operations by you or on your behalf, under that written contract or written agreement. Ongoing operations does not apply to "bodily injury" or "property damage" occurring after:

      (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

      (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; and

   b. "Bodily injury" or "property damage" *caused, in whole or in part, by* "your work" performed under that written contract or written agreement and included in the "products-completed operations hazard", but only if:

      (1) The Coverage Part to which this endorsement is attached provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"; and

      (2) The written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for that person or organization.

      If the written contract or written agreement requires you to provide additional insured coverage included within the "products-completed operations hazard" for a specified length of time for that person or organization, the "bodily injury" or "property damage" must occur prior to the expiration of that period of time in order for this insurance to apply.

      If the written contract or written agreement requires you to provide additional insured coverage for a person or organization per only ISO additional insured endorsement form number **CG 20 10**, without specifying an edition date, and without specifically requiring additional insured coverage included within the "products-completed operations hazard", this Paragraph **b.** does not apply to that person or organization.

2. If the written contract or written agreement described in Paragraph **1.** above specifically requires you to provide additional insured coverage to that person or organization:

   a. *Arising out of* your ongoing operations or *arising out of* "your work"; or

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b. By way of an edition of an ISO additional insured endorsement that includes *arising out of* your ongoing operations or *arising out of* "your work";

then the phrase *caused, in whole or in part, by* in Paragraph **A.1.a.** and/or Paragraph **A.1.b.** above, whichever applies, is replaced by the phrase *arising out of*.

3. With respect to the insurance afforded to the additional insureds described in Paragraph **A.1.**, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

a. The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

4. This Paragraph **A.** does not apply to additional insureds described in Paragraph **B.**

B. Additional Insured - State Or Governmental Agency Or Subdivision Or Political Subdivision - Automatic Status When Required In Written Permits Or Authorizations

1. Section II - Who Is An Insured is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision you have agreed in writing in a contract, agreement, permit or authorization to add as an additional insured on this Coverage Part. Such state or governmental agency or subdivision or political subdivision is an additional insured only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision issued, in writing, a contract, agreement, permit or authorization.

2. With respect to the insurance afforded to the additional insureds described in Paragraph **B.1.**, the following additional exclusions apply:

This insurance does not apply to:

a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or

b. "Bodily injury" or "property damage" included within the "products-completed operations hazard."

C. The insurance afforded to additional insureds described in Paragraphs **A.** and **B.**:

1. Only applies to the extent permitted by law; and

2. Will not be broader than that which you are required by the written contract, written agreement, written permit or written authorization to provide for such additional insured; and

3. Does not apply to any person, organization, state, governmental agency or subdivision or political subdivision specifically named as an additional insured for the same project in the schedule of an endorsement added to this Coverage Part.

D. With respect to the insurance afforded to the additional insureds described in Paragraphs **A.** and **B.**, the following is added to **Section III - Limits Of Insurance**:

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract, written agreement, written permit or written authorization described in Paragraphs **A.** and **B.**; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

E. Section IV - Commercial General Liability Conditions is amended to add the following:

Automatic Additional Insured Provision

This insurance applies only if the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed:

1. During the policy period; and

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2. Subsequent to your execution of the written contract or written agreement, or the issuance of a written permit or written authorization, described in Paragraphs **A.** and **B.**

F. Except when **G.** below applies, the following is added to **Section IV - Commercial General Liability Conditions, 5. Other Insurance,** and supersedes any provision to the contrary:

When Other Additional Insured Coverage Applies On An Excess Basis

This insurance is primary to other insurance available to the additional insured described in Paragraphs **A.** and **B.** except:

1. As otherwise provided in **Section IV - Commercial General Liability Conditions, 5. Other Insurance, b. Excess Insurance**; or

2. For any other valid and collectible insurance available to the additional insured as an additional insured by attachment of an endorsement to another insurance policy that is written on an excess basis. In such case, this insurance is also excess.

G. The following is added to **Section IV - Commercial General Liability Conditions, 5. Other Insurance,** and supersedes any provision to the contrary:

Primary Insurance When Required By Written Contract, Agreement, Permit Or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and

2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary to any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means any insurance provided by a consolidated (wrap-up) insurance program.

Primary And Noncontributory Insurance When Required By Written Contract, Agreement, Permit Or Authorization

Except when wrap-up insurance applies to the claim or "suit" on behalf of the additional insured, this insurance is primary to and will not seek contribution from any other insurance available to the additional insured described in Paragraphs **A.** and **B.** provided that:

1. The additional insured is a Named Insured under such other insurance; and

2. You have agreed in writing in a contract, agreement, permit or authorization described in Paragraph **A.** or **B.** that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

As used in this endorsement, wrap-up insurance means any insurance provided by a consolidated (wrap-up) insurance program.

H. Section IV - Commercial General Liability Conditions, 9. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

We waive any right of recovery we may have against any additional insured under this endorsement against whom you have agreed to waive such right of recovery in a written contract, written agreement, written permit or written authorization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a written contract, written agreement, written permit or written authorization. However, our rights may only be waived prior to the "occurrence" giving rise to the injury or damage for which we make payment under this Coverage Part. The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce those rights.

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CinciPlus®
BUSINESS AUTO XC+®
(EXPANDED COVERAGE PLUS)
ENDORSEMENT

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

A. Blanket Waiver of Subrogation

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer of Rights of Recovery Against Others to Us is amended by the addition of the following:

We waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution or the "insured contract".

B. Noncontributory Insurance

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance c. is replaced by the following:

c. Regardless of the provisions of Paragraph **a.** above, this Coverage Form's Liability Coverage is primary and we will not seek contribution from any other insurance for any liability assumed under an "insured contract" that requires liability to be assumed on a primary noncontributory basis.

C. Additional Insured by Contract

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who is an Insured is amended to include as an insured any person or organization with which you have agreed in a valid written contract to provide insurance as is afforded by this policy.

This provision is limited to the scope of the valid written contract.

This provision does not apply unless the valid written contract has been:

1. Executed prior to the accident causing "bodily injury" or "property damage"; and
2. Is still in force at the time of the "accident" causing "bodily injury" or "property damage".

D. Employee Hired Auto

1. Changes in Liability Coverage

The following is added to the **Section II - Liability Coverage, A. Coverage, 1. Who is an Insured**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. Changes in General Conditions

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance is amended by replacing Paragraph **5.b.** with the following:

b. For Hired Auto Physical Damage Coverage the following are deemed to be covered "autos" you own:

(1) Any covered "auto" you lease, hire, rent or borrow; and

(2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

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However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

E. Audio, Visual and Data Electronic Equipment

SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance is amended by adding the following:

4. The most we will pay for all "loss" to audio, visual or data electronic equipment and any accessories used with this equipment as a result of any one "accident" is the lesser of:

   a. The actual cash value of the damaged or stolen property as of the time of the "accident";

   b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or

   c. $2,500.

   Provided the equipment, at the time of the "loss" is:

   a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

   b. Removable from a permanently installed housing unit as described in Paragraph **2.a.** above; or

   c. An integral part of such equipment.

F. Who is an Insured - Amended

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who is an Insured is amended by adding the following:

The following are "insureds":

1. Any subsidiary which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this coverage form.

   However, the insurance afforded by this provision does not apply to any subsidiary that is an "insured" under any other automobile liability policy, or would be an "insured" under such policy but for termination of such policy or the exhaustion of such policy's limits of insurance.

2. Any organization that is newly acquired or formed by you and over which you maintain majority ownership. The insurance provided by this provision:

   a. Is effective on the date of acquisition or formation, and is afforded for 180 days after such date;

   b. Does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization;

   c. Does not apply to any newly acquired or formed organization that is a joint venture or partnership; and

   d. Does not apply to an insured under any other automobile liability policy, or would be an insured under such a policy but for the termination of such policy or the exhaustion of such policy's limits of insurance.

3. Any of your "employees" while using a covered "auto" in your business or your personal affairs, provided you do not own, hire or borrow that "auto".

G. Liability Coverage Extensions - Supplementary Payments - Higher Limits

SECTION II - LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments is amended by:

1. Replacing the $2,000 Limit of Insurance for bail bonds with $4,000 in **(2)**; and

2. Replacing the $250 Limit of Insurance for reasonable expenses with $500 in **(4)**.

H. Amended Fellow Employee Exclusion

SECTION II - LIABILITY COVERAGE, B. Exclusions, 5. Fellow Employee is modified as follows:

Exclusion **5. Fellow Employee** is deleted.

I. Hired Auto - Physical Damage

If hired "autos" are covered "autos" for Liability Coverage, then Comprehensive and Collision Physical Damage Coverages as provided under **SECTION III - PHYSICAL DAMAGE COVERAGE** of this Coverage Part are extended to "autos" you hire, subject to the following:

1. The most we will pay for "loss" to any hired "auto" is $50,000 or the actual cash value or cost to repair or replace, whichever is the least, minus a deductible.

2. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage, or $1,000, whichever is less.

3. Hired Auto - Physical Damage coverage is excess over any other collectible insurance.

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4. Subject to the above limit, deductible, and excess provisions we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own insured under this policy.

Coverage includes loss of use of that hired auto, provided it results from an "accident" for which you are legally liable and as a result of which a monetary loss is sustained by the leasing or rental concern. The most we will pay for any one "accident" is $3,000.

If a limit for Hired Auto - Physical Damage is shown in the Schedule, then that limit replaces, and is not added to, the $50,000 limit indicated above.

J. Rental Reimbursement

SECTION III - PHYSICAL DAMAGE is amended by adding the following:

1. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of a "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductible applies to this coverage.

2. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:

   a. The number of days reasonably required to repair the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you; or

   b. 30 days.

3. Our payment is limited to the lesser of the following amounts:

   a. Necessary and actual expenses incurred; or

   b. $50 per day.

4. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.

5. We will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under **SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions**.

K. Transportation Expense - Higher Limits

SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by replacing $20 per day with $50 per day, and $600 maximum with $1,500 maximum in **Extension a. Transportation Expenses**.

L. Airbag Coverage

SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 3.a. is amended by adding the following:

However, the mechanical and electrical breakdown portion of this exclusion does not apply to the accidental discharge of an airbag. This coverage for airbags is excess over any other collectible insurance or warranty.

M. Loan or Lease Gap Coverage

1. **SECTION III - PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance** is deleted in its entirety and replaced by the following, but only for private passenger type "autos" with an original loan or lease, and only in the event of a "total loss" to such a private passenger type "auto":

   a. The most we will pay for "loss" in any one "accident" is the greater of:

      (1) The amount due under the terms of the lease or loan to which your covered private passenger type "auto" is subject, but will not include:

         (a) Overdue lease or loan payments;

         (b) Financial penalties imposed under the lease due to high mileage, excessive use or abnormal wear and tear;

         (c) Security deposits not refunded by the lessor;

         (d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and

         (e) Carry-over balances from previous loans or leases, or

      (2) Actual cash value of the stolen or damaged property.

   b. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of "loss".

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2. **SECTION V - DEFINITIONS** is amended by adding the following, but only for the purposes of this **Loan or Lease Gap Coverage**:

   "Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

N. Glass Repair - Waiver of Deductible

SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

No deductible applies to glass damage if the glass is repaired in a manner acceptable to us rather than replaced.

O. Duties in the Event of an Accident, Claim, Suit or Loss - Amended

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties in the Event of Accident, Claim, Suit or Loss, a. is amended by adding the following:

This condition applies only when the "accident" or "loss" is known to:

1. You, if you are an individual;
2. A partner, if you are a partnership;
3. An executive officer or insurance manager, if you are a corporation; or
4. A member or manager, if you are a limited liability company.

P. Unintentional Failure to Disclose Hazards

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation or Fraud is amended by adding the following:

However, if you unintentionally fail to disclose any hazards existing on the effective date of this Coverage Form, we will not deny coverage under this Coverage Form because of such failure.

Q. Mental Anguish Resulting from Bodily Injury

SECTION V - DEFINITIONS, C. "Bodily injury" is deleted in its entirety and replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish and death sustained by the same person that results from such bodily injury, sickness or disease. "Bodily injury" does not include mental anguish or death that does not result from bodily injury, sickness or disease.

R. Coverage for Certain Operations in Connection with Railroads

With respect to the use of a covered "auto" in operations for or affecting a railroad:

1. **Section V - Definitions, H.** "Insured contract", **1.c.** is amended to read:

   c. An easement or license agreement;

2. **Section V - Definitions, H.** "Insured contract", **2.a.** is deleted.

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BUILDERS TRUST®
OF NEW MEXICO

WAIVER OF SUBROGATION

Insured Name: R2 CONTRACTORS SPECIALTIES INC
Insured Policy Number: WC100-0006008-2023A

Builders Trust of New Mexico waives any right of recovery of subrogation against the certificate holder named on this certificate of insurance, but only to the extent that the employers to whom we provide coverage performs work under a written contract with the certificate holder that requires this waiver.

Name of Person	Name of Organization
	Blanket Waiver of Subrogation

Date: 12/7/2022

Countersigned by Randy L. Akin

Agency Number: 6 – 8
Agency Name: Burke Insurance Group LLC

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☒ **Resolution**
☐ **Ordinance**
☐ **TIDD Resolution**

City Council Action and Executive Summary

District:	☐ 1 ☒ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ N/A		
1st Reading:		**Adopted:**	March 4, 2024
Drafter:	SooGyu Lee	**Department:**	Public Works
Program:	Traffic Management	**Line of Business:**	Infrastructure

Title: **A RESOLUTION APPROVING A ROADWAY LIGHTING MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE FOR THE MAINTENANCE OF ROADWAY LIGHTING ON I-10 BETWEEN MP 141.40 AND MP 141.80, CONTROL NO. LC00371.**

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

PURPOSE(S) OF ACTION:
Approve an agreement.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
New Mexico Statute states local entities are required to maintain traffic control devices within their boundaries upon highways under their jurisdiction.

NMDOT Project Control No. LC00371, includes the installation of roadway lighting on I-10 between MP 141.40 AND MP 141.80, adjacent to the intersection of East University Avenue and South Main Street. The project is currently under design with construction anticipated to start in the late summer of 2024, to be complete by the fall of 2025. The roadway lighting is being installed primarily to promote traffic safety.

Pursuant to the Roadway Lighting Maintenance Agreement, NMDOT will provide the design and construction of the roadway lighting and the City will facilitate future maintenance of the roadway lighting upon the final acceptance of the project. The estimated annual maintenance cost will be in the range of $2,000, which would be approximately 50% power costs and 50% material costs.

Approval of an agreement between the City and NMDOT is part of the state statue requirement.

SUPPORT INFORMATION:
Exhibit "A" - CLC NMDOT E University S Main Street Lighting Maintenance Agreement

PLAN(S):
Department Strategic Business Plan

COMMITTEE/BOARD REVIEW:
None

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

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

☐ Yes

☒ No

Does this action align with Elevate Las Cruces?

☒ Yes

☐ No

OPTIONS / ALTERNATIVES:

1. Vote “Yes”; this will approve the Resolution and establish a roadway lighting maintenance agreement.
2. Vote “No”; this will not approve the Resolution and will not establish the roadway lighting maintenance agreement.
3. Vote to “Amend”; this could modify the Resolution and requires further direction from Council.
4. Vote to “Table”; this could postpone the consideration of the Resolution and would require additional direction from Council on how to proceed.

RESOLUTION 24-088

A RESOLUTION APPROVING A ROADWAY LIGHTING MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE FOR THE MAINTENANCE OF ROADWAY LIGHTING ON I-10 BETWEEN MP 141.40 AND MP 141.80, CONTROL NO. LC00371.

The City Council is informed that:

WHEREAS, New Mexico Statute states, local entities are required to maintain traffic control devices within their boundaries upon highways under their jurisdiction; and

WHEREAS, NMDOT Project Control No. LC00371, includes the installation of roadway lighting on I-10 between MP 141.40 and MP 141.80, which is within City right of way; and

WHEREAS, the project is currently under design with construction anticipated to start in the late summer of 2024, to be complete by the fall of 2025. The roadway lighting is being installed primarily to promote traffic safety; and

WHEREAS, pursuant to the Roadway Lighting Maintenance Agreement, NMDOT will provide the design and construction of the roadway lighting and the City will facilitate future maintenance of the roadway lighting upon the final acceptance of the project. The estimated annual maintenance cost will be in the range of $2,000, which would be approximately 50% power costs and 50% material costs.

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

(I)

THAT the agreement between the City and NMDOT on I-10 between milepost (MP) 141.40 and MP 141.80 adjacent to the intersection of East University Avenue and South Main Street is hereby approved and attached hereto 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 day of

APPROVED

_____

ATTEST:

_____

Moved by:

Seconded by:

AYES

NAYS

EXHIBIT "A"

Contract No.: _____

MAINTENANCE AGREEMENT

ROADWAY LIGHTING

This Agreement is between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** (Department), and the, **CITY OF LAS CRUCES** (Public Entity). This Agreement is effective as of the date of the last party to sign it on the signature page below.

RECITALS

Whereas, the Department contemplates the construction of a highway project within the boundaries of the Public Entity, identified as, PN: LC00371 CN: LC00371 (Project);

Whereas, the Department and Public Entity agree with the need for installation of roadway lighting at the following location(s): I-10 between mile post 141.40 and milepost 141.80;

Whereas, the installation of the roadway lighting will promote traffic safety;

Whereas, the parties want to set forth their responsibilities on operation and maintenance of the roadway lighting.

Now therefore, pursuant to NMSA 1978, Section 67-3-28, the parties agree as follows:

1. The Department Shall:

a. Provide the necessary plans, designs and estimates and other documents required for the construction of the Project and cause the Project to be constructed in the manner provided by law.
b. Determine the design, provide, and install new roadway lighting equipment with cabinet, concrete foundations, poles, luminaires, underground conduit, and conductor for complete roadway lighting.
c. Provide and install approximately 3 each, LED luminaires with full cutoff fixtures, on type VI standards on I-10 from milepost 141.40, to milepost 141.80 for a fully operational lighting system.
d. After construction is completed, provide the Public Entity as built drawings of the project roadway lights and a complete list of all parts and components used including the brands and specifications.
e. After completion of the Project, allow the Public Entity to enter into the Department's right of way to perform maintenance as detailed in Section 2 below.

2. The Public Entity Shall:

After the roadway lighting system has been constructed:

a. Provide at its sole cost and expense all electrical energy.
b. Perform at its sole cost and expense any and all maintenance to keep the system operating, which includes luminaire replacement as well as replacement of all parts and components

as a result of equipment failure, accidental damage and intentional damage, which includes vandalism.

c. Perform maintenance as detailed in this Section 2, to all parts and components, which includes and is not limited to poles or fixtures, conduits, and wiring, and as provided by as-built drawings.
d. Replace all parts and components with the same kind, brand, or performance for continued satisfactory operation of said roadway lighting system.

3. Term.
This Agreement becomes effective upon signature of all parties. The effective date is the date when the last party signed the Agreement on the signature page below.

4. Third Party Beneficiaries.
It is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit(s) for wrongful death(s), bodily and/or personal injury(ies) to person(s), damage(s) to property(ies), and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

5. New Mexico Tort Claims Act.
As between the Department and Public Entity, 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 the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1, *et seq*. This paragraph is intended only to define the liabilities between the parties and it is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

6. Scope of Agreement.
This Agreement incorporates all the agreements, covenants, and understandings between the parties concerning the subject matter. All such covenants, agreements, and understandings have been merged into this written Agreement. No prior Agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

7. Terms of this Agreement.
The terms of this Agreement are lawful; performance of all duties and obligations shall conform with and do not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

8. Equal Opportunity Compliance.
The parties agree to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the parties agree to assure that no person in the United States shall, on the grounds of race, color, national origin, ancestry, sex, sexual preference, age or handicap, be excluded from employment with, or participation in, any program or activity performed under

this Agreement. If the parties are found to not be in compliance with these requirements during the term of this Agreement, the parties agree to take appropriate steps to correct these deficiencies.

9. Appropriations and Authorizations.
The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the governing board of the Public Entity, the Legislature of New Mexico, or the Congress of the United States if federal funds are involved, for performance of the Agreement. If sufficient appropriations and authorizations are not made by the Public Entity, Legislature or the Congress of the United States if federal funds are involved, this Agreement shall terminate upon written notice being given by one party to the other. The Department and Public Entity are expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered, and approved for expenditure.

10. Severability.
In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

11. Contingent on Project Being Let.
In the event that the Project is not let for any reason, this Agreement shall become null and void and shall create no obligation on any of the parties.

12. Applicable Law.
The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, Section 38-3-1(G).

13. Principal Contacts and Notices.
The principal contacts for this Agreement are listed below. Except as otherwise specified, all notices shall be in writing (including notice by facsimile or E-mail) and shall be given to the principal contacts listed below.

Name: Aaron Chavarria, P.E.
Title: District Engineer
Public Entity: New Mexico Department of Transportation
Address: 2912 E. Pine St., Deming, NM 88030
Office: 575-494-3227
E-mail: aaron.chavarria@dot.nm.gov

Name: Soogyu Lee
Title: Administrator/Public Works/Traffic Management
Public Entity: City of Las Cruces
Address: 700 N Main St, Las Cruces, NM 88001
Office: 575-541-2566
E-mail: sglee@las-cruces.org

Contract No.: _____

14. Amendment
This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties.

In witness whereof, each party is signing this Agreement on the date stated opposite that party's signature.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____ Date: _____
Cabinet Secretary or Designee

Recommended by:

By: _____ Date: _____
State Traffic Engineer

By: _____ Date: _____
District Engineer

Approved as to form and legal sufficiency by the New Mexico Department of Transportation's Office of General Counsel

By: _____ Date: _____
Assistant General Counsel

CITY OF LAS CRUCES

By: _____ Date: _____

Title: _____

Attest: _____

Approved as to form and legal sufficiency

By: _____ Date: _____
City Attorney

24-089

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

City Council Action and Executive Summary

District:	**☒ 1 ☒ 2 ☒ 3 ☒ 4 ☒ 5 ☒ 6 ☐ N/A**		
1st Reading:		**Adopted:**	March 4, 2024
Drafter:	Natalie Green	**Department:**	City Manager's Office
Program:	Housing and Neighborhood Services	**Line of Business:**	Housing and Neighborhood Services

Title: **A RESOLUTION ADOPTING THE CITY OF LAS CRUCES AFFORDABLE HOUSING INVESTMENT STRATEGY.**

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

PURPOSE(S) OF ACTION:

Adopt strategy.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces like many other communities has grappled with the pressing need for affordable housing within the community. Las Cruces faces a significant disparity between the demand for affordable housing and the available resources. Existing federal funds, such as the Community Development Block Grant and Home Investment Partnership Program entitlements from the U.S. Department of Housing and Urban Development, fall short of meeting the community's needs. Recognizing the urgency of this issue, City voters recently approved a $6 million General Obligation (GO) Bond dedicated to alleviating the affordable housing crisis.

Following the bond's approval, the City embarked on a comprehensive review of its existing housing programs. The goal was twofold: to determine the most effective utilization of the new funding source and to adapt to changing housing needs due to the pandemic. Community stakeholders expressed a keen interest in supporting affordable housing efforts, prompting the City's Housing & Neighborhood Services Department to develop a robust framework for fund allocation.

To guide this critical initiative, the City enlisted the expertise of Project Moxie, a regional affordable housing consulting firm. Project Moxie's scope of work included collaborating with Las Cruces city staff, assessing existing programs and resources, engaging local stakeholders, and revisiting housing needs data for the region.

Project Moxie conducted several site visits and became familiar with the local housing program continuum, current developments, and local political context for the investment strategy. The team met with local nonprofit leaders, elected officials, City staff members, developers, and others directly involved with housing issues in Las Cruces. The team presented to both the Affordable Housing Advisory Committee and Housing Policy Committee and solicited feedback and guidance based on local experiences and expertise. A draft of the Affordable Housing Investment Strategy was also presented to City Council at the November 13, 2023 Work Session. In addition, the plan was advertised for a 30-day public comment period.

The investment strategy outlines a deliberate allocation of the $6 million and aligns with the GO Bond timeline, spanning three years, while remaining adaptable to market fluctuations and broader economic conditions. While this amount represents a substantial commitment, the City aims to maximize its impact. Gap funding will complement other sources of state and federal funding. Approximately 800 housing units are planned over the next three years, providing a much-needed boost to the affordable housing stock.

Although the units resulting from this funding represent only a fraction of the overall need, the City remains steadfast in its commitment. Bridging the gap in affordable housing requires sustained effort and collaboration. Las Cruces' proactive approach to affordable housing demonstrates its dedication to the well-being of its residents. By leveraging the GO Bond funds strategically, the City takes a significant step toward ensuring that all community members have access to safe, affordable homes. City Council approval is required to formally adopt the plan.

SUPPORT INFORMATION:

EXHIBIT "A" Las Cruces Affordable Housing Investment Strategy

PLAN(S):

City Council Strategic Plan, Other, Department Strategic Business Plan, 2021-2025 Consolidated Plan, Elevate Las Cruces

COMMITTEE/BOARD REVIEW:

Affordable Housing Committee, Housing PRC

DOES THIS AMEND THE BUDGET?:

☐ Yes

☒ No

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

☐ Yes

☒ No

Does this action align with Elevate Las Cruces?

☒ Yes

☐ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the adoption of the City's Affordable Housing Investment Strategy.
2. Vote "No"; this will not approve the adoption of the City's Affordable Housing Investment Strategy.
3. Vote to "Amend"; this will modify the Resolution with direction from City Council.
4. Vote to "Table"; this will postpone the Resolution and the City Council would need to provide direction to staff.

RESOLUTION 24-089

A RESOLUTION ADOPTING THE CITY OF LAS CRUCES AFFORDABLE HOUSING INVESTMENT STRATEGY.

The City Council is informed that:

WHEREAS, the City of Las Cruces like many other communities has grappled with the pressing need for affordable housing within the community; and

WHEREAS, existing federal funds, such as the Community Development Block Grant and Home Investment Partnership Program entitlements from the U.S. Department of Housing and Urban Development, fall short of meeting the community's needs; and

WHEREAS, City voters recently approved a $6 million General Obligation (GO) Bond dedicated to alleviating the affordable housing crisis; and

WHEREAS, the City desired to conduct a comprehensive review of its existing housing programs to determine the most effective utilization of the new funding source and adapt to changing housing needs due to the pandemic; and

WHEREAS, the City enlisted the expertise of Project Moxie, a regional affordable housing consulting firm to collaborate with Las Cruces city staff, assess existing programs and resources, engage local stakeholders, and revisit housing needs data for the region; and

WHEREAS, a draft of the Affordable Housing Investment Strategy was presented to City Council, the Affordable Housing Advisory Committee and Housing Policy Committee; and

WHEREAS, investment strategy outlines the allocation of the $6 million while remaining adaptable to market fluctuations and broader economic conditions.

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

(I)

THAT the City of Las Cruces Affordable Housing Investment Strategy, as shown in Exhibit "A," attached hereto and made part of this Resolution, is hereby approved and adopted.

(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

_____

ATTEST:

_____

Moved by:

Seconded by:

AYES

NAYS

EXHIBIT "A"

LAS CRUCES, NM

2024-2027

AFFORDABLE HOUSING **INVESTMENT STRATEGY**



CITY OF LAS CRUCES

PROJECT MOXIE

PREPARED FOR:

CITY OF LAS CRUCES

PREPARED BY:

PROJECT MOXIE



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CITY OF LAS CRUCES

PROJECT MOXIE

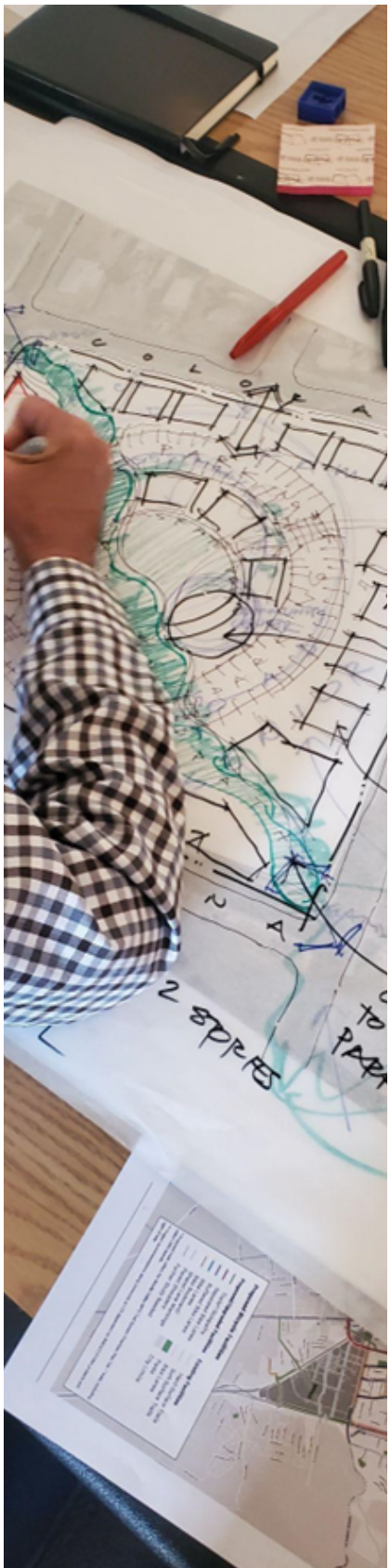
BACKGROUND



In the fall of 2022, the City of Las Cruces proposed a General Obligation (GO) Bond to local voters of which a portion of the bond proceeds, approximately six (6) million dollars, would be dedicated to affordable housing. The bond was approved, and the City identified an opportunity to review current housing programs and to consider how best to use this new funding source. The City also recognized that housing needs had changed since the pandemic and wanted an opportunity to reflect on how current housing needs would impact strategies to invest the GO Bond proceeds, and other city funding sources dedicated to affordable housing. Finally, the City recognized a growing interest from community stakeholders to support more affordable housing efforts and wanted to develop a framework for how funds would be invested as part of a larger affordable housing initiative driven by the City's Housing & Neighborhood Services Department.

In June of 2023, Project Moxie, a regional affordable housing consulting firm, was selected through an RFP process to work with the City of Las Cruces to develop a housing investment strategy for the General Obligation (GO) Bond funds for affordable housing. Project Moxie's scope of work included working with the Las Cruces Housing and Neighborhood Revitalization Administrator, Natalie Green, and City Housing staff to review existing programs and resources, engage local stakeholders, and revisit housing needs data for the region to help inform this investment strategy. The timeline for this investment strategy is three years; to align it with the GO Bond timeline and acknowledge how much is shifting in the overall housing markets and broader economy. To plan further out than three years would be extremely difficult. This strategy is intended to provide a roadmap for the City to begin implementing funding processes as soon as the strategy is formally adopted by City Council.

GOALS & APPROACH



The goal of this three-year investment strategy is to provide an investment framework for the City and its constituents, to invest the GO Bonds within the context of their other funding sources, competing funding priorities, and changing housing needs post-pandemic. Current and potential housing strategies were reviewed with the City to identify any that should be discontinued, those that need to be amended, and those that should be scaled to best deliver housing opportunities across the local housing continuum. New and future strategies will also be identified as part of this process. It is critical in developing investment strategies to confirm where there is capacity to implement these strategies, and to prioritize strategies that can successfully leverage state, federal, and private resources. Strategies also need to align with local politics and reflect what the broader community supports. City Housing staff also requested assistance in streamlining documents and processes related to developer inquiries, funding rounds, and underwriting processes or where a city policy needed clarification to improve implementation.

The consulting team quickly learned that Las Cruces City Housing staff have meaningful depth of experience with housing programs and best practices, and are committed to the work that they do. At the same time, the amount of work over the last few years has grown significantly and, therefore, future staff capacity must align with any recommended strategies. Staffing considerations will be identified at each strategy level as will estimated funding needs to implement each strategy. Finally, there is a significant number of affordable rental units in process needing additional gap funding because of cost and interest rate increases over the last few years. These rental projects have millions of dollars in equity investment and soft fund commitments; to ensure that these projects can be completed, GO Bond funds will be prioritized for this rental pipeline over the next few months. This is necessary and will result in hundreds of new affordable rental units becoming available to local community members in the next two years. Even with this need to subsidize this rental development pipeline, the City expressed the desire to deploy the funding available as equally as possible between the various strategies.

COMMUNITY ENGAGEMENT

The City of Las Cruces Housing and Neighborhood Services Section worked with the consulting team to define a process for community engagement. This included identifying individuals and groups that should be interviewed and developing appropriate questions to best understand the current challenges and opportunities for local housing strategies in the post-pandemic environment.

The consulting team kicked off formal community engagement with a site visit in August of 2023, where the consultants became familiar with the local housing program continuum, current developments, and local political context for the investment strategy. Specifically, the team met with local nonprofit leaders, elected officials, City staff members, developers, and others directly involved with housing issues in Las Cruces. The team presented the project scope to a joint meeting of the Affordable Housing Advisory Committee and Housing Policy Committee and solicited feedback and guidance based on local experiences and expertise.

Project Moxie completed over a dozen interviews and three focus groups with community leaders and partners to ensure that recommended strategies would align with current activities, experiences, and needs of those experts doing the work in Las Cruces. It was clear from these engagements that there is significant support and alignment for affordable housing strategies in Las Cruces. There is also interest in learning more about housing activities, and how GO Bonds will be used. These community engagement activities highlighted themes to also guide the development of this investment strategy. Those themes are outlined below:

- Many community stakeholders were aligned on what are the primary housing affordability challenges in Las Cruces; many wanted to learn more about how various solutions would meet these challenges. There is a timely opportunity for the City and its partners to provide community education around affordable housing strategies and programs in the future.
- Many key partners indicated that single-family home development should be balanced with multifamily strategies.
- Community stakeholders have clearly identified a crisis in affordable housing. Many named housing prices, others focused on a perception that homelessness was increasing, others were concerned that housing was not affordable near jobs and transportation.
- One theme that emerged multiple times was the community's desire to increase the visibility of affordable housing efforts and the growing need for more solutions given the huge increase in housing costs since the pandemic.
- Many saw that although there are significant funds allocated for housing now it will not be enough to meet the current and future needs, and an investment plan is needed to leverage the funds as effectively as possible.
- Many wanted to ensure that General Obligation Bond funding is successfully deployed for as much impact as possible and will set the stage for recurring funding in the future.
- Several interviewees discussed the importance of not just housing development, but the myriad of services that are also needed to create comprehensive community development.

There were stakeholders that were not engaged over the last few months due to time constraints; this includes local employers, and New Mexico State University to name a few, and as a result, the team suggests ongoing engagement with community partners during this three-year strategy as a means to identify additional resources moving forward. There were also a handful of strategies suggested that are not able to be included in this three-year plan because they lack capacity or resources for implementation. These strategies are included for consideration in the future at the end of this document.



NATIONAL CONTEXT

The nation is suffering from significantly increased housing prices due to a variety of factors including higher mortgage interest rates, higher rates for construction, decreased housing inventory, and increased demand. According to the State of the Nation's Housing, published by the Joint Center on Housing At Harvard University, "Between 2019 and 2021, the country saw the most significant drop in housing affordability in years. The number of cost-burdened homeowners—defined as those spending more than 30 percent of their income on housing—increased more than any time since the housing boom of 2005-2007, and the number of cost-burdened renters hit a record high of 21.6 million households. Of these, 11.6 million renters were severely cost burdened, spending over half of their income on housing. Making matters even worse, the supply of low-cost rental units continues to decline: the market has lost 3.9 million units with contract rents below $600 in the last decade. This leaves the most vulnerable with few options and has fueled a 35 percent nationwide increase in unsheltered homelessness since 2015."[1]

Because the federal government is the primary funder of affordable housing in the United States; state and local governments use federal agency definitions and guidelines as a basis for local programs. Area median income — often referred to as simply AMI — is a key metric in affordable housing. Area median income is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development (HUD). HUD refers to the figure as MFI, or median family income, based on a four-person household.

[1]State of the Nation's Housing: Harvard JCHS
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2023.pdf

NEW MEXICO CONTEXT

Local governments in New Mexico must adhere to the Affordable Housing Act (AHA)[2] that was passed in 2004, and amended in 2015. This act is an exception to the anti-donation clause of the New Mexico Constitution that allows local governments to allocate resources to the development, financing, maintenance, operation, and acquisition of affordable housing. Las Cruces, and all other entities eligible under the AHA, can only subsidize "persons of very low, low, or moderate income" defined by the Act as 120%[3] of Area Median Income. The State of New Mexico is recommending an amendment to the affordable housing act that would allow local governments to serve households up to 150% of AMI, and the City might consider updating their policy in the future to align with this amendment. The City of Las Cruces has been required to develop an Affordable Housing Plan reviewed and approved by the Mortgage Finance Authority, and develop an ordinance to guide donations. The Affordable Housing Land Bank and Trust Fund Policies[4] provide detailed directions for the acquisition and financing of affordable housing activities to advance the creation of a comprehensive housing service delivery system addressing the full continuum of housing needs. This aligns with the community needs and goals detailed in the strategic investment recommendations below.



LAS CRUCES CONTEXT

The City of Las Cruces Affordable Housing Land Bank and Housing Trust Fund Policies confirm that the City can serve households up to 120% of Area Median Income and may choose to do this with its homeownership initiatives. Pre-pandemic data indicated a large percentage of local households in need of affordable housing options, and post-pandemic data illuminates alarming trends where higher-income households in Las Cruces are now priced out. Appendix A includes charts of the most current available data on income, corresponding affordable home prices, and monthly rent payments for residents of Las Cruces.

Households in need of rental payment support are over represented by the lowest incomes in the community. The primary rental development program for the City of Las Cruces is the low-income housing tax credit (LIHTC) program; this is the most widely used federal program to develop affordable rental housing and can serve households earning up to 80% of Area Median Income or $51,680 for a family of four. The highest cost burden often falls on the lowest income families, leaving very little buffer between these families and homelessness.

For-sale homeownership opportunities typically begin for households at 60% of Area Median Income or $38,760 for a family of 4, and go up to 120% of Area Median Income or $77,520 for a family of 4. In this current interest rate environment and elevated home prices, it's more likely that households will need higher incomes ($50,000 or more) to be able to purchase homes now. Homeownership is one of the most important ways families can create and establish generational wealth.

[2]Affordable Housing Act: https://housingnm.org/uploads/documents/Affordable_Housing_Act_Statute.pdf
[3]housingnm.org/resources/affordable-housing-act/overview
[4]City of Las Cruces Affordable Housing Land Bank and Trust Fund Policies

LOCAL HOUSING NEEDS

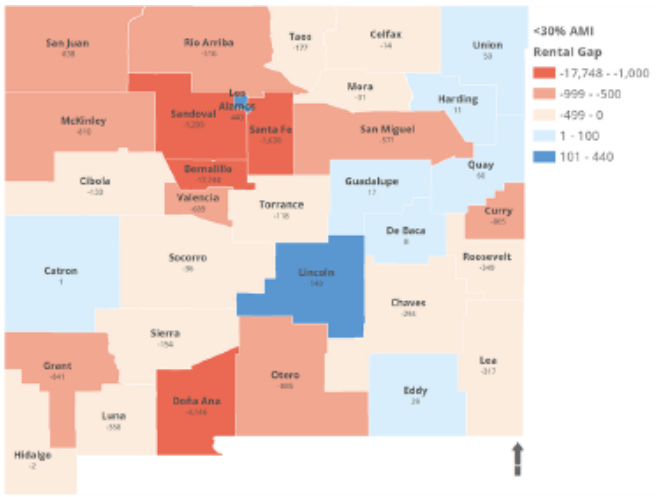
The consulting team reviewed numerous plans and historical documents including **The City of Las Cruces Consolidated Plan, Affordable Housing Land Bank and Trust Policies, Elevate Las Cruces, City of Las Cruces Strategic Plan 2021-2026, Affordable Housing Act Rules Amendment, GO Bond documents and communications, the New Mexico State Housing Strategy,** and the **2023 New Mexico Affordable Housing Needs Assessment.** Local and most recent available data including Area Median Income and affordability data, sale and rental data, shelter use, and data on community members experiencing homelessness were also reviewed and analyzed. These documents helped the team to understand the context for this strategy and assisted in understanding comments and suggestions that came out of various meetings and interviews.

It is difficult to access recent housing needs data; often provided by the Department of Housing and Urban Development; that can illustrate what is happening in real-time in local housing markets. However, using a handful of different data sources like local and state housing plans, and local realtor data a community can confirm how housing needs are changing across its housing continuum. For this report, the consulting team pulled data from the State of New Mexico and much of the data available is for Doña Ana County, not just the City of Las Cruces.

RENTAL HOUSING DATA

Across the United States, families with the lowest incomes are experiencing the highest level of housing cost burden. New Mexico has constantly experienced higher rates of poverty, now combined with pandemic-driven housing inflation, shortages in housing supply, and slowed development, Las Cruces, like many communities, is experiencing a housing crisis. In Doña Ana County, 60% of housing units are single-family, with only 20% of total housing units single-family attached, or multifamily. Like other communities with a 4-year college and proximity to a military base, Las Cruces has a higher than average number of renters.

Rental Gap for Households Below 30% AMI by County, 2019



Source: 2019 5-year ACS, and Root Policy Research.

According to the 2023 New Mexico Affordable Housing Strategy published by the Mortgage Finance Authority (MFA), the rental gap, which is the number of units available versus those needed, for income levels below 30% AMI in Doña Ana County is 4,146 units. This translates to thousands of potential households in the area living at risk of homelessness. This rate was the highest rate for the southern region of the state and is the same as rates for the State's other metro areas such as Santa Fe, Bernalillo, and Sandoval Counties.

These unit gaps reflect existing needs, but to create a comprehensive picture of housing needs it is important to review future population growth projections and future housing demand. According to the Mortgage Finance Authority's state plan, Doña Ana County is projected to have the third-highest population increase in the state of New Mexico by 2035, with a projected household growth of 14%. Using available data, the following table outlines the types of units that will be needed at different levels of income by type by 2030 to begin to demonstrate how this strategy can realistically begin to build towards meeting future needs.

According to MFA's State Housing Plan; the below chart illustrates future rental housing demand for Doña Ana County in the next 6 years:

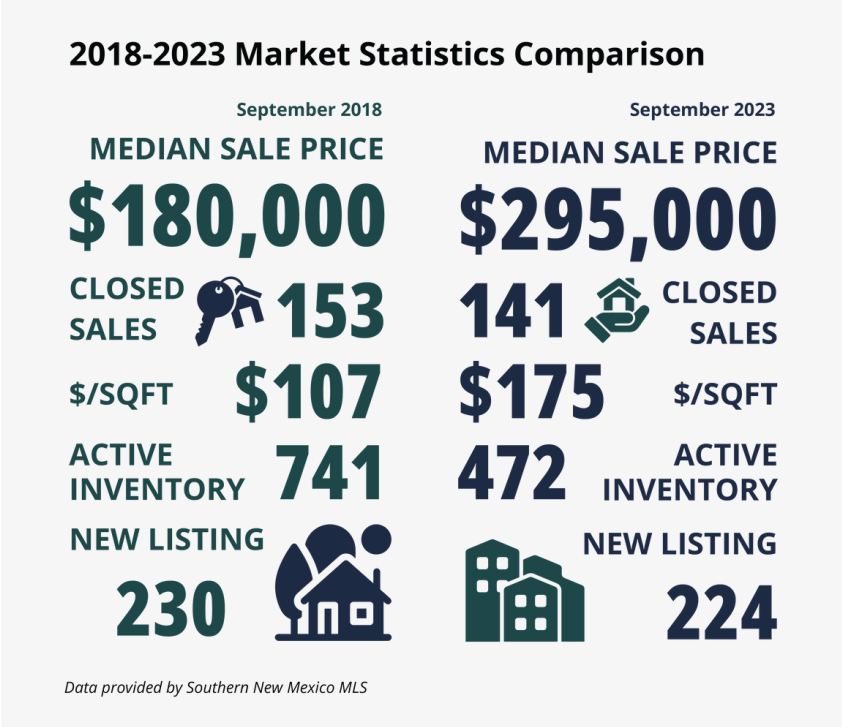
Total Needed by 2030	0-30%AMI	30-50%AMI	50-80%AMI	80-100%AMI	100-120%AMI
Rental Units	864	795	550	536	477

This data shows a significant need for affordable rental units over the next 6 years. Low Income Housing Tax Credits can be leveraged to develop units serving up to 80% of AMI. Until state funding is provided for rental units above 80% of AMI, the City of Las Cruces is not likely to effectively fund rental units above 80% in the near future.

HOMEOWNERSHIP NEEDS

Las Cruces had an affordable market for many years until the pandemic hit. In 2018 the median property value in Doña Ana County was $185,000 and in 2019 the median sales price of a home in Las Cruces had reached $217,460. New home values have increased by 2.6% year-over-year according to the Las Cruces Association of Realtors.

One of the major market factors impacting for-sale opportunities is mortgage interest rates. Unfortunately, interest rates have been climbing steadily since autumn of 2022. While typical home values in Las Cruces increased by 23% between 2019 and 2022, affordability gaps continue to grow. "In 2021, the biggest gap between what households at 80% AMI can afford and home values was in Santa Fe ($215,000), followed by Las Cruces with a gap of $53,000."[5]



[5] New Mexico Finance Authority, Housing New Mexico: A Call to Action pg. 83

A significant shortage in housing stock led to many higher-income individuals purchasing median-income properties pricing out median and low-income home buyers.[6] While the housing market is cooling down from the peak of pandemic pricing, availability of homes for sale is not increasing. The national average 30-year mortgage rate rose to 7.63% in October 2023, and home buyers who got low interest rates during the pandemic are not willing to sell.[7]

FUTURE FOR-SALE HOUSING NEEDS

According to MFA's State Housing Plan; the below chart illustrates future for-sale housing demand for Doña Ana County in the next 6 years.

Total Needed by 2030	0-30%AMI	30-50%AMI	50-80%AMI	80-100%AMI	100-120%AMI
Ownership Units	601	483	751	188	65

PRESERVATION NEEDS

Communities often are unable to adequately resource or strategically approach preservation efforts. Housing preservation is a critical component of any affordable housing strategy. Preservation can focus on older homeownership housing stock, naturally occurring affordable rental housing, subsidized rental housing, mobile home park preservation, and the redevelopment of commercial buildings into housing. Substandard housing specifically in Doña Ana County, includes 2,397 units without kitchens, and 2,865 without complete plumbing that require funds for repair.

There are two active projects in Las Cruces seeking resources to preserve or redevelop properties. One, an existing behavioral health program planning to preserve beds for a transitional housing program. The other is an opportunity to partner with the local housing authority to redevelop a public housing community through HUD's Rental Demonstration Project (RAD). Specifically, the RAD program, which is a federal HUD grant program, was created in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the $26 billion dollar nationwide backlog of deferred maintenance.



[6]How did COVID affect the housing market? https://www.bankrate.com/real-estate/covid-impact-on-the-housing-market/#homebuyers
[7]Housing Market Predictions for 2023 https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/

RAD also gives owners of three HUD "legacy" programs (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter long-term contracts that facilitate the financing of improvements. Although a complex process; this effort in Las Cruces would preserve critical federal housing subsidies and improve the physical housing stock within the RAD project.

Outside of public housing units, the MFA report announces that by the year 2030 an estimated 400 units of federally assisted rental subsidies are expected to expire in Doña Ana County.[8] The New Mexico Mortgage Finance Authority (MFA) is beginning to elevate the need for preservation and is using multiple strategies to reach these goals including the development of a Preservation Database, the standardization of internal procedures to better advance preservation goals, and the coordination of efforts to support owners in the financial viability, physical upkeep, and preservation of affordability.[9]

While the housing market is complex, the needs are clear, without increasing and preserving affordable housing units, the inability of even median-income families to access the generational wealth-building opportunity to own a home will continue to worsen while rental units will be lost increasing the levels of homelessness if not addressed.

ADDRESSING HOMELESSNESS

Since 2008, Las Cruces has been working to continue progress on a 10-year plan to end homelessness. Many of the goals that were set have been reached, and new goals continue to develop.[10] The current continuum of care includes, prevention, outreach, emergency shelter, transitional housing, rapid rehousing, and supportive services.

The City of Las Cruces has highly developed best-practice programs serving community members through its nonprofit partners and the leadership of the Mesilla Valley Community of Hope. Specifically, their campus hosts several agencies that serve the community's most vulnerable populations. People who are unhoused, indigent, disabled, and food insecure can access services to address these needs in an inclusive campus location.

> "HOMELESSNESS IS CAUSED BY POVERTY AND LACK OF AFFORDABLE HOUSING."
>
> *- ATHENA HUCKABY*

Last fiscal year, the Point in Time (PIT) count conveyed 120 unsheltered people in Las Cruces. The PIT count is an actual count of sheltered and unsheltered people experiencing homelessness on a single night in January. The US Department of Housing and Urban Development requires that local Continuum of Care conduct an annual count of people experiencing homelessness who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night. Each PIT count is planned, coordinated, and carried out locally. Because the count only happens on one night; it cannot fully capture the number of unhoused community members living in Las Cruces. Therefore, the PIT count is considered an undercount and for planning purposes communities will multiply that number by a recommended factor to present more realistic data.

[8]National Housing Preservation Database and Root Policy: https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf
[9]NM Affordable Futures: https://housingnm.org/resources/nm-affordable-futures
[10]City of Las Cruces 10-Year Plan to End Homelessness

According to The New Mexico Mortgage Finance Authority and the New Mexico Coalition to End Homelessness, the 2023 PIT count could be multiplied by five to give a more accurate picture of how many are currently unhoused.[11] This would mean that Las Cruces' unhoused population is closer to 600. Another data source used to understand the needs of the unhoused population is reflected in services from local providers who can share real time data on the number of people they are serving. The Community of Hope reported serving 7,258 people and housed 972 this past year. These numbers help to allocate resources and plan programs to meet the needs of those who are unhoused or precariously housed. The aligned strategies in this plan include increasing new housing units, continued rental assistance and continued services funding.

> "PEOPLE ARE STAYING ON THE STREETS LONGER SINCE IT HAS BEEN SO DIFFICULT TO QUICKLY FIND UNITS THAT MEET FAIR MARKET RENT AND PASS A HOUSING INSPECTION."
>
> *- NICOLE MARTINEZ*

A key strategy over the next three-years is to create additional housing units that can support the chronically homeless. The city is focusing on the development of Amador Crossing, which will provide 30-40 units of Permanent Supportive Housing (PSH) on a site across from the current services campus and owned by the City of Las Cruces. PSH models provide housing assistance in the form of long-term leases or rental assistance with supportive services for the household.

PSH developments are a best practice for ending chronic homelessness and are designed to provide individualized pathways to permanent housing stability. In partnership with Mesilla Valley Community of Hope, the project will be designed and developed starting in the first quarter of 2024.



[11]U.S. Department of Housing and Urban Development Community Planning and Development https://www.hud.gov/sites/dfiles/CPD/documents/2022_HIC_and_PIT_Data_Collection_Notice.pdf

RESOURCES AND TOOLS

The following section details resources and tools available to support implementation.

The Las Cruces Metropolitan Redevelopment Area (MRA) was established in 2006 by the Las Cruces City Council, pursuant to the provisions of the New Mexico Municipal Redevelopment Code. This designation provides the City of Las Cruces with a variety of legal tools for implementing projects that contribute to revitalizing the area, including the redevelopment of blighted properties, zoning changes, financial incentives such as tax increment financing, bond financing and tax exemptions, and land acquisition.

The Las Cruces MRA includes the land between Picacho, Campo, Solano, and El Paseo/Main Street.[12]

There are many tools that can be initiated within the MRA that align with the Las Cruces Affordable Housing Investment Strategy. These plans align in the prioritization of those projects that identify and promote development opportunities in the MRA that build on the existing infrastructure and attract new development.



NEW MEXICO MORTGAGE FINANCE AUTHORITY

State resources remain limited in New Mexico, and most funds available for housing are tied to federal resources. New state programs with more flexibility in uses will be needed before cities can access meaningful funding from state agencies. The LIHTC program is a critical resource for this strategy. Local agencies also suggested that working with MFA on down payment assistance and more affordable mortgage products would be critical in this high interest rate environment.

[12]City of Las Cruces Metropolitan Redevelopment Area Designation Report: March 2023, https://lascruces.civicweb.net/document/27664/.



STATE LEGISLATURE

Funding at the state legislature is critical for many of these housing initiatives. Funding gaps have widened during the pandemic while funding allocations have not caught up with the new cost reality for current housing developments. Many projects are seeking funds through the legislative process, and there is precedent for local governments to request funds for infrastructure development to activate new sites for affordable housing. Success with these requests will help projects move more quickly and will continue to help leverage the GO Bonds.

HUD INITIATIVES

Las Cruces will continue facilitating resources as an Entitlement City, but federal funding has not increased significantly in years, other than American Rescue Plan Act resources which are not recurring. There are annual Notices Of Funding Availability (NOFAs), but these are highly competitive and difficult to pursue. The RAD program is a specific HUD grant program that should be pursued as part of the City's partnership to redevelop public housing as outlined above.

CONGRESSIONALLY DIRECTED SPENDING

In the last few years congressional staff have begun to accept requests for one-time grants as part of the annual federal budget process. These applications are released in the spring and then prioritized internally by congressional staff and submitted as part of the federal budget process. The City should consider making requests for housing activities; especially new developments that demonstrate a funding gap too large to be filled by other state resources.

GOVERNOR'S OFFICE

The Governor's Office has been developing grant programs, like Casa Connections, which has been instrumental in helping to fill gaps for special needs and LIHTC projects. The Governor's staff continues to advocate for housing resources including representation of Las Cruces through Natalie Green's membership on the Governor's Affordable Housing Investment Council. There is optimism that more resources will be made available before the Governor's term ends in 2026.

HOUSING INVESTMENT STRATEGIES

RENTAL STRATEGIES

Affordable Rental Housing Investment Strategy Goals:

1. Increase the development of tax credit projects by selecting and funding local projects most competitive for tax credits through the MFA process.
2. Increase the use of 4% tax credits for higher income rentals to meet the needs of the local workforce.
3. Pilot a smaller non-tax credit permanent supportive housing project on City owned land. (This project is referred to as Amador Crossing.)

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Low-Income Housing Tax Credits (LIHTC) are the most widely used subsidy for affordable housing rental development in the country. New Mexico's most recent allocation equals $5,818,662.[13] The federal government annually allocates LIHTC credits to the state to distribute through a competitive process. Selected projects are typically between 30 and 200 units in scale and must restrict rents to household incomes up to 80% of Area Median Income for 30 years, depending on their financial model. Those with fixed or no incomes are served with a project-based voucher with a tax credit funded unit. This means the voucher can pay the difference between what someone can afford and the tax credit rental rate, which is lower than market, but often not low enough for those on very low fixed incomes.

The 9% LIHTC credit provides anywhere from 60% to 75% of the required equity for a project, depending on pricing. The 4% tax credit is less competitive because it only provides 25-35% of the equity needed to build a project. It also must be paired with Private Activity Bonds because these are a finite state resource, and by pairing 4% credits with Private Activity Bonds, the federal government has a cap on these resources. The 4% LIHTC projects are typically larger in scale and serve a higher income because there is less subsidy. Development partners are allowed between 10% and 15% of development costs as a fee for providing the units and managing them through the compliance period.

Las Cruces has 2 active 4% projects in the pipeline. Much of Las Cruces' LIHTC investment strategy depends on how the New Mexico Mortgage Finance Authority manages these limited tax credits and sets priorities statewide. Based on the latest Qualified Allocation Plan (QAP); MFA has set forth a number of priorities intended to ensure the selection of those developments that best meet the most pressing housing needs of the State in accordance with federal guidelines and requirements. For more details on the current priorities and recent changes to the QAP see their website: https://housingnm.org/developers/lihtc/current-and-prior-tax-credit-rounds.

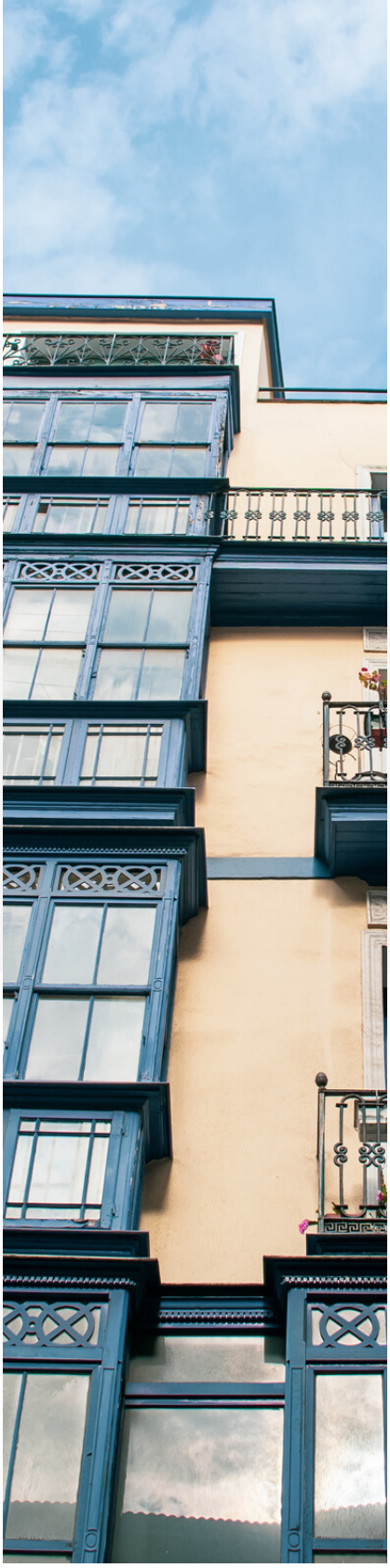
[13]https://www.novoco.com/resource-centers/affordable-housing-tax-credits/2023-federal-lihtc-information-state

Communities benefit from well-designed, affordable rental communities and investors can receive a double-digit federal tax write-off. Because of these enormous benefits, LIHTC is a competitive program and is oversubscribed in New Mexico. The good news is communities have some control over the allocation process, because MFA, the allocating agency, gives significant weight to support from local communities and local governments for specific projects.

The City of Las Cruces has a robust LIHTC pipeline and much of this strategy will focus on how to manage the demand and opportunity for this federally funded rental program.

Currently, the City supports tax credit projects by:

1. Providing gap funding commitments to help developers fill funding gaps and garner points,
2. Donating land for future projects, which also helps garner points in the LIHTC application process,
3. Waiving development fees or payment by alternative sources, which is a common method for filling funding gaps.



Las Cruces is already using tax credit strategies to great effect and should continue to move these efforts forward. This strategy anticipates 2-3 tax credit projects over the next three years and the amount of funding needed to support this pipeline.

NON-LIHTC RENTAL HOUSING

Housing Authority Vouchers and Resources

Mesilla Valley Public Housing Authority (MVPHA) provides safe, affordable housing and services for eligible people in Las Cruces, Doña Ana County, and the region of Southern New Mexico. Due to significant demand, MVPHA usually has a waiting period of 2 to 6 years before applicants receive housing assistance. To be eligible community members must be below 80% of AMI, but many families served are extremely low-income and earn less than 30%of AMI. MVPHA owns two affordable housing properties with 40 units, administers 1,419 Section 8 Housing Choice Vouchers, 4 low-rent public housing programs, and a multifamily mortgaged property with 34 of Section 8 New Construction units.[14]

[14]Mesilla Valley Public Housing Authority- Housing Programs: https://www.mvpha.org/programs.aspx

2024-2027 RENTAL HOUSING STRATEGIES

Based on the City's existing investments, community feedback, and the broader economic context; the City should prioritize the following strategies to maximize their investments over the next three years:

1. Ensure the existing tax credit development pipeline has all the financial subsidies necessary to close on financing and begin construction by the first quarter of 2024.

2. Pilot the City's first ever non-tax credit funded Permanent Supportive Housing rental project, (40 units). The City has a parcel available and over the last 12 months has considered ways to develop this site for this project. Because a tax credit developer has not been identified to partner on this development the City will evaluate feasibility to develop this project with legislative funds, MFA soft funds, and resources from the Governor's office over the next 18 months.

3. Facilitate new tax credit development projects to begin the feasibility process to submit for new low-income housing tax credits over the next three years (goal of 250 units awarded).

4. Streamline by utilizing a Super NOFA funding process at least once a year whereby LIHTC projects can apply for a precommitment before the February tax credit round each year. Projects will be selected annually and given a conditional funding commitment letter. Project selection will follow MFA qualified allocation plan funding points and will focus on funding projects that are the most competitive for federal LIHTC allocations.

Developers can also request fee waivers as part of the City's Fee Waiver Policy, see Appendix B for the City's updated policy. The City's Affordable Housing Impact Fee Waiver Program is designed to encourage and support the creation of NEW affordable housing units while reducing financial barriers that could impede development. The program promotes the construction of affordable units, fosters diverse and inclusive housing options, stimulates economic activity, and ensures compliance. By streamlining the process, eligible projects have a clear pathway to apply for vouchers in the amount of impact fees for each development fee type and can receive multiple vouchers for one project. Projects must include affordable housing, serving low to moderate-income households. See Appendix B for a program overview.



INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: $16,400,000

State appropriation ask in 2024: $8,000,000

Minimum leverage: $136,382,000

Number of units financed and in development: 673

Staff Considerations: Staff will want to consider additional consultant support for the development of Amador Crossing, a 40 unit PSH project. The consultant would help manage the project and develop the appropriate ownership structure to best meet the needs of this development type and target population.

Related Community Feedback: Community members frequently mentioned the need for new affordable housing as soon as possible. They also mentioned interest in more senior housing options and housing to address homelessness in Las Cruces. Mesilla Valley Community of Hope confirmed a need for more Permanent Supportive Housing units specifically to address chronic homelessness in Las Cruces.

FOR-SALE STRATEGIES

For-Sale Housing Investment Strategy Goals:

1. Increase the amount available for construction subsidies provided to nonprofit partners thereby decreasing the growing gap between affordable homes and local incomes.
2. Develop strategies to leverage private development partners through donated lots, co-financing subdivision development etc.
3. Increase financing strategies for homebuyers in this challenging interest rate environment. This could include new mortgage products and exploring interest rate buydown opportunities.
4. Explore creative partnerships with local banks and employers and pilot a portfolio mortgage product or second mortgage initiative.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Each Spring, in alignment with the publication of HUD area median incomes, City staff will update for-sale program target pricing based on HUD's AMI chart updates and current interest rates to confirm the target population and target prices for its for-sale initiatives. For-sale affordable housing developments are challenging because of the lack of federal resources at the same scale as rental housing developments. Best practices for developing for-sale housing includes providing more local resources that can be stacked to bring down the costs of monthly mortgage payments. Las Cruces is already implementing or exploring many of these best practices; the focus of this strategy will be to modify a few existing programs, scale what works, and increase capacity for mortgage assistance and conventional financing to increase for-sale housing. There is an opportunity for the City to formalize its approach to working with private developers who are interested in providing discounted or free lots, and to acquire lots directly.

2024-2027 HOMEOWNERSHIP STRATEGIES

1. *Private Developer Lot Strategy.*
In 2024, the City will formalize a program for the City to acquire discounted and free buildable lots for affordable housing. Currently, the City is working with private developers to negotiate lot donations for future affordable housing projects. This is a voluntary program that could be streamlined by creating a program manual that describes the process for accepting donated lots and holding them for future development. The manual would include target price points for homes built on donated lots and how lots would be conveyed. Reducing the costs of sites will reduce the costs of a for-sale home by 25-30%.

2. *Expand construction assistance for partner nonprofits building affordable for-sale homes.*
The City has provided subsidies for nonprofit for-sale development opportunities for years. Over the last 12 months, this program has become harder to execute because of the significant increase in interest rates coupled with increases in local for-sale homes. The City will consider providing additional funding to close the gap, when requested, and support these homes being completed and sold.

3. *Direct purchase of lots.*
The City is currently negotiating the purchase of a subdivision that would provide 52 lots for affordable housing development. This will provide for-sale development opportunities for the next three to five years.

INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: $2,000,000

Federal funds: $500,000

Minimum leverage: $9,300,000

Number of units financed and in development: 62

Staff Considerations: None.

Related Community Feedback: Nonprofit partners acknowledged the challenge of closing the funding gap and welcomed additional resources to move their projects forward.



PRESERVATION STRATEGIES

Preservation Strategy Goals:

1. Track publicly subsidized multifamily housing and when their affordability agreements expire. When possible, identify ways to facilitate refinancing, and rehabilitation or preservation of these units.
2. Actively pursue competitive funding sources to support redevelopment of public housing sites in partnership with the Mesilla Valley Housing Authority.
3. Explore scaling the home rehabilitation program by partnering with other providers in the region. Provide funds to increase capacity for partner agencies willing to provide these services.
4. Identify opportunities to preserve or convert existing facilities serving special needs populations such as those coming out of the criminal justice system, mental health facilities, and other initiatives.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

The vacancy rate for Doña Ana County in 2021 was just 1.5% and 51% of renters were below 50% AMI. An affordable rent for people making less than 50% AMI would be $546/month, but the average rent in the area was $670. These affordability gaps have only worsened in the post-pandemic housing market. During the pandemic, a combination of conditions led to a highly competitive market that left many would-be home buyers unable to compete. The housing continuum is impacted by multiple factors and preservation is key in maintaining current housing status, preventing homelessness, increasing access to affordable units, and community elders being able to age in place.

Preservation strategies will increase efficiency and prioritize the types of projects for preservation based on funding availability and types of housing that need affordability preservation. The New Mexico Mortgage Housing Finance Authority has a new preservation initiative that aims to protect affordable housing units.

The primary goals of this MFA program are preventing subsidized units from reaching the end of mandated affordability from conversion to market-rate rents, maintenance of properties that are aging or neglected and at risk of losing subsidies, and the protection of affordable properties from actors seeking profit at the expense of long-term affordability.

By the year 2030 an estimated 400 units of Federally Assisted rental subsidies are expected to expire in Doña Ana County.[15] MFA is using multiple strategies to reach preservation goals including the development of a Preservation Database, the standardization of internal procedures to better advance preservation goals, and the coordination of efforts to support owners in the financial viability, physical upkeep, and preservation of affordability. [16]

[15] National Housing Preservation Database and Root Policy: https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf
[16] NM Affordable Futures: https://housingnm.org/resources/nm-affordable-futures

2024-2027 PRESERVATION STRATEGIES

1. *Partner with the Mesilla Valley Public Housing Authority to redevelop public housing units.*
The City is currently working with the Mesilla Valley Public Housing Authority on the redevelopment of 7 acres to create the Paseos Verdes community which is also located in the El Paseo Corridor MRA. MVPHA is the owner and developer of a 216 unit conversion project that would be funded primarily by tax credits and HUD's RAD conversion initiative. By leveraging the connectivity of the surrounding neighbor assets, existing utilities and roadways, the re-development will increase housing density providing workforce, senior, and family housing. By providing resources, the City can leverage millions of dollars through HUD RAD conversation funding and will create a mixed income community in an area of town that has experienced disinvestment.

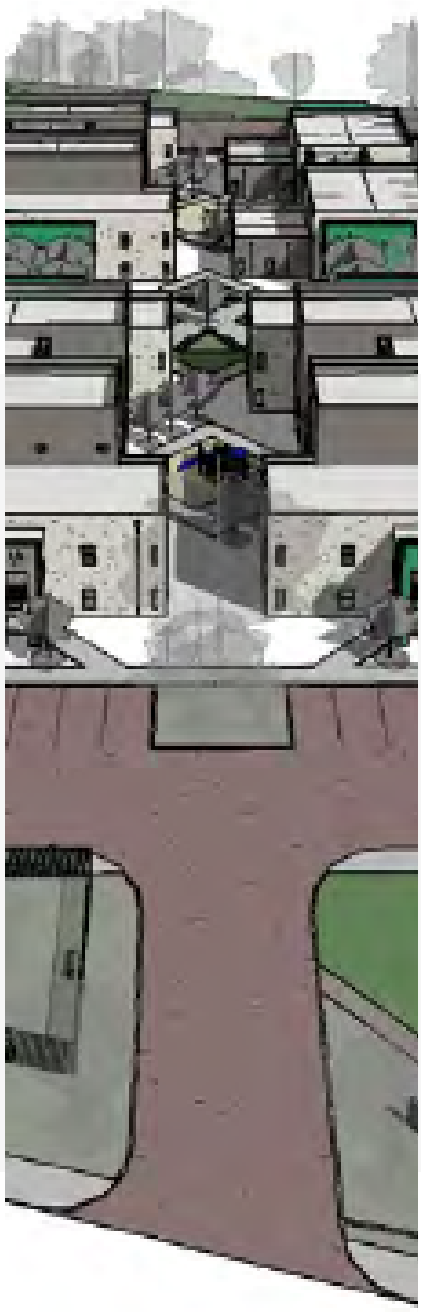
2. *Release an RFP to identify a third-party organization to manage the City's Home Rehabilitation and Ramp Program.*
The City of Las Cruces administers this program with funds from the HUD Community Development Block Grant to provide two types of preservation for city residents at or below 80% AMI. The owner-occupant zero-interest loan and grant program allows families to secure funds needed for home improvements to address health or safety issues; and the Mobile Home Ramp Installation program enables eligible residents to have an ADA-approved wheelchair ramp constructed at their home. The current cost of the program to the City is $400,000 annually.

The owner loan and grant program generally completes 4 or 5 projects each year and processes almost 20 client applications that are determined to be ineligible. The Mobile Home Ramp Program completes an average of 6 projects per year with an average of nine disqualified applications each year. The administration of the program requires significant processing time to determine eligibility, with a significant majority of applicants determined to be ineligible. The impacts of the pandemic on the prices of materials and labor, combined with a marked increase in applications, has left the program wait list with extended project time frames.

Moving forward, the City would like to contract program management to another service provider to create more program efficiency, leverage other resources, and redirect its staff resources to manage other aspects of this housing investment strategy.



3. The City has been approached by nonprofit and advocacy organizations to fund the ***preservation and reuse of behavioral health facilities for special needs populations.***
These projects did not fit into any current existing city programming. Under this preservation initiative, the City can consider funding these opportunities and will have underwriting guidelines that align with tax credit funded special needs housing projects to guide an approach that will lead to sustainability for these types of initiatives.



INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: $1,000,000

Federal funds: RAD program, to be determined, but would leverage millions for redevelopment.

Minimum leverage: to be determined.

Number of units financed and in development: This full suite of preservation opportunities is new to the City and leverage and units created will be reported when projects or more developed in 2024 and 2025.

Staff Considerations: There are additional preservation activities identified in this document that may require additional consulting support and dedicated staffing.

Related Community Feedback: This strategy addresses community feedback regarding the redevelopment of MRA areas in the city including: creating more housing choices near employment and transportation; the need for additional housing programs and behavioral health facilities for special needs populations; and the goal of maximizing federal and state funding to preserve existing units in Las Cruces.

LAND DEVELOPMENT STRATEGIES

Land Development Goals:

1. Proactively review and select land development projects that will provide affordable housing development strategies for the next 10-15 years.
2. Select land development opportunities by using a site selection matrix that can account for various interrelated City goals for future development.
3. Take advantage of discounted or free land when feasible, however, review the overall costs to activate the site to understand full opportunity costs for the development of a site. Often these parcels have higher infrastructure costs, so feasibility work is critical to assessing the best options.
4. Increase staff capacity to implement this strategy through the use of professional consultants that can help with feasibility and project management.

FUNDING LANDSCAPE AND CITY IMPLEMENTATION

Las Cruces is going through significant growth and acquiring significant parcels of land is considered a best practice for ensuring areas of the city will be able to support affordable housing developments in the future. Land acquisition and infrastructure development is a common tool in New Mexico specifically and has garnered interest at the state level with regards to future funding for affordable housing. For years, the legislature has provided capital outlay grants to fund infrastructure development for publicly sponsored subdivisions. In Santa Fe, the Tierra Contenta Development has provided hundreds of affordable housing opportunities since it was launched by the City over 20 years ago. Although this is a best practice it is also a strategy that will require significantly more capacity for the City to undertake successfully. Oftentimes local governments will look to work with other public partners that have sites that might be interested in partnering or swapping sites to create scale for a city-led master planning community.

2024-2027 PRESERVATION STRATEGIES

1. ***Use a site selection matrix to prioritize land development opportunities.***
On the following page is a draft site selection matrix that City staff can use to consider the best land acquisition opportunities and to align, when possible, with other City departments' goals such as Economic Development's MRA designations and the planning and land use departments' desire for housing to be developed near transit and in various areas throughout the community.

2. ***Set-aside funds*** that can be used for early predevelopment so that the City can confirm feasibility during the site selection process.

3. ***Build program capacity*** by hiring consultants to support the development and launch of this strategy. Consider a dedicated position within the City to manage this strategy as well as the lot acquisition strategy described above under homeownership strategies.

INVESTMENT RECOMMENDATIONS

GO Bond financing and other City funds: $200,000

Minimum leverage: TBD

Number of units financed and in development: TBD

Staff Considerations: As mentioned above; additional staff and consultant support is needed. The city will start with $200,000 for predevelopment to identify the best site for this strategy. Once a site is identified, the state can work with consultants to confirm feasibility, scale and potential development costs. Once a parcel is feasible the City can consider a capital outlay request to help fund infrastructure. This is a long term strategy that will be developed over the next three years but would likely not yield units for several years.

Related Community Feedback: This strategy aligns with community feedback for more direct development of affordable housing. This strategy also allows the City to coordinate and rank development opportunities while also considering other city department goals and resources. It will be important for City staff to share how a site is selected as there is significant interest in how future sites are prioritized in order to ensure affordable housing opportunities are available throughout the City. Infrastructure access and financial feasibility as well as funder requirements are critical factors for site selection as well.

SITE SELECTION MATRIX

Factors for Scoring Sites (1-5)	Site A	Site B	Site C
Willing Landowner			
Land owner is willing to work with public entity timeline			
Offsite infrastructure available			
In an area of opportunity			
Zoned appropriately			
Has zoning by right			
Can be rezoned in 12 months			
Proximity to services			
Should review funder requirements			
Physical site is developable			
Easement exists			
No flood plain or other water issues			
Site is not in a brownsfield			
Site can hold dense development			
Land costs/Lot costs			
Site is in MRA			

ADDITIONAL STRATEGIES TO SUPPORT IMPLEMENTATION

Las Cruces Land Use Policies

The outlined financial strategies in this plan will only be effective if there are feasible and affordable locations for development. A common strategy is for local governments to look to review their land use regulatory system and find ways to help affordable housing move forward more quickly, and sometimes, with fewer costs. As of October, 2023, preliminary conversations with Governor Lujan's Housing Advisory Council are under way to consider requiring land use reforms as a condition of receiving state housing grants in the future. This is a national trend and the result of the growing awareness that one of the most effective ways to develop affordable housing is to increase density by right, fast track approval processes, and provide other land use tools to increase both affordable housing and modest entry-level market priced housing. This additional strategy is specifically noted so that the City can evaluate interest in taking on non-financial strategies that increase success of this plan. If the City is interested, the best practice is to hire a third-party land use and policy consultant to facilitate conversations with various City departments and private sector partners, and would result in a set of recommended changes to promote affordable housing.

New Mexico Housing Policy and Resource Advocacy

The State of New Mexico has recently developed a housing strategy (2022) that illustrates the significant need for additional housing resources to begin meeting the demand for more affordable units across the state. Over the last few years, the state legislature has increased funding for housing using American Rescue Plan Act funds. The Governor has also indicated significant interest in allocating some of the State's unrestricted funds to housing in the last few years of her administration. If the State does increase housing funds it will further support various strategies outlined in this document, and could specifically help with non-tax credit strategies like the development of new mortgage products, development of infrastructure, land acquisition, and rental housing for incomes between 80%-120% of AMI etc.

Federal Policy Resource Advocacy

Several federally funded programs are critical to the City's work to both preserve and increase affordable housing as well as decrease homelessness and provide housing stability to those currently housed. Examples of programs and initiatives that should be tracked include the following:

- Bills to increase the low-income housing tax credit resources,
- The annual budget and allocations for HUD programs,
- Housing choice voucher funding levels and new initiatives,
- Continuum of Care funding for homeless programs,
- and Public housing funding Initiatives.

The New Mexico congressional team is active in the housing policy area and is also a resource for the City moving forward.

As housing is such a critical policy topic at the state and federal level; the City team should consider developing a housing policy agenda annually that can be shared with the City's lobbyists. This agenda could be developed when the City host's its annual CIP kick-off event. This would also help to highlight housing strategies and provide updates on GO Bond investments as part of this framework.

Education and Advocacy

The brief community engagement work completed for this process surfaced both significant community support for affordable housing as well as a desire from community members to learn more about the City's ongoing housing efforts and to find ways to support these strategies, especially as it relates to the investment of the GO Bonds. Now that there is a local funding source approved by voters; the City will want to ensure more robust communication about the successes of the funded programs. The City is rolling out a new communications platform internally that will assist in this process; and the City will want to also find ways to prominently highlight progress towards new housing unit development through posting progress through the investment strategy scorecard, frequent groundbreaking events, and press releases.

STRATEGIES FOR FUTURE CONSIDERATION

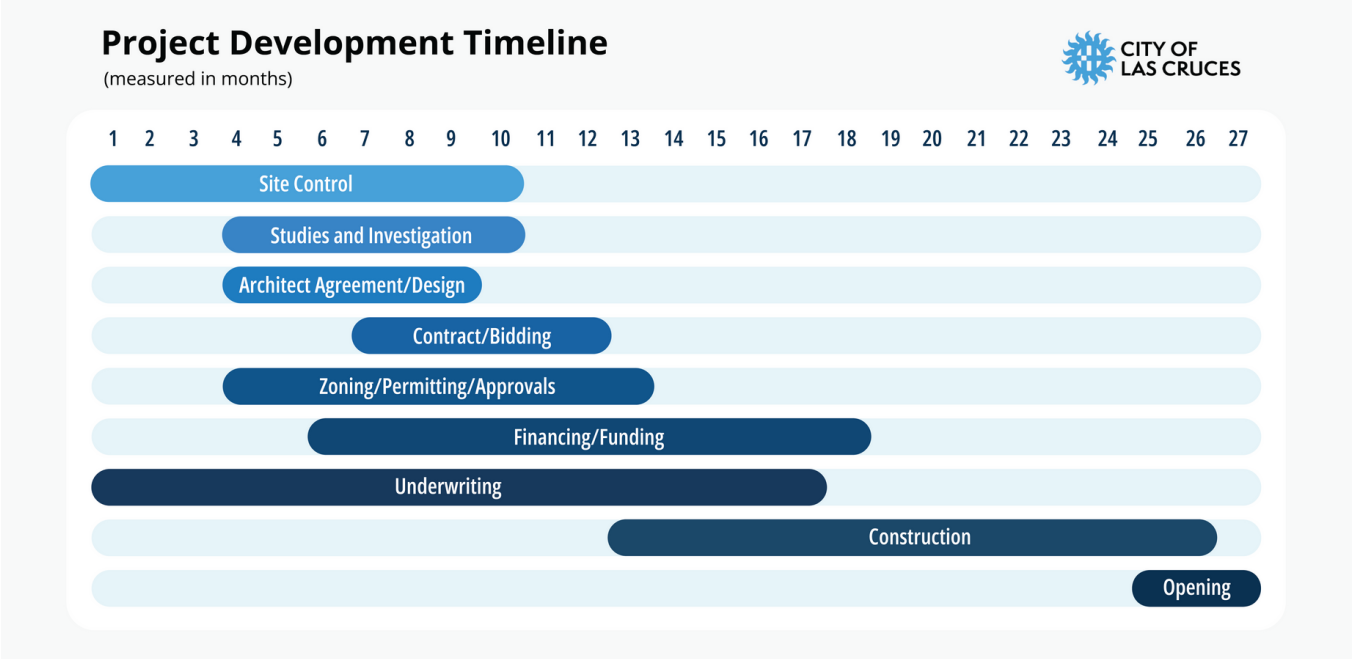
This strategy document identifies City-driven initiatives based on current development opportunities and existing capacity to deliver housing as quickly as possible to residents of Las Cruces. Through conversations with community stakeholders, other strategies did arise. The team wanted to document these ideas, which could be revisited in the future if funding or capacity were available.

Mobile Home Park Preservation- this came up as a potential area of interest. There are proven strategies regionally but no capacity or resources at this time to include specific activities as part of this three year plan.

There was interest in several meetings to increase responses to homelessness in the community. Motel conversions came up a few times; there are examples of motel conversions to serve the unhoused population in New Mexico but no current capacity to take on this type of initiative.

Some community partners mentioned a desire to access better mortgage programs or even the creation of a local portfolio product or more robust second mortgage initiative. These are both best practices for addressing affordability challenges in a higher interest rate environment. Currently there is no capacity to take on these additional for-sale initiatives.

Finally, there were suggestions for the City to look at ways of increasing non-federal funding for investment in housing development. Creative ideas included working with labor unions or other private sector organizations that might be interested in investing in housing development by infusing capital and allowing for a below market rate of return on investment. Again, there is no current capacity to explore this concept but it is being mentioned for consideration in the future.



INVESTMENT SCORECARD

City Funding Sources	
Source (three years cumulative)	**2024-2026**
Existing Resources	
HOME Program	$1,200,000
CDBG	$450,000
CDBG Rehab Fund	$450,000
City Funding Sources	$12,600,000
GO Bond	$6,000,000
City Trust Fund	$700,000
Future City Requested Funds	
Legislative Ask for PSH project	$8,000,000
TOTAL	**$29,400,000**

Funding Uses				
Uses	**2024-2026 City Funds**	**Sources**	**Leverage**	**Units/lots**
Multi-family Rental				
Existing tax credit projects	$6,400,000	GO bond/City Fund	$ 78,132,000.00	383
Future tax credit projects	$10,000,000	GO bond/City Fund	$ 56,250,000.00	250
Special needs new construction	$8,000,000	State legislature	$ 2,000,000.00	40
Preservation Iniatives				
Preservation Activities	$1,000,000	GO bond/City Fund	TBD	TBD
Home Rehab Program	$450,000	CDBG		

* For-sale opportunity leverage calculations assume home prices equal $150,000 in addition to city subsidies
**LIHTC leverage calculations assume (1) actuals for current pipeline is $204,000 and (2) future units increase 10% at $225,000
***Leverage not calculated for rehab activities and predevelopment

Funding Uses				
Uses	**2024-2026 City Funds**	**Sources**	**Leverage**	**Units/lots**
For-Sale Opportunities				
Land Acquisition	$2,000,000	GO bond/City Fund	$ 7,800,000.00	52
Pilot revolving loan fund	$500,000	HOME	$ 1,500,000.00	10
Land Acquisition				
Predevelopment	$200,000	City Funds	$ -	
Impact Fee Waivers				
Three-year pool estimate based on ordinance	$600,000	City Funds		0
Rental Assistance				
Tenant-based rental assistance	$250,000	HOME	$ -	22
TOTAL	**$29,400,000**		**$ 145,682,000.00**	**757**

* For-sale opportunity leverage calculations assume home prices equal $150,000 in addition to city subsidies
**LIHTC leverage calculations assume (1) actuals for current pipeline is $204,000 and (2) future units increase 10% at $225,000
***Leverage not calculated for rehab activities and predevelopment

APPENDIXES

APPENDIX A: AREA MEDIAN INCOME DATA 2023

Area Median Income (AMI) is the midpoint of a region's income distribution. This means that half of the households in the area earn more than the median, and half earn less than the median. This income is gross income, the total income that is received before taxes and other payroll deductions.

2023 Las Cruces Area Median Incomes								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	$22,650	$25,850	$29,100	$32,300	$34,900	$37,500	$40,100	$42,650
60%	$27,180	$31,020	$34,920	$38,760	$41,880	$45,000	$48,120	$51,180
65%	$29,445	$33,605	$37,830	$41,990	$45,370	$48,750	$52,130	$55,445
70%	$31,710	$36,190	$40,740	$45,220	$48,860	$52,500	$56,140	$59,710
80%	$36,240	$41,360	$46,560	$51,680	$55,840	$60,000	$64,160	$68,240
90%	$40,770	$46,530	$52,380	$58,140	$62,820	$67,500	$72,180	$76,770
100%	$45,300	$51,700	$58,200	$64,600	$69,800	$75,000	$80,200	$85,300
120%	$54,360	$62,040	$69,840	$77,520	$83,760	$90,000	$96,240	$102,360

Rental limits are considered affordable when the cost of housing expenses (rent and utility costs) are no more than 30% of their monthly gross income.

2023 Affordable Rental Limits						
% AMI	Maximum Gross Rent by Bedroom Size					
	0	1	2	3	4	5
20%	$226	$242	$291	$336	$375	$413
30%	$339	$363	$436	$504	$562	$620
40%	$453	$485	$582	$672	$750	$827
50%	$566	$606	$727	$840	$937	$1,034
60%	$679	$727	$873	$1,008	$1,125	$1,241
70%	$792	$848	$1,018	$1,176	$1,312	$1,448
80%	$906	$970	$1,164	$1,344	$1,500	$1,655
120%	$54,360	$62,040	$69,840	$77,520	$83,760	$90,000

Mortgage affordability is the amount of money a person can pay towards a mortgage keeping housing expenses below 30% of gross income, and has a direct relationship with the maximum purchase price that the individual can qualify for when buying a home.

2023 Affordable Mortgage Amount								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	$90,050	$102,772	$115,694	$128,416	$138,753	$149,090	$159,427	$169,565
60%	$108,060	$123,327	$138,832	$154,099	$166,503	$178,908	$191,312	$203,478
65%	$117,065	$133,604	$150,402	$166,941	$180,379	$193,817	$207,255	$220,434
70%	$126,070	$143,881	$161,971	$179,782	$194,254	$208,726	$223,197	$237,391
80%	$144,080	$164,436	$185,110	$205,465	$222,004	$238,543	$255,083	$271,303
90%	$162,090	$184,990	$208,248	$231,149	$249,755	$268,361	$286,968	$305,216
100%	$180,100	$205,545	$231,387	$256,832	$277,506	$298,179	$318,853	$339,129
120%	$216,120	$246,654	$277,665	$308,198	$333,007	$357,815	$382,624	$406,955

The purchase price of a home does not include closing costs and fees.

2023 Affordable Purchase Price								
% AMI	Number of Persons in Household							
	1	2	3	4	5	6	7	8+
50%	$92,835	$105,951	$119,272	$132,388	$143,044	$153,701	$164,357	$174,809
60%	$111,402	$127,141	$143,126	$158,865	$171,653	$184,441	$197,229	$209,771
65%	$120,686	$137,736	$155,053	$172,104	$185,957	$199,811	$213,664	$227,252
70%	$129,969	$148,331	$166,980	$185,343	$200,262	$215,181	$230,100	$244,733
80%	$148,536	$169,522	$190,835	$211,820	$228,871	$245,921	$262,972	$279,694
90%	$167,103	$190,712	$214,689	$238,298	$257,479	$276,661	$295,843	$314,656
100%	$185,670	$211,902	$238,543	$264,775	$286,088	$307,401	$328,715	$349,618
120%	$222,805	$254,282	$286,252	$317,730	$343,306	$368,882	$394,457	$419,541

APPENDIX B:
AFFORDABLE HOUSING IMPACT FEE WAIVER PROGRAM

Document to be added before strategy publication.

REFERENCES

2023 New Mexico Affordable Housing Needs Assessment:
https://housingnm.org/uploads/documents/2023_NM_Affordable_Housing_Needs_Assessment.pdf

Housing New Mexico: MFA Call to Action 2022 Housing Strategy Complete Report:
https://housingnm.org/uploads/documents/New_Mexico_Housing_Strategy_Complete_Report_Sept_2022.pdf

The New Mexico Affordable Housing Act:
https://housingnm.org/uploads/documents/Affordable_Housing_Act_Statute.pdf

Qualified Allocation Plan (QAP)
https://docs.google.com/document/d/1x4bR15utWSYC5W-xvCFSxbzL3SmsYfSn/edit?usp=sharing&ouid=109515401454698818024&rtpof=true&sd=true

24-090

Type of Action:
☒ Resolution
☐ Ordinance
☐ TIDD Resolution

City Council Action and Executive Summary

District:	☐ 1 ☒ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ N/A		
1st Reading:		**Adopted:**	March 4, 2024
Drafter:	SooGyu Lee	**Department:**	Public Works
Program:	Traffic Management	**Line of Business:**	Infrastructure

Title: **A RESOLUTION APPROVING A PEDESTRIAN HYBRID BEACON MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE MAINTENANCE OF THE HAWK SIGNAL ON PICACHO AVENUE AT 4TH STREET, CONTROL NO L100518.**

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

PURPOSE(S) OF ACTION:
Approve an agreement.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:
New Mexico Statutes state that local entities are required to maintain traffic control devices within their boundaries upon highways under their jurisdiction.

NMDOT Project Control No. L100518, includes the installation of HAWK signals on Picacho Avenue at 4th Street. The construction contract has been executed and is anticipated to be completed by the summer of 2024. The HAWK signal is being installed primarily to promote pedestrian and traffic safety.

Pursuant to the Pedestrian Hybrid Beacon Maintenance Agreement, NMDOT will review and approve the installation of the HAWK signal within the NMDOT Right-of-Way, and the City will design, install, and facilitate future maintenance of the HAWK signal upon completion of the project. The estimated annual maintenance costs will be in the range of $1,000 which would be approximately 50% power costs and 50% material costs. Approval of an agreement between the City and NMDOT is part of the state statute requirement.

SUPPORT INFORMATION:
Exhibit "A" - CLC NMDOT Picacho Avenue 4th Street HAWK Signal Installation Agreement

PLAN(S):
Department Strategic Business Plan

COMMITTEE/BOARD REVIEW:
None

DOES THIS AMEND THE BUDGET?:
☐ Yes

☒ No

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

☐ Yes

☒ No

Does this action align with Elevate Las Cruces?

☒ Yes

☐ No

OPTIONS / ALTERNATIVES:

1. Vote “Yes”; this will approve the agreement.
2. Vote “No”; this will not approve the agreement.
3. Vote to “Amend”; this could delay approval of the agreement and require direction and specific amendments from City Council.
4. Vote to “Table”; this could delay the approval of the agreement. Staff may require additional direction from City Council on how to proceed.

RESOLUTION 24-090

A RESOLUTION APPROVING A PEDESTRIAN HYBRID BEACON MAINTENANCE AGREEMENT BETWEEN THE CITY OF LAS CRUCES (CITY) AND THE NEW MEXICO DEPARTMENT OF TRANSPORTATION (NMDOT) TO PROVIDE MAINTENANCE OF THE HAWK SIGNAL ON PICACHO AVENUE AT 4TH STREET, CONTROL NO L100518.

The City Council is informed that:

WHEREAS, New Mexico Statutes state that local entities are required to maintain traffic control devices within their boundaries upon highways under their jurisdiction; and

WHEREAS, NMDOT Project Control No. L100518, includes the installation of HAWK signals on Picacho Avenue at 4th Street; and

WHEREAS, the construction contract has been executed; anticipated to be complete by the summer of 2024; and

WHEREAS, pursuant to the Pedestrian Hybrid Beacon Maintenance Agreement, NMDOT will review and approve the installation of the HAWK signal within the NMDOT Right-of-Way, and the City will design, install, and facilitate future maintenance of the HAWK signal upon completion of the project. The estimated annual maintenance costs will be in the range of $1,000 which would be approximately 50% power costs and 50% material costs.

Pur

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

(I)

THAT the agreement between the City and NMDOT for theinstallation of HAWK signals on Picacho Avenue at 4th Street is hereby approved and attached hereto as "Exhibit "A" and made part of this resolution.

(II)

THATCity 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

Contract No.:_____

MAINTENANCE AGREEMENT

PEDESTRAIN HYBRID BEACONS

This Agreement is between the **NEW MEXICO DEPARTMENT OF TRANSPORTATION** (Department) and the **CITY OF LAS CRUCES** (Public Entity), hereafter referenced collectively as "the Parties." This Agreement is effective as of the date of the last party to sign it on the signature page below.

RECITALS

Whereas, the Department contemplates the construction of a highway project within the boundaries of the Public Entity, at the following location(s): Picacho Avenue. and 4th Street; (the Project);

Whereas, the Department and Public Entity agree to allow the Public Entity to install 2 each type III standards (at their request) with Pedestrian Hybrid Beacons at the following location(s): Picacho Ave. and 4th Street;

Whereas, the installation of the Pedestrian Hybrid Beacons on type III standards will promote traffic safety; and

Whereas, the Parties agree to set forth their responsibilities regarding operation and maintenance of the Pedestrian Hybrid Beacons on type III standards;

Therefore, pursuant to NMSA 1978, Section 67-3-28, the Parties agree as follows:

1. The Department Shall:

a. Review and approve 2 Pedestrian Hybrid Beacons on type III standards with luminaires and locations prior to installation.
b. Allow the Public Entity onto the Department's right of way to install the Public Entity purchased Pedestrian Hybrid Beacons at Picacho Avenue. and 4th Street
c. After completion of the Project, allow the Public Entity to enter into the Department's right of way to perform maintenance as detailed in Section 2., below.
d. Have authority to require the Public Entity to remove the Pedestrian Hybrid Beacons on type III standards with luminaires should they not be adequately maintained and/or become inoperable.

2. The Public Entity Shall:

a. Purchase, install and Pedestrian Hybrid Beacons on type III standards with luminaires at Picacho Avenue. and 4th Street.
b. Provide the necessary manufacturers product information, design and installation standards, as well as any other documents required for the construction and maintenance

of the Pedestrian Hybrid Beacons on type III standards, and cause the Project to be constructed in the manner provided by law.

c. Determine the design, provide and install all Pedestrian Hybrid Beacons on type III standards as applicable, required for complete assembly.
d. Provide at its sole cost and expense, as applicable, all electrical energy for the Project.
e. Perform any and all maintenance to keep 2 each Pedestrian Hybrid Beacons on type III standards operating, which includes the components, Pedestrian Hybrid Beacons, roadway luminaires (74 watt), ADA pedestrian detectors, (if solar is used: solar batteries and panels replacement), as well as replacement of all parts and components as a result of equipment failure, accidental damage and intentional damage, which includes vandalism.
f. Perform maintenance as detailed in this Section 2., to all parts and components, which includes and is not limited to poles or fixtures, conduits and wiring, and as provided by as-built drawings.
g. Make replacement of all parts and components with the same kind or brand for continued satisfactory operation of the LED embedded speed limit signs.

3. Term.
This Agreement becomes effective upon signature of all parties. The effective date is the date when the last party signed the Agreement on the signature page below.

4. Third Party Beneficiaries.
It is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury(ies) to person(s), damage(s) to property(ies), and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

5. New Mexico Tort Claims Act.
As between the Department and Public Entity, 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 the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, Sections 41-4-1, *et seq*. This paragraph is intended only to define the liabilities between the parties and it is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act.

6. Scope of Agreement.
This Agreement incorporates all the agreements, covenants, and understandings between the parties concerning the subject matter. All such covenants, agreements, and understandings have been merged into this written Agreement. No prior Agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

7. Terms of this Agreement.
The terms of this Agreement are lawful; performance of all duties and obligations shall conform with and do not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

8. Equal Opportunity Compliance.
The parties agree to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the parties agree to assure that no person in the United States shall, on the grounds of race, color, national origin, ancestry, sex, sexual preference, age or handicap, be excluded from employment with, or participation in, any program or activity performed under this Agreement. If the parties are found to not be in compliance with these requirements during the term of this Agreement, the parties agree to take appropriate steps to correct these deficiencies.

9. Appropriations and Authorizations.
The terms of this Agreement are contingent upon sufficient appropriations and authorizations being made by the governing board of the Public Entity, the Legislature of New Mexico, or the Congress of the United States if federal funds are involved, for performance of the Agreement. If sufficient appropriations and authorizations are not made by the Public Entity, Legislature or the Congress of the United States if federal funds are involved, this Agreement shall terminate upon written notice being given by one party to the other. The Department and Public Entity are expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered, and approved for expenditure.

10. Severability.
In the event that any portion of this Agreement is determined to be void, unconstitutional or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

11. Contingent on Project Being Let.
In the event that the Project is not let for any reason, this Agreement shall become null and void and shall create no obligation on any of the parties.

12. Applicable Law.
The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper in a New Mexico Court of competent jurisdiction in accordance with NMSA 1978, Section 38-3-1(G).

13. Principal Contacts and Notices.
The principal contacts for this Agreement are listed below. Except as otherwise specified, all notices shall be in writing (including notice by email) and shall be given to the principal contacts listed below.

Name: Aaron Chavarria, P.E.
Title: District 1 Engineer
Public Entity: New Mexico Department of Transportation
Address: 2912 E. Pine St., Deming, NM 88030
Office: 1-800-444-0745
E-mail: aaron.chavarria@dot.nm.gov

Name: SooGyu Lee
Title: Traffic Management Administrator
Public Entity: City of Las Cruces
Address: 1501 E. Hadley Ave. Bldg H, Las Cruces, NM 88001
Office: 575-541-2566
E-mail: sglee@lascruces.gov

14. Amendment.
This Agreement shall not be altered, modified, or amended except by an instrument in writing and executed by the parties.

The remainder of this page intentionally left blank.

In witness whereof, each party is signing this Agreement on the date stated opposite that party's signature.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By:_____ Date: _____
Cabinet Secretary or Designee

Recommended by:

By:_____ Date: _____
State Traffic Engineer

By:_____ Date: _____
District Engineer

Approved as to form and legal sufficiency by the New Mexico Department of Transportation's Office of General Counsel

By:_____ Date: _____
Assistant General Counsel

CITY OF LAS CRUCES

By:_____ Date: _____

Title: _____

Attest: _____

City Council Action and Executive Summary

3062; Council Bill 24-020

Type of Action:
☐ **Resolution**
☒ **Ordinance**
☐ **TIDD Resolution**

District:	☒ 1 ☒ 2 ☒ 3 ☒ 4 ☒ 5 ☒ 6 ☐ N/A		
1st Reading:	February 5, 2024	**Adopted:**	March 4, 2024
Drafter:	Erika Jaquez	**Department:**	Financial Services
Program:	Treasury	**Line of Business:**	Revenue Management

Title: **AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.**

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

PURPOSE(S) OF ACTION:

Issue debt.

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City of Las Cruces (City) took four questions to voters at the November 8, 2022, election:

1. Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $10,000,000 to acquire, plan, design, construct a new fire station facility (North of US Highway 70 and East of Interstate 25), including acquisition of necessary land?
2. Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $5,000,000 to acquire, plan, design, construct, and equip the regional community recreation facility known as East Mesa Public Recreation Complex, including acquisition of necessary land?
3. Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $6,000,000, and placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land?
4. Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $2,000,000 to renovate and improve existing parks and recreational facilities?

All four questions were approved.

The City intends to use the proceeds of the $6,000,000 Taxable General Obligation Improvement Bonds, Series 2024, on question 3. The bonds will be payable from ad valorem taxes on property within the City, also known as property taxes.

With this issuance, there will be no remaining authority to issue bonds as approved by voters in 2022.

SUPPORT INFORMATION:

EXHIBIT "A" Preliminary Official Statement
EXHIBIT "B" Disclosure Responsibility Memo - Taxable General Obligation Bonds Series 2024
ATTACHMENT "A" Redlined Draft to Final Ordinance
ATTACHMENT "B" Redlined Preliminary Official Statement

PLAN(S):

City Council Strategic Plan

COMMITTEE/BOARD REVIEW:

None

DOES THIS AMEND THE BUDGET?:

☐ Yes
☒ No

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

☐ Yes
☒ No

Does this action align with Elevate Las Cruces?

☐ Yes
☒ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will approve the Ordinance authorizing the issuance of $6,000,000 Taxable General Obligation Improvement Bonds, Series 2024 for question 3 authorized by voters on November 8, 2022.
2. Vote "No"; this will not approve the Ordinance, thus not authorizing the issuance of $6,000,000 Taxable General Obligation Improvement Bonds, Series 2024 for question 3 authorized by voters on November 8, 2022.
3. Vote to "Amend"; this could delay issuance of the bonds and would require further direction from Council and staff.
4. Vote to "Table"; this could delay issuance of bonds.

ORDINANCE 3062; COUNCIL BILL 24-020

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The City Council is informed that:

WHEREAS, at the general obligation bond election held for the City of Las Cruces (the "City"), State of New Mexico, on the 8th day of November, 2022, the electors of the City authorized the City Council, the governing body of the City (the “Governing Body”) to contract bonded indebtedness on behalf of the City and upon the credit thereof by issuing its City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds") to secure funds for the following purposes in the following amounts:

Purpose	Amount Authorized By Election	Amount Previously Issued	Amount to Be Issued
Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $6,000,000 and placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land?	$6,000,000	$0	$6,000,000

WHEREAS, the Governing Body has determined, and does hereby determine, that it is necessary and in the best interest of the City and the inhabitants thereof that the $6,000,000 of the general obligation bonds authorized at the election (the "Bonds"), be authorized for issuance at this time; provided, however, that a satisfactory price for the Bonds be obtained in a public sale; and

WHEREAS, the Governing Body expects to sell the Bonds in a public competitive sale to the best bidder, as determined pursuant to the Award Certificate (as defined herein) supplementing this Bond Ordinance; and

WHEREAS, the Governing Body desires to delegate authority to the City Manager or City Financial Services Director (collectively, the “Delegate”) (1) to determine the specific principal amounts, interest rates, maturity dates, prices, redemption features, and other final terms and features of the Bonds, including, without limitation, provisions concerning a Bond Insurance Policy (if any), (2) to execute and deliver an award certificate establishing the final terms of the Bonds (the “Award Certificate”) as authorized by Section 6-14-10.2 NMSA 1978, and (3) to award the Bonds to the best bidder for the Bonds (the “Purchaser”) provided that the

final terms of the Bonds set forth in the Award Certificate be within the parameters set forth in this Ordinance; and

WHEREAS, the Governing Body intends that the specific details of and requirements for bidding for the Bonds shall be provided in an official notice of sale (the "Notice of Sale") to be approved on behalf of the City by the City Financial Services Director or Treasurer or her designee; and

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

(I)

Section 1.Ratification. All actions heretofore taken by the Governing Body and the officers and employees of the City directed toward the issuance and sale of the Bonds to secure funds for the Improvement Project (as defined herein) be, and the same hereby are, ratified, approved and confirmed.

Section 2.Improvement Project Authorization. Proceeds of the Bonds are hereby authorized to be placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds (collectively, the "Improvement Project").

Section 3.Findings.

A.The issuance of the Bonds under the home rule powers of the City granted by the City Charter, this Bond Ordinance, Sections 6-14-8 through 6-14-11 NMSA 1978, and Sections 6-15-1 through 6-15-22 NMSA 1978, for the purpose of providing funds to finance the costs of the Improvement Project, is necessary and in the interest of the public health, safety, morals and welfare of the residents of the City.

B.The Bonds shall be authorized by an affirmative vote of a majority of all the members of the Council.

C.The City will finance the costs of the Improvement Project, in whole or in part, with the proceeds of the Bonds.

D.The Net Effective Interest Rate on the Bonds shall not exceed the statutory maximum of 10% per annum.

Section 4.Bonds are General Obligations. The Bonds shall constitute the general obligation debt of the City, payable from general ad valorem taxes which shall be levied without limitation as to the rate or amount. The full faith and credit of the City shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 5.Authorization, Parameters and Detail.

A.Authorization. This Bond Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Council. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the citizens of the City, it is hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully registered, general obligation bonds in one or more series in the total aggregate principal amount not to exceed $6,000,000 to be designated in the Award Certificate as the "City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024," and the issuance, sale and delivery of the Bonds is hereby authorized.

The forms of the Continuing Disclosure Undertaking and Preliminary Official Statement as presented to the Governing Body, with the adoption of this Ordinance, and the sale of the Bonds to the Purchaser within the parameters set forth in this Ordinance are hereby approved by the Governing Body with the approval of the final terms of the Bonds to be accepted in the Award Certificate, and approval of the final forms of the

Preliminary Official Statement and Continuing Disclosure Undertaking delegated to the Delegate or designee as permitted by Section 6-14-10.2 NMSA 1978. The use and distribution of the Preliminary Official Statement and Official Statement by the Purchaser in connection with the sale of the bonds to the public are hereby ratified, authorized, approved and acknowledged.

B.Parameters Authorized. The Bonds shall be issued subject to the following parameters:

(1)The Bonds shall be issued in an aggregate principal amount not to exceed $6,000,000 for the Improvement Project.

(2)The net effective interest rate on the Bonds shall not exceed 10% per annum.

(3)The final maturity of the Bonds shall not be later than August 1, 2043.

(4)The Bonds shall be sold pursuant to a public competitive sale.

(5)The Purchaser's discount shall not exceed 4% of the par amount of the Bonds.

(6)The Bonds shall be in substantially the form set forth in this Ordinance.

(7)The Bonds shall not be sold for less than the par amount of Bonds plus accrued interest from the date of the Bonds to the date of delivery of the Bonds to the Purchaser.

(8)The Bonds shall be dated as of their date of issuance and delivery.

(9)The Bonds shall be issued as federally taxable under the Internal Revenue Code of 1986.

The Delegate is hereby authorized pursuant to this Ordinance to award the Bonds to the Purchaser, to approve the final terms of the Bonds as permitted by Section 6-14-10.2 NMSA 1978, and to execute and deliver the Award Certificate consistent with the parameters set forth in this Ordinance.

C.Details of Bonds.

(1)The forms, terms, and provisions of the Bonds in the form set forth in Section 11 are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance and as shall be approved in the Award Certificate.

(2)The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in such numbers and denominations as may be requested by the Purchaser, but exchangeable for other fully registered Bonds of any denominations which are multiples of $5,000. The Bonds shall be numbered separately and consecutively, shall be dated the date of their delivery to the Purchaser, shall mature on August 1 of each year and shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semi-annually on February 1 and August 1 in each year commencing on August 1, 2024, or such other date specified in the Award Certificate, until their respective maturities. The Bonds shall bear the rates of interest, maturities and provisions for redemption prior to maturity as shall be established in the Award Certificate.

D.Notice of Sale. The Official Notice of Sale appended to the form of preliminary official statement presented to the Governing Body in connection with this Ordinance (the "Preliminary Official Statement") is hereby approved with such changes as are approved by the City Financial Services Director consistent with this Ordinance. The City Financial Services Director is hereby authorized and directed to have published once, at least one week prior to the date of sale, a summary of the notice of sale of the Bonds in a newspaper of general circulation in the City, and the City Financial Services Director is hereby authorized and directed to give such other notice of the bond sale as she shall determine, including the publication of the notice in

financial papers and periodicals and the distribution among investment bankers and others of the Preliminary Official Statement.

E.Final Terms; Award of Bonds. The exact principal amounts, maturity dates, interest rates, prices, redemption features and other final terms of the Bonds shall be as set forth in the Award Certificate. The Bonds shall be awarded to the Purchaser as provided in the Award Certificate.

F.Series Date; Numbering; Interest Payment Dates. The Bonds shall be dated the date of delivery (herein the "Series Date"), will be issued in one or more series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of $5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates set forth in the Award Certificate, payable to the registered owner thereof, or registered assigns, on August 1, 2024, (or such other date as set forth in the Award Certificate) and semiannually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year as set forth in the Award Certificate.

Section 6.Redemption of Bonds Prior to Maturity.

A.Optional Redemption and Mandatory Sinking Fund Redemption. Redemption of the Bonds prior to maturity at the option of the City shall be as provided in the Award Certificate. The Bonds may be subject to mandatory sinking fund redemption as set forth in the Award Certificate.

B.Notice of Redemption. Notice of redemption shall be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar/Paying Agent on the fifth day prior to the mailing of notice on the registration books kept by the Registrar/Paying Agent. The City shall give notice of redemption of the Bonds to the Registrar/Paying Agent at least forty-five (45) days prior to the redemption date. The Registrar/Paying Agent's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Registrar/Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Such notice may be a conditional notice of redemption – the money required to pay the principal of and interest on the Bonds to be called for redemption need not be on deposit with the Registrar/Paying Agent at the time of mailing the conditional notice of redemption. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Registrar/Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Registrar/Paying Agent, the Registrar/Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Registrar/Paying Agent by the City.

Section 7.Execution of Bonds.

A.The Bonds shall bear the facsimile or manual signature of the Mayor of the City and shall be attested by the facsimile or manual signature of the City Clerk and shall bear the facsimile or original seal of the City. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Mayor

and City Clerk may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Mayor and City Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If facsimile signatures are to appear on the Bonds, the Mayor and City Clerk, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

B.No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 8. Registration of Bonds.

A.Books for the registration and transfer of the Bonds shall be kept by the City Treasurer, as Registrar/Paying Agent, who is hereby appointed by the City as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each interest payment date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each interest payment date but such transfer will not include transfer of interest payable on such interest payment date.

B.The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided in this ordinance with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C.If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D.Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

E.The officers of the City are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

F.Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the City.

G.The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with a depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the depository, registered in the name of the depository or its nominee. Principal, premium, if any, and interest will be paid to the depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the depository, Participants or Indirect Participants.

(1)If (i) the Bonds are not eligible for the services of the depository, (ii) the depository determines to discontinue providing its services with respect to the Bonds or (iii) the City determines that a continuation of the system of book-entry transfers through the depository ceases to be beneficial to the City or the Beneficial Owners, the City will either identify another depository or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the City shall mail an appropriate notice to the depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

(2)Authorized Officers of the City are authorized to sign agreements with the depository relating to the matters set forth in this Section.

(3)Notwithstanding any other provision of this ordinance, so long as all of the Bonds are registered in the name of the depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent or the City to the depository as provided in this ordinance and by the depository to its Participants or Indirect Participants and to the Beneficial Owners of the Bonds.

Section 9. Successor Registrar/Paying Agent. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that such Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the

United States and having shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than $10,000,000.

Section 10.Bonds Negotiable. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 11.Form of Bonds. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED REGISTERED

NO. R-____ $

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
CITY OF LAS CRUCES
DOÑA ANA COUNTY, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

Registered Owner:

Principal Amount: _____ DOLLARS

Interest Rate	Maturity Date	Series Date
____% per annum	August 1, _____	_____, 2024

The City Council of the City of Las Cruces (the "Governing Body "), on the faith, credit and behalf of the City of Las Cruces, Doña Ana County, New Mexico (the "City"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, 2024, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the City Treasurer, as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the

person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of $5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of $6,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the City of Las Cruces, Doña Ana County, New Mexico, for the purposes of providing funds to be placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds.

The Bonds are issued under the authority of and in full conformity with the charter of the City, the Constitution and laws of the State of New Mexico (particularly Sections 3-30-1 through 3-30-9 NMSA 1978, the provisions of Sections 6-14-8 through 6-14-11 NMSA 1978, Sections 6-15-1 through 6-15-22 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to Ordinance No. 3062 of the Governing Body duly adopted on March 4, 2024 and made a law of the City prior to the issuance of this bond (the "Bond Ordinance").

The Bonds maturing on or after August 1, 20__, are subject to prior redemption at the City's option on and after August 1, 20___, in whole or in part at any time, in one or more units of principal of $5,000 in such order of maturities as the City may determine (and by lot if less than all of the Bonds of any maturity are called, such selection by lot to be made by the Registrar/Paying Agent in such manner as it shall consider appropriate and fair) The purchase price for Bonds selected for redemption will be equal to the principal amount of each bond (or portion thereof) so redeemed, plus accrued interest thereon to the redemption date.

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each Interest Payment Date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each Interest Payment Date but such transfer will not include transfer of interest payable on such Interest Payment Date.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to

payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the City is hereby irrevocably pledged. The Governing Body has, by the Bond Ordinance, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the City in the issuance of this bond; that the total indebtedness of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Governing Body of the City of Las Cruces, in Doña Ana County, New Mexico, constituting the governing board of the City, has caused the seal of the City to be hereto affixed and this bond to be signed and executed with the facsimile or manual signature of the Mayor of the City and subscribed and attested with the facsimile or manual signature of the City Clerk, all as of the Series Date.

GOVERNING BODY OF THE
CITY OF LAS CRUCES, NEW MEXICO

[SEAL]

By _____
Eric Enriquez, Mayor

ATTEST:

By _____
Christine Rivera, City Clerk

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Ordinance and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and

Registration: _____, 2024

Las Cruces City Treasurer, as Registrar/Paying Agent

By_____
Erika Jaquez, City Treasurer

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____whose social security or tax identification number is _____the within bond and irrevocably constitutes and appoints _____attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]
[End of Form of Bond]

Section 12.Delivery of Bonds. When the Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser named in the Award Certificate. The funds realized from the sale of the Bonds shall be applied solely to the specified purposes for which the Bonds were issued, but the Purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the City, or any of its officers, of any of the funds derived from the sale thereof.

Section 13.Levy of Taxes. In order to pay the principal of and interest on the Bonds as they become due and, at the option of the City, to reimburse the general fund or other funds for the payment of principal of or interest on the Bonds for which property taxes were not available, there shall be an annual assessment and levy upon all of the taxable property of the City subject to taxation which provides an amount sufficient to pay the principal of and the interest on the Bonds as they become due and payable. However, the City may, at its option, apply any other funds lawfully available for the purpose to the payment of principal or interest on the Bonds as they become due, and the levies required by this Section may be reduced to the extent other revenues are or will be available and used for payment of the Bonds. To the extent property taxes are not available for that purpose, the principal of and interest accruing on the Bonds shall be paid from the City's general fund or from any other fund lawfully available for that purpose. The taxes shall be assessed, levied and collected annually at the time and in the manner as other City taxes are assessed, levied and collected. Annually, the Governing Body shall take all reasonable action to insure the levy and collection of taxes by the governmental authority charged with legal responsibility to levy and collect taxes in amounts sufficient at the time to pay the principal of and interest on the Bonds. The money produced by the levy of taxes provided in this Section to pay the principal of and interest on the Bonds is appropriated for that purpose and that amount shall be included in the annual budget adopted and passed by the Governing Body each year. The taxes collected shall be maintained in an interest and sinking fund, which is hereby created, and kept for and applied

only to the payment of the principal of and interest on the Bonds when due and as otherwise required or permitted by law.

Section 14.Additional Action of Authorized Officers; Delegation of Authority to Determine Final Terms of the Bonds and Award Bonds to the Purchaser.

A.The Mayor, City Clerk and other officers of the City be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including without limiting the generality of the foregoing, the deposit of $6,000,000 of the proceeds of the Bonds, plus an allocable share of net premium, if any, into an acquisition fund for payment of the costs of the Improvement Project and the costs of issuance allocable to the Improvement Project, the execution and delivery of a continuing disclosure undertaking to enable the Purchaser of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5), the printing of the Bonds, and the execution of such certificates as may be required by the Purchaser relating to the signing of the Bonds, the tenure and identity of City officials, and the receipt of the purchase price of the Bonds from the Purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity of the Bonds.

B.Pursuant to Section 6-14-10.2, NMSA 1978, the City Manager or City Financial Services Director, each as Delegate, are hereby delegated authority to execute an Award Certificate, and to determine any or all of the final terms of the Bonds, including, without limitation, the exact principal amounts, maturity dates, interest rates, prices, redemption features, municipal bond insurance, and other final terms of the Bonds subject to the parameters and conditions contained in this Bond Ordinance. The Delegate shall present the Award Certificate to the Governing Body in a timely manner, before or after delivery of the Bonds, at a regularly scheduled public meeting of the Governing Body.

Section 15.Defeasance.

A.Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the City with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

B.Any moneys so deposited with the qualified depository may, at the written direction of the City, also be invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City for deposit in the interest and sinking fund for payment of principal and interest on the Bonds. The term "Government Obligations" means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 16. Investment of Bond Proceeds. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations.

Section 17.Ordinance Irrepealable. After any of the Bonds have been issued, this ordinance shall constitute a contract between the City and the holder or holders of the Bonds and shall be and remain irrepealable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 18.Severability. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 19.Form of Notice of Adoption. The following notice shall be published one time in a newspaper having general circulation in the City as soon as is practicable following the adoption hereof and this ordinance shall be effective five days after such publication as provided by law.

[Form of Notice]

LEGAL NOTICE

City of Las Cruces, New Mexico
Notice of Adoption of Ordinance

NOTICE IS HEREBY GIVEN that the Governing Body of the City of Las Cruces, Doña Ana County, New Mexico did, on the 4th day of March, 2024, adopt an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Ordinance directs and authorizes the issuance of City of Las Cruces, Taxable General Obligation Bonds in the aggregate principal amount of $6,000,000 for the purpose of placing the proceeds into the Affordable Housing Trust Fund to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds; provides parameters for the Bonds; provides the form of the Bonds; delegates authority to the City Manager and City Financial Services Director to determine exact principal amounts, maturity dates, interest rates, prices, redemption features and other final terms of the Bonds within the parameters established in this Ordinance, to award the Bonds to the Purchaser pursuant to an Award Certificate; provides for the delivery of the Bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants for the benefit of the owners of the Bonds; and provides other details concerning the bonds.

Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, Las Cruces City Hall, 700 North Main Street Las Cruces, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 4th day of March, 2024.

CITY OF LAS CRUCES

Christine Rivera, City Clerk

(End of Form of Notice for Publication)

Section 20.Repealer Clause. All acts and resolutions in conflict with this ordinance are hereby rescinded, annulled and repealed.

(II)

THATCity 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

EXHIBIT "A"

Draft 2/23/2024

NOTICE

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS,
SERIES 2024

Preliminary Official Statement, subject to completion,
dated March 7, 2024

The Preliminary Official Statement, dated March 7, 2024 (the "Preliminary Official Statement"), relating to the above-described bonds (the "Bonds") of the City of Las Cruces, New Mexico (the "City"), has been posted on the internet as a matter of convenience. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat XI). Although this format should replicate the Preliminary Official Statement available from the City, appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat XI or later may cause the Preliminary Official Statement that you view or print to differ in appearance from the Preliminary Official Statement. Paper copies of the Official Statement are available from the Issuer by contacting the municipal advisor, RBC Capital Markets, LLC, Erik Harrigan, at (505) 872-5999.

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the City has deemed "final" as of its date in respect of the Bonds, except for certain information permitted to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

Preliminary Official Statement dated March 7, 2024.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 7, 2024

NEW ISSUE RATING: Moody's: ___

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel based on existing laws of the State of New Mexico as enacted and construed, interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof. The Bonds are being issued as taxable under the Internal Revenue Code of 1986, as amended. For a more complete description of such opinion of Bond Counsel and a description of certain provisions tax treatment of interest on the Bonds for certain owners of such bonds, see "TAX STATUS" herein.

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

Dated: Date of Delivery **Due: August 1, as shown below**
Book-Entry Only

The City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds") are issuable as fully registered bonds and when initially purchased will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 1 and August 1, commencing August 1, 2024. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to the registered owner will mean Cede & Co., and payments of principal or interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursement of such payments to DTC Participants is the responsibility of DTC. See "The Bonds – Book-Entry Only System" herein. The City Treasurer is the Registrar and Paying Agent for the Bonds.

The Bonds are issuable only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. The Bonds will bear interest from the delivery date.

The Bonds are subject to optional redemption prior to their stated maturity as described herein.

The Bonds are general obligations of the City of Las Cruces, New Mexico (the "City"), payable from general (*ad valorem*) taxes which shall be levied against all taxable property in the City without limitation as to rate or amount.

The City has undertaken, for the benefit of the owners of the Bonds, to provide certain annual and periodic disclosures described under the caption "CONTINUING DISCLOSURE INFORMATION" herein.

The Bonds are being issued pursuant to the powers of the City Council under Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Constitution and other laws of the State, including the City's home rule powers, for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project"). The Bonds are offered when, as and if issued by the City, subject to the approval of Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel and certain other conditions. It is expected that the Bonds will be available for delivery on or about April 11, 2024 through the facilities of the Depository Trust Company, New York, New York.

Electronic bids will be opened at 8:30 a.m, prevailing Mountain Time, March 14, 2024.

Dated: March 7, 2024

* Preliminary, subject to change.

MATURITY SCHEDULE SERIES 2024 BONDS*

Maturity (August 1)	Principal Amount*	Interest Rate	Price	CUSIP Number**
2024	$1,850,000			
2025	1,400,000			
2026	275,000			
2027	275,000			
2028	275,000			
2029	275,000			
2030	275,000			
2031	275,000			
2032	275,000			
2033	275,000			
2034	275,000			
2035	275,000			

Electronic bids will be opened at 8:30 a.m, prevailing Mountain Time, March 14, 2024.

** *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter, Bond Counsel, Disclosure Counsel, or their agents or counsel assume responsibility for the accuracy of such numbers.*

* Preliminary, subject to change.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by the City of Las Cruces, New Mexico (the "City") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth or included in this Official Statement has been provided by the City and from other sources believed by the City to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the City described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities law of the states in which the Bonds have registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement is "deemed final" by the City for purposes of Rule 15c2-12 of the Municipal Securities Rulemaking Board. The City has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

CITY OF LAS CRUCES, NEW MEXICO
City Hall, 700 North Main Street
P.O. Box 20000
Las Cruces, New Mexico 88001
(575) 541-2000

MAYOR
Eric Enriquez

CITY COUNCIL
Johana Bencomo, Mayor ProTem
Cassie McClure, Councilor
Bill Mattiace, Councilor
Becki Graham, Councilor
Becky Corran, Councilor
Yvonne Flores, Councilor

CITY ADMINISTRATION
Ifo Pili, City Manager
Leeann DeMouche, Financial Services Director
Erika Jaquez, City Treasurer
Christine Rivera, City Clerk
Linda Samples, City Attorney

FINANCIAL ADVISOR
RBC Capital Markets, LLC
6301 Uptown Boulevard, N.E., Suite 110
Albuquerque, New Mexico 87110
(505) 872-5999

BOND COUNSEL & DISCLOSURE COUNSEL
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street N.W., Suite 1000
P.O. Box 2168 (87103-2168)
Albuquerque, New Mexico 87102
(505) 848-1800

PAYING AGENT AND REGISTRAR
City Treasurer, City of Las Cruces
City Hall, 700 North Main Street
P.O. Box 20000
Las Cruces, New Mexico 88001
(575) 541-2000

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OFFICIAL STATEMENT

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

INTRODUCTION AND SUMMARY

This Official Statement is furnished to prospective purchasers of the City of Las Cruces, New Mexico, Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"), issued in the aggregate principal amount of $6,000,000* by the City of Las Cruces, New Mexico (the "City"). The offering of the Bonds is made only by way of this Official Statement and the Official Notice of Bond Sale, authorized by Ordinance No. 3062 adopted by the City Council on March 4, 2024, as supplemented by the Award Certificate executed on March __, 2024 (collectively, the "Bond Ordinance"). Additional information concerning the City, the Bonds and other aspects of this offering may be obtained either from the City or from RBC Capital Markets, LLC (the "Municipal Advisor") at the addresses set forth in the section entitled "ADDITIONAL INFORMATION."

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the Bond Ordinance.

The Issuer

The City is a political subdivision of the State of New Mexico (the "State"), organized and existing under the Constitution, and general laws of the State. The City was incorporated in 1907 and is located in southern New Mexico. It is New Mexico's second largest city. It operates under a Council-Manager form of government with the Mayor elected at large. The City's Fiscal Year ends June 30 and is referred to in this Official Statement as the "Fiscal Year."

Authority for Issuance and Purpose

The Bonds are issued in accordance with the Constitution and laws of the State of New Mexico, in particular, Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented. $6,000,000* in principal amount of the Bonds represents the second and final series of general obligation bonds approved in aggregate amount of $23,000,000 by the qualified electors of the City at an election held on November 8, 2022. The Bonds are being issued for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project").

The Bonds

The Bonds will be registered as to principal and interest, issued in denominations of $5,000 each, or integral multiples thereof, in conformance with the Constitution and laws of the State and pursuant to

* Preliminary, subject to change.

the Bond Ordinance. The Bonds shall mature in the principal amounts and on the dates shown on the cover page hereof. Interest shall be payable February 1 and August 1 of each year commencing August 1, 2024 to registered owners shown on the books of the Registrar on the 15th day of the month preceding each regularly scheduled interest payment date thereafter ("Record Date"). The Bonds will be issued only in fully registered form and will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company pursuant to the book-entry only system described herein.

Security

The Bonds are secured by the City's full faith and credit and are general obligations of the City payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the City. See "SECURITY AND REMEDIES"

Financial Statements

The City's audited financial statements as of and for the year ended June 30, 2023 including the opinions rendered thereon of certified public accountants, are attached as Appendix B.

Selected Debt Ratios

The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

2023 Assessed Valuation	$ 3,008,373,421
2023 Estimated Actual Valuation(1)	$9,909,936,090
City Debt as a % of	
Assessed Valuation	1.23%
Estimated Actual Valuation	0.37%
Direct and Overlapping Debt as a % of	
Assessed Valuation(2)(3)	5.01%
Estimated Actual Valuation(2)(3)	1.52%
City General Obligation Debt Outstanding(3)(4)	$37,010,000
City General Obligation Debt(2)(3)	$37,010,000
Estimated Direct & Overlapping G/O Debt(2)(3)	$150,774,905
2023 Estimated Population(5)	114,450
City Net Debt Per Capita(2)(4)	$278.84
Direct and Overlapping Debt Per Capita(3)	$1,317.39

(1) Actual valuation is computed by adding 2023 exemptions to the 2023 assessed valuation and multiplying by three.

(2) Figure includes proposed 2024 Bonds.

(3) Figure is not net of accumulated Debt Service Fund amounts.

(4) Figure is net of accumulated debt service fund amounts attributable to the upcoming principal payment. The net cash balance in the debt service fund as of February 7, 2024 was $6,722,665 of which 75.81% was properly attributable to principal reduction.

(5) Based on 2020 population from US Census and the estimated growth rate of .9%.

See "DEBT AND OTHER FINANCIAL OBLIGATIONS – General Obligation Debt" herein.

Tax Matters

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. ("Bond Counsel"), based on existing laws of the State of New Mexico as enacted and construed, the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. The Bonds are being issued as federally taxable under the Internal Revenue Code of 1986, as amended.

Agents and Advisors

At the time of the issuance and sale of the Bonds, Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel, will deliver the bond opinion included in Appendix A hereto. See "LEGAL MATTERS" herein. Certain legal matters relating to the Bonds will be passed on for the City by Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Disclosure Counsel.

RBC Capital Markets, LLC ("RBC") is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC, in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or assume responsibility for, the accuracy, completeness, or fairness of the information in this Official Statement.

Additional Information

This Official Statement is accurate only as of its date, and no representation is made that the information contained herein has not changed since that date. This Official Statement is intended to be made available to investors through the Municipal Advisor.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete, and reference is made to those statutes, regulations and documents for full and complete statements of their provisions. Copies, in a reasonable quantity, of those statutes, regulations and documents may be obtained upon request directed to the City, and upon payment to the City of a charge for copying, mailing and handling, at the City of Las Cruces, 700 North Main, Las Cruces, NM 88001, telephone number (575) 541-2000, Attention: City Manager.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract between the City and the purchasers or holders of any of the Bonds.

THE BONDS

Description

The Bonds are general obligation bonds to be issued by the City in the total principal amount of $6,000,000* and will be dated the Date of Delivery, which is expected to be on or about April 11, 2024. The Bonds will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof, bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on February 1 and August 1 each year, commencing on August 1, 2024, and maturing as set forth on the cover page of this Official Statement.

The Bonds will be issued only in fully registered form and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry only system described herein. No physical delivery of the Bonds will be made to the owners hereof.

Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Authorization

The Bonds are being issued pursuant to the City Council's powers under Article IX, Section 10 of the Constitution of the State of New Mexico, and Sections 3-30-1 through 3-30-9 and 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Bond Ordinance of the City Council delegating authority to the City Manager or delegate awarding the Bonds to the successful bidder for the Bonds in the public sale to be held on March 14, 2024. A copy of the Official Notice of Bond Sale is attached to this Official Statement as Appendix D.

Bond Registrar and Paying Agent

The City Treasurer will serve as the Bond Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

Payment of Principal and Interest; Record Date

The principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date") at the addresses appearing in the registration books maintained by the Registrar; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on the date to be fixed by the Registrar whenever moneys become available for the payment of defaulted interest (the "Special Record Date").

Optional Redemption of Bonds

The Bonds maturing on and after August 1, 2033, may be redeemed prior to their scheduled maturity on August 1, 2032, or on any date thereafter, in whole or in part, at the option of the City Council at par plus accrued interest to the date of redemption, if any.

Exchange or Transfer of Bonds

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required

to be paid with respect to such exchange or transfer. See "THE BONDS – Book-Entry Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but neither the City, Municipal Advisor nor Bond Counsel take responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The City undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on that website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Bonds under the DTC system must be made by or through Direct or Indirect Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested

by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the Bonds are in the book-entry only system, redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates representing the Bonds will be printed and delivered to DTC.

SECURITY AND REMEDIES

General

The Bonds are general obligations of the City payable from *ad valorem* taxes, which may be levied against all taxable property within the City without limitation as to rate or amount. The Bonds are secured by the obligation of the City to levy and collect upon all taxable property within the City a tax rate levy sufficient, together with other legally available revenues, to pay the debt service on the Bonds. Such annual levy for debt service creates a statutory tax lien that can be enforced personally against the owner of the

property or enforced by sale of the property. Neither the State nor any other political subdivision has any responsibility to pay the debt service on the Bonds.

Legal Matters

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any amendment, change in the interpretation of, or addition to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the City.

Limitations on Remedies Available to Owners of Bonds

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City in issuing the Bonds, are subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

SPECIAL FACTORS AFFECTING THE PAYMENT OF DEBT SERVICE ON THE BONDS AND AVAILABLE REMEDIES

Cybersecurity

The City operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is constant. Such incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks from outside entities. The effect of such threats may include unauthorized access to City systems, data or resources, inappropriate exposure or use of City information, disruption of City services, and damage to City systems.

The City maintains a cybersecurity program that uses a multilayer, multi-vendor approach. Staffing for the program consists of a cybersecurity administrator who is CASP+ certified and an information security specialist. The City has an IT Governance program which provides a technology review, including the review of security standards, for new technology purchases. The City has a Protected Information Management Committee which sets standards for the use and security of protected information within the City. The City has cyber security insurance policy with coverage comparable to coverage carried by other U.S. municipalities of a similar size.

Security technology used by the City includes a unified threat management security system, end point security software on all computers, internal and external network traffic inspection, centralized event log correlation and alerting, and honey pot technologies. All computer operating system environments are updated with security updates as they are released. All updates are centrally managed. All City staff are

required to attend a cybersecurity awareness training annually. Security penetration testing is performed bi-annually using a third-party auditor.

Climate Change and Natural Disasters

The City could experience, and is susceptible to additional, weather events and natural disasters that could be deemed extreme including, without limitation, periods of heat, droughts, floods, mud slides, tornadoes and other wind conditions and wildfires, which could result in negative economic impacts on the City. Such effects may be exacerbated by a longer term shift in the climate over several decades, commonly referred to as climate change. Numerous scientific studies on climate change show that, among other effects on the global ecosystem, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. As a result, the City could lose tax revenues and many residents, businesses, and governmental operations could be displaced. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City. The City cannot predict the occurrence or extent of any future extreme weather events or natural disasters or the economic impacts that the occurrence of any such events may have on the City.

PURPOSE AND PLAN OF FINANCING

The Bonds will be issued in a principal amount of $6,000,000*, which represents the second and final series of general obligation bonds approved by the qualified electors of the City at an election held on November 8, 2022 in a maximum aggregate amount of $23,000,000. The Bonds will be issued for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project").

From the deposit of the Bond proceeds in the City's Affordable Housing Trust Fund, the City expects to fund projects to support affordable housing in the City. The projects include, but are not limited to, portions of the projects listed below. Other projects may be funded in combination with other funding sources. Each of the proposed projects listed has numerous sources of funding that, when combined with the proposed City contribution from the Affordable Housing Trust Fund, fully fund the projects:

1. The Three Sisters Apartments – 70 units housing families at or below 60% of the Area Median Income (AMI)
2. Pedrena Apartments – 80 units housing senior citizens ages 55 and older with income at or below 60% of the AMI
3. Peachtree Canyon Apartments Phase I – 144 units for households at or below 60% of the AMI

* Preliminary, subject to change.

SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the Bonds, other than accrued interest, are set forth in the following table.

SOURCES OF FUNDS	
Bond proceeds	$
[Net] Premium	
TOTAL SOURCES OF FUNDS	$
USES OF FUNDS	
Deposit to Acquisition Fund	$
Underwriter's Discount	
Costs of Issuance[1]	
TOTAL USES OF FUNDS	$

(1) Includes Municipal Advisor fees, rating agency fees, legal fees, fees of the paying agent/registrar, and other miscellaneous costs and expenses related to the issuance of the Bonds.

DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

Article IX, Section 13, of the New Mexico Constitution prohibits municipalities, including the City, from incurring general obligation debt in an aggregate amount, including existing indebtedness, exceeding four percent of the value of the taxable property within such municipality, as shown by the last preceding general assessment. A test for maximum general obligation bonds outstanding of the City follows:

2023 Assessed Valuation[1]	$3,008,373,421
2023 Estimated Actual Valuation	$9,909,936,090
City Bonded Debt Outstanding[2]	$37,010,000
Minus Debt Service Fund Balance Attributable to Principal	(5,096,341)
NET DEBT	$31,913,659
Ratio of City Outstanding Debt to 2023 Assessed Valuation[2]	1.23%
Ratio of City Outstanding Debt to 2023 Estimated Actual Valuation[2]	0.37%
Per Capita Bonded Debt [2]	$323.37
2023 Estimated Population[3]	114,450

(1) New Mexico Assessed Values represent 33-1/3% (the maximum assessment ratio permitted by the New Mexico Constitution) of the actual property value after deduction of certain exemptions. Property tax levies are based upon the certified assessed valuation.

(2) Includes proposed Series 2024 Bonds not net of debt service fund balance attributable to principal..

(3) Based on 2020 population from US Census and the estimated growth rate of .9%.

As of the date of this Official Statement, the City has outstanding general obligation indebtedness consisting of principal of $6,895,000 of its Series 2019 Bonds, principal of $9,305,000 of its Series 2020 Bonds, and principal of $14,810,000 of its 2023 Bonds. The combined debt service requirements of the Series 2019 Bonds, Series 2020 Bonds, Series 2023 Bonds and the anticipated debt service requirements of the Series 2024 Bonds are shown in the following table.

	Current Requirements			Series 2024 Bonds*			Total Requirements*		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$3,790,000	$1,304,200	$5,094,200	$1,850,000	$91,667	$1,941,667	$5,640,000	$1,395,867	$7,035,867
2025	3,150,000	1,114,700	4,264,700	1,400,000	207,500	1,607,500	$4,550,000	$1,322,200	$5,872,200
2026	3,095,000	957,200	4,052,200	275,000	137,500	412,500	$3,370,000	$1,094,700	$4,464,700
2027	3,095,000	802,450	3,897,450	275,000	123,750	398,750	$3,370,000	$926,200	$4,296,200
2028	3,095,000	657,550	3,752,550	275,000	110,000	385,000	$3,370,000	$767,550	$4,137,550
2029	3,095,000	553,400	3,648,400	275,000	96,250	371,250	$3,370,000	$649,650	$4,019,650
2030	3,095,000	449,250	3,544,250	275,000	82,500	357,500	$3,370,000	$531,750	$3,901,750
2031	2,110,000	345,100	2,455,100	275,000	68,750	343,750	$2,385,000	$413,850	$2,798,850
2032	2,145,000	270,500	2,415,500	275,000	55,000	330,000	$2,420,000	$325,500	$2,745,500
2033	1,080,000	195,200	1,275,200	275,000	41,250	316,250	$1,355,000	$236,450	$1,591,450
2034	1,080,000	141,200	1,221,200	275,000	27,500	302,500	$1,355,000	$168,700	$1,523,700
2035	1,080,000	87,200	1,167,200	275,000	13,750	288,750	$1,355,000	$100,950	$1,455,950
2036	1,100,000	44,000	1,144,000				$1,100,000	$44,000	$1,144,000
Total	$31,010,000	$6,921,950	$37,931,950	$6,000,000	$1,055,417	$7,055,417	$37,010,000	$7,977,367	$44,987,367

*Preliminary, subject to change. Interest on Series 2024 Bonds computed at 5.00% per annum for illustration purposes only.

Statement of Estimated Direct and Overlapping Debt

The following calculation analyzes the debt load and per capita debt of the City payable from property taxes. In addition to outstanding debt of the City, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the City.

Taxing Entity	2023 Assessed Valuation	General Obligation Debt Outstanding	Percentage Applicable	Amount
State of New Mexico	$110,879,706,059	$541,270,000	2.71%	$14,685,666
Doña Ana County	5,607,428,928	4,110,000	53.65%	2,205,006
Doña Ana Com. Col.	5,691,157,467	18,750,000	52.86%	9,911,341
City of Las Cruces	3,008,373,421	37,010,000[(1)(2)]	100.00%	37,010,000[(1)(2)]
Las Cruces Schools	4,358,294,851	125,985,000	69.03%	86,962,892
Total Direct and Overlapping Debt				$150,774,905

Ratio of Estimated Direct & Overlapping Debt to 2023 Assessed Valuation:	5.01%
Ratio of Estimated Direct & Overlapping Debt to 2023 Estimated Actual Valuation:	1.52%
Per Capita Direct & Overlapping Debt:	$1,353.64

Source: Doña Ana County Assessor's Office, State Assessed Property Tax Division and individual entities.

(1) Includes proposed Series 2024 Bonds.

(2) Figure is not net of Debt Service Fund Balance.

Analysis of Assessed Valuation

Assessed Valuation of property within the City is calculated as follows: Of the total assessed valuation of all taxable property in the City, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2023 Assessed Valuation is $3,008,373,421. The actual value of personal property within the City (see "Assessments" below) is determined by the Doña Ana County Assessor. The actual value of certain corporate property within the City (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division.

The analysis of Assessed Valuation in the City of Las Cruces is as follows:

	2023	2022	2021	2020	2019
Assessments					
Value of Land	$669,137,957	$ 657,946,481	$ 643,226,071	$ 628,874,074	$ 617,132,989
Improvements	2,473,701,170	2,261,910,366	2,098,853	2,028,024,992	1,929,579,112
Personal Property	73,211,428	74,520,534	64,245,761	65,230,658	71,440,024
Mobile Homes	27,622,580	25,333,289	24,594,089	23,835,529	23,336,016
Livestock	11,932	11,948	13,282	12,899	11,081
Assessor's Taxable Value	$3,243,685,067	$3,019,722,618	$2,830,932,638	$2,745,978,152	$2,641,499.222
Less Exemptions					
Head of Family	$ 25,167,569	$ 25,133,106	$ 25,741,064	$ 26,069,893	$ 26,649,447
Veterans	72,339,335	61,259,054	54,936,784	49,285,089	45,420,622
Other	197,431,705	188,051,630	180,315,108	177,902,715	173,610,313
Total Exemptions	$ 294,938,609	$ 274,443,799	$ 260,992,956	$ 253,257,697	$ 245,680,382
Assessor's Net Taxable Value	$2,948,746,458	$2,745,278,819	$2,569,939,682	$2,492,720,455	$2,395,818,840
Centrally Assessed	$59,626,963	$65,077,289	$59,843,051	$60,169,664	$56,698,286
Total Assessed Valuation	$3,008,373,421	$2,810,356,108	$2,629,782,733	$2,552,890,119	$2,452,517,126
Residential	$2,243,157,741	$2,051,707,930	$1,894,030,170	$1,801,660,043	$1,715,172,485
Non-Residential	765,215,680	758,648,178	734,752,563	751,230,076	737,344,641
Total	$3,008,373,421	$2,810,356,108	$2,629,782,733	$2,552,890,119	$2,452,517,126

Source: Dona Ana County Assessor's Office

History of Assessed Valuation

The following is a history of assessed valuation for the City and Doña Ana County.

Tax Year	City of Las Cruces	Doña Ana County
2023	$3,008,373,421	$5,607,428,928
2022	2,810,356,108	5,223,570,138
2021	2,629,782,733	4,935,560,916
2020	2,552,890,119	4,783,117,888
2019	2,452,517,126	4,602,866,403

Source: Dona Ana County Assessor's Office

Article VIII, Section 2, of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the City to $20.00 per $1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the City voting on the question. The following table summarizes the tax rates on residential property located within the City for 2022-2023 Fiscal Year and the previous four fiscal years. The City expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. A high level of taxation may adversely impact the City's ability to repay bonds.

RESIDENTIAL TAX RATES - Per $1,000 Assessed Valuation

Within 20 Mill Limit for General Purposes

	2023	2022	2021	2020	2019
State of New Mexico	$0.000	$0.000	$0.000	$0.000	$0.000
Doña Ana County	9.212	9.172	9.114	0.222	9.253
Doña Ana Comm. College	1.242	1.237	1.230	1.245	1.250
City of Las Cruces	4.841	4.787	4.774	4.805	4.841
Las Cruces Flood Control	2.000	1.977	1.972	1.985	2.000
Las Cruces Schools	0.344	0.343	0.339	0.342	0.344
Total	**$17.688**	**$17.516**	**17.429**	**17.599**	**17.688**

Over 20 Mill Limit – Interest, Principal, Judgment, etc.

	2023	2022	2021	2020	2019
State of New Mexico	$1.360	$ 1.360	$ 1.360	$ 1.360	$ 1.360
Doña Ana County	0.085	0.091	0.096	0.099	0.098
Doña Ana Comm. College	0.750	0.750	0.750	0.750	0.750
City of Las Cruces	2.007	2.030	2.030	2.009	2.007
Las Cruces Schools	9.605	9.618	9.593	9.604	9.605
Total	**$13.382**	**$ 13.849**	**$13.829**	**$13,822**	**$13.820**

Total Levy

	2023	2022	2021	2020	2019
State of New Mexico	$1.360	$ 1.360	$ 1.360	$ 1.360	$ 1.360
Doña Ana County	9.297	9.263	9.210	9.321	9.351
Doña Ana Comm. College	1.992	1.987	1.980	1.995	2.000
City of Las Cruces	6.849	6.817	6.804	6.814	8.848
Las Cruces Flood Control	1.972	1.977	1.972	1.985	2.000
Las Cruces Schools	9.949	9.961	9.932	9.946	9.949
Total Residential*	**$30.927**	**$31.365**	**$31.248**	**$31.421**	**$31.508**
Total Non-Residential*	**$34.102**	**$34.569**	**$34.573**	**$34.554**	**$34.540**

*In City of Las Cruces

Source: State of New Mexico, Department of Finance & Administration

Major Taxpayers

Taxpayer	Business	2023 Assessed Valuation	% of City Assessed Value
El Paso Electric	Electric Utility	$25,383,957	0.84%
Las Cruces Medical Center	Medical Center	20,401,880	0.68%
Comcast of New Mexico	Cable Provider	13,200,443	0.44%
Saputo Cheese USA Inc	Dairy	12,516,370	0.42%
Memorial Medical Center	Medical Center	11,986,798	0.40%
Las Cruces Hospital Building LLC	Real Estate	10,923,974	0.36%
Copperstone LLC	Real Estate	6,062,296	0.20%
HTA-Regional Medical Center LLC	Medical Center	5,994,174	0.20%
Clear Sky Capital Casas de Soledad Apartments	Apartments	5,990,325	0.20%
Park Place Las Cruces LLC	Investments	5,851,337	0.19%
Total		$118,311,554	3.93%

(1) Based on 2023 City Assessed Valuation of $3,008,373,421

Source: Dona Ana County Assessor's Office

Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* and oil and gas production equipment *ad valorem* taxes) or assessment that will produce revenues that taxes exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value," as defined by statute, divided by such prior property tax year's total taxable property value; however, if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year's index over the index for the calendar year next preceding the prior calendar year (unless there was a decrease, in which case zero if used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.*

Limitations on Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was approved by a wide margin by New Mexico voters on November 3, 1998.

The amendment directs the Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The limitation may be applied to classes of residential property

taxpayers based on occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Section 7-36-21.2 NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001. Annual valuation increases will be limited to the greater of 3% over the prior year's valuation or 6.1% over the valuation from two years prior. These limitations do not apply under the following exceptions:

1. When residential property is being valued for the first time;
2. When physical improvements (except for solar energy system installations) are made to the property or are omitted in a prior tax year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change in zoning or use of property occurs; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3 NMSA 1978.

Section 7-36-21.3 NMSA 1978 places a limitation on the increase in value for property taxation purpose for single-family dwellings occupied by low-income owners who are 65 years of age or older or who are disabled and whose modified gross income for the prior taxable year did not exceed the income thresholds provided by statute. The statute fixes the valuation of the property to the valuation in the year that (a) for a person 65 or older, in the tax year in which the owner qualifies and files an application, or (b) for a person who is disabled, in the tax year in which the owner qualified and files an application the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

Amendments to State laws affecting residential property taxes are proposed from time to time and may be proposed in the future by the Legislature. Such amendments, if enacted, could result in an increase to the tax rate imposed on residential property tax within the City in order to pay the principal of and interest on general obligation bonds issued by the City, including the Bonds.

The constitutionality of the property tax limitation has been challenged in a number of venues. On March 28, 2012, the New Mexico Court of Appeals upheld the statutory valuation cap and its application under Section 7-36-21.2 NMSA 1978, which ruling was affirmed by the New Mexico Supreme Court in June, 2014.

Tax Collections on Locally Assessed and Centrally Assessed Property

General (*ad valorem*) taxes (other than taxes on certain property and business that are centrally assessed) for all units of government are collected by the Doña Ana County Treasurer and distributed monthly to the various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. In 2019, the legislature enacted temporary provisions for tax years 2019 and 2021 which extended the due date from November

10th to December 6th in 2019 and 2021 respectively, and the date of delinquency for the first installment from December 10th to January 9th in 2020 and 2022, respectively. Those temporary provisions have expired.

Collection statistics for Doña Ana County are presented here:

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections(1)	Current Collections as of % of Net Levied	Current/ Delinquent Tax Collection(2)	Current/ Delinquent Collections as a % of Net Levied
2022	22/23	$ 161,814,809	$ 155,206,412	95.92%	$ 156,980,629	97.01%
2021	21/22	151,178,013	146,033,493	96.60%	146,033,493	96.58%
2020	20/21	147,144,085	141,840,720	96.40%	145,124,398	98.61%
2019	19/20	142,232,178	135,927,911	95.57%	141,367,968	99.39%
2018	18/19	136,523,134	129,331,545	94.73%	135,834,583	99.49%
2017	17/18	126,151,212	120,921,863	95.85%	125,503,532	99.48%
2016	16/17	123,963,110	118,564,408	95.64%	123,619,526	99.72%
2015	15/16	121,310,986	115,940,130	95.57%	121,029,411	99.77%
2014	14/15	117,384,277	112,086,171	95.49%	117,150,351	99.80%
2013	13/14	114,395,409	109,475,574	95.70%	114,199,734	99.83%

(1) Current collections through June 30 of each year.

(2) As of June 30th of each year.

Source: Dona Ana County Treasurer's Office

For tax year 2023 (fiscal year 2023-2024), net taxes charged to the Treasurer were $171,829,149.

Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of 1% per month or any fraction of a month. However, in the case of a timely protest, interest payable shall be computed on a principal amount equal to the unpaid taxes finally determined to be due upon resolution of the protest.

Penalty for Delinquent Taxes

Pursuant to Section 7-38-50 NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is $5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of intent to defraud by the property owner, 50% of the property taxes due or $50.00, whichever is greater, shall be added as a penalty.

Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47 NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation

purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes. The sale or transfer of property after its valuation date does not relieve the former owner of personal liability for the property taxes imposed for that tax year.

Taxes on real property are a lien against the real property. A lien runs in favor of the State and secures the payment of property taxes and any penalty and interest until such payments are made. Such lien is a first lien and paramount to any other interest in the property, perfected or unperfected. Pursuant to Section 7-38-65 NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent at any time after the expiration of three years from the first date shown on the tax delinquency list on which the taxes became delinquent.

Pursuant to Section 7-38-53 NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

Protest

Pursuant to Section 7-38-39 NMSA 1978, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds.

FINANCES OF THE CITY

Budget Process

Pursuant to the City Charter (the "Charter"), the City adheres to the following procedure in establishing its annual budget: At least sixty (60) days prior to the start of the fiscal year (July 1), the City Manager shall submit a budget and budget message to the council for the ensuing fiscal year. The City Manager's message shall explain the budget both in fiscal terms and in terms of work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year and describe the important features of the budget. It shall indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes. The budget message shall summarize the City's debt position and include any other material the City Manager deems desirable.

The budget itself shall provide a complete financial plan of all City funds and activities for the ensuing year. The budget shall show in detail all estimated income, indicating the estimated property tax levy, estimated tax revenues, and all proposed expenditures, and shall be arranged to show comparative figures for actual and estimated income and expenditures of the current fiscal year. It shall also show actual income and expenditures of the preceding fiscal year to date and estimated income and expenditures for the remaining months of the fiscal year. The budget shall include the following: (1) proposed expenditures for current operations during the ensuing fiscal year; (2) proposed capital expenditures during the ensuing fiscal year, detailed by offices, departments and agencies when practicable, and the proposed method of financing each capital expenditure; and (3) anticipated reserves for the ensuing fiscal year of each enterprise owned by the City and the proposed method of the disposition of those reserves. Subsidiary budgets for each

enterprise giving detailed income and expenditure information shall be attached as appendices to the budget. The total of proposed expenditures for a year shall not exceed the total of estimated resources for that year.

Following a public hearing on the proposed budget, the City Council may adopt the budget, with or without amendment. The City Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except for expenditures required by law, for debt service or for estimated cash deficit. No amendment to the budget or capital improvements program shall increase the authorized expenditures to an amount greater than the total of estimated resources available during the fiscal year. The City Council shall adopt the budget no later than thirty (30) days before the beginning of the fiscal year. If it fails to adopt the budget by the beginning of the fiscal year, the amounts appropriated for current operation for the current fiscal year are deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until the City Council adopts a budget. Nothing in the Charter shall preclude the City from meeting its debt service when due. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated in the budget.

If during the fiscal year the City Manager certifies that resources are available for appropriation in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess. If at any time during the fiscal year, the City Manager believes that the resources available may be insufficient to meet the amount appropriated, the City Manager shall so report to the City Council, indicating the estimated amount of the deficit, any remedial action taken or to be taken by the City Manager, and recommendations as to any other steps to be taken. The City Council shall then take any action deemed necessary to prevent any deficit, and for that purpose it may reduce any appropriation. No appropriation for debt service may be reduced or transferred. No appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.

As a management control device, the City employs formal budgetary integration at the line item level. Deficit financing is not permitted under New Mexico law.

The Government Finance Officers Association (“GFOA”) awarded to the City the Distinguished Budget Presentation Award in 2022, which is the 16th consecutive year the City has achieved this designation. The City also received the Certificate of Achievement of Excellence in Financial Reporting, for the 19th consecutive year for the City's 2022 Annual Certified Financial Report.

Financial Statements

The following General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances have been included herein for informational purposes only. Figures were taken from the audit reports prepared by the City. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND[1]

	2019	2020	2021	2022	2023
REVENUES					
Local Taxes:					
Gross receipts	$84,786,667	$90,340,739	$97,593,897	$122,059,903	$129,706,540
Property	12,249,039	12,763,080	13,233,032	13,330,826	14,371,555
Utility franchise	-				
Total local taxes	$97,035,706	$103,103,819	$110,826,929	$135,390,729	144,078,095
State-shared taxes	637,637	472,300	541,319	643,066	1,498,241
Charges for services	3,290,364	2,522,487	766,399	1,239,652	1,447,576
Fees and fines	549,072	311,623	216,230	234,400	170,540
Investment income (loss)	1,989,566	1,613,241	35,135	(704,725)	1,337,383
Franchise fee	3,628,782	3,510,306	4,292,458	4,281,498	4,352,874
Licenses and permits	1,473,546	1,787,286	2,529,467	3,356,634	3,121,170
Operating grants and contributions	-				
Intergovernmental	15,973	16,267	14,901	15,568	20,825
Other	4,507,388	4,174,595	3,732,914	7,430,412	4,534,147
Total Revenues	$113,128,034	$117,511,924	$122,955,752	$151,887,234	$160,560,851
EXPENDITURES					
Current:					
General government	18,791,042	19,032,925	18,588,324	26,428,977	24,696,257
Economic development	3,990,650		2,534,112	3,115,046	3,042,822
Police	25,536,609	25,185,636	22,712,126	25,553,304	28,369,667
Fire	16,282,527	16,221,513	15,793,885	18,247,544	20,324,286
Community development	4,450,169	3,801,890	3,960,914	4,216,866	4,655,037
Quality of Life	6,465,482	6,391,893	6,243,602	7,061,968	7,829,814
Public works	12,111,416	13,057,782	8,228,681	12,570,016	13,055,476
Information technology	-				
Transportation	-				
Parks and recreation	11,032,649	10,627,344	8,784,074	12,636,023	14,665,324
Capital Outlay	4,911,888	2,021,780	4,297,927	5,270,326	17,617,102
Debt service	-				
Interest	-				
Principal	-				
Total Expenditures	$103,572,432	$99,295,123	$91,143,645	$115,100,070	134,255,785
Revenues Over (Under) Expenditures	$$9,555,602	$18,216,801	$31,812,107	$36,787,164	26,305,066
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-				7,567,358
Proceeds from sale of capital assets	260,372	130,344	-	-	
Payment to agency	-				
Transfers in	6,293,917	5,702,555	3,304,119	5,287,856	10,398,847
Transfers out	(17,459,534)	(27,184,709)	(27,626,489)	(31,178,295)	(26,762,047)
Total other financing sources (uses)	(10,905,245)	(21,351,810)	(24,322,370)	(25,890,439)	(8,795,842)
Net Change in Fund Balances	(1,349,643)	(3,135,009)	7,489,737	10,896,725	17,509,224
Fund Balances - Beginning of Year	48,376,447	47,026,804	43,891,795	51,381,532	62,278,257
Fund Balances – End of Year	$47,026,804	$43,891,795	$51,381,532	$62,278,257	$79,787,481

(1) Information appearing in the table is derived from the City's audited financial statements, but table is not audited.

Source: City of Las Cruces.

CITY OF LAS CRUCES, NEW MEXICO BALANCE SHEET – GENERAL FUND[1]

	2019	2020	2021	2022	2023
ASSETS					
Pooled cash and investments	$ 31,290,527	$ 36,239,451	$ 33,813,122	$44,791,886	$57,594,669
Restricted cash and investments					
Receivables, net	1,003,292	646,188	907,1953	796,359	564,064
Due from other funds	2,356,860	1,441,900	1,273,602	1,562,759	5,217,586
Due from other governmental units	15,978,747	15,813,191	18,860,630	21,501,563	22,970,020
Leases receivable				2,245,749	2,057,061
Inventories	1,702,416	1,711,370	1,760,958	1,645,743	1,725,999
Total Assets	$ 52,331,842	$ 55,852,100	$ 56,615,507	$ 72,544,059	$ 90,129,399
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount from investment Earnings					
Total Deferred Outflow of Resources					
Total Assets and Deferred Outflow of Resources	$ 52,331,842	$ 55,852,100	$ 56,615,507	$ 72,544,059	$ 90,129,399
LIABILITIES					
Accounts and Contracts Payable	$ 2,531,580	$ 1,759,098	$ 2,058,322	$ 4,000,510	$ 3,649,480
Due to other funds					
Accrued Liabilities	1,878,065	9,267,941	2,254,842	3,392,283	3,922,640
Unearned Revenues	259,582	257,297	252,522	30,662	32,218
Total Liabilities	4,669,227	11,284,336	4,565,686	7,423,455	7,604,338
Deferred Inflows of Resources					
Deferred special assessment receipts					
Unavailable revenue	623,374	663,533	655,852		726,674
Deferred inflows related to leases				2,245,749	2,010,906
Deferred from invest.	12,437	12,437	12,437	596,598	
Total Deferred Inflows of Resources	635,811	675,970	668,289	2,842,347	2,737,580
Total Liabilities and Deferred Inflows of Resources	5,305,038	11,960,306	5,233,975	10,265,802	10,341,918
FUND BALANCES					
Non-spendable:					
Inventories	$ 1,702,416	$ 1,711,807	$ 1,760,958	$ 1,645,763	$ 1,725,999
Restricted For:					
General Government					492,000
Economic Development	404,793	547,794	769,085	912,362	747,362
Public safety programs	246,676	656,505	381,947	226,106	545,893
Housing and community development	64,157	65,387	269,104	58,830	65,452
Parks and recreation	723,102	383,351	269,465	889,613	759,472
Public works				78,245	21,331
Community and cultural services*	752,400	791,878	924,662	857,571	940,779
Debt service funds					
Health-related programs					
Transportation					
Committed for:					
Health related programs					
Debt service	9,007,794	9,380,532	10,679,581	10,463,998	10,463,205
Public safety programs	3,972,450	4,178,662	2,472,858	2,582,858	3,733,193
Public works			6,800,000	6,500,000	6,500,000
Transportation	5,391,042	3,500,000	2,511,854	2,511,054	3,991,355
Quality of Life	1,370,000	1,250,000	2,150,000	2,150,000	2,448,184
Economic Development		825,320	850,200	773,000	1,013,000
Assigned to:					
Economic development	2,083,962	1,347,523	1,716,968	1,519,399	1,352,454
Public works	308,349		563,487		
Culture and recreation					
Transportation	160,823				
Community development					
Vehicle acquisition	633,505	1,352,415	1,668,918	854,875	973,845
Unassigned:					
Unassigned:	20,205,335	17,900,621	17,592,445	30,254,603	44,013,957
Total fund balances	$ 47,026,804	$ 43,891,795	$ 51,381,532	$ 62,278,257	79,787,481
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 52,331,842	$ 55,852,101	$ 56,615,507	$ 72,544,059	$ 90,129,399

THE CITY

General

The Las Cruces/Doña Ana County area borders Texas and Mexico and has a rich and colorful history, ranging from 16th century Spanish explorations to the landing of the space shuttle. Las Cruces is the second largest city in the State and is the commercial service and cultural center of southern New Mexico. The City of Las Cruces is located approximately 45 miles north of El Paso, Texas and Cuidad Juárez, Mexico and 225 miles south of Albuquerque, New Mexico.

The economy of the Las Cruces MSA (Metropolitan Statistical Area) is diversified with the major employers being government which accounted for approximately 21,500 jobs as of November 2023. The remaining non-agricultural jobs are in private education and health services (18,400), trade/ transportation/ utilities (11,400), leisure and hospitality (9,200), professional and business services (7,200), mining and construction (3,900), manufacturing (3,500), financial activities (2,400), information (600), and all other services (1,600) (as reported in the New Mexico Department of Workforce Solutions Labor Market Review, November 2023).

Growth in the economy is demonstrated in the growth of gross receipts from retail trade, assessed valuation, building permits, housing prices, and median household income.

Government

The City was founded in 1849 and incorporated in 1907 and operates under a home rule charter with a Council-Manager form of government. Nonpartisan elections are held for members of the City Council of the City (the "Council") for the election of councilors from six single-member districts and for a Mayor to be nominated and elected at large by the resident and qualified voters of the City.

Councilors and the Mayor are elected for staggered four year terms. The Mayor and the Council and the date of expiration of their current terms are as follows:

Name	Office	Current Term Expires
Eric Enriquez	Mayor	December 31, 2027
Cassie McClure	Councilor – District 1	December 31, 2027
Bill Mattiace	Councilor – District 2	December 31, 2027
Becki Graham	Councilor – District 3	December 31, 2025
Johana Bencomo	Councilor – District 4	December 31, 2027
Becky Corran	Councilor – District 5	December 31, 2025
Yvonne M. Flores	Councilor – District 6	December 31, 2025

Administrative Officers

City Manager Ifo Pili began his duties as Las Cruces City Manager in September 2020. Before coming to Las Cruces, Mr. Pili was the city administrator in Eagle Mountain City, Utah since 2012. He also served as Eagle Mountain City's assistant city administrator and economic development coordinator for six years before becoming city administrator. He also was the district administrator for the Unified Fire Service Area, which served 11 Utah municipalities and unincorporated Salt Lake County. Mr. Pili was also an adjunct professor in the Master of Public Administration program at Brigham Young University, teaching local government management. He earned a Bachelor of Science degree in political science and a Master of Public Administration degree from BYU.

Finance Director of Financial Services Leeann DeMouche joined the City of Las Cruces in 2011 with an extensive analytical background in economics and project management. Ms. DeMouche spent ten years with New Mexico State University as the Water Resource Specialist. In 2011, she began her career with the City as the Water Conservation Coordinator. In 2013 she was promoted as the Rate and Economic Analyst Manager, 2015 Fleet Administrator, 2018 Chief Budget Officer, and 2021 Finance Director. Ms. DeMouche is a graduate of New Mexico State University with a BA and MA in Economics.

City Treasurer Erika Jaquez, MBA, as the Treasurer for the City of Las Cruces, has responsibility for management and direction of treasury operations including short-term investment portfolio management, long and short term debt issuance, operational budgeting, bank relationship management and credit card processing. She started with the City in October 2011 and has held various positions in finance, public works, and internal audit. Ms. Jaquez earned her Master of Business Administration and Master of Accountancy from New Mexico State University.

City Clerk Christine Rivera has been with the City of Las Cruces since 2012, was appointed interim city clerk in October of 2019, and became city clerk in August 2020. She received her Certified Municipal Clerk designation in 2016. She earned her Bachelors in Psychology from Louisiana College in 2001 and her Masters in Psychology from Capella University in 2016.

City Attorney Linda A. Samples became the Las Cruces City Attorney on July 31, 2023. Immediately prior to becoming City Attorney, Ms. Samples served as Associate General Counsel for the Texas Tech University System. Previously, Ms. Samples served as Senior Assistant City Attorney for the City of El Paso from August 2013 to August 2017, in which she advised all department and the Public Services Board on personnel matters. Additionally, Ms. Samples' professional experience includes serving as El Paso Independent School District's first In-House Counsel and an Associate with the El Paso Baskind and Hosford Law Firm. Ms. Samples currently serves on the State Bar of Texas Grievance Committee, is the Chair of the State Bar of Texas' Women in the Profession Committee and serves as Treasurer of the Texas Government Law Council. Ms. Samples earned her Juris Doctorate degree from the University of Michigan where she served as Managing Editor of the "Michigan Journal of Race and Law" and earned her Bachelor of Arts degree in psychology with honors and cum laude from the University of Texas at El Paso, where she was named a Top Ten Senior.

Other Employees

As of June 30, 2023, the City had approximately 1861 full time equivalent employees, approximately 419 of which are represented by labor unions. The City believes that relations with its employees are good.

Retirement Plan

The City participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico (the Plan"), established by Chapter 167, Laws of 1947, New Mexico Statutes Annotated, 1978 Compilation, as amended, requires contributions, computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. The Plan requires contributions by the City and by employees at rates established by statute.

In addition to retirement benefits, the Plan provides disability benefits, surviving spouse and children's benefits, deferred benefits option and cost of living adjustments for all eligible participants. Employer contributions to the pension plan amounted to $10,795,053 for the fiscal year ended June 30, 2023. The City's liability under the Plan is limited to the periodic employer contributions, that it is required to make for its participating employees. Future deficits of the Plan are expected to be financed by the State.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires cost-sharing employers, such as the City, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 was effective for fiscal years beginning after June 15, 2014.

The City offers other post-employment benefits through the Retiree Health Care Fund, a cost-sharing multiple employer defined benefit plan administered by the New Mexico Retiree Healthcare Authority. This plan is used to provide post-employment health insurance benefits for eligible employees and their dependents. The contribution requirements are established by and may be amended by the statute. The City's contribution to the fund for Fiscal Year 2023 was $1,800,812. For additional information regarding the post-employment benefit plan, please refer to Note 11 to the City's audited financial statements.

City Budgets

The City adheres to the following procedure in establishing its annual budget: the City Staff prepares a budget which is forwarded to the City Council prior to May 1 for the fiscal year commencing the following July 1; public input is sought by the City Council during the month of May through public hearings; the budget is approved by the City Council and forwarded for approval to the State of New Mexico, Local Government Division of the Department of Finance and Administration; the final budget is returned to the City with recommended changes and modifications; and the final budget is acknowledged by the City Council.

The operating budget includes proposed expenditures and the means of financing them.

The City Manager is authorized to transfer budgeted amounts that are within a designated organizational unit, are within the same fund and do not increase spending for any fund. The City Manager must obtain approval of the City Council and the State prior to making revisions that alter the total expenditures of any fund. As a management control device, the City employs formal budgetary integration at the line item level.

Deficit financing is not permitted under New Mexico law. The level of classification detail at which expenditure may not legally exceed appropriation for each budget item is the fund level (i.e., General, Water, Sewer, etc.).

City Strategic Plan

The City Council adopted a new strategic plan for 2021 through 2026. The strategic plan is a mid-term planning tool used by the City Council, City Management, and Staff to identify community priorities and budget accordingly.

The strategic plan is organized into six themes and related objectives:

- Community Prosperity
    - Expanded housing options for all income levels
    - Enhanced economic diversity and business strength
- Education and community services
    - Enhanced physical and mental resources
    - Improved access to healthy food options

- Environmental sustainability
    - Achieve the goals included in the climate action plan adopted in 2020
    - Promote balanced growth
- Capital improvements and infrastructure
    - Quality infrastructure that meets the community's needs
    - Expanded transit access and options, including pedestrian and bicycle improved road and pavement conditions
- Communication, involvement, and follow-up
    - Robust communication channels with residents between City departments
    - Timely and consistent follow-up by City staff to residents and the public
- Public safety
    - A more humane criminal justice system
    - A safe and secure community

Each theme in the strategic plan contains several goals for a total of 55 goals. The majority of these goals were developed during the two-year planning for Elevate Las Cruces, the City's comprehensive plan. In addition to these, the City Council identified nine council goals, also to be prioritized in the short-to-mid-term planning horizon. Performance measures were developed by staff during the update of department strategic business plans.

Industry

A combination of a well-educated labor force, favorable tax rates and a high quality of living has attracted industry to Las Cruces. The blend of industries contributing to the diversification of the City's economy include: TMC Design (DOD contractor); Pony Carburetor (manufacturer); White Sands Missile Range and Test Facility (U.S. Army, private industry testing facility), Mountain View Medical Center (hospital), NASA LBJ Test Facility (rocket testing), Sapphire Energy (alternative energy production); Wal-Mart (retail); Tresco, Inc. (sheltered employment); VMC (technical support/communication); Saputo Inc. (cheese manufacturer); and NMSU Physical Science Laboratory.

Education

The Las Cruces School District No. 2 (the "District") is the second largest in the State, with an enrollment of approximately 24,999 students. The district has 40 schools: 24 elementary schools (grades pre-K-5), one combined elementary and middle school (K-8), 8 middle schools (grades 6-8), 7 high schools (grades 9-12). Two of the seven high schools are early college high schools and are located on the campus of New Mexico State University. The District also has a virtual learning academy serving elementary through high school students.

New Mexico State University

New Mexico State University (the "University"), was originally founded in 1888, and in 1889 was established as a land grant college. The University consists of its main campus in the City, with branch campuses located in Alamogordo, Grants, Doña Ana and a satellite learning center in Albuquerque. As of September 1, 2023, the University had enrollment of approximately 21,797 students across all campuses, and its Las Cruces Campus had a Fall 2023 enrollment of approximately 14,779 undergraduate and graduate students. The University has 29 doctoral programs, 68 master's degree programs, and 97 undergraduate degree programs, 24 graduate certificate programs, and one education specialist program are available in the University's 6 colleges (Agriculture, Consumer and Environmental Sciences; Arts and Sciences;

Business; Engineering; Health, Education and Social Transformation; and Honors) and the Graduate School.

The University's main campus encompasses approximately 900 acres and consists of more than 211 academic, research, and auxiliary buildings, and over 400 housing buildings. As or September 15, 2023 the University employed 1604 faculty members (of which 1090 are located on the Las Cruces campus) and 2,783 staff (of which 2,394 are located on campus in Las Cruces). The University's largest single research operation is the Physical Science Laboratory. Research for engineering, space technology, and farm production and related industries are also conducted by various University departments. The University is classified as an R2 Doctoral/Research institution as rated by the Carnegie Foundation. The University anchors the southern end of New Mexico's Rio Grande Research Corridor. The statewide Water Resources Research Institute is situated at the University and studies the State's water supply and demands, conservation and use, as well as ecological and other aspects thereof.

The Doña Ana Community College, affiliated with the University and the area's occupational training school, offers approximately 6,849 students a variety of programs designed to train students for meaningful employment. The program is designed to be flexible and can be programmed to meet the specific training needs of employers.

Agriculture

Many private and commercial farms are located in Doña Ana County. Principal crops include cotton, pecans, alfalfa, onions, lettuce, chile, barley, nursery stock, and feed grains. Water for the various agricultural operations is provided by surface water diverted from the Rio Grande River and approximately 900 irrigation wells. The area's growing season averages about 200 days each year. The livestock, dairy cattle, Stahmann Pecan Farms (3,200 acres), and the poultry industry also provide a significant portion of agricultural income. Several chile processing plants are located in the area with seasonal employment growing to nearly 1,000.

Transportation

Historically a crossroads of the Southwest, Las Cruces is serviced by Interstate Highways I-10 (east-west) and I-25 (north-south). In addition, the City is served by five major U.S. highways and seven State highways. More than 20 interstate, regional, and local motor carriers serve Las Cruces; four of them operate terminals in the area.

Commuter air service and corporate and general aviation service is available at the City's international airport. Major scheduled airline service is provided by El Paso International Airport, approximately 50 miles from Las Cruces.

Daily rail service, with piggyback and container service, is provided by the Santa Fe and Southern Pacific railroads.

Labor Force and Percent Unemployed

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within the Las Cruces MSA (Doña Ana County), the State and the United States, for the periods indicated. Unless otherwise noted, the annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

Employment Information

Year[1]	Las Cruces MSA (Doña Ana County) Labor Force	Las Cruces MSA (Doña Ana County) Percent Unemployed	State of New Mexico Labor Force	State of New Mexico Percent Unemployed	United States Percent Unemployed
2023[2]	102,529	4.10%	979,478	3.70%	3.70%
2022	99,532	4.40%	947,025	4.00%	3.61%
2021	98,170	6.60%	943,356	6.80%	5.40%
2020	97,153	8.30%	927,685	9.00%	8.90%
2019	99,907	5.20%	968,393	4.50%	4.10%
2018	96,769	5.70%	957,396	4.60%	3.50%
2017	94,943	6.20%	929,567	6.20%	4.40%
2016	95,001	7.20%	927,355	6.70%	4.90%
2015	93,179	7.40%	919,889	6.60%	5.30%
2014	92,462	6.50%	918,206	6.50%	6.20%

(1) Figures are annual averages.

(2) Data for November, 2023. Numbers are preliminary.

Source: U.S. Bureau of Labor Statistics, January 2024.

Covered Wage and Salary Employment by NAICS Code Classification

The following is a history of wage and salary employment for Doña Ana County. The New Mexico Department of Workforce Solutions publishes quarterly reports of covered employment and wages. Beginning with 2001 data, employment was classified according to the new North American Industry Classification System (NAICS).

Average Annual Covered Wage and Salary Employment, By Major Industrial Sector Non-Agricultural Employment –Doña Ana County Annual Average[1]

Sector	2019	2020	2021	2022	2023[2]
Grand Total	72,891	69,490	71,175	74,757	77,691
Total Private	55,850	52,657	54,325	56,818	58,992
Accommodation and Food Services	7,498	6,151	6,947	7,960	8,473
Administrative and Waste Services	3,760	2,960	3,236	3,427	3,336
Agriculture, Forestry, Fishing & Hunting	2,866	2,628	2,433	2,450	2,448
Arts, Entertainment, and Recreation	934	585	576	953	773
Construction	3,706	3,724	3,809	3,935	4,012
Educational Services	704	701	751	797	936
Finance and Insurance	1,657	1,429	1,339	1,425	1,532
Health Care and Social Assistance	14,812	14,860	15,205	16,519	16,115
Information	632	540	509	553	577
Management of Companies and Enterprises	72	85	86	91	86
Manufacturing	2,717	2,775	2,900	3,209	3,237
Mining	54	53	44	44	52
Other Services, Ex. Public Admin	1,208	1,086	1,162	1,341	1,390
Professional and Technical Services	3,672	3,616	3,390	3,463	3,355
Real Estate and Rental and Leasing	784	815	827	838	7,940
Retail Trade	7,242	6,993	7,282	7,703	7,940
Transportation and Warehousing	1,860	1,937	2,089	2,368	2,204
Utilities	355	297	305	629	276
Wholesale Trade	1,317	1,422	1,435	1,463	1,440
Total Government	17,041	16,833	16,850	17,939	18,699

(1) Figures are annual averages of quarterly data.

(2) Second quarter, 2023.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages Program.

Major Employers

The following are the principal employers located in or near the City.

Las Cruces Metropolitan Statistical Area Principal Employers

1,000 - 4,999 Employees
City of Las Cruces
Gadsden Independent School District
Las Cruces Public School District
Memorial Medical Center
New Mexico State University
White Sands Missile Range

500-999 Employees
Doña Ana Branch Community College
Doña Ana County
Mountain View Regional Medical Center
Walmart Inc.
Peak Behavioral Health Center
Electronic Caregiver

Source: Mesilla Valley Economic Development Authority, January 2024.

Per Capita Income

The following table sets forth annual per capita personal income levels for the Las Cruces Metropolitan Statistical Area ("MSA"), the State of New Mexico, and the United States. The Las Cruces MSA and the State's per capita income level over this period have been lower than the national average.

Year	Las Cruces MSA	New Mexico	United States
2022	$45,361	$52,194	$65,470
2021	45,045	50,311	64,143
2020	41,597	46,760	59,765
2019	38,142	43,530	56,250
2018	36,063	41,218	54,098
2017	35,189	39,458	51,811
2016	34,544	38,775	49,571
2015	33,493	38,103	48,190
2014	32,011	37,219	46,464
2013	30,589	35,088	44,493

Sources: Bureau of Economic Analysis, United States Department of Commerce.

Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income ("EBI") and a five-year comparison of the estimated median household income. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income, and transfer payments. Deductions are made for federal, state, and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. The following chart depicts the median household EBI level for the Las Cruces MSA, the State of New Mexico and the United States.

Effective Buying Income Group	Las Cruces MSA	New Mexico	United States
Under $25,000	23.56%	21.01%	15.66%
$25,000 – 34,999	9.44%	8.87%	7.25%
$35,000 – 49,999	13.21%	12.16%	10.82%
$50,000 and over	18.40%	17.08%	15.83%
$75,000 and over	35.39%	40.88%	50.44%
2024 Est. Median Household Income	$54,591	$60,814	$75,781
2023 Est. Median Household Income	$46,147	$57,526	$73,336
2022 Est. Median Household Income	$45,534	$55,028	$72,191
2021 Est. Median Household Income	$38,109	$49,658	$67,086
2020 Est. Median Household Income	$39,705	$49,384	$65,228

Source: Spotlight, January 2024.

Age Distribution

The following table sets forth a comparative age distribution profile for the City, the State of New Mexico and the United States.

Age Group	Las Cruces MSA	New Mexico	United States
0-17	23.76%	21.63%	21.10%
18-24	11.37%	9.70%	9.55%
25-34	14.48%	12.51%	12.98%
35-44	12.31%	12.49%	12.94%
45-54	11.21%	11.04%	11.98%
55 and Older	26.87%	32.63%	31.45%

Source: Spotlight, January 2024.

Population

Based on information gained from the United States Census Bureau, the following table shows the historical and projected population data for the City of Las Cruces, Doña Ana County and the State of New Mexico.

Population

Year	City of Las Cruces	Doña Ana County	State of New Mexico
2024[(1)]	115,669	225,325	2,117,948
2023	113,999	222,754	2,120,216
2022	108,591	224,886	2,126,179
2020	105,591	218,867	2,097,688
2019	103,432	218,523	2,096,829
2018	102,657	214,739	2,081,363
2010	97,618	218,523	2,112,957
2000	74,267	175,524	1,821,078
1990	62,648	136,523	1,519,933
1980	45,086	96,340	1,303,143
1970	37,857	69,773	1,017,055

[(1)]Estimates, Source: Spotlight, January 2024.

Source: Spotlight, January 2024, United States Census Bureau, and County QuickFacts.

TAX STATUS

General

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Series 2024 Bonds, based on existing laws of the State of New Mexico as enacted and construed, interest on the Bonds is excludable from net income for present State of New Mexico income tax purposes.

The Bonds are being issued as federally taxable under the Internal Revenue Code of 1986, as amended (the "Code").

CONTINUING DISCLOSURE INFORMATION

The City will enter into an undertaking (the "Undertaking"), in the form attached as Appendix D, for the benefit of the holders of the Bonds to provide (i) certain financial information by no later than March 31st of each year, beginning March 31, 2025 until the Bonds are no longer outstanding, and (ii) operating data, and to provide notice of certain events, pursuant to the requirements of section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (17 C.F.R. § 240.15c2-12). A failure by the City to provide any information required thereunder shall not constitute an Event of Default under the Master Ordinance. The City has previously entered into continuing disclosure undertakings (each a "Prior Undertaking" and collectively, the "Prior Undertakings") with respect to certain other obligations of the City in accordance with Section Rule 15c2-12 and, during the last five years, the City has complied in all material respects with those Prior Undertakings.

Compliance with Continuing Disclosure Undertakings in Future Years

The City intends to maintain compliance with its continuing disclosure undertakings in future years through the collective oversight and effort of current City finance staff and private consultants, all of whom have experience and knowledge related to the City's continuing disclosure obligations. Additionally, the City has Continuing Disclosure Procedures on file with the current City finance staff and the City's private consultants, which were adopted by the City Council on July 7, 2014.

LITIGATION

At the time of the original delivery of the Bonds, the City will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate City officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, effectiveness of the Bond Ordinance, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

The City of Las Cruces is party to various legal proceedings seeking damages or injunctive relief and generally incidental to the operations of the City. In addition, the City is a defendant in several cases involving City Police Department action which, if determined unfavorably to the City, may involve significant damages or settlement. The litigation to which the City is a party is unrelated to and does not question the validity of the Bonds, the proceedings under which the Bonds are issued, nor the City's ability to levy and collect property taxes to pay the debt service on the Bonds. The City is self-insured with respect to all but one of the cases for which there is private insurance. Payment of any settlement or judgement may require the City to access funds in its unrestricted reserves. The ultimate disposition of such proceedings is not presently determinable. Given the current status of the cases, the nature of the claims in the cases, the uncertainty of monetary damages, if any, the amount of any loss through jury verdict or settlement is not reasonably subject to estimation at this time. The City continues to defend itself vigorously against the allegations.

RATINGS

Moody's Investors Service ("Moody's") has assigned a ____ rating to the Bonds. An explanation of the significance of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007 or https://www.moodys.com.

Such rating reflects only the view of Moody's, and there is no assurance that such ratings will continue for any given period of time after obtained or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Neither the City nor the initial purchasers of the Bonds have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

MUNICIPAL ADVISOR

RBC Capital Markets, LLC is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC Capital Markets, LLC, in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

LEGAL MATTERS

The legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose unqualified opinion approving the legality of the Bonds will be furnished at the closing.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the City when the Bonds are delivered. The City will at that time also provide a certificate relating to the accuracy and completeness of this Official Statement.

ADDITIONAL INFORMATION

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the City located at 700 North Main, Las Cruces, New Mexico 88001 or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard, N.E., Suite 100, Albuquerque, New Mexico 87110.

OFFICIAL STATEMENT CERTIFICATION

As of the date hereof, this Official Statement is true to the best of my knowledge, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution have been authorized by the City Council. The Official Statement is hereby duly approved by the City Council as of the date on the cover page hereof.

CITY OF LAS CRUCES, NEW MEXICO

By: _____
ERIC ENRIQUEZ, MAYOR

APPENDIX A

OPINION OF BOND COUNSEL

April __, 2024

City of Las Cruces
Las Cruces, New Mexico

$6,000,000
City of Las Cruces, New Mexico
Taxable General Obligation Improvement Bonds
Series 2024

Ladies and Gentlemen:

We have acted as bond counsel to the City of Las Cruces (the "City"), Dona Ana County, State of New Mexico (the "State"), in connection with the issuance and sale of its $6,000,000 Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"), dated April __, 2024, with interest payable on August 1, 2024 and semi-annually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding, being issued in registered form and maturing serially on August 1 in the years 2024 through 20__, inclusive. The Bonds are being issued pursuant to Ordinance No. 3062 by the City Council on March 4, 2024 as supplemented by the Award Certificate executed on March __, 2024 .

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to the exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute legal, valid and binding general obligation debt of the City and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes on all property within the City subject to *ad valorem* taxes levied by the City, which taxes are unlimited as to rate or amount.

2. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions expressed herein are based upon existing laws as of the date of issuance and delivery of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the City related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the City and the security provided therefor, as contained in the Bond Ordinance, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual or interest on, or the ownership of, the Bonds except those specifically addressed in paragraphs 2 above.

Respectfully submitted,

APPENDIX B

AUDITED FINANCIAL STATEMENTS – JUNE 30, 2023

The City has not requested the consent of Patillo, Brown & Hill, LLP, which performed the audit of the City's Financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Las Cruces, New Mexico (the "City"), in connection with the issuance of the City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to Ordinance No. 3062 adopted by the City Council on March 4, 2024, as supplemented by the Award Certificate executed on March __, 2024 (collectively, the "Bond Ordinance"). Pursuant to the Bond Ordinance, to allow the owners of the Bonds to comply with the Rule (defined below), the City is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB")) and operating data with respect to the City, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions "DEBT AND OTHER FINANCIAL OBLIGATIONS" and "FINANCES OF THE CITY" in the Official Statement.

(b) "Audited Financial Statements" means the City's annual financial statements which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access system located on its website at emma.msrb.org.

(d) "Event Information" means the information delivered pursuant to Section 3(d) of this Undertaking.

(e) "Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

(f) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, telephone (703) 797-6600, fax (703) 797-6708.

(g) "Official Statement" means the Official Statement dated March __, 2024, delivered in connection with the original issue and sale of the Bonds.

(h) "Report Date" means March 31 of each year, beginning in 2025.

(i) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

(j) "SEC" means the Securities and Exchange Commission.

(k) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The City, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the City will provide Audited Financial Statements to EMMA when and if available.

(c) The City, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the City, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a "final official statement" within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding and the City obtains knowledge of the occurrence of any of the following events with respect to the Bonds, the City shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of Bondholders, if material;

(viii) bond calls, if material, or tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bond, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the City or an obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or a change of name of a trustee, if material;

(xv) the incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(xvi) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(e) The City or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. Unless otherwise required by law and subject to technical and economic feasibility, the City, or its designated agent, will employ such methods of electronic or physical information transmission as is requested or recommended from time to time by EMMA, the MSRB and the SEC.

Section 5. Enforcement. The obligations of the City under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the City to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The City's breach of its obligations under this Undertaking will not constitute an event of default under the Bond Ordinance and none of the rights and remedies provided by the Bond Ordinance will be available to the Owners with respect to such a breach.

Section 6. Term. The City's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Ordinance; (ii) the date on which the City is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds. The City shall file a notice of any such termination with EMMA.

Section 7. Amendments. The City may amend this Undertaking from time to time, without the consent of any Owner, upon the City's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, a change in the identity, nature or status of the City or a change in the availability or character of financial information for the City;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the City and the Owners and creates no rights in any other person or entity.

Section 9. Limited Obligation. This Undertaking is subject to the availability of necessary funds appropriated by the City.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: April __, 2024.

CITY OF LAS CRUCES, NEW MEXICO

[CITY SEAL]

By: _____
Eric Enriquez, Mayor

Attest:

By: _____
Christine Rivera, City Clerk

APPENDIX D

OFFICIAL NOTICE OF BOND SALE

$6,000,000
City of Las Cruces, New Mexico
Taxable General Obligation Improvement Bonds
Series 2024

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received by the City Council (the "Council") of the City of Las Cruces, New Mexico (the "City"), for the purchase of all of the City's Taxable General Obligation Bonds, Series 2024 (the "2024 Bonds"), more particularly described below. The 2024 Bonds will be awarded to the winning bidder for the 2024 Bonds by 5:00 p.m., prevailing Mountain Time, March 14, 2024. The City Manager or City Financial Services Director will take action to award the Bonds and certify in writing that the final terms comply with the parameters and conditions established in the Bond Ordinance adopted by the City Council on March 4, 2024.

Bids for the purchase of the 2024 Bonds will be accepted through the Ipreo BiDCOMP/Parity electronic bidding web site. No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

Bid Date: March 14, 2024
Bid Time: Between 10:30 a.m. and 11:00 a.m. Eastern Time
(Between 8:30 a.m. and 9:00 a.m. Mountain Time)
Submit Bid to: www.munis.ipreo.com

Information related to this auction can be obtained from Ipreo's BiDCOMP/Parity Auction Support at BIDCOMP/PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, i-Deal Prospectus: (212) 849-5024 or (212) 849-5025; BidComp/Parity: (212) 849-5021.

To bid, bidders must have both (1) completed the registration form on the Ipreo BiDCOMP/Parity electronic bidding website and (2) requested and received admission to the City's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Ipreo BiDCOMP/Parity electronic bidding platform shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Neither the City, Ipreo BiDCOMP/Parity , the Municipal Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Ipreo BiDCOMP/Parity time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their

bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2024 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2024 Bonds and the security therefore set forth in the Preliminary Official Statement dated March 7, 2024 (the "Preliminary Official Statement").

BOND DETAILS

The 2024 Bonds will be issued in the aggregate principal amount of $6,000,000, exclusive of premium, if any. The 2024 Bonds and the interest thereon are general obligations of the City. The City has prepared the Preliminary Official Statement, relating to the 2024 Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the Rule. Details of the 2024 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

The 2024 Bonds will be issued in the aggregate principal amount of $6,000,000, will be dated the date of delivery, will be issued as fully registered bonds and will mature on August 1 of each year as follows:

Years Maturing*	Amounts Maturing*
2024	$1,850,000
2025	1,400,000
2026	275,000
2027	275,000
2028	275,000
2029	275,000
2030	275,000
2031	275,000
2032	275,000
2033	275,000
2034	275,000
2035	275,000

*Subject to Change

The Bonds will be fully registered bonds in the denomination of $5,000 each, or any integral multiple thereof. Interest will be payable on August 1, 2024 and semiannually thereafter on February 1 and August 1 of each year.

Optional Redemption: The Bonds maturing on and after August 1, 2033 may be redeemed prior to their scheduled maturities on August 1, 2032, or on any date thereafter, in whole or in part, at the option of the City at par plus accrued interest to the date of redemption, if any.

Official Statement. The Preliminary Official Statement may be viewed and downloaded from in electronic format at www.fmhub.com (MuniHub) and at www.i-dealprospectus.com or a physical copy may be obtained by contacting the City or the Municipal Advisor, see "Information" below.

The City will make available to the winning bidder, within seven business days after the award of the sale of the 2024 Bonds, the Final Official Statement which is to be downloaded from www.fmhub.com (MuniHub). One printed copy of the Final Official Statement also will be provided to the winning bidder upon request; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

TERMS OF SALE

Submission of Bids. All bids must be submitted only by electronic bidding through the facilities of Ipreo BiDCOMP/Parity. No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2024 Bonds will begin at 10:30 a.m., Eastern Time (8:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 11:00 a.m., Eastern Time (9:00 a.m. Mountain Time).

To bid, bidders must first visit the Ipreo BiDCOMP/Parity website where, if they have never registered with Ipreo BiDCOMP/Parity , they can register and then request admission to bid on the 2024 Bonds. Subscription to i-Deal's BIDCOMP PARITY Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Ipreo BiDCOMP/PARITY may call **(212) 849-5021**, for support with accessing the site.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Bond Sale ("Notice"), and shall be binding upon the bidder. The City and the City's financial and bond advisors shall not be responsible for any malfunction or mistake made by or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice conflict with information provided by PARITY, as the approved provider of electronic bidding services, this Notice shall control. Further information about PARITY, including any fee charged, may be obtained from BIDCOMP/PARITY, 1359

Broadway, 2nd Floor, New York, New York 10018, i-Deal Prospectus: (212) 849-5024 or (212) 849-5025; BidComp/Parity: (212) 849-5021.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Board, as described under "BASIS OF AWARD" below. All electronic bids shall be deemed to incorporate the provisions of this Notice and the Official Bid Form.

For purposes of bids received through the electronic bidding process, the time as maintained by PARITY shall constitute the official time.

Bidding Parameters. Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2024 Bonds. Interest shall be bid in multiples of $1/20^{th}$ or $1/8^{th}$ percentum and only one interest rate may be bid for each maturity of the 2024 Bonds. The maximum interest rate may not exceed 6% for any maturity and the maximum interest rate specified for any maturity of the 2024 Bonds may not exceed the minimum interest rate specified for any maturity of the 2024 Bonds by more than three percent (3%). The maximum net effective interest rate of the 2024 Bonds shall not exceed ten percent (10%) per annum. The 2024 Bonds will not be sold for less than par. The Underwriter's Discount on the 2024 Bonds shall not exceed 4% of the par amount of the 2024 Bonds.

The Bonds will not be sold for less than 100% of par.

Bidders are required to submit a bid specifying the lowest rate or rates of interest and premium, if any, at which such bidder will purchase the Bonds. For informational purposes only, each bidder is requested to specify: (a) the method of payment of the good faith deposit, (b) the True Interest Cost on the Bonds stated as a nominal annual percentage rate (see "BASIS OF AWARD" below), (c) gross interest cost, (d) premium, if any, and (e) net interest cost. Only unconditional bids shall be considered. Bids should be submitted as an electronic bid using the facilities of PARITY. No other method of submitting bids will be accepted (see "FURTHER INFORMATION" below).

Term Bonds. A bidder may elect to have all or a portion of the 2024 Bonds scheduled to mature in consecutive years issued as one or more term bonds (the "Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement, however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

Adjustment of principal amounts, modification or clarification prior to examination of bids. The City Financial Services Director, in consultation with the City's financial and bond advisors, in the City Financial Services Director's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2024 Bonds will be received, by issuing a notification of the adjusted series,

amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

Adjustments to principal amounts after determination of best bid. The aggregate principal amount of the 2024 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the City Financial Services Director after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the City. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Leeann DeMouche at ldeMouche@lascruces.gov or such other address as may be indicated by the City Financial Services Director within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2024 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2024 Bonds to the public that will be retained by the Purchaser as its compensation.

The City Financial Services Director in consultation with the City's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2024 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The City Manager in consultation with the City's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2024 Bonds to the public and the price to be paid to the City, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2024 Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule. The City will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2024 Bonds. THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE CITY FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2024 Bonds.

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding period.

Bids Constitute an Irrevocable Offer. Each bid submitted through Ipreo BiDCOMP/PARITY electronic bidding system shall be deemed an irrevocable offer to purchase the 2024 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The 2024 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2024 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2024 Bonds as of April 11, 2024, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a

semiannual interval for compounding. "True Interest Cost" of the Bonds, as used herein, means that yield, which if used to compute the present worth, as of the date of the Bonds, of all payments of principal and interest to be made on the Bonds, from their date to their respective maturity dates, as specified in the maturity schedule and without regard to the possible optional prior redemption with respect to the Bonds, using the interest rates specified in the bid, produces an amount equal to the principal amount of the Bonds plus any premium bid. No adjustment shall be made in such calculation for accrued interest on the Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year consisting of twelve thirty day months and a semiannual compounding interval. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery. **The Bonds will not be sold for less than par plus accrued interest.** The City reserves the right to waive any irregularity or informality in any bid, except time of filing.

The winning bid or bids will be indicated on Ipreo BiDCOMP/PARITY and the auction results, as posted on such website, will be subject to verification by the City. The City will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City of the winning bidder or bidders will be made by a posting on Ipreo BiDCOMP/PARITY stating "Auction Results Verified and Confirmed".

An award may be made by the City to any bidder in a principal amount less than the principal amount of the 2024 Bonds for which the bid is submitted. Further, in the event of an award by the City for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Ipreo BiDCOMP/PARITY, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

***Good Faith Deposit Not Required to Bid*.** A good faith deposit will not be required in connection with the submission of any bid for the 2024 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

Bid Award Deposit. Not later than 2:00 p.m., Mountain Time on March 14, 2024, the winning bidder is required to submit a Bid Award Deposit of $120,000.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the City Manager and provided to the winning bidder after the sale of the 2024 Bonds.

No interest will be paid by the City on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2024 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2024 Bonds in compliance with the terms of the bid, at the option of the City, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the City.

Time of Award and Delivery. The City Manager or City Financial Services Director will take action awarding the Bonds or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of the bids. Delivery of the Bonds will be made to the successful bidder through the facilities of The Depository Trust Company, New York, New York, within 60 days of the acceptance of the bid. If for any reason delivery can0not be made within 60 days, the successful bidder shall have the right to purchase the Bonds during the succeeding 30 days upon the same terms, or at the request of the successful bidder, during said succeeding 30 days, the good faith deposit will be returned, and such bidder shall be relieved of any further obligation. It is anticipated that the delivery of the Bonds will be on or about April 11, 2024.

Manner and Time of Delivery. The 2024 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the City on April 11, 2024, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The City has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

State Securities Laws. The City has taken no action to qualify the offer or sale of the 2024 Bonds under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder. By submitting a bid, the initial purchaser represents that the sale of the Bonds in states other than New Mexico will be made only under exemptions from registration, or, wherever necessary, the initial purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold.

CUSIP Numbers. CUSIP numbers will be issued and printed on the 2024 Bonds at the expense of the City. The City's Municipal Advisor will apply for CUSIP numbers prior to the sale date of the 2024 Bonds. Any error or omission in printing such numbers on the 2024 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

Legal Opinion, Certificates and Transcript. The validity and enforceability of the 2024 Bonds will be approved by the City's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2024 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the City to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the City to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2024 Bonds as of the date of their delivery; and

(c) a certificate of the City to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2024 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Ipreo BiDCOMP/PARITY prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2024 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2024 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Ipreo BiDCOMP/PARITY at the time the sale date and time are announced.

Ratings. A rating of "___" has been received by Moody's Investors Service.

Information. Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the City and the 2024 Bonds may be obtained from:

Erik Harrigan, Director
RBC Capital Markets
6301 Uptown Blvd., Ste. 110
Albuquerque, NM 87110
Phone: (505) 872-5999

The date of this Official Notice of Bond Sale is March 7, 2024.

CITY OF LAS CRUCES, NEW MEXICO

EXHIBIT "B"

To: Members of the City Council of the City of Las Cruces

From: Ifo Pili, City Manager

Date: February 20, 2024

Re: $6,000,000* City of Las Cruces, New Mexico
Taxable General Obligation Improvement Bonds, Series 2024

*Preliminary and subject to change.

The attached Preliminary Official Statement (the "POS") has been prepared in connection with the offering and sale of the $6,000,000* City of Las Cruces Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"). The Bonds are being issues to place the proceeds in the City's Affordable Housing Trust Fund to fund affordable housing projects. The POS makes various disclosures about the City, the Bond Ordinance and the Bonds. The POS will be reviewed by bidders for the Bonds and a final Official Statement will be provided to investors after the best bid is accepted by the City.

The attached POS is similar to the one used in connection with the City's issuance of its $17,000,000 General Obligation Improvement Bonds, Series 2023, and includes information specifically related to the City's *ad valorem* property tax base and the property taxes imposed by the City, Doña Ana County, Las Cruces Schools and the State on the taxpayers of the City. The information has been updated by City staff. Katherine McKinney of the Modrall Sperling Law Firm, the City's Bond and Disclosure Counsel, and Erik Harrigan, Kaeley Weimerskirch, and Michael Jesse of RBC Capital Markets, the City's Financial Advisor, assisted in the disclosure process by assembling the information, attending disclosure conferences and reviewing the financial and economic data in the POS. In connection with the preparation of the POS, we have participated in due diligence meetings and conference calls. During those meetings and calls we discussed, confirmed and updated information contained in the POS, examined information for materiality, and identified additional information for inclusion. If you have any questions relating to the disclosure process and preparation of the POS, please contact me.

Under regulations imposed by the U.S. Securities and Exchange Commission (the "SEC"), the Preliminary Official Statement must not contain any untrue statement of a material fact, or omit to state a material fact. A material fact is one that could influence an investor in making a decision to purchase the Bonds. The SEC recently increased emphasis on the quality of disclosures made in municipal bond offerings. The SEC has stated that responsibility for disclosures lies with the members of the governing body approving the issuance of municipal bonds, following this guiding principal:

> "Public entities that issue securities are primarily liable for the content of their disclosure documents…. In addition to the government entity issuing municipal securities, public officials of the issuer who have ultimate authority to approve the issuance of securities and related disclosure documents have responsibilities under the federal securities laws as well. In authorizing the issuance of the securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading."

Although City staff and the finance team collaborated in preparing the POS, each Councilor should review it carefully. The POS is a City Council document, and the City and its Council are responsible for its accuracy. Please use extra care in reviewing the sections labeled "INTRODUCTION AND SUMMARY", "SECURITY AND REMEDIES", "FINANCES OF THE CITY", "THE CITY" and

Appendix A to the POS. In conducting your review, focus on whether the POS contains misleading statements of material facts or omits to state material facts. A material fact is one that could influence an investor in making a decision to purchase the Bonds.

After reviewing the POS, please contact me if you have any reason to believe that the POS contains any inaccurate information or if you know of anything that might make any of the statements made in the POS incomplete or misleading. Thank you for your attention to this important matter.

ATTACHMENT "A"

COUNCIL BILL NO. ~~_____~~24-020

ORDINANCE NO. ~~____~~3062

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The City Council is informed that:

WHEREAS, at the general obligation bond election held for the City of Las Cruces (the "City"), State of New Mexico, on the 8th day of November, 2022, the electors of the City authorized the City Council, the governing body of the City (the “Governing Body”) to contract bonded indebtedness on behalf of the City and upon the credit thereof by issuing its City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds") to secure funds for the following purposes in the following amounts:

Purpose	Amount Authorized By Election	Amount Previously Issued	Amount to Be Issued
Shall the City of Las Cruces issue general obligation bonds, payable from property taxes, in an amount up to $6,000,000 and placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land?	$6,000,000	$0	$6,000,000

WHEREAS, the Governing Body has determined, and does hereby determine, that it is necessary and in the best interest of the City and the inhabitants thereof that the $6,000,000 of the general obligation bonds authorized at the election (the "Bonds"), be authorized for issuance at this time; provided, however, that a satisfactory price for the Bonds be obtained in a public sale; and

WHEREAS, the Governing Body expects to sell the Bonds in a public competitive sale to the best bidder, as determined pursuant to the Award Certificate (as defined herein) supplementing this Bond Ordinance; and

WHEREAS, the Governing Body desires to delegate authority to the City Manager or City Financial Services Director (collectively, the "Delegate") (1) to determine the specific principal amounts, interest rates, maturity dates, prices, redemption features, and other final terms and features of the Bonds, including, without limitation, provisions concerning a Bond Insurance Policy (if any), (2) to execute and deliver an award certificate establishing the final terms of the Bonds (the "Award Certificate") as authorized by Section 6-14-10.2 NMSA 1978, and (3) to award the Bonds to the best bidder for the Bonds (the "Purchaser") provided that the final terms of the Bonds set forth in the Award Certificate be within the parameters set forth in this Ordinance; and

WHEREAS, the Governing Body intends that the specific details of and requirements for bidding for the Bonds shall be provided in an official notice of sale (the "Notice of Sale") to be approved on behalf of the City by the City Financial Services Director or Treasurer or her designee; and

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

(I)

Section 1. Ratification. All actions heretofore taken by the Governing Body and the officers and employees of the City directed toward the issuance and sale of the Bonds to secure funds for the Improvement Project (as defined herein) be, and the same hereby are, ratified, approved and confirmed.

Section 2. Improvement Project Authorization. Proceeds of the Bonds are hereby authorized to be ~~applied to be~~ placed into the Affordable Housing Trust Fund~~,~~ to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds (collectively, the "Improvement Project").

Section 3. Findings.

A. The issuance of the Bonds under the home rule powers of the City granted by the City Charter, this Bond Ordinance, Sections 6-14-8 through 6-14-11 NMSA 1978, and Sections 6-15-1 through 6-15-22 NMSA 1978, for the purpose of providing funds to finance the costs of the Improvement Project, is necessary and in the interest of the public health, safety, morals and welfare of the residents of the City.

B. The Bonds shall be authorized by an affirmative vote of a majority of all the members of the Council.

C. The City will finance the costs of the Improvement Project, in whole or in part, with the proceeds of the Bonds.

D. The Net Effective Interest Rate on the Bonds shall not exceed the statutory maximum of 10% per annum.

Section 4. Bonds are General Obligations. The Bonds shall constitute the general obligation debt of the City, payable from general ad valorem taxes which shall be levied without limitation as to the rate or amount. The full faith and credit of the City shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 5. Authorization, Parameters and Detail.

A. Authorization. This Bond Ordinance has been adopted by the affirmative vote of a majority of all of the members of the Council. For the purpose of protecting the public health, conserving the property, and protecting the general welfare and prosperity of the citizens of the City, it is hereby declared necessary that the City, pursuant to the Act, issue its negotiable, fully registered, general obligation bonds in one or more series in the total aggregate principal amount not to exceed $6,000,000 to be designated in the Award Certificate as the “City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024,” and the issuance, sale and delivery of the Bonds is hereby authorized.

The forms of the Continuing Disclosure Undertaking and Preliminary Official Statement as presented to the Governing Body, with the adoption of this Ordinance, and the sale of the Bonds to the Purchaser within the parameters set forth in this Ordinance are hereby approved by the Governing Body with the approval of the final terms of the Bonds to be accepted in the Award Certificate, and approval of the final forms of the Preliminary Official Statement and Continuing Disclosure Undertaking delegated to the Delegate or designee as permitted by Section 6-14-10.2 NMSA 1978. The use and distribution of the Preliminary Official Statement and Official Statement by the Purchaser in connection with the sale of the bonds to the public are hereby ratified, authorized, approved and acknowledged.

B. Parameters Authorized. The Bonds shall be issued subject to the following parameters:

(1) The Bonds shall be issued in an aggregate principal amount not to exceed $6,000,000 for the Improvement Project.

(2) The net effective interest rate on the Bonds shall not exceed 10% per annum.

(3) The final maturity of the Bonds shall not be later than August 1, 2043.

(4) The Bonds shall be sold pursuant to a public competitive sale.

(5) The Purchaser's discount shall not exceed 4% of the par amount of the Bonds.

(6) The Bonds shall be in substantially the form set forth in this Ordinance.

(7) The Bonds shall not be sold for less than the par amount of Bonds plus accrued interest from the date of the Bonds to the date of delivery of the Bonds to the Purchaser.

(8) The Bonds shall be dated as of their date of issuance and delivery.

(9) The Bonds shall be issued as federally taxable under the Internal Revenue Code of 1986.

The Delegate is hereby authorized pursuant to this Ordinance to award the Bonds to the Purchaser, to approve the final terms of the Bonds as permitted by Section 6-14-10.2 NMSA 1978, and to execute and deliver the Award Certificate consistent with the parameters set forth in this Ordinance.

C. Details of Bonds.

(1) The forms, terms, and provisions of the Bonds in the form set forth in Section 11 are hereby approved with only such changes therein as are not inconsistent with this Bond Ordinance and as shall be approved in the Award Certificate.

(2) The Bonds shall be negotiable instruments but shall be issued only as fully registered bonds, in such numbers and denominations as may be requested by the Purchaser, but exchangeable for other fully registered Bonds of any denominations which are multiples of $5,000. The Bonds shall be numbered separately and consecutively, shall be dated the date of their delivery to the Purchaser, shall mature on August 1 of each year and shall bear interest from the most recent date to which interest has been paid or provided for or, if no interest has been paid or provided for, from their date, payable semi-annually on February 1 and August 1 in each year commencing on August 1, 2024, or such other date specified in the Award Certificate,

until their respective maturities. The Bonds shall bear the rates of interest, maturities and provisions for redemption prior to maturity as shall be established in the Award Certificate.

D. Notice of Sale. The Official Notice of Sale appended to the form of preliminary official statement presented to the Governing Body in connection with this Ordinance (the "Preliminary Official Statement") is hereby approved~~.~~ with such changes as are approved by the City Financial Services Director consistent with this Ordinance. The City Financial Services Director is hereby authorized and directed to have published once, at least one week prior to the date of sale, a summary of the notice of sale of the Bonds in a newspaper of general circulation in the City, and the City Financial Services Director is hereby authorized and directed to give such other notice of the bond sale as she shall determine, including the publication of the notice in financial papers and periodicals and the distribution among investment bankers and others of the Preliminary Official Statement.

E. Final Terms; Award of Bonds. The exact principal amounts, maturity dates, interest rates, prices, redemption features and other final terms of the Bonds shall be as set forth in the Award Certificate. The Bonds shall be awarded to the Purchaser as provided in the Award Certificate.

F. Series Date; Numbering; Interest Payment Dates. The Bonds shall be dated the date of delivery (herein the "Series Date"), will be issued in one or more series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of $5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates set forth in the Award Certificate, payable to the registered owner thereof, or registered assigns, on August 1, 2024, (or such other date as set forth in the Award Certificate) and semiannually thereafter on ~~August 1 and~~ February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year as set forth in the Award Certificate.

Section 6. Redemption of Bonds Prior to Maturity.

A. Optional Redemption~~.~~ and Mandatory Sinking Fund Redemption. Redemption of the Bonds prior to maturity at the option of the City shall be as provided in the Award Certificate. The Bonds may be subject to mandatory sinking fund redemption as set forth in the Award Certificate.

B. Notice of Redemption. Notice of redemption shall be given by the Registrar/Paying Agent by sending a copy of such notice by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar/Paying Agent on the fifth day prior to the mailing of notice on the registration books kept by the Registrar/Paying Agent. The City shall give notice of redemption of the Bonds to the Registrar/Paying Agent at least forty-five (45) days prior to the redemption date. The Registrar/Paying Agent's failure to give such notice to the

registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Registrar/Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Such notice may be a conditional notice of redemption – the money required to pay the principal of and interest on the Bonds to be called for redemption need not be on deposit with the Registrar/Paying Agent at the time of mailing the conditional notice of redemption. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Registrar/Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Registrar/Paying Agent, the Registrar/Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Registrar/Paying Agent by the City.

Section 7. Execution of Bonds.

A. The Bonds shall bear the facsimile or manual signature of the Mayor of the City and shall be attested by the facsimile or manual signature of the City Clerk and shall bear the facsimile or original seal of the City. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City, notwithstanding that before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Mayor and City Clerk may, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Mayor and City Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If facsimile signatures are to appear on the Bonds, the Mayor and City Clerk, pursuant to Sections 6-9-1 through 6-9-6, inclusive, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

B. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if manually signed by

an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 8. Registration of Bonds.

A. Books for the registration and transfer of the Bonds shall be kept by the City Treasurer, as Registrar/Paying Agent, who is hereby appointed by the City as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each interest payment date for change of name or address of the registered owners. Transfers shall be permitted within fifteen days prior to each interest payment date but such transfer will not include transfer of interest payable on such interest payment date.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided in this ordinance with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and

series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

E. The officers of the City are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

F. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the City.

G. The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with a depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the depository, registered in the name of the depository or its nominee. Principal, premium, if any, and interest will be paid to the depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the depository, Participants or Indirect Participants.

(1) If (i) the Bonds are not eligible for the services of the depository, (ii) the depository determines to discontinue providing its services with respect to the Bonds or (iii) the City determines that a continuation of the system of book-entry transfers through the depository ceases to be beneficial to the City or the Beneficial Owners, the City will either identify another depository or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In

that event, the City shall mail an appropriate notice to the depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

(2) Authorized Officers of the City are authorized to sign agreements with the depository relating to the matters set forth in this Section.

(3) Notwithstanding any other provision of this ordinance, so long as all of the Bonds are registered in the name of the depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent or the City to the depository as provided in this ordinance and by the depository to its Participants or Indirect Participants and to the Beneficial Owners of the Bonds.

Section 9. Successor Registrar/Paying Agent. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that such Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor registrar/paying agent. Every such successor registrar/paying agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than $10,000,000.

Section 10. Bonds Negotiable. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 11. Form of Bonds. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED REGISTERED

NO. R-____ $

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
CITY OF LAS CRUCES
DOÑA ANA COUNTY, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

Registered Owner:

Principal Amount: _____DOLLARS

Interest Rate	Maturity Date	Series Date
____% per annum	August 1, _____	_____, 2024

The City Council of the City of Las Cruces (the "Governing Body "), on the faith, credit and behalf of the City of Las Cruces, Doña Ana County, New Mexico (the "City"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, 2024, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by the City Treasurer, as "registrar/paying agent" (such registrar/paying agent and any successor thereto, the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

The Bonds are fully registered and are issuable in denominations of $5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of $6,000,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by the City of Las Cruces, Doña Ana County, New Mexico, for the purposes of providing funds to ~~place~~be placed into the Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds.

The Bonds are issued under the authority of and in full conformity with the charter of the City, the Constitution and laws of the State of New Mexico (particularly Sections 3-30-1 through 3-30-9 NMSA 1978, the provisions of Sections 6-14-8 through 6-14-11 NMSA 1978, Sections 6-15-1 through 6-15-22 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to Ordinance No. ~~_____~~3062 of the Governing Body duly adopted on March 4, 2024 and made a law of the City prior to the issuance of this bond (the "Bond Ordinance").

The Bonds maturing on or after August 1, 20__, are subject to prior redemption at the City's option on and after August 1, 20___, in whole or in part at any time, in one or more units of principal of $5,000 in such order of maturities as the City may determine (and by lot if less than all of the Bonds of any maturity are called, such selection by lot to be made by the Registrar/Paying Agent in such manner as it shall consider appropriate and fair) The purchase price for Bonds selected for redemption will be equal to the principal amount of each bond (or portion thereof) so redeemed, plus accrued interest thereon to the redemption date.

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment or reimbursement by the owner of any Bond requesting exchange or transfer of any transfer fee, tax or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar/Paying Agent shall close the registration books fifteen days prior to each Interest Payment Date for change of name or address of the registered owners. Transfers

shall be permitted within fifteen days prior to each Interest Payment Date but such transfer will not include transfer of interest payable on such Interest Payment Date.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the City is hereby irrevocably pledged. The Governing Body has, by the Bond Ordinance, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the City in the issuance of this bond; that the total indebtedness of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Governing Body of the City of Las Cruces, in Doña Ana County, New Mexico, constituting the governing board of the City, has caused the seal of the City to be hereto affixed and this bond to be signed and executed with the facsimile or manual signature of the Mayor of the City and subscribed and attested with the facsimile or manual signature of the City Clerk, all as of the Series Date.

GOVERNING BODY OF THE
CITY OF LAS CRUCES, NEW MEXICO

[SEAL]

By_____
Eric Enriquez, Mayor

ATTEST:

By _____
Christine Rivera, City Clerk

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Bond Ordinance and has been duly registered on the registration books kept by the undersigned as Registrar/Paying Agent for the Bonds.

Date of Authentication and

Registration: _____, 2024

Las Cruces City Treasurer, as Registrar/Paying Agent

By_____
Erika Jaquez, City Treasurer

[End of Form of Certificate of Authentication]

[Form of Assignment]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto_____whose social security or tax identification number is _____the within bond and irrevocably constitutes and appoints _____attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTE: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]
[End of Form of Bond]

Section 12. Delivery of Bonds. When the Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser named in the Award Certificate. The funds realized from the sale of the Bonds shall be applied solely to the specified purposes for which the Bonds were issued, but the Purchaser of the Bonds shall in no manner be responsible for the application of or disposal by the City, or any of its officers, of any of the funds derived from the sale thereof.

Section 13. Levy of Taxes. In order to pay the principal of and interest on the Bonds as they become due and, at the option of the City, to reimburse the general fund or other funds for the payment of principal of or interest on the Bonds for which property taxes were not available, there shall be an annual assessment and levy upon all of the taxable property of the City subject to taxation which provides an amount sufficient to pay the principal of and the interest on the Bonds as they become due and payable. However, the City may, at its option, apply any other funds lawfully available for the purpose to the payment of principal or interest on the Bonds as they become due, and the levies required by this Section may be reduced to the extent other revenues are or will be available and used for payment of the Bonds. To the extent property taxes are not available for that purpose, the principal of and interest accruing on the Bonds shall be paid from the City's general fund or from any other fund lawfully available for that purpose. The taxes shall be assessed, levied and collected annually at the time and in the manner as other City taxes are assessed, levied and collected. Annually, the Governing Body shall take all reasonable action to insure the levy and collection of taxes by the governmental authority charged with legal responsibility to levy and collect taxes in amounts sufficient at the time to pay the principal of and interest on the Bonds. The money produced by the levy of taxes provided in this Section to pay the principal of and interest on the Bonds is appropriated for that purpose and that amount shall be included in the annual budget adopted and passed by the Governing Body each year. The taxes collected shall be maintained in an interest and sinking fund, which is hereby created, and kept for and applied only to the payment of the principal of and interest on the Bonds when due and as otherwise required or permitted by law.

Section 14. Additional Action of Authorized Officers; Delegation of Authority to Determine Final Terms of the Bonds and Award Bonds to the Purchaser.

A. The Mayor, City Clerk and other officers of the City be and they hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance, including without limiting the generality of the foregoing, the deposit of $6,000,000 of the proceeds of the Bonds, plus an allocable share of net premium, if any, into an acquisition fund for payment of the costs of the Improvement Project and the costs of issuance allocable to the Improvement Project,

the execution and delivery of a continuing disclosure undertaking to enable the Purchaser of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12(b)(5), the printing of the Bonds, and the execution of such certificates as may be required by the Purchaser relating to the signing of the Bonds, the tenure and identity of City officials, and the receipt of the purchase price of the Bonds from the Purchaser and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity of the Bonds.

B. Pursuant to Section 6-14-10.2, NMSA 1978, the City Manager or City Financial Services Director, each as Delegate, are hereby delegated authority to execute an Award Certificate, and to determine any or all of the final terms of the Bonds, including, without limitation, the exact principal amounts, maturity dates, interest rates, prices, redemption features, municipal bond insurance, and other final terms of the Bonds subject to the parameters and conditions contained in this Bond Ordinance. The Delegate shall present the Award Certificate to the Governing Body in a timely manner, before or after delivery of the Bonds, at a regularly scheduled public meeting of the Governing Body.

Section 15. Defeasance.

A. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the City with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

B. Any moneys so deposited with the qualified depository may, at the written direction of the City, also be invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City for deposit in the interest and sinking fund for payment of principal and interest on the Bonds. The term "Government Obligations" means direct obligations of the United States of America,

including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 16. Investment of Bond Proceeds. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations.

Section 17. Ordinance Irrepealable. After any of the Bonds have been issued, this ordinance shall constitute a contract between the City and the holder or holders of the Bonds and shall be and remain irrepealable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 18. Severability. If any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 19. Form of Notice of Adoption. The following notice shall be published one time in a newspaper having general circulation in the City as soon as is practicable following the adoption hereof and this ordinance shall be effective five days after such publication as provided by law.

[Form of Notice]

LEGAL NOTICE

City of Las Cruces, New Mexico
Notice of Adoption of Ordinance

NOTICE IS HEREBY GIVEN that the Governing Body of the City of Las Cruces, Doña Ana County, New Mexico did, on the 4th day of March, 2024, adopt an ordinance entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LAS CRUCES, NEW MEXICO, TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2024, IN THE PRINCIPAL AMOUNT OF $6,000,000, PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, CERTAIN TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT THEREOF; PROVIDING FOR THE METHOD OF SALE OF THE BONDS PURSUANT TO A PUBLIC COMPETITIVE SALE; PROVIDING FOR THE MATURITY DATES AND AMOUNTS, INTEREST RATES, PRICES, REDEMPTION FEATURES AND OTHER FINAL TERMS OF THE BONDS TO BE ESTABLISHED IN AN AWARD CERTIFICATE; DELEGATING

AUTHORITY TO THE CITY MANAGER AND CITY FINANCIAL SERVICES DIRECTOR TO AWARD THE BONDS TO THE PURCHASER; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Ordinance directs and authorizes the issuance of City of Las Cruces, Taxable General Obligation Bonds in the aggregate principal amount of $6,000,000 for the purpose of placing the proceeds into the Affordable Housing Trust Fund to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and to pay the costs of issuance of the Bonds; provides parameters for the Bonds; provides the form of the Bonds; delegates authority to the City Manager and City Financial Services Director to determine exact principal amounts, maturity dates, interest rates, prices, redemption features and other final terms of the Bonds within the parameters established in this Ordinance, to award the Bonds to the Purchaser pursuant to an Award Certificate; provides for the delivery of the Bonds; provides for levy of taxes to pay the principal of and interest on the bonds; makes certain covenants for the benefit of the owners of the Bonds; and provides other details concerning the bonds.

Complete copies of the Ordinance are available for public inspection during the normal and regular business hours of the City Clerk, Las Cruces City Hall, 700 North Main Street Las Cruces, New Mexico. This notice constitutes compliance with Section 6-14-6 NMSA 1978.

DATED this 4th day of March, 2024.

CITY OF LAS CRUCES

_____

Christine Rivera, City Clerk

(End of Form of Notice for Publication)

Section 20. Repealer Clause. All acts and resolutions in conflict with this ordinance are hereby rescinded, annulled and repealed.

(II)

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

DONE AND APPROVED this 4th day of March, 2024.

APPROVED:

_____
Eric Enriquez, Mayor

ATTEST:

_____
Christine Rivera, City Clerk

Moved by: _____

Seconded by: _____

VOTE:
Mayor Enriquez: _____
Councilor McClure: _____
Councilor Mattiace: _____
Councilor Graham: _____
Councilor Bencomo: _____
Councilor Corran: _____
Councilor Flores: _____

APPROVED AS TO FORM

_____
Linda Samples, City Attorney

NOTICE

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS,
SERIES 2024

Preliminary Official Statement, subject to completion,
dated March 7, 2024

The Preliminary Official Statement, dated March 7, 2024 (the "Preliminary Official Statement"), relating to the above-described bonds (the "Bonds") of the City of Las Cruces, New Mexico (the "City"), has been posted on the internet as a matter of convenience. The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat XI). Although this format should replicate the Preliminary Official Statement available from the City, appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat XI or later may cause the Preliminary Official Statement that you view or print to differ in appearance from the Preliminary Official Statement. Paper copies of the Official Statement are available from the Issuer by contacting the municipal advisor, RBC Capital Markets, LLC, Erik Harrigan, at (505) 872-5999.

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the City has deemed "final" as of its date in respect of the Bonds, except for certain information permitted to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

Preliminary Official Statement dated March 7, 2024.

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 7, 2024

NEW ISSUE RATING: Moody's: ___

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel based on existing laws of the State of New Mexico as enacted and construed, interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof. The Bonds are being issued as taxable under the Internal Revenue Code of 1986, as amended. For a more complete description of such opinion of Bond Counsel and a description of certain provisions tax treatment of interest on the Bonds for certain owners of such bonds, see "TAX STATUS" herein.

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

Dated: Date of Delivery **Due: August 1, as shown below**
Book-Entry Only

The City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds") are issuable as fully registered bonds and when initially purchased will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each February 1 and August 1, commencing August 1, 2024. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to the registered owner will mean Cede & Co., and payments of principal or interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursement of such payments to DTC Participants is the responsibility of DTC. See "The Bonds – Book-Entry Only System" herein. The City Treasurer is the Registrar and Paying Agent for the Bonds.

The Bonds are issuable only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. The Bonds will bear interest from the delivery date.

The Bonds are subject to optional redemption prior to their stated maturity as described herein.

The Bonds are general obligations of the City of Las Cruces, New Mexico (the "City"), payable from general (*ad valorem*) taxes which shall be levied against all taxable property in the City without limitation as to rate or amount.

The City has undertaken, for the benefit of the owners of the Bonds, to provide certain annual and periodic disclosures described under the caption "CONTINUING DISCLOSURE INFORMATION" herein.

The Bonds are being issued pursuant to the powers of the City Council under Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Constitution and other laws of the State, including the City's home rule powers, for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project"). The Bonds are offered when, as and if issued by the City, subject to the approval of Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel and certain other conditions. It is expected that the Bonds will be available for delivery on or about April 11, 2024 through the facilities of the Depository Trust Company, New York, New York.

Electronic bids will be opened at 8:30 a.m, prevailing Mountain Time, March 14, 2024.

Dated: March 7, 2024

* Preliminary, subject to change.

MATURITY SCHEDULE SERIES 2024 BONDS*

Maturity (August 1)	Principal Amount*	Interest Rate	Price	CUSIP Number**
	$1,~~850~~650,00			
2024	0			
2025	-1,400,000			
2026	~~275~~300,000			
2027	~~275~~300,000			
2028	~~275~~300,000			
2029	~~275~~300,000			
2030	~~275~~300,000			
2031	~~275~~300,000			
2032	~~275~~300,000			
2033	~~275~~300,000			
2034	~~275~~300,000			
2035	~~275~~250,000			

Electronic bids will be opened at 8:30 a.m, prevailing Mountain Time, March 14, 2024.

** *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter, Bond Counsel, Disclosure Counsel, or their agents or counsel assume responsibility for the accuracy of such numbers.*

* Preliminary, subject to change.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by the City of Las Cruces, New Mexico (the "City") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth or included in this Official Statement has been provided by the City and from other sources believed by the City to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the City described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities law of the states in which the Bonds have registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement is "deemed final" by the City for purposes of Rule 15c2-12 of the Municipal Securities Rulemaking Board. The City has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

CITY OF LAS CRUCES, NEW MEXICO
City Hall, 700 North Main Street
P.O. Box 20000
Las Cruces, New Mexico 88001
(575) 541-2000

MAYOR
Eric Enriquez

CITY COUNCIL
Johana Bencomo, Mayor ProTem
Cassie McClure, Councilor
Bill Mattiace, Councilor
Becki Graham, Councilor
Becky Corran, Councilor
Yvonne Flores, Councilor

CITY ADMINISTRATION
Ifo Pili, City Manager
Leeann DeMouche, Financial Services Director
Erika Jaquez, City Treasurer
Christine Rivera, City Clerk
Linda Samples, City Attorney

FINANCIAL ADVISOR
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6301 Uptown Boulevard, N.E., Suite 110
Albuquerque, New Mexico 87110
(505) 872-5999

BOND COUNSEL & DISCLOSURE COUNSEL
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Albuquerque, New Mexico 87102
(505) 848-1800

PAYING AGENT AND REGISTRAR
City Treasurer, City of Las Cruces
City Hall, 700 North Main Street
P.O. Box 20000
Las Cruces, New Mexico 88001
(575) 541-2000

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OFFICIAL STATEMENT

$6,000,000*
CITY OF LAS CRUCES, NEW MEXICO
TAXABLE GENERAL OBLIGATION IMPROVEMENT BONDS
SERIES 2024

INTRODUCTION AND SUMMARY

This Official Statement is furnished to prospective purchasers of the City of Las Cruces, New Mexico, Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"), issued in the aggregate principal amount of $6,000,000* by the City of Las Cruces, New Mexico (the "City"). The offering of the Bonds is made only by way of this Official Statement and the Official Notice of Bond Sale, authorized by Ordinance No. 3062 adopted by the City Council on March 4, 2024, as supplemented by the Award Certificate executed on March __, 2024 (collectively, the "Bond Ordinance"). Additional information concerning the City, the Bonds and other aspects of this offering may be obtained either from the City or from RBC Capital Markets, LLC (the "Municipal Advisor") at the addresses set forth in the section entitled "ADDITIONAL INFORMATION."

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the Bond Ordinance.

The Issuer

The City is a political subdivision of the State of New Mexico (the "State"), organized and existing under the Constitution, and general laws of the State. The City was incorporated in 1907 and is located in southern New Mexico. It is New Mexico's second largest city. It operates under a Council-Manager form of government with the Mayor elected at large. The City's Fiscal Year ends June 30 and is referred to in this Official Statement as the "Fiscal Year."

Authority for Issuance and Purpose

The Bonds are issued in accordance with the Constitution and laws of the State of New Mexico, in particular, Sections 3-30-1 through 3-30-9 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented. $6,000,000* in principal amount of the Bonds represents the second and final series of general obligation bonds approved in aggregate amount of $23,000,000 by the qualified electors of the City at an election held on November 8, 2022. The Bonds are being issued for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project").

The Bonds

The Bonds will be registered as to principal and interest, issued in denominations of $5,000 each, or integral multiples thereof, in conformance with the Constitution and laws of the State and pursuant to

* Preliminary, subject to change.

the Bond Ordinance. The Bonds shall mature in the principal amounts and on the dates shown on the cover page hereof. Interest shall be payable February 1 and August 1 of each year commencing August 1, 2024 to registered owners shown on the books of the Registrar on the 15th day of the month preceding each regularly scheduled interest payment date thereafter ("Record Date"). The Bonds will be issued only in fully registered form and will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company pursuant to the book-entry only system described herein.

Security

The Bonds are secured by the City's full faith and credit and are general obligations of the City payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the City. See "SECURITY AND REMEDIES"

Financial Statements

The City's audited financial statements as of and for the year ended June 30, 2023 including the opinions rendered thereon of certified public accountants, are attached as Appendix B.

Selected Debt Ratios

The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

2023 Assessed Valuation	$ 3,008,373,421
2023 Estimated Actual Valuation(1)	$9,909,936,090
City Debt as a % of	
Assessed Valuation	1.23%
Estimated Actual Valuation	0.37%
Direct and Overlapping Debt as a % of	
Assessed Valuation(2)(3)	5.01%
Estimated Actual Valuation(2)(3)	1.52%
City General Obligation Debt Outstanding(3)(4)	$37,010,000
City General Obligation Debt(2)(3)	$37,010,000
Estimated Direct & Overlapping G/O Debt(2)(3)	$150,774,905
~~2023~~2022 Estimated Population~~(5)~~	~~114,450~~111,385
City Net Debt Per Capita(2)(4)	$~~278.84~~286.52
Direct and Overlapping Debt Per Capita(3)	$1,~~317.39~~353.64

(1) Actual valuation is computed by adding 2023 exemptions to the 2023 assessed valuation and multiplying by three.

(2) Figure includes proposed 2024 Bonds.

(3) Figure is not net of accumulated Debt Service Fund amounts.

(4) Figure is net of accumulated debt service fund amounts attributable to the upcoming principal payment. The net cash balance in the debt service fund as of February 7, 2024 was $6,722,665 of which 75.81% was properly attributable to principal reduction.

~~(5) Based on 2020 population from US Census and the estimated growth rate of .9%.~~

See "DEBT AND OTHER FINANCIAL OBLIGATIONS – General Obligation Debt" herein.

Tax Matters

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. ("Bond Counsel"), based on existing laws of the State of New Mexico as enacted and construed, the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof. The Bonds are being issued as federally taxable under the Internal Revenue Code of 1986, as amended.

Agents and Advisors

At the time of the issuance and sale of the Bonds, Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel, will deliver the bond opinion included in Appendix A hereto. See "LEGAL MATTERS" herein. Certain legal matters relating to the Bonds will be passed on for the City by Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Disclosure Counsel.

RBC Capital Markets, LLC ("RBC") is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC, in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or assume responsibility for, the accuracy, completeness, or fairness of the information in this Official Statement.

Additional Information

This Official Statement is accurate only as of its date, and no representation is made that the information contained herein has not changed since that date. This Official Statement is intended to be made available to investors through the Municipal Advisor.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete, and reference is made to those statutes, regulations and documents for full and complete statements of their provisions. Copies, in a reasonable quantity, of those statutes, regulations and documents may be obtained upon request directed to the City, and upon payment to the City of a charge for copying, mailing and handling, at the City of Las Cruces, 700 North Main, Las Cruces, NM 88001, telephone number (575) 541-2000, Attention: City Manager.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract between the City and the purchasers or holders of any of the Bonds.

THE BONDS

Description

The Bonds are general obligation bonds to be issued by the City in the total principal amount of $6,000,000* and will be dated the Date of Delivery, which is expected to be on or about April 11, 2024. The Bonds will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof, bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on February 1 and August 1 each year, commencing on August 1, 2024, and maturing as set forth on the cover page of this Official Statement.

The Bonds will be issued only in fully registered form and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry only system described herein. No physical delivery of the Bonds will be made to the owners hereof.

Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Authorization

The Bonds are being issued pursuant to the City Council's powers under Article IX, Section 10 of the Constitution of the State of New Mexico, and Sections 3-30-1 through 3-30-9 and 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Bond Ordinance of the City Council delegating authority to the City Manager or delegate awarding the Bonds to the successful bidder for the Bonds in the public sale to be held on March 14, 2024. A copy of the Official Notice of Bond Sale is attached to this Official Statement as Appendix D.

Bond Registrar and Paying Agent

The City Treasurer will serve as the Bond Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

Payment of Principal and Interest; Record Date

The principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date") at the addresses appearing in the registration books maintained by the Registrar; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on the date to be fixed by the Registrar whenever moneys become available for the payment of defaulted interest (the "Special Record Date").

Optional Redemption of Bonds

The Bonds maturing on and after August 1, 2033, may be redeemed prior to their scheduled maturity on August 1, 2032, or on any date thereafter, in whole or in part, at the option of the City Council at par plus accrued interest to the date of redemption, if any.

Exchange or Transfer of Bonds

The Registrar/Paying Agent will maintain the books of the City for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required

to be paid with respect to such exchange or transfer. See "THE BONDS – Book-Entry Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but neither the City, Municipal Advisor nor Bond Counsel take responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The City undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on that website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Bonds under the DTC system must be made by or through Direct or Indirect Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested

by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

While the Bonds are in the book-entry only system, redemption notices will be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates representing the Bonds will be printed and delivered to DTC.

SECURITY AND REMEDIES

General

The Bonds are general obligations of the City payable from *ad valorem* taxes, which may be levied against all taxable property within the City without limitation as to rate or amount. The Bonds are secured by the obligation of the City to levy and collect upon all taxable property within the City a tax rate levy sufficient, together with other legally available revenues, to pay the debt service on the Bonds. Such annual levy for debt service creates a statutory tax lien that can be enforced personally against the owner of the

property or enforced by sale of the property. Neither the State nor any other political subdivision has any responsibility to pay the debt service on the Bonds.

Legal Matters

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any amendment, change in the interpretation of, or addition to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the City.

Limitations on Remedies Available to Owners of Bonds

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the City in issuing the Bonds, are subject to the following: the Federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

SPECIAL FACTORS AFFECTING THE PAYMENT OF DEBT SERVICE ON THE BONDS AND AVAILABLE REMEDIES

Cybersecurity

The City operates a large and complex information technology infrastructure to support internal and external operations. As is the case with any such environment, the threat of cybersecurity incidents is constant. Such incidents may arise from multiple sources, including unintentional events or actions, intentional insider threat, and deliberate malicious attacks from outside entities. The effect of such threats may include unauthorized access to City systems, data or resources, inappropriate exposure or use of City information, disruption of City services, and damage to City systems.

The City maintains a cybersecurity program that uses a multilayer, multi-vendor approach. Staffing for the program consists of a cybersecurity administrator who is CASP+ certified and an information security specialist. The City has an IT Governance program which provides a technology review, including the review of security standards, for new technology purchases. The City has a Protected Information Management Committee which sets standards for the use and security of protected information within the City. The City has cyber security insurance policy with coverage comparable to coverage carried by other U.S. municipalities of a similar size.

Security technology used by the City includes a unified threat management security system, end point security software on all computers, internal and external network traffic inspection, centralized event log correlation and alerting, and honey pot technologies. All computer operating system environments are updated with security updates as they are released. All updates are centrally managed. All City staff are

required to attend a cybersecurity awareness training annually. Security penetration testing is performed bi-annually using a third-party auditor.

Climate Change and Natural Disasters

The City could experience, and is susceptible to additional, weather events and natural disasters that could be deemed extreme including, without limitation, periods of heat, droughts, floods, mud slides, tornadoes and other wind conditions and wildfires, which could result in negative economic impacts on the City. Such effects may be exacerbated by a longer term shift in the climate over several decades, commonly referred to as climate change. Numerous scientific studies on climate change show that, among other effects on the global ecosystem, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. As a result, the City could lose tax revenues and many residents, businesses, and governmental operations could be displaced. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City. The City cannot predict the occurrence or extent of any future extreme weather events or natural disasters or the economic impacts that the occurrence of any such events may have on the City.

PURPOSE AND PLAN OF FINANCING

The Bonds will be issued in a principal amount of $6,000,000*, which represents the second and final series of general obligation bonds approved by the qualified electors of the City at an election held on November 8, 2022 in a maximum aggregate amount of $23,000,000. The Bonds will be issued for the purpose of placing the proceeds into the City's Affordable Housing Trust Fund, to provide resources to plan, design, construct, acquire, and preserve housing affordable for low to moderate income households, including acquisition of necessary land and paying the costs of issuance of the Bonds (collectively, the "Improvement Project").

From the deposit of the Bond proceeds in the City's Affordable Housing Trust Fund, the City expects to fund projects to support affordable housing in the City~~. The projects include~~, including, but ~~are~~ not limited to, portions of the projects listed below. ~~Other projects may be funded in combination with other funding sources.~~ Each of the proposed projects listed has numerous sources of funding that, when combined with the proposed City contribution from the Affordable Housing Trust Fund, fully fund the projects:

1. The Three Sisters Apartments – 70 units housing families at or below 60% of the Area Median Income (AMI)
2. Pedrena Apartments – 80 units housing senior citizens ages 55 and older with income at or below 60% of the AMI
3. Peachtree Canyon Apartments Phase I – 144 units for households at or below 60% of the AMI

* Preliminary, subject to change.

4. Arcadia 4 Subdivision Land Acquisition – 52 lots for single-family homes for families with up to 120% of the AMI
5. Amador Crossing – 50 units of permanent supportive housing for people experiencing homelessness with income levels of 0-30% of AMI

SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the Bonds, other than accrued interest, are set forth in the following table.

SOURCES OF FUNDS	
Bond proceeds	$
[Net] Premium	
TOTAL SOURCES OF FUNDS	$
USES OF FUNDS	
Deposit to Acquisition Fund	$
Underwriter's Discount	
Costs of Issuance[1]	
TOTAL USES OF FUNDS	$

(1) Includes Municipal Advisor fees, rating agency fees, legal fees, fees of the paying agent/registrar, and other miscellaneous costs and expenses related to the issuance of the Bonds.

DEBT AND OTHER FINANCIAL OBLIGATIONS

General Obligation Debt

Article IX, Section 13, of the New Mexico Constitution prohibits municipalities, including the City, from incurring general obligation debt in an aggregate amount, including existing indebtedness, exceeding four percent of the value of the taxable property within such municipality, as shown by the last preceding general assessment. A test for maximum general obligation bonds outstanding of the City follows:

2023 Assessed Valuation[1]	$3,008,373,421
2023 Estimated Actual Valuation	$9,909,936,090
City Bonded Debt Outstanding[2]	$37,010,000
Minus Debt Service Fund Balance Attributable to Principal	(5,096,341)
NET DEBT	$31,913,659
Ratio of City Outstanding Debt to 2023 Assessed Valuation[2]	1.23%
Ratio of City Outstanding Debt to 2023 Estimated Actual Valuation[2]	0.37%
Per ~~Capita~~Capital Bonded Debt [2]	$~~323.37~~332.27
~~2023~~2022 Estimated Population~~[3]~~	~~114,450~~111,385

(1) New Mexico Assessed Values represent 33-1/3% (the maximum assessment ratio permitted by the New Mexico Constitution) of the actual property value after deduction of certain exemptions. Property tax levies are based upon the certified assessed valuation.

(2) Includes proposed Series 2024 Bonds not net of debt service fund balance attributable to principal..

~~(3) Based on 2020 population from US Census and the estimated growth rate of .9%.~~

As of the date of this Official Statement, the City has outstanding general obligation indebtedness consisting of principal of $6,895,000 of its Series 2019 Bonds, principal of $9,305,000 of its Series 2020 Bonds, and principal of $14,810,000 of its 2023 Bonds. The combined debt service requirements of the Series 2019 Bonds, Series 2020 Bonds, Series 2023 Bonds and the anticipated debt service requirements of the Series 2024 Bonds are shown in the following table.

	Current Requirements			Series 2024 Bonds*			Total Requirements*		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$3,790,000	$1,304,200	$5,094,200	$1,850650,000	$91,667150,000	$1,941,667800,000	$5,640440,000	$1,395,867454,200	$7,035,8676,894,200
2025	3,150,000	1,114,700	4,264,700	-1,400,000	207217,500	-1,607,500617,000	$4,550,000	$1,322332,200	$5,872882,200
2026	3,095,000	957,200	4,052,200	275300,000	137147,500	412447,500	$3,370395,000	$1,094104,700	$4,464499,700
2027	3,095,000	802,450	3,897,450	275300,000	123,750132,500	398,750432,500	$3,370395,000	$926,200934,950	$4,296,200329,950
2028	3,095,000	657,550	3,752,550	275300,000	110,000117,500	385,000417,500	$3,370395,000	$767,550775,050	$4,137,550170,050
2029	3,095,000	553,400	3,648,400	275300,000	96,250102,500	371,250402,500	$3,370395,000	$649,650655,900	$4,019,650050,900
2030	3,095,000	449,250	3,544,250	275300,000	8287,500	357387,500	$3,370395,000	$531536,750	$3,901931,750
2031	2,110,000	345,100	2,455,100	275300,000	68,75072,500	343,750372,500	$2,385,000827,600	$413,850417,600	$2,798,850827,600
2032	2,145,000	270,500	2,415,500	275300,000	55,00057,500	330,000357,500	$2,420773,000	$325,500328,000	$2,745,500773,000
2033	1,080,000	195,200	1,275,200	275300,000	41,25042,500	316,250342,500	$1,355,000617,700	$236,450237,700	$1,591,450617,700
2034	1,080,000	141,200	1,221,200	275300,000	27,500	302327,500	$1,355,000548,700	$168,700	$1,523548,700
2035	1,080,000	87,200	1,167,200	275250,000	13,75012,500	288,750262,500	$1,355,000429,700	$100,950 99,700	$1,455,950429,700
2036	1,100,000	44,000	1,144,000				$1,100144,000	$44,000	$1,144,000
Total	$31,010,000	$6,921,950	$37,931,950	$6,000,000	$1,055,417167,500	$7,055,417167,500	$37,010,000	$7,977,3678,089,450	$44,987,36745,099,450

*Preliminary, subject to change. Interest on Series 2024 Bonds computed at 5.00% per annum for illustration purposes only.

Statement of Estimated Direct and Overlapping Debt

The following calculation analyzes the debt load and per capita debt of the City payable from property taxes. In addition to outstanding debt of the City, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the City.

Taxing Entity	2023 Assessed Valuation	General Obligation Debt Outstanding	Percentage Applicable	Amount
State of New Mexico	$110,879,706,059	$541,270,000	2.71%	$14,685,666
Doña Ana County	5,607,428,928	4,110,000	53.65%	2,205,006
Doña Ana Com. Col.	5,691,157,467	18,750,000	52.86%	9,911,341
City of Las Cruces	3,008,373,421	37,010,000[(1)(2)]	100.00%	37,010,000[(1)(2)]
Las Cruces Schools	4,358,294,851	125,985,000	69.03%	86,962,892
Total Direct and Overlapping Debt				$150,774,905

Ratio of Estimated Direct & Overlapping Debt to 2023 Assessed Valuation:	5.01%
Ratio of Estimated Direct & Overlapping Debt to 2023 Estimated Actual Valuation:	1.52%
Per Capita Direct & Overlapping Debt:	$1,353.64

Source: Doña Ana County Assessor's Office, State Assessed Property Tax Division and individual entities.

(1) Includes proposed Series 2024 Bonds.

(2) Figure is not net of Debt Service Fund Balance.

Analysis of Assessed Valuation

Assessed Valuation of property within the City is calculated as follows: Of the total assessed valuation of all taxable property in the City, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2023 Assessed Valuation is $3,008,373,421. The actual value of personal property within the City (see "Assessments" below) is determined by the Doña Ana County Assessor. The actual value of certain corporate property within the City (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division.

The analysis of Assessed Valuation in the City of Las Cruces is as follows:

	2023	2022	2021	2020	2019
Assessments					
Value of Land	$669,137,957	$ 657,946,481	$ 643,226,071	$ 628,874,074	$ 617,132,989
Improvements	2,473,701,170	2,261,910,366	2,098,853	2,028,024,992	1,929,579,112
Personal Property	73,211,428	74,520,534	64,245,761	65,230,658	71,440,024
Mobile Homes	27,622,580	25,333,289	24,594,089	23,835,529	23,336,016
Livestock	11,932	11,948	13,282	12,899	11,081
Assessor's Taxable Value	$3,243,685,067	$3,019,722,618	$2,830,932,638	$2,745,978,152	$2,641,499.222
Less Exemptions					
Head of Family	$ 25,167,569	$ 25,133,106	$ 25,741,064	$ 26,069,893	$ 26,649,447
Veterans	72,339,335	61,259,054	54,936,784	49,285,089	45,420,622
Other	197,431,705	188,051,630	180,315,108	177,902,715	173,610,313
Total Exemptions	$ 294,938,609	$ 274,443,799	$ 260,992,956	$ 253,257,697	$ 245,680,382
Assessor's Net Taxable Value	$2,948,746,458	$2,745,278,819	$2,569,939,682	$2,492,720,455	$2,395,818,840
Centrally Assessed	$59,626,963	$65,077,289	$59,843,051	$60,169,664	$56,698,286
Total Assessed Valuation	$3,008,373,421	$2,810,356,108	$2,629,782,733	$2,552,890,119	$2,452,517,126
Residential	$2,243,157,741	$2,051,707,930	$1,894,030,170	$1,801,660,043	$1,715,172,485
Non-Residential	765,215,680	758,648,178	734,752,563	751,230,076	737,344,641
Total	$3,008,373,421	$2,810,356,108	$2,629,782,733	$2,552,890,119	$2,452,517,126

Source: Dona Ana County Assessor's Office

History of Assessed Valuation

The following is a history of assessed valuation for the City and Doña Ana County.

Tax Year	City of Las Cruces	Doña Ana County
2023	$3,008,373,421	$5,607,428,928
2022	2,810,356,108	5,223,570,138
2021	2,629,782,733	4,935,560,916
2020	2,552,890,119	4,783,117,888
2019	2,452,517,126	4,602,866,403

Source: Dona Ana County Assessor's Office

Article VIII, Section 2, of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the City to $20.00 per $1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the City voting on the question. The following table summarizes the tax rates on residential property located within the City for 2022-2023 Fiscal Year and the previous four fiscal years. The City expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. A high level of taxation may adversely impact the City's ability to repay bonds.

RESIDENTIAL TAX RATES - Per $1,000 Assessed Valuation

Within 20 Mill Limit for General Purposes

	2023	2022	2021	2020	2019
State of New Mexico	$0.000	$0.000	$0.000	$0.000	$0.000
Doña Ana County	9.212	9.172	9.114	0.222	9.253
Doña Ana Comm. College	1.242	1.237	1.230	1.245	1.250
City of Las Cruces	4.841	4.787	4.774	4.805	4.841
Las Cruces Flood Control	2.000	1.977	1.972	1.985	2.000
Las Cruces Schools	0.344	0.343	0.339	0.342	0.344
Total	**$17.688**	**$17.516**	**17.429**	**17.599**	**17.688**

Over 20 Mill Limit – Interest, Principal, Judgment, etc.

	2023	2022	2021	2020	2019
State of New Mexico	$1.360	$ 1.360	$ 1.360	$ 1.360	$ 1.360
Doña Ana County	0.085	0.091	0.096	0.099	0.098
Doña Ana Comm. College	0.750	0.750	0.750	0.750	0.750
City of Las Cruces	2.007	2.030	2.030	2.009	2.007
Las Cruces Schools	9.605	9.618	9.593	9.604	9.605
Total	**$13.382**	**$ 13.849**	**$13.829**	**$13,822**	**$13.820**

Total Levy

	2023	2022	2021	2020	2019
State of New Mexico	$1.360	$ 1.360	$ 1.360	$ 1.360	$ 1.360
Doña Ana County	9.297	9.263	9.210	9.321	9.351
Doña Ana Comm. College	1.992	1.987	1.980	1.995	2.000
City of Las Cruces	6.849	6.817	6.804	6.814	8.848
Las Cruces Flood Control	1.972	1.977	1.972	1.985	2.000
Las Cruces Schools	9.949	9.961	9.932	9.946	9.949
Total Residential*	**$30.927**	**$31.365**	**$31.248**	**$31.421**	**$31.508**
Total Non-Residential*	**$34.102**	**$34.569**	**$34.573**	**$34.554**	**$34.540**

*In City of Las Cruces

Source: State of New Mexico, Department of Finance & Administration

Major Taxpayers

Taxpayer	Business	2023 Assessed Valuation	% of City Assessed Value
El Paso Electric	Electric Utility	$25,383,957	0.84%
Las Cruces Medical Center	Medical Center	20,401,880	0.68%
Comcast of New Mexico	Cable Provider	13,200,443	0.44%
Saputo Cheese USA Inc	Dairy	12,516,370	0.42%
Memorial Medical Center	Medical Center	11,986,798	0.40%
Las Cruces Hospital Building LLC	Real Estate	10,923,974	0.36%
Copperstone LLC	Real Estate	6,062,296	0.20%
HTA-Regional Medical Center LLC	Medical Center	5,994,174	0.20%
Clear Sky Capital Casas de Soledad Apartments	Apartments	5,990,325	0.20%
Park Place Las Cruces LLC	Investments	5,851,337	0.19%
Total		$118,311,554	3.93%

(1) Based on 2023 City Assessed Valuation of $3,008,373,421

Source: Dona Ana County Assessor's Office

Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* and oil and gas production equipment *ad valorem* taxes) or assessment that will produce revenues that taxes exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value," as defined by statute, divided by such prior property tax year's total taxable property value; however, if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year's index over the index for the calendar year next preceding the prior calendar year (unless there was a decrease, in which case zero if used) by the index for such calendar year next preceding the prior calendar year. *The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.*

Limitations on Residential Property Tax Increases

In an effort to limit large annual increases in residential property taxes in some areas of the State (particularly the Santa Fe and Taos areas which have experienced large increases in residential property values in recent years), an amendment to the uniformity clause (Article VIII, Section 1) of the New Mexico Constitution was approved by a wide margin by New Mexico voters on November 3, 1998.

The amendment directs the Legislature to provide for valuation of residential property in a manner that limits annual increases in valuation. The limitation may be applied to classes of residential property

taxpayers based on occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions for applying the limitations.

Section 7-36-21.2 NMSA 1978 establishes a statewide limitation on residential property valuation increases beginning in tax year 2001. Annual valuation increases will be limited to the greater of 3% over the prior year's valuation or 6.1% over the valuation from two years prior. These limitations do not apply under the following exceptions:

1. When residential property is being valued for the first time;
2. When physical improvements (except for solar energy system installations) are made to the property or are omitted in a prior tax year;
3. When the property is transferred to a person other than a spouse, or a child who occupies the property as his principal residence and who qualifies for the head of household exemption on the property under the Property Tax Code;
4. When a change in zoning or use of property occurs; and
5. To property that is subject to the valuation limitations under Section 7-36-21.3 NMSA 1978.

Section 7-36-21.3 NMSA 1978 places a limitation on the increase in value for property taxation purpose for single-family dwellings occupied by low-income owners who are 65 years of age or older or who are disabled and whose modified gross income for the prior taxable year did not exceed the income thresholds provided by statute. The statute fixes the valuation of the property to the valuation in the year that (a) for a person 65 or older, in the tax year in which the owner qualifies and files an application, or (b) for a person who is disabled, in the tax year in which the owner qualified and files an application the owner turned 65 or became disabled. The Section 7-36-21.3 limitation does not apply:

1. To property that is being valued for the first time;
2. To a change in valuation resulting from physical improvements made to the property in the preceding year; and
3. To a change in valuation resulting from a change in the zoning or permitted use of the property in the preceding year.

Amendments to State laws affecting residential property taxes are proposed from time to time and may be proposed in the future by the Legislature. Such amendments, if enacted, could result in an increase to the tax rate imposed on residential property tax within the City in order to pay the principal of and interest on general obligation bonds issued by the City, including the Bonds.

The constitutionality of the property tax limitation has been challenged in a number of venues. On March 28, 2012, the New Mexico Court of Appeals upheld the statutory valuation cap and its application under Section 7-36-21.2 NMSA 1978, which ruling was affirmed by the New Mexico Supreme Court in June, 2014.

Tax Collections on Locally Assessed and Centrally Assessed Property

General (*ad valorem*) taxes (other than taxes on certain property and business that are centrally assessed) for all units of government are collected by the Doña Ana County Treasurer and distributed monthly to the various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. In 2019, the legislature enacted temporary provisions for tax years 2019 and 2021 which extended the due date from November

10th to December 6th in 2019 and 2021 respectively, and the date of delinquency for the first installment from December 10th to January 9th in 2020 and 2022, respectively. Those temporary provisions have expired.

Collection statistics for Doña Ana County are presented here:

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections(1)	Current Collections as of % of Net Levied	Current/ Delinquent Tax Collection(2)	Current/ Delinquent Collections as a % of Net Levied
2022	22/23	$ 161,814,809	$ 155,206,412	95.92%	$ 156,980,629	97.01%
2021	21/22	151,178,013	146,033,493	96.60%	146,033,493	96.58%
2020	20/21	147,144,085	141,840,720	96.40%	145,124,398	98.61%
2019	19/20	142,232,178	135,927,911	95.57%	141,367,968	99.39%
2018	18/19	136,523,134	129,331,545	94.73%	135,834,583	99.49%
2017	17/18	126,151,212	120,921,863	95.85%	125,503,532	99.48%
2016	16/17	123,963,110	118,564,408	95.64%	123,619,526	99.72%
2015	15/16	121,310,986	115,940,130	95.57%	121,029,411	99.77%
2014	14/15	117,384,277	112,086,171	95.49%	117,150,351	99.80%
2013	13/14	114,395,409	109,475,574	95.70%	114,199,734	99.83%

(1) Current collections through June 30 of each year.

(2) As of June 30th of each year.

Source: Dona Ana County Treasurer's Office

For tax year 2023 (fiscal year 2023-2024), net taxes charged to the Treasurer were $171,829,149.

Interest on Delinquent Taxes

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of 1% per month or any fraction of a month. However, in the case of a timely protest, interest payable shall be computed on a principal amount equal to the unpaid taxes finally determined to be due upon resolution of the protest.

Penalty for Delinquent Taxes

Pursuant to Section 7-38-50 NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is $5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of intent to defraud by the property owner, 50% of the property taxes due or $50.00, whichever is greater, shall be added as a penalty.

Remedies Available for Non-Payment of Taxes

Pursuant to Section 7-38-47 NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation

purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes. The sale or transfer of property after its valuation date does not relieve the former owner of personal liability for the property taxes imposed for that tax year.

Taxes on real property are a lien against the real property. A lien runs in favor of the State and secures the payment of property taxes and any penalty and interest until such payments are made. Such lien is a first lien and paramount to any other interest in the property, perfected or unperfected. Pursuant to Section 7-38-65 NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent at any time after the expiration of three years from the first date shown on the tax delinquency list on which the taxes became delinquent.

Pursuant to Section 7-38-53 NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

Protest

Pursuant to Section 7-38-39 NMSA 1978, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds.

FINANCES OF THE CITY

Budget Process

Pursuant to the City Charter (the "Charter"), the City adheres to the following procedure in establishing its annual budget: At least sixty (60) days prior to the start of the fiscal year (July 1), the City Manager shall submit a budget and budget message to the council for the ensuing fiscal year. The City Manager's message shall explain the budget both in fiscal terms and in terms of work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year and describe the important features of the budget. It shall indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes. The budget message shall summarize the City's debt position and include any other material the City Manager deems desirable.

The budget itself shall provide a complete financial plan of all City funds and activities for the ensuing year. The budget shall show in detail all estimated income, indicating the estimated property tax levy, estimated tax revenues, and all proposed expenditures, and shall be arranged to show comparative figures for actual and estimated income and expenditures of the current fiscal year. It shall also show actual income and expenditures of the preceding fiscal year to date and estimated income and expenditures for the remaining months of the fiscal year. The budget shall include the following: (1) proposed expenditures for current operations during the ensuing fiscal year; (2) proposed capital expenditures during the ensuing fiscal year, detailed by offices, departments and agencies when practicable, and the proposed method of financing each capital expenditure; and (3) anticipated reserves for the ensuing fiscal year of each enterprise owned by the City and the proposed method of the disposition of those reserves. Subsidiary budgets for each

enterprise giving detailed income and expenditure information shall be attached as appendices to the budget. The total of proposed expenditures for a year shall not exceed the total of estimated resources for that year.

Following a public hearing on the proposed budget, the City Council may adopt the budget, with or without amendment. The City Council may add or increase programs or amounts and may delete or decrease any programs or amounts, except for expenditures required by law, for debt service or for estimated cash deficit. No amendment to the budget or capital improvements program shall increase the authorized expenditures to an amount greater than the total of estimated resources available during the fiscal year. The City Council shall adopt the budget no later than thirty (30) days before the beginning of the fiscal year. If it fails to adopt the budget by the beginning of the fiscal year, the amounts appropriated for current operation for the current fiscal year are deemed adopted for the ensuing fiscal year on a month-to-month basis, with all items in it prorated accordingly, until the City Council adopts a budget. Nothing in the Charter shall preclude the City from meeting its debt service when due. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated in the budget.

If during the fiscal year the City Manager certifies that resources are available for appropriation in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess. If at any time during the fiscal year, the City Manager believes that the resources available may be insufficient to meet the amount appropriated, the City Manager shall so report to the City Council, indicating the estimated amount of the deficit, any remedial action taken or to be taken by the City Manager, and recommendations as to any other steps to be taken. The City Council shall then take any action deemed necessary to prevent any deficit, and for that purpose it may reduce any appropriation. No appropriation for debt service may be reduced or transferred. No appropriation may be reduced below any amount required by law to be appropriated or by more than the amount of the unencumbered balance thereof.

As a management control device, the City employs formal budgetary integration at the line item level. Deficit financing is not permitted under New Mexico law.

The Government Finance Officers Association (“GFOA”) awarded to the City the Distinguished Budget Presentation Award in 2022, which is the 16th consecutive year the City has achieved this designation. The City also received the Certificate of Achievement of Excellence in Financial Reporting, for the 19th consecutive year for the City's 2022 Annual Certified Financial Report.

Financial Statements

The following General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances have been included herein for informational purposes only. Figures were taken from the audit reports prepared by the City. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GENERAL FUND[1]

	2019	2020	2021	2022	2023
REVENUES					
Local Taxes:					
Gross receipts	$84,786,667	$90,340,739	$97,593,897	$122,059,903	$129,706,540
Property	12,249,039	12,763,080	13,233,032	13,330,826	14,371,555
Utility franchise	-				
Total local taxes	$97,035,706	$103,103,819	$110,826,929	$135,390,729	144,078,095
State-shared taxes	637,637	472,300	541,319	643,066	1,498,241
Charges for services	3,290,364	2,522,487	766,399	1,239,652	1,447,576
Fees and fines	549,072	311,623	216,230	234,400	170,540
Investment income (loss)	1,989,566	1,613,241	35,135	(704,725)	1,337,383
Franchise fee	3,628,782	3,510,306	4,292,458	4,281,498	4,352,874
Licenses and permits	1,473,546	1,787,286	2,529,467	3,356,634	3,121,170
Operating grants and contributions	-				
Intergovernmental	15,973	16,267	14,901	15,568	20,825
Other	4,507,388	4,174,595	3,732,914	7,430,412	4,534,147
Total Revenues	$113,128,034	$117,511,924	$122,955,752	$151,887,234	$160,560,851
EXPENDITURES					
Current:					
General government	18,791,042	19,032,925	18,588,324	26,428,977	24,696,257
Economic development	3,990,650		2,534,112	3,115,046	3,042,822
Police	25,536,609	25,185,636	22,712,126	25,553,304	28,369,667
Fire	16,282,527	16,221,513	15,793,885	18,247,544	20,324,286
Community development	4,450,169	3,801,890	3,960,914	4,216,866	4,655,037
Quality of Life	6,465,482	6,391,893	6,243,602	7,061,968	7,829,814
Public works	12,111,416	13,057,782	8,228,681	12,570,016	13,055,476
Information technology	-				
Transportation	-				
Parks and recreation	11,032,649	10,627,344	8,784,074	12,636,023	14,665,324
Capital Outlay	4,911,888	2,021,780	4,297,927	5,270,326	17,617,102
Debt service	-				
Interest	-				
Principal	-				
Total Expenditures	$103,572,432	$99,295,123	$91,143,645	$115,100,070	134,255,785
Revenues Over (Under) Expenditures	$$9,555,602	$18,216,801	$31,812,107	$36,787,164	26,305,066
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-				7,567,358
Proceeds from sale of capital assets	260,372	130,344	-	-	
Payment to agency	-				
Transfers in	6,293,917	5,702,555	3,304,119	5,287,856	10,398,847
Transfers out	(17,459,534)	(27,184,709)	(27,626,489)	(31,178,295)	(26,762,047)
Total other financing sources (uses)	(10,905,245)	(21,351,810)	(24,322,370)	(25,890,439)	(8,795,842)
Net Change in Fund Balances	(1,349,643)	(3,135,009)	7,489,737	10,896,725	17,509,224
Fund Balances - Beginning of Year	48,376,447	47,026,804	43,891,795	51,381,532	62,278,257
Fund Balances – End of Year	$47,026,804	$43,891,795	$51,381,532	$62,278,257	$79,787,481

(1) Information appearing in the table is derived from the City's audited financial statements, but table is not audited.

Source: City of Las Cruces.

CITY OF LAS CRUCES, NEW MEXICO BALANCE SHEET – GENERAL FUND[1]

	2019	2020	2021	2022	2023
ASSETS					
Pooled cash and investments	$ 31,290,527	$ 36,239,451	$ 33,813,122	$44,791,886	$57,594,669
Restricted cash and investments					
Receivables, net	1,003,292	646,188	907,1953	796,359	564,064
Due from other funds	2,356,860	1,441,900	1,273,602	1,562,759	5,217,586
Due from other governmental units	15,978,747	15,813,191	18,860,630	21,501,563	22,970,020
Leases receivable				2,245,749	2,057,061
Inventories	1,702,416	1,711,370	1,760,958	1,645,743	1,725,999
Total Assets	$ 52,331,842	$ 55,852,100	$ 56,615,507	$ 72,544,059	$ 90,129,399
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount from investment Earnings					
Total Deferred Outflow of Resources					
Total Assets and Deferred Outflow of Resources	$ 52,331,842	$ 55,852,100	$ 56,615,507	$ 72,544,059	$ 90,129,399
LIABILITIES					
Accounts and Contracts Payable	$ 2,531,580	$ 1,759,098	$ 2,058,322	$ 4,000,510	$ 3,649,480
Due to other funds					
Accrued Liabilities	1,878,065	9,267,941	2,254,842	3,392,283	3,922,640
Unearned Revenues	259,582	257,297	252,522	30,662	32,218
Total Liabilities	4,669,227	11,284,336	4,565,686	7,423,455	7,604,338
Deferred Inflows of Resources					
Deferred special assessment receipts					
Unavailable revenue	623,374	663,533	655,852		726,674
Deferred inflows related to leases				2,245,749	2,010,906
Deferred from invest.	12,437	12,437	12,437	596,598	
Total Deferred Inflows of Resources	635,811	675,970	668,289	2,842,347	2,737,580
Total Liabilities and Deferred Inflows of Resources	5,305,038	11,960,306	5,233,975	10,265,802	10,341,918
FUND BALANCES					
Non-spendable:					
Inventories	$ 1,702,416	$ 1,711,807	$ 1,760,958	$ 1,645,763	$ 1,725,999
Restricted For:					
General Government					492,000
Economic Development	404,793	547,794	769,085	912,362	747,362
Public safety programs	246,676	656,505	381,947	226,106	545,893
Housing and community development	64,157	65,387	269,104	58,830	65,452
Parks and recreation	723,102	383,351	269,465	889,613	759,472
Public works				78,245	21,331
Community and cultural services*	752,400	791,878	924,662	857,571	940,779
Debt service funds					
Health-related programs					
Transportation					
Committed for:					
Health related programs					
Debt service	9,007,794	9,380,532	10,679,581	10,463,998	10,463,205
Public safety programs	3,972,450	4,178,662	2,472,858	2,582,858	3,733,193
Public works			6,800,000	6,500,000	6,500,000
Transportation	5,391,042	3,500,000	2,511,854	2,511,054	3,991,355
Quality of Life	1,370,000	1,250,000	2,150,000	2,150,000	2,448,184
Economic Development		825,320	850,200	773,000	1,013,000
Assigned to:					
Economic development	2,083,962	1,347,523	1,716,968	1,519,399	1,352,454
Public works	308,349		563,487		
Culture and recreation					
Transportation	160,823				
Community development					
Vehicle acquisition	633,505	1,352,415	1,668,918	854,875	973,845
Unassigned:					
Unassigned:	20,205,335	17,900,621	17,592,445	30,254,603	44,013,957
Total fund balances	$ 47,026,804	$ 43,891,795	$ 51,381,532	$ 62,278,257	79,787,481
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 52,331,842	$ 55,852,101	$ 56,615,507	$ 72,544,059	$ 90,129,399

THE CITY

General

The Las Cruces/Doña Ana County area borders Texas and Mexico and has a rich and colorful history, ranging from 16th century Spanish explorations to the landing of the space shuttle. Las Cruces is the second largest city in the State and is the commercial service and cultural center of southern New Mexico. The City of Las Cruces is located approximately 45 miles north of El Paso, Texas and Cuidad Juárez, Mexico and 225 miles south of Albuquerque, New Mexico.

The economy of the Las Cruces MSA (Metropolitan Statistical Area) is diversified with the major employers being government which accounted for approximately 21,500 jobs as of November 2023. The remaining non-agricultural jobs are in private education and health services (18,400), trade/ transportation/ utilities (11,400), leisure and hospitality (9,200), professional and business services (7,200), mining and construction (3,900), manufacturing (3,500), financial activities (2,400), information (600), and all other services (1,600) (as reported in the New Mexico Department of Workforce Solutions Labor Market Review, November 2023).

Growth in the economy is demonstrated in the growth of gross receipts from retail trade, assessed valuation, building permits, housing prices, and median household income.

Government

The City was founded in 1849 and incorporated in 1907 and operates under a home rule charter with a Council-Manager form of government. Nonpartisan elections are held for members of the City Council of the City (the "Council") for the election of councilors from six single-member districts and for a Mayor to be nominated and elected at large by the resident and qualified voters of the City.

Councilors and the Mayor are elected for staggered four year terms. The Mayor and the Council and the date of expiration of their current terms are as follows:

Name	Office	Current Term Expires
Eric Enriquez	Mayor	December 31, 2027
Cassie McClure	Councilor – District 1	December 31, 2027
Bill Mattiace	Councilor – District 2	December 31, 2027
Becki Graham	Councilor – District 3	December 31, 2025
Johana Bencomo	Councilor – District 4	December 31, 2027
Becky Corran	Councilor – District 5	December 31, 2025
Yvonne M. Flores	Councilor – District 6	December 31, 2025

Administrative Officers

City Manager Ifo Pili began his duties as Las Cruces City Manager in September 2020. Before coming to Las Cruces, Mr. Pili was the city administrator in Eagle Mountain City, Utah since 2012. He also served as Eagle Mountain City's assistant city administrator and economic development coordinator for six years before becoming city administrator. He also was the district administrator for the Unified Fire Service Area, which served 11 Utah municipalities and unincorporated Salt Lake County. Mr. Pili was also an adjunct professor in the Master of Public Administration program at Brigham Young University, teaching local government management. He earned a Bachelor of Science degree in political science and a Master of Public Administration degree from BYU.

Finance Director of Financial Services Leeann DeMouche joined the City of Las Cruces in 2011 with an extensive analytical background in economics and project management. Ms. DeMouche spent ten years with New Mexico State University as the Water Resource Specialist. In 2011, she began her career with the City as the Water Conservation Coordinator. In 2013 she was promoted as the Rate and Economic Analyst Manager, 2015 Fleet Administrator, 2018 Chief Budget Officer, and 2021 Finance Director. Ms. DeMouche is a graduate of New Mexico State University with a BA and MA in Economics.

City Treasurer Erika Jaquez, MBA, as the Treasurer for the City of Las Cruces, has responsibility for management and direction of treasury operations including short-term investment portfolio management, long and short term debt issuance, operational budgeting, bank relationship management and credit card processing. She started with the City in October 2011 and has held various positions in finance, public works, and internal audit. Ms. Jaquez earned her Master of Business Administration and Master of Accountancy from New Mexico State University.

City Clerk Christine Rivera has been with the City of Las Cruces since 2012, was appointed interim city clerk in October of 2019, and became city clerk in August 2020. She received her Certified Municipal Clerk designation in 2016. She earned her Bachelors in Psychology from Louisiana College in 2001 and her Masters in Psychology from Capella University in 2016.

City Attorney Linda A. Samples became the Las Cruces City Attorney on July 31, 2023. Immediately prior to becoming City Attorney, Ms. Samples served as Associate General Counsel for the Texas Tech University System. Previously, Ms. Samples served as Senior Assistant City Attorney for the City of El Paso from August 2013 to August 2017, in which she advised all department and the Public Services Board on personnel matters. Additionally, Ms. Samples' professional experience includes serving as El Paso Independent School District's first In-House Counsel and an Associate with the El Paso Baskind and Hosford Law Firm. Ms. Samples currently serves on the State Bar of Texas Grievance Committee, is the Chair of the State Bar of Texas' Women in the Profession Committee and serves as Treasurer of the Texas Government Law Council. Ms. Samples earned her Juris Doctorate degree from the University of Michigan where she served as Managing Editor of the "Michigan Journal of Race and Law" and earned her Bachelor of Arts degree in psychology with honors and cum laude from the University of Texas at El Paso, where she was named a Top Ten Senior.

Other Employees

As of June 30, 2023, the City had approximately 1861 full time equivalent employees, approximately 419 of which are represented by labor unions. The City believes that relations with its employees are good.

Retirement Plan

The City participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico (the Plan"), established by Chapter 167, Laws of 1947, New Mexico Statutes Annotated, 1978 Compilation, as amended, requires contributions, computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. The Plan requires contributions by the City and by employees at rates established by statute.

In addition to retirement benefits, the Plan provides disability benefits, surviving spouse and children's benefits, deferred benefits option and cost of living adjustments for all eligible participants. Employer contributions to the pension plan amounted to $10,795,053 for the fiscal year ended June 30, 2023. The City's liability under the Plan is limited to the periodic employer contributions, that it is required to make for its participating employees. Future deficits of the Plan are expected to be financed by the State.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires cost-sharing employers, such as the City, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 was effective for fiscal years beginning after June 15, 2014.

The City offers other post-employment benefits through the Retiree Health Care Fund, a cost-sharing multiple employer defined benefit plan administered by the New Mexico Retiree Healthcare Authority. This plan is used to provide post-employment health insurance benefits for eligible employees and their dependents. The contribution requirements are established by and may be amended by the statute. The City's contribution to the fund for Fiscal Year 2023 was $1,800,812. For additional information regarding the post-employment benefit plan, please refer to Note 11 to the City's audited financial statements.

City Budgets

The City adheres to the following procedure in establishing its annual budget: the City Staff prepares a budget which is forwarded to the City Council prior to May 1 for the fiscal year commencing the following July 1; public input is sought by the City Council during the month of May through public hearings; the budget is approved by the City Council and forwarded for approval to the State of New Mexico, Local Government Division of the Department of Finance and Administration; the final budget is returned to the City with recommended changes and modifications; and the final budget is acknowledged by the City Council.

The operating budget includes proposed expenditures and the means of financing them.

The City Manager is authorized to transfer budgeted amounts that are within a designated organizational unit, are within the same fund and do not increase spending for any fund. The City Manager must obtain approval of the City Council and the State prior to making revisions that alter the total expenditures of any fund. As a management control device, the City employs formal budgetary integration at the line item level.

Deficit financing is not permitted under New Mexico law. The level of classification detail at which expenditure may not legally exceed appropriation for each budget item is the fund level (i.e., General, Water, Sewer, etc.).

City Strategic Plan

The City Council adopted a new strategic plan for 2021 through 2026. The strategic plan is a mid-term planning tool used by the City Council, City Management, and Staff to identify community priorities and budget accordingly.

The strategic plan is organized into six themes and related objectives:

- Community Prosperity
    - Expanded housing options for all income levels
    - Enhanced economic diversity and business strength
- Education and community services
    - Enhanced physical and mental resources
    - Improved access to healthy food options

- Environmental sustainability
    - Achieve the goals included in the climate action plan adopted in 2020
    - Promote balanced growth
- Capital improvements and infrastructure
    - Quality infrastructure that meets the community's needs
    - Expanded transit access and options, including pedestrian and bicycle improved road and pavement conditions
- Communication, involvement, and follow-up
    - Robust communication channels with residents between City departments
    - Timely and consistent follow-up by City staff to residents and the public
- Public safety
    - A more humane criminal justice system
    - A safe and secure community

Each theme in the strategic plan contains several goals for a total of 55 goals. The majority of these goals were developed during the two-year planning for Elevate Las Cruces, the City's comprehensive plan. In addition to these, the City Council identified nine council goals, also to be prioritized in the short-to-mid-term planning horizon. Performance measures were developed by staff during the update of department strategic business plans.

Industry

A combination of a well-educated labor force, favorable tax rates and a high quality of living has attracted industry to Las Cruces. The blend of industries contributing to the diversification of the City's economy include: TMC Design (DOD contractor); Pony Carburetor (manufacturer); White Sands Missile Range and Test Facility (U.S. Army, private industry testing facility), Mountain View Medical Center (hospital), NASA LBJ Test Facility (rocket testing), Sapphire Energy (alternative energy production); Wal-Mart (retail); Tresco, Inc. (sheltered employment); VMC (technical support/communication); Saputo Inc. (cheese manufacturer); and NMSU Physical Science Laboratory.

Education

The Las Cruces School District No. 2 (the "District") is the second largest in the State, with an enrollment of approximately 24,999 students. The district has 40 schools: 24 elementary schools (grades pre-K-5), one combined elementary and middle school (K-8), 8 middle schools (grades 6-8), 7 high schools (grades 9-12). Two of the seven high schools are early college high schools and are located on the campus of New Mexico State University. The District also has a virtual learning academy serving elementary through high school students.

New Mexico State University

New Mexico State University (the "University"), was originally founded in 1888, and in 1889 was established as a land grant college. The University consists of its main campus in the City, with branch campuses located in Alamogordo, Grants, Doña Ana and a satellite learning center in Albuquerque. As of September 1, 2023, the University had enrollment of approximately 21,797 students across all campuses, and its Las Cruces Campus had a Fall 2023 enrollment of approximately 14,779 undergraduate and graduate students. The University has 29 doctoral programs, 68 master's degree programs, and 97 undergraduate degree programs, 24 graduate certificate programs, and one education specialist program are available in the University's 6 colleges (Agriculture, Consumer and Environmental Sciences; Arts and Sciences;

Business; Engineering; Health, Education and Social Transformation; and Honors) and the Graduate School.

The University's main campus encompasses approximately 900 acres and consists of more than 211 academic, research, and auxiliary buildings, and over 400 housing buildings. As or September 15, 2023 the University employed 1604 faculty members (of which 1090 are located on the Las Cruces campus) and 2,783 staff (of which 2,394 are located on campus in Las Cruces). The University's largest single research operation is the Physical Science Laboratory. Research for engineering, space technology, and farm production and related industries are also conducted by various University departments. The University is classified as an R2 Doctoral/Research institution as rated by the Carnegie Foundation. The University anchors the southern end of New Mexico's Rio Grande Research Corridor. The statewide Water Resources Research Institute is situated at the University and studies the State's water supply and demands, conservation and use, as well as ecological and other aspects thereof.

The Doña Ana Community College, affiliated with the University and the area's occupational training school, offers approximately 6,849 students a variety of programs designed to train students for meaningful employment. The program is designed to be flexible and can be programmed to meet the specific training needs of employers.

Agriculture

Many private and commercial farms are located in Doña Ana County. Principal crops include cotton, pecans, alfalfa, onions, lettuce, chile, barley, nursery stock, and feed grains. Water for the various agricultural operations is provided by surface water diverted from the Rio Grande River and approximately 900 irrigation wells. The area's growing season averages about 200 days each year. The livestock, dairy cattle, Stahmann Pecan Farms (3,200 acres), and the poultry industry also provide a significant portion of agricultural income. Several chile processing plants are located in the area with seasonal employment growing to nearly 1,000.

Transportation

Historically a crossroads of the Southwest, Las Cruces is serviced by Interstate Highways I-10 (east-west) and I-25 (north-south). In addition, the City is served by five major U.S. highways and seven State highways. More than 20 interstate, regional, and local motor carriers serve Las Cruces; four of them operate terminals in the area.

Commuter air service and corporate and general aviation service is available at the City's international airport. Major scheduled airline service is provided by El Paso International Airport, approximately 50 miles from Las Cruces.

Daily rail service, with piggyback and container service, is provided by the Santa Fe and Southern Pacific railroads.

Labor Force and Percent Unemployed

The following table, derived from information supplied by the New Mexico Department of Workforce Solutions, presents information on employment within the Las Cruces MSA (Doña Ana County), the State and the United States, for the periods indicated. Unless otherwise noted, the annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

Employment Information

Year[1]	Las Cruces MSA (Doña Ana County) Labor Force	Las Cruces MSA (Doña Ana County) Percent Unemployed	State of New Mexico Labor Force	State of New Mexico Percent Unemployed	United States Percent Unemployed
2023[2]	102,529	4.10%	979,478	3.70%	3.70%
2022	99,532	4.40%	947,025	4.00%	3.61%
2021	98,170	6.60%	943,356	6.80%	5.40%
2020	97,153	8.30%	927,685	9.00%	8.90%
2019	99,907	5.20%	968,393	4.50%	4.10%
2018	96,769	5.70%	957,396	4.60%	3.50%
2017	94,943	6.20%	929,567	6.20%	4.40%
2016	95,001	7.20%	927,355	6.70%	4.90%
2015	93,179	7.40%	919,889	6.60%	5.30%
2014	92,462	6.50%	918,206	6.50%	6.20%

(1) Figures are annual averages.

(2) Data for November, 2023. Numbers are preliminary.

Source: U.S. Bureau of Labor Statistics, January 2024.

Covered Wage and Salary Employment by NAICS Code Classification

The following is a history of wage and salary employment for Doña Ana County. The New Mexico Department of Workforce Solutions publishes quarterly reports of covered employment and wages. Beginning with 2001 data, employment was classified according to the new North American Industry Classification System (NAICS).

Average Annual Covered Wage and Salary Employment, By Major Industrial Sector Non-Agricultural Employment –Doña Ana County Annual Average[1]

Sector	2019	2020	2021	2022	2023[2]
Grand Total	72,891	69,490	71,175	74,757	77,691
Total Private	55,850	52,657	54,325	56,818	58,992
Accommodation and Food Services	7,498	6,151	6,947	7,960	8,473
Administrative and Waste Services	3,760	2,960	3,236	3,427	3,336
Agriculture, Forestry, Fishing & Hunting	2,866	2,628	2,433	2,450	2,448
Arts, Entertainment, and Recreation	934	585	576	953	773
Construction	3,706	3,724	3,809	3,935	4,012
Educational Services	704	701	751	797	936
Finance and Insurance	1,657	1,429	1,339	1,425	1,532
Health Care and Social Assistance	14,812	14,860	15,205	16,519	16,115
Information	632	540	509	553	577
Management of Companies and Enterprises	72	85	86	91	86
Manufacturing	2,717	2,775	2,900	3,209	3,237
Mining	54	53	44	44	52
Other Services, Ex. Public Admin	1,208	1,086	1,162	1,341	1,390
Professional and Technical Services	3,672	3,616	3,390	3,463	3,355
Real Estate and Rental and Leasing	784	815	827	838	7,940
Retail Trade	7,242	6,993	7,282	7,703	7,940
Transportation and Warehousing	1,860	1,937	2,089	2,368	2,204
Utilities	355	297	305	629	276
Wholesale Trade	1,317	1,422	1,435	1,463	1,440
Total Government	17,041	16,833	16,850	17,939	18,699

(1) Figures are annual averages of quarterly data.

(2) Second quarter, 2023.

Source: New Mexico Department of Workforce Solutions, Quarterly Census of Employment and Wages Program.

Major Employers

The following are the principal employers located in or near the City.

Las Cruces Metropolitan Statistical Area Principal Employers

1,000 - 4,999 Employees
City of Las Cruces
Gadsden Independent School District
Las Cruces Public School District
Memorial Medical Center
New Mexico State University
White Sands Missile Range

500-999 Employees
Doña Ana Branch Community College
Doña Ana County
Mountain View Regional Medical Center
Walmart Inc.
Peak Behavioral Health Center
Electronic Caregiver

Source: Mesilla Valley Economic Development Authority, January 2024.

Per Capita Income

The following table sets forth annual per capita personal income levels for the Las Cruces Metropolitan Statistical Area ("MSA"), the State of New Mexico, and the United States. The Las Cruces MSA and the State's per capita income level over this period have been lower than the national average.

Year	Las Cruces MSA	New Mexico	United States
2022	$45,361	$52,194	$65,470
2021	45,045	50,311	64,143
2020	41,597	46,760	59,765
2019	38,142	43,530	56,250
2018	36,063	41,218	54,098
2017	35,189	39,458	51,811
2016	34,544	38,775	49,571
2015	33,493	38,103	48,190
2014	32,011	37,219	46,464
2013	30,589	35,088	44,493

Sources: Bureau of Economic Analysis, United States Department of Commerce.

Effective Buying Income

The following table reflects the percentage of households by Effective Buying Income ("EBI") and a five-year comparison of the estimated median household income. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income, and transfer payments. Deductions are made for federal, state, and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. The following chart depicts the median household EBI level for the Las Cruces MSA, the State of New Mexico and the United States.

Effective Buying Income Group	Las Cruces MSA	New Mexico	United States
Under $25,000	23.56%	21.01%	15.66%
$25,000 – 34,999	9.44%	8.87%	7.25%
$35,000 – 49,999	13.21%	12.16%	10.82%
$50,000 and over	18.40%	17.08%	15.83%
$75,000 and over	35.39%	40.88%	50.44%
2024 Est. Median Household Income	$54,591	$60,814	$75,781
2023 Est. Median Household Income	$46,147	$57,526	$73,336
2022 Est. Median Household Income	$45,534	$55,028	$72,191
2021 Est. Median Household Income	$38,109	$49,658	$67,086
2020 Est. Median Household Income	$39,705	$49,384	$65,228

Source: Spotlight, January 2024.

Age Distribution

The following table sets forth a comparative age distribution profile for the City, the State of New Mexico and the United States.

Age Group	Las Cruces MSA	New Mexico	United States
0-17	23.76%	21.63%	21.10%
18-24	11.37%	9.70%	9.55%
25-34	14.48%	12.51%	12.98%
35-44	12.31%	12.49%	12.94%
45-54	11.21%	11.04%	11.98%
55 and Older	26.87%	32.63%	31.45%

Source: Spotlight, January 2024.

Population

Based on information gained from the United States Census Bureau, the following table shows the historical and projected population data for the City of Las Cruces, Doña Ana County and the State of New Mexico.

Population

Year	City of Las Cruces	Doña Ana County	State of New Mexico
2024[(1)]	115,669	225,325	2,117,948
2023	113,999	222,754	2,120,216
2022	108,591	224,886	2,126,179
2020	105,591	218,867	2,097,688
2019	103,432	218,523	2,096,829
2018	102,657	214,739	2,081,363
2010	97,618	218,523	2,112,957
2000	74,267	175,524	1,821,078
1990	62,648	136,523	1,519,933
1980	45,086	96,340	1,303,143
1970	37,857	69,773	1,017,055

[(1)]Estimates, Source: Spotlight, January 2024.

Source: Spotlight, January 2024, United States Census Bureau, and County QuickFacts.

TAX STATUS

General

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Series 2024 Bonds, based on existing laws of the State of New Mexico as enacted and construed, interest on the Bonds is excludable from net income for present State of New Mexico income tax purposes.

The Bonds are being issued as federally taxable under the Internal Revenue Code of 1986, as amended (the "Code").

CONTINUING DISCLOSURE INFORMATION

The City will enter into an undertaking (the "Undertaking"), in the form attached as Appendix D, for the benefit of the holders of the Bonds to provide (i) certain financial information by no later than March 31st of each year, beginning March 31, 2025 until the Bonds are no longer outstanding, and (ii) operating data, and to provide notice of certain events, pursuant to the requirements of section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (17 C.F.R. § 240.15c2-12). A failure by the City to provide any information required thereunder shall not constitute an Event of Default under the Master Ordinance. The City has previously entered into continuing disclosure undertakings (each a "Prior Undertaking" and collectively, the "Prior Undertakings") with respect to certain other obligations of the City in accordance with Section Rule 15c2-12 and, during the last five years, the City has complied in all material respects with those Prior Undertakings.

Compliance with Continuing Disclosure Undertakings in Future Years

The City intends to maintain compliance with its continuing disclosure undertakings in future years through the collective oversight and effort of current City finance staff and private consultants, all of whom have experience and knowledge related to the City's continuing disclosure obligations. Additionally, the City has Continuing Disclosure Procedures on file with the current City finance staff and the City's private consultants, which were adopted by the City Council on July 7, 2014.

LITIGATION

At the time of the original delivery of the Bonds, the City will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate City officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, effectiveness of the Bond Ordinance, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

The City of Las Cruces is party to various legal proceedings seeking damages or injunctive relief and generally incidental to the operations of the City. In addition, the City is a defendant in several cases involving City Police Department action which, if determined unfavorably to the City, may involve significant damages or settlement. The litigation to which the City is a party is unrelated to and does not question the validity of the Bonds, the proceedings under which the Bonds are issued, nor the City's ability to levy and collect property taxes to pay the debt service on the Bonds. The City is self-insured with respect to all but one of the cases for which there is private insurance. Payment of any settlement or judgement may require the City to access funds in its unrestricted reserves. The ultimate disposition of such proceedings is not presently determinable. Given the current status of the cases, the nature of the claims in the cases, the uncertainty of monetary damages, if any, the amount of any loss through jury verdict or settlement is not reasonably subject to estimation at this time. The City continues to defend itself vigorously against the allegations.

RATINGS

Moody's Investors Service ("Moody's") has assigned a ____ rating to the Bonds. An explanation of the significance of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007 or https://www.moodys.com.

Such rating reflects only the view of Moody's, and there is no assurance that such ratings will continue for any given period of time after obtained or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Neither the City nor the initial purchasers of the Bonds have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision.

MUNICIPAL ADVISOR

RBC Capital Markets, LLC is employed as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC Capital Markets, LLC, in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

LEGAL MATTERS

The legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose unqualified opinion approving the legality of the Bonds will be furnished at the closing.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the City when the Bonds are delivered. The City will at that time also provide a certificate relating to the accuracy and completeness of this Official Statement.

ADDITIONAL INFORMATION

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the City located at 700 North Main, Las Cruces, New Mexico 88001 or at the offices of RBC Capital Markets, LLC, 6301 Uptown Boulevard, N.E., Suite 100, Albuquerque, New Mexico 87110.

OFFICIAL STATEMENT CERTIFICATION

As of the date hereof, this Official Statement is true to the best of my knowledge, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution have been authorized by the City Council. The Official Statement is hereby duly approved by the City Council as of the date on the cover page hereof.

CITY OF LAS CRUCES, NEW MEXICO

By: _____
ERIC ENRIQUEZ, MAYOR

APPENDIX A

OPINION OF BOND COUNSEL

April __, 2024

City of Las Cruces
Las Cruces, New Mexico

$6,000,000
City of Las Cruces, New Mexico
Taxable General Obligation Improvement Bonds
Series 2024

Ladies and Gentlemen:

We have acted as bond counsel to the City of Las Cruces (the "City"), Dona Ana County, State of New Mexico (the "State"), in connection with the issuance and sale of its $6,000,000 Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"), dated April __, 2024, with interest payable on August 1, 2024 and semi-annually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding, being issued in registered form and maturing serially on August 1 in the years 2024 through 20__, inclusive. The Bonds are being issued pursuant to Ordinance No. 3062 by the City Council on March 4, 2024 as supplemented by the Award Certificate executed on March __, 2024 .

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights and further subject to the exercise of judicial discretion in accordance with general principles of equity:

1. The Bonds constitute legal, valid and binding general obligation debt of the City and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes on all property within the City subject to *ad valorem* taxes levied by the City, which taxes are unlimited as to rate or amount.

2. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions expressed herein are based upon existing laws as of the date of issuance and delivery of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the City related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the City and the security provided therefor, as contained in the Bond Ordinance, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual or interest on, or the ownership of, the Bonds except those specifically addressed in paragraphs 2 above.

Respectfully submitted,

APPENDIX B

AUDITED FINANCIAL STATEMENTS – JUNE 30, 2023

The City has not requested the consent of Patillo, Brown & Hill, LLP, which performed the audit of the City's Financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Las Cruces, New Mexico (the "City"), in connection with the issuance of the City of Las Cruces, New Mexico Taxable General Obligation Improvement Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to Ordinance No. 3062 adopted by the City Council on March 4, 2024, as supplemented by the Award Certificate executed on March __, 2024 (collectively, the "Bond Ordinance"). Pursuant to the Bond Ordinance, to allow the owners of the Bonds to comply with the Rule (defined below), the City is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB")) and operating data with respect to the City, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions "DEBT AND OTHER FINANCIAL OBLIGATIONS" and "FINANCES OF THE CITY" in the Official Statement.

(b) "Audited Financial Statements" means the City's annual financial statements which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access system located on its website at emma.msrb.org.

(d) "Event Information" means the information delivered pursuant to Section 3(d) of this Undertaking.

(e) "Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

(f) "MSRB" means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, telephone (703) 797-6600, fax (703) 797-6708.

(g) "Official Statement" means the Official Statement dated March __, 2024, delivered in connection with the original issue and sale of the Bonds.

(h) "Report Date" means March 31 of each year, beginning in 2025.

(i) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

(j) "SEC" means the Securities and Exchange Commission.

(k) "State" means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The City, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the City will provide Audited Financial Statements to EMMA when and if available.

(c) The City, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the City, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a "final official statement" within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding and the City obtains knowledge of the occurrence of any of the following events with respect to the Bonds, the City shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of Bondholders, if material;

(viii) bond calls, if material, or tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bond, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or a similar event with respect to the City or an obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or a change of name of a trustee, if material;

(xv) the incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(xvi) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(e) The City or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. Unless otherwise required by law and subject to technical and economic feasibility, the City, or its designated agent, will employ such methods of electronic or physical information transmission as is requested or recommended from time to time by EMMA, the MSRB and the SEC.

Section 5. Enforcement. The obligations of the City under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the City to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The City's breach of its obligations under this Undertaking will not constitute an event of default under the Bond Ordinance and none of the rights and remedies provided by the Bond Ordinance will be available to the Owners with respect to such a breach.

Section 6. Term. The City's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Ordinance; (ii) the date on which the City is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds. The City shall file a notice of any such termination with EMMA.

Section 7. Amendments. The City may amend this Undertaking from time to time, without the consent of any Owner, upon the City's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, a change in the identity, nature or status of the City or a change in the availability or character of financial information for the City;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the City and the Owners and creates no rights in any other person or entity.

Section 9. Limited Obligation. This Undertaking is subject to the availability of necessary funds appropriated by the City.

Section 10. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Date: April __, 2024.

CITY OF LAS CRUCES, NEW MEXICO

[CITY SEAL]

By: _____
Eric Enriquez, Mayor

Attest:

By: _____
Christine Rivera, City Clerk

APPENDIX D

OFFICIAL NOTICE OF BOND SALE

$6,000,000
City of Las Cruces, New Mexico
Taxable General Obligation Improvement Bonds
Series 2024

PUBLIC NOTICE IS HEREBY GIVEN that electronic bids will be received by the City Council (the "Council") of the City of Las Cruces, New Mexico (the "City"), for the purchase of all of the City's Taxable General Obligation Bonds, Series 2024 (the "2024 Bonds"), more particularly described below. The 2024 Bonds will be awarded to the winning bidder for the 2024 Bonds by 5:00 p.m., prevailing Mountain Time, March 14, 2024. The City Manager or City Financial Services Director will take action to award the Bonds and certify in writing that the final terms comply with the parameters and conditions established in the Bond Ordinance adopted by the City Council on March 4, 2024.

Bids for the purchase of the 2024 Bonds will be accepted through the Ipreo BiDCOMP/Parity electronic bidding web site. No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

Bid Date: March 14, 2024
Bid Time: Between 10:30 a.m. and 11:00 a.m. Eastern Time
(Between 8:30 a.m. and 9:00 a.m. Mountain Time)
Submit Bid to: www.munis.ipreo.com

Information related to this auction can be obtained from Ipreo's BiDCOMP/Parity Auction Support at BIDCOMP/PARITY, 1359 Broadway, 2nd Floor, New York, New York 10018, i-Deal Prospectus: (212) 849-5024 or (212) 849-5025; BidComp/Parity: (212) 849-5021.

To bid, bidders must have both (1) completed the registration form on the Ipreo BiDCOMP/Parity electronic bidding website and (2) requested and received admission to the City's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Ipreo BiDCOMP/Parity electronic bidding platform shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Neither the City, Ipreo BiDCOMP/Parity , the Municipal Advisor, nor Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Ipreo BiDCOMP/Parity time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their

bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.

This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2024 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2024 Bonds and the security therefore set forth in the Preliminary Official Statement dated March 7, 2024 (the "Preliminary Official Statement").

BOND DETAILS

The 2024 Bonds will be issued in the aggregate principal amount of $6,000,000, exclusive of premium, if any. The 2024 Bonds and the interest thereon are general obligations of the City. The City has prepared the Preliminary Official Statement, relating to the 2024 Bonds which is deemed by the City to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the Rule. Details of the 2024 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

The 2024 Bonds will be issued in the aggregate principal amount of $6,000,000, will be dated the date of delivery, will be issued as fully registered bonds and will mature on August 1 of each year as follows:

Years Maturing*	Amounts Maturing*
2024	$1,~~850~~650,000
2025	-1,400,000
2026	~~275~~300,000
2027	~~275~~300,000
2028	~~275~~300,000
2029	~~275~~300,000
2030	~~275~~300,000
2031	~~275~~300,000
2032	~~275~~300,000
2033	~~275~~300,000
2034	~~275~~300,000
2035	~~275~~250,000

*Subject to Change

The Bonds will be fully registered bonds in the denomination of $5,000 each, or any integral multiple thereof. Interest will be payable on August 1, 2024 and semiannually thereafter on February 1 and August 1 of each year.

Optional Redemption: The Bonds maturing on and after August 1, 2033 may be redeemed prior to their scheduled maturities on August 1, 2032, or on any date thereafter, in whole or in part, at the option of the City at par plus accrued interest to the date of redemption, if any.

Official Statement. The Preliminary Official Statement may be viewed and downloaded from in electronic format at www.fmhub.com (MuniHub) and at www.i-dealprospectus.com or a physical copy may be obtained by contacting the City or the Municipal Advisor, see "Information" below.

The City will make available to the winning bidder, within seven business days after the award of the sale of the 2024 Bonds, the Final Official Statement which is to be downloaded from www.fmhub.com (MuniHub). One printed copy of the Final Official Statement also will be provided to the winning bidder upon request; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

TERMS OF SALE

Submission of Bids. All bids must be submitted only by electronic bidding through the facilities of Ipreo BiDCOMP/Parity. No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2024 Bonds will begin at 10:30 a.m., Eastern Time (8:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 11:00 a.m., Eastern Time (9:00 a.m. Mountain Time).

To bid, bidders must first visit the Ipreo BiDCOMP/Parity website where, if they have never registered with Ipreo BiDCOMP/Parity , they can register and then request admission to bid on the 2024 Bonds. Subscription to i-Deal's BIDCOMP PARITY Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Ipreo BiDCOMP/PARITY may call **(212) 849-5021**, for support with accessing the site.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Bond Sale ("Notice"), and shall be binding upon the bidder. The City and the City's financial and bond advisors shall not be responsible for any malfunction or mistake made by or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice conflict with information provided by PARITY, as the approved provider of electronic bidding services, this Notice shall control. Further information about PARITY, including any fee charged, may be obtained from BIDCOMP/PARITY, 1359

Broadway, 2nd Floor, New York, New York 10018, i-Deal Prospectus: (212) 849-5024 or (212) 849-5025; BidComp/Parity: (212) 849-5021.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Board, as described under "BASIS OF AWARD" below. All electronic bids shall be deemed to incorporate the provisions of this Notice and the Official Bid Form.

For purposes of bids received through the electronic bidding process, the time as maintained by PARITY shall constitute the official time.

Bidding Parameters. Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2024 Bonds. Interest shall be bid in multiples of $1/20^{th}$ or $1/8^{th}$ percentum and only one interest rate may be bid for each maturity of the 2024 Bonds. The maximum interest rate may not exceed 6% for any maturity and the maximum interest rate specified for any maturity of the 2024 Bonds may not exceed the minimum interest rate specified for any maturity of the 2024 Bonds by more than three percent (3%). The maximum net effective interest rate of the 2024 Bonds shall not exceed ten percent (10%) per annum. The 2024 Bonds will not be sold for less than par. The Underwriter's Discount on the 2024 Bonds shall not exceed 4% of the par amount of the 2024 Bonds.

The Bonds will not be sold for less than 100% of par.

Bidders are required to submit a bid specifying the lowest rate or rates of interest and premium, if any, at which such bidder will purchase the Bonds. For informational purposes only, each bidder is requested to specify: (a) the method of payment of the good faith deposit, (b) the True Interest Cost on the Bonds stated as a nominal annual percentage rate (see "BASIS OF AWARD" below), (c) gross interest cost, (d) premium, if any, and (e) net interest cost. Only unconditional bids shall be considered. Bids should be submitted as an electronic bid using the facilities of PARITY. No other method of submitting bids will be accepted (see "FURTHER INFORMATION" below).

Term Bonds. A bidder may elect to have all or a portion of the 2024 Bonds scheduled to mature in consecutive years issued as one or more term bonds (the "Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement, however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

Adjustment of principal amounts, modification or clarification prior to examination of bids. The City Financial Services Director, in consultation with the City's financial and bond advisors, in the City Financial Services Director's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2024 Bonds will be received, by issuing a notification of the adjusted series,

amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

Adjustments to principal amounts after determination of best bid. The aggregate principal amount of the 2024 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the City Financial Services Director after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the City. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Leeann DeMouche at ldeMouche@lascruces.gov or such other address as may be indicated by the City Financial Services Director within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2024 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2024 Bonds to the public that will be retained by the Purchaser as its compensation.

The City Financial Services Director in consultation with the City's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2024 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The City Manager in consultation with the City's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2024 Bonds to the public and the price to be paid to the City, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2024 Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule. The City will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2024 Bonds. THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE CITY FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2024 Bonds.

Information Regarding Bids. Bidders may change and submit bids as many times as they wish during the bidding ~~period.~~, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (*i.e.*, "Leader," "Cover," "3rd," etc.).

Bids Constitute an Irrevocable Offer. Each bid submitted through Ipreo BiDCOMP/PARITY electronic bidding system shall be deemed an irrevocable offer to purchase the 2024 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

Basis of Award. The 2024 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2024 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2024 Bonds as of April 11, 2024, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding. "True Interest Cost" of the Bonds, as used herein, means that yield, which if used to compute the present worth, as of the date of the Bonds, of all payments of principal and interest to be made on the Bonds, from their date to their respective maturity dates, as specified in the maturity schedule and without regard to the possible optional prior redemption with respect to the Bonds, using the interest rates specified in the bid, produces an amount equal to the principal amount of the Bonds plus any premium bid. No adjustment shall be made in such calculation for accrued interest on the Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360-day year consisting of twelve thirty day months and a semiannual compounding interval. The purchaser must pay accrued interest from the date of the Bonds to the date of delivery. **The Bonds will not be sold for less than par plus accrued interest.** The City reserves the right to waive any irregularity or informality in any bid, except time of filing.

The winning bid or bids will be indicated on Ipreo BiDCOMP/PARITY and the auction results, as posted on such website, will be subject to verification by the City. The City will verify the auction results immediately following the close of the bidding period and notice of confirmation by the City of the winning bidder or bidders will be made by a posting on Ipreo BiDCOMP/PARITY stating "Auction Results Verified and Confirmed".

An award may be made by the City to any bidder in a principal amount less than the principal amount of the 2024 Bonds for which the bid is submitted. Further, in the event of an award by the City for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Ipreo BiDCOMP/PARITY, shall be deemed to be the leading bid.

Sale Reservations. The City reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

Good Faith Deposit Not Required to Bid. A good faith deposit will not be required in connection with the submission of any bid for the 2024 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

Bid Award Deposit. Not later than 2:00 p.m., Mountain Time on March 14, 2024, the winning bidder is required to submit a Bid Award Deposit of $120,000.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the City Manager and provided to the winning bidder after the sale of the 2024 Bonds.

No interest will be paid by the City on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2024 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2024 Bonds in

compliance with the terms of the bid, at the option of the City, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the City.

Time of Award and Delivery. The City Manager or City Financial Services Director will take action awarding the Bonds or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of the bids. Delivery of the Bonds will be made to the successful bidder through the facilities of The Depository Trust Company, New York, New York, within 60 days of the acceptance of the bid. If for any reason delivery can0not be made within 60 days, the successful bidder shall have the right to purchase the Bonds during the succeeding 30 days upon the same terms, or at the request of the successful bidder, during said succeeding 30 days, the good faith deposit will be returned, and such bidder shall be relieved of any further obligation. It is anticipated that the delivery of the Bonds will be on or about April 11, 2024.

Manner and Time of Delivery. The 2024 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the City on April 11, 2024, or such later date as the City and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the City.

Continuing Disclosure Undertaking. The City has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The City has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

State Securities Laws. The City has taken no action to qualify the offer or sale of the 2024 Bonds under the securities laws of any state. Should any such qualification be necessary, the City agrees to cooperate with the winning bidder in such matters, provided that the City reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder. By submitting a bid, the initial purchaser represents that the sale of the Bonds in states other than New Mexico will be made only under exemptions from registration, or, wherever necessary, the initial purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold.

CUSIP Numbers. CUSIP numbers will be issued and printed on the 2024 Bonds at the expense of the City. The City's Municipal Advisor will apply for CUSIP numbers prior to the sale date of the 2024 Bonds. Any error or omission in printing such numbers on the 2024 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

Legal Opinion, Certificates and Transcript. The validity and enforceability of the 2024 Bonds will be approved by the City's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2024 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the City to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the City to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2024 Bonds as of the date of their delivery; and

(c) a certificate of the City to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2024 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Postponement of Sale. The City reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Ipreo BiDCOMP/PARITY prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2024 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2024 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Ipreo BiDCOMP/PARITY at the time the sale date and time are announced.

Ratings. A rating of "___" has been received by Moody's Investors Service.

Information. Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the City and the 2024 Bonds may be obtained from:

Erik Harrigan, Director
RBC Capital Markets
6301 Uptown Blvd., Ste. 110
Albuquerque, NM 87110
Phone: (505) 872-5999

The date of this Official Notice of Bond Sale is March 7, 2024.

CITY OF LAS CRUCES, NEW MEXICO

3063; Council Bill 24-021

City Council Action and Executive Summary

Type of Action:
☐ **Resolution**
☒ **Ordinance**
☐ **TIDD Resolution**

District:	☒ **1** ☐ **2** ☐ **3** ☐ **4** ☐ **5** ☐ **6** ☐ **N/A**		
1st Reading:	February 20, 2024	**Adopted:**	March 4, 2024
Drafter:	John Castillo	**Department:**	Community Development
Program:	Community Planning	**Line of Business:**	Community Planning

Title: **AN ORDINANCE APPROVING A ZONE CHANGE FROM R-3 (HIGH-DENSITY RESIDENTIAL FROM THE SOUTH MESQUITE OVERLAY) TO C-1 (NEIGHBORHOOD COMMERCIAL DISTRICT FROM THE SOUTH MESQUITE OVERLAY). THE SUBJECT PROPERTY ENCOMPASSES 0.233 ± ACRES AND IS LOCATED AT 541 CAMPO STREET. THE ZONE CHANGE IS TO ALLOW FOR THE FUTURE DEVELOPMENT OF A COMMERICAL BUSINESS ON THE SUBJECT PROPERTY.**

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

PURPOSE(S) OF ACTION:

Zone Change

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The City Council is required to review and take final action on zone changes per Section 38-10 B. 2. b. and 38-13 A. of the 2001 Zoning Code, as amended. A zoning district is a specifically delineated area where land use regulations uniformly govern the use, placement, spacing, density, bulk, height, and size of buildings and/or land.

The applicant is requesting a zone change from R-3 (High-Density Residential from the South Mesquite Overlay) to C-1 (Neighborhood Commercial District from the South Mesquite Overlay) for a residentially developed parcel of land located at 541 S. Campo Street. The purpose for the proposed zone change is to allow the property to expand beyond the residential and limited commercial land uses that are permitted under the existing zoning for future commercial development.

The property is zoned R-3 (High-Density Residential from the South Mesquite Overlay) which allows for various residential development (i.e., Single-Family Residence, duplex, triplex, quadplex, apartments, etc.) and limited non-residential development. The proposed zone change request will allow for the redevelopment of a residential home into a commercial development. As the property is located within the South Mesquite Overlay District (SMO), the proposed C-1 zoning designation will allow for a range of residential, office and commercial land uses. The surrounding area consists of the Downtown Development Code (DDC) area, the Lohman/Amador mixed-use corridor as well as South Mesquite Overlay/Neighborhood.

The proposed zone change is consistent with the intent and purpose of Elevate Las Cruces Comprehensive Plan through several Goals, Policies, and Actions. Campo Street is classified as a collector roadway in Elevate Las Cruces' Future Thoroughfare Map and the Mesilla Valley MPO Future Thoroughfare Plan which support commercial development. The subject property is also located within the Urban Neighborhood Place

Type, as indicated by the Future Development Map. The Urban Place Type is defined with variety of housing types at medium-to-high densities and areas of supporting neighborhood commercial development. This is shown through the incorporation of small-scale commercial uses or mixed-use buildings on major thoroughfares, as well as providing a transition in development scale between major thoroughfares and surrounding neighborhoods.

Section 38-49.2.J.2.D of the 2001 Zoning Code requires a recommendation from the Historic Preservation Commission (HPC) to the Planning and Zoning Commission (P&Z) for zone change requests. On December 06, 2023 the HPC met during a public hearing to review and make a recommendation on the zone change based on compliance with the SMO. After discussion amongst the community and the HPC members, the HPC voted to recommend denial for the proposed zone change by a vote of 0-4-0 (three commissioners absent). The commissioners provided no findings with the vote.

On December 19, 2023 the Planning and Zoning Commission, per Section 38-10 B. 2. B. of the 2001 Zoning Code, as amended, recommended denial of the proposed zone change by a vote of 0-6-0 (One Commissioners Seat Vacant) based on the following findings:

•The zone change request does not follow the intent and purpose of the Mesquite Historic District Design Plan.

•Based on the recommendation of the Historic Preservation Commission and the findings provided by the Historic Preservation Specialist.

•Does not meet the intent and purpose of Elevate Las Cruces Comprehensive Plan.

The case was publicly noticed in accordance with the City's notification provisions; staff received several phone calls and emails in support of and opposition to the zone change prior or during the HPC and P&Z hearing.

SUPPORT INFORMATION:

Exhibit "A" - Site Plan
Exhibit "B" - Findings
Attachment "A" - Case 23ZO0500120 P&Z Staff Report
Attachment "B" - HPC Meeting Minutes 12.6.2023
Attachment "C" - P&Z Meeting Minutes 12.19.2023
Attachment "D" - Additional Public Comment Prior to P&Z Meeting

PLAN(S):

Other, Elevate Las Cruces

COMMITTEE/BOARD REVIEW:

Historic Preservation, P&Z

DOES THIS AMEND THE BUDGET?:

☐ Yes
☒ No

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

☐ Yes
☒ No

Does this action align with Elevate Las Cruces?

☒ Yes
☐ No

OPTIONS / ALTERNATIVES:

1. Vote "Yes", this will approve the Ordinance.
2. Vote "No", this will deny the Ordinance.
3. Vote to "Amend", this could allow the City Council to modify the Ordinance by adding conditions as determined appropriate and direct staff accordingly.
4. Vote to "Table", this could allow the City Council to table/postpone the Ordinance and direct staff accordingly.

ORDINANCE 3063; COUNCIL BILL 24-021

AN ORDINANCE APPROVING A ZONE CHANGE FROM R-3 (HIGH-DENSITY RESIDENTIAL FROM THE SOUTH MESQUITE OVERLAY) TO C-1 (NEIGHBORHOOD COMMERCIAL DISTRICT FROM THE SOUTH MESQUITE OVERLAY). THE SUBJECT PROPERTY ENCOMPASSES 0.233 ± ACRES AND IS LOCATED AT 541 CAMPO STREET. THE ZONE CHANGE IS TO ALLOW FOR THE FUTURE DEVELOPMENT OF A COMMERICAL BUSINESS ON THE SUBJECT PROPERTY.

The City Council is informed that:

WHEREAS, Libbin Underwood Engineering and Surveying, representatives, has submitted a request for a zone change from R-3 (High Density Residential District from the South Mesquite Overlay) to C-1 (Neighborhood Commercial District from the South Mesquite Overlay) for 541 S Campo Street; and

WHEREAS, the proposed C-1 zoning designation will allow for a range of land uses including residential, office, and commercial; and

WHEREAS, the proposed zone change is supported by Elevate Las Cruces Comprehensive Plan, by promoting investment within older areas of the City through redevelopment as it shows the incorporation of small-scale commercial uses or mixed-use buildings on major thoroughfares and surrounding neighborhoods; and

WHEREAS, the proposed C-1 zoning designation is supported by the purpose and goals laid out in the Mesquite Neighborhood Plan and Mesquite Neighborhood District Design Plan; and

WHEREAS, the Planning and Zoning Commission, after conducting a public hearing on December 16, 2023 recommended that said zone change request be denied by a vote of 5-0-0 (one commissioner absent, one commissioner seat vacant).

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

(I)

THAT the land, as reflected in Exhibit "A", attached hereto and made part of this Ordinance, is hereby zoned C-1 (Neighborhood Commercial District).

(II)

THAT the zoning is based on the findings contained in Exhibit "B", attached hereto and made part of this Ordinance.

(III)

THAT the zoning of said property be shown accordingly and the City Zoning Atlas.

(IV)

THATCity 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

EXHIBIT "A"

ZONE MAP

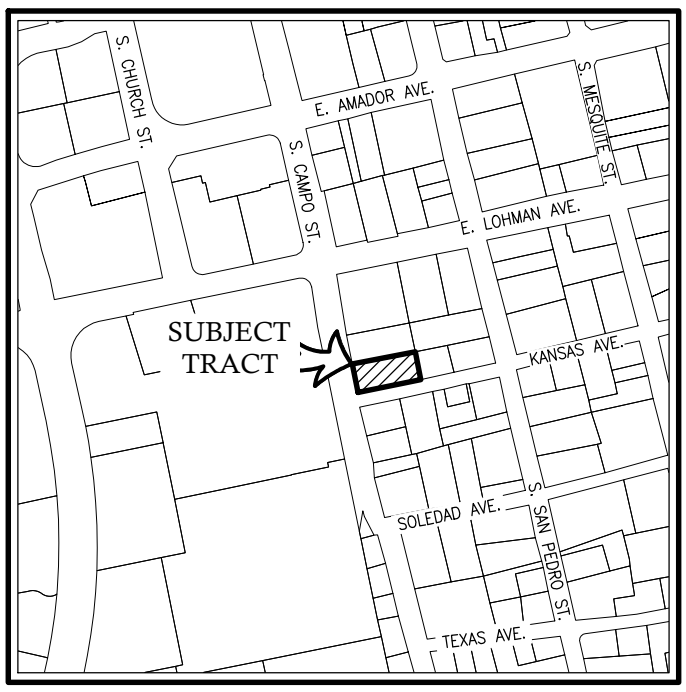
FOR A TRACT OF LAND BEING THE SOUTHWEST CORNER OF BLOCK 88 OF THE ELMENDORF-BARROWS MAP OF LAS CRUCES
LOCATED THE SOUTHEAST 1/4 OF SECTION 18, T23S, R2E, NMPM
WITHIN THE CITY OF LAS CRUCES,
DOÑA ANA COUNTY, NEW MEXICO
SCALE 1"= 20' JULY 26, 2023

OWNER OF RECORD:

SANDRA L. CALDERON & TROY MILLER
541 S CAMPO STREET
LAS CRUCES, NM 88001
REC#0806409
MARCH 4, 2008

LEGEND

	SUBJECT TRACT BOUNDARY LINES & CORNER; ALL MONUMENTS ARE INDIVIDUALLY DESCRIBED
S.I.R.	SET #5 STEEL REBAR WITH PLASTIC YELLOW CAP; NMPLS #5983
(F)	FIELD MEASUREMENT
(R)	RECORD MEASUREMENT
	AREA OF PROPOSED ZONE CHANGE



VICINITY MAP
NTS

DESCRIPTION OF PART OF BLOCK 88
EXISTING ZONE R-3; TO BE ZONED (C-1)

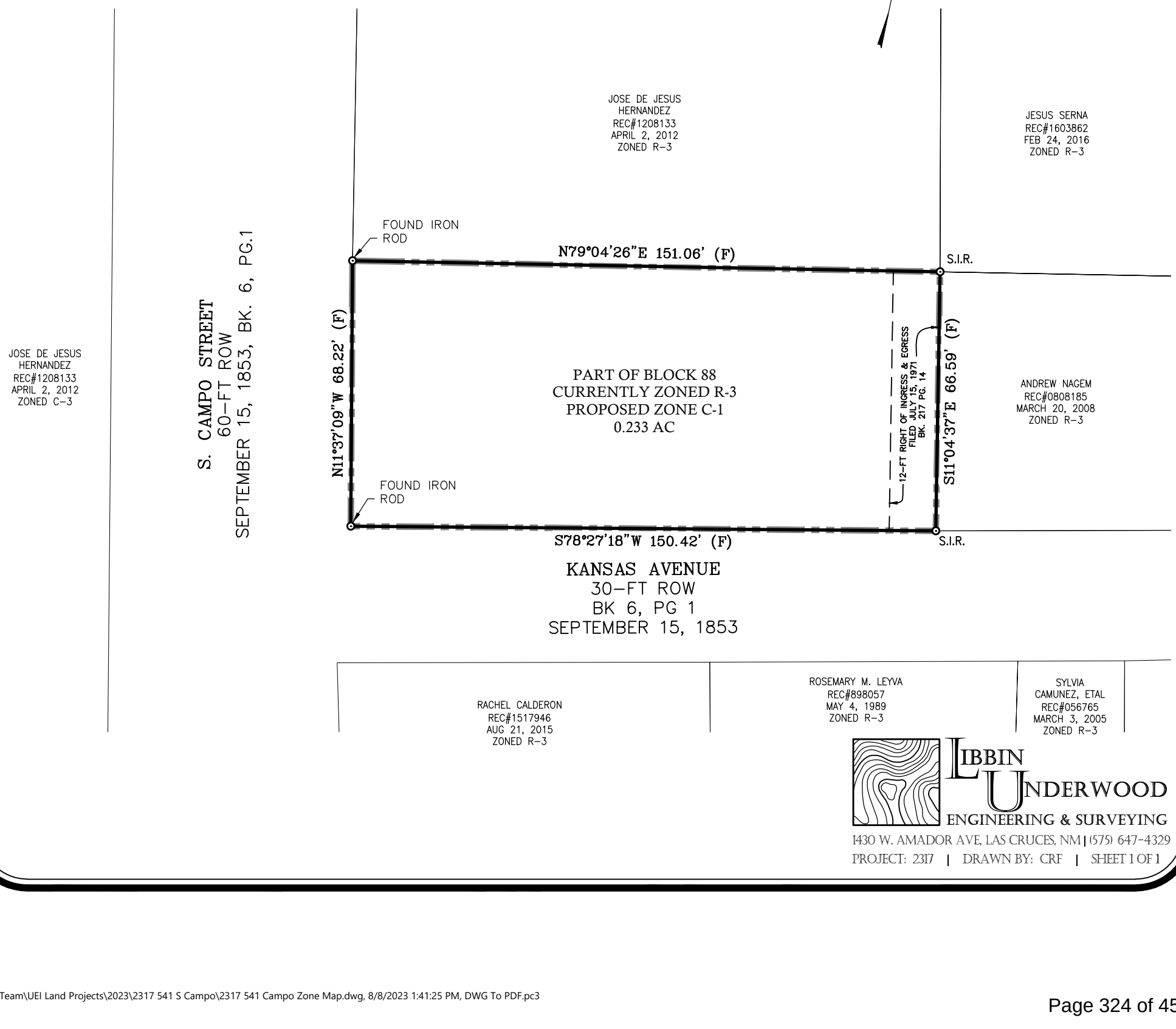
A TRACT OF LAND BEING PART OF BLOCK 88 OF THE ELMENDORF–BARROWS MAP OF LAS CRUCES AS FILED JULY 8, 1931, IN PLAT RECORD 6, PAGE 10 OF THE DOÑA ANA COUNTY CLERK RECORDS; THIS TRACT IS LOCATED IN THE SOUTHEAST 1/4 OF SECTION 18, T23S, R2E, NMPM, USRS, WITHIN THE CITY OF LAS CRUCES, DOÑA ANA COUNTY, NEW MEXICO, AND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND IRON ROD AT THE NORTHEAST CORNER OF S. CAMPO STREET AND KANSAS AVENUE FOR THE SOUTHWEST CORNER OF THIS TRACT, WHICH POINT IS THE SOUTHWEST CORNER OF SAID BLOCK 88; THENCE FROM SAID POINT OF BEGINNING N11°37'09"W ALONG THE EAST RIGHT–OF–WAY LINE OF SAID CAMPO STREET A DISTANCE OF 68.22 FEET TO A FOUND IRON ROD FOR THE NORTHWEST CORNER OF THIS TRACT; THENCE LEAVING SAID RIGHT–OF–WAY LINE, N79°04'26"E A DISTANCE OF 151.06 FEET TO A SET #5 REBAR WITH PLASTIC YELLOW CAP FOR THE NORTHEAST CORNER OF THIS TRACT; THENCE S11°04'37"E A DISTANCE OF 66.59 FEET TO A SET #5 REBAR WITH PLASTIC YELLOW CAP ALONG THE NORTH RIGHT–OF–WAY LINE OF SAID KANSAS AVENUE FOR THE SOUTHEAST CORNER OF THIS TRACT; THENCE S78°27'18"W ALONG SAID RIGHT–OF–WAY LINE A DISTANCE OF 150.42 FEET BACK TO THE POINT OF BEGINNING.

THIS TRACT CONTAINS 0.233 ACRES, MORE OR LESS, OF LAND AND IS SUBJECT TO ALL EASEMENTS, RESTRICTIONS AND RESERVATIONS OF RECORD.

0' 10' 20'
SCALE: 1" = 20'

N



LIBBIN UNDERWOOD
ENGINEERING & SURVEYING
1430 W. AMADOR AVE, LAS CRUCES, NM | (575) 647-4329
PROJECT: 2317 | DRAWN BY: CRF | SHEET 1 OF 1

EXHIBIT “B”

FINDINGS

1. The zone change request will allow for the attraction and retention of businesses at a small scale and provide buffering to the residential neighborhood to the east and south.
2. The expanded uses allowed by the proposed zone change is consistent with existing uses in close proximity to the subject property (2001 Zoning Code, Section 38-33).
3. The subject property is just south of the Downtown Development Code (DDC) area where a variety of commercial, industrial, office, and institutional uses are allowed.
4. The subject property is located along a collector roadway where commercial zoning and associated land uses are encouraged (2001 Zoning Code, Section 38-32 D).
5. The proposed zone change meets the intent of Elevate Las Cruces Comprehensive Plan as it provides a low intensity commercial node adjacent to residential land uses and zoning districts.
6. The proposed zone change meets the purpose and intent outlined in Section 38-2 of the 2001 Zoning Code, as amended; and fulfills the purpose of the Las Cruces Municipal Code Section 2-382.
7. Based upon staff’s analysis of the proposal, the proposed zone change meets the intent and purpose of the Mesquite Neighborhood Plan and Mesquite Historic District Design Plan.

ATTACHMENT "A"

CITY OF LAS CRUCES

ZONING

Planning & Zoning Commission 12/19/2023

CASE 23ZO0500120: REZONING

STAFF CONTACT:	John Castillo, (575) 541-2288, jcastillo@lascruces.gov
OWNER:	Sandra L Calderon & Troy Miller
REPRESENTATIVE:	Libbin Underwood Engineering and Surveying
DISTRICT:	District #1
SITE ADDRESS:	541 S Campo Street
EXISTING ZONING:	South Mesquite Overlay/ R-3 (High Density Residential District)
REQUEST:	To rezone from R-3 (High Density Residential District) to C-1 (Neighborhood Commercial District)
RELATED APPLICATIONS:	N/A
STAFF RECOMMENDATION:	Approval

SUMMARY OF CASE 23ZO0500120:
The applicant is requesting a zone change from R-3 (High Density Residential District) to C-1 (Neighborhood Commercial District) on a property encompassing 0.23 ± acres and located at 541 S. Campo Street, to allow for the development of a commercial business.

SUMMARY OF RECOMMENDATION:
Staff is recommending **APPROVAL** based on the findings listed below:

- The zone change request will allow for the attraction and retention of businesses at a small scale and provide buffering to the residential neighborhood to the east and south.
- The expanded uses allowed by the proposed zone change is consistent with existing uses in close proximity to the subject property (2001 Zoning Code, Section 38-33).

- The subject property is just south of the Downtown Development Code (DDC) area where a variety of commercial, industrial, office, and institutional uses are allowed.
- The subject property is located along a collector roadway where commercial zoning and associated land uses are encouraged (2001 Zoning Code, Section 38-32 D).
- The proposed zone change meets the intent of Elevate Las Cruces Comprehensive Plan as it provides a low intensity commercial node adjacent to residential land uses and zoning districts.
- The proposed zone change meets the purpose and intent outlined in Section 38-2 of the 2001 Zoning Code, as amended; and fulfills the purpose of the Las Cruces Municipal Code Section 2-382.
- Based upon staff's analysis of the proposal, the proposed zone change meets the intent and purpose of the Mesquite Neighborhood Plan and Mesquite Historic District Design Plan.

PROPOSAL AND LAND USE HISTORY

DETAILED DESCRIPTION:

The applicant is seeking a zone change from R-3 (High Density Residential District) to C-1 (Neighborhood Commercial District), within the South Mesquite Overlay for future commercial development. The subject property is 0.23 ± acres in size with a residential home, located at the corner of Campo Street and Kansas Avenue. Under the existing R-3 zoning designation the property is permitted various types of residential and very limited commercial land uses.

The proposed zone change to C-1 will allow the property to expand beyond the residential and limited commercial land uses. It will allow for low intensity commercial land uses in accordance with the 2001 Zoning Code, as amended. The proposed zone change is adjacent to the Mixed-Use Corridor along Lohman Avenue and Amador Avenue, as well as, adjacent to Campo Street, a collector thoroughfare that creates a transitional area between the existing residential neighborhood and existing commercial.

LAND USE HISTORY:

The subject property is located on the northeast corner of S. Campo Street and Kansas Avenue, at 541 S. Campo Street. The property contains a residence that was built in 1945. The subject property was zoned R-3 prior to 1981.

This property is a part of the Original Townsite located within the Mesquite Historic District. In May of 2005 the subject property and surrounding area established the South Mesquite Overlay through the adoption of Ordinance No. 2200. This overlay district is designed to positively address issues unique to the Las Cruces Original Townsite and surrounding area through the adopted Mesquite Neighborhood Plan and the Mesquite Historic District Neighborhood Design Plan.

ZONING DECISION CRITERIA AND POLICIES

POLICY	DOES IT COMPLY?
Neighborhood Character and Compatibility	Yes
Elevate Las Cruces Comprehensive Plan	Yes
Thoroughfare Plans	Yes
Purpose and Intent of the Code: Section 38-2	Yes
Criteria for Decisions: Section 2-382	Yes
Mesquite Neighborhood Plan and Design Plan	Yes

NEIGHBORHOOD CHARACTER AND COMPATIBILITY:
Campo Street is primarily a mixed-use corridor that runs from Picacho Avenue to El Paseo Road providing connections to major thoroughfares. Lohman Avenue and Campo Street are dominated by a variety of commercial, office, and retail land uses that buffer the various types of residential housing in the area. There is R-3 zoning to the north, east and south. There is commercial zoning to one parcel north and west of the subject property.

COMPLIANCE WITH ELEVATE LAS CRUCES COMPREHENSIVE PLAN:
The subject property is in an area designated as the Urban Neighborhood Place Type and one block south to a designated Mixed-Use Corridor Place Type in the Elevate Las Cruces Comprehensive Plan and Future Development Map. The Urban Neighborhood Place Type includes a variety of residential housing types at medium to high density and areas of supporting neighborhood retail and office uses. Additionally, a Mixed-Use Corridor is supported by a mix of residential and non-residential land uses along roadway or trail corridors. The following goals, polices, and actions from Elevate Las Cruces are relevant to the proposed zone change:

- Community Environment:
  - Goal CE-3: Centers and Corridors – Support community growth through concentrated development at activity centers and along key corridors.
    - Policy CE-3.2 – Allow for a mix of development type and intensity along major thoroughfares that reflects surrounding urban, suburban, and rural contexts.
  - Goal CE-4: Complete neighborhoods - Develop mixed-use neighborhoods that incorporate a wide range of recreational, commercial, employment, and civic uses.
    - Policy CE-4.2: Incorporate employment and shopping nodes into new and redeveloping neighborhoods that incorporate a wide range of recreational, commercial, and civic uses.

- Community Prosperity
  - Goal CP-2: Economic Equity – Generate employment opportunities that create economic security for all residents.
    - Policy CP-2.2 – Support efforts to connect vulnerable populations to job opportunities.
      - Action CP-2.2.2 – Identify and promote places of employment to minimize commutes and increase accessibility to other transportation modes to create a job-housing balance.

- Goal CP-4: Diversification - Seek a balance of business recruitment, retention, and expansion to diversify economic opportunities.
  - Policy CP-4.2 - Support efforts to be regionally and nationally competitive in regard to retaining and growing businesses, jobs, and students.

- Community Livability:
  - Goal CL-15: Historic and Cultural Values – Value and protect the historic and cultural properties and sites in the community.
    - Policy CL-15.2 - Provide resources to improve and maintain historic properties.
      - Action CL-15.2.2 - Provide incentives to those interested in rehabilitating historic buildings including property tax relief, revolving loan funds, low-interest loans, and waivers to standards that may impede rehabilitation, preservation, or reuse of historic properties.

The request to rezone the property from R-3 to C-1 is not out of context with Elevate Las Cruces Comprehensive Plan. The Urban Neighborhood Place Type encourages a diverse assortment of commercial and professional services that would be made available to existing residential neighborhoods. Additionally, Elevate Las Cruces calls out to utilize the following development strategies: "Promote higher development intensities along major thoroughfares, especially those with transit services." and "incorporate small-scale commercial uses or mixed-use building on major thoroughfares" to accomplish mixed use areas.

MESQUITE HISTORIC DISTRICT NEIGHBORHOOD PLAN AND DESIGN PLAN:
The Mesquite neighborhood is comprised of buildings that have been constructed primarily in a Mexican/Spanish traditional style, however, other architectural styles can be found such as, Pueblo, Territorial, and New Mexico Vernacular. The neighborhood was divided into two neighborhoods North Mesquite and South Mesquite and a neighborhood plan, and the overlay zones were created. The South Mesquite was primarily interested in preserving the historic flavor of the neighborhood while addressing land use concerns. While North Mesquite had less interest in a historic component and were more concerned with land use and zoning issues.

The Mesquite Neighborhood Plan was adopted on May 23, 2005, through Resolution No. 05-346. The intent of the neighborhood plan is to create policy that will preserve the character and integrity of the "Mesquite Street-Original Townsite Historic District" and surrounding area. The Mesquite Historic District Neighborhood Design Plan was adopted on July 23, 2007, through Resolution No. 08-032. The intent of the Mesquite Historic District Neighborhood Design Plan is to provide a guide for future decisions as they relate to zoning, land use, urban design, transportation, and enforcement of related standards for the area addressing concerns in the South Mesquite Overlay.

The zone change request is located on the western most edge of the South Mesquite Overlay. As such the following Goal(s), Objective(s) and Policy(s) align with the neighborhood plan and the Design Plan:

- **Mesquite Neighborhood Plan**

- Objective 3 (South Mesquite): Establish zoning regulations and development standards that take into consideration the commercial/residential neighborhood and historic character of the South Mesquite Area.
  - Policy 1 – Establish zoning designations that encourage neighborhood-oriented commercial, and office uses.
  - Policy 2 – Encourage a mixed-land use orientation.
  - Policy 4 – Establish provisions that will allow businesses to have greater flexibility for on-street parking.
- Objective 4 (North and South Mesquite): Establish development standards that suit the existing development characteristics within the Mesquite Neighborhood Plan's boundaries.
  - Policy 2 – Remodeling projects should follow the existing structures setbacks to provide continuity between older and newer sections of the structure.
  - Policy 4 – Where appropriate, encourage the use of the Zoning Code's flexible design concepts, especially where its use would enhance the compatibility of new construction and/or remodeling/expansion with the existing structures in the surrounding neighborhood.
- Objective 5 (North and South Mesquite): Improve the overall look and feel of the area as a means of maintaining and preserving the Mesquite neighborhood's visual character.
- Objective 8 (North and South Mesquite): Encourage the development of a streetscape that enhances the unique character of the Mesquite Neighborhood Plan boundaries, while providing a safe and pedestrian friendly environment.

- **Mesquite Historic District Design Plan**
  - Land Use: In compliance with the South Mesquite Neighborhood Overlay Zone District
    - Objective 1 - Encourage more small-scale commercial businesses to locate within walking distance of Mesquite residents.
    - Objective 2 – Facilitate development of more businesses that cater to other segments of the City of Las Cruces (SFI).
  - Funding and Implementation:
    - Objective 1 – Implement the strategies in this document.
      - Strategies 1 – Utilize the adopted overlay zoning district ordinance to improve the neighborhood.

The request to rezone the property from R-3 to C-1 is not out of context with the Mesquite Neighborhood Plan and Mesquite Neighborhood District Design Plan. As part of the design plan a survey was conducted which shows that the utilization of the recently adopted zoning overlay to protect the current low-scale, residential character of the current Mesquite Street-Original Townsite Historic District, while providing for existing commercial use and mixed-use along the edges. It is also in context with a more neighborhood-oriented commercial uses in the area within walking distance of mesquite residents.

Also note that the zoning designations were provided prior to the establishment of the Historic Overlay and Design Plans. In using existing conditions to determine the zoning, staff has evaluated that the district has changed, as well as the land uses.

Plans are policy and should be used to guide how areas change but should also be amended to provide accurate context to areas as they change.

COMPLIANCE WITH THOROUGHFARE PLANS:
Campo Street is designated as a collector roadway by both the Elevate Las Cruces Future Thoroughfare Map and the Mesilla Valley Metropolitan Planning Organization (MPO) Future Thoroughfare Plan. These types of roadways are designed to support the proposed zoning designation and any potential future development.

CONSISTENCY WITH PURPOSE AND INTENT OF THE ZONING ORDINANCE:
Per Section 38-2: The intent of the Zoning Code is to encourage the most appropriate use of land and to promote the health, safety, and general welfare of the community for the purpose of improving each citizen's quality of life.
The regulations relevant to the proposed zone change include:

A. Ensure that all development is in accordance with this Code and the Elevate Las Cruces Comprehensive Plan and its elements.
B. Encourage innovations in land development and redevelopment.
C. Give reasonable consideration to the character of each zoning district and its peculiar suitability for particular uses.
H. Encourage the conservation of energy in the use of structures, buildings, and land.
J. Improve the design, quality, and character of new development.
L. Ensure that development proposals are sensitive to the character of existing neighborhoods.
M. Foster a more rational relationship between different land uses for the mutual benefit of all.
N. Conserve the value of buildings and land.

Review by City staff has determined that the proposed zone change would not adversely impact the surrounding area. Any potential future expansion in uses is in keeping with the surrounding area as per Section 38-2 of the 2001 Zoning Code, as amended.

CRITERIA FOR DECISIONS:
Per Section 2-382 of the Las Cruces Municipal Code, the Planning and Zoning Commission shall determine the following:

A. The Planning and Zoning Commission shall review the comprehensive plan, and other applicable plans and codes and determine whether the request will:
    1. Impair an inadequate supply of light and air to adjacent property or otherwise adversely adjoining properties.
    2. Unreasonably increase the traffic in public streets.
    3. Increase the danger of fire or endanger the public safety.
    4. Deter the orderly and phased growth and development of the community.
    5. Unreasonably impair established property values within the surrounding area.
    6. In any other respect, impair the public health, safety, or general welfare of the city.
    7. Constitute a spot zone, and therefore, adversely affect adjacent property values.
    8. Be in harmony with the purpose and intent of the zoning code, sign code, design standards, and other companion codes.

B. The commission shall take care that the development of the city, in accordance with present and future needs, best promotes the health, safety, morals, order, convenience, prosperity, and general welfare of the people. It shall also promote efficiency and economy in the process of development.
C. The commission shall encourage the proper use and development of land, shall seek to create and maintain an aesthetic urban setting, and protect and preserve the quality of the water, air and other environmental, natural, historical and cultural resources for the city.
D. The commission shall use the comprehensive plan as a guide in making all future decisions concerning land use and development, and in the financing and location of capital improvements.
E. Before taking any action concerning land use and development and financing and location of capital improvements, the commission shall review the relationship between the proposed action and the comprehensive plan.

Upon internal review, Staff did not identify any issues that would deter the Planning and Zoning Commission from making a positive recommendation to City Council regarding the zone change request. Staff also considered the Criteria for Decisions stated above during the internal review process and has deemed the zone change request appropriate for recommendation of approval.

NEW MEXICO CASE LAW:

1. There was an error when the existing zoning map pattern was created; or
2. Changed neighborhood or community conditions justify the change; or
3. A different use category is more advantageous to the community, as articulated in the Comprehensive Plan or other applicable City master plan(s), even though criterion (1) or (2) above do not apply because
    a. there is a public need for a change of the kind in question, and
    b. that need will be best served by changing the classification of the particular piece of property in question as compared with other available property.

DEVELOPMENT STANDARDS

SITE COMPLIANCE FOR USES UNDER CURRENT ZONING:

The subject property contains a residential home that was built in 1945. The property is located within the Original Townsite and the R-3 zoning district allows for various type of residential and limited commercial land uses.

SITE SUITABILITY FOR USES UNDER PROPOSED ZONING:

The proposed zone change to C-1 would allow the applicant to expand on the land uses allowed within the South Mesquite Overlay Zoning District to include non-residential uses. This will allow for a mix of development types and intensity as it seeks to achieve a complete neighborhood.

ADEQUACY OF PUBLIC FACILITIES AND SERVICES:

City water, gas and sewer are currently serving the property and will not be negatively impacted by the zone change request. Campo Street provides adequate paved access, sidewalks, and lighting adjacent to the subject property.

STAFF AND PUBLIC COMMENTS

PUBLIC NOTIFICATION AND INPUT:

Notification letters were mailed to property owners within 500 feet of the subject property. Staff received several phone calls and emails of opposition to the proposed zone change and a few emails that were in support. The community has brought up some concerns and they are listed below:

1. Traffic will increase in the area on an already heavily trafficked roadway.
2. There is an over saturation of Cannabis based business in the City.
3. There is a lack of affordable housing in the City and there is an abundance of vacant and new commercial property in other parts of the city.
4. The proposed land use does not fit within the intent of the Historic District.
5. The proposed use will cause a safety concern for the surrounding neighborhood.

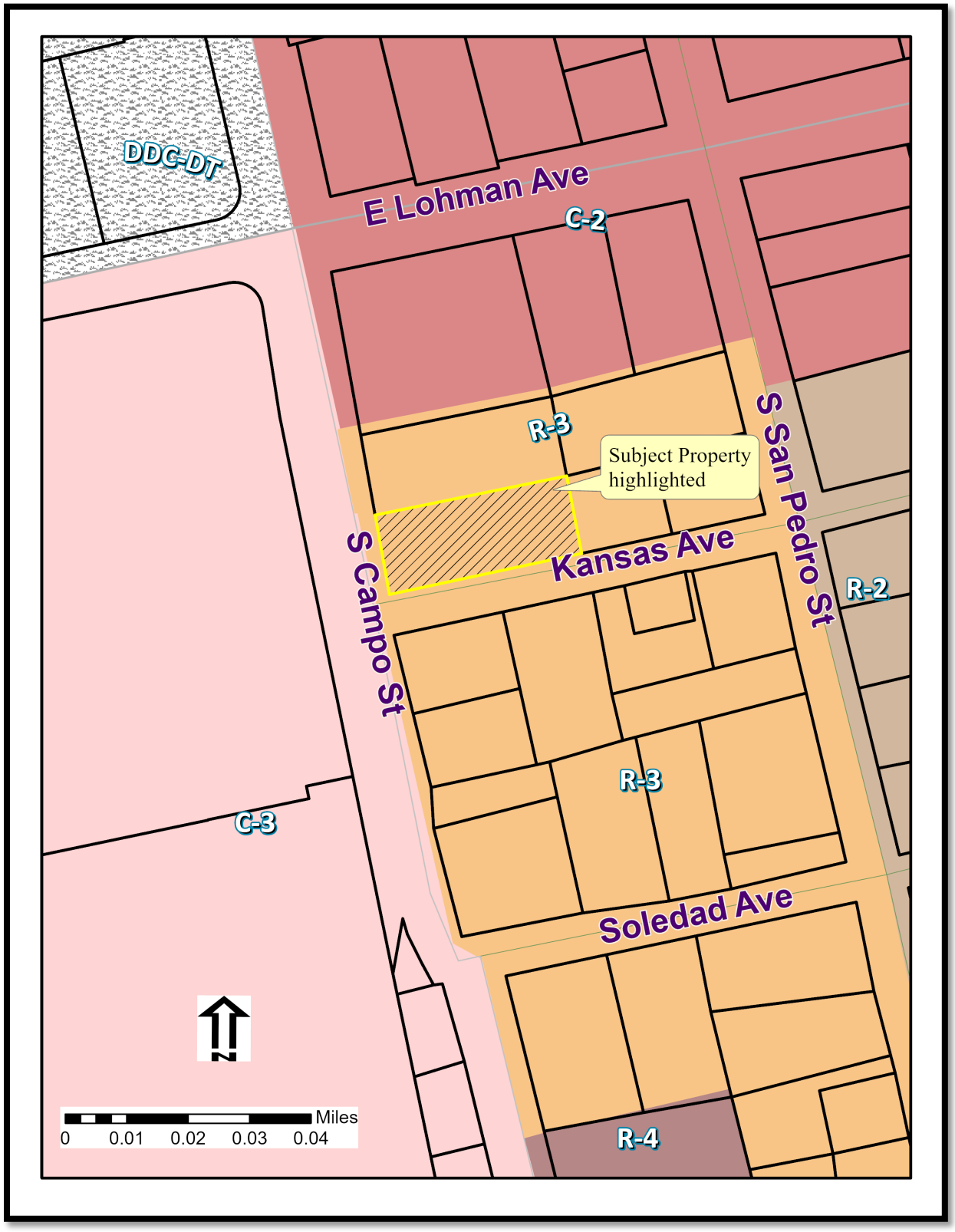
HISTORIC PRESERVATION COMMISSION:
On August 17, 2020, City Council approved Ordinance #2938 which transferred the review responsibilities of the South Mesquite Design Review Board to the Historic Preservation Commission (HPC). Section 38-49.2.J.2.D of the 2001 Zoning Code, as amended requires a recommendation from the HPC to the Planning and Zoning Commission (P&Z) for zone change requests.

Section 38-49.2 J. 2. D. of the 2001 Zoning Code requires a recommendation from the Historic Preservation Committee (HPC) to the Planning and Zoning Commission (P&Z) for zone change requests. On November 06, 2023, the HPC met during a public hearing to review and make a recommendation on the zone change based on compliance with the South Mesquite Overlay. The HPC voted to recommend denial for the proposed zone change by a vote of 0-4-0 (three commissioner absent). A Commissioner made a motion to approve, it was seconded, and none of the Commissioners provided a vote nor findings meaning the motion failed.

STAFF COMMENTS:
No reviewing department had any negative comments nor have any reviewers objected to the proposed rezoning.

ATTACHMENTS:
1. Zoning Map
2. Aerial Map
3. Department Review Comments
4. Public Comment

ATTACHMENT 1
Zoning Map



ATTACHMENT 2
Aerial Map



ATTACHMENT 3
Department Review Comments

Department: Planning
Status: YES WITH CONDITIONS
- After zone change approval all work done on the property will need to be brought into commercial compliance.

Department: Traffic Engineering
Status: YES

Department: Engineering
Status: YES

Department: Utility Engineering
STATUS: YES WITH CONDITIONS
- Upon approval of this zone change by the City, business owner(s) need to contact Las Cruces Utilities Customer Service to change utility rate class from residential (current) to commercial.

Department: Fire
Status: YES

Department: City MPO
Status: YES

Department: Building
Status: YES WITH CONDITIONS
- Numerous Building Code issues exist in order to convert the residential property into a commercial property. This includes accessibility (ADA) issues, electrical, plumbing and mechanical upgrade issues, etc.

ATTACHMENT 4
Public Comments

Re: Residential to commercial

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:53 AM
To:Jorge Castro <realestatejcastro@gmail.com>

Good morning Mr. Castro,

Thank you for your comments regarding the proposed zone change request at 541 S Campo. I will relay your correspondence to the Planning and Zoning Commission.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Jorge Castro <realestatejcastro@gmail.com>
Sent: Sunday, November 26, 2023 6:45 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Residential to commercial

You don't often get email from realestatejcastro@gmail.com. Learn why this is important

I agree to 541 S Campo To transition to commercial

Zoning case no. 23ZO0500120

Celeste M. Conrad <cmconrad@zianet.com>

Mon 27-Nov-23 1:51 PM

To:John Castillo <jcastillo@lascruces.gov>

You don't often get email from cmconrad@zianet.com. Learn why this is important

Good afternoon,

I am writing regarding zoning case no. 23ZO0500120 involving a property located at 541 Campo. St. As a resident of the Mesquite Historic District, I oppose a change in zoning for this property to C-1 (Neighborhood Commercial District from the South Mesquite Overlay). There already are many vacant commercial properties available in Las Cruces and see no reason why commercial interests should be allowed to encroach into an historical residential neighborhood. I feel that this could pave the way for businesses, such a cannabis retailers, to harm the family environment of a residential neighborhood. Moreover, allowing a commercial designation would cause parking problems on the streets surrounding this property. Please maintain the integrity of the Mesquite Historical District which the current zoning promotes.

Sincerely,
Celeste M. Conrad

Re: Opposing Zoning Change at 541 Campo

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:52 AM

To:Martha Rodriguez <marthacruise@yahoo.com>
Cc:Troy Ainsworth <tainsworth@las-cruces.org>;Robert Cruise <dos.soles.nm@gmail.com>

Good morning Ms. Rodriquez,

Thank you for your comments and concerns regarding the proposed zone change request located at 541 S Campo. I will provide your correspondence to the Planning and Zoning Commission.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Martha Rodriguez <marthacruise@yahoo.com>
Sent: Sunday, November 26, 2023 10:31 AM
To: John Castillo <jcastillo@lascruces.gov>
Cc: Troy Ainsworth <tainsworth@las-cruces.org>; Robert Cruise <dos.soles.nm@gmail.com>
Subject: Opposing Zoning Change at 541 Campo

[You don't often get email from marthacruise@yahoo.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Mr. Castillo,

We are writing to oppose the proposed zoning change in the Mesquite Historic District neighborhood if it will lead to the addition of a cannabis dispensary in a mostly residential area. Specifically the zoning change for 541 Campo St.

We have restored several historic properties in the Mesquite Historic District and we strongly support the preservation of the Mesquite Historic District for the betterment of our city.

Sincerely,

Martha Rodriguez and Robert Cruise
(575)556-4441

Case# 23Z00500120

RITA BROWN <ritabrown9@msn.com>

Mon 27-Nov-23 2:39 PM

To:John Castillo <jcastillo@lascruces.gov>

[You don't often get email from ritabrown9@msn.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Good Afternoon Sir,

Friends of mine live on Campo Street and are very concerned regarding another Dispensary is planned to be established near their homes. It might is of no Interest to many but since I care I am asking or better suggesting, if someone might at least talk to the people living in this area and hear what they have to say.
I thank you in advance for any support you may are able to give.

Sincerely,

Rita Brown

Sent from my iPhone

Re:

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:41 AM
To:paula wright <swan.crossed@hotmail.com>

Good morning Ms. Wright,

Thank you for your comments. I will relay these comments to our commission.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: paula wright <swan.crossed@hotmail.com>
Sent: Saturday, November 25, 2023 9:12 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject:

You don't often get email from swan.crossed@hotmail.com. Learn why this is important

Vote yes ! To help Angel's dreams come true

Re: Sandra Calderon

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:41 AM
To:Twana Sparks <sancho1954@gmail.com>

Good morning,

Thank you for your comments and concerns. I will provide the Planning and Zoning Commission your correspondence voicing your comments and concerns.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Twana Sparks <sancho1954@gmail.com>
Sent: Saturday, November 25, 2023 9:40 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Sandra Calderon

You don't often get email from sancho1954@gmail.com. Learn why this is important

Dear Sir,
please consider this as my support for Sandra Calderon to have her residential zoning change to commercial when her application is considered on November 28

Sincerely,

Twana Sparks MD

Re: Oppose Zoning Change for 541 Campo

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:40 AM
To:Catharine Walkinshaw <catharinewalkinshaw@gmail.com>

Good morning Ms. Walkinshaw,

Thank you for you comments and concerns regarding the zone change located at 541 S. Campo. I will provide our Planning and Zoning Commission a copy of our correspondences that express your comments and concerns.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Catharine Walkinshaw <catharinewalkinshaw@gmail.com>
Sent: Saturday, November 25, 2023 2:57 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Oppose Zoning Change for 541 Campo

You don't often get email from catharinewalkinshaw@gmail.com. Learn why this is important

Dear Mr. Castillo,

I am writing to voice my opposition to a proposed zoning change proposal at the address of 541 Campo Street, Case # 23ZO0500120. The proposed zone change is from R-3 to C-1, I understand, with the ultimate goal of establishing yet another cannabis dispensary business. This would be located mostly within a residential neighborhood and would thus also require a variance reducing the 300-foot buffer between cannabis businesses and private residences.

Not only would this adversely impact the Mesquite Historic District, of which I am strongly in support of, but it would also adversely impact this neighborhood as well. Parking would be problematic along Kansas street as would the increase in crime and traffic usually associated with this type of industry.

There are strong reasons why the State enacted the 300-foot buffer between cannabis businesses and residences; why disregard that now? Approving this would set a dangerous precedent allowing cannabis businesses within residential areas. In addition, why does the City of Las Cruces need another cannabis business? It is already a saturated market with many existing cannabis businesses already closing.

I strongly request you deny this zoning change request.

Sincerely,
Catharine Walkinshaw

proposed cannabis store in Mesquite neighborhood

Judy Harmon <judyk4@gmail.com>
Sun 26-Nov-23 8:06 AM
To:John Castillo <jcastillo@lascruces.gov>

1 attachments (607 KB)
517CB0660C764C318E634B551B15114D.png;

You don't often get email from judyk4@gmail.com. Learn why this is important

Mr. Castillo,

I am a property owner in the South Mesquite Historic District, living only 2 blocks away from the proposed cannabis store to be opened on Campo and Kansas.

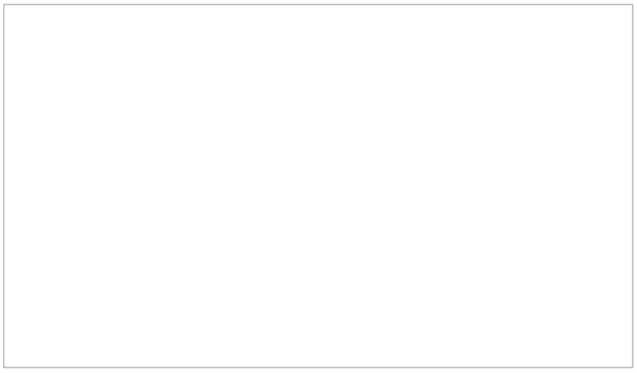
I would think the reasons are apparent to you, and I am surprised the city approves.

There is no parking, except on the street on Campo or the narrow Kansas Street.

The industry is not a cottage industry and should not be allowed in our historic neighborhood.

Additional reasons are cited below:

. The property at 541 Campo is surrounded by other residences, see below



~The House functions as a perfectly good single family residence, and currently there is a shortage of houses in Las Cruces.

~ The lot does not have good visibility and there are strict signage restrictions in the SMO (38-49.2.2 pgs. 20-21):

- All signage shall be of materials and design that are compatible with the architecture of the structure and the residential character of the neighborhood.
- Electronic moving/digital signs are not permitted in the SMO.
- Ground signs shall be the only freestanding sign allowed within the SMO, except on Lohman and Amador Avenues, and shall be no greater than five feet in height.
- Only one ground sign per commercial property shall be permitted. Ground signs must be set back at least five feet from any property line and must be at least five feet away from the wall of the building.
- Ground signs shall be no greater than two square feet in overall size.
- A property containing a business center sign may not have additional freestanding signs, except for Temporary signage, which shall follow Chapter 36 of the LCMC.
- All ground signs shall comply with Clear Sight Triangle requirements

~ If approved, it would require a variance to the 300-foot buffer between single-family residential zoning districts and cannabis retailers and microbusinesses; once this kind of change is made in residential areas a precedence is set.

Additionally:

1. Economy equity - we need to make sure that these changes in zoning law are beneficial to more than just one specific type of retailer and that it does not send the wrong message to others

2. Studies by researchers from University of Denver

(https://news.ucdenver.edu/do-marijuana-dispensaries-increase-neighborhood-crime/) found neighborhoods with one or more medical or recreational dispensaries saw increased crime rates that were between 26 and 1,452 percent higher than in neighborhoods without any commercial marijuana activity.

I sincerely ask that the proposed business application be denied.

Judy Harmon

724 S. Mesquite Street

Las Cruces, NM 88001

One attachment • Scanned by Gmail

Re: Zone change

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:50 AM
To:Judy Chavarria <judychav789@gmail.com>

Good morning Ms. Chavarria,

Thank you for your comments and concerns regarding the zone change request at 541 S. Campo. I will provide the Planning and Zoning Commission a copy of your correspondence.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Judy Chavarria <judychav789@gmail.com>
Sent: Sunday, November 26, 2023 10:17 AM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Zone change

You don't often get email from judychav789@gmail.com. Learn why this is important

My name is Judy Chavarria and I live in the historic district and I am totally AGAINST cannabis being sold and having a dispensary in residential areas. Look at how many dispensaries there are on El Paseo? When I drive by there are NO customers on the premises.
Enough is Enough - NO More dispensaries !!!
Would you want a dispensary in business next door to where you live????

opposed to zone change at 541 Campo

Jeanne Abkes <jmabkes@yahoo.com>

Tue 28-Nov-23 2:47 PM

To:John Castillo <jcastillo@lascruces.gov>

You don't often get email from jmabkes@yahoo.com. Learn why this is important

Dear Mr. Castillo,

As a nearby resident and member of Las Esperanzas, as well as one of the original writers of the restrictions in the Mesquite Historic District, I am thoroughly opposed to the zone change application at 541 Campo.

This plot is surrounded by houses, has no parking, and is asking for the zone change specifically to bring in a non-authorized use to the historic district.

Please resoundingly reject this zone change.

Thank you,

Jeanne Brown
121 S. Mesquite St.
Las Cruces, NM. 88001
575 524 3836

Re: 541 Campo

Jean Berlowitz <wanderingjeb@gmail.com>
Wed 22-Nov-23 9:37 AM
To:John Castillo <jcastillo@lascruces.gov>

You don't often get email from wanderingjeb@gmail.com. Learn why this is important

Thank you.



JEB

Don't worry if you're the only one.
Rare isn't supposed to be crowded.

On Wed, Nov 22, 2023 at 8:31 AM John Castillo <jcastillo@lascruces.gov> wrote:

Good morning Ms. Berlowitz,

Thank you for your comments regarding the proposed Zone Change. I will provide your comments to your Planning and Zoning Commission on November 28th .

John Castillo

Planner/Community Development/ Building & Development Services

Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov

CITY OF LAS CRUCES

From: Jean Berlowitz <wanderingjeb@gmail.com>
Sent: Wednesday, November 22, 2023 8:04 AM
To: John Castillo <jcastillo@lascruces.gov>
Subject: 541 Campo

You don't often get email from wanderingjeb@gmail.com. Learn why this is important

I oppose the rezoning of this property.
I understand this residence will be turned into a cannabis business. I have nothing against cannabis.

> What I do oppose is every vacant building in Las Cruces being turned into a cannabis business. We already have far more than can be supported. This means in a year or so, many of these buildings will again be vacant and deteriorating. More eyesores.
> We have need for housing. Leave properties zoned for residences as residences.
> Jean Berlowitz
> NOTE: The City of Las Cruces has transitioned our email domain to lascruces.gov. Please make sure you update your email systems to accommodate my new email address which ends in @lascruces.gov. My previous email address will continue to work for a limited time.

Re: Opposition to the zone change at 541 Campo St.

John Castillo <jcastillo@lascruces.gov>
Wed 22-Nov-23 10:12 AM
To:Faith Hutson <lcgarden64@gmail.com>

Good morning Ms. Hutson,

Thank you for your comments and concerns and the follow up phone call. I will relay the comments and concerns to the Planning and Zoning Commission.

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

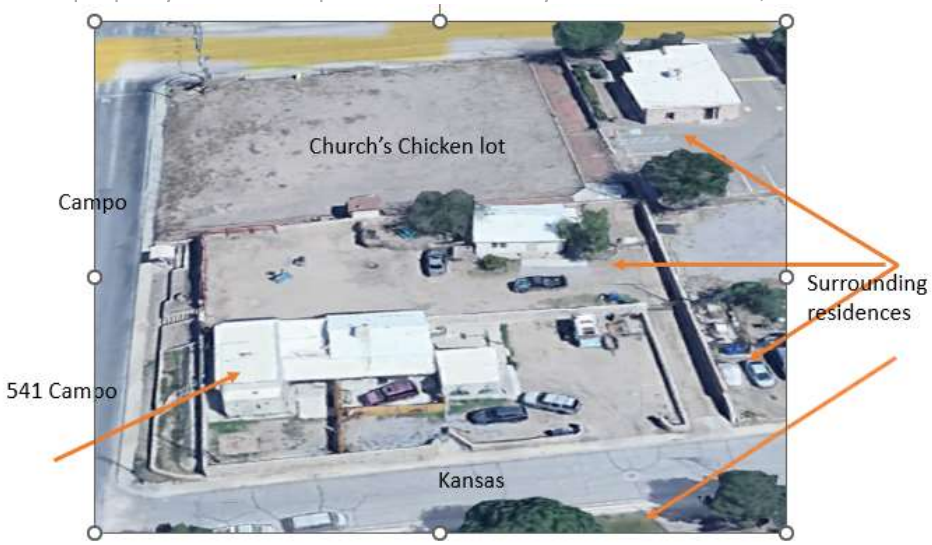
From: Faith Hutson <lcgarden64@gmail.com>
Sent: Wednesday, November 22, 2023 10:08 AM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Opposition to the zone change at 541 Campo St.

You don't often get email from lcgarden64@gmail.com. Learn why this is important

Good morning Mr. Castillo,

I am writing in opposition of the zone change application at 541 Campo St., that will be heard by P&Z on November 28, 2023. Below are my reasons for opposition:

1. There is no parking on Campo, so potential customers will have very limited parking, and so will have to rely on narrow street parking on Kansas
2. The property at 541 Campo is surrounded by other residences, see below



3. The house functions as a perfectly good single family residence, and currently there is a shortage of houses in Las Cruces.

4. The lot does not have good visibility and there are strict signage restrictions in the SMO (38-49.2.2 pgs. 20-21):

- All signage shall be of materials and design that are compatible with the architecture of the structure and the residential character of the neighborhood.
- Electronic moving/digital signs are not permitted in the SMO.
- Ground signs shall be the only freestanding sign allowed within the SMO, except on Lohman and Amador Avenues, and shall be no greater than five feet in height.
- Only one ground sign per commercial property shall be permitted. Ground signs must be set back at least five feet from any property line and must be at least five feet away from the wall of the building.
- Ground signs shall be no greater than two square feet in overall size.
- A property containing a business center sign may not have additional freestanding signs, except for Temporary signage, which shall follow Chapter 36 of the LCMC.
- All ground signs shall comply with Clear Sight Triangle requirements

5. The applicants want to set up a cannabis retail business at the Campo location, which was not made clear to neighboring residents. There is a 300-foot buffer between single-family residential zoning districts and cannabis retailers and microbusinesses.

Faith Hutson
Property owner in the Mesquite Original Townsite Historic District
Former Chair of the City of Las Cruces Historic Preservation Commission

Re: Case 23ZO0500120

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:01 AM
To:Christina Lucero <christina.0326@hotmail.com>

Good morning Ms. Lucero,

Thank you for your comments and concerns regarding the zone change for the property located at 541. S Campo. I will provide the Planning and Zoning Commission a copy of our correspondence that voices your concerns and comments.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Christina Lucero <christina.0326@hotmail.com>
Sent: Wednesday, November 22, 2023 3:53 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Case 23ZO0500120

You don't often get email from christina.0326@hotmail.com. Learn why this is important

Hello my name is Christina Lucero. I am emailing in regards to the zoning for a new cannabis store in the corner of campo and Kansas. My family and I live off of campo in the historic district. We are concerned about this cannabis shop opening up in our neighborhood. It would bring a lot more unwanted traffic to the neighborhood. Also this neighborhood is historic why add another cannabis shop to this area when we have places all around town, and will this owner follow the rules of the historic district. My father moved a trailer to this area and when he did he has to go thru so many rules and regulations to have everything up to city standards this business will not to do all that. Right on corner of campo and Colorado Ave by the administration office there is a house that has students with disabilities there daily from the public schools and they walk down campo to catch the bus to go to school. They have to pass this house making not a safe route no longer with all the traffic this business will bring and the people to this neighborhood. Please reconsider this zoning proposal. I am one of many people that are concerned and other who may not speak out. Thank you for your time

Get Outlook for Android

Re: Zone change in the Mesquite Historic District

John Castillo <jcastillo@lascruces.gov>

Mon 27-Nov-23 9:14 AM

To:Bobbie Hutson <bobbiehutson@hotmail.com>

Good morning,

Thank you for you comments and concerns. I will provide our Planning and Zoning Commission a copy of your correspondence so they are aware of your comments and concerns.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Bobbie Hutson <bobbiehutson@hotmail.com>
Sent: Wednesday, November 22, 2023 4:49 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Fwd: Zone change in the Mesquite Historic District

You don't often get email from bobbiehutson@hotmail.com. Learn why this is important

I live in the Historic District area. There are more than fifty weed dispensaries in Las Cruces please do not change the zoning from r-3 to c-1. The owners of this property do not live here there. There is shortage houses for rent. By changing the zones. You remove another residential property.

Get Outlook for Android

Re: Las Cruces Has Enough Cannabis Dispensaries

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 8:42 AM
To:Carissa Galban <carissagalban@gmail.com>

Good morning Ms. Galban,

Thank you for your comments and concerns regarding the zone change located at 541 S. Campo. I will provide your comments and concerns to our Planning and Zoning Commission.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Carissa Galban <carissagalban@gmail.com>
Sent: Wednesday, November 22, 2023 12:47 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Las Cruces Has Enough Cannabis Dispensaries

You don't often get email from carissagalban@gmail.com. Learn why this is important

Good afternoon!

I recently saw a community member share information that the City of Las Cruces plans to rezone housing into cannabis retailers. I urge the City to revise this plan as I think Las Cruces has more than enough dispensaries. Within the last year so many small businesses (retail, food, services) have closed shop only to have another cannabis shop pop up in its place. The market is oversaturated and the city needs to support affordable housing, historic preservation, and place an importance on supporting small businesses over cannabis retailers. Please consider the community's concern - it might be profitable for the City of Las Cruces but it probably won't be good for the community in the long term.

Thank you,
Carissa Galban

Re: Rezoning residential home to be a dispensary

John Castillo <jcastillo@lascruces.gov>
Mon 27-Nov-23 9:38 AM
To:Mai Asbury <mai.asbury@hotmail.com>

Good morning Ms. Asbury,

Thank you for your comments and concerns regarding the zone change. I will relay these comments and concerns to our Planning and Zoning Commission.

Thanks,

John Castillo
Planner/Community Development/ Building & Development Services
Direct: 575-541-2288 Main: 575-528-3043, jcastillo@lascruces.gov
CITY OF LAS CRUCES

From: Mai Asbury <mai.asbury@hotmail.com>
Sent: Wednesday, November 22, 2023 8:26 PM
To: John Castillo <jcastillo@lascruces.gov>
Subject: Rezoning residential home to be a dispensary

[You don't often get email from mai.asbury@hotmail.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Please don't allow this. We have an over saturated market as it is, in addition to unwelcome dispensaries being located right next door to homes which affects property values, causes parking issues, and an odor nuisance when their employees smoke outside on the job (like High Horse on North Main and Gallagher). Allowing a home to do this will bring these problems to that neighborhood and is very troubling when there are kids to consider. We have too many dispensaries as it is- enough is enough. Thank you.

~Mai

ATTACHMENT "B"

CITY OF LAS CRUCES

HISTORIC PRESERVATION COMMISSION
Work Session

DECEMBER 6, 2023, at 6:00 p.m.

The following are verbatim minutes of the Historic Preservation Commission Meeting held December 6, 2023, in City Council Chambers, City Hall, 700 N. Main Street, Las Cruces, New Mexico.

MEMBERS PRESENT: Dr. Judy A. Berryman, Chair
David Chavez, Vice-Chair
Dr. Paul John Deason
Ernie Campos

MEMBERS ABSENT: Dr. Jerry Wallace

STAFF PRESENT: Dr. Troy Ainsworth, Historic Preservation Specialist
Dr. Tim Pitts, Deputy Director Building Development

OTHERS PRESENT: Becky Baum, RC Creations, LLC, Recording Secretary

I. CALL TO ORDER AND APPROVAL OF THE MEETING AGENDA

Berryman: Okay. Good evening. It's six o'clock. I call the meeting to order. Okay. So the first line of business is approval of minutes for the regular meeting on October 25th.

Deason: First is approval of the agenda. Madam Chair. I move that we approve the agenda for this meeting tonight.

Berryman: All those in favor say “aye.”

Baum: No, you need a second.

Chavez: I second.

Baum: Did you? You didn't do it on microphone.

Berryman: Do I have a second for the motion?

Chavez: I second it.

Berryman: All those in favor say “aye.”

MOTION PASSES UNANIMOUSLY.

Berryman: All those in not favor say “nay.” Thank you.

II. APPROVAL OF MINUTES FROM THE REGULAR MEETING ON OCTOBER 25, 2023

Berryman: Second item is approval of minutes from the regular meeting on October 25th.

Chavez: So moved.

Deason: Second.

Berryman: All those in favor say “aye.”

MOTION PASSES UNANIMOUSLY.

Berryman: All those against say “nay.” It has been approved.

III. ACTION ON A CERTIFICATE OF APPROPRIATENESS FOR THE INSTALLATION OF AN ACCESSORY BUILDING AT THE REAR OF A RESIDENCE LOCATED AT 544 NORTH CAMPOS STREET IN THE ORIGINAL TOWNSITE

Berryman: Okay, number three, action on a certificate for installation of an, on a building at the rear of the residence. Dr. Ainsworth, please.

Ainsworth: Good evening, Commissioners. Troy Ainsworth, Community Development Department. For the benefit of everyone, the agenda is presented here on the screen for our two action items, a discussion for the current Certified Local Government grant that we have, as well as remaining business which is the open ended items of other business, public input, and the next Commission meeting in January 17th of the new year.

Commissioners. Our first Certificate of Appropriateness application pertains to the proposal to place a 196 foot shed at the back of the property located at 544 North Campo Street, directly across the street from City Hall, as you can see in the photographs here. This home has been under restoration work for a number of months now. And from the street view and through the, this is a view toward the gate toward the back of the property off of Campo and along Mountain, you'll note that the original block of the building there are several additions that extend eastward from the back of the building that we can see in this photograph. The wood fence here for the property. The placement of the shed would be basically toward the rear

of the property. So in front of the white stucco exterior building and the end gable home that is adjacent on the next property.

As you saw on your packet, it is a Brookfield is the manufacturer. Twelve foot by 16 foot, the highest point on the shed is nine feet six inches. And you can see in the aerial view that the shed would be somewhere here toward the back, not visible from the street, either Campo or from Mountain. A crosscut section showing the truss, wood frame, composition shingles that appear on it. And again 12 feet in width, nine feet six inches in height and accurately 15 feet nine inches in length.

So the reason this Commission is having to consider it is because the Commission does have purview of an accessory structure that is at least 120 square feet. The findings of fact also indicate that these accessory structures must be set back five feet from both the side and the rear property lines. And the maximum allowable height for such buildings in the Original Townsite is 14 feet.

Staff recommendation. Proposed building does conform with setback and height requirements. Placement of the proposed accessory building on site will not have any adverse impact on the existing residence. If it ever were needed to be removed, it could because it would not have any adverse impact, any structural impact on the Zamora Vigil House. And based on these findings of fact, staff recommends to the Commission to approve this Certificate of Appropriateness for 544 North Campo Street. Madam Chair for the voting procedure, now that we have heard all the findings of fact, you may entertain any comments from the public, the applicant, or anyone who wishes to speak with regard to this specific item. Afterwards, after you close, after the end of the public comment, the public hearing would be closed and you may entertain a motion to approve, to deny, or to table that item. I will stay in for questions or if you have questions for the applicant, or if anyone from the public wishes to say something on the side.

Berryman: Thank you. So do we have any public comments on this particular project? So I see none. So any … go ahead Troy. So any public comments, I'm going to close now. I will entertain a motion to approve, deny, or table the item? No.

Deason: Madam Chair. I move that we approve the action on this, I'm sorry. I move that we approve the Certificate of Appropriateness of the installation of an accessory building at the rear of the residence located at 544 North Campo.

Berryman: Okay, before we vote on that, are there any comments from the Commissioners?

Baum: We need a second.

Deason: Madam Chair.

Chavez: I second.

Baum: Thank you.

Berryman: I will entertain any comments.

Deason: Madam Chair. I'm would be.

Baum: You can only have three microphones on at a time. So if you're not talking in your microphone, please turn it off. Thank you.

Deason: Madam Chair. I would like to hear from David or others in the Mesquite District on whether the appearance of this, which looks like a Midwestern or Northeastern type of shed would be appropriate or if the exterior should be in some ways mitigated to be more appropriate for the appearance of the district.

Chavez: Since the auxiliary building is behind two walls, it's not going to be seen from the Mountain Street, nor is it going to be seen from Campo. The roofline will match the existing house, the yellow house on the back. I see no problem with, it's an auxiliary building. There's a lot of auxiliary buildings in the Mesquite area that are there and we don't see them because they're behind high walls. So I see no issue. Thank you.

Campos: If I may Madam Chair. I have a quick question. Staff the 120 square foot does that require a permit?

Ainsworth: Yes, Commissioner. A 120 square foot would require a permit.

Campos: Thank you. As it's out of visibility the barn type is I believe used only for garden sheds I believe, for garden tools.

Ainsworth: That is correct.

Campos: I appreciate Dr. Deason’s overview of this structure to make sure it's going to blend in. So far I'm okay with it. Thank you for the answer. Thank you, Madam Chair.

Berryman: And you any more comments? Okay, Mr. Deason, do you want to repeat the motion so we can vote on it, please.

Deason: Yes, Madam Chair. I move that we approve the Certificate of Appropriateness for the installation of an accessory building at the rear of the residence located at 544 North Campo.

Berryman: Can I have a second, please?

Chavez: I Second.

Berryman: Okay. All those in favor say “aye.”

MOTION PASSES UNANIMOUSLY.

Berryman: All those against. So the motion is passed. Thank you.

IV. ACTION ON A PROPOSED ZONE CHANGE FROM 4-3 TO C-1 FOR THE PARCEL LOCATED AT 541 SOUTH CAMPO STREET IN THE ORIGINAL TOWNSITE

Berryman: Okay, item number two is a proposed zone changing at 541 South Campo.

Ainsworth: Yes, Commissioners. The next few images that we will see are photographs of the subject property and the adjacent area. Here is a view or looking north on Campo Street. Right outside, you can see on the edge of the photograph, that is the subject property, it's 541 South Campo. The proposal is to change the current zoning from R-3 to a C-1 zoning. A view looking south on Campo Street here at the intersection with Kansas Avenue. And then from across the street looking back to the east. That is the home, a part of it there at 541 up on the elevated site. A view from Kansas Street. And then a view toward the back of the home from Kansas Street. So these representative photographs will give you an idea of the subject property.

In the aerial view as you can probably determine pretty quickly, here's our subject property at Kansas and South Campo. This aerial photograph is just a little bit dated, that is the now demolished site where the Church's Fried Chicken was located. You'll note on this site we have several phases of building construction as evident here and here, and right here. Vehicular access is gained off of Kansas Avenue. At one time, there was a driveway here on the northeast corner of the property that is now sealed off. So access to the site is off of Kansas and the property immediately to the north, it's a flag lot, as you can see right here. Access is gained right through there. Subject property one more time.

Now, staff is as deliberated and discussed and reviewed the subject or beg your pardon, this proposed zone change from the angles of zoning and from the angle of historic preservation. So we are having to weigh all the

evidence. I want it to be clear that from a zoning perspective, the applicant's request for a zone change is certainly allowable. From the perspective of the Mesquite Neighborhood Design Plan that the City adopted in the year 2007, the subject property is within an area designated for residential. As you can see not only in the overall parcel map, but here in a detail from - this is Campo right along in here, here's Amador, Lohman, and the subject property is right here in the area designated for residential. I bring this point up because a land use issue is typically one that contains elements of conflicting points of view and purpose. So we're guided by the principles of the documents and the plans that have been adopted. What zoning does allow, not any other factors such as our own personal opinions or, our moral perspective or anything of that nature. We needed to base all decisions on the findings of fact.

So the reason the Historic Preservation Commission is reviewing a proposed zone change is because in the previous iteration, let me skip over one, the third bulleted point, formerly the South Mesquite Design Review Board considered zone changes that would have an impact on the South Mesquite Overlay Zone District. When the South Mesquite Design Review Board was sunsetted and its responsibilities and duties were transferred to the nascent and newly created Historic Preservation Commission, that responsibility for zone change recommendations to the Planning and Zoning Commission became part of this Commission's responsibility. So the purpose of the review this evening for the requested zone change is that your vote will be to make a recommendation that will be transmitted to the Planning and Zoning Commission and will be considered in their subsequent meeting with regard to the second phase of this proposed zone change.

Now, let me go back a slide real quick. And I've already covered the fact that the 2007 Mesquite District Neighborhood Design Plan designates the area where the subject property is located as an area designated for residential rather than commercial use. The zone change from residential to commercial, it does entail a greater intensity of use on the building and a subsequent change from commercial building code away from residential. In other words, it is not known but it is possible and perhaps very likely that changes will have to be made interior, which is not in your purview, but to the interior of the building which may require upgrades in electrical, plumbing, for example, which might mean alterations to the structure, which could trigger a review from you. So in a just manner, the request being asked is a preliminary step before the applicant moves forward and acquires professional services to draw up plans of all proposed alterations to the structure, we've got to count for that. But at the moment I just want to point out it bears to state, we do not have a set of drawings or plans which show any alterations which may occur from changing this property from residential to commercial.

As I mentioned it is zoned R-3. A cannabis micro business is allowed in a C-1 zone. The subject property is located at least 300 feet from any school or daycare, which is a requirement. You cannot have a micro business within 300 feet of a school or a daycare. And I've already covered the third bulleted point.

Now the staff recommendation is that, as I mentioned we have multiple building phases. Records indicate that the earliest construction here occurred in 1910, and additions in 1945. You can see clearly in the photographs that we saw, there are alterations, have been some changes. However, these two buildings are at the minimum from 1945, so they're you know at least 70 years of age. The requirement for commercial building code and the impact is unknown, as discussed. And of course the proposed zone change is at variance with the land use intent for residential zones as outlined in the Mesquite Historic District Neighborhood Design Plan of 2007.

So based on these findings of fact, the staff recommendation through the historic preservation lens is to deny a recommendation for the zone change. As we went over a moment ago, Madam Chair, the voting procedure is initially you may entertain questions/comments from the applicant and from members of the public. And then afterwards we will proceed to entertain a motion to approve the recommendation and call the question. That concludes the presentation. Thank you very much.

Berryman: Thank you. So I'm opening it up for public discussion. If people will please come forward. Give your name and any comments that you'd like to make. I apologize. Is the applicant present? Okay, can we hear from you please first.

Calderon: Good afternoon everybody. My name is Sandra Calderon. And this is my husband, Troy Miller. We're owners of the residence right now. And I don't know, this is like my first time here so I don't know what.

Berryman: Could you give us a viewpoint on the facts that Dr. Ainsworth gave and your feelings on changing of the zoning, please?

Calderon: All I ask is, I'm trying to change it from a residential to a commercial to open a store there. I don't know what, as I said I don't know what changes we would have to make for the residence to accommodate the commercial.

Miller: My name is Troy Miller, I'm her husband. As far as the updates that have been done to the building right now, there was, when was the fire four, three year, four years,

Calderon: Seventeen.

Miller: In ‘17 we had a fire in that back building. So we've had to come in, all the electrics been updated and they placed the new power pole in the, what is it, southwest corner of the property, because the power line used to come across the road. So there's an actual new power pole that they put in right here. And this whole back building right here has been upgraded with new electric, new.

Calderon: The whole house.

Miller: The whole house, the whole house did electric. And they put in new paneling and everything. Before I believe the electric came from over here, and it came across three, so we had to upgrade it with the new codes, putting in the power pole and stuff like that. As far as we know, in the inside of the building, we would have to probably upgrade some to do the commercial coding. It's been a while since I've messed with the commercial part of it, because I got out of residential and commercial and I’m in planning now.

So we know a big question the public's going to have is parking. And that's where we're going to lay out and see what possibilities we can come up with to access. Because this building right here is just a carport, so all of this would actually come down to where we could put parking in here for handicap. And if need be, see what the City comes up with for like setbacks for maybe on street parking, pulling in right here. That way it minimizes the parking. Because we don't want people parking on Campo. I know that's what a lot of people are going to complain about is traffic and stuff right there. So we're trying to get it to where maybe we can access parking on this site since at one time there was a driveway. This was part of our property right here. And the City came in and put in a drive pad and gave access to this landowner. So we're fine with that because we let them build this wall in here to break it up. So this access would still be available. We're just trying to do it within this part right here. And it is, we're looking at a micro business, which would be indoor growing, and then a retail store in part of it.

Calderon: But as it stands right now, like this truck right here, that's kind of like a mini food truck that we have. So I mean you would have parking there and all across and then all across here, it could have parking there.

Miller: And we can change the entrances if we need to make them wider. We're open to whatever we need to do to get this done. We’re just looking at the possibility of how we can go about it to change it from residential to a commercial.

Ainsworth: Commissioners. Let me assist with a clarification, because I did not go into parking. The language in the ordinance reads that within the South Mesquite Overlay District buildings that are constructed prior to 1955 do not require off street parking. So in essence, what you're discussing right now, you know a handicap, an ADA compliant parking spot is of course would be required. Parking for any employee or employees would certainly be required. But other than that for a customer, off street parking is not required, because the property, the building was constructed prior to 1955. So do consider the issue of parking. South Campo is really, is not, there's no parking allowed along South Campo. Kansas Avenue would be the only other option. However, I just wanted to make that clear, because that is a fact that's from the ordinance with regard to the parking in South Mesquite and the age of buildings. Thank you.

Berryman: Troy, may we ask the applicant some individual questions?

Ainsworth: Absolutely. Yes.

Berryman: Okay. So I open it up to any questions by the Commissioners.

Chavez: Question. What, where would the store be? On this property here I mean; you have several levels of roofline. So are you talking the store would be in the front on Campo, facing Campo.

Miller: Yes.

Chavez: And so your growing facility would be in the buildings in the back?

Miller: Yes, it would be, this would be the store up front, and then the growing would be within the second structure in the back.

Chavez: Okay. Another question. Is this property all in one address?

Miller: Yes.

Chavez: Okay. There are issues on Kansas, and I had talked to one, someone with the fire department. If there's parking on both sides of that street, an emergency vehicle cannot go down the street. And the other issue is on the southeast corner, your neighbor across the street there, there's a line of sight issue. You can’t even pull out on Campo without pulling out almost halfway into Campo to get on Campo from Kansas. Because I mean that corner is very blinding.

Miller: Yes.

Chavez: The way it is. And actually, it's almost the same on your corner, you have to pull out quite a bit so you won't get hit because Campo traffic right that area is really, really busy with the bank, and the way they drive down on Campo. All right. Thank you.

Berryman: Go ahead.

Campos: Quick question to the applicant and to staff. I have experience in consulting and in my background, sitting down with the property owner or a client to do an indoor and outdoor remodel. Have you sat with anybody to consult you on this project to see what is going to be met as far as the building code for the indoor commercial, may need a sprinkler system from the fire code?

Calderon: We haven't got …

Campos: Have you done that?

Miller: We haven't sat down on that part of it because the big issue was the zone changing. Everybody said that was the big one first.

Campos: Okay.

Miller: And if it was possible to do zone changing, then we can go in to sit down and see what we needed to do as layout plan and stuff.

Campos: Right. Because my main concern is if we were to vote on this and you're not able to bring this project up to code, we're stuck with a C-3 zone.

Miller: One.

Campos: C-1. So my question to staff is what's allowed under the R-3 Dr. Ainsworth?

Ainsworth: I'm sorry, Commissioner, what is allowable in R-3?

Campos: You have a list, what uses by chance?

Ainsworth: For R-3 or for C-1? I'm sorry. It's currently R-3.

Campos: Right.

Ainsworth: And for C-1. And so C-1 is low commercial. So it can be, it runs the gamut - a bookstore, record store, restaurant. barber shop. It's low impact, low intensity. City Council approved amending the C-1 allowable uses and cannabis micro businesses are part of it. So a big part of - the overarching issue here is you change the zoning, any eligible C-1 use could be used here. Any one of them. As it is right now it is it is zoned for residential.

Campos: If it was to meet all the design standards …

Ainsworth: Precisely.

Campos: For commercial occupancy, it's going to be a change of occupancy.

Ainsworth: That's right.

Campos: So second question to the applicant. If I was to buy this building tomorrow, and I still use the R-3 zone and I wanted to rent it out or lease it out as an insurance office, an attorney office, something low key, about two or three customers a day, open eight to five, I still have to come to your office and do the remodel for that use. Am I correct?

Ainsworth: That is correct, Commissioner.

Campos: Thank you. You have any questions for me?

Calderon: No, but I do, like under the micro business that you mentioned, the sprinkler system and everything, if we were not to put a micro business there, say we do a barber shop, we wouldn't need the whole to remodel for the sprinkler system or any of that.

Miller: Micro businesses you don't have to have sprinkler systems. It's the basically with the micro business if you're growing indoors, you're looking at LED lighting system that plug into your outlets. You have a drip system watering that runs into different containers that need to be auto watering. But there isn't, as far as the micro business they don't require a sprinkler system within a micro business for cannabis.

Campos: Per fire code.

Miller: Per fire code, that we're because.

Campos: Okay. Dr. Deason.

Deason: Yes. According to a briefing I received this morning from Fire Chief Smith, yes, it will be required.

Miller: It will be required.

Chavez: I have another question for him.

Campos: I have no more questions for the applicant.

Chavez: Go ahead, sir.

Pitts: Tim Pitts with the Community Development. I just, you were asking what uses are allowed. I went and looked in code. In R-3, it's the standard residential land uses for single-family, also multiple family homes, but that includes some other types of things like childcare, preschool, recreational courts, bed and breakfast, manufactured home, nursing home, real estate office, community building, library, museum, school, park, commercial public swimming pools, zoo, botanical garden, private club or lodge. There's a lot of that are allowed in the R-3 already that are commercial in nature.

Campos: Thank you. That answers my question. Appreciate that.

Chavez: Have a question for you all. You are aware that to change the structure into commercial it's going to cost tens of thousands of dollars. You are aware of that. The electrical alone is going to probably be about twenty because you got to have the power to go in there and it's commercial. And then you have to have the ADA, you're going to probably have to pave maybe. In the South Mesquite Overlay we eliminated hard pavement but you can do brick or something else because of the water issue, the runoff. But have you done any type of analysis on the costs of starting a micro business?

Calderon: Yes, we've done. I mean …

Chavez: I mean have you talked to other micro businesses? I mean, there's over 100 cannabis businesses in the City. Twelve or 14 of them that I know of are up for sale. So it is a high competition industry. And it's getting to the point where a lot of them are closing up because it's becoming somewhat cannibalized. So I'm just wondering if you've done your research on this.

Calderon: Yes, we actually do own a cannabis in Silver City. And I have family members that own a cannabis. But I am the first one that is trying to do the residential, commercial. So we do have an idea of what that's going to cost as moving from residential to commercial.

Miller: We're a micro business right now.

Chavez: Okay, well we didn't know that. So thank you.

Calderon: But another thing is, what I want to say is, this isn't only just a store for us, this is a dream of my son's as he passed away. But we do have other kids. I mean my other young one is about to graduate. He also wants a barbershop. So if we don't, if we can't open the cannabis business, we would still like to open his barber shop there. Because that's just the *(inaudible)* that we, I mean we've had all our lights there.

Deason: Madam Chair. To the applicant. Repeating what Dr. Pitts just said. And in my mind, the way it works, any traditional type of industry in the Mesquite Historic District, like a barber shop, like a lawyer, like even a truck farm in the back of your property is allowable. So you would not if, if you were to have a barbershop, or if your son were to be a lawyer you would have that as possible for that without the zone change.

Miller: We're aware of that.

Berryman: As a correction, I'm sorry, you still would have to go through a zone change.

Calderon: Yes.

Deason: Not for a barbershop or some traditional …

Miller: It's borderline.

Calderon: Yes.

Miller: Yes.

Calderon: That …

Berryman: We won't discuss it here. It's okay.

Miller: We know how that works. But like our priority, this was where our son lived and he was pushing to open his micro business. And then he got killed on the interstate going out past the border check. So we're carrying on his dream, what he wants to do, is he had already started the process of all this. Seeing he had been out looking at different locations, because everybody's like, well why don't you go find a different location? Well, you know how much they charge for rent in those locations, or to buy a building. It's like why not just do our own property that we already own, put the money into it, invest it, turn it into something that if we can't do the cannabis, then our other son that's moving back over here, then he can open up his barber and go with that. So we're pushing for the cannabis for our son that passed away. But we know we might have to go a different way. But that's our main goal is because that's why we're pushing for the zone change is because one way or another we want a business in there. IF it's not cannabis it's going to be like a barber shop or studio or something like that. But the cannabis is the main goal. We opened one up in Silver, because you guys asked if we knew about it. We opened one up in Silver City it's called Fly High Cannabis. And so we've been putting money to where we're okay. This is what we're going to need for our surveyors. This is what we're going to have to do for architecting. I work for land surveying. I design

streets. So I kind of know, accessing stuff like that. So I have an idea of how that stuff works. So we're trying to piece things together as we go. We're not saying hey, this is going to happen tomorrow. But this is a stage that we have to go through to get it approved for us to go through with it. We know it'll be tough.

Berryman: Thank you. Is there any more comments?

Campos: One more comment I'd like to make if could. It just dawned on me and we don't have legal here. For the record.

Chavez: Yes we do.

Berryman: We do.

Campos: Hey, thank you. Where'd he come from? I do belong I do attend. I live in the neighborhood and I do belong to Las Esperanzas. I do attend our meetings and this came up as a discussion. I forewarned, I'm a Commissioner, we can talk about it, but just here for the record, if I need to abstain or recuse myself I can, it's not going to influence my vote on this on this case. Legal.

Douglas: So I missed the very first part of that. Why do you feel - and thank you for disclosing any possible or perceived conflict of interest. But you've just stated that it won't affect your decision making one way or the other.

Campos: No sir.

Douglas: You can be fair.

Campos: That's what I'm here for, yes, sir.

Douglas: And just for my own benefit, what was the very beginning of your statement? Because all I heard was I'm a Commissioner. I didn't hear what happened before that.

Campos: I'm sorry, I couldn't get that part.

Berryman: He wants to know what you said initially. That your Commissioner.

Chavez: From the beginning of your conversation.

Campos: No, we did talk about the initial case coming up. And we did not go over the case initially, it was just a discussion item we had.

Deason: At Las Esperanzas.

Chavez: At Las Esperanzas.

Campos: It was just general talk.

Douglas: Okay. Thank you for disclosing. If you haven't had discussions with your fellow Commissioners or the applicant …

Campos: No, not at all.

Douglas: And you feel like you can be fair and impartial.

Campos: We have chain e-mails to verify that. Yes, sir.

Douglas: Okay. Well, if you feel like you can be fair and impartial I don't see the conflict. But thank you for disclosing.

Campos: Appreciate that. Thank you. And David's also my neighbor as well, by the way. Thank you.

Berryman: Thank you for all your input. We appreciate it. Thank you. So I'm going to open it up to public input. And I believe Faith, you were already up here before I throw you down. So I recognize.

Hudson: Faith Hudson for the record. In 2004, there was a survey done of the Mesquite Original Townsite Historic District. And while that survey was incomplete, at that time there were more than 400 structures considered contributing or worthy of further study. And even with all the destruction that happened during urban renewal, this district remains one of the most intact original neighborhoods in the southwest. So my concern about what the applicants want to do is that any potential commercial changes to this property, it could destroy the integrity, the historic integrity of this property. And if that is lost over time what happens is we lose the neighborhood structure by structure. So I am just asking that the Commission to consider that when they vote. Thank you very much.

Berryman: Thank you. So please state your name for the record.

Rodriguez: Hello, Commissioners. My name is Martha Rodriguez. And I, along with my husband, have restored several properties in the Mesquite Historic District. And we are opposed to the zoning change for this property. We believe that this area is a residential area, and it should remain that way. Thank you.

Berryman: Thank you.

Lujan: Good evening, members of the Commission. My name is Antonio Lujan. And I stand in opposition to this proposal. I believe that - I'm a property owner on San Pedro Street. And I've lived there for 30 years. And I really believe that in doing this as the speaker before me said it will start disrupting the integrity of the neighborhood by eating away at the periphery of it. I feel that there are several issues. One of them is parking definitely. If we compare that location to the Lujan Bakery location and if you see the parking situation there, you will understand how difficult that is. Then the other thing is, I was under the impression that this was merely a dispensary and I was in opposition to the dispensary. But now I understand that it's also a growing and processing facility. It's become a manufacturing issue and I don't know if the zoning changes requested addresses that issue or not. And the other one is, Commissioner Chavez mentioned over 100 dispensaries. At my count, last count was 86 dispensaries in the community. And there's a proliferation of them. And I know that events, this community cannot sustain that number of facilities. And it's going to be a matter of time before it shakes out. And in doing so, I think that by permitting this in this community, in this neighborhood, the boundary is jeopardized, the integrity of the, the boundaries of the neighborhood are jeopardized. And also, I have concerns about also growing, drying, and manufacturing process, as well as a dispensary. I urge this Commission to stand in opposition to this. Thank you, Madam Chair, and members of the Commission.

Berryman: Thank you. Is there any more public input?

Leyva: My name is Rosemarie Leyva. And I'm going to be one of the neighbors that will be most impacted if you allow this change to come through. Okay. I have several questions that I want to ask. First off, I want to know if this should pass, do I have the right to legally to put a sign on my property saying no parking, violators will be towed? Because from past experience with this family, I've had to actually go out and track down the owners of the vehicles so I can move into my own property. Would I be within my legal right to do something like that?

Berryman: I think I have to defer that to the lawyer, City attorney.

Douglas: I can't advise her. I can advise you.

Chavez: My understanding on parking is that parking in front of your home is City property. I have an issue where I live. And I have individuals that park their vehicles where it's impossible for me to even to get in my driveway or to leave. And I have called codes. And I have no standing of this. So I have to figure out a way to get in and out because they don't have to move their cars. So it's kind of like you're stuck between a hard place and a rock, you'd have to be there constantly keeping, making sure that they don't block your

driveway. I mean, I tried it and it doesn't work at my end, and you'd be in the same boat.

Leyva: So what would I do then? Just put up with it.

Chavez: No. You could probably keep calling codes. They can't, they're not supposed to block your driveway. They're not supposed to block your driveway. That's that is in the codes. But it'd be a constant calling and codes is not exactly the most responsive.

Leyva: Yes, they don't respond.

Chavez: They don’t respond at all sometimes.

Berryman: Before you continue, can we have your address, please?

Leyva: I'm sorry.

Berryman: Can we have your address, please?

Leyva: 324 East Kansas/ I'm right across the street from them. Right at an angle. Okay. I keep wondering why can't they use it as some other type of business? Okay. Right now they're using it as a bed and breakfast, one section of it. And I know this because I've seen vehicles come in and out all the time from out of state. And I was told that yes, it is a bed and breakfast. My other concern is if they do that, and I know that parking is going to be in the majority of the street, what, I know you can't guarantee it but what's going to keep them from utilizing the marijuana in their business or outside in their parking lot?

Douglas: Madam Chairman, and Commissioners. If I may speak. I will tell you that it's my understanding that if the zoning change is approved for a C-1, I don't believe onsite consumption is allowed. And I see Dr. Pitts, who's, I think he's agreeing with.

Pitts: You're correct.

Douglas: Okay, thank you Dr. Pitts. And I'm not giving anyone in the public legal advice, but just so the Commissioners know. If you have a problem as a citizen with someone blocking your driveway, we have a state statute and a municipal ordinance. I'm terrible at remembering the actual numbers of the statutes and ordinances, but the common name of those laws is stopping, standing, or parking in prohibited places. So LCPD might be better to deal with that than codes.

Leyva: Thank you.

Berryman: Thank you.

Leyva: Okay. And I am strongly against this change. Thank you.

Berryman: Thank you. Is there any additional public input, please?

Cardone: My I *(inaudible)*.

Berryman: Let's finish the public input first please.

Lannert: Good evening. Can you hear me all right?

Deason: Yes, ma'am.

Lannert: My name is Josephine Lannert. I oppose the request. I live approximately two blocks away from the proposed property. I'm going to read a statement from my mother who is 93 years old. Her name is Elizabeth Olguin-Lannert. I live with her and we live at 315 South Mesquite. Four family generations have lived in our adobe house. My mother was a charter member and first president of Las Esperanzas. Las Esperanzas was formed because there was crime and vandalism in the neighborhood. They saw that the Mesquite neighborhood was a special place with historical history. Las Esperanzas had problems to solve all this so they sought the City help. Much was accomplished in the early days, including now. Now, there is other problems in the neighborhood and people could be displaced, long term residents who were there first they could be displaced or have their quality of life changed. I feel for Irene and Sylvia and Rosemary that are just going to be one house away. And yes, you can smell smoke when someone's, even if they're smoking inside, they're going to smell it. Las Esperanzas was created to protect the residents and its newcomers. We need to, the zoning program or office can help to keep our area protected and safe. The one way to do that is to remember that there is a historical importance to the neighborhood. Zoning laws must protect existing residents. The Mesquite historical area needs more open information. Many of them are elderly and they're not savvy to computers or smartphones. Zoning and Las Esperanzas needs to support the residents of the neighborhood. A newspaper article from any zoning changes could help to inform our beloved neighborhood. Also, I wanted to mention that if traffic is not on Kansas Street, it doesn't exit on Campo, it's going to exit on Mesquite, and Mesquite has a lot of elderly going up and down going into the Munson Center. Thank you.

Berryman: Thank you. So we have additional public input. Take your time.

Ainsworth: Yes, but real quickly/ Madam Chair. Also, as public comment continues, at the end of public comment, the applicants would have opportunity if you can afford the applicant the opportunity to speak. Thank you.

Lewis: Good evening, my name is Irene Oliver Lewis. My sister Sylvia Camunez and I live at 336 Kansas Avenue next to Rosemary and across the street from the said property. I am here to oppose this change. First of all, I want to say that Angel, the son that they talked about, was a great neighbor. We were very saddened when he was killed. And we also know Sandra and her family who own Lujan's grocery. So they have a history in our neighborhood. But this is beyond neighbors. This is a whole concept of what you as a Commission stand for, historic preservation. I am opposed for the change of commercial, from residential to commercial period, whether it was a cannabis store, and today I thought it's just going to be a store but we heard it's going to be growing. So that intensifies the use of cannabis in our neighborhood. So I am opposed to the change from residential to commercial, because we are a neighborhood in the Mesquite historic area. We have been there since 1936.

My family has been in the Mesquite neighborhood since 1906. So it is not with just hearsay that I come to you to preserve the sense of what we are in the neighborhood in historic preservation. Parking would be a problem If it is changed to commercial. You saw that. You see how difficult - the streets were built in 1849 when we had horse drawn carriages, now we have cars and it is difficult to have two cars and a third car in that area. Safety is an issue. The type of cannabis now is an issue. And I need to let you know that where I drove from Sandra's house to the nearest cannabis store, which is Mesilla Valley pharmacy and it took me one minute and 33 seconds to drive from Mesilla Valley to their house, the closest cannabis store. And then the other cannabis stores on El Paseo, which is on commercial, they're on commercial property, and so is Mesquite pharmacy. That drive was one minute and, almost two minute drive. So you can access cannabis in that area and be in commercial zoning without changing our neighborhood to commercial zoning. So if you change this from R-3 to commercial, you are changing the integrity of what we have stood for and worked for, for more than 20 years in historic preservation in our neighborhood. And it saddens my heart that it's even considered by staff to be looked at and Planning and Zoning. I was in the Planning and Zoning Commission; their last meeting and they care not about what is historic preservation. They look at it as nuisance. I'm talking about Community Development, they look at it as nuisance, they look at it as nuisance for business and housing, neglect, they have as neglect. They are against this particular one but they may not be in others in our historic neighborhood. So I ask you to deny this thing, this request, and keep our neighborhood intact of what it is for historic preservation and a neighborhood where we know each other, we respect each other and we do not want commercial. I do not want a barber shop

there. I do not want people driving in and using Kansas and the concept that you could put parking in front of it. What do you do just, there is no parking. I don't think the City would approve parking in front of their house on Campos, so the only parking will be on Kansas across the street from our house. Please do not support this request.

Berryman: Thank you. Is there any more public input? So I'm going to give the applicant - I'm sorry, no, there's still public input, I apologize.

Ruprecht: Jo Ruprecht for the record. I'm speaking, other people have spoken very well to the neighborhood concerns and to Kansas. I'm speaking in terms of Campo and in terms of the Overlay as it's laid out. And I'm speaking from the history of having lived here when the school at Picacho, and Alameda was converted into third judicial court. When that happened, there were many homeowners up and down Alameda who were desirous of converting their residential properties into law offices, or other small commercial enterprises. And the discussion that went on there was informative for me. And it's something I've remembered, because what happened was that there was a boundary set, where south of Picacho was eligible for that kind of development, for the law offices that we see there on either side of the street today. And further regulations as far as parking, as far as how the building would be set up. And north of Picacho, would be reserved for residential. And that's why we have many of those historic homes intact on either side of Alameda as you go north from Picacho.

To me, this is a similar situation if you look at it as in a systems way, because you've got the empty lot where Church's Chicken was, you don't know what that's going to become. But that was set up because of how Amador and Lohman were setup, as commercial. That's not part of the discussion, really. That's going to be a commercial in some way. To allow this residence of long standing to set the precedent of bringing commercial down Campo to the south is I think inappropriate, because it sets up for the Leyva house, if that were ever to change ,hands for that to become commercial. And you set up this one after another effect along that street, instead of being able to as the residents nearby have said, preserve it as a neighborhood. So I would hate to see you set, allow the precedent to creep in that this property go commercial. I have every expectation that they can be successful with a cottage industry as it's defined in the Overlay District guidelines. I would prefer to see them do that than to set the precedent of this property going commercial with some kind of enterprise that, as David has pointed out, has a certain percentage of failure in town, of not happening, not making a go of it. So please don't set the precedent of this property being zone changed. Thank you.

Berryman: Thank you. So is there any more input from the general public, please? Just raise your hand. Okay. Three minutes.

Dennis: Good evening. Deb Dennis for the record. I'm here to oppose the request for a zone change. And I'm speaking only about a zone change. I don't care what the business would be. I don't care whether it's a barber shop, cannabis, or whatever. I'm opposed to the change because the Mesquite, the South Mesquite district was set up to preserve the residential neighborhood. And this is not even talking about the Mesquite Historic district we're talking original townsite. We're talking about the first homes, the first neighborhood. And as the previous speaker mentioned, commercial was allowed and grandfathered into the Amador and Lohman corridors, and the rest was designated as residential. You're going to begin that process of dismantling a residential neighborhood. I've seen it in my own. And it's not as dramatic, because I'm not in a historic district. But the north Alameda district was a neighborhood and it's not anymore. I've lived there for 40 years, and I've watched the changes. I used to have neighbors, and now I have renters and I have cannabis, thanks to the City Council, and P&Z. And so I understand why the residents are fighting this. But I'm asking you based on historic preservation, and I want to read to you from the South Mesquite Overlay District at the time that it is formed, and it is still appropriate. Neighborhood design guidelines and standards have been created that will help enhance and preserve, I'm sorry, the unique character of Las Cruces's first neighborhood. You start down this path of allowing one property to become commercial and pretty soon you have one after another for whatever, it doesn't matter. And it's no longer a neighborhood and you've lost it. If you look at what's going on already, so many homes are being lost because they're being demolished, they're being sold to outside entities, and neighborhoods are slowly deteriorating. We need to save the Mesquite historic district. Thank you.

Berryman: Thank you. So do I have any more public input, please just raise your hand. Okay, so I see none. So I give the proponent an opportunity to address any of the issues that have come up. Do you have any response that you'd like to make at this time?

Calderon: Thank you. This is Sandra again. I'm the owner. There are several facts that I want to state here. First of all the cannabis. If we open the cannabis store, there won't be a lounge allowed in there. So there won't be smoking allowed inside the building. Okay. So that's one thing. Right now as a resident, everywhere around a resident, you can smell cannabis everywhere. I mean, my kids do it. The neighbors do it. The neighbors, neighbors do it. So the smell, it's there already. So that's another thing. The parking, right now when I'm home, we have probably like 20 cars parked in and outside on the streets, as a resident. So that one to my experience with the other cannabis stores that I know that I own and my family owns, there's probably three or four customers coming in and out throughout the day. So the parking, I don't think would be as crazy as it is

right now. So right now the parking, yes, I do understand it is crazy. So the parking with a commercial building there, I mean my residence I can't stay there. My family can't go visit unless they're buying stuff they have to leave. So those are a few points that I wanted to point out.

The micro business, it's a small micro business. It's 200 plants or less. So we're not this big corporation that we're going to come in and bombard our resident with cannabis. It's just going to be a cannabis for our store mainly. We're not going to be out selling, wholesale. So we're not going to produce I mean pounds and pounds and pounds of cannabis to produce to other stores. That's going to be mainly for our store. There's only a few things that I want to want to address here. That I do believe, I know it's historical, but I mean, I'm sorry to say but changes can come upon historical and with the residence the way that it is right now I do believe it'll be the parking spaces especially, I think it'll be better, from a cannabis or a barber or whatever business we decide if it's allowed.

Berryman: Okay, thank you.

Calderon: Thank you.

Berryman: Okay. So that ends the public and proponents discussion. So I will now entertain a motion.

Deason: Okay, Commissioners, listen to the wording.

Berryman: And before you do that, Paul. Troy, can you put up the specifics regarding the motion so we can read it correctly, please? Thank you.

Deason: That's - okay. Madam Chair. I move that the request for a zone change from R-3 medium high density to C-1 commercial low intensity for 541 South Campo be approved.

Berryman: Do I have a second?

Chavez: I second.

Berryman: Open for discussion among the Commissioners, please. Okay, I only have one point to make before we make a vote. And my concern is from a historic preservation perspective. Yes, I agree that change is always evitable. However, there are very few remaining neighborhoods left in Las Cruces. And I would ask you, why is there such a high visitor count in Mesilla? I would ask why is there a high count in Old Tucson? Why is there an old, in any of those areas they're not going there for commercial reason. They're going there because of the historic neighborhood. And I think what we're missing here in Las Cruces is an opportunity to capitalize on the fact that

this is a historic neighborhood that could be enjoyed by visitors, it would be bringing people in. So that's the only comment I have for right now. Is there any additional comments? Okay, so we have a motion. All those … Troy,.

Ainsworth: Commissioners. Just a quick clarification for the edification of everyone in attendance. Let's keep in mind that your vote is a recommendation that will be transmitted to the Planning and Zoning Commission. It is not a zone change. You are recommending that based on the findings of fact that the Historic Preservation Commission is recommending approval of a zone change. The decision to make the change will be further discussed at Planning and Zoning, and ultimately approved by City Council. These are steps that must be taken incrementally. Thank you.

Berryman: Thank you. As part of that I believe P&Z is meeting December the 19th to consider.

Ainsworth: Madam Chair. I believe that is correct.

Berryman: Okay, so a motion has been made. All those in favor say "aye." There are no ayes. All those against changing the zoning say "nay."

MOTION DENIED UNANIMOUSLY.

Berryman: So the motion to change from residential to commercial has been denied. I think that's all I say, right. Okay.

V. DISCUSSION ON REVISING THE CURRENT CERTIFIED LOCAL GOVERNMENT GRANT TO AMEND THE SCOPE OF WORK FROM A RE-SURVEY OF THE MESQUITE HISTORIC DISTRICT TO THE PREPARATION OF A City-WIDE HISTORIC PRESERVATION PLAN

Berryman: Okay, going on to item number five, and this is a discussion item so we will not be voting on it. But we're discussing the current status of the CLG scope of work in terms of preparation of a City-wide Historic Preservation Plan. So where in the docket are we?

Ainsworth: Commissioners. Where are we in the docket? This sounds like a Mr. Douglas question. Commissioners. A couple of points to make. The funds that have been dedicated for the Certified Local Government grant, now that we have gone through two rounds of advertising for the resurvey of the Mesquite Historic District and had no takers. Subsequently, I had a conversation with Ms. Karla McWilliams there in the State Historic Preservation Office in Santa Fe, to ask if the option existed for us to revise the scope of work, a complete revision, and pursue a different approach in order to utilize those funds. And she answered in the affirmative. All right, so we can, the City of Las Cruces can revise the language of a deliverable

from the original intent to, if it is the Commission's interest, to pursue a City wide historic preservation plan. Now, there's a couple of points that are real salient here. Our timelines remain intact. So we're still looking at September of 2024. So we must be reasonable with what can be prepared. Now the contours and the details are not the important thing right now. It's basically an indication from the Commission to pursue, because time is of the essence. A reworking of a scope of work and advertising it and providing several weeks for that advertisement are required. So the sooner the better, if the Commission chooses to pursue this route. Then there's also a question that I think Mr. Douglas, this is kind of more in your wheelhouse, sir, when the grant was approved there was a contract drafted up between the SHPO office and City of Las Cruces, which was distributed for signatures. Now, the funding amount does not change one bit. Scope of work will. And this is a question maybe to discuss later. But I'll need clarification from you with regard to a new signature sheet, whether all signatures must be secured again, or Ms. McWilliams asked if it's possible for just one signature from the City. Your opinion would be helpful.

Douglas: Madam Chair. If I may answer. It's not unusual at all to have amendments with regard to the scope of work. I draft them pretty routinely. Very rarely do they exceed one page and that includes signature lines. I would probably sign off on that.

Ainsworth: Okay.

Douglas: And we'll have to see who the appropriate other City employee to sign off on that would be, but my guess would be somebody from the City Manager's office, but not unusual to have an amendment.

Ainsworth: Okay. Thank you so much.

Berryman: Okay, as a clarification. Number one, there is a draft now for the preservation plan that's being reviewed. And as soon as the review is completed, I will hand it over to you to still look at it. So right now, there is one written. My concern is the past performance, it took close to three months for the total system to work. So assuming that this is December, assuming that we get someone who's interested. I don't see a contract being let out until end of February, early March at the earliest. Now, if the work is due in September, that only allows, if I'm counting the months right, seven or eight months of completion, so I'm concerned. Is there a way of speeding up the City's delivery system of getting the bid out, accepting a b.i.d., and assigning a consultant?

Ainsworth: Commissioners, Madam Chair. Although I cannot speak for you know the pace that other departments work, what I can say is I would be very willing

to impress upon my colleagues the timeliness and the need to expedite the advertising process, unlike what we saw previously.

Berryman: And so my last question is, is the amount still $30,000 or is there a different amount?

Ainsworth: Madam Chair. The amount available remains at $30,000.

Berryman: Okay. Thank you.

Ainsworth: You're welcome.

Berryman: Are there any additional questions from the Commission?

Chavez: Madam Chair. Since we've had two failed attempts for this money, which started at $60,000 and got whittled down to $30,000, is there a precedent that we could actually shorten the timeframe? Because we've had no takers even at $60,000. So you know, I mean, we're in a situation between a hard place and a rock to get everything done, because I believe the last invoice has to be presented no later than the end of September for payment. So, I mean you know there has to be some flexibility. I mean we cannot, this City government cannot be that stringent or the state. I don't know if the state is doing this, or is it the City?

Ainsworth: Commissioner Chavez. Actually what is it that you're asking?

Chavez: Shorten the timeframe to get a contract signed, so we can get this project on?

Ainsworth: We just discuss that a revised. Chair Berryman mentioned about turning over or submitting a revised scope of work.

Chavez: I know the scope of work. I'm talking about the period of time that has to be advertised, three months.

Ainsworth: It does not need to be advertised for three months, whatsoever. We have leeway on that. Is it a two week advertisement? Is it a one month?

Chavez: That's what I'm trying to get at. If we can put a limit on the timeframe and say, two weeks or three weeks, that shortens that timeframe.

Ainsworth: Absolutely.

Chavez: And we get somebody to sign the contract.

Douglas: Sorry Dr. Ainsworth. If I can interject.

Ainsworth: Yes, please.

Douglas: I don't pretend to have all the answers off the top of my head. But with an amount of more than $25,000, we're going to have to look at our Procurement Code and see what the notice requirements are. And there is no way to shorten those. Now it's not three months. I don't know what it is off the top of my head but it's not three months.

Chavez: Okay.

Douglas: With regard to the amendment itself, that should be quick. If all we're amending is the scope of work, that portion should be very quick.

Chavez: Okay. All right.

Douglas: If that makes you feel better.

Chavez: Thank you.

Berryman: Just as a clarification, the scope of work is submitted to SHPO. And they take time as well to go over that scope of work. So I mean there's time on that end, as well as the City. So I guess my other concern is on the last two bidding, we had a confusion on - this contract is to be released to SHPO listed individuals, particularly on the second time around individuals on that list were not contacted and were not given the opportunity to bid. And we were informed that if you turn down one proposal you don't get put onto another one. Well, we're going to have the same problem with this third, it has to be on the SHPO list. And we're making it very short, because we know there's no per diem and there's no travel time, so it has to be someone that is local. And so we need sort of an assurance that the SHPO list will be sent out because we gave the SHPO list to the procurement individual and then we went and talked to them, and still the list did not go out. And there was a time factor involved there. So if we could just sort of clean up the procurement system, I think is a huge problem that we're dealing with.

So having said nothing more. I'm waiting for the comments for the preservation plan. Once we get comments in, I'll make what changes and then we will insert it for your review, and then we can go forward hopefully.

Ainsworth: Madam Chair. And also I would recommend because of the timeliness that confronts the completion of this Certified Local Government grant funding, one thing to keep in mind in the scope of work is limiting the expectation of what can reasonably be delivered. And perhaps for the next seven months or so, the purpose is not to prepare a full blown document that has been fully, all the principal investigations have occurred, all of the public meetings

and all of the long range thinking, but actually creating and thinking in terms of gathering public input, vetting, doing a basic inventory, you know identifying key areas of town. Basically doing a preliminary type approach. And look for it to be a springboard for a fully articulated plan. Because we have little in the way of funds, and we have little in the way of time. So that's just something I would ask the Commission to keep in mind.

Berryman: And I appreciate that. And that is the direction that we're going. It's basically a glorified outline, and defining historic context, which in order to do an inventory we do need a context to set these structures within. So we're not looking at a perfect preservation plan because it is not possible for the cost and the time involved. Thank you.

VI. OTHER BUSINESS

A. BYLAWS
B. PARLIAMENTARIAN

Berryman: Under other business, we have bylaws. And I wish I could say the word correctly, but as parliamentarian, I did it. We're going to put that on for the next session, because I'm sort of unclear what we were going to discuss.

C. 615 & 621 NORTH MESQUITE STREET

Berryman: And if we could have a status on 615/621 North Mesquite Street, please.

Ainsworth: Commissioners. Very quickly. Tomorrow morning there's going to be an inspection on the building in question there at 615/621. Made arrangements with facilities and the appraiser will be present as well, he needs to gather additional facts. We anticipate a revised appraisal. And for the record, I did misspeak during the work session, I mentioned that he had sent the appraisal, it was a separate document that he was sending to me, it's not the appraisal as of yet. So we will still have that. Our intent is to have the property advertised for sale in the month of January. And by state statute we need to have a 30 day notification in the public square, that is newspaper, that is our social media outlets, that is to cast the widest net possible where anyone who is interested in the conditions that are placed upon the property and the reserve price, can indeed make an offer to purchase it from the City of Las Cruces.

Chavez: Chair. If I may. I was under the understanding that that property had already received its value.

Ainsworth: Its appraisal.

Chavez: It’s appraisal.

Ainsworth: It was a partial appraisal that was conducted. It was not for the entire property. It is an error that was made. And so we have to correct it and have - the property is divided into three separate parcels. And that was a discrepancy in the initial appraisal. So the entire, all three parcels have to be appraised as a collective.

Chavez: Okay.

Ainsworth: Yes. And just for the record, one of the conditions that will be put on the sale of the property is a replat to take the three parcels and plat them into one. So it's one contiguous parcel of land.

Berryman: Okay. And for clarification between now and the end of February or the beginning of March, is there still a program to maintain the buildings so it doesn't deteriorate any further than it has.

Ainsworth: Madam Chair. The City has a responsibility to board and secure and maintain that building. That's correct.

Berryman: Is there any other comments?

VII. PUBLIC INPUT

By, Okay, so, I'm going to move to public input. Is there. I see a hand so general public input please come forward.

Lewis: Madam Chair and Commissioners. I have two things. I have a written thing I'd like to read for you. But before that I want to quickly make an observation. So I was part of the arts and cultural plan. Myself and my professional partner wrote the arts and cultural plan for the City of Las Cruces. In that plan, we asked for some new staffing to be placed in the City. And Troy Ainsworth is the result of that staffing that we asked for, historic preservation. And I had great hopes of things happening in our community on historic preservation. And there have been many good things happening. But as of late in observing and pulling back from a lot of the community stuff I used to do, I am seeing that historic preservation and the importance of our original townsite in decisions that being made for zoning and etc., of traditions of cultural things happening, it's been put in the back burner. As recent as the property that the City owns in the weed and seed. And I've just been seeing a number of things being degraded to the significance of what we first talked about in the arts and culture plan for historic preservation, and what happened to how we signify and dignify and preserve our original townsite. That's just an aside that I've been watching and I think you are the Commission. I was here for the Planning and Zoning; I have no idea why the Director of the Community Development was here

for that meeting and is not here for this meeting. That is just to me as important is Planning and Zoning. So I am just telling you that those of us who believe in historic preservation need to get stronger and have more of a face in the City, with our new elected people in the City and what is happening in all the departments in the City to maintain what so many of us have worked our lives to create.

And now my prepared statement. Good evening, I am Irene Oliver Lewis and I live on Kansas Avenue, Lot 45 of the original townsite plat of 1849 or what is now known as a South Mesquite Overlay for issues of planning and zoning and historic preservation. My sister Sylvia Camunez and I have family roots from the mid-1800s in Doña Ana, with the Fitch and the Triviz family that moved from Doña Ana to the Mesquite neighborhood in the early 1900s. The original adobe building on Kansas where we live was built in 1906. And our grandparents, although they lived on Mesquite Avenue, they bought that land in 1936. Historic Preservation is in my DNA. I speak to you tonight because my perception and many of my neighbors is that the City's Community Development Department and the staff approach historic preservation as an obstacle, a nuisance for business development and housing, and they resort to treating it as neglect when demolition not keeping historic traditions, character, or quality of life. You are the City Commission in charge of maintaining, preserving, and setting policy for historic preservation. Therefore, I urge you to relook at the process that zoning changes first go to the Planning and Zoning Commission and then they come to you if an historic preservation matter is in place. In fact, the reason we are here tonight is because it was originally, this issue of the Campo zoning from residential to commercial was put on the Planning and Zoning Commission. And it was pulled because the Planning and Zoning Commission received more than 40 calls of concern of this zoning change and that is why you are hearing it first and next on the 19th it goes to Planning and Zoning. Planning and Zoning Commission has different aspects of what historic preservation is. They are using Elevate as part of their decision, and part of the decision in Elevate says for mixed use purposes. And they are changing mixed use purposes throughout our City and not recognizing the historic preservation issues of the South Mesquite Overlay. I believe the HPC should review the zoning issue first, then historic preservation is paramount in deciding situations and then going to P&Z. It's a little analogy now that the cart is before the horse, thank you.

Berryman: Thank you.

Ainsworth: Madam Chair.

Berryman: Yes.

Ainsworth: For clarification. The ordinance is written for zoning issues to be heard first by the Historic Preservation Commission, and then second by the P&Z if they pertain to any impact on the South Mesquite Overlay District. That was a responsibility inherited that HPC inherited from the South Mesquite Overlay Design Review Board. So the ask has already been granted. There was an error, it should not have gone to P&Z first. That is a staff error. That is why the item was pulled. That's why you're hearing it. That is why this Commission heard the findings of fact, in order to make a recommendation to P&Z. Thank you.

Berryman: Chair recognizes Faith.

Hudson: Just really quick. I would like an update on the design guidelines. That is part of Chapter 48 as part of the responsibility of the Commission and the Historic Preservation Specialist. And I do know a lot of work was done. And it was I think submitted to the Historic Preservation Specialist in August of this year. So if the public could get an update on that, that would be wonderful. Thank you.

Ainsworth: Madam Chair. The design guidelines are in my possession. When they are complete, they will be brought forward to this Commission for final review, and then making a recommendation to go to City Council. Thank you.

Berryman: I would like to amend your response if I may. Can we have a timeline when that review will be completed, please?

Ainsworth: Madam Chair. I would respectfully request no timeline. I will approach my job in the pace that I need to, Thank you.

Berryman: I appreciate your workload. But I would suggest that that draft was given to you in the middle of summer. And it had been reviewed by multiple individuals for typo and contents and etc, etc. We are now in December. And so I still am asking for a timeline please.

Ainsworth: Madam Chair. The consultant provided a service for the City of Las Cruces and submitted a document that belongs to the City of Las Cruces. The work will be completed when it is completed. And I'm sorry if that's an unsatisfactory answer, but yes, I have a tremendous workload. Thank you.

Berryman: I'm not going to belabor it. So my understanding is that changes to Chapter 40, which is now Chapter 2, will be up for public review. And I don't have a deadline for when the finalization of the changes, but I do know that in that reference is the architectural guidelines. And so we do need to have those comments in that document and completed before Chapter 2 is finalized. And that's all I need to say. Are there any additional comments?

Chavez: Yes. Madam Chair. The consultant that we had for the handbook was inadequate, and was done very, very poorly. The photographs did not contribute to the document. The wording was wrong. There was one, only one word of adobe used in that whole document. And I believe the City spent over $20,000 on an inadequate report. The Commission set up a subcommittee and we worked on it for probably six or seven months and corrected it, rephotographed it, and set and delivered it to you, Mr. Ainsworth, for review. And at the time when we presented this, you told us you would have it done within two or three weeks. And here we are in December. All we're asking is that if the Commission is spending our free time, we don't get paid. We don't even get a bottle of water for spending maybe four days out of the month, on top of the meetings here, to work on this for several hours when we meet, we expect the same respect for our work. And we hope that you would respect our work and get it done quickly. Please, that's all we're asking. That's all we're asking. Thank you.

Berryman: Okay, I jumped the gun a little bit when I asked for public input. But there were a couple other discussion items, and I'm going to combine them all into one. So the discussion item is that, as a Commission we would like to take already eligible and nominated and accepted historic properties that are on the national and state register and put them on to the Las Cruces listing of historic properties. So that just simply strengthens and gives the City of Las Cruces a little better opportunity, since both of these lists are kind of convoluted, so if we combine them so that they will be on to the City's list. That would be number one. Number two is that City owned properties. We are currently going through City owned properties. Those that are historic and meet eligibility requirements, we would like those to be put on to the City of Las Cruces list of historic resources. And I will supply Dr. Ainsworth with a listing of the combined state and national register properties and the City owned properties that are either already on or will be on the national and state listing. And third, the third was the update and acceptance of the architectural guidelines, but we've already discussed that. So those are the two issues. Are there any comments that can be made by the individual Commissioners? So I have submitted a list. I think I've submitted to you as well. It's an extensive list. But anyway I think it will, as a CLG. community I think that the City of Las Cruces, it would be good to have the City of Las Cruces list expanded to include properties that are already been nominated or eligible. Thank you. So I guess on the next agenda we'll vote on it. There doesn't seem to be any discussion here. Okay.

VIII. DATE OF NEXT MEETING - WEDNESDAY, JANUARY 17, 2024

IX. ADJOURNMENT

Berryman: So I'm calling, it's 7:45. I'm asking for adjournment. Is there a motion for adjournment, please?

Deason: Madam Chair. I move we adjourn.

Berryman: And a second.

Chavez: Second.

Berryman: And all those in favor say “aye.”

MOTION PASSES UNANIMOUSLY.

Berryman: All those against adjourning. So adjournment has passed. I thank everyone from the public for attending and contributing and all of your comments have been taken seriously. Thank you very much.

_____ _____

Chairperson Date

ATTACHMENT "C"

CITY OF LAS CRUCES

PLANNING AND ZONING COMMISSION
FOR THE
CITY OF LAS CRUCES
City Council Chambers
December 19, 2023 at 6:00 p.m.

BOARD MEMBERS PRESENT:

Scott Kaiser, Chair
Enrico Smith, Vice-Chair
James Bennett, Secretary
Connor Murray, Member
Vanessa Porter, Member

BOARD MEMBERS ABSENT:

Joaquin Acosta, Member

STAFF PRESENT:

David Weir, Deputy Director Community Planning
Sara Gonzales, Senior Planner
John Castillo, Planner
Brad Douglas, City Attorney
Becky Baum, Recording Secretary, RC Creations, LLC

1. CALL TO ORDER (6:00)

Kaiser: All right. Good evening. Welcome to the December 19th City of Las Cruces Planning and Zoning Commission. We'll go ahead and call this meeting to order.

2. CONFLICT OF INTEREST

Kaiser: Do I have any conflicts of interest from the Commission tonight? Seeing none.

3. APPROVAL OF MINUTES – November 28, 2023

Kaiser: Any comments on the minutes from the November 28th meeting? No comments. All right. Looking for a motion to approve.

Bennett: I make a motion to approve the minutes from the previous meeting.

Smith: I second.

Baum: Board Member Smith.

Smith: Yes.

Baum: Board Member Murray.

Murray: Yes.

Baum: Board Member Porter.

Porter: Abstain.

Baum: Board Member Bennett.

Bennett: Yes.

Baum: Chair Kaiser.

Kaiser: Yes.

Baum: Passes.

Kaiser: All right.

4. POSTPONEMENTS

Kaiser: Moving on, I believe there are no postponements this evening; is that correct?

Gonzales: Mr. Chair. That is correct. Your postponements are moved to old business.

Kaiser: All right.

5. ACCEPTANCE OF THE AGENDA

Kaiser: Then we will go ahead and look for a motion to approve tonight's agenda.

Bennett: I make a motion to approve tonight's agenda.

Murray: I second.

Baum: Board Member Smith.

Smith: Yes.

Baum: Board Member Murray.

Murray: Yes.

Baum: Board Member Porter.

Porter: Yes.

Baum: Board Member Bennett.

Bennett: Yes.

Baum: Chair Kaiser.

Kaiser: Yes.

Baum: Passes.

6. PUBLIC PARTICIPATION

Kaiser: Okay. Moving onto public participation. Is there anybody in the audience who wishes to speak on an item that is not on tonight's agenda? Please raise your hand. Seeing none. We'll go ahead and close public participation.

7. DISCUSSION

8. CONSENT AGENDA

8.1 Case No. 23CS0500110: A request to approve a non-administrative replat known as Darla Place Subdivision. The proposed subdivision encompasses 0.711 ± acres and is zoned R-1a (Single-Family Medium Density). The subdivision proposes to subdivide one (1) existing lot into three (3) new lots that range from 0.202 ± to 0.278 ± acres in size and located at 905 Jasmine Drive. Submitted by GEM Surveying, representative. Council District 1.

8.2 Case No. 23CS0500130: A request to approve a non-administrative replat known as Majestic Hills Subdivision Number Two Replat No. 40. The proposed subdivision encompasses 1.59 ± acres in size, zoned R-2 (Multi-Dwelling Low Density) and located at 3020 Majestic Ridge and 3025 Executive Hills Rd. The subdivision proposes to subdivide two (2) portions of Tract A into (2) new lots that are .34 ± acres to 1.25 ± acres in size. Submitted by Libbin Underwood Engineering and Surveying, representative. Council District 2.

Kaiser: And move to the consent agenda. We have two items. Looking for a motion to approve tonight's consent agenda.

Bennett: I make a motion to approve tonight's consent agenda.

Smith: I second.

Baum: Board Member Smith.

Smith: Yes.

Baum: Board Member Murray.

Murray: Yes.

Baum: Board Member Porter.

Porter: Yes.

Baum: Board Member Bennett.

Bennett: Yes.

Baum: Chair Kaiser.

Kaiser: Yes.

Baum: Passes.

9. OLD BUSINESS

9.1 Case No. 23ZO0500120: A proposed zone change request from R-3 (High Density Residential District from the South Mesquite Overlay) to C-1 (Neighborhood Commercial District from the South Mesquite Overlay). The subject property is encompassing 0.233 ± acres and is located at 541 S. Campo St. The zone change is to allow for the future development of a commercial business on the subject property. Submitted by Libbin Underwood Engineering and Surveying, representative. Council District 1.

Kaiser: Okay. Moving onto old business. And our first item tonight is 9.1. And I will turn it over to staff for a presentation. And while you're pulling that up this is a proposed zone change request from R-3 to C-1 in the South Mesquite Overlay at 541 South Campo Street.

Castillo: Good evening, Commission. My name is John Castillo for the record. Tonight, we have a zone change request from R-3 to C-1 at a property located at 541 South Campo Street. The current conditions of the property is that it is located at the corner of Campo and Kansas. It's physical address

is 541 South Campo. It's a developed residential lot that encompassing 1.427 acres. It's zoned R-3. It's also located within our South Mesquite Overlay Zone District. This is one of our historical districts within the City. It is also adjacent to a mixed use corridor that acts as a buffer to various types of residential housing.

It also fronts a collector roadway and a local roadway. The collector roadway being Campo Street and the local roadway being Kansas Avenue. As you can see here on the zoning map the property is highlighted. It's current zoning designation is R-3. And once again, it's at the corner of South Campo and Kansas Avenue.

Here's an aerial image of the property. It is fully developed with a residential home. These are some street views of the property looking southbound on Campo, as well as directly facing Campo the residential home.

So today's proposal from the applicant is to rezone the property to C-1 which is our neighborhood commercial district located within the South Mesquite Historic District. They're proposing to do a retail establishment. This will also allow the property to expand beyond the residential and limited commercial land uses that are currently occupy the R-3 into more commercial land uses that don't allow for residential living.

It's also to provide a nonresidential intensity transition to the residential neighborhood. So basically, what we're saying is more of a transition from the heavy commercial located on the west side of Campo as well as the heavy commercial off of Lohman and kind of transition it before we get into the neighborhood.

This is a site plan of the proposed zone change. As we can see there is C-3 commercial, as I stated before on the west side some R-3, and further north of that is C-2, and then R-3 pretty much south and east of it as well.

So this did have to go before our Historic Preservation Commission to provide the Planning and Zoning Commission a recommendation. The Historic Preservation Commission under section 38-49.2.J.2.D of our Zoning Code as amended requires a recommendation to the Planning and Zoning Commission. Our Historic Preservation Commission specialist recommended denial as you guys were provided a copy of his staff report. He's looking at it more from a historical aspect where Planning looks at it from a larger scale utilizing not just the historic neighborhood plans but as well as Elevate Las Cruces and overall growth for the community.

On December 6, 2023, a public hearing was conducted. The motion was made to approve and seconded the proposed zone change. The Commissioners provided a denial vote with no findings. The motion failed

with a vote of zero to four. There was one Commissioner absent and two seats vacant. On this slide, we see the findings of facts that were provided by our Historic Preservation Specialist. His findings were the proposed zone change request; it is at variance for land use intent for residential zones as outlined in the Mesquite Historic District Neighborhood design plan.

The proposed zone change from residential to commercial entails a greater intensity of use and requires that the existing residents adhere to Commercial Building Code rather than Residential Code. As well as the proposed zone change that was requested came without accompanying plans or drawings, which show the type and extent of any potential alterations to the existing building on the site.

As we can see on this slide, this is all seven members of our Historic Preservation. As I noted before, two seats are vacant. There was one Commissioner that was sick at the time so you only had four votes.

The Planning staff recommendation is to approve the zone change based on the following findings. The zone change request will allow for the attraction or attention of businesses at a small scale and provide buffering to the residential neighborhood to the east. And the expanded uses allowed by the zone change are consistent with existing uses in proximity to the subject property. The subject property is located on a collector roadway which is recommended for commercial land uses. The proposed zone change request is supported by Elevate Las Cruces Comprehensive Plan as it's located within our urban neighborhood place type. This place type does allow for the redevelopment of our urban core as well as providing a more dense and mixed use area. It's also adjacent to a mixed use corridor. So once again, providing that transition between commercial to residential. It's also along a public transportation route and it does meet the purpose and intent of the 2001 Zoning Code.

Also, based upon staff's analysis of the proposal, the proposed zone change meets the intent and purpose of the Mesquite Neighborhood Plan, as well as the Mesquite Historic District Design Plan. On this slide right here, we have the Mesquite Historic Neighborhood Design Plan map that outlines residential, commercial, and office zoning districts. We've had several zone changes over the past years where we've taken residential properties into commercial properties. All of these have gone before the South Mesquite Design Review Board which then became the Historic Preservation Commission.

Public notice was sent to all remaining relevant agencies and departments. All supported the proposed zone change request. A notice was sent to all surrounding properties within 500 feet. There were several phone calls and

e-mails in opposition, as was a few phone calls and e-mails with support for the zone change.

Today, your options are to vote “yes” to approve, vote “no” to deny, vote to amend, or vote to table.

Kaiser: Thank you. Any questions from the Commission?

Smith: I’ve read in a couple of, well, this particular e-mail that came in and a couple of the e-mails that the proposed business is a cannabis business; is that correct?

Castillo: Yes. At this time while the applicant has indicated that it would be a cannabis-based business, but she’s also unsure. I do have the applicant here as well if you want them to speak more about this.

Smith: I just want to confirm what type of business that they were proposing. Thank you.

Kaiser: Any other questions? I’ve got a couple of questions. Can you, I guess explain a little bit more about the Historic Preservation Commission that hearing? It was to my understanding based on the materials that were provided but I guess the staff report and then the minutes that staff, I'm not sure who that consists of, recommended denial to the Historic Preservation Commission. Can you talk a little bit more about who that is? Who made that recommendation? I’m just trying to understand that staff recommendation versus this current staff recommendation of approval.

Castillo: Mr. Chair. The Historic Preservation Specialist, his name is Troy Ainsworth. He works with the City. He also works intently with the Historic Preservation Commission. They do look at design for the South Mesquite area. As stated in this slide, when we adopted our Chapter 40, which is our Historic Preservation section of our Code, we then changed it to the Historic Preservation Commission. Before then it was the South Mesquite Design Review Board. So Mr. Ainsworth’s description or position would be to look at things coming into the South Mesquite or other historical areas and base it off of historic preservation.

Weir: Mr. Chairman. This is David Weir with Community Development Department. Just to provide a little more context to the response that you got. The Historic Preservation Program is administered by the Community Development Department and so any recommendation that comes out of that is from the Community Development Department. I don't want you to think it was embedded with other staff people. And as John also indicated, he looks at it from a standpoint of the historic districts, of the plans that are in place for that, and often times more from a design, what the actual the

buildings would look like. So it's not uncommon for there to be slight deviations in the information that's provided to the Historic Preservation Commission and what's provided to the Planning Commission.

And also, the Historic Preservation is acting as your former South Mesquite Overlay Zone. So again, that was more of a design board, but they also had the authority or the mandate to provide a recommendation on zone changes. And so, when those duties were incorporated into the Historic Preservation Committee then the process for a zone change in those areas, well it goes under staff review first, then it goes to the Historic Preservation Commission and they make a recommendation, and then it comes to the Planning and Zoning Commission for a recommendation to City Council, and City Council makes the final determination.

Kaiser: Okay. Thank you. So with this particular case is it fair to say there's two differing opinions here if some staff in Community Development are recommending denial and others are recommending approval?

Weir: Mr. Chairman. I think the way to look at that is staff made a recommendation to the Historic Preservation Commission and then they made a recommendation to you. So I would take the recommendation of the Historic Preservation Commission just as they could have disagreed with the staff recommendation and you could have got one for approval. And the Planning staff looking at the implementation of Elevate Las Cruces the Comprehensive Plan, and other neighborhood type plans may have come up with a slightly different recommendation.

But some of the information to help you with your decision making would be to take the staff report from staff to the Historic Preservation Commission, the discussion and the recommendation of the Historic Preservation Commission, the staff recommendation this evening and then any testimony or input that's provided tonight. All of that is things that you can use to make your decision as you see the duties that you've been charged with as the Planning and Zoning Commission.

Kaiser: Okay. Thank you. That's helpful. I appreciate that explanation. Going back to the comment about the transitional zone. I think you had a map up that showed something to that effect. Yes. So if I'm reading this correctly, the really tiny letters, numbers, those are signifying previous zone changes that have taken effect; is that correct?

Castillo: Mr. Chair. That is correct.

Kaiser: Okay. And they all appear to be north of Amador, we don't see any south of Lohman. So, I guess I'm trying to understand based on the comments that we received up until this point, it doesn't sound like there's maybe a

need for a transitional zone between the commercial and the residential districts given the fact that the current precedent is all north of Amador. This would be the first one south of Lohman on a completely other side of an already existing commercial district.

So I'm just trying to understand where staff is seeing this perception that there needs to be a buffer zone because by extension then we're saying we should be rezoning all those other properties down South Campo in order to create a buffer because one business isn't going to, or one you know C-1 district is going to be a satisfactory buffer. Is that kind of what staff is thinking here?

Castillo: Mr. Chair. So we don't indicate it on here because it wasn't a zone change that went from a multifamily residential or any type of residential into a commercially zone property. But on this map, this slightly differentiated color right here, this property was zoned originally R-3 then it was rezoned to R-4. It's currently being used as offices at the moment. It has no residential component to it at all. And we do see it as kind of a less intense commercial use versus having something fully, such as the school's district or a grocery store across the street along Campo.

Kaiser: Okay. But the R-3 does allow for limited commercial retail use currently, right?

Castillo: Mr. Chair. That is correct. The R-3 does allow for limited commercial use. A majority of it is actually intended for institutional purposes or community purposes.

Kaiser: Okay. Thank you. And I guess one technicality before I forget. You mentioned in your presentation that this was a 1.4-acre parcel but in the staff report you have 0.23. Can you clarify which is it?

Castillo: Mr. Chair. You are correct. It is a 0.23. That was an error on my portion writing the presentation.

Kaiser: Okay. Thank you. One other thing. I think was actually, now that I have kind of done some additional research on this today, I think the recommendation coming out of the Historic Preservation Commission was that this proposal didn't align with the Mesquite Neighborhood Design Plan. It doesn't appear that map is in your presentation tonight. But I have it up. I think it's page 21, at least in my version, it has a variety of proposed land uses. It clearly identifies a neighborhood commercial zone, moderate density residential office, retail residential, a retail restaurant, and residential districts. Those are all north of Amador. It is very clear from this map and the Historic District Plan that this property would fall strictly in the residential zone. So I guess from my perspective it seems like I would agree

with the analysis provided by the Historic Preservation Commission that this would be inconsistent with that particular plan.

I understand that there are other objectives throughout the plan, throughout Elevate Las Cruces, that seek to identify and stimulate other ways to incorporate mixed use development, but mixed use development in my mind does not equate to open season. It doesn't mean we get to just do whatever we want in any kind of district. And so to me it seems like R-3 which this is currently zoned is more than sufficient and would be more consistent with the existing plans than converting this to C-1.

Finally, I'll just from my perspective, this Commission has been very, very open and receptive to cannabis businesses in town, but I believe this would be the first time that we would actually convert a residential zone into a C-1 to allow a cannabis establishment. And I think for me personally that's kind of where I draw the line. I know that there's no requirement for buffers and setbacks from a cannabis to a R-3 like there would be a R-1. And you know I just think there's plenty of other opportunity across the City for these establishments.

Again, this Commission has proven time and time again that we are open to that. But I think for me this is just one step too far. It's a loss once again of another multifamily property to a commercial property. We never see this come before us to convert a R-1 to a commercial district. It's always the R-2s. It's always the R-3s that get converted. And I just think that this is one of those that I just don't see how we can make the leap based on all the evidence. So those are just my thoughts and I appreciate the explanation by staff tonight. Any other comments? Commissioner Smith.

Smith: I just wanted to just kind of weigh in on what Commissioner Kaiser had stated. He actually brought up several issues that I was going to bring up, but I figure I'd just go ahead and just say what's on my mind. You know having lived here for 25 years, that entire time it's been downtown. I remember looking for a home in the Mesquite District when it was very, very depressed. And I know that the Historic Preservation Commission has worked very, very hard to, number one, establish that area as a historic neighborhood.

And when I think of neighborhoods, especially that Mesquite neighborhood, I think of families, you know people living in that neighborhood. I know people have lived there for a long, long time, that's one of the reasons why it's been made a historic area. And I know that there have been families, there have been young people who are buying first homes and they have really worked hard to you know raise that neighborhood, bring that neighborhood back to life. And as Commissioner Kaiser said, there's been so many cannabis businesses that we've been open to approving to just

you know allow commerce to happen in the City. But when it starts to impact a neighborhood, particularly a neighborhood of this type that it is historic, that has had you know a long history and have worked so hard to come back to life, you know I personally too have an issue with this proposal.

I just feel that housing is difficult enough to find and as a person who has a heart for downtown, I want it to thrive. But a neighborhood, part of a City doesn't thrive unless you have people residing in the neighborhood. And I just feel that I want to see this neighborhood continue to grow. But I want to see it grow with people living there and making that neighborhood the important part of Las Cruces that it is. So thank you.

Kaiser: Any other questions or comments from the Commission? All right. We'll go ahead and open it up to public. Yes, the applicant is interested in saying a few words or speaking you're welcome to come forward. Thank you for that. All right. Before you get started, can you please state your name for the record so I can swear all three of you in? You can just go down the line and we'll do this.

Frugoli: Sure. Good evening. My name is Caitlin Frugoli. I work with Libbin Underwood Engineering & Surveying here in Las Cruces.

S. Calderon: May name is Sandra Calderon. I one of the owners.

Miller: Troy Miller, the owner.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Frugoli: I do.

Kaiser: Go ahead.

Frugoli: Mr. Chair, Commissioners. We just wanted to say that we think that Mr. Castillo did an excellent job in his presentation. We have nothing further to add. We would like to say that we think that Ms. Calderon is here to present her vision and we'll let her have some time to do that. And then we're here to answer any other questions that you may have. But at this time, I will go ahead and hand it over to Sandra.

S. Calderon: Good evening, everybody.

Kaiser: Please make sure you stand close enough so we can hear you to the mic.

S. Calderon: Yes. Okay. Can you hear me now? As I said, my name is Sandra Calderon. I'm one of the owners. And there's several reasons why we want

to change it from a residential to commercial. I think a lot of people are like stuck on only the cannabis. To me, it's not only a cannabis, there's like other businesses that we can open. As I mentioned in the last meeting, it can also be, I have an 18-year-old that's about to graduate. He wants to also do like a barber shop. So that would be perfect for him to do a barber shop there because we've owned that business since 1999, I believe, the house.

So my kids have grown up there. It was my kid's dream to open the cannabis business there. That's my main purpose as a parent to open his dream there. He's no longer with us, but I do have other kids. I do have other kids that have dreams of their own to open their own businesses there. It doesn't have to necessarily be a cannabis business, but it can open it up to other businesses there. And since, we own it already, I don't have to go out and rent another location for thousands of dollars a month when I own it already.

I can do the transition there if you guys allow me there and do what they want to do. Do their dream there. So and there were several factors last time. Parking was one of the factors. And right now as a resident, as an owner, my parking is full. My parking when my family is there, when I'm there my family is there and my friends are there parking inside my resident is full. Outside on the street is full because all my family is there, okay. So as a business with the parking that would be limited because now my family can't come over just to visit hours and hours like they do now. As a cannabis business especially. They're going to go in there for a few minutes and leave. I'm not going to have, I mean around the City that I've seen cannabis businesses, they don't have 10 customers at a time. They have probably five customers in and out, in and out, okay. The traffic right now there, there's a lot of traffic already. So the traffic I don't think would change that much with any type of business there.

And then the thing is the odor, the smell of cannabis. Okay, the smell of cannabis is there already. I mean all around my house, the neighborhood, it smells like pot already. With a business, with a cannabis business that's going to be limited. You cannot smoke in that area because it's going to become a business. So you can't smoke inside the business. It's not going to be allowed. So they won't be able to smoke inside or outside in the parking lot. So that would be limited on that section at least.

But I just wanted to say, I don't want it to just be about the cannabis because that would limit me as a business for my kids' dreams. Now, I would have to okay it if I don't get approved my 18-year-old's dreams, okay. Can I do a barber shop there? What else can I do for them to succeed in life without me spending thousands of dollars and going out renting another location when I have that right there? I mean we have the bank right across the

street. The Church's Chicken was right next to us. That was already a business. There's offices around us that they use it as offices. It's not fully commercial but they use it as offices.

Down the street mainly it's a few residences and then there's nothing there. So there's no, I don't know if there's room for more commercial down the street on Campo but I mean change is, to me change is a good thing. So that's all I wanted. Thank you for giving me an opportunity.

Kaiser: Thank you. Did you wish?

Miller: This is Troy Miller. I'm her husband, the other owner. I think she hit it pretty well what we talked about last time. It seems like in the historic it was pretty much everybody got hung up on the cannabis part of it because of parking and odor.

Well, I own a cannabis store already in Silver City. So as a cannabis owner, you cannot have smokers unless you're allowed. If they're caught on your property smoking, you get fined as a business owner and you face thousands of dollars in fines.

Parking, it's like the store we have over in Silver. We have maybe, I don't know, at the most five, six customers come in at one time. They come in, you help them, they're out in two, three minutes depending on how you run your store. So when everybody sits here and says, well, you're going to impact us with traffic. The traffic is the exact same as what's there right now. Especially if I'm there with my race cars and stuff. I own a 53-foot trailer that I pull in and out of that place. So it's funny that people say traffic, but I can come through there all the time with my dually and my trailer when I'm in town racing and I don't have a problem.

It's like she said. Our other son, he's graduating and he's looking at coming over here and doing a barber. What's the difference between a barber store and a cannabis store traffic wise? You're actually going to have more traffic at a barber store than you do a cannabis store. So I think a lot of it got hung up because of cannabis. But there's ways around doing stuff and things involved, you know.

S. Calderon: I actually had a question on this residential as it is right now. And I think, John, you had mentioned that without changing it to commercial, we can actually do a barber shop; is that correct?

Gonzales: Mr. Chair, Commission. This is Sara Gonzales with the Planning Department. For clarification, you can use a multifamily zoning district within the South Mesquite Overlay. However, there is a percentage that is required for a property to still maintain residential status. So you're only

able to use a portion of the buildings.

A lot of times, zone changes that we did go through and identify within this map that were originally zoned multifamily that's exactly what they wanted to do. Along Campo they were zoned R-3 but they wanted the tattoo parlor, they wanted barber shops, they wanted office uses. Because there was a residential component that's why they went to a C or an office zone. So this would be something that's very common to what we've seen along Campo.

Another thing to mention, the transition that staff is talking about is your transition from a downtown district to Campo which is your collector roadway that provides that buffer to where your main traffic runs, to now providing that low intensity commercial into your residential district. This allows you to have that change in transition from your high intensity commercials that are located on the west, and then you go into that neighborhood status.

We wouldn't necessarily support something that would move forward into the middle of a residential district in say spot zoning. We're looking at the properties along Campo because this is a collector roadway where commercial zoning designations should be permitted and that's where we're recommending them to go. When we went through Elevate Las Cruces we want to on collectors because that's how you move the cars in and out when you're getting businesses and shops coming in. They weren't necessarily all on local streets.

So that is why staff had identified this area as a transitional zone. You're going from west to east in order to create that transition into a neighborhood and still providing that walkability to get services that may not be provided within the interior of your neighborhood.

Sl Calderon: So again, I'm saying that if we don't do, if you guys won't allow us to do it commercially because of the cannabis, it's going to be allowable to do the barber shop. So then it's still going to be a business. So what's the difference between commercial now and with permission then incorporating the barber shop? Whereas I see it, okay right now, if it's a cannabis, they're going to come and go. Come and go.

If it's a barber shop, there's going to be probably three barbers in there. They are going to all have customers and then they're going to have appointments behind them waiting. So now you're going to have, I mean three spots open maybe even four. Plus, more customers parked in there waiting for them to be helped. Thank you for listening to us.

Kaiser: Thank you. Appreciate that. I just want to clarify the statement that you just made. The residential component, you're saying that all of these zone

changes that we're seeing on the screen and then including this one would still be required to have a residential component to it.

Gonzales: Mr. Chair, Commission. No. A lot of these properties that went through the zone changes because they didn't want to have a residential component. So their properties were all zoned multifamily at some point in time. And they went through the process because they didn't want to use the ability of that residential component. They wanted to move towards the commercial and allow for all the office spaces to be used.

And so, that's where we see all of these properties had gone through some type of zone change that were originally this is the neighborhood design plan that was created, and through that process, they were either zoned R-3 or R-4. They have gone through the same process in which is proposed this evening. However, it is located on the south side. But we looked at it from staff's point of view. You have a mixed-use corridor that is less than 600 feet away, which is your Lohman and Amador. That's supposed to be your mixed-use corridor. You have a commercial property that's located basically one block from their property to where this is just another commercial property that would be there, but to a lower intensity. I'm not requesting them to go to the C-2 and actually bring in higher intensity uses. This just allows that residential component to now be alleviated and actually using the entire structure for commercial use.

Kaiser: Yes, but I would also differ that we are expanding the potential commercial uses here, and I think to me that's the crux of this. We've already got through the R-3 district allowable uses and by going to C-1 that list becomes far greater. And then if you look back at the proposed land uses map, this is Map 8, the Mesquite Neighborhood Design Plan, again page 21 of the document, it does show north of Amador to be, it's clearly identified as an office, retail, residential corridor. But that is not what is shown south of Lohman where this property falls. It is clearly identified as a residential. So to me I understand that there's a need for allowing mix uses and all of those things. But just because we say we want mix use doesn't mean it's everybody come on down and you know whatever you want to do go for it. There's still some thought process that goes behind it and it's very clear in my mind looking at this map that the areas that, I'm assuming this was a community process that identified these things. That north of Lohman and Amador, you have that transition zone so to speak. But very clearly to the south of that it's not identified.

So I understand the Elevate Las Cruces, I understand the urban neighborhood place type, but then what's the purpose of this if we just sort of say, well, that doesn't really matter. I mean why go through the process then? So that's just my perspective to answer kind of the question of what's the difference between a cannabis and a barber shop? Well, a barber shop

would be great. It would probably be fantastic. Those are the kinds of uses that we want to see. But when you expand it to the C-1 in my mind that's just, based on these other documents, that's just a step too far. Any other questions for staff or the applicant? Commissioner Murray.

Murray: I too have a question for staff, I guess. So we're only looking at the zone change right now but what is like the size of the property? Like what's its current use? How many units are there, etc.?

Castillo: Mr. Chair, Commissioner Murray. Looking at the name tag below. So currently it is serving as a single-family residence. I believe at one point it did have a duplex attached to it which would be you have one residence facing Campo, the other was going to be the remainder of the property. And that's pretty much the situation of the home as it's been.

Murray: Okay. And then say they were to approve this and we change it to commercial. Of course, they'd have to upgrade it to the commercial standards and bring it up to use. The site already has site constraints such as parking, the dumpster, etc. Is there going to be like exceptions to what they can do because of the site constraints?

Castillo: Mr. Chair, Commissioner Murray. So they will be able to go through within the South Mesquite, as far as parking goes there is allowed on-street parking. So they don't really have to worry too much about parking within the property. They can add it if they prefer. They would only be regulated to do the one accessible stall and its access aisle. As far as a dumpster, they would have to petition to our Utilities Department as well as our Solid Waste Department to see if a full-size dumpster would be necessary or if they could continue using a rollout bin as a residential property would currently have.

Other than that, yes, they would have to follow all building code requirements. And any of those development standards required within the South Mesquite standards.

Murray: That is it for now. Thank you.

Smith: I just had a comment for the owners who spoke earlier. I applaud your desire to you know start this business. I'm a former business owner and have always you know supported and encouraged small businesses here in Las Cruces because you know people supported my small business when I had one.

So it's not about the type of business that you're wanting to start. Cannabis, barber shop, that's not the issue. For me, I keep coming back to the neighborhood preservation aspect of this where you have a community that

has been here a long, long time. You are part of that community since you know 1999 and I just fear that this will be a precedent where once it's zoned commercial that's one business. And then the next proposal that may come before us could be for another business in another home.

And that's where we start to risk losing the opportunity for the Mesquite District to remain a residential neighborhood. So I just want you to know that it's not about the cannabis business. I mean, we have a large number of them but that's not what we think about when we sit here and look at these proposals. We're here to make the best decision possible but we're not hung up on cannabis. I just want you to know that. Thank you.

Kaiser: All right. We will go ahead and turn to public comment now. Can I please get a show of hands for those who wish to speak on this item so I can get a head count? I see one, two, three, four, five, six, seven. All right. I count 15, I think more or less. All right. So what we'll do is we will go ahead and do. All right we will go ahead and do three minutes each. We're going to start over here to my left. So if I can get, raise of hands again because I don't have a photographic memory. I'm going to start with this gentleman here in the front row. Please come forward. State your name for the record. I'll swear you in.

Taylor: Good evening. My comments will be very short. My name is Michael Taylor.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Taylor: Yes.

Kaiser: Go ahead.

Taylor: I'm a homeowner in Metro Verde. I'm concerned about this zone change because I live in a residential area and I don't want my house next to a cannabis dispensary. And so, I'm concerned that if we change the zone here would that happen in my neighborhood? Thank you.

Kaiser: Thank you. All right. And then the lady that was sitting behind. Please state your name.

Lewis: My name is Irene Oliver Lewis.

Kaiser: Do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Lewis: I sure do.

Kaiser: Go ahead.

Lewis: I'm Irene Oliver Lewis. I live at 336 Kansas Avenue. I oppose the zone change of 541 South Campo from R-3 to C-1. I live across the street from the proposed change and my property is lot 45 on the original Las Cruces 1849 Town Site Plat. The adobe homes, our adobe homes date to 1906, and my grandparents bought the property in 1936. There are six generations that relate to this historic site.

I want to thank you for your previous comments because everything you said is what we are thinking about in the neighborhood. The South Mesquite Overlay ordinance of 2005, the Mesquite Historic District Neighborhood Design Plan of 2007, and the Elevate Las Cruces 2020 Community Livability from CL-1 to CL-19, pages 176 to 217 all demonstrate why this zone change should be denied. I was on the Livability Subcomittee that helped draft the vision, the needs, and the concerns for Elevate on pages 176 to 117. I was a child at Urban Renewal and if you make this zone change, the people who live in the Mesquite neighborhood all think that Urban Renewal is again at our corner.

Cottage industry which is not zoned C-1 is allowed in the South Mesquite Overlay Ordinance. Cottage industry allows for small business to exist for economic development and business growth without destroying the one and only Las Cruces original townsite neighborhood. When I was a child, we used to walk to different ma and pa businesses in the neighborhood to buy our bread or milk, our bologna, our candy, and even our underwear. There was a cottage industry and it was not C-1.

I urge you to deny the zone change just like the Historic Preservation Committee did on December 6th, or at least postpone your decision when the District 1 is represented with a City Council appointed Commissioner. Thank you very much.

Kaiser: Thank you. All right. Moving - please state your name for the record.

Camunez: Pardon?

Kaiser: Please state your name for the record.

Camunez: My name is Sylvia Camunez.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Camunez: I do.

Kaiser: Go ahead.

Camunez: My name is Sylvia Camunez. I am a resident of the South Mesquite neighborhood. I am here today in opposition of the zone change at 541 South Campo from R-3 to C-1. I am past president of Las Esperanzas, a neighborhood association. Las Esperanzas was established by grassroot ladies in their 60s, 70s and 80s. They were tired of the City not paying attention to their neighborhood needs, pitfalls, and demolition of Urban Renewal.

As a friend of mine states, Urban Renewal is still alive and thriving in Las Cruces. During my tenure as president of Las Esperanzas, I was instrumental in collaborating with Lisa Bookin, Senior Planner and Neighborhood Liaison for Community Development, City of Las Cruces. We met with numerous residents of the north and the south Mesquite neighborhoods for approximately seven months many times weekly.

The north did not want historic preservation, the south did. Therefore, the North/South Overlay Plan was established. The Planning and Zoning Board at that time set boundaries for the South Mesquite Overlay Plan which was Old Picacho Avenue to Colorado. It was voted on by P&Z to forward to City Council. In the South Mesquite Overlay Plans some of the protections were historic preservation, architectural zoning types of businesses, what was considered residential and commercial, etc., etc.

Lisa Bookin collaborated professionally and advised Las Esperanzas what was needed to get an overlay as an ordinance. As a group, we voted on boundary zones, review board, cottage industry, not commercial, etc., etc. I asked Lisa why it should become an ordinance. She simply stated, it now becomes the law. Once ordinance was completed by Lisa and Esperanzas, it went to first read resolution, then ordinance. The ordinance was unanimously approved by City Council.

Today, you are making a decision on a comprehensive plan which is a guide, not the law. Please consider your vote as “no” on this zone change as your neighborhood might be next. Thank you.

Kaiser: Thank you. All right. I need folks to raise their hands again because, all right. We're going to go up to the lady in the pink and we will then come this way before we go onto the next row. Please state your name for the record.

Lannert: Josie Lannert.

Kaiser: Do you swear or affirm that the testimony you're about to give is the truth

and nothing but the truth under penalty of law?

Lannert: Yes.

Kaiser: Go ahead.

Lannert: My name is Josie Lannert. I live at 315 South Mesquite. I oppose this zone change request. I have lived in my house about 15 years. My home on South Mesquite is historic. I have seen how residential street can turn commercially zoned. I used to visit my grandmother 60 years ago whose house I live in now. Back then even South Mesquite was a dirt road. Mesquite Street was originally residential with just a sprinkling of small business. There was a butcher, a grocery store, and a bakery to name a few.

In 1990, about then there was businesses like Marto's and Sunshine Grocery. Back then customers were mostly local because of the narrow streets and parking challenges. These last 15 years, I have been living in a commercially zoned street. The character of Mesquite Street has changed. These changes I do not want for my neighbors that are around the 541 South Campo property.

Here are some of the examples of the changes I have seen. When pulling into my driveway cars behind me do not let up on their pedal. They forget that I live in a neighborhood and that there's people like children and families around. Traffic of course has increased. Mesquite is on the Camino Real and very special. Even though it is designated, car drivers do not respect Mesquite Street at all times. Cars are parked on both sides of the street making visibility difficult.

Delivery trucks also need to pass and park by. This is similar what would happen on Kansas Street. Entrance to driveways are often blocked. Prior to 15 years ago, it seemed only homes were broken into but now it's small businesses. You've probably seen a trend now where wrought iron fences cover their doors. Any type of business I do not think would be appropriate on Kansas Street. The Mesquite Overlay Zone is approximately eight blocks. It's unique and it's historical. The Mesquite Historic area should remain intact with clear separation between residential homes and businesses. One without rezoning. Thank you.

Kaiser: Thank you. And we're going to stay in the row that she was sitting in and come across. Please state your name for the record.

Dennis: Deborah Dennis.

Kaiser: Do you swear or affirm that the testimony you're about to give is the truth

and nothing but the truth under penalty of law?

Dennis: I do.

Kaiser: Go ahead.

Dennis: I've been a resident of Las Cruces for 44 years. I love the Mesilla Valley in large part because of its history and amazing decedents of pioneers who still call this place home. We live in an extraordinary locale where our first neighborhood, the Mesquite original townsite and historic district remains largely intact after 173 years.

I continue to hope that our City's government will recognize what gems there are in our midst. Not only the original townsite, but also the historic Amador Hotel, Pioneer Women's Park, and the Alameda Depot Historic District, and the 1910 Las Cruces Train Depot. What a rich community in which heritage tourism could thrive and be an amazing economic driver.

I often listen to the men of Community Development tell Commissioners, City Council, and the public how hard they work that their decisions must abide by the laws and regulations of the State and City. Yet, these men cherry pick which guidelines and policies to follow. After all, there are six community blueprints, 10 area planning documents including the Mesquite Neighborhood Plan. In addition, to the overarching vision of Elevate Las Cruces.

I'm here this evening to voice my anger and dismay with the Community Development for even presenting the zoning case to you. Thoughtful analysis of the Mesquite Neighborhood Plan reveals numerous arguments against zoning change and many have been identified by speakers before me.

Primarily, it is obvious that the property in question is not adjacent or transitional to a residential area, but in fact is in an area set aside for protection as residential. We all know that once a property is rezoned from residential to commercial it will never go back to being residential. So why would you vote to lose residential property when Natalie Green, who tracks affordable housing for the City, stands in front of City Council and says that Las Cruces lacks more than 1,400 properties needed for affordable housing? Why do you want to continue to degrade the integrity of the original Las Cruces townsite and Mesquite historic district, when Rochelle Miller-Hernandez of Visit Las Cruces recently reported to City Council that in 2022, $8.3 billion, with a B, dollars was generated by direct visitor spending in our State? And further that spending sustained 70,433 jobs.

It does not take a rocket scientist to understand that heritage tourism can

be the economic driver to a truly revitalized downtown Las Cruces. Instead of pinning hopes on a cannabis industry that's already experiencing a shake-out. I urge you to deny this zone change. Thank you.

Kaiser: Thank you. And continuing across in that row. Please come down. Please state your name for the record.

Leyva: Rosemary Leyva.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Leyva: Yes.

Kaiser: Go ahead.

Leyva: Okay. My name is Rosemary Leyva. And I would like to share a little bit of history from my neighborhood to show why we need to keep our neighborhood intact. Everyone here knew their neighbors and in some cases were related to them either by blood or in a religious manner. Everyone helped each other in any way they could. Whether it was taking food to a sick or elderly person or watching out for the kids in the neighborhood.

Many of us attended the same school that our parents and in some cases live in the same homes our grandparents built, adding rooms when necessary as families grew. I'm the fourth generation in my family to live in this area. My great grandfather, Baldasaro Madrid, and my great grandmother, Glada Martinez, lived here in 1876 and raised their family here. He built their home on the land where my home is now. But back then the street was called Convenance Street. Now it's Kansas.

While Baldasaro worked as a farmer, a blacksmith, and did construction. He farmed the land that is now the Citizen's Bank drive-through window section. When he harvested his crops, he gave food to the nuns of the Loretto Convent later known as the Loretto Academy. My grandfather, Ramon, son of Baldasaro also farmed the land and gave food from his harvest to the Franciscans that occupied the former Loretto Academy.

On the corner of Calle el Campo Santo, now called Campo Street, lived his brother. Next to him lived the Diaz Martinez family, owners of the Golden Cross Bakery. To the left of my grandfather, Ramon's home lived John and Doña Juanita Fitch, grandparents to Irene Lewis Oliver and Sylvia Camunez.

The homes on the corner of Campo and Kansas were built on higher land

and no effort was made to level or lower the land due to the results of the flooding of 1875 when the neighborhood and the majority of the City was flooded and destroyed. The neighbors like the Lopez family that lived in the house on the corner of Kansas and Campo had an open driveway that let the Romero family, the Camunez family, and those living in the apartments behind the Lopez house, enter to get into their homes. People could and did take a short cut to the Contreras house by cutting across the Lopez driveway to Lohman which was then a two-way street to get to the Greyhound bus station or to the Golden Cross Bakery.

On the corner of Kansas and San Pedro, there was a little store run by Tomas and Josie Aragon where we could all purchase small items needed such as bread, milk, and of course their candy and sodas. The home where the store was is now being renovated by Faustino Zamor whose parents owned the store and the home attached to it. For bigger food items, we always had Allen Acres of Lohman. On the corner of San Pedro is the home of Eugene Van Patten, a local businessman here in the early years of Las Cruces.

Changes to the neighborhood will soon cause all this history to be forgotten and the close relations that we have with neighbors to unravel. I too am strongly against the change of zoning. Thank you very much.

Kaiser: Thank you. Thank you very much. It looks like our buzzer may not be entirely working so if we cut you off that's why. I'm going to go down back on this side, so the next row. We're going to work our way across. It's the only way my brain can keep this all straight so bear with me. Please state your name for the record.

Hudson: Faith Hudson.

Kaiser: Do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Hudson: Yes. I do.

Kaiser: Go ahead.

Hudson: Thank you, Chair Kaiser and Commissioner Smith for your comments. I'm opposed to the zone change for numerous reasons. None of which have to do with cannabis. Staff argues that the zone change is both in character and compatible with the Mesquite Historic District because Campo Street is dominated by a variety of commercial, office, and retail land uses that buffer the various types of residential housing in the area.

Staff, however, fails to state that the property is within the federal portion of

the South Mesquite Historic District. Instead, they argue that it is adjacent to a burgeoning commercial district and that commercial operations are to be welcomed. But since practical access is on Kansas Street, this proposal actually encroaches into the historic neighborhood and leapfrogs retail commercial onto a very unique residential street.

Staff states the zone change complies with Elevate Las Cruces Goal CL-15 which is to value and protect the historic and cultural properties and sites in the community. Changing the zone fails to protect the historic integrity of this because their structure was built in 1910. Furthermore, the Mesquite Historic District Neighborhood Design Plans states that the block south of Lohman Avenue which is where this property is located, are proposed for residential use with the objective of encouraging new single-family residential infill. The plan also states that this should be able to be accomplished without disrupting the historic fabric of the neighborhood.

Staff argues that one of the goals of the Mesquite Neighborhood Plan is to establish zoning regulations and development standards that take into consideration the commercial residential neighborhood and historic character of the South Mesquite area. I reiterate that 541 South Campo is within the federal portion of the Mesquite Historic District. Heritage tourism should be promoted rather than commercial rezone. Staff never refers to Chapter 40 which is the Historic Preservation ordinance. And that encourages strengthening the City's economy through heritage tourism and real estate for the benefit of residents and tourists through promotion and use of historic buildings and cultural sites. Nor do they refer to Elevate Las Cruces Goal CL-14 which states a viable community is not only attractive to those that live there but also visitors. Therefore, efforts to promote tourism in a community is important to continue to attract visitors and generate positive economic outcomes. The Downtown Master Plan of 2016 states that there's a significant demand for downtown housing which is crucial for economic development and that some of this support must come from adjacent neighborhoods.

According to recent data from redfin.com, 68% of Las Cruces home buyers search to stay within the Las Cruces municipal area. And across the nation 0.14% of home buyers search to move into Las Cruces from outside metros. Providing enough housing continues to be an issue and this property is already a house.

Staff states a zone change is in compliance with thoroughfare plans, however, it is not. Campo Street is designated as a collector roadway. And staff continues to argue the zone change is appropriate because the address is on Campo Street. However, the property is not accessed on Campo thoroughfare. Egress is on Kansas Street. Kansas is a two-way local street and when vehicles are parked on both sides, there's not enough

traveled way, it is less than 14 feet. Also, clear sight triangles are obstructive by fencing and rock walls. Kansas is a local requires 30 feet. Campo is a local collector requires 40 feet. Staff fails to address these traffic issues because they refer to access and frontage on Campo Street only.

Perhaps the most compelling argument against rezoning is Objective 3 of the Mesquite District Neighborhood Plan which states, prevent Las Cruces downtown development and traffic flow imperatives from encroaching on or destroying the Mesquite neighborhood. Thank you.

Kaiser: Thank you. All right. Continuing on down. Do we have anybody? Yes, the gentleman at the very end. Come down. State your name for the record.

Lujan: For the record, my name Antonio Lujan.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Lujan: I do, sir.

Kaiser: Go ahead.

Lujan: Good evening, Mr. Chairman and members of the Commission. I'm here to respectfully stand in opposition to the zoning change. I had the privilege of representing this neighborhood and the downtown area for 10 years in the state legislature. And it was during that time that downtown revitalization started to come alive. And the Mesquite historic neighborhood started to regenerate itself.

And as a student of history and public policy, I know encroachment when I see it. And this is a good example of how encroachment happens in historic neighborhoods and eventually they take over. I am not opposed to microbusinesses. I am not opposed to cannabis. In the legislature I supported the medical use of cannabis and it passed at that time. I would have supported it for recreational use but I was not serving the legislature at the time.

I would just like to say that I remember the trials and tribulations of Urban Renewal and as someone said, it's very much alive and well today. And in difference to the proponents, I do believe that there is a parking problem in that area. And any kind of a business would only exacerbate that. Thank you very much, Mr. Chairman and members of the Commission. Again, respectfully stand in opposition.

Kaiser: Thank you. All right. We're going to go up to the next row. I believe there

was, yes. We're going to go to you, ma'am. Please state your name for the record.

Conrad: My name is Celeste Conrad.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Conrad: Yes. I do.

Kaiser: Go ahead.

Conrad: I would like to oppose the change in zoning from residential to commercial. My family has been a resident of the original townsite, the Mesquite Historical District. And all my life I have witnessed the trials and tribulations of that neighborhood, Urban Renewal, the families that left after World War II and starting now to see glimmers of my neighborhood coming back to life. And something as other speakers have mentioned, this is not a transition or buffer, it is encroachment into much needed residential neighborhoods in the Historic District. So I do oppose this change. Thank you.

Kaiser: Thank you. All right. Sticking in that row, coming across, I think there was the lady in the blue. Yes, come on down.

Aguirre: Hi.

Kaiser: Please state your name for the record.

Aguirre: Stacey Aguirre.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Aguirre: I do.

Kaiser: Go ahead.

Aguirre: Okay. My name is Stacey Aguirre and I'm the Vice-President of Las Esperanzas. We're a nonprofit organization and we've been in existence about 25 years. And we are comprised solely of volunteers and most of our members are residents or property owners in our neighborhoods.

One of our core missions is to facilitate the preservation, renovation, revitalization of the historic properties located in the original townsite of Mesquite Historic District along with the protection of the culture and the diverse community. And everyone has spoken so eloquently I don't think I

need to reiterate everyone's objections. Las Esperanzas opposes the proposed zoning change at 541 South Campo Street from R-3 to C-1. It's in direct conflict with the Mesquite Overlay Neighborhood Plan that was enacted by the City Council in 2007.

And on another note, speaking on behalf of myself. I'm a property owner in the original townsite of Las Cruces. And the original deed of my property goes back to 1888. I was born and raised in that neighborhood. My family has a rich history there.

I'm also concerned as you referred to setting a precedent. I mean, okay. So say this rezoning goes through. This cannabis business fails, then what? You know, is it going to be, are there going to be any restrictions on what type of business is going to follow that? Because there's no going back once it's rezoned.

So again, I just want to state on behalf of Las Esperanzas and on behalf of myself as a property owner, we respectfully oppose this. Okay. Thank you.

Kaiser: Thank you. All right. And the lady sitting in that row at the end. Did you? No. Okay. Please state your name for the record.

Ruprecht: Good evening, Commissioners and Chair. My name is Jo Ruprecht.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Ruprecht: Yes. I do, sir.

Kaiser: Go ahead.

Ruprecht: I want to return to the Historic Preservation Commission meeting and also call your attention to something that hasn't been noted tonight yet. The other speakers have been quite specific and quite eloquent in talking about this as a neighborhood issue. It is something broader than that because the Historic Preservation Commission is not being represented fairly tonight to you as you might have noticed.

The Historic Preservation Specialist himself, Dr. Troy Ainsworth is not in attendance. So he cannot speak to your questions or offer information to you about why he recommended a denial on this. It also is true that the minutes for the Historic Preservation Commission meeting for December 6th are not yet generally available. I had somebody check with me just this afternoon about that. I cannot find those minutes to refer to you and say, here's what was said. Yet, I can tell you based on my experience and my recollection of the discussion but I can't cite you a place in the minutes.

What I can assure you of, again being truthful, is that cannabis was not a major issue. Cannabis was mentioned in terms of having some idea of what the applicant saw as the business potential of this property. But the decision was clearly made on the change from R-3 to C-1. It was not talked about as far as a conditional thing, as far as what type of business it would be. It was strictly off of the idea of changing this property to C-1.

And seeing it as a precedent as your Chair mentioned earlier, for bringing commercial zoning in a spot where in a strip way farther south on Campo. The commercial already exists on the west side of Campo. But this would be encroachment on the east side of Campo. Also, when the applicant or the staff mentions that this is on a collector street, there is no access on that collector street. There will not be access at least in an affordable way because the elevation difference between the roadway and the property itself.

At one point, an earlier homeowner had had access for some kind of deliveries to be brought off of Campo onto the property but that has been walled off for years. And the elevation difference at this point makes it unlikely that someone would afford to bring that back. Instead, all of the access for this property is off of Kansas and makes it difficult to understand how the applicants can say that they already have parking problems. So what the heck, if we increase our parking problems by bringing in a business. Because they're still talking about the other uses that they would have on that street with their property.

Kaiser: I'm sorry to cut you off but that is time.

Ruprecht: Okay. Thank you very much.

Kaiser: Thank you for your comments. All right. Going back up onto the far left-side in her row. Is there anybody else that wishes to speak now? All right, going back to the next row. Anybody? Seeing none. All right. How about, I think the second from the last row. And the last row, All right. Yes, sir. Please come on down. Please state your name for the record.

Dega: Andrew Dega.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Dega: Yes. I do.

Kaiser: Go ahead.

Dega: I have a property that's directly behind this property. And I just don't want what they're saying about the traffic on the road and parking on the road. It's supposed to be a two-lane road and if you park on both sides of the road, you can't get through two lanes. You have to stop back behind the parked cars and try to get through and you've got to wait for the other car. You have to vice versa. I don't see how them having a business where the access is actually going to be way up on Kansas. It's going to be way, not just near the corner, it's going to be almost the middle of the block.

And I have a property right next to it and it's going to be impacting that space. And we just don't want more impact so. We have a lot of impact with Lohman and Campo. And we happen to be in a sweet spot where it's kind of quiet because all those main roads take up most of that traffic. Though, this would change that. And they'll start accessing Kansas and South San Pedro and just because of the access to the property is on Kansas. So they should be applying for Kansas not Campo. Okay. Thank you.

Kaiser: Thank you. All right. I'm going to come to this side of the room. We're going to start in the, work our way to the back. Anyone in the second row? All right. Going into the third row? Fourth row? All right. Fifth row, in the purple, yes. Please state your name for the record.

Chavarria: Yes. My name is Judy Chavarria. I just want to make this very short.

Kaiser: Okay. And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Chavarria: I do.

Kaiser: Go ahead.

Chavarria: Okay. I live in the Historic District for the past 50 years and I assume all of you also live in a residential area. How would you like for your residential area to also all of a sudden be changed into a commercial one? That's how I feel. I'm against it.

Kaiser: Thank you. All right. And then going to the next row behind her. And then the last row? All right. I'm going to go ahead and close public comment and come back to the Commission. I'm sorry. Please state your name for the record.

C. Calderon: Crisanta Calderon.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

C. Calderon: Yes.

Kaiser: Go ahead.

C. Calderon: I'm in favor. I vote yes because I respect their worries because it's historical. But I also would think better because if they open the barber shop, it's going to be more traffic. It's going to be more traffic that's going to cover their driveway which by vice versa I own kind of a shop. We hardly have any issues with any customers. They come in and they leave like in two minutes. So I would really think about that because if this is not approved, they're going to open their barber shop and there's going to be traffic. So that's going to be an issue right there.

I can assure you there's going to be more security with the cannabis, medical cannabis. They have more cameras. The neighborhood is going to be more secure as well. So I'm in favor. Thank you.

Kaiser: Thank you. All right. Before I close public, we have one more? Come on down. Please state your name for the record.

Hussle: Sylvia Hussle.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Hussle: Yes, sir.

Kaiser: Go ahead.

Hussle: I don't oppose only because I do visit the neighborhood every single day. I don't see any issues with traffic, any issues with parking. And also like they had mentioned if they do open the barber shop, there is going to be traffic problems because of course there's going to be more business than if it were to be a cannabis shop.

There are people that do need cannabis for medical purposes. And I do see that there is a lot of residents there that could probably even, I'm sorry. That can - I lost it. But I do not oppose.

Kaiser: Thank you.

Hussle: Thank you.

Kaiser: All right. Anybody else that wishes to speak that has not already spoken? Yes, ma'am. While she's coming up here can I get a show of hands?

Otherwise, she's going to be the last speaker. All right. You're it. Please state your name for the record.

Guerrero: I'm Valerie Guerrero.

Kaiser: Do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Guerrero: Yes.

Kaiser: Go ahead.

Guerrero: I'm here to approve of what they want to do because coming from a 23-year-old, the cannabis does help me out with a lot of stuff. And what they're trying to do is something that would help out a lot of people that do have medical issues that don't know about cannabis that should really look into it. It really does help a lot of elderly people. It does help out a lot of cancer children that do have cancer.

Going back to the barber stuff. Like I said, I'm a 23-years-old. So a lot of teenagers have their son is 18. There's going to be a lot of teenagers that go by that are going to be waiting to get their fresh haircuts how they say nowadays. And taking up their parking space. It is going to come around. Like I said, there are going to be a lot of teenagers. They don't really think about the historic and the people that do live there that will be taking up the parking lot. So I do agree with them. Doing the cannabis because I am part of the owner of one.

And traffic, they're in and out within two, three minutes. They come in, they get what they're getting and they're out. So they're not going to be there waiting forever. And they won't be smoking in that parking. They will be having security guards, if they will get one. Everything is on videotape so there will be calling cops if something happens. So everything is secure. So I do agree and I do approve. Thank you.

Kaiser: Thank you. All right. Coming back to the Commission. Any final questions? Yes, Commissioner Smith.

Smith: Forgive me for taking up so much of the air in this issue. I know that it's been you know a lengthy discussion. And I know that staff have worked very hard you know on this proposal you know following the guidelines for decision criteria and policies. But I personally just go back to just you know historic life of this neighborhood. And I want to just quickly share a story.

I used to own a business here in town and it was a fitness business. And one of my clients was David Steinborn. May he rest in peace. And we used

to have this debate about the heart of Las Cruces, the center of town. And he used to argue that as Sonoma Ranch developed it would become the center of Las Cruces. And I would disagree and say, as long as downtown, which includes the Mesquite District, had a heartbeat that it would always be the center of Las Cruces.

And you know it was on life support as you all know. I mean the downtown commercial area you know with the plaza, where the Rio Grande Theatre was, it was hurting. But you know as the one woman stated that you know it's like this neighborhood hung in there and they came back. And so, I want to quickly share a second story.

I've lived downtown since I lived here. Move here 25 years ago. My young daughter at that time attended Central Elementary. And back in the mid- to late-90s, they were going to close Central Elementary School. And the families and the parents rallied and we you know fought back that proposal to close Central Elementary School.

The reason why I bring up these two stories is that a City is only as good as the people who live in it. And the people are composed up of the residents in the neighborhood. And the fact that the Mesquite District has this long historic history. There are still residents there that have lived there for 40, 50, 60 years. They're second, third, fourth generations have lived there, that carries a lot and it's a big part of you know the decision process that goes into this. Not just about the nuts and bolts of the criteria, it's also about the people of this City and the people of the Mesquite neighborhood, and I think that's very important.

Kaiser: Okay. Go ahead.

Bennett: I make a motion to approve 9.1.

Murray: Can staff clarify how we're supposed to vote since we have an approval from and a denial over the historic?

Kaiser: So yes, the motion will be in the affirmative and then if you wish to vote "no," you just need to make findings that are different from what staff presented.

Murray: I second.

Baum: Board Member Smith.

Smith: I vote no based on the earlier vote that the Historic Preservation Commission made. I think that it's important that we really listen to the voices in the vote that they made in deciding this.

Baum: Board Member Murray.

Murray: No, based on the Historic Preservation Commission denial and it doesn't fit the neighborhood character.

Baum: Board Member Porter.

Porter: I vote no based on Historic Preservation Commission and not able to you know change it off.

Baum: Board Member Bennett.

Bennett: I vote no based on site survey, conversation today, the Historic Preservation's recommendation of denial and reviewing, this doesn't meet the Mesquite Historic District's Neighborhood Design Plan.

Baum: Chair Kaiser.

Kaiser: No, based on the Historic Preservation Commission's recommendation of denial. And the fact that this zone change is not consistent with the Mesquite Neighborhood Zone.

Baum: Motion denied.

10. NEW BUSINESS

10.2 BP-23-001: A request to approve a neighborhood plan known as the Northrise Blueprint that will address future access and conceptual road alignments on undeveloped land located generally south of Northrise Drive. These vacant properties are situated between Northrise Drive, N. Roadrunner Parkway, Rinconada Boulevard, and the Alameda Arroyo.

Kaiser: All right. We are now moving on if I can find my agenda, to the final item this evening which is under new business. This is item 10.1, a request to approve a neighborhood plan known as the Northrise Blueprint that will address future access and conceptual road alignments. So I will turn it over to staff for a presentation.

Weir: Good evening, Commission. This is David Weir again for you. If I can, the plan before you is known as a Blueprint. It's a planning document that's to address a specific area of the City and specific issue. It's use is one that can have a variety of needs. The slide goes from the resolution that adopted the Blueprint and provided the framework. And so, it's very flexible in how it's used.

The particular Northrise, some of the other things that it can address are on

the second slide. This particular case was something that staff initiated. The property in question was initially, we started to see a variety of people asking to come in and develop it. There was limited access to it. And so, we wanted to get a head of the proposals coming in. We wanted to propose policies that would help the Commission, the City Council and staff whenever someone wanted to develop that property to make sure that we wouldn't create any landlocked parcels and that we could encourage its development.

So the particular property itself is located between Northrise Drive and just a little bit southeast of it. It's east of Roadrunner Parkway. It's, I guess, southwest of Rinconada Boulevard, and roughly north of the Alameda Arroyo. It's the property across the Arroyo from the middle school off of Roadrunner Parkway.

It entails 62 acres. There are multiple property owners in it and it has also multiple zoning. The area is close to the Arroyo are in the A-2, which is a zoning district we no longer, it's a legacy district. It's not in our current Zoning Code so if development takes place, they'll have to amend that. There's R-4 for multifamily development and limited commercial and office. They had equestrian states which is a low density, residential type use.

This slide just kind of gives you a feel for the property itself. It's all vacant. It's all pretty much untouched desert, there are some utilities that run through it and that's the only disturbance that you'll see on that property. Again, this is a topographical map of it. If you were to go out on the property, the area along Northrise is the high point and then there's a drop off. And in some areas a quite steep drop off down to the Arroyo.

Again, this slide reflects the zoning that the previous slide demonstrated. So you can see there are uses anticipated along Northrise but you can also see the limited access to a public street. It's pretty much limited to in this area. This is a slide that shows the existing utilities. There is a large sewer line that runs through it, but there are other utilities are in the area so there wouldn't be that much of an extension to allow the property to develop in that area.

So the Community Development Department hired Sites Southwest to do a blueprint for this area. Through that process, they met with City staff. They met with the State Land Office. They met with property owners. And they came up with a series of goals and actions to facilitate growth in that area. One of the primary ones was to make sure that there was access and that there was a road network to allow all those properties be developed and contribute to the City.

The second goal was that any of those transportation networks address all

modes of transportation whether that's pedestrian, biking, transit, or again vehicle use. The third goal was that in the development of that property, all steps would be taken to make sure that the arroyo is preserved or at least was honored and any development would take place to limit or mitigate any damage to that.

And then basically, as I kind of started the presentation, was that we would make sure that there would be planned development in that area and then the City, any of the property owners would know that there was consideration on making sure that the property would have access and that there could be guidance for them.

This slide reflects the actual layout that Sites Southwest and staff are proposing for that. The heavy green line is what we would propose be constructed as development takes place. An access point to Northrise, an access point to Rinconada, and then an access point to Roadrunner. The dashed green lines are alternatives that could also be looked at. This particular property is owned by the New Mexico State University Foundation and I believe also Northern Arizona University and Arizona University. But there is an opportunity for access through that, it's just maybe a little bit more complicated. These other ways would be a little more feasible. And then a secondary access along the arroyo to Sonoma Ranch.

And so the goals and this schematic layout of the access and road network are really the recommendations of this plan. And so what staff is asking this evening is if the Planning and Zoning Commission could recommend approval of the blueprint. With that recommendation, staff could then take it to the City Council and if they adopt it by resolution that would then become the guiding steps whenever that property came forward, we would make sure that they reviewed this and adhered to the goals of the plan as development goes forward.

Also, noted that all the property owners and the adjacent property owners were invited to participate in this plan. There was an in-person opportunity for the property owners to come in. I think we had three came to the meeting. And then there was also an opportunity for a virtual meeting. But again, the property owners could come forward. At those meetings, everyone was in support of this effort going forward. In fact, one of the property owners had had a zone change that was presented to you roughly the same time as the project started. We also reached out to the middle school principal so that they would have an opportunity to speak about it, the State Land Office which has some property, and all had an opportunity to provide input into the plan.

This is a slide that shows kind of the input that was gleaned from them. A series of questions were asked and they were provided an opportunity to

respond. This evening findings in support of our staff recommendation, staff feels that the Blueprint is complementary to Elevate Las Cruces and the suburban place type. We feel that it will assist owners as they come forward and assuring that they'll have access and the ability to develop their property. And that also if all of the guidelines for the development and approval of a community blueprint.

Your options are your standard options. Vote "yes" and that would recommend approval to the City Council, vote "no," that would deny, and the other one is you could vote "yes" and you can either request modifications to the plan or place any conditions, or if you felt you needed more time to review it you could also table that to a subsequent meeting. So with that I will rest and take any questions that you have. There may be some property owners in the audience that may wish to speak about the plan also.

Kaiser: Okay. Thank you. Any questions from the Commission? Commissioner Smith.

Smith: I just wanted to commend staff on just how clear and concise this Blueprint was. I actually enjoyed reading it.

Weir: Mr. Chair and Commissioner Smith. You can attribute that all to Senior Planner Sara Gonzales and the consultant we hired. They did a really nice job on this plan.

Kaiser: So I have a couple of questions. So I'm curious, because of the arroyo that's there and the flood plain given its significant size, one, I guess I'm curious how, what the expectation would be for those parcels that I guess are southeast of this block that are predominantly in the flood plain. And then you've got I guess the southeastern most parcel which is almost split evenly between the actual channel and then the flood plain on the southeast. How would development sort of progress in that area?

Weir: Mr. Chair. The plan primarily concentrated on the street network but it was also cognizant of the, I guess the restrictions and the limitations those properties would have. The City's policy is generally to keep arroyos as natural as possible, but there is the potential they could engineer a solution to use more of those properties even though the City does not encourage that.

Again, the plan doesn't really address this but Elevate Las Cruces does. It talks about pursuing the transfer of development rights. And so that maybe another option that they could pursue in the future. And I guess another option they could take is if they had property they could look at intensifying a use on the property that they own. Another thing is they could look at

providing open space to the City to maintain that arroyo.

Kaiser: Okay. Yes, because the proposal is to have I guess a cul-de-sac of sorts but it would be for each of these parcels should they develop they are likely going to have interior road networks into themselves, correct?

Weir: Mr. Chairman. That is correct. What we were looking at primarily was to make sure that if someone came in with a development and was going through the subdivision and we would either recommend rezoning or it will be rezoned through the Realize Las Cruces effort. But when the individual building of those parcels take place, they would have to make sure that those roads were built and access provided.

Kaiser: Okay. But then presumably, I mean maybe not every single parcel, but especially the big, I guess T block that's kind of in the middle, it would have additional roads that would need to then connect some form or fashion to the primary proposed roadways?

Weir: Yes. I believe that the way the road was proposed and the cul-de-sac was to make sure that the plan provided a roadway that would access every one of those properties. So there maybe some of those blocks are owned by the same property owner. And so that's why the arrangement is put forward. But if they were to sell that then they would have to provide an interior road off of this, what you see on the schematic plan.

Kaiser: Okay. I guess my only comment on sort of the proposal would be, I think there was discussion somewhere in the document about sort of reducing the number of cul-de-sacs, and yet you know we proposed two of them more or less. So it would be nice if that cul-de-sac, you can go back to the slide that you had the proposal it might be easier for me to explain.

Weir: Okay.

Kaiser: Yes. So the northern most cul-de-sac if that continued all the way across and you actually guaranteed a physical connection to you know kind of running parallel across that boundary. Does that make sense?

Weir: Yes. And I think for once a cul-de-sac might meet those intent they're providing. There's a steep drop off in this area, and so in this instance a cul-de-sac might make sense rather than providing a loop road down, it may be difficult just the elevation change. So this would provide some access into areas. Unfortunately, these lots are pretty much built out and so there's limited access because that would be another way you could treat it is loop a road up this way. But they weren't really in the planning area.

Kaiser: Okay. And continuing it all the way to the east isn't feasible because of

topography or, that was what I was kind of alluding to is why not just continue that, so you at least guarantee you've got one big grid.

Weir: Yes. I'm going to let Ms. Gonzales address that question.

Gonzales: Mr. Chair. To go back to the original question regarding the flood zone area. One of the things that we looked at through Public Works was to say if an engineer can channelize that that is something that could also be addressed. So if they can channelize the arroyo and make it in a way to where it can be engineered properly. There are actually co-roads at the end of Roadrunner that they can actually connect to. Those co-roads would actually go in across, underneath Roadrunner and go to an actual drainage site. So it does give the opportunity but it would cost a lot of money for the engineering of that design. And so that's one opportunity from the flood zone.

Also, it could be whenever there is a property within the flood zone, it does have to have a LOMAR, CLOMAR and actually be brought out in order for the City to allow development to take place. That also takes funding as well as development standards as well. So there's some very different issues with those properties because they are at the lowest point. Being that we go from the 4210 along Northrise down to 4160, there's definitely a grade difference when we walked out there. So you can see that there's definitely going to be a lot of dirt removal, topography issues whenever development comes in. So they may be limited too, and you know and staff is looking at this possibly that residential because there is so much commercial that is around this property that residential maybe that intent. And you may see larger lots. It maybe something that you see in Picacho area where you have a built-out area for the home but the rest stays as natural topography. Some of those are what we are looking at.

As far as the access points going up there. The property that's located in the corner on the northeast side that's Walmart. They have built basically a wall all the way around their property because it's retaining. So in order to get that connection, we have to go directly to the other side in which the consultants proposed to connect. That property that is along the south side of Walmart is the next connection we'd have but it would be going through someone else's property for that roadway.

We are trying to work with Walmart in order to get that connection to go along their property line and possibly through there because after that it then falls into a drainage channel. So there was a lot of issues or constraints that we're working with as far as getting a roadway network.

The planning parcels to look at though is a lot of the property owners only own 2.5 to five acres. So this was primarily, yes, there's cul-de-sacs. And

Planning staff really does not like cul-de-sacs to stop at, but this was just to say, if this parcel gets developed, you have an accessible road to get to. We were trying to just make sure that our last point of egress or ingress is coming in off of Northrise, and if we lose that basically the rest of the properties become landlocked. They don't have any chance of development. So it's putting this into place so that when development comes in, we can say, hey, you've got to work together and build this road out to where you guys all have access.

Kaiser: Thank you for that. And I definitely, I was out there and it's not an easy site for sure. My last comment on the proposed road network. The connection down to north Roadrunner. Is that even feasible? No, the primary one. Because you're basically, I don't think there's anyway you can construct a road outside of the flood plain. And then I guess there's even a parcel that is sitting right there that you would probably be almost entirely building a roadway on it. So the two points are was there any analysis done on the impact to the arroyo? Because I'm pretty sure as you alluded to Elevate Las Cruces is saying sort of the opposite. And there is a parcel there that seems like the roadway would almost entirely eat up that parcel.

Weir: Mr. Chair. I think that parcel is about 50 feet in width and I believe it's owned by the City of Las Cruces. And so, while this would be a secondary access point, it probably wouldn't be built to any industrial or commercial standard. It would be like a local street within that 50-foot right-of-way. But that was analyzed and looked at and a street could be in there to City standards. It would be just like a local type of street.

But it's only loaded on one side and actually this apartment complex is already built out, and so it may not have any access at all. So it would be something that would assist the emergency services getting into that area.

Kaiser: Yes. I mean it almost seems like at that point you'd be looking at that secondary proposed route which in my mind it seems like I would be shooting for that. That is your primary and making what's now the primary the secondary. But I appreciate that.

The last comment I was going to make or I guess two more comments. The trail that currently exists south of the arroyo. It appears that it almost touches the southeastern corner of this block, but yet all of the proposed connections are looked at from a secondary perspective. So I'm just curious why not? Since it's already built. It's right there. It provides connectivity to the rest of the network. Why not make a primary recommendation that that gets connected in some form or fashion?

Weir: Mr. Chair. The only reason I can think of is that all this area out here was outside of the planning area. I think as these parcels come forward for

development, we would encourage the extension of that. I think we were just looking at logical connections from this area here that tied right into the school property.

Kaiser: Yes. And that's what I'm referring to. So where we have the secondary connections, why not make one of those a primary because in my mind the way that you described it the primary is kind of that's what you're aiming for and then everything else is kind of like a Plan B. But my comment would be why not make that physical connection to access the school and that trail a Plan A.

Weir: Mr. Chair. I think it was just the difficulty of making a permanent improvement crossing the channel. I think if you come down this way, you can connect right to it and you already have an arroyo crossing that I think some of it played into the cost. I know there was one consideration of making another entrance way this way, but when we talked with the property owners and engineering department, or Public Works, it was very cost prohibitive. Just the whole length of it and then building in a flood plain. And so, my guess is that's was primarily it. Do you recall?

Gonzales: Mr. Chair and Commission. Some of the other aspects that we had to look at especially from the trail system. We were also trying to get to where you could get onto Sonoma Ranch or Roadrunner through, there is actually a bus turnaround, that was one of the options. It became cost prohibitive because then someone would actually have to build a bridge over the arroyo to not disturb that area because that is the primary flow of water.

Some of the trail systems would have to be elevated some of them. Right now, the way the trail system works is because they're naturally created. As you get development that are coming in some of that trail system is going to be disturbed or changed or evaluated in a different way. Some of the primaries that were given were the best opportunities from property owners or easements that we could possibly get to get road access or some kind of access points to the property.

The secondaries were given because like the property that is owned by NMSU is actually up for sale right now. And so, unless there's someone that's going to invest in that then we can work with them coming forward, that's why it became a secondary. So some of the properties we're working with on the outside border make it very different. And then the arroyo makes it very cost prohibitive for some of the options to actually take place.

Kaiser: Okay. Thank you. And then my last comment. In the document there's reference to the development. Let me see if I can quickly find it. It was the cross section from the Development Code. I guess my only modification would be to scratch that particular figure because the Development Code is

under review and I think having the illustrative example is probably better to communicate the intent and goals rather than to have an archaic cross section that we would prefer not to have. So I don't know if that's a correction we can make tonight.

Weir: Mr. Chair. That was something that we were going to just do it at staff level. We were going to go back to the consultant and ask if they could provide a different cross section. We were going to do that between your recommendation and going to City Council so.

Kaiser: Okay. And I'm on record so, and you are too, so that does that presentation.

Gonzales: Mr. Chair. There wasn't really a great graphic. But the roadway was too large to expect property owners for these properties to actually go and put that expense into there. And so working with Fire Department, they were looking for a collector roadway that it actually attaches to your arterial roadways through this development. So finding something that's 85 feet. We had to go back to what our code currently has until we can get that new design done. And it maybe something we want to reference Realize as part of our process. However, we don't know when that time gets adopted. So we need something in place to say, this is what we expect the road to somewhat look like by providing all modes of transportation.

Kaiser: Yes. But conceptually though, I mean …

Weir: Mr. Chair. What I would recommend is that you say that we can pretty up the picture we have now. And then I would say or a future adopted cross section by the City that would still meet those needs.

Kaiser: Yes. I mean at a minimum I think this should follow whatever the current standard is. I mean this road is not getting constructed next year.

Weir: Yes. The graphic that you have is a current standard. And so, but I think I would recommend that you make that a condition that you provide the plan, the ability to, or a future cross section adopted by the City to meet those needs. And that way we can capture what we're working on with Realize Las Cruces or the update of the Land Development Codes.

Kaiser: Okay. Because I thought there was also another graphic in here from Elevate. Am I incorrect in that?

Gonzales: You are correct, Mr. Chair. There is the standard but it doesn't provide the actual dimensions or cross section. It was a picture that came out of Elevate Las Cruces showing that they were trying to create complete streets. And so it's just a guide. It doesn't actually have dimensions. This provides dimensions so that way when a builder comes in or a developer comes in,

we can say, this is what the road should have because you're trying to meet all of these modes of transportation, that's what we were going for. So it's more defined as opposed to where it shows just in Elevate that's a cross section that meets all modes but it doesn't define it.

Kaiser: Okay. I mean I guess other blueprints didn't define the road cross sections. Like the Apodaca one had just the conceptual. This is the vision. These are the goals. I don't understand why we would treat this differently.

Weir: Mr. Chair. And Sara can help me on this. I think that was at the request of the Fire Department. They wanted to say at minimum you'll do this. And it wasn't that it precluded some other cross section. But they wanted some confidence. There was quite a discussion about how they would service this area and what type of roadways that they wanted.

Gonzales: Mr. Chair. That was correct. The Fire Department reviewed it because we did have all staff review the plan as well being that they would have to implement it and use it whenever we go forward. The major concern was that we needed some type of collector roadway to attach to and what was that going to look like.

And so, they wanted to ensure that they were going to have enough lanes if they had to go through a different site, if there was only the access points what would these roadways be used in order for them to access any of the properties. Because if you look at the roadways, if you only get the one off of Northrise and Roadrunner then you put a longer length onto the extended roadway that's going towards the east side. So they need to make sure that there's enough clearance in order for them to get in and then traffic can still move.

Kaiser: Okay. Well, I'll craft my condition to propose while we work through this. I appreciate all the conversation.

Weir: Mr. Chair. If you would like to go to a more conceptual discussion or description of that, I mean that's definitely within your authority as the P&Z of what you want to recommend to City Council.

Kaiser: Okay. Thank you. All right. Any other questions from Commission? Comments? All right. I will go to the public. Is there anybody here tonight who wishes to speak on this item? I see one gentleman here. You want to come forward. If could state your name for the record.

Lopez: Isidro Lopez.

Kaiser: And do you swear or affirm that the testimony you're about to give is the truth and nothing but the truth under penalty of law?

Lopez: I do.

Kaiser: I'll give you three minutes. Go ahead.

Lopez: Okay. I own 2.5 acres in the middle of that conglomerate. And Dr. Lowe owns another 2.5 a little further down. He's more into the arroyo. So I was telling him, I'm an engineer. So what I was telling him is to get some *(inaudible)* on the south side and the west side so that we can sort of bring it direct to the arroyo in some extent, you know. And so that was our thought that, and the other thing about it is that my idea which is a concept is to do a RV park. And it's under you know small housing. You could say it's whatever, R-3, R-2, you know. But it's still not on concrete.

But and then the roads. I'm glad that we have a one to the east, one to the west and one to the north. It's a perfect thing. And the slope, if you really look at it, you're looking at less than a 5% grade, you know. It would probably be more like a 2.5% grade, but you have some engineering done before you know it can determine exactly what it is. You know, so my thought was is to maybe in the next couple of years just to do a study for an RV park and then do a study for the road, you know. So that's my idea.

So you want any, I think I talked to you, didn't I? Yes. And so, if you want any information, we can work together and maybe put something together you know and get it done, you know. But it will be including everybody that's there, you know. I know that Mrs. Lacky has some property there. I know that me and Dr. Lowe and a couple of other guys, we have property in that area so we're willing to work together to get it done.

So I think the best thing right now is to get a preliminary engineer study and then go from there. You know, so we can do that. What's your name again?

Gonzales: My name is Sara.

Lopez: Sara.

Gonzales: Yes.

Lopez: Yes. Okay. And I can talk to Sara and see what we can do.

Gonzales: Works for us.

Lopez: I thank you.

Kaiser: Thank you very much. Anybody else who wishes to speak on this item this evening? All right. Seeing none. I will come back to the Commission. All

right so I'm going to throw out a condition and hopefully someone agrees with me and wants to make it part of the motion. But my condition would be all roads shall be developed as complete streets consistent with the Active Transportation Plan and in accordance with the current development standards. And that would take the place of the figure on page 21.

Porter: I'll second.

Kaiser: I need a motion first. Yes. Here I can give you my piece of paper.

Murray: I make a motion to approve what is it, 9.3 with conditions that …

Kaiser: This is 10.1.

Murray: 10.1. My bad. With conditions that the proposed plan is built with complete streets.

Kaiser: Can I just make the motion? Is that not a thing? Okay. So we will do a motion for approval and before it seconds, okay. So I need a motion to approve and we'll do a second. And then I will amend it with my condition. Does that work for everybody?

Murray: I make a motion to approve 10.1.

Smith: I'll second.

Kaiser: And I'll make a motion to amend to approve item 10.1 with the condition that all roads shall be developed as complete streets consistent with the Active Transportation Plan and in accordance with the current development standards. And this would take the place of the figure on page 21.

Bennett: I'll second.

Baum: Okay. Board Member Smith.

Smith: Yes, based on staff recommendation.

Baum: Board Member Murray.

Murray: Yes, based staff recommendation.

Baum: Board Member Porter.

Porter: Yes, based on staff recommendations, Elevate Las Cruces and also with *(inaudible)* in that area, I believe it's going to be a plus to our City.

Baum: Board Member Bennett.

Bennett: Yes, based on staff recommendation.

Baum: Chair Kaiser.

Kaiser: Yes, based on staff recommendation and consistency with Elevate Las Cruces.

Kaiser: All right. So now we're voting on the original motions to approve. I'm sorry. I messed this whole thing up, all on my own, to have complete streets.

Baum: Board Member Smith.

Smith: I vote yes, based on Commissioner Kaiser's approval.

Baum: Board Member Murray.

Murray: Yes.

Baum: Board Member Porter.

Porter: Yes.

Baum: Board Member Bennett.

Bennett: Yes.

Baum: Chair Kaiser.

Kaiser: Yes.

Baum: Both motions passed.

Kaiser: We're ending 2023 on a very strong note. That does it for new business this evening.

11. STAFF ANNOUNCEMENTS

Kaiser: Are there any staff announcements to take us into the new year?

Gonzales: There are no additional staff announcements. We do appreciate that everybody did attend this evening just to get these cases through these processes. I understand it is December and it's holidays so we appreciate your time.

Kaiser: All right. Sounds good. I appreciate everything that staff has done this year and glad we have new members of the Commission so that's been exciting.

Bennett: And we're so happy you're back, Sara.

Kaiser: And we're looking forward to 2024.

12. ADJOURNMENT (7:52)

Kaiser: So with that can I have a motion to adjourn?

Bennett: I make a motion to adjourn.

Smith: I second.

Kaiser: All in favor?

MOTION PASSES UNANIMOUSLY.

Kaiser: Adjourned. Thank you all. Happy holidays. Happy New Year. We'll see you in January.

_____

Chairperson

ATTACHMENT "D"

Planning & Zoning Commission

My name is Rosemary Leyva. I live in the same neighborhood where my family has resided since the early days of Las Cruces and they would be as horrified as I am to the idea of having a Cannabis store open next to our home. As a single woman, I have concerns for my safety and that of my neighbors from high crime occurring in our neighborhood from a variety of groups. A Cannabis store will bring in even more people into the neighborhood. I strongly oppose this rezoning request.

A Zoning change from R-3 residential to C-1 will cause:

- Kansas Street is too narrow for off street parking, so when cars do park on the street, it becomes even more narrow, and emergency vehicles will have a more difficult getting through. (See photographs included.)
- When there is an accident on Lohman, traffic must then use Kansas to traverse to the next available exit street, Mesquite making it dangerous and difficult for residents to enter or exit their own properties or continue walking as not every section of Kansas has sidewalks.
- The hours of operation of a Cannabis store will show a lack of respect, safety for our elderly neighbors.
- Children/ students traveling to and from school that use the city bus system will be required to get the bus in the front of the proposed cannabis store, that is not safe for them or for the elderly, bus riders because we have a variety of groups camped there, and others yelling at people walking the street in the area.
- Will this rezoning contribute to graffiti artists tagging the area?
- This area is considered a “Spot Zone”. In the planning field it is a negative attribute to allow spot zoning. How can you now allow spot zoning?
- I do not feel there is any transparency in the Planning and Zoning Department. I asked Mr. Castillo directly what type of commercial

would be placed in my neighborhood and he was very reluctant to say it would be a Cannabis store.

- In the current R-3 zoning high density, the owner should consider a duplex office use for an attorney or an accountant office or even an Airbnb or continue to let different family members use the 2 sections of the house or rent them as they have in the past.
- City should not consider this as retail properties with C-1 zone to use.
- Property Values to depreciate. I do not believe any of the property owners, myself included can afford this.

In closing, I ask you to please respect our Historical District, our safety, our health and our values and welfare of the citizens in this zone.

Sincerely,

Rosemary Leyva

324 E. Kansas Ave



When cars are parked on both sides of Kansas there is only room for 1 car to turn from Campo on to Kansas and a car trying to turn on to Campo must wait for the first car to turn or vice a versa. Emergency vehicle would have to slow down and wait for the first car there to move out the way, slowing down the time it would take the emergency vehicle to reach its destination.

My home is located about 2 car lengths further up the street from the first white vehicle.



Only one car can pass when there are cars parked on both sides of the street of Kansas crossing San Pedro Street.

My home is where the blue CRV is parked, directly across the street from 541 Campo St.

Response to Planning and Zoning Commission 12/19/2023

Case 23Z00500120: Rezoning at 541 S. Campo Street

Sirs:

As Chairperson of the HPC I am very concerned of the misconceptions that appear in your recommendations for the zoning change at 541 S. Campo Street. It is the role of the Historic Preservation Commission to review and fairly assess the facts as presented in the December 9th Commission meeting. We have reviewed the summary of the case and have several concerns.

As Chair I would like to add that: the Historic Preservation Commission was formally codified by the City of Las Cruces concurrent to the adoption of the Historic Preservation Ordinance. This commission reviews proposed changes or alterations to historic properties and recommends appropriate restoration or rehabilitation techniques. The Historic Preservation Commission serves as a design review board to assist in maintaining the character of the distinct historic districts in the city. (Elevate Las Cruces page 210).

Section: Historic Preservation Commission

2nd paragraph- there are 5 members on the Commission, you note that three Commissioners were absent- by stating that there are 7 members it lessen the importance of the vote made by 4 of the 5 Commissioners (one member was sick and could not attend)

Staff Comments: your review notes: No reviewing department had any negative comments nor have any reviewers objected to the proposed rezoning. I would suggest you look at the presentation and recommendation made by Dr. Troy Answorth- Historic Preservation Specialist who is a City Staff.

Materials presented by Troy Ainsworth- Historic Preservation Specialist- to the Commission on November 6, 2023:

STAFF RECOMMENDATION

Community Development Department staff reviewed the proposed zone change request and recommended **TO DENY** this zone change request based on the following findings of fact:

- The proposed zone change request is at variance to the land-use intent for residential zones as outlined in the *Mesquite Historic District Neighborhood Design Plan*.

- The proposed zone change from residential to commercial entails a greater intensity of use and requires that the existing residence adhere to commercial building code rather than residential code; and.
- The proposed zone change is requested without accompanying plans or drawings which show the type and extent of any potential alterations to the existing building or the site.

After public comment, comment from the property owners and the presentation by Dr. Ainsworth, Dr. Paul Deason made a motion to accept the rezoning of 541 S. Campo Street. A vote of **0-4-0** was taken- the motion for rezoning was denied by the HPC.

The concern of the HPC is that P & Z is not viewing this property as part of the Historic District, but rather as one adjacent to a burgeoning commercial district along Campo and Loman/Amador Using this reasoning rezoning of the Campo St. property would follow the Elevate Las Cruces Plan development. This is an interesting but flawed way of looking at properties in the Nationally recognized historic district.

We request that P & Z respect the decision made by the HPC during the December 9th meeting and make the needed corrections to your staff report in terms of the number of Commissioners and that a City staff member (Dr. Ainsworth) provided materials to vote against the rezone.

The HPC asks that P & Z staff take another look at their key points and consider the potential for a different interpretation:

NEIGHBORHOOD CHARACTER AND COMPATIBILITY: Staff argues that the zone change from residential to commercial is both in character and compatible with the Mesquite Historic District because Campo Street is dominated by a variety of commercial, office, and retail land uses that buffer the various types of residential housing in the area.

Response: City staff fails to understand that the subject property is in a historic district; instead, they argue that it is ADJACENT to a burgeoning commercial district and that commercial operation was to be welcomed. But since egress is on Kansas this is an encroachment into the historic neighborhood NOT an extension of the commercial district.

COMPLIANCE WITH ELEVATE LAS CRUCES COMPREHENSIVE PLAN:

Goal CE-3: Centers and Corridors – Support community growth through concentrated development at activity centers and along key corridors.

Policy CE-3.2 – Allow for a mix of development type and intensity along major thoroughfares that reflects surrounding urban, suburban, and rural contexts.

Response: There currently is no egress to the property on Campo, it is on Kansas which is a local street. At an earlier time, the property appears to have had a driveway onto South Campo Street, but that vehicular access has subsequently been blocked off by a stone wall.

Goal CE-4: Complete neighborhoods - Develop mixed-use neighborhoods that incorporate a wide range of recreational, commercial, employment, and civic uses.

Response: The Mesquite Historic District does not need developing, it is already a complete neighborhood that already includes recreational, commercial, employment and civic uses

Policy CE-4.2: Incorporate employment and shopping nodes into new and redeveloping neighborhoods that incorporate a wide range of recreational, commercial, and civic uses.

Response: The subject property is already in a developed neighborhood and within a Historic District; it should not be considered an extension of a commercial district.

Community Prosperity

Policy CP-4.2 - Support efforts to be regionally and nationally competitive in regard to retaining and growing businesses, jobs, and students.

Response: the property is in an existing Nationally recognized Historic District. The findings argue that it is ADJACENT to a burgeoning commercial district. Changing the zoning on this property does not increase the growth of business overall in LC and make it more competitive but it does change the character of the historic district.

Community Livability:

Goal CL-15: Historic and Cultural Values – Value and protect the historic and cultural properties and sites in the community.

Response: Changing the zoning to commercial does not protect the historic integrity of this structure which is listed as “contributing”, built in 1910 or the integrity of the existing District. . Per the ***Mesquite Historic District Neighborhood Design Plan*** (May 2007),Proposed Land Uses (page 21), the portion of the overlay district in the blocks south of Lohman Avenue are proposed for residential use. The objective of encouraging new, single-family residential infill in the zones designated for residential use “should be able to be accomplished without disrupting the historic fabric of the neighborhood” (page 20).

Policy CL-15.2 - Provide resources to improve and maintain historic properties.

> **Response:** changing the zoning from Residential to Commercial will not provide resources to maintain the property's historic status.

Action CL-15.2.2 - Provide incentives to those interested in rehabilitating historic buildings including property tax relief, revolving loan funds, low-interest loans, and waivers to standards that may impede rehabilitation, preservation, or reuse of historic properties.

> **Response:** this portion of the overlay district in the blocks south of Lohman Avenue are proposed for residential use. Rezoning will not provide incentives listed above.

MESQUITE HISTORIC DISTRICT NEIGHBORHOOD PLAN AND DESIGN PLAN

Mesquite Neighborhood Plan:

Objective 3 (South Mesquite): Establish zoning regulations and development standards that take into consideration the commercial/residential neighborhood and historic character of the South Mesquite Area.

Policy 4 – Establish provisions that will allow businesses to have greater flexibility for on-street parking.

> **Response**: their appears to be confusion on on-street parking and traffic issues. Rezoning will create a domino effect, traffic patterns on Campo not Kansas needs to be considered.

Objective 5 (North and South Mesquite): Improve the overall look and feel of the area as a means of maintaining and preserving the Mesquite neighborhood's visual character.

> **Response**: In addition to retail, the applicant plans to grow marijuana. Security fences or other security measures will change the visual character of this portion of the Mesquite Historic District.

Objective 8 (North and South Mesquite): Encourage the development of a streetscape that enhances the unique character of the Mesquite Neighborhood Plan boundaries, while providing a safe and pedestrian friendly environment.

> **Response**: zone change will not enhance the streetscape or unique character of the Mesquite Neighborhood Plan.

MESQUITE HISTORIC DISTRICT DESIGN PLAN:

Land Use: Objective 1 - Encourage more small-scale commercial businesses to locate within walking distance of Mesquite residents. Objective 2 – Facilitate development of more businesses that cater to other segments of the City of Las Cruces (SFI).

Funding and Implementation: Objective 1 – Implement the strategies in this document. Strategies 1 – Utilize the adopted overlay zoning district ordinance to improve the neighborhood.

> **Staff recommendations**: the rezone of the property from R-3 to C-1 is not out of context with the *Mesquite Neighborhood Plan* and the *Mesquite Neighborhood District Design Plan.*
>
> **Response:** refer back to the recommendations by the Historic Preservation Specialist: :the proposed zone change request is at variance to the land-use intent for residential zones as outlined in the Mesquite Historic District Neighborhood Design Plan; the proposed zone change from residential to commercial entails a greater intensity of use and requires that the existing residence adhere to commercial building code rather than residential code.

COMPLIANCE WITH THOROUGHFARE PLANS

Campo Street is designated as a collector roadway by both the Elevate Las Cruces Future Thoroughfare Map and the Mesilla Valley Metropolitan Planning Organization (MPO) Future Thoroughfare Plan. These types of roadways are designed to support the proposed zoning designation and any potential future development.

> **Response**: staff continues to argue that the zone change is appropriate because the address is on Campo St. The property is NOT accessed on a thoroughfare; egress is on Kansas. Kansas is a two-way local street and if vehicles are parked on both sides there is not enough travel way, only about 16 feet left.

CONSISTENCY WITH PURPOSE AND INTENT OF THE ZONING ORDINANCE

Section 38-2: The intent of the Zoning Code is to encourage the most appropriate use of land and to promote the health, safety, and general welfare of the community for the purpose of improving each citizen's quality of life.

> **Response**: Criteria for decisions A, B, C, D and E) a zone change will make the Campo St property an outlier to the existing District. The remaining portion of Kansas remains residential; phasing along this street is completed with a mixed use. Rezoning to commercial would conflict with sign code, design standards. What consideration has been made to possible health risk with a zone change- is there a health hazard with the growing of Cannabis? What is the impact of high-moisture and high-temperature conditions required for growth of Cannabis of the stuccoed adobe? Rezoning of the property will

create a spot zone- commercial is across the street on Campo but access is on Kansas.

DEVELOPMENT STANDARDS

Site Compliance for uses under current zoning; site suitability for uses under proposed zoning.

Response: the property is a contributing resource within the National Reister District and is within the Original Townsite. The neighborhood has a mix of residential and limited commercial land uses. Changing the zone from residential to commercial will not enhance an established neighborhood.

Adequacy of Public Facilities and Services- property has current city water, gas and sewer; Campo Street provides adequate paved access, sidewalks and lighting adjacent to the subject property.

Response: the property is NOT accessed on a thoroughfare; egress is on Kansas. Kansas is a two-way local street and if vehicles are parked on both sides there is not enough travel way, only about 16 feet left.

STAFF COMMENTS

No reviewing department had any negative comments nor have any reviewers objected to the proposed rezoning.

Response: please note the vote made by the HPC who reviewed the proposed rezoning; also see above the issue raised by the Historic Preservation Specialist.

The HPC would also ask that P & Z staff considered the additional sections in **Elevate Las Cruces** that are applicable to a zone change request:

Future development proposals should be assessed by the City in relation to their appropriateness with the applicable place type depicted on the Future Development Map. In addition, consideration must be given to the compatibility of a proposed development with pre-existing and proximate land uses in terms of scale, form, aesthetics, site design, trip generation, and environmental/operational impacts (i.e. light, noise, odors, hours of operation, etc.)(pg 30).

Response: the property is within a recognized Historic District. The proposed zone change request is at variance to the land-use intent for residential zones as outlined in the *Mesquite Historic District Neighborhood Design Plan;* the proposed zone change from residential to commercial entails a greater intensity of use and requires that the existing residence adhere to commercial building

code rather than residential code. The neighborhood is currently recognized by its form, aesthetics, site design and a mixed economy. There is no apparent benefit for changing the property from residential to commercial.

The Elevate Las Cruces Future Development Program acknowledges that the application of preferred future growth patterns must be calibrated to account for the unique character of various city corridors, districts, and neighborhoods. These "Areas of Special Consideration" are referenced on page 58 and highlighted on Map 1.3 (pages 60, 61). Rezoning of the Campo Property does not account for the unique character of this historic district.

POLICY CL-1.1: engage in planning processes that enable neighborhoods to define their distinct identities and needs. The existing Mesquite Historic District is a reflection of the citizens to define their distinct identity and needs. Rezoning of the property from residential to commercial would not enhance the sense of neighborhood- the existing neighborhood is a mix of commercial and residential; rezoning the property would create Campo Street to become an outlier of the district and would encourage further deterioration of a functioning neighborhood.

GOAL CL-15: HISTORIC & CULTURAL VALUES: *Value and protect the historic and cultural properties and sites in the community.* Challenges and threats to historic buildings exist that must be mitigated, including incompatible infill development adjacent to or near historic districts and demolitions that create vacant lots. Again, we believe that the rezoning action is not compatible with the state Goal CL15.

GOAL CL-16: COMMUNITY ENGAGEMENT :*involve the community in historic preservation efforts. Based on Community attendance and comments received by P & Z and by the HPC- there is community engagement to maintain the Historic neighborhood as is. Rezoning from residential to commercial does not reflect the existing neighborhood response.*

CLG Status (Certified Local Government)- The CLG PROGRAM provides support to New Mexico communities in developing and maintaining local historic preservation programs in a manner consistent with state and federal laws and regulations. The City of Las Cruces applied and was accepted into the program in 2021: We welcome the City of Las Cruces, New Mexico as a local partner in the Federal Preservation Program and look forward to working with them to preserve what makes their community special and significant." (Letter from the State Historic Preservation Office). Through various grants, the New Mexico State Historic Preservation Office offers CLG grants for updating and maintaining historic districts and resources. The protection of the Mesquite

Historic District is one of the key elements in the granting of CLG Status. The HPC does not agree that there is a need to rezone the Campo property from residential to commercial. The rezoning will not enhance the existing Historic District, will create an outlier effect, and will continue future erosion of the district boundaries and identification.

What is needed is to maintain compliance with the Elevate Las Cruces Comprehensive Plan, with State and National Historic Guidelines and the needs of an existing neighborhood. It is the decision of the HPC Commission (see the minutes from the December 9th Commission meeting) that rezoning of the property at 541 S. Campo Street will not enhance the existing neighborhood and will create issues related to traffic, safety, and erosion to the historic character of the neighborhood. The Mesquite Neighborhood is one of the oldest neighborhoods in the City. The Commissions stand is that the requested zone change will begin the sense of an existing mixed neighborhood that meets the needs of the residence and the City.

As outlined in Chapter 40

Section 40-02: Declaration of Policy and Intent: The City of Las Cruces ("City") declares as a matter of public policy that the protection, preservation, maintenance, care, and use of h cultural properties is a public necessity conducive to the general welfare of the people and beneficial to the furtherance of the community's economic prosperity and quality of life. Keys points to keep in mind:: the enhancement and fostering of civic pride in the aesthetics and history of the built environment and in the accomplishments of earlier inhabitants in the area that became Las Cruces; the strengthening of the City's economy through heritage tourism and real estate for the benefit of residents and tourists through promotion and use of cultural properties; and the protection, enhancement, and perpetuation of of cultural properties which represent or reflect distinctive and important aspects and eras of human habitation and activity in Las Cruces;. A key point within the responsibilities of the Commission: Advise the Mayor and City Council on any proposed public alterations which may impact the exterior appearance of cultural properties and historic districts to avoid any potential adverse effects. The HPC reviewed the rezoning proposal and determined that the rezoning was not within the parameters of the existing Historic District (see conditions above).

Please consider the points made. We believe it would be appropriate to postpone any decision any the errors noted above are corrected and addressed.

Thank you for your consideration.



Judy Berryman
Chair Historic Preservation Commission (HPC)

The staff packet for the zone change at 541 S. Campo St. (Case 23Z00500120) contains a false statement implying that no City reviewing department or reviewers had any negative comments or objections. However, Dr. Ainsworth, the Historic Preservation Specialist, recommended denial of the zone change in his staff report to the Historic Preservation Commission (HPC) on December 6, 2023 . There are currently only 5 members seated on the HPC. Staff notations that three Commissioners were absent lessens the weight of the unanimous vote made by 4 present Commissioners to deny this application for cause.

While staff has presented some factual arguments in favor of the zone change, there are at least as many factual criteria that are unmet. Staff presents the case as completely concordant with City Comprehensive Plans, and yet as detailed below, the proposal can be seen at odds with each plan, policy, and overlay as applied to the South Mesquite Historic District.

I am opposed to the zone change at 541 S. Campo from R3 to C1 for the following reasons. I have used the City Staff recommendations and have added my dissenting facts in blue.

ZONING DECISION CRITERIA AND POLICIES – this is according to City of Las Cruces Staff with whom I disagree.

POLICY	DOES IT COMPLY?
Neighborhood Character and Compatibility	~~Yes~~ NO
Elevate Las Cruces Comprehensive Plan	~~Yes~~ NO
Thoroughfare Plans	~~Yes~~ NO
Purpose and Intent of the Code: Section 38-2	~~Yes~~ NO
Criteria for Decisions: Section 2-382	~~Yes~~ NO
Mesquite Neighborhood Plan and Design Plan	~~Yes~~ NO

NEIGHBORHOOD CHARACTER AND COMPATIBILITY: Staff argues that this is both in character and compatible with the Mesquite Historic District because Campo Street is dominated by a variety of commercial, office, and retail land uses that buffer the various types of residential housing in the area. City staff fails to understand that the property is in the Federal historic district; instead, they argue that it is ADJACENT to a burgeoning commercial district and that commercial operations are to be welcomed. But since practical access is on Kansas St. this is proposal encroaches into the historic neighborhood, and leapfrogs retail commercial use onto a uniquely residential street.

ELEVATE LAS CRUCES COMPREHENSIVE PLAN:
Community Environment:
Goal CE-3: Centers and Corridors – Support community growth through concentrated development at activity centers and along key corridors. Access to the 541 S. Campo property is actually on the 300 block of Kansas St. which is NOT a key corridor.
Policy CE-3.2 – Allow for a mix of development type and intensity along major thoroughfares that reflects surrounding urban, suburban, and rural contexts. There is pedestrian ingress to the property on Campo St., but vehicular access is on Kansas St. which is a local street.
Goal CE-4: Complete neighborhoods - Develop mixed-use neighborhoods that incorporate a wide range of recreational, commercial, employment, and civic uses. The Mesquite Historic District is already a complete neighborhood that readily included recreational, commercial, employment and civic uses! The entire northern half of this block along the thoroughfares is already commercial. The five remaining homes have their backs turned to buffer them from commerce.

Policy CE-4.2: Incorporate employment and shopping nodes into new and redeveloping neighborhoods that incorporate a wide range of recreational, commercial, and civic uses. City staff fails to understand that the property is in the Federal portion of the South Mesquite Historic District; since egress is on Kansas St. this is an isolated encroachment into the historic neighborhood NOT a natural phased extension of the commercial district.

Community Prosperity

Goal CP-4: Diversification - Seek a balance of business recruitment, retention, and expansion to diversify economic opportunities. There are a total of 56 Cannabis stores in Las Cruces as of September 24, 2023. According to a report from the Cannabis Control Division, the city of Las Cruces made $2,062,544.69 in April 2022, but only made $1,667,166.67 in June 2022. A report in July 2022, showed the city's recreational sales decreased by $395,378 in the past two months. As dispensaries continue to close, this proposal does not retain, expand, or diversify the marketplace.

Policy CP-4.2 - Support efforts to be regionally and nationally competitive in regard to retaining and growing businesses, jobs, and students. Again, City staff fails to understand that the property is in the historic district; instead, they argue that it is ADJACENT to a burgeoning commercial district. Changing the zoning on this property does not increase the growth of business overall in LC and make it more competitive but it does change the character of the historic district with the loss of another historic house.

Community Livability:

Goal CL-15: Historic and Cultural Values – Value and protect the historic and cultural properties and sites in the community. Changing the zoning to commercial does not protect the historic integrity of this structure which is listed as "contributing", built in 1910. Per the Mesquite Historic District Neighborhood Design Plan (May 2007),Proposed Land Uses (page 21), the portion of the overlay district in the blocks south of Lohman Avenue are proposed for residential use. The objective of encouraging new, single-family residential infill in the zones designated for residential use "should be able to be accomplished without disrupting the historic fabric of the neighborhood" (page 20). High-moisture, high-temperature conditions needed for growing cannabis can have a detrimental effect to original structure is a stuccoed adobe.

Policy CL-15.2 - Provide resources to improve and maintain historic properties. Keep it zoned R3 so that resources can be provided to maintain the property's historic status.

Action CL-15.2.2 - Provide incentives to those interested in rehabilitating historic buildings including property tax relief, revolving loan funds, low-interest loans, and waivers to standards that may impede rehabilitation, preservation, or reuse of historic properties. Again, this portion of the overlay district in the blocks south of Lohman Avenue are proposed for residential use. The objective should be to encourage new, single-family residential infill in the zones designated for residential use. This property should remain as a residence, there is a shortage of housing in LC.

MESQUITE HISTORIC DISTRICT NEIGHBORHOOD PLAN AND DESIGN PLAN: this is according to City of Las Cruces Staff with whom I disagree.

Mesquite Neighborhood Plan:

Objective 3 (South Mesquite): Establish zoning regulations and development standards that take into consideration the commercial/residential neighborhood and historic character of the South Mesquite Area. 541 S Campo is within the Federal portion of the Mesquite Historic District, staff does not mention this since their focus is on the commercial side of Campo. Heritage tourism should be promoted rather than a commercial rezone. Staff never referred to Chapter 40 – Historic Preservation Ordinance which states "strengthening of the City's economy through heritage tourism and real estate for the benefit of residents and tourists through promotion and use of historic buildings and cultural sites" (Section 40-02:

Declaration of Policy and Intent, pg. 7). Staff also does not refer to this portion of Elevate Las Cruces: "A livable community is not only attractive to those that live there, but also to visitors. Therefore, efforts to promote tourism in a community are important to continue to attract visitors and generate positive economic outcomes" (GOAL CL-14: TOURISM, pg. 208)

Policy 4 – Establish provisions that will allow businesses to have greater flexibility for on-street parking. Kansas is a narrow two-way local street and when vehicles are parked on both sides there is not sufficient traveled way, less than 14 feet left. Also, there are no clear site triangles. Kansas as a Local requires 30 feet and Campo as a Local Collector 40 feet. The rock walls and fencing obstruct the sight lines for turning traffic. City staff fail to address this by selectively referring to "frontage" on Campo St.!

Objective 5 (North and South Mesquite): Improve the overall look and feel of the area as a means of maintaining and preserving the Mesquite neighborhood's visual character. The proposed zone change is requested without accompanying plans or drawings to show the type and extent of any potential alterations to the existing building or the site, so I question whether the visual character will be maintained. Since applicant also plans to grow marijuana, security fences will change the visual character of this portion of the Mesquite Historic District. Chain link or square wire fencing is prohibited within the South Mesquite Historic District except if used in a small area that cannot be viewed from a public street [Section 38-49.2. – the South Mesquite Overlay District (SMO) pg. 25].

Objective 8 (North and South Mesquite): Encourage the development of a streetscape that enhances the unique character of the Mesquite Neighborhood Plan boundaries, while providing a safe and pedestrian friendly environment. Again, without plans or drawings to show the type and extent of any potential alterations to the existing building or the site, will the visual character of the residential neighborhood be maintained? When parking on both sides of Kansas St. restricts to 14 feet for 2-way traffic the street becomes unsafe for bikes, pedestrians, clients, and residents.

Mesquite Historic District Design Plan:

Land Use: In compliance with the South Mesquite Neighborhood Overlay Zone District

Objective 1 - Encourage more small-scale commercial businesses to locate within walking distance of Mesquite residents. Economic developments and small-scale commercial businesses do exist on the opposite side of this very block.

Objective 2 – Facilitate development of more businesses that cater to other segments of the City of Las Cruces (SFI). Economic development and small-scale commercial businesses can and does occur under the SMO as cottage industry. The current absentee landlord applicants have operated this residence as a short-term rental Airbnb, which is the least obtrusive business use of the existing residence.

Funding and Implementation:

Objective 1 – Implement the strategies in this document.

Strategies 1 – Utilize the adopted overlay zoning district ordinance to improve the neighborhood. Heritage tourism should not be degraded by a commercial rezone. **Staff makes no reference to Chapter 40 – Historic Preservation Ordinance** which states "strengthening of the City's economy through heritage tourism and real estate for the benefit of residents and tourists through promotion and use of historic buildings and cultural sites" (Section 40-02: Declaration of Policy and Intent, pg. 7). **Staff also does not refer to this portion of Elevate Las Cruces**: "A livable community is not only attractive to those that live there, but also to visitors. Therefore, efforts to promote tourism in a community are important to continue to attract visitors and generate positive economic outcomes" (GOAL CL-14: TOURISM, pg. 208)

COMPLIANCE WITH THOROUGHFARE PLANS: this is according to City of Las Cruces Staff with whom I disagree.
Campo Street is designated as a collector roadway by both the Elevate Las Cruces Future Thoroughfare Map and the Mesilla Valley Metropolitan Planning Organization (MPO) Future Thoroughfare Plan. These types of roadways are designed to support the proposed zoning designation and any potential future development. Staff continues to argue that the zone change is appropriate because the address is on Campo St. However, as previously stated, the property is NOT accessed on the Campo thoroughfare; egress is on Kansas. Kansas is a two-way local street and if vehicles are parked on both sides there is not enough traveled way, there is less than 14 feet left. Also, clear site triangles are obstructed by the fencing and rock walls. Kansas as a local requires 30 feet and Campo as a local collector 40 feet. City staff fail to address these traffic issues because they refer to the access and frontage on Campo St!

https://www.lascruces.gov/DocumentCenter/View/176/Revised-Traffic-Standards-PDF

	Arterial	Collector	Local
Arterial	40 / 40	30 / 40	30 / 50
Collector		40 / 40	30 / 40
Local			30 / 30





CONSISTENCY WITH PURPOSE AND INTENT OF THE ZONING ORDINANCE: this is according to City of Las Cruces Staff with whom I disagree.
Per Section 38-2: The intent of the Zoning Code is to encourage the most appropriate use of land and to promote the health, safety, and general welfare of the community for the purpose of improving each citizen's quality of life.

The regulations relevant to the proposed zone change include:
H. Encourage the conservation of energy in the use of structures, buildings, and land. This perfectly good 3bed/2bath residence makes green sense. Older buildings of durable and long-lasting traditionally local materials, retain the natural environment. Commercial upgrades to electric, to hardscape, and for (re)grading and drainage are not climate conducive nor energy efficient.
L. Ensure that development proposals are sensitive to the character of existing neighborhoods. "The City of Las Cruces ("City") declares as a matter of public policy that the protection, preservation, maintenance, care, and use of historic buildings and cultural properties is a public necessity conducive to the general welfare of the people and beneficial to the furtherance of the community's economic prosperity and quality of life" (Section 40-02: Declaration of Policy and Intent, pg. 1).
M. Foster a more rational relationship between different land uses for the mutual benefit of all. Since practical access and frontage is on Kansas St. this is proposal irrationally encroaches into the historic neighborhood, and leapfrogs retail commercial use onto a uniquely residential street.

CRITERIA FOR P&Z DECISIONS:

2. Unreasonably increase the traffic in public streets. Yes, traffic does increase on Kansas St. which is where cars will have to drive and park. There is a bus stop on Campo north of the property, so parking is prohibited on that street.

3. Increase the danger of fire or endanger the public safety. Yes, since customers will need to park on Kansas (and NOT Campo) as a (narrow) two-way local street, when vehicles are parked on both sides emergency vehicles cannot get through. The clear sight triangles are obstructed and increased traffic will increase the possibility of accidents.

4. Deter the orderly and phased growth and development of the community. A zone change to this residence will spot locate the retail, while the rest of Kansas remains residential, the phased development of this entire block is already complete with half commercial mixed use.

6. In any other respect, impair the public health, safety, or general welfare of the city. Cannabis plants emit terpenes (biogenic volite organic compounds) which can cause outdoor air quality issues. The indoor cannabis (marijuana) grows operations (known as "IMGO") also pose a risk of potential health hazards such as mold exposure, pesticide, and chemical exposure (Martyny et al. 2013). Cannabis cultivation typically requires a temperature between 21 and 32 °C, with a relative humidity between 50 and 70% (Koch et al. 2010). The conditions needed for an IMGO are not conducive to sparing the original 114-year-old stuccoed adobe structure.

7. Constitute a spot zone, and therefore, adversely affect adjacent property values. Yes, this action practically constitutes a spot zone. The local collector Campo Street clearly demarcates the parcel from Loretto Town Center. The residence is otherwise completely surrounded by residential homes and is within the Federally recognized portion of the Mesquite Historic District. Commercial is across the street on Campo but again access is on Kansas.

8. Be in harmony with the purpose and intent of the zoning code, sign code, design standards, and other companion codes. The Campo property falls under Section 38-49.2. – the South Mesquite Overlay Ordinance (SMO). All signage shall be of materials and design that are compatible with the architecture of the structure and the residential character of the neighborhood. Electronic moving/digital signs are not permitted in the SMO. Ground signs shall be the only freestanding sign allowed within the SMO and **shall be no greater than two square feet in overall size** (pg. 20).

STAFF COMMENTS:

" No reviewing department had any negative comments nor have any reviewers objected to the proposed rezoning." This is not true. Dr. Ainsworth, the CLC Historic Preservation Specialist, recommended **denial** of the zone change in his staff report to the Historic Preservation Commission. The HPC, after discussing the motion, **voted unanimously to deny the proposed zone change**, with one commissioner absent. Currently the commission consists of 5 commissioners with 2 vacancies.

It is unconscionable that private citizens have to spend this inordinate amount of time to correct the record for your decision to be made! I am opposed to the zone change at 541 S. Campo from R3 to C1 largely for the reasons already cited by the HPC in their unanimous decision to deny the change. We as a community stand to lose more than can be gained.

With all due respect,

Faith Hutson
Former Chair, Historic Preservation Commission
Property owner, South Mesquite Historic District

Support for 541 campo

Israel Chavez <israel.chavez.nm@gmail.com>

Thu 14-Dec-23 12:32 PM

To:John Castillo <jcastillo@lascruces.gov>

You don't often get email from israel.chavez.nm@gmail.com. Learn why this is important

Hello I'd like to voice my support for 541 S Campo to be zone changed from Residential to Commercial.
I especially want to support not requiring endless ugly parking lots.

Saludos,

-Israel Chávez,

[He/Him/His]
C: 505.639.3900

Sent from my iPhone

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RE: Request for Zoning Change 541 S. Campo

Olivia McDonald <mcdonald1625@q.com>

Tue 19-Dec-23 7:14 AM

To:John Castillo <jcastillo@lascruces.gov>

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John Castillo, Case Manager jcastillo@lascruces.gov

RE: Request for Zoning Change 541 S. Campo

This is to voice my concern regarding the request for zone change from residential to commercial.

My understanding is that the intent is to establish a cannibis business, that it is located in an area not conducive to parking, and would increase traffic. It is apparent it would negatively affect the tranquility of the neighborhood.

With the amount of vacant commercial properties throughout Las Cruces, it would seem a more appropriate location already exists without compromising the neighbors at this location. Further it would decrease the availability of a residential property in the Mesquite Historic District.. This may profit the business, but may diminish the value of the surrounding properties which are zoned residential.

Las Esperanzas, Inc, founded in 1999 states in its mission statement to facilitate the preservation, renovation, revitalization, and **protection** of the Mesquite Street-Original Town Site Historic District of Las Cruces, New Mexico. The District area is one of the few remaining intact neighborhoods of its kind between Corpus Christi and San Diego, and is something to be proud of in Las Cruces. The original town site was established in 1849. The original interior royal highway Camino Real de Tierra Adentro flows on Mesquite Street. It is my hope that the Planning & Zoning Department would not approve the potential deterioration, one parcel at a time, such as this, and continue **to protect** this important District in Las Cruces.

(Information: My mother, Consuelo R. Lerma, founded Las Esperanzas.Inc. The organization has been vital in the preservation of the Mesquite Historic District. I was born in the Historic District and am a property owner in the District).

Olivia Lerma McDonald 575-541-1625

Writing to oppose zoning change re Campo/ Kansas st.

Steve Sosa <dtevesosa2@gmail.com>

Tue 19-Dec-23 10:57 AM

To:John Castillo <jcastillo@lascruces.gov>

You don't often get email from dtevesosa2@gmail.com. Learn why this is important

I'm Steve Sosa, lifetime resident and property owner in the historic district. I wanted to attend the meeting and speak in opposition to the proposed change in zoning but I have a family matter to attend to, so I can't be present. The proposed zoning change will have adverse effects on the area and negatively impact the character of the neighborhood. Kansas street is a small, quite residential street in the historic district. The street can not accommodate customer parking. I am aware that ALL the neighbors in the area oppose the change and I join in that opposition. Thank you for considering my opposition.