

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Thursday, March 29th, 2018**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of December 13, 2017.
4. Discussion & action regarding renewal of statistical data and website property database, Chase Gentry.
5. Discussion and action regarding funding to complete environmental clearances for the City of Clovis Industrial Park, Chase Gentry.
6. Economic Development Fund Financial Report, Justin Howalt.
7. Update regarding CIDC, Mr. Chase Gentry.
8. For the good of the order.
9. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week 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 at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Incentive Board met in regular session at 7:30 a.m., Thursday, March 29th, 2018 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Brett Johnson, County Representative
Vince Tyson, CIDC
Kyle Snider, District 1 (via telephone)
Raymond Mondragon, District 4
Megan Palla, Bank/Finance/Accountant

ABSENT:

John D. Gutierrez, Utility Service Provider
Mike Hamilton, District 2
Linda Robles, District 3
Johnnie Jones, Bank/Finance/Accountant

EX-OFFICIO PRESENT:

Chase Gentry, CIDC

ALSO PRESENT:

Claire Burroughes, Administration
Vicki Reyes, Administration
Commissioner Helen Casaus
Gene Hendrick, CIDC
David Richards, City Attorney
Ernie Kos, Chamber of Commerce

Mr. Howalt called the meeting to order at 7:33 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of December 13, 2017

Mr. Mondragon made a motion to approve the minutes of December 13, 2017 as presented; Mr. Johnson seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Discussion & action regarding renewal of statistical data and website property database

Mr. Gentry stated this would be the third year that they have had this service. They are also able to put on properties that might be available that aren't listed. One thing this offers is that it allows them to bring in real estate property and they can build a package off of this if it is a company. It is being used nationwide by real estate agents and developers. Any commercial property that is listed is in the system. It is \$9,000 for the year. Mr. Mondragon asked if they have noticed a lot of activity. Mr. Gentry stated this was all seamless into one website on the chamber's website.

Mr. Hendrick asked if the enterprise information would be on this eventually. Mr. Gentry stated once that was approved those layers would be added in. They can look at all of the federal and state zones.

Mr. Tyson stated Plateau would be happy to work with them if they need some data. Mr. Howalt asked where they get the GIS database. Mr. Gentry stated he was not sure. It can all be added

Mr. Mondragon moved for approval; Mr. Johnson seconded the motion, which passed by acclamation.

Agenda Item No. 5 - Discussion and action regarding funding to complete environmental clearances for the City of Clovis Industrial Park

Mr. Gentry stated they have been working on two site certifications for the Industrial Park, one was Excel Energy. They got a quote from CDM for \$26,000 to do the environmental assessments. This would become a certified site on BNSF's site. They are going to put money and try to get clients in to the certified site. Clovis will be the 3rd in New Mexico and they have been working on this for 8 months. They have one lateral water line to complete and railroad spurs depending on what clients come in.

Mr. Howalt asked about Belen and Gallup if they have seen success. Mr. Gentry stated Gallup had two clients talking about the park at a trade show in Albuquerque. They have a unit spur that they developed and they are promoting that whole piece.

Mr. Johnson asked if they are doing core samples on the environmental assessment. Mr. Howalt stated it was a wetland survey and an endangered species clearance. They will put everything into a final document. Mr. Johnson asked who the company was. Mr. Howalt stated CDM Smith and they have done a lot of work for the city in the past. They do all of the landfill engineering. Mr. Johnson stated that was a lot of money to do for a site assessment. Mr. Gentry stated if they go with USDA standards there are some additional things that would need to be completed. They aren't sure they will have to do this but they thought they would put it in anyway. Mr. Howalt stated they could make this contract a time and materials contract instead of a lump sum contract with a not to exceed number.

Ms. Palla asked if they were paying \$26,000 to receive a certification for BNSF to help market the site. Mr. Gentry stated these are new requirements based on their certification.

Mr. Howalt asked how long the environmental clearance would last before they have to redo it. Mr. Gentry stated he was not sure. BNSF out of Dallas has hired a consultant that is around wetlands. Part of the stipulations are to have all of these things cleared.

Mr. Tyson asked why the USDA was involved in this. Mr. Gentry stated as long as they are doing the study there might be some advantage to getting the certification.

Ms. Palla asked if any of the properties that BNSF have listed ever sold. Mr. Gentry stated this is fairly new but Gallup has seen some success. He stated he contacted the state asking how they could get certified. They have done 2-3 months of work to get certified and this was the one piece that they didn't have.

Mr. Howalt asked if they could be denied. Mr. Gentry stated not if they have this. Mr. Tyson asked if BNSF does not require is Mr. Gentry suggesting they proactively do this in case someone uses USDA financing. Mr. Gentry stated or if they apply for money to put in infrastructure. He stated he has never done a USDA loan or grant. Mr. Tyson asked if there were any projects in the future that would use this. Mr. Gentry stated they are still working with Bob Salazar with the BioEnergy plant. Mr. Tyson stated it feels like the USDA piece is speculative. He asked if it would cost the same in two years to do this. Mr. Howalt stated USDA typically has population requirements to qualify for their grants and loans. The City

of Clovis is way over the population requirement. Mr. Gentry stated they did not annex the park so that it was eligible within the county population. Mr. Tyson stated that area was available but feels speculative when there are not any projects on the horizon.

Mr. Mondragon asked if they could renegotiate. Mr. Howalt stated if they did time and materials then they would only charge for actual time. Mr. Mondragon made a motion to approve with the concept of time and materials not to exceed \$16,000 for BNSF site certification only; Mr. Johnson seconded the motion, which passed by acclamation.

Agenda Item No. 6 - Economic Development Fund Financial Report

Mr. Howalt stated the revenue for the period ending 12/29/18 year to date is \$768,000 on fund 64, total expenditures year to date are \$98,000. The balance in the fund is \$2.9 million.

Agenda Item No. 7 - Update regarding CIDC

Mr. Gentry stated all of the projects they have out are approved by the City Commission and they have no defaults on the contracts. The Commission authorized Gavalon Grain to receive their \$20,000 post performance grant for this year and Cherney Labs also were approved their \$8,000 post performance grant. Mid Frisian dairy had a \$500 lease that was due to the city and they have paid that.

SWC has completed their construction on the 3rd phase and have hired 48 employees. They have paid for 2017, \$281,144 and \$100,000 went to the Clovis Schools foundation. They had the first PILOT payment for the 3rd phase IRB which was broken down into four sections. The City received \$77,892, schools received \$62,400, Curry County received \$23,549 and Clovis Community College received \$16,303. They did not have 400 employees in 2017 so those payments were higher. Mr. Hendrick asked if SWC have ever received LEDA funds. Mr. Gentry stated \$350,000

Clovis Milk Shuttle facility were going to be located adjacent to the entrance of SWC. They have been approved by the County to do some trap turnout in and out of that facility. They are looking at a \$15 million investment. They haven't started construction but are working on their final plans and it should add additional jobs. They will lease the land from SWC.

They have two solar projects they are working and are also working with Pattern Energy who are looking to start phase 3 of their Grady project. Mr. Johnson asked how many jobs the solar farms create. Mr. Gentry stated 10-12 permanent.

Mr. Richards asked what the status was on Natural Chem. Mr. Gentry stated they are still moving forward but have not heard any time frame.

Mr. Gentry stated they have a manufacturing company that is looking to bring in 15-20 jobs into Clovis.

Mr. Gentry stated the Association of Counties is trying to pass legislation to limit the ability for cities to issue Industrial Revenue Bonds outside their limits. Mr. Richards asked if Curry County has taken a stand on the IRBs. Mr. Gentry stated Senator Woods told him the County have not and would not.

Mr. Gentry stated they met with a renewable energy company last week that are interested in a project in Curry County. They will be attending several trade shows between now and June. Mr. Mondragon asked what the status was on Tres Amigas. Mr. Gentry stated he had not heard anything from them. Mr. Howalt asked how they were promoting. Mr. Gentry stated they have New Mexico Partnership as a

partner and they develop leads and then CIDC works with them. They are not doing cold calls. A lot ties into the Partnership and their promotion.

Agenda Item No. 8 - For the good of the order

Mr. Mondragon stated ENM Spring Job Fair is April 12th at the Civic Center.

Ms. Burroughes stated the City of Clovis was conducting its comprehensive plan. The last time this was done was in 2007. They have hired Consensus Planning to work with the city to accomplish this. There will be a town hall meeting on April 9th at 6:00 p.m. at the Civic Center. She stated she would send the board the section relating to economic development from the last comprehensive plan and would send the section of goals that were outlined.

Agenda Item No. 9 - Adjournment

There being no further business to come before the board the meeting adjourned at 8:16 a.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Friday, June 29th, 2018**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of March 29, 2018.
4. Economic Development Fund Financial Report, Justin Howalt.
5. Update regarding CIDC, Mr. Chase Gentry.
6. For the good of the order.
7. Adjournment.

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STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Incentive Board met in regular session at 7:30 a.m., Friday, June 29th, 2018 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Brett Johnson, County Representative
Vince Tyson, CIDC
Raymond Mondragon, District 4
John D. Gutierrez, Utility Service Provider
Linda Robles, District 3
Johnnie Jones, Bank/Finance/Accountant
Hoyt Pattison, Industry

ABSENT:

Kyle Snider, District 1
Mike Hamilton, District 2
Megan Palla, Bank/Finance/Accountant

EX-OFFICIO PRESENT:

Chase Gentry, CIDC

ALSO PRESENT:

Vicki Reyes, Administration
Gene Hendrick, CIDC
David Richards, City Attorney

Mr. Howalt called the meeting to order at 7:30 a.m. and established the presence of a quorum

Agenda Item No. 3 - Approval of minutes of March 29, 2018

Mr. Mondragon made a motion to approve the minutes of March 29, 2018 as presented; Mr. Johnson seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Economic Development Fund Financial Report

For the period ending 5/31 they received a total amount of revenue of \$1,043,985 which would total 108% of the project budget. Expenditures year to date \$147,464.65 and they have spent 12% of the projected expenditures for the year. Total cash in bank is \$3,030,256.46.

Agenda Item No. 5 - Update regarding CIDC

Mr. Gentry stated Milk Partners is building a facility by SWC. Pattern Energy will have their third phase start in August in Grady. CIDC is still working with Leslie Candy on their expansion. There are three solar projects they are working with North, South and West of Clovis. They met with the wind energy company to build 300 turbines in and above Grady. They met with three of the racino projects and the fourth met with Mr. Howalt. Sunland Park is in the process of finalizing their land purchase. They found four sites that they submitted to the consultant company in Las Cruces. Sunland Park wants to run 28

days of racing and the other is Laguna Development and Hubbards. Applications are due by the end of July and will make a decision on which way they want to go then will have public hearings. They would like to have the license issued by October.

They have 3 PRO's they have responded to. They applied for a LEADS grant and received \$15,000 and that helps with marketing and promotion. They also applied for a New Mexico Gas Grant and have asked for \$20,000.

The Chamber hired Kim Tipton and she will be cross trained to work with CIDC as well.

August 5-11 is Wind Energy week so CIDC is working with Pattern Energy to put on an event in Clovis. They will do the phase 3 kickoff during that week also.

The Dairy Consortium just ended their training with the dairy kids. This is the 11th year they have trained over 500 kids in the local dairies. They brought in robotics training in the last week.

Mr. Richards asked if there had been any discussion about the potential of applications for the racino from supporting communities other than Tucumcari and Clovis. Mr. Gentry stated they have heard some things but they haven't confirmed anything. Mr. Mondragon stated in the meetings he attended they said no. Mr. Richards stated Hubbard mentioned that there may be as many as 10 applications from others besides Clovis and Tucumcari. Mr. Gentry stated they hadn't confirmed anything. Laguna, Hubbards and Sunland Park all have strong families and foundations behind them.

Mr. Johnson asked if Sunland Park was representing themselves as Sunland Park because he thought they couldn't own two racinos in New Mexico. Mr. Gentry stated they didn't announce any other name. They are a little behind compared to the other two. Mr. Johnson asked if they wanted to be on 60/84. Mr. Gentry stated they have also looked North and even more into town than the other two have.

Mr. Pattison stated the wind energy project group by Grady went to see him about transmission line right of way and he was not sure they were going to get it at the rate they were asking for. Mr. Gentry stated he thought they were looking a different direction. They are trying to finalize the route and once they get it certified they will turn their power purchase application into Southwest Power Pool and move forward. He visited with them yesterday and he said it was promising.

Mr. Johnson asked about the solar projects. Mr. Gentry stated one is a company they visited with a year ago that now has a project manager and that is more northwest. The other is south of Clovis and the last one is west. The one looking south still need to tie up their land.

Agenda Item No. 6 - For the good of the order

Mr. Mondragon asked Mr. Howalt if he got his email about the attendance record of some of the board members. Mr. Howalt stated he would look into it.

Agenda Item No. 7 - Adjournment

There being no further business to come before the board the meeting adjourned at 7:46 a.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Monday, September 24, 2018**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of August 27, 2018.
4. Discussion and action regarding Cummins Natural Gas Engines and Clovis Industrial Development Corporation, Chase Gentry.
5. Update regarding CIDC, Mr. Chase Gentry.
6. For the good of the order.
7. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week 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 at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Incentive Board met in regular session at 7:30 a.m., Monday, September 24, 2018 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Brett Johnson, County Representative
Vince Tyson, CIDC
Raymond Mondragon, District 4
Johnnie Jones, Bank/Finance/Accountant
Hoyt Pattison, Industry
Megan Palla, Bank/Finance/Accountant
Kyle Snider, District 1

ABSENT:

John D. Gutierrez, Utility Service Provider
Mike Hamilton, District 2
Linda Robles, District 3

EX-OFFICIO PRESENT:

Chase Gentry, CIDC Director

EX-OFFICIO ABSENT:

Ernie Kos, Chamber Director
Dr. Becky Rowley, President CCC

ALSO PRESENT:

Claire Burroughes, Administration
Vicki Reyes, Administration
Gene Hendrick, CIDC
David Richards, City Attorney
Scott Odom, Manager, Cummins
John Ellis, CFO, Cummins
David Petty
Kent Carruthers

Mr. Howalt called the meeting to order at 7:33 a.m. and established the presence of a quorum.

AGENDA ITEM NO. 3 - APPROVAL OF MINUTES OF AUGUST 27, 2018

Mr. Pattison advised his name was misspelled on page 1, line 39. Mr. Mondragon made a motion to approve the minutes of August 27, 2018 with the correction; Ms. Palla seconded the motion, which passed by acclamation.

AGENDA ITEM NO. 4 - DISCUSSION AND ACTION REGARDING CUMMINS NATURAL GAS ENGINES AND CLOVIS INDUSTRIAL DEVELOPMENT CORPORATION

Mr. Gentry stated the Project Participation Agreement is before the board as well as the Intergovernmental Agreement with the State Economic Development Department. Page 12, item 1

states "new line of generator manufacturing business" and Mr. Odom would like to change that to "engine remanufacturing business". The terms are listed and the capital investment that Cummins has made, the building and the jobs are all included. There is a credit with the state grant and city grant of \$44,000 a year that Cummins will receive if they maintain the minimum job number of 38. If they do not maintain that there is a provision where they will pay an additional lease rate to CIDC that will be returned to the City of Clovis. Mr. Ellis with Cummins stated it was a minimum of 43 jobs. Mr. Gentry stated 34% of that will go to the state up to their \$150,000. The target dates are listed and general contracts will be signed by the end of this month. Construction will be done by May 2019 and the CIDC will give a mortgage to the City of Clovis to be filed for this project estimated at \$2.1 million.

Mr. Mondragon asked on page 8, if the state had already approved the \$150,000. Mr. Gentry stated they have and that money will be transferred via wire to the city. He stated they drafted that before they had final word. Mr. Mondragon asked if the tariff's would affect operations here. Mr. Ellis stated they are not seeing that impact right now. It shouldn't impact any of the projects going forward.

Mr. Petty stated they just received the metal building and he is meeting with the contractor today. They sent the drawings to an engineer for the concrete and have decided to fence the whole property. They are trying to plan for all of the future projects they plan to do there. The building is a state of the art building and will be very efficient.

Mr. Mondragon asked if the motion would need to approve the ordinance, Project Participation Agreement and Intergovernmental Agreement. Mr. Richards stated the ordinance had already been introduced but the motion could still include all three. Mr. Howalt stated on page 14 Cummins will maintain an average of 43 jobs, but the next sentence it says if Cummins fails to meet the minimum job requirements. He asked if it was a minimum. Mr. Ellis stated it was a minimum of 43. Mr. Gentry stated in the audit process there is a chart they submit that shows the number of employees with salaries. You take those numbers and average them and that gives them the overall average. Mr. Mondragon made a motion to approve the ordinance, the Project Participation Agreement between the City of Clovis, Clovis Industrial Development Corporation and Cummins Natural Gas Engines and the Intergovernmental Agreement between the New Mexico Economic Development Department and the City of Clovis; Mr. Johnson seconded the motion. Mr. Howalt asked if CIDC would be responsible for all reporting. Mr. Gentry advised they would. The motion passed by acclamation.

Mr. Snider asked if they were getting as many locals to give estimates. Mr. Petty stated they are using all locals.

AGENDA ITEM NO. 5 - UPDATE REGARDING CIDC

Mr. Gentry stated they are still working with a number of solar companies and working with the wind farm project. That transmission route is about 95% complete and will go above the Grady project. The milk partner's project by the base is going well and EPCOR has taken a new trunk line. They are working with the Racing Commission for their meetings at the Civic Center. They will make a decision by the end of the year on who will get the license. Mr. Pattison asked if the transmission line went from north of Grady east and where does it go. Mr. Gentry stated he did not know. It's been changed many times, but it was his understanding that they had a plan now.

AGENDA ITEM NO. 6 - FOR THE GOOD OF THE ORDER

None.

AGENDA ITEM NO. 7 - ADJOURNMENT

There being no further business to come before the board the meeting adjourned at 7:53 a.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Tuesday, December 11th, 2018**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of September 24, 2018.
4. Discussion and action regarding the purchase of industrial park land, Chase Gentry.
5. Discussion and action regarding the Grady Martin LLC Transmission Line Project, Chase Gentry.
6. Economic Development Fund Financial Report, Justin Howalt.
7. Update regarding CIDC, Mr. Chase Gentry.
8. For the good of the order.
9. Adjournment.

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STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Tuesday, December 11, 2018 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Brett Johnson, County Representative
Vince Tyson, CIDC
Raymond Mondragon, District 4 (via telephone)
Hoyt Pattison, Industry
Megan Palla, Bank/Finance/Accountant
Kyle Snider, District 1
John D. Gutierrez, Utility Service Provider

ABSENT: Johnnie Jones, Bank/Finance/Accountant
Mike Hamilton, District 2
Linda Robles, District 3

EX-OFFICIO PRESENT: Chase Gentry, CIDC Director
Ernie Kos, Chamber Director

EX-OFFICIO ABSENT: Dr. Becky Rowley, President CCC

ALSO PRESENT: Claire Burroughes, Administration
Vicki Reyes, Administration
David Richards, City Attorney
Commissioner Rube Render
Commissioner Helen Casaus
Jessie Audette, APEX Clean Energy (via telephone)

Mr. Howalt called the meeting to order at 7:40 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of September 24, 2018

Ms. Burroughes advised there were some typographical errors that she corrected. Mr. Johnson made a motion to approve the minutes of September 24, 2018; Mr. Pattison seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Discussion and action regarding the purchase of industrial park land

Mr. Gentry stated the City of Clovis has been looking to purchase land west of Cannon Air Force Base, (Snell property). The city approved the option to buy the property in June and the option expires on December 31st. This is a request to use Economic Development Tax funds to purchase the property and it would become part of the Industrial Park property. There was an appraisal done by John Wright.

CIDC reviewed this and recommended that the city purchase the land, but that any income that comes in from the property would go back into the Economic Development Tax Fund and anything after that could be used for water projects or other projects the city had.

This protects the property from being encroached on. They have solar project that would potentially be interested on going on part of the property and would provide power to Cannon Air Force Base. The other piece of the property could be used for contractors at Cannon Air Force Base.

Mr. Howalt stated it wouldn't be limited to only contractors at Cannon Air Force Base. The property has good access to a highway and railroad. Mr. Howalt gave the board information regarding the status of the Economic Development Tax fund. At the beginning of the fiscal year it had an unaudited cash balance of a little over \$3 million. By the time the City brings in estimated revenues for the year and given their estimated expenditure, which included the land purchase of \$1.25 million, the City will have a final cash balance of \$566,000. With the income of about \$1 million a year coming in the City would recoup the purchase price of the property in a little over a year.

Mr. Howalt stated CIDC's recommendation was that any revenues generated above the funds used by the EIB fund go to water projects. He recommended that they leave that up to the city commission on what the funds should go to instead of just designating them to water projects.

Mr. Pattison asked what was in the southeast corner. Mr. Richards stated there was land acquired and given to Cannon for part of the alternate runway about 15-20 years ago. Mr. Howalt stated CR R was closed and is owned by Curry County. He wasn't sure if they lease that property. If they move forward and the city commission approves it Mr. Richards and he will meet with the County regarding purchasing that property.

Mr. Johnson asked what the solar lease was. Mr. Gentry stated there was a letter that had been drafted. They have talked about rates but they don't know the procurement process with Cannon. The solar company has been hesitant to put in a rate in case it has to go to RFP. Mr. Howalt stated the military has renewable energy goals. This would be a way for the City of Clovis, should they acquire this property, to have a project on that property. Those rates would vary based on the lease rates the city would charge the company. They have spoken with Cannon and they believe they could enter an agreement through the P4 process. There is current legislation to allow wing commanders to make that decision, but they felt it should go higher in the ranks.

Mr. Johnson asked if they have tested that water. Mr. Howalt stated they haven't. Mr. Johnson asked how they were going to get water to the area. Mr. Howalt stated they had no development plan. Ms. Palla asked if that set the city up for owning a piece of property with contaminated water. Mr. Howalt stated the contamination related to the base is to the south and east, and this property is to the north and west. Mr. Tyson asked if they could include that in the agreement that if the water was not acceptable that they don't have to move forward. Mr. Richards stated there was an opportunity during the option period to investigate the water, and the contamination issue did not come up until recently. It would not be probable that there would be contamination.

Mr. Tyson asked if the Air Force were testing wells. Mr. Howalt stated he didn't know if they tested these wells. Mr. Tyson stated he understood it wasn't probable but would look bad if they bought a piece of property for \$1 million and the water was not usable.

Mr. Tyson asked if there was a water project along 60/84. Mr. Howalt stated the ENMWUA will be constructing its first phase of their water project going from north of Chavez Manor east to EPCOR's tanks along the southern portion of US 60/84. Mr. Tyson asked if they could tie into that pipeline if this property was contaminated. Mr. Richards stated that would ultimately go through this property on the east side.

Mr. Johnson asked if they have done an environmental site assessment on the property. He asked if they asked BNSF if they could take a spur off the main line. Mr. Howalt stated they hadn't. Mr. Johnson asked what the big hurry was with this. He stated they should do some due diligence. Mr. Richards stated this started 8 months ago with discussions with a solar company. At that time they wanted more than the entire section. The solar company didn't want to own the land, but would lease it, and it would have been a revenue source. As that evolved, another solar company came in and that is who is currently involved and they want to provide power to the base. The city asked for a longer option period and the owner said the end of the year was it. The commission voted to approve this option agreement in July. The original intent was to develop an economic development project with the solar company and it came down to utilizing this property as an industrial park instead of trying to put the solar project together.

Mr. Johnson stated it serves the city to own land around the base but he was having a hard time with this. Mr. Howalt stated the project that was proposed is only for half of the 660 acres, which would leave the other half to be developed. Mr. Richards stated this property was under contract for sale to a dairy farmer. They won't have someone else impacting the water at the base. Mr. Johnson noted if there wasn't water there it wouldn't matter anyway.

Mr. Mondragon asked if they do an option agreement can they do the testing before. Mr. Richards stated the option was signed in June and expires December 31, 2018. Mr. Mondragon asked if they found any water or soil testing that was done in the area before. Mr. Richards stated he wasn't aware of anything except the 2012 Air Force Water Report and it showed anticipated water levels for that piece of property, but there have been no additional tests. The assumption is that the water has probably come up because it's been in the CRP for so long.

Mr. Mondragon felt this would be advantageous to the city. In terms the commission is also taking a risk though. The NM Partnership looks at communities that have available land, buildings, infrastructure, etc., to put in their inventory for potential manufacturing.

Mr. Tyson asked about the \$1 million in revenue. Mr. Howalt stated that was what they collect through the economic development tax per year. Mr. Richards stated the city has an existing gross receipts tax dedicated to economic development. Mr. Gentry stated when they started with the solar project there were two different companies that they talked to and the goal was to loan the money to buy the property from EIB and the solar lease would pay back that property. After they did some research with the load use of Cannon that created another issue. They looked at the potential for an industrial park then. Under LEDA it has to be a project that is eligible. The company is still interested in doing the project, but they are in the process of finishing a glare study on the land.

Mr. Howalt stated when they initially started looking at this property and the potential of it being solar, solar doesn't use water so the quality of the water was not a concern. Mr. Tyson stated they had a 6 month option period and some due diligence should have been done. There could be some big upsides

to this property though. Mr. Gentry stated there is rail there but they don't want anything on that main line. Mr. Howalt stated they don't have proposed dollars to put in additional infrastructure.

Mr. Richards stated Sierra Nevada ended up not doing their expansion at Clovis Municipal Airport because of their terms with the base, and the proximity of CVN. He was not familiar with their current situation.

Ms. Palla asked if there was a well they could test prior to the end of the year. Mr. Richards thought there were 3 wells at the proposed property.

Mr. Mondragon moved for approval to exercise the option to purchase land west of Cannon Air Force Base utilizing City of Clovis' economic development tax funds and crediting any revenue generated back to the economic development tax fund up to the purchase price. The motion was denied due to lack of a second.

Mr. Tyson asked how long it would take to test the water. Mr. Howalt stated they have used Don D'Amour in the past to provide saturated thickness data. He would have to talk to one of the testing companies that they use for the WWTP. It would take at least two weeks. Mr. Johnson stated there were some extenuating circumstances due to the water. He would like to ask Mr. Snell for an extension. Mr. Tyson stated a 60-90 day extension would be worth asking for.

Mr. Johnson made a motion to ask for a 90 day extension on the option agreement with Mr. Snell; Mr. Tyson seconded the motion. Upon a roll call vote, with all voting in the affirmative, the motion carried.

Agenda Item No. 5 - Discussion and action regarding the Grady Martin LLC Transmission Line Project

Mr. Gentry stated they have been working with APEX Clean Energy for two years. Ms. Jessie Audette, APEX Clean Energy, (by phone) stated they started working on this 2 years ago and they have put in four measurement towers and leased all of the land. They have the okay from the FAA to put up the turbines and as the final step they are finalizing the transmission line at the Pleasant Hill Substation and will going to the New Mexico PRC.

Mr. Gentry stated Apex is interested in industrial revenue bonds for the transmission line portion of the project which is not more than \$9 million. The big portion of the project will be handled by Grady Tuesday of next week. The inducement resolution will give them the right to move forward to purchase equipment or anything that goes along with this project. There has also been a move at the state legislature to try to change the law so that municipalities and counties cannot issue IRB's within 15 miles of their borders. They have been able to kill those bills with the help of representatives, but this is also a move to make sure this project is grandfathered in case something were to change with that in the future. They have a one year standard term to pass the inducement resolution and then issue the bond. APEX has asked that they allow them until December 31, 2022 to issue the bonds. Grady will extend theirs to make sure they are covered. This is exactly the way they did the Pattern Energy project.

Mr. Pattison asked how far south of Grady would the wind towers go. Ms. Audette stated about 10 miles south of Grady. Mr. Pattison asked how firm is the route of the transmission line. Ms. Audette stated they have secured 90% of the easements. They were going to go through Ned Houk for the last piece, but they would have to go through the Secretary of the Interior for permitting. It was better in terms of permitting to choose a route that would go around the outside of Ned Houk Park. Mr. Pattison

asked it was correct that no commercial activity was allowed on that piece of property. Mr. Richards stated the deed was issued from the Department of Agriculture in 1954 and it has to be open to the general public but it does not restrict it to commercial activities. Mr. Pattison asked how far north it would go. Ms. Audette stated it would go east for a couple miles, would cross over west and then go north. It will go west to Broadview. They should have a map in a couple weeks.

Mr. Gentry stated they would come back for the introduction of the ordinance and are working through the IRB subcommittee with EIB. This is going to be a process that will take a while but a lot of the detail can be brought back. Mr. Pattison asked how much they were paying for right-of-way per mile. Ms. Audette stated they look pretty much like the SDS rates. Rates for crossing the park was between \$1,000-\$5,000 per acre depending on the party. Mr. Howalt stated they are considering the resolution itself which starts the process for the IRB's.

Mr. Pattison stated they don't want to get too far along that they have to get an extension. Mr. Howalt stated the city would not be liable for the bonds. Mr. Richards stated to do the bonds they have to go to investment bankers to get the money. Without that the investment bankers won't move the financial part along. It is an indication that the city would support the IRB's.

Mr. Tyson made a motion to recommend the inducement resolution to the City Commission with a sunset date of December 31, 2022. Ms. Palla advised her family was involved with the negotiations so she was going to abstain. Mr. Johnson seconded the motion. The motion carried by acclamation, with the exception of Ms. Palla who abstained.

Agenda Item No. 6 - Economic Development Fund Financial Report

Mr. Howalt stated this current period they have received \$84,000 in revenues and year to date they are at \$424,000. Expenditures from the fund are at \$547,000. There is currently \$2.6 million in the fund. Mr. Johnson asked if the \$300,000 addition was the reuse water line. Mr. Gentry stated that had been in the budget for a while. There is one water line that has not been built into the park and there was a sign they are going to put up, but haven't. This is for things in the budget that they thought might happen but they haven't used it.

Agenda Item No. 7 - Update regarding CIDC

Mr. Gentry stated they are working on other solar projects. The Cummins property has been closed, the pad is built and David Petty is spearheading that. They are working on the concrete and Cummins has a military contract to remanufacture engines. Pattern Energy is doing work on their third phase and the equipment will arrive in January. The Governor designated two opportunity zones and now they are waiting on the federal rules.

Mr. Johnson asked what happened to Ag Power. Mr. Gentry stated they haven't heard from them since they didn't move forward. He stated they do have another project that is similar out of Missouri.

Agenda Item No. 8 - For the good of the order

None.

Agenda Item No. 9 - Adjournment

There being no further business to come before the board the meeting adjourned at 8:38 p.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Thursday, December 20th, 2018**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of December 11th, 2018.
4. Discussion and action regarding the purchase of industrial park land, Chase Gentry.
5. For the good of the order.
6. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week 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 at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Thursday, December 20, 2018 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Brett Johnson, County Representative
Vince Tyson, CIDC
Raymond Mondragon, District 4
Hoyt Pattison, Industry
Megan Palla, Bank/Finance/Accountant
Mike Hamilton, District 2
Linda Robles, District 3

ABSENT:

Kyle Snider, District 1
John D. Gutierrez, Utility Service Provider

EX-OFFICIO PRESENT:

Chase Gentry, CIDC Director
Ernie Kos, Chamber Director

EX-OFFICIO ABSENT:

Dr. Becky Rowley, President CCC

ALSO PRESENT:

Claire Burroughes, Administration
Vicki Reyes, Administration
David Richards, City Attorney
David Lansford, Mayor

Mr. Howalt called the meeting to order at 7:31 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of December 11, 2018

Mr. Mondragon made a motion to approve the minutes of December 11, 2018 as presented; Mr. Johnson seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Discussion and action regarding the purchase of industrial park land

Mr. Gentry stated they received a memorandum from the mayor in regard to the land purchase. The mayor has worked with Cannon Air Force Base to answer some of the questions as well. On page 17 there is a glare study report from one of the solar prospects. They received this a couple of days after the last meeting. On page 30 they have identified areas that they can put solar.

The mayor's memo highlights force protection, buildable land for Cannon Air Force Base and water. The CIDC Executive Committee approved the project and the CIDC and Chamber Board have given letters of support for the project. They have recommended this project move forward. Mr. Howalt stated on page 11 they have a map of their sampling. He spoke with the property owner that is south of the

section that the city is looking at and he didn't have any contamination on his property either. He also spoke with the new superintendent with BNSF and he said it would be possible to put in a new rail spur. They would just have to put in a power switch instead of a manual switch. Don D'amour looked at the wells and they have been inoperable for 25+ years. They never pulled their turbine pumps or shafts so Mr. D'Amour was unable to get a saturated thickness because he couldn't get the measuring device into the wells. It would be \$2,000+ for him to do that. From developing the water rights it was never the city's intentions it was more to protect the water. On page 8 there is a map from the trinity report, which is a report that the Air Force put together several years ago. In the northwest side it flows to the southeast.

Mr. Pattison stated the totals listed on page 3 were incorrect. It should be \$811,642,524 and \$456,8 million. Ms. Palla disagreed that purchasing this land for \$1.25 million was just a simple conversion of cash to tangible assets. Tangible assets may not be worth the cash that they paid them for. Losing \$1.25 million of liquid cash gives them a cash balance of \$566,000. She asked if that rendered this board useless until they recoup the money. They wouldn't be able to do a project for anyone in the next year. Mr. Howalt stated they would be limited on what they could do, but that's the intent of the fund. They are not entirely decreasing that fund to zero. Mr. Tyson asked if there was anything on the horizon within the year that could require an investment on the economic incentive side. Mr. Gentry stated there are two possible projects that are smaller. There is about \$500,000 that hasn't been spent so there could be about \$1 million. There will be more money coming in from the PILOTS as well. If they get a big project they can bond it through the New Mexico Finance Authority. The other thing that is available is that the state has a \$50 million fund that is the same as the LEDA fund, so that is another option. They don't have any huge projects today that they would have to turn away. The city could borrow from the general fund if they were agreeable and had to.

Mr. Mondragon stated he has a conference call with all of the economic developers in the state and part of that is to ask for an increase in the LEDA. They are asking for an increase in JTIP, Job Training Improvement Program, as well. He stated it was a no brainer for them to buy this land especially if they have another BRAC. The land to the west is secured for potential easements. It has taken 8 months to bring this to the table so these projects do take a while.

Mr. Tyson stated buying the land makes sense. For the purposes of the future of Cannon it makes sense to invest this money. The only question he has is if they can use economic development funds for this type of project. Mr. Richards stated the statute defines a project to include an industrial park. When they looked at the Snell property before they didn't have a use. With the development of solar and possible utilization of contracting agencies at the base it meets the qualifications for an industrial park and will be required that is developed in that manner. It fulfills the definition of the statute.

Mr. Johnson stated this project doesn't fit the box they are used to. They don't need another industrial park but they have to call it that to use the funds. He wasn't sure putting solar on it was wise because that cuts down on their buildable acres. If the Special Ops does increase their size then they would have a good chance at doing that. When it was first presented to the board it caught them by surprise and they want to be extra careful about spending tax payer dollars.

Mr. Johnson moved for approval. Mr. Hamilton asked about the house that was in the middle. Mr. Howalt stated the county owns that and they have a 99 year lease with Cannon on that. Mr. Gentry stated on page 13 is the draft EIB report. He asked if those two items were agreeable. Mr. Mondragon

seconded the motion. Mr. Gentry asked if that was with the stipulation that the revenue goes back to the EIB fund. Mr. Pattison stated he was in favor but there was another problem that the study points out that he would like to bring up later.

Mr. Richards stated they were not just calling this an industrial park. The initial contact for the solar project was 800 acres and that was what led to the development of the idea that there was potential for other things for the property. In the future if that were to be converted to some other use for Cannon the Economic Development Fund would have to be paid back. When they negotiated with Mr. Snell he was very particular that the city pays the title and closing cost. Mr. Gentry asked if they should change the report to say \$1.25 million plus closing costs. Mr. Johnson amended his motion to say that the EIB recommends that the city commission approve \$1.25 million plus closing costs from the economic development tax fund to purchase approximately 633 acres of land west of Cannon Air Force Base with any income generated from the new industrial park to be returned to the economic development tax fund up to the purchase price; Mr. Mondragon seconded the motion.

Mayor Lansford stated a lot of the solar idea came about as a result of the city finding out that the Air Force's renewable energy goals were 25%. He did not think this land was suitable for base housing and he was not going to advocate for base housing. Upon a roll call vote, with all voting in the affirmative, the motion carried unanimously.

Mr. Pattison stated the contamination has affecting Art Schapp's Dairy. He can't sell his milk and can't sell his cows because they have been quarantined by the packing industry. The City of Clovis needs to take an interest in that problem and help solve it. The solution is the USAF paying some compensation, but they don't want to end up crossways with the Air Force. They need to support the economic development factor. They may have this subject come up in the future. Mr. Mondragon stated he was at that meeting that Mr. Schapp came to and he has retained a lawyer out of Albuquerque so now it has become a litigation issue. Mr. Johnson stated they have cleaned up plumes in this country before so it can be fixed it is just going to take some time.

Ms. Palla stated the city needs to be careful in saying this affects Clovis dairies or Curry County dairies because it doesn't. It affects a certain small portion and they don't want it to get out that it was affecting all of the dairies.

Agenda Item No. 5 - For the good of the order

Mr. Howalt stated he has received a letter of resignation from Ms. Jones. They have vacancies in districts 1, 2 3 and the utility representative as well. Mr. Mondragon asked when that would go before the commission. Mr. Howalt stated in January.

Mayor Lansford apologized to the committee. They have been through this conversation with Mr. Snell for 13 years. His fear was that if they asked for another extension he would change the terms again.

Agenda Item No. 6 - Adjournment

There being no further business to come before the board the meeting adjourned at 8:07 a.m.