



Hobbs City Commission
Regular Meeting
City Hall, City Commission Chamber
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico

Monday, March 3, 2025 - 6:00 PM

R. Finn Smith
Commissioner - District 1
Joseph D. Calderón
Commissioner - District 4

Sam D. Cobb, Mayor
Christopher R. Mills
Commissioner - District 2
Dwayne Penick
Commissioner - District 5

Larron B. Fields
Commissioner - District 3
Don R. Gerth
Commissioner - District 6

AGENDA

City Commission Meetings are
Broadcast Live on KHBX FM 99.3 Radio and
View Online at www.hobbsnm.org

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the February 18, 2025, Regular Commission Meeting (*Jan Fletcher, City Clerk*)

PROCLAMATIONS AND AWARDS OF MERIT

2. Proclamation Proclaiming Monday, March 3, 2025, as "*SkillsUSA Day*" (*Sam Cobb, Mayor*)

PUBLIC COMMENTS (Citizens who wish to speak must sign the Public Comment

Registration Form located in the Commission Chamber prior to the beginning of the meeting.)

CONSENT AGENDA (The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)

DISCUSSION

3. City of Hobbs Utilities Department - 2024 Annual Report (*Tim Woomer, Utilities Director*)

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

4. Resolution No. 7592 - Supporting the Eddy-Lea Energy Alliance, LLC, to Respond to the U.S. Department of Energy's Search to Site a Federal Consolidated Interim Storage Facility at its Property (*Medjine Desrosiers-Douyon, Deputy City Attorney*)
5. Resolution No. 7593 - Approving a Development Agreement with Corrales Construction, Concerning the Development of Market Rate Single-Family Housing (*Todd Randall, Assistant City Manager*)
6. Resolution No. 7594 - Approving a Development Agreement with Berry & Gomez, LLC, Concerning the Development of Market Rate Single-Family Housing (*Todd Randall, Assistant City Manager*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

7. Next Meeting Dates:

City Commission Regular Meeting:

- Monday, March 17, 2025, at 6:00 p.m.
- Monday, April 7, 2025, at 6:00 p.m.

ADJOURNMENT

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9200 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be

provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



CITY OF HOBBS
STAFF SUMMARY FORM

MEETING DATE:
March 3, 2025

SUBJECT: Minutes of the February 18, 2025, Regular Commission Meeting

DEPT OF ORIGIN: City Clerk

DATE SUBMITTED: 2/20/2025

SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

Minutes of the regular meeting of the Hobbs City Commission held on February 18, 2025.

Fiscal Impact:

N/A

Attachments:

February 18, 2025 - Minutes

Recommendation:

Motion to approve the minutes.

Approved By:

Jan Fletcher, City Clerk 2/26/2025

Manny Gomez, City Manager

Minutes of the regular meeting of the Hobbs City Commission held on Tuesday, February 18, 2025, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico. This meeting was also broadcast via Livestream on the City's website at www.hobbsnm.org.

Call to Order and Roll Call

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb
Commissioner Joseph D. Calderón
Commissioner Chris Mills
Commissioner Larron B. Fields
Commissioner Don Gerth
Commissioner R. Finn Smith

Also present:

Manny Gomez, City Manager
Todd Randall, Assistant City Manager
Medjine Desrosiers-Douyon, Deputy City Attorney
August Fons, Police Chief
Ricky Guerrero, Police Captain
Marina Barrientes, Police Captain
Mark Doporto, Fire Chief
Ryan Herrera, Deputy Fire Chief
Adam Marinovich, Deputy Fire Chief
Chris Henry, Battalion Chief
Shawn Williams, Fire Marshal
Hayden Able, Fire Inspector
Toby Spears, Finance Director
Bobby Arther, Municipal Judge
Shelia Baker, General Services Director
Chad Littlejohn, Marketing Coordinator
Nichole Lawless, Library Director
Lou Maldonado, Parks Superintendent
Doug McDaniel, Recreation Director
Tim Woome, Utilities Director
Nicholas Goulet, Human Resources Director
Christa Belyeu, I.T. Director
Jan Fletcher, City Clerk
Rose Galavez, Assistant Deputy City Clerk
Alyxandra Salas, City Clerk Record Specialist
31 citizens

Invocation and Pledge of Allegiance

Commissioner Fields delivered the invocation and Commissioner Gerth led the Pledge of Allegiance.

Approval of Minutes

Commissioner Calderón moved the minutes of the regular meeting of February 3, 2025, to be approved as written. Commissioner Smith seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Mr. Manny Gomez, City Manager, recognized the following employees for their Milestone Service Awards for the month of February, 2025:

- 5 years - Jennifer Layland, Recreation Department
- 30 years - Amelia Maldonado, City Clerk's Office

Mr. Gomez thanked the Commission for recognizing the employees. He reviewed highlights about the work of each employee. He expressed gratitude to each employee for their hard work and also thanked the employees' families for their contributions to the organization.

Mr. Gomez presented a shadow box of milestone coins to Ms. Amelia Maldonado in recognition of her 30-year milestone with the City. He praised the work of Ms. Maldonado during her tenure with the City.

Public Comments

Mr. John McRae, Mr. Alejandro Estrello and Lorraine Villegas addressed concerns about immigration within the City and that innocent people are living in fear.

Ms. Becca Titus, United Way of Lea County, introduced Ms. Corrina Carrasco, the new 211 Impact Coordinator. She stated this is Ms. Carrasco's second week with United Way and she is doing a great job and sharing resource information she knows about.

Mr. Edgar Ontiveros requested the Commission's support of his project to use reclaimed water from the City in Nadine. He stated he has been working with the Utilities Department on a contract to help his farm and neighboring farms.

Consent Agenda

Mayor Cobb explained the process for the consent agenda which is reserved for items which are routine when the agenda is lengthy. He stated any member of the

Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.

Commissioner Calderón moved for approval of the following Consent Agenda item(s):

Resolution No. 7587 - Authorizing the Deletion of Three (3) Copiers from the City's Public Inventory

Resolution No. 7588 - Approving the FY 2025 DFA 2nd Quarter (December 2024) Financial Report

Commissioner Mills seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, and Cobb yes. The motion carried. Copies of the resolutions and supporting documentation are attached and made a part of these minutes.

Discussion

HB6 Update - Current Impact of Destination-Based Sourcing on Gross Receipts Tax

Mayor Cobb provided a brief explanation of the HB6 law and stated before this law came into effect, the gross receipts tax charged to the customer was based on the location of the business. Now, under the current law, the gross receipts tax charged to the customer is based on the destination of the sale. If a business is located inside the city limits but doing business out in the oilfield, the City of Hobbs no longer gets that gross receipts tax.

Mr. Toby Spears, Finance Director, gave an update on the current impact of destination-based sourcing for the City of Hobbs since the enactment of HB6. He stated there was a 33% increase from local business going out into Lea County. He presented a several PowerPoint slides that compared numbers pre-HB6 to where we are currently.

Action Items

Consideration of Approval of a CES Contract with Exerplay to Replace the Existing Playground in Clinton Park at the Hobbs Public Library in the Amount of \$177,240.72

Mr. Bryan Wagner, Parks and Open Spaces Director, stated the Parks and Open Spaces Department staff has been working on options to update the current playground located in Clinton Park at Hobbs Public Library. The existing play features at the park are starting to show their age and need replacement. The proposed

replacement playground will include swings, climbers, benches, a slide, and a library-themed play feature. Mr. Wagner stated the playground will also include a poured-in-place (rubberized/cushioned) surfacing. This playground is designed for children ages 5 to 12. He stated the playground will be installed by an authorized contractor through Exerplay, and the cost of the equipment is \$177,240.72. Mr. Wagner displayed a photograph of the proposed playground equipment.

There being no further discussion, Commissioner Fields moved to approve a CES Contract with Exerplay to replace the existing playground in Clinton Park at the Hobbs Public Library in the amount of \$177,240.72 as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

Resolution No. 7590 - Approving an Agreement Between Lea County and the City of Hobbs to Construct a Municipal Sewer Lift Station to Serve the Lea County Regional Airport

Mr. Todd Randall, Assistant City Manager, stated the purpose of this Memorandum of Agreement is to formalize the terms between the City and County regarding the County's contribution of \$750,000.00 toward the City's construction of a sewer lift station. This infrastructure will be located east of the Airport entrance road, adjacent to the Hwy. 62-180 right-of-way. Mr. Randall stated the availability and use of public sewer infrastructure will enhance the health, safety, and welfare of Lea County residents by ensuring proper liquid waste management. In 2022, the City and County entered into an agreement for the water and sewer extension to the Lea County Airport, which was completed in 2023. While water service is now available, the lift station was not constructed at that time. Mr. Randall stated to support on-site sewer improvements at the Airport and facilitate access to the City's sewer system, a lift station is required.

There being no discussion, Commissioner Penick moved to approve Resolution No. 7590 as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

Resolution No. 7591 - Approving the Vacation/Replat Located at the Intersection of Morris Street and Main Street, Lot 12, Block 56 in the New Hobbs Addition

Mr. Todd Randall, Assistant City Manager, stated the property owner is requesting the replat of Lot 12, Block 56 in the New Hobbs Addition, located at the intersection of

Morris and Main Streets and vacation of 1,370 square feet of the Right of Way. The vacation, if approved, will allow the transfer of fee simple ownership of the vacated property to the adjacent property owner. The Planning Board reviewed the request on January 21, 2025, and voted 4-0 to recommend approval.

There being no discussion, Commissioner Penick moved to approve Resolution No. 7591 as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

Comments by City Commissioners, City Manager

Mr. Gomez stated Isaiah's Soup Kitchen will have the Warming Station open at 304 West Harden Blvd. and it will be open for the rest of the week until February 21, 2025. He stated volunteers are needed from 7:00 p.m. until 7:00 a.m. and donations are welcome.

Mr. Gomez thanked Mr. Chad Littlejohn for his active role in being the Marketing Coordinator for the City of Hobbs, and also for taking on the role as Director of Communications. He recognized Mr. Littlejohn for hosting and coordinating the 7th Annual Tree Lighting Ceremony for the year of 2024.

Mr. Gomez introduced the new Director of Communications for the City of Hobbs, Ms. Reanna Alarcon. He stated Ms. Alarcon has 11 years of service and experience with the City of Hobbs by serving as the Hobbs Police Department Public Information Officer. He stated Ms. Reanna Alarcon, along with Mr. Chad Littlejohn, the Marketing Coordinator, the City will have an incredible team in place to market the community and highlight the many wonderful people who work and play in the City of Hobbs.

Mr. Mark Doporto, Fire Chief, gave a special recognition to Mr. Tony Alarcon, for completing and obtaining accreditation from the International Association of Arson Investigators, a globally recognized organization dedicated to advancing fire investigations through the education, certification, and professional development. One of the key certifications is the Fire Investigation Technician, also known as F.I.T., which is a significant certification and recognition within the fire service. There are only 312 individuals accredited with the vehicle fire credential endorsement.

Commissioner Mills stated he has received some anonymous emails from citizens asking questions and some wanting to meet with him. He reiterated his open-door policy and stated he is available to talk in person or on the phone.

Commissioner Fields stated in this day and time, there is a lack of love and compassion for one another. He stated we can only depend on the federal government and the state to do so much. He encouraged everyone to love and look out for one another.

Commissioner Calderón thanked those who spoke about immigration. He stated their concerns are being heard.

Commissioner Penick stated he also has an open-door policy. He stated he enjoyed his weekend in Sante Fe recently, along with some staff from the Fire Department, and stated he believes it is important to gather together in camaraderie and be able to have a relationship outside of work. Commissioner Penick gave special thanks to Ms. Amelia Maldonado and wished congratulations for her 30-year milestone. He stated 30 years is a long time to be dedicated to anything, and she has dedicated her time to the City. He stated she is always very helpful and a pleasure to speak with.

Commissioner Smith also thanked Mr. Amelia Maldonado for her time with the City. He also thanked Mr. Tony Alarcon and congratulated him on the arson certification. Commissioner Smith thanked everyone who gave public comments and stated he appreciates hearing everyone's comments.

Mayor Cobb stated on January 16, 2025 the community lost a true public servant to the City, Mr. Randy Owensby. He stated Mr. Owensby served on the Commission in 1990 and was Mayor of Hobbs from March 1994 to March 1996. Personally, and on behalf of the Commission, he extended his condolences to the Owensby Family along with his deepest sympathies.

ADJOURNMENT

There being no further business or comments, Commissioner Calderón moved that the meeting adjourn. Commissioner Penick seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried and the meeting adjourned at 7:00 p.m.

SAM COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, SkillsUSA is America’s proud champion of the skilled trades. It’s a student led industry that’s building the skilled workforce our nation depends on with graduates who are career ready, day one; and

WHEREAS, Cyna Centeno and Abigale Tramell, seniors, and Karyme Contreras, a sophomore, at Hobbs High School, have been the leaders in the mission to plant trees around Hobbs. Sarah Callaway a leader of SkillsUSA said Cyna moved here from the Philippines and she had a vision for Hobbs to make it more than just an “oil field town” so she wanted to plant trees to help bring the community together; and

WHEREAS, SkillsUSA has three pillars, which are Personal Skills, Workplace Skills, and Technical Skills. In those three pillars are 18 elements and that is where the group came up with planting 18 trees. There will be 1 tree at each elementary school and 5 at CTECH; and

WHEREAS, Cyna, Karyme and Abigale on their own set out to raise funding for the purchase of the trees. They got with local businesses and non-profits and raised the funding for the trees. The City of Hobbs Parks and Open Spaces Department will assist them in planting the trees; and

NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim March 3rd, 2025, as

"SKILLSUSA LEADERSHIP DAY"

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of March, 2025, and cause the seal of the City of Hobbs to be affixed hereto.

SAM D. COBB, MAYOR

ATTEST:

JAN FLETCHER, CITY CLERK



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
March 3, 2025

SUBJECT: Resolution No. 7592 - Supporting the Eddy-Lea Energy Alliance, LLC, to Respond to the U.S. Department of Energy's Search to Site a Federal Consolidated Interim Storage Facility at its Property

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 2/24/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

The City of Hobbs, Lea County, Eddy County and the City of Carlsbad are members of the Eddy-Lea Energy Alliance (ELEA). ELEA owns property on the Eddy/Lea County line that has been characterized by the federal government as a possible temporary storage for nuclear material. The project has potential for significant economic development for the parties.

The U.S. Department of Energy is in search of a federal consolidated interim storage facility to help manage the nation's commercially spent nuclear fuel.

The Resolution will authorize ELEA to respond to DOE's search for a site facility, express its interest in conjunction with Holtec International and respond to the DOE's request for information.

Fiscal Impact:

There should not be an impact to the 2024-2025 fiscal budget.

Attachments:

Resolution - Authorizing interest to site CISF. Mayor's edits.

Recommendation:

Adopt the Resolution as presented.

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney 2/27/2025

Toby Spears, Finance Director 2/27/2025

Medjine Desrosiers-Douyon, Deputy City Attorney 2/27/2025

Manny Gomez, City Manager 2/27/2025

CITY OF HOBBS

RESOLUTION NO. 7592

A RESOLUTION SUPPORTING THE EDDY-LEA ENERGY ALLIANCE, LLC. TO
RESPOND TO THE U.S. DEPARTMENT OF ENERGY'S SEARCH TO SITE A
FEDERAL CONSOLIDATED INTERIM STORAGE FACILITY AT ITS PROPERTY

WHEREAS, the City of Hobbs, Lea County, Eddy County and the City of Carlsbad are members of the Eddy-Lea Energy Alliance, LLC (ELEA) in conjunction with property on the Lea/Eddy County line; and

WHEREAS, the City of Hobbs is in support of ELEA responding to the U.S. Department of Energy's (DOE) search for a federal consolidated interim storage facility to site a facility on the ELEA property; and

NOW, THEREFORE, BE IT RESOLVED after an "expression of interest," ELEA shall proceed to the next phase in conjunction with Holtec for a request for information (RFI) on the status of the ELEA site and license requirements; and

BE IT FURTHER RESOLVED should any federal funding be received for establishing consent, characterization, U.S. Nuclear Regulatory Commission (NRC) licensing or other requirements, the funds shall be shared with Holtec based on pro-rata expense; and

BE IT FURTHER RESOLVED if ELEA responds to the RFP, ELEA and Holtec will enter into negotiations to amend the Option Agreement and Revenue Sharing Agreement. If the Board Members of ELEA approve the amendments to the Option Agreement and Revenue Sharing Agreement. Those amendments must then be ratified by the members (cities and counties) of the Eddy-Lea Energy Alliance.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the governing body of the City of Hobbs, New Mexico, that the Mayor be and hereby is authorized to support Eddy-Lea Energy Alliance, LLC. to contact the U.S. Department of Energy and express interest to site a federal consolidated interim storage facility on the ELEA property and respond to the second step for a request of information in conjunction with Holtec to explain the status of the ELEA site and license.

PASSED, ADOPTED AND APPROVED this 3RD day of March, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
March 3, 2025

SUBJECT: Resolution No. 7593 - Approving a Development Agreement with Corrales Construction, Concerning the Development of Market Rate Single-Family Housing

DEPT OF ORIGIN: Planning

DATE SUBMITTED: 2/24/2025

SUBMITTED BY: Kristalyn Seepersad, Planning Project Manager

Summary:

Corrales Construction has requested a Development Agreement concerning the development of single-family housing units located within the municipal boundaries and extraterritorial jurisdiction (ETJ). The developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$150,000. The proposed Development Agreement is based on the proposed new incentive policy.

Fiscal Impact:

Budget	22-4022-44901-00387 (Lea County Housing Grant)
Available	\$2,263,056
Development Agreement	\$150,000

Attachments:

(3-3-25) Corrales Construction LLC SFIRDA RESO
(3-3-25) Corrales Construction LLC SFIRDA
DECLARATION OF RESTRICTIVE COVENANTS

Recommendation:

Commission to consider approval/denial of Resolution and Development Agreement.

Approved By:

Todd Randall, Assistant City Manager	2/24/2025
Toby Spears, Finance Director	2/24/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	2/24/2025
Manny Gomez, City Manager	2/24/2025

CITY OF HOBBS

RESOLUTION NO. 7593

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH CORRALES CONSTRUCTION LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Corrales Construction LLC concerning the development of market rate single-family housing within the municipal boundary and the extraterritorial jurisdiction (ETJ); and

WHEREAS, the aforementioned Development Agreement allows for an incentive of reimbursement of public infrastructure for this type of development, said agreement being in the best interest of the City.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that

1. The City of Hobbs hereby approves the Development Agreement, which is attached hereto and made a part of this Agreement as Exhibit #1 and the Mayor, and/or his designee, is hereby authorized to execute the Agreement.

2. That City staff and officials are authorized to do any and all deeds to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 3rd day of March, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into on this 3rd day of March 2025 by and between the City of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and **Corrales Construction LLC, 1824 Indian Rd., Carlsbad, NM 88220**, (hereinafter "Developer") for the purpose of delivering Housing Developer Services to be provided to the City.

RECITALS:

** The City requires to contract with a Market Rate Single Family Development Company to deliver Single Family Market Rate Housing to the Citizens of Hobbs, New Mexico.

** Developer has submitted a proposal to the City to deliver the required Market Rate Single Family Housing, to be produced within 365 days of ratification of this agreement, within the City of Hobbs and the extraterritorial jurisdiction (ETJ) boundary.

** Any outstanding Development Agreements between the Developer and the City of Hobbs concerning the production of Market Rate Single Family Housing shall become null and void upon the ratification of this agreement herewith.

NOW, THEREFORE, the City of Hobbs and Developer do hereby agree as follows:

A. Work To Be Performed.

1. The Developer shall furnish to the City its Professional Housing Developer Services for certain work regarding the Market Rate Single Family Housing. All single family structures completed under this agreement shall be located within the City of Hobbs and the ETJ boundaries and shall have received a certificate of occupancy after ratification of this agreement.

2. Developer shall furnish to City its professional Housing Developer Services as provided by this Agreement. The specific duties include the production and delivering to the public Market Rate Single Family Housing Units in Hobbs. Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

3. Specific activities required are to develop privately owned real property in the City including designing, building and transferring to the public individual market rate single family housing units. The City's subsidy may include any or all of the following funding assistance from the City:

Incentives are available for installed public municipal infrastructure only, providing compliance with:

- a. Incentive not to exceed per square footage basis:
 - i. \$20.00 per sq. ft. in an in-fill areas
 - ii. \$15.00 per sq. ft. in new residential areas
 - iii. Calculation based on living area only
- b. Incentive not to exceed per unit basis:
 - i. \$17,000.00 per single family unit within an in-fill area
 - ii. \$15,000.00 per single family unit
 - iii. \$7,500 per multi-family unit

- c. Incentive not to exceed fair share per linear foot of infrastructure basis:
 - i. **\$255.00 per lineal front footage** of complete public infrastructure, and further broken down as follows:
 - 1. **Water (\$45.00 / lf):**
 - a. Forty-Five dollars (\$45.00) per equivalent front foot of lot to which water service is provided (8" minimum service single family & 10" minimum service for multi-family);
 - 2. **Sewer (\$50.00 / lf):**
 - a. Fifty dollars (\$50.00) per equivalent front foot of lot to which sewer service is provided (8" minimum service single family & 10" minimum service for multi-family);
 - 3. **Street (\$125.00 / lf):**
 - a. One Hundred Twenty-Five dollars (\$125.00) per equivalent front foot of lot to which street is provided (built to Minor Residential standards as defined within the City of Hobbs Major Thoroughfare Plan);
 - 4. **Sidewalk: (\$35.00 / lf):**
 - Thirty-five dollars (\$35.00) per equivalent front foot of lot to which sidewalk is provided;

Based on quantities of required publicly owned infrastructure installed supporting the project, the City Engineer shall determine if the value of the infrastructure is adequate as an equal exchange of value for the amount of City subsidy contributed to the market rate single family housing unit. The City Engineer shall resolve any issues concerning value or extent of infrastructure and amount of square footage of constructed housing units. Specifically, the City Engineer will determine the value or unit costs of the publicly owned infrastructure according to any City of Hobbs Annual Pavement/Concrete/Utility Contracts or public infrastructure projects and estimates.

B. Payment for Services.

- 1) The City shall pay for said services at the rates agreed to and as specified above in the Infrastructure details, as shown herein. Payment will not be made by the City for any unit until a certificate of occupancy is issued, based on this Agreement.
- 2) The total compensation to be paid to the Developer during the term of this Agreement shall not exceed One Hundred and Fifty Thousand Dollars (\$150,000.00), unless the Agreement is amended by the City Commission.
- 3) City subsidy shall be paid when each individual single family unit is complete and certificate of occupancy is issued, provided the certificate of occupancy for the unit is issued after ratification of this agreement. Payment will be made within fifteen (15) days following a written request from the Developer and upon City inspection of project completion.

4) Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time. Such usage either now or in the future, for a period not to exceed 10 years from date of issuance of a C.O., shall require Developer to return any incentive funds received for any unit thus utilized, upon demand by the City. Developer shall record a "Declaration of Restrictive Covenants", attached hereto as Exhibit 2, to restrict such usage and to notify parties involved in future conveyances.

C. Construction Requirements.

High Wind Events: During high wind events, contractors must implement effective mitigation measures and best management practices (BMPs) to minimize blowing trash and airborne dust. This includes deploying wind barriers such as fencing or tarps around work areas, securing loose materials and debris with weighted coverings, and promptly collecting and disposing of waste to prevent it from becoming windborne. Additionally, contractors should apply water or soil stabilizers to exposed surfaces to suppress dust and adjust work schedules to avoid high-risk activities during extreme wind conditions. Regular site inspections and immediate corrective actions ensure compliance with environmental regulations and protect surrounding communities from the impacts of wind-driven debris and dust.

D. Assignment of Agreement.

This Section refers to assignability of this Agreement, and not to assignability of the Project to be developed for housing. Developer shall not assign or transfer any interest in this Agreement. Except that Developer is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which the Developer is the principal party or to an affiliated company, working with the Developer on the Project. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Consent shall not unreasonably be withheld by either party.

E. Insurance Requirements and Hold Harmless Provision.

1. Developer agrees to obtain and maintain appropriate insurance during the course of the development of market rate single family housing with the City of Hobbs, as follows, and shall indemnify and hold harmless City, its employees, agents, officers and officials from any and all claims, losses, causes of action, and/or liabilities resulting from the conduct, negligence, errors or omissions of Developer or any employee or agent of Developer while engaged in performing the services called for herein.

2. The Developer shall maintain insurance coverage for General Liability, Automobile Liability, Errors and Omissions Insurance, and Workers' Compensation, subject to review and approval of the City Attorney.

F. Governing Law and Provisions.

1. This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed

in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

1. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in-house counsel.

G. Final Payment and Release of Claims.

1. Developer, upon final payment of all amounts due under this Agreement, releases the City and its officers and employees from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

2. City, upon Developer's final completion of all work items and covenants required of the Developer under this Agreement, shall release the Developer from all liabilities, claims and obligations whatsoever arising from or under this Agreement, on the day that is ten (10) years following the date of the City's issuance of a final certificate of occupancy on the Project.

H. Amendments.

This Agreement shall not be altered, changed, or amended except by written instrument approved and executed by both parties hereto.

I. Breach.

1. The following events constitute a breach of this Agreement by Developer:
 - a) Developer's failure to perform or comply with any of the terms, conditions or provisions of this Agreement.
2. The following events constitute a breach of this Agreement by City:
 - a) City's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including making timely and appropriate payments to the Developer.

J. Remedies Upon Breach.

1. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.
2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement.

K. Termination.

This Agreement shall be terminated upon the completion of all tenants herein specified or

365 days from date of ratification whichever comes first. A request for infrastructure reimbursement, for a qualified unit produced within the terms of this agreement, received after the Termination Date of this agreement will not eligible for payment.

L. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by regular mail, postage prepaid, to the City, ATTN: City Attorney, 200 E. Broadway, Hobbs, NM 88240; to Developer ATTN: **Corrales Construction LLC, 1824 Indian Rd., Carlsbad, NM 88220** and to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

M. Entire Agreement.

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

City of Hobbs

Developer

By: Sam D. Cobb, Mayor

By: Corrales Construction, LLC

ATTEST:

APPROVED AS TO FORM:

JAN FLETCHER, City Clerk

Medjine Desrosiers-Douyon, Deputy City Attorney

DECLARATION OF RESTRICTIVE COVENANTS
FOR LOT # _____, OF BLOCK # _____ WITHIN
Zia Crossing SUBDIVISION

THIS DECLARATION made this 03 day of March, 2025, by Corrales Construction, LLC.

RECITALS:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and by this reference incorporated herein as the "Property"; and

WHEREAS, Declarant has requested incentive funds from the City of Hobbs, New Mexico, a New Mexico Municipal Corporation; and

WHEREAS, a proviso of receipt of such funds so requested is to restrict certain usage of the property to the benefit of the City.

NOW THEREFORE, Declarant on behalf of themselves, beneficiaries, personal representatives, successors and assigns does hereby make and establish for said property the following restrictive covenant which is to run with the land and shall be binding on all parties hereto, and all persons claiming by, through and under them until 2035.

1. The property as described herein shall not be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

IN WITNESS WHEREOF, I hereby set my hand this _____ day of _____, 20__.

Declarant:

STATE OF NEW MEXICO)
 (SS.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on this ____ day of _____, 20__ by _____, to me personally known, who being by me duly sworn did say that he executed the same as his free act and deed.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public _____

My Commission Expires: _____



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
March 3, 2025

SUBJECT: Resolution No. 7594 - Approving a Development Agreement with Berry & Gomez, LLC, Concerning the Development of Market Rate Single-Family Housing

DEPT OF ORIGIN: Planning

DATE SUBMITTED: 2/18/2025

SUBMITTED BY: Kristalyn Seepersad, Planning Project Manager

Summary:

Berry & Gomez LLC has requested a Development Agreement concerning the development of single-family housing units located within the municipal and extraterritorial jurisdiction (ETJ) boundaries. The developer proposes to produce market rate single-family units and is requesting infrastructure incentives of \$70,000. The proposed Development Agreement is based on the proposed new incentive policy.

Fiscal Impact:

Budget	22-4022-44901-00387 (Lea County Housing Grant)
Available	\$2,263,056
Development Agreement	\$70,000

Attachments:

(3-3-25) Northland Estates SFIRDA RESO
(3-3-25) Northland Estates SFIRDA
DECLARATION OF RESTRICTIVE COVENANTS

Recommendation:

Commission to consider approval/denial of Resolution and Development Agreement.

Approved By:

Todd Randall, Assistant City Manager	2/24/2025
Toby Spears, Finance Director	2/24/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	2/24/2025
Manny Gomez, City Manager	2/24/2025

CITY OF HOBBS

RESOLUTION NO. 7594

A RESOLUTION TO APPROVE A DEVELOPMENT AGREEMENT WITH BERRY & GOMEZ, LLC CONCERNING THE DEVELOPMENT OF MARKET RATE SINGLE-FAMILY HOUSING.

WHEREAS, the City of Hobbs is proposing to enter into a Development Agreement with Berry & Gomez, LLC concerning the development of market rate single-family housing within the municipal boundary and the extraterritorial jurisdiction (ETJ); and

WHEREAS, the aforementioned Development Agreement allows for an incentive of reimbursement of City Owned infrastructure for this type of development, said agreement being in the best interest of the City.

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that:

1. The City of Hobbs hereby approves the Development Agreement, which is attached hereto and made a part of this Agreement as Exhibit #1 and the Mayor, and/or his designee, is hereby authorized to execute the Agreement.

2. That City staff and officials are authorized to do any and all deeds to carry out the intent of this Resolution.

PASSED, ADOPTED AND APPROVED this 3rd day of March, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

MARKET RATE SINGLE FAMILY DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into on this 3rd day of March 2025 by and between the City of Hobbs, New Mexico, a municipal corporation (hereinafter "City"); and **Berry & Gomez LLC, 7810 West Stiles Rd., Hobbs, NM 88242**, (hereinafter "Developer") for the purpose of delivering Housing Developer Services to be provided to the City.

RECITALS:

** The City requires to contract with a Market Rate Single Family Development Company to deliver Single Family Market Rate Housing to the Citizens of Hobbs, New Mexico.

** Developer has submitted a proposal to the City to deliver the required Market Rate Single Family Housing, to be produced within 365 days of ratification of this agreement, within the City of Hobbs and the extraterritorial jurisdiction (ETJ) boundary.

** Any outstanding Development Agreements between the Developer and the City of Hobbs concerning the production of Market Rate Single Family Housing shall become null and void upon the ratification of this agreement herewith.

NOW, THEREFORE, the City of Hobbs and Developer do hereby agree as follows:

A. Work To Be Performed.

1. The Developer shall furnish to the City its Professional Housing Developer Services for certain work regarding the Market Rate Single Family Housing. All single-family structures completed under this agreement shall be located within the City of Hobbs and the ETJ boundaries and shall have received a certificate of occupancy after ratification of this agreement.

2. Developer shall furnish to City its professional Housing Developer Services as provided by this Agreement. The specific duties include the production and delivering to the public Market Rate Single Family Housing Units in Hobbs. Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

3. Specific activities required are to develop privately owned real property in the City including designing, building and transferring to the public individual market rate single family housing units. The City's subsidy may include any or all of the following funding assistance from the City:

Incentives are available for installed public municipal infrastructure only, providing compliance with:

- a. Incentive not to exceed per square footage basis:
 - i. \$20.00 per sq. ft. in an in-fill areas
 - ii. \$15.00 per sq. ft. in new residential areas
 - iii. Calculation based on living area only
- b. Incentive not to exceed per unit basis:
 - i. \$17,000.00 per single family unit within an in-fill area
 - ii. \$15,000.00 per single family unit
 - iii. \$7,500 per multi-family unit

- c. Incentive not to exceed fair share per linear foot of infrastructure basis:
 - i. **\$255.00 per lineal front footage** of complete public infrastructure, and further broken down as follows:
 - 1. **Water (\$45.00 / lf):**
 - a. Forty-Five dollars (\$45.00) per equivalent front foot of lot to which water service is provided (8" minimum service single family & 10" minimum service for multi-family);
 - 2. **Sewer (\$50.00 / lf):**
 - a. Fifty dollars (\$50.00) per equivalent front foot of lot to which sewer service is provided (8" minimum service single family & 10" minimum service for multi-family);
 - 3. **Street (\$125.00 / lf):**
 - a. One Hundred Twenty-Five dollars (\$125.00) per equivalent front foot of lot to which street is provided (built to Minor Residential standards as defined within the City of Hobbs Major Thoroughfare Plan);
 - 4. **Sidewalk: (\$35.00 / lf):**
 - Thirty-five dollars (\$35.00) per equivalent front foot of lot to which sidewalk is provided;

Based on quantities of required publicly owned infrastructure installed supporting the project, the City Engineer shall determine if the value of the infrastructure is adequate as an equal exchange of value for the amount of City subsidy contributed to the market rate single family housing unit. The City Engineer shall resolve any issues concerning value or extent of infrastructure and amount of square footage of constructed housing units. Specifically, the City Engineer will determine the value or unit costs of the publicly owned infrastructure according to any City of Hobbs Annual Pavement/Concrete/Utility Contracts or public infrastructure projects and estimates.

B. Payment for Services.

- 1) The City shall pay for said services at the rates agreed to and as specified above in the Infrastructure details, as shown herein. Payment will not be made by the City for any unit until a certificate of occupancy is issued, based on this Agreement.
- 2) The total compensation to be paid to the Developer during the term of this Agreement shall not exceed Seventy Thousand Dollars (\$70,000.00), unless the Agreement is amended by the City Commission.
- 3) City subsidy shall be paid when each individual single family unit is complete and certificate of occupancy is issued, provided the certificate of occupancy for the unit is issued after ratification of this agreement. Payment will be made within fifteen (15) days following a written request from the Developer and upon City inspection of project completion.

4) Produced Units receiving an infrastructure incentive reimbursement shall not now or in the future be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time. Such usage either now or in the future, for a period not to exceed 10 years from date of issuance of a C.O., shall require Developer to return any incentive funds received for any unit thus utilized, upon demand by the City. Developer shall record a "Declaration of Restrictive Covenants", attached hereto as Exhibit 2, to restrict such usage and to notify parties involved in future conveyances.

C. Construction Requirements.

High Wind Events: During high wind events, contractors must implement effective mitigation measures and best management practices (BMPs) to minimize blowing trash and airborne dust. This includes deploying wind barriers such as fencing or tarps around work areas, securing loose materials and debris with weighted coverings, and promptly collecting and disposing of waste to prevent it from becoming windborne. Additionally, contractors should apply water or soil stabilizers to exposed surfaces to suppress dust and adjust work schedules to avoid high-risk activities during extreme wind conditions. Regular site inspections and immediate corrective actions ensure compliance with environmental regulations and protect surrounding communities from the impacts of wind-driven debris and dust.

D. Assignment of Agreement.

This Section refers to assignability of this Agreement, and not to assignability of the Project to be developed for housing. Developer shall not assign or transfer any interest in this Agreement. Except that Developer is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which the Developer is the principal party or to an affiliated company, working with the Developer on the Project. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Consent shall not unreasonably be withheld by either party.

E. Insurance Requirements and Hold Harmless Provision.

1. Developer agrees to obtain and maintain appropriate insurance during the course of the development of market rate single family housing with the City of Hobbs, as follows, and shall indemnify and hold harmless City, its employees, agents, officers and officials from any and all claims, losses, causes of action, and/or liabilities resulting from the conduct, negligence, errors or omissions of Developer or any employee or agent of Developer while engaged in performing the services called for herein.

2. The Developer shall maintain insurance coverage for General Liability, Automobile Liability, Errors and Omissions Insurance, and Workers' Compensation, subject to review and approval of the City Attorney.

F. Governing Law and Provisions.

1. This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed

in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

1. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement, including the expenses of in-house counsel.

G. Final Payment and Release of Claims.

1. Developer, upon final payment of all amounts due under this Agreement, releases the City and its officers and employees from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

2. City, upon Developer's final completion of all work items and covenants required of the Developer under this Agreement, shall release the Developer from all liabilities, claims and obligations whatsoever arising from or under this Agreement, on the day that is ten (10) years following the date of the City's issuance of a final certificate of occupancy on the Project.

H. Amendments.

This Agreement shall not be altered, changed, or amended except by written instrument approved and executed by both parties hereto.

I. Breach.

1. The following events constitute a breach of this Agreement by Developer:
 - a) Developer's failure to perform or comply with any of the terms, conditions or provisions of this Agreement.
2. The following events constitute a breach of this Agreement by City:
 - a) City's failure to perform or comply with any of the terms, conditions or provisions of this Agreement, including making timely and appropriate payments to the Developer.

J. Remedies Upon Breach.

1. Any party may sue to collect any and all damages that may accrue by virtue of the breach of this Agreement.
2. If any party is found by a court to have breached this Agreement, the breaching party agrees to pay all reasonable costs, attorney's fees and expenses that shall be made or incurred by another party in enforcing any covenant or provision of this Agreement.

K. Termination.

This Agreement shall be terminated upon the completion of all tenants herein specified or 365 days from date of ratification whichever comes first. A request for infrastructure reimbursement, for a qualified unit produced within the terms of this agreement, received after the Termination Date of this agreement will not eligible for payment.

L. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by regular mail, postage prepaid, to the City, ATTN: City Attorney, 200 E. Broadway, Hobbs, NM 88240; to Developer ATTN: **Berry & Gomez LLC, 7810 West Stiles Rd., Hobbs, NM 88242** and to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

M. Entire Agreement.

The foregoing constitutes the entire agreement between the parties hereto and may be modified only in writing by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

City of Hobbs

Developer

By: Sam D. Cobb, Mayor

By: Berry & Gomez, LLC

ATTEST:

APPROVED AS TO FORM:

JAN FLETCHER, City Clerk

Medjine Desrosiers-Douyon, Deputy City Attorney

DECLARATION OF RESTRICTIVE COVENANTS
FOR LOT #____, OF BLOCK #____ WITHIN
NORTHLAND ESTATES EAST AND WEST SUBDIVISION

THIS DECLARATION made this 03 day of March, 2025, by Berry & Gomez, LLC.

RECITALS:

WHEREAS, Declarant is the owner of the real property described in Exhibit "A" attached hereto and by this reference incorporated herein as the "Property"; and

WHEREAS, Declarant has requested incentive funds from the City of Hobbs, New Mexico, a New Mexico Municipal Corporation; and

WHEREAS, a proviso of receipt of such funds so requested is to restrict certain usage of the property to the benefit of the City.

NOW THEREFORE, Declarant on behalf of themselves, beneficiaries, personal representatives, successors and assigns does hereby make and establish for said property the following restrictive covenant which is to run with the land and shall be binding on all parties hereto, and all persons claiming by, through and under them until 2035.

1. The property as described herein shall not be utilized in a pecuniary manner by renting, leasing, exchanging or bartering habitation privileges to the property for a period of no less than 30 days at a time.

IN WITNESS WHEREOF, I hereby set my hand this _____ day of _____, 20__.

Declarant:

STATE OF NEW MEXICO)
 (SS.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on this ____ day of _____, 20__ by _____, to me personally known, who being by me duly sworn did say that he executed the same as his free act and deed.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public _____

My Commission Expires: _____