

ORDINANCE NO. 2020- 25

AN ORDINANCE AUTHORIZING THE LEASE OF PROPERTY AT THE CAVERN CITY AIR TERMINAL, 1505 TERMINAL DRIVE, CARLSBAD, NEW MEXICO, TO BMB EQUIPMENT HOLDING, LLC FOR PLACEMENT AND USE OF AN AVIATION HANGAR.

WHEREAS, the City of Carlsbad is the owner of the Cavern City Air Terminal, located at 1505 Terminal Drive, Carlsbad, New Mexico, hereinafter referred to as the "Air Terminal"; and

WHEREAS, BMB Equipment Holding, LLC, a Texas limited liability company, hereinafter referred to as "BMB", wishes to enter into a thirty (30) year lease with the City for property at the Air Terminal property; and

WHEREAS, BMB wishes to lease approximately 125,007.5 square feet adjacent to the ramp for the placement of one or more aviation hangars and approximately 3,159.4 square feet for an access from Airway Drive through the Air Terminal exterior fence to its hangar site, together referred to as the "Site"; and

WHEREAS, a qualified appraiser has submitted a written appraisal to the City in which property at the Air Terminal was found to have an appraised value of One Dollar and Sixty-Five cents per square foot (\$1.65/sq. ft.); and

WHEREAS, based on that appraisal, the Site has an appraised value of Two Hundred Eleven Thousand Four Hundred Seventy-five Dollars and 38/100ths (\$211,475.38); and

WHEREAS, the qualified appraiser has determined that the fair market rental of similar property at the Air Terminal is ten cents per square foot per year (\$0.10/sq. ft./year); and

WHEREAS, based on that appraisal, the Site has a fair market rental value of Twelve Thousand Eight Hundred Sixteen Dollars and 69/100ths per year (\$12,816.69/year); and

WHEREAS, BMB has agreed to lease the Site from the City pursuant to the terms and conditions of the Agreement Between the City of Carlsbad and BMB Equipment, LLC for a Ground Space Lease at the Cavern City Air Terminal attached as Exhibit "A": and

WHEREAS, the Governing Body of the City of Carlsbad believes the lease of the Site by BMB for the placement and use of aviation hangars and access would be an appropriate use of the Site, and that it would be beneficial to the economic development of the City of Carlsbad; and

WHEREAS, the City has published notice of this lease prior to the consideration of this Ordinance as required by NMSA 1978, Sec. 3-54-1(D) (2018).

NOW, THEREFORE, be it ordained by the Governing Body of the City of Carlsbad that:

1. The lease of the property referred to herein as the Site to BMB Equipment Holding, LLC, a Texas limited liability company, for the placement and use of aviation hangars and access to the hangars, is hereby approved by the Governing Body of the City of Carlsbad.
2. BMB's lease of the Site shall be pursuant to the terms and conditions of the Agreement Between the City of Carlsbad and BMB Equipment, LLC for a Ground Space Lease at the Cavern City Air Terminal attached as Exhibit "A".
3. The Mayor and City Administrator are authorized to execute all documents necessary to implement the terms of this ordinance.
4. Notice shall be published pursuant to the terms of N.M.S.A. 1978, Sec. 3-54-1 (2018).

INTRODUCED, PASSED, ADOPTED, AND APPROVED this 8th day of December, 2020.

/s/Dale Janway
DALE JANWAY, MAYOR

ATTEST:

/s/Nadine Mireles
CITY CLERK