

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 PM, DONALD E. CARROLL COMMISSION CHAMBERS
November 18, 2025**

**SUSAN PAYNE, MAYOR
SHARON MCDONALD, MAYOR PRO-TEM
CRYSTAL GUTHRIE, COMMISSIONER
STEPHEN BURNETT, COMMISSIONER
WARREN ROBINSON, COMMISSIONER**

**JOSHUA RARDIN, COMMISSIONER
MARK TAPLEY, COMMISSIONER
STEPHANIE HERNANDEZ, ACTING CITY
MANAGER
DARRELL MORI, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER & ROLL CALL

Mayor Payne called the meeting to order at 6:32 PM. Roll Call was taken by the Deputy City Clerk. Deputy City Clerk Aleshire announced there was a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

The Invocation was given by Pastor Joe Bryant from Grace Baptist Church, and the Pledge of Allegiance was led by Mayor Pro-Tem McDonald.

APPROVAL OF AGENDA

**Commissioner Robinson moved to approve.
Commissioner Guthrie seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.**

PRESENTATIONS

1. Presentation regarding a development matter and Chapter 28 Water, Sewers, and Sewage Disposal clarification. (*Dusty Wright, Arrowhead Investment Group*)

Mr. Dusty Wright said we own three of the four remaining vacant lots in Quail Hollow Subdivision #2. Pages 63 and 64 of the agenda packet show the plats of that subdivision, and this is the final phase of Quail Hollow. Quail Hollow #2 has forty-two lots in this subdivision, of which forty have been built on. We have been attempting to get a permit to build a residence on a lot since July 2025. We respectfully request clarification and ultimately a path forward regarding the City's decision to deny building permits within this subdivision, citing that it has not been formally accepted. At this point, the developer has sold every lot in the subdivision and has no further stake in the game. We are left with four vacant properties that cannot be built on, of which three my brother and I own, and we have invested in block walls. We have submitted, been approved, installed water meters, and are being charged our water meter service fee on three lots. Quail Hollow #2 was completed approximately four to six years ago. Each permit was approved using the same residential checklist you can pick up at the front desk. The previous forty residences have been signed off and approved by the City, and issued State permits to build their properties. The City has met with the developer, and we believe there are items inaccurately noted or misapplied based on the City's Technical Standards. The main issue is drainage, which has been an issue with the City for a few years. We have not seen any corrections on that. Item 2 on the punch list asks for a sidewalk. There is probably a twelve to eighteen-inch gap of dirt, and the City asked them to pour concrete to tie in with the City walk path. The objection with that is it is outside the property pins of that property owner, so it should be in the City right-of-way and not the developer's responsibility. Item 3 is a fire hydrant that is too high. After it was installed, the City went over there, dug up a leak, and repaired it. Asphalt was patched, concrete demo'd and patched, and I believe the issue should have been corrected at that time. For Item 6, the fire hydrants in this subdivision are too high. They are set higher because they slope from the curb up. They have to be higher than the flood plain. This would have been the proper grade, but after the homeowners did the landscaping, they cut it out level with the sidewalk to put a flagpole. At the time of construction, I do not think it would have been outside the three to six-inch deal. Item 7 references valve collars that need to be fixed, but no specific deficiencies were cited. Item 10 references sidewalk ADA compliance. The sidewalk was poured four to five years ago and should have been inspected by City personnel at the time. I guess there is no record of inspection. Items 11 and 13 reference fire hydrants that are too high. Referencing Tech Standard Article 090208B, the fire hydrants at 1345 Santiago and 1309 San Carlos are in a gravel landscape in a yard, and are within the 3 to 6-inch range. In summary, these items should have been resolved during final inspection according to the subdivision standard prior to the sale of any lots or issuance of any building permits. Since Phase Two, the City has allowed forty

homes to be built and permitted. We want to know if City Inspectors were present during subdivision construction and if we have records of that. Is there a path moving forward to better those records issues? Two or three subdivisions around town are having issues with what the City is saying is non-compliance by the developer. Are the existing homes connected to City utilities and billed for those services? If so, how is that managed without formal acceptance? We would like to ask how the City is going to encourage future development and ensure developers and builders are not burdened with this unresolved issue years down the road. What assurances can be provided to property owners that similar situations will not arise elsewhere within the City? We acknowledge obligations may remain with the original developer. However, lot owners have no control over these items. Enforcement should be directed towards the developer's financial guarantee or bonding, which I believe is a requirement within the subdivision ordinance. I believe the City is supposed to pull the bond on them if the developer doesn't follow through with subdivision requirements. I believe the City can go back and make their repairs, go against their bond, and get paid back for those to complete that project. Restricting permits penalizes land owners who had no role in the subdivision's construction or bonding. This undermines investor confidence and discourages future development. We are asking for consistent treatment under the same subdivision standards that apply to the first forty homes.

Mayor Payne said I understand there was a meeting with developers. Mr. Dusty Wright said there was. Mayor Payne said after the meeting that a developer commented that they would need to refund money. I find it interesting that they are telling you now that they know nothing about it. I believe that is categorically false. They knew they needed to fix these problems. The City needs it all done, but my understanding is that the only thing the City is asking to be fixed before they issue a permit is the drainage. City Attorney Mori said that was correct. We are still working and trying to enter into negotiations and discussions with the developer, but the heart of the City's issue is that the drainage is the major concern on our part. Mayor Payne said that needs to be addressed before they can move forward. I do not disagree that there has been inconsistency in the past, but when does that stop? When do we start getting consistent as a City? It is unfortunate that this is when it stopped. I am frustrated with this issue too, but I have to look at it from the City's standpoint. When our legal team says you cannot have anyone build until these issues are addressed, that is where we stand, and we must follow that. I received an email from a property owner, which states that his neighbor's property was not built up right, and it is draining into his property. Mr. Dusty Wright said that was a separate deal and not even a subdivision. Mr. Tommy Wright said we need to address the issue, though. How much longer are we going to be denied? How much financial loss and undue hardship? There are ongoing inconsistencies. Mr. Dusty Wright said he thinks that the City is wrong. This should have been inspected. There should have been records of inspection. All of this should have been inspected and approved before asphalt was allowed to be put on the street. This happened five or six years ago, and it was not done properly. The developer has no skin in the game and is in no rush. He is eighty-plus years old and does not recollect anything about an agreement. I do not think we will get anything resolved from the developers. Mayor Payne said the only solution I see is that he needs to fix the drainage.

Commissioner Rardin asked why we have a legal opinion saying we are not allowed to issue permits when we have already issued permits to 75% of the thing? Mr. Dusty Wright said we were issued a permit earlier this year. Commissioner Rardin said exactly. I do not ever remember staff telling us we were not allowed to. When this issue came up, and the new Technical Standards were implemented, I commented that we needed to allow all existing subdivisions to follow the former Technical Standards until they were completed. We have three or four, and they have one street left. This subdivision has two, Bella Vista has one street, and a street that has two lots. We are holding a permit up on one of those over drainage issues. I personally walked with the developer over three years ago. Staff could not produce records showing that anything was ever done. So it is essentially not the developer's fault. Staff have not been doing their portion of it. The Wrights should not be held up because of the City's shortcomings. When we passed the Technical Standards two or three years ago, we knew this would be an issue. It irritates me that you are going back in, five years after the fact, and saying that this or that is not correct. It is what it is. Let's get it taken care of. From this day forward, any new subdivision has to follow the rules. Mayor Payne said she did not disagree with that, but we are in between a rock and a hard place.

Mr. Dusty Wright said in July, the City allowed us to apply for water services for those properties. They approved them. We installed setters and got them inspected. The City installed meters in October, and started sending us water bills. If we are not allowing permits, we should not allow water meters or anything. City Attorney Mori said he could not speak for a previous City Attorney or City Attorneys did or advised. What I have in front of me is how to uniformly and fairly try to protect the City from third-party scrutiny, that being a judge or any type of regulatory agency. Mr. Dusty Wright asked if the City had a bond on the developer like the ordinance requires. Finance Director Huff said no. Mr. Dusty Wright said the City should have had a bond on this. If he had not finished his list of requirements,

the City could have repaired those, or hired a contractor to repair it, and go against the bond. That is how construction works. Mrs. Sarah Wright said the City's code specifically states there is a subdivision approval process which would require the developer to provide a financial guarantee and a bond. Should the developer not complete everything that they have been mandated to complete in accordance with City Technical Standards, the City would then go after the developer's bond to rectify any shortcomings. That is between the City and developer. A third party landowner has no legal obligation to rectify any of these issues. In holding back a permit on us, you are misplacing your avenues of reconciliation with the developer. If you guys did not hold that bond, it is on the City. City Attorney Mori said nowhere in the United States, if there is non-compliance by a government entity in the past, that does not create a precedent to continue with non-compliance, once that has been discovered. That can't happen. Well, we did not follow the rules in the past, so we have created a precedence and we are not going to follow them now. That is not how that works. While I fully agree that things were not done correctly in the past, that does not address where we are at currently. When it comes to situation that the four lots are currently finding themselves in now, from my understanding, we found where there was non-compliance, and we are now enforcing compliance across the board. Now you guys are feeling like you got the short end of the stick because you purchased those lots for the developers. Mrs. Sarah Wright said based on the City's precedent on issuing forty permits out of forty-four. City Attorney Mori said this was a conversation we could have together. Mr. Dusty Wright said we have tried. Mrs. Sarah Wright said we tried since July, but kept getting pushed around. Mr. Troy Wright said at some point, you guys need to understand that there is a lot of money, time, resources, and contractors involved. Every day this goes on, this is a bigger problem. We are a third party, and not the developer or the City. You are financially punishing these people. We are here tonight, but people like us in Alamogordo cannot afford to take this hit because of malfeasance of other parties. Mayor Payne asked if this should have been on the books? Should these things have been done? What about those other forty permits and the drainage issues? Was it on the original plans? The original plans, when this subdivision was built, said he had to do x, y, and z, and he did not do it. Assistant City Planner Abbott said from letters dated from 2018, 2021, and 2022, letters were addressed to Mr. Drunzer stating the deficits in that subdivision. Mr. Drunzer signed a new subdivider's agreement in April 2025. They are aware of the deficits. Commissioner Guthrie asked why the other forty permits were given. Mrs. Sarah Wright said they were provided a letter that was provided to Mr. Drunzer in 2022. In 2022, he was basically written a cease and desist. They wrote that until he rectified his deficiencies, no more permits would be issued in Quail Hollow #2. Then they would continue to be issued until July 2025. That is where the City is negligent in their ability to be consistent with their permitting process. Mayor Payne asked when they purchased the last two lots. Mrs. Sarah Wright said in June 2025. Mr. Dusty Wright said we are waiting on a permit for what we purchased in 2020. Mayor Payne said in June of this year, you purchased two lots, right? Mrs. Wright said yes. Mayor Payne said so when was the letter sent to Mr. Drunzer? Wasn't it in April of this year? City Attorney Mori said he signed the new subcontractor in April. Mayor Payne said so a new subcontractor agreement was signed in April, and he agreed to fix all of this stuff, then he turned around and sold you the lots anyway, and neglected to tell you. Mrs. Sarah Wright said we did not buy them from Mr. Drunzer. Mayor Payne said you bought them from one of this business partners. Mrs. Sarah Wright said yes. Mayor Payne asked if the business partner signed the letter and was aware of it, back in April. I am frustrated by all this, but also because the City is finally saying we need to be consistent. We have not been consistent, but we have to be, and this is it. After that, you were sold two lots. After the letter. After we've got a punch list. After an acknowledgment that they have to fix these. I would call that misleading at best. Mr. Tommy Wright said that is a separate issue from what is going on now. The other lot was bought in 2020. That one, we are trying to apply for a permit. That one was done. There have been forty of forty-four lots while this has been addressed three times. This has been a continual, habitual, redundant process that is broken. Now, all of a sudden, you choose to do that at this time to us? Mayor Payne said they did not do that to you. Mrs. Sarah Wright said to a private party, not the developer. Commissioner Rardin asked how many permits had been issued in Quail Hollow since that letter went out in April. Assistant City Planner Abbott said none. Mrs. Sarah Wright said zero. We own the last four remaining. Commissioner Rardin said one was done in the east back in January. My issue is that we have already shot ourselves in the foot. We already issued permits. In my mind, that says we have accepted the subdivision. Mr. Tommy Wright said the second you guys start accepting fees and money for the subdivision, it is yours. You bought it. It is a done deal. The City has already been over there for multiple fixes. Mrs. Sarah Wright said they fixed the fire hydrant on your punch list of things to rectify. You fixed it, therefore, it is yours. Mr. Tommy Wright said they even fixed the water meter leaks. Mayor Payne asked when Mr. Drunzer was planning on doing the drainage. Mr. Dusty Wright said they had not referenced anything on that. Mrs. Sarah Wright said they have no plans we know of. Mayor Payne said he signed an agreement saying he would. Aren't there three partners for that subdivision? Commissioner Guthrie said she did not think that mattered. We need to figure out a way to move forward. Mr. Tommy Wright said it is not for us to go and approach him. Mayor Payne said the only thing the City really wants fixed before moving forward is the drainage, right? City Attorney Mori said correct. Mayor Payne asked how difficult that would be. Commissioner Rardin asked if the drainage is where it

crosses Octotillo. City Attorney Mori said there is the cross of Octotillo, but then it is on the east side. Commissioner Rardin asked if it was the berm in the back. Mr. Dusty Wright said on the east side, there is a little bit of a drainage ditch there. There is a culvert that goes across Octotillo into that main drainage ditch. Commissioner Guthrie asked the problem currently was with the drainage. City Attorney Mori said it is the actual drainage channel. Assistant City Planner Abbott said it is a drainage channel. There is no channel there. He needs to create that channel on the east side. Commissioner Rardin asked if this issue was similar to the subdivision on the south side. It seems like everyone needs to create a drainage channel, but when they develop the upper section, they will change that. Why do we want a ditch in between these subdivisions? I did not see the original plats when these were cut in, but it seems we have the same issue with every subdivision in Alamogordo. The only places I have seen that do not flood are the three we are talking about. I know that over three years ago, we talked about this same thing with Quail Hollow. We need to draw a line in the sand and allow the developers close to being done. Get them completed, and then from that day forward, everyone has to stick to the procedure and the rules. Finance Director Huff said that is what staff is trying to do. At some point, the line in the sand has to be there. With all due respect to the Wrights, unfortunately, they are the ones that got abutted up to the line in this situation. We move that line back, then we start getting another person abutted, then another. We are trying to fix the situation. As the Wrights were told earlier this week, we have a consultant coming, who will be mentioned more in the City Manager's Report. The line in the sand comes from our attorneys from the Self-Insurers Fund, from multiple people saying that at some point, you have to stop doing this. Commissioner Rardin said there were four lots left in this particular subdivision. The line in the sand should be when those are built. Mayor Payne asked if the fourth lot was sold. Mrs. Sarah Wright said the fourth lot is owned. Commissioner Rardin said this is the same with Bella Vista, which has twenty-two lots left. Finance Director Huff said the difference is, Bella Vista complied with what they were given. Assistant City Planner Abbott said they were on Phase Five but still had Phase Six. Commissioner Rardin said again, we have the same issue there. Finance Director Huff said at some point, we have to draw the line and live with it. It will hurt the City and everyone, but we have to stick with it. Commissioner Rardin said it was opening us up to a lawsuit and hurting these guys. Mayor Payne said it was setting us up for a lawsuit either way. Mrs. Sarah Wright said the fight should be with the developer, not with us. If you had followed your own code, you could have gone after the developer's bond. Finance Director Huff said she agreed with that. Commissioner Guthrie asked what it would take to get the channel done. Mr. Dusty Wright said it could cost the developer \$20,000 to \$50,000 in dirt work. Commissioner Rardin said another issue is that they may not own the property. City Attorney Mori said we checked on that. He has the easement, so he has the ability. Commissioner Rardin said Mr. Drunzer is older. He may not remember that he signed an agreement. Mr. Dusty Wright said his two partners were not aware of the agreement. Mayor Payne said so they said they were not aware? Mr. Dusty Wright said they did not sign an agreement. Mayor Payne said they were in the meeting. Mrs. Sarah Wright said they were in the punch list meeting, but were not aware. Mr. Dusty Wright said they had said they were not aware of the agreement from April. City Attorney Mori said they were in the punch list meeting. Mayor Payne said we cannot resolve anything in this meeting. Commissioner Rardin said it was not an action item. City Attorney Mori said that since the meeting, we have been trying to get in contact with the developers, but we have not gotten a hold of any of the three. We are more than happy to work with any developer to remedy this. Commissioner Rardin said we are essentially holding them hostage because of our issue. Time is money in our business. Commissioner Guthrie asked what the next step would be. City Attorney Mori said that with the City, it is getting in touch with the developer to get a timeline as to when the drainage issue can be done. There is a punch list that would need to come into full compliance with our technical standards. Now that we are drawing a line to comply with ordinances, but the big issue for us and the safety of the citizens is drainage. Once that is agreed upon and moved upon, we can start green-lighting plans. Mr. Dusty Wright said there have been zero floods in Quail Hollow #1 or Quail Hollow #2. Commissioner Guthrie asked Mr. Dusty Wright to get a hold of the developer to connect them with the City. Commissioner Rardin asked who the other two partners were. Mr. Dusty Wright said Paul Jackson and Steve Whiteside.

Mr. Dusty Wright said there is also the water meter issue. Mayor Payne said Acting City Manager Hernandez had addressed that. Mr. Dusty Wright said she offered, as an option, that the City pull our meters, then we will have to pay to have them reinstalled later. Finance Director Huff said with a full refund. We are saying that you should not have been allowed to have meters there. That is a failure in communication between two departments that I will own. An option is to have those meters pulled, and you get a full refund. We are not comfortable leaving them in the ground and giving the refund. We would like to reset the whole thing and give a refund. Another option is to leave them in the ground and terminate your accounts so you are not paying a monthly bill. Regarding the time between when we got the meters, and they were being installed, I agree you should have a credit back to the date the meter can was inspected and passed. We can get an email to you tomorrow regarding the technicality of that stuff.

Commissioner Robinson asked staff to put this item on a priority list. Mayor Payne said she felt that it had been prioritized. Commissioner Guthrie said we are just waiting for the developers to get with us. We need to find them and get this taken care of.

Commissioner Rardin asked staff to give us a list of how many unfinished subdivisions we have, how many lots are still available in those, and what phase they are in. Assistant City Planner Abbott said she had all of that. I have five new subdividers' contracts because these subdivisions started in 2005. Per ordinance, they should be completed in five years. Commissioner Rardin asked if we had anything about the phase they are in. Assistant City Planner Abbott said not if we have not received anything new. Mayor Payne said this is not a new issue.

Commissioner Tapley asked what if something happened to the developer. For example, if the developer died, how would this get resolved? City Attorney Mori said there are different legal mechanisms. He has a partnership, so the company would still be liable to do that. Commissioner Tapley asked what if all three died. City Attorney Mori said the City could make a claim against that entity, saying we are owed unfinished business. There are ways the builders could go about if they feel they were improperly advised or advertised on the plots they were given. There are multiple remedies for all parties. Commissioner Tapley asked how we could move forward now to do that. How can we say we are trying to work with you, but you do not want to work with us, so we are going to move forward so we can get the Wrights their permits, and then give the bill. City Attorney Mori said if we hit a dead wall with any developer, then that would be a discussion for staff and Commission to see if we proceed through restitution. Are we going to do the job ourselves and seek restitution? Are we going to seek specific performance for breach of contract? There are different routes. Mr. Dusty Wright said that is the purpose of bonding them. That way, if a contractor does not follow through, they just file a claim on their bond. Then their bond would pay, and it would damage them from future projects or developments. City Attorney Mori said Mr. Dusty Wright is correct. There is also the possibility of putting liens on property. Mayor Payne asked if we knew about this bonding. Finance Director Huff said yes. It is in our ordinance and should have been done. Mayor Payne asked why it was not done. Finance Director Huff said that it is a long discussion regarding the loss of the Community Development Department. When it dissolved, and everything was splintered, Planning and Zoning especially was left on its own. There were situations where it was not monitored by a Director or City Manager. It has bounced multiple times to multiple authorities. Right now, under our chart of accounts, it is under Public Works. Then it was moved from Public Works to the City Manager's Office, and that City Manager left three months later. We are trying to pull it back and get processes, forms, and ordinances fixed. We are also trying software compliance, so if you want to apply from home, you can log in and do that. My fear is that we fix all this, and then it floats off on its own again. We want to move forward. Mayor Payne asked when Community Development was. Finance Director Huff said the last Director for Community Development was Mark Threadgill. Commissioner Rardin said the department imploded in 2008. The State came down and made an example of Alamogordo and gave it to CID. The rule was that we do FEMA and zoning, and they do the permitting part of it. In the last few years, it feels like we've been trying to overstep. There was never anything put in writing between the City and the State. We need to figure out those roles. Mayor Payne said we do not issue permits; our part is compliance with our ordinance. Finance Director Huff said right. The first thing our consultants are working on right now is the subdivision ordinance because that is the biggest part of what we are doing now. We do not issue permits. We need to make sure the subdivision ordinance that gets to you is enforceable, correct, and manageable for both staff and developers. We are working on something modern and up to actual developments now. Mayor Payne said if we say to just let them do it because we have done that in the past, that does not look good.

Commissioner Guthrie asked for this topic to be put on the agenda for the next meeting to revisit progress. Commissioner Rardin said they could just give an update. Commissioner Guthrie said okay.

Commissioner Rardin said I am not saying bend the rules. You can be flexible in the ordinance, which is a breathing document. There are circumstances. City Attorney Mori said at the moment, the City, the developers, and the builders are in an ox-and-mire situation. We are working on how to best do this while still being compliant, but also being able to provide support.

PUBLIC COMMENT

1. Taylor Dubinsky said Xtreme Amplitude is claiming \$140,000 in payroll for 30 part-time workers. That's \$4,600 a year. Who are these local jobs for? They are for teenagers and students who can rely on parents to cover real-life expenses. What is the fund being used to bankroll these pocket change jobs? If folks need to hold down two or three of these jobs to scrape by, we are not building economic strength, but a burnout. Regarding profit projects, they said

the studio will pull in over \$1,000,000 of profit in a city of 31,000 people. Classes go for about \$100 a month. Even if five hundred students show up, you may see \$600,000 total revenue, not profit. The numbers do not pencil out.

2. Sarina Paull said after reviewing the City's LEDA analysis and the applicant's presentation from November 5th, there are several major concerns. These come directly from City staff and the applicant's own numbers. Projected growth is dramatically inconsistent with the business's history. According to City analysis, Xtreme Amplitude has historically grown revenue by 22% per year. The application projects 545% revenue growth and 1000% payroll growth within five years. City staff described these numbers as overly ambitious and not consistent with historical performance. The enrollment projections do not match Alamogordo's size or demographics. The applicant projects over 1500 student enrollments, a 429% increase. City staff said this is not supported by our population base, household income, or competing activities. Staff also raised concerns about market oversaturation. A market study is the only way to know if the community can realistically support this level of expansion. Financial assumptions also raise significant concerns. The projected payroll to revenue ratio is one to one, meaning payroll would basically absorb all revenue. This is far outside the historical business range of 35% to 45%. The City has said this model is financially unrealistic for normal operations. Both the Acting City Manager and City Attorney urged caution. The responsible next step is further analysis. I respectfully ask the Commission to require an independent market and feasibility study before considering any LEDA funding for this project.

3. Echo Johnson said she decided to withdraw her application for Xtreme Amplitude. Misinformation, damaging personal attacks, and relentless negative commentary have taken a toll. Continuing would only prolong division and distract from what truly matters, which is providing a safe, supportive place for our kids.

CITY MANAGER'S REPORT

Finance Director Huff made the following remarks on behalf of Acting City Manager Hernandez:

1. The golf course has reached substantial completion, and we officially entered the warranty phase on November 14th. The system is fully functional, and staff have been thoroughly trained on operations and maintenance.
2. Downtown paving was completed today, keeping us on track for the Grand Opening on November 29, 2025. As a reminder, this project was originally scheduled for completion in June 2026, so a special thank-you goes to our contractors for finishing early and helping our downtown business.
3. Acting City Manager Hernandez also sent an email requesting your availability for our consultants conducting the Planning and Zoning Ordinance rewrite and review. Please respond as soon as possible so we can schedule you. or let us know tonight. So far, Mayor Payne, Mayor-Elect McDonald, Commissioner Tapley, and Commissioner-Elect Pattillo have responded. Acting City Manager Hernandez will send calendar invites.
4. It is important to let me know so we can start filling in the time slots with the developers, builders and contractors, as Bohannon Huston wants to speak with as many stakeholders as possible while they are in town. City staff will not be at any of these meetings on Monday at 8:30-10:00 or 10:30 - 12:00, on Tuesday at 8:30 - 10:00 or 11:30-1:00, and on Wednesday at 8:30 - 10:00 or 10:30 - 12:00.
5. As promised, a public workshop on the Technical Standards will be held on December 3, 2025 at 5:00 PM at the Civic Center. A PSA will go out tomorrow, and all contractors, developers, builders, electricians, and related professionals are invited. This is their opportunity to provide feedback directly. Stephanie will send calendar invites for the Commission.
6. Acting City Manager Hernandez will be back for the next meeting.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Commissioner Rardin asked when we would fix the speed bump on Florida Avenue, between Catalina and 16th Street. I have asked about it three different times. I had concerns about the study with Bohannon Huston. I know a former City Planner had been working with an attorney, and had a Planning and Zoning ordinance completely drafted and ready to come before the Commission, along with a sign ordinance. Finance Director Huff said completely drafted is a long term for what that actually ended up being. Commissioner Rardin asked if the Commission could see it. How much is Bohannon Huston charging us? Finance Director Huff said they are on a time and materials contract with a cap of \$80,000. Commissioner Rardin asked if staff needed approval from the Commission to go above \$60,000. Finance Director Huff said no, they were part of an on-call competitive bid contract, and we did it through a task order. Commissioner Rardin said he had concerns about spending \$80,000 when we have not seen what we have already paid for. Finance Director Huff said most of that work was done on the Code Enforcement ordinance, very little was done with the Planning and Zoning ordinance. Most of it was done on a draft subdivision ordinance that former Public Works Director Beshaler put a lot of work into. That is what Bohannon Huston will start with. All other Planning and Zoning ordinances I have seen were so scattered and piecemeal that they are almost unusable. Commissioner Rardin said the attorney who drafted all of that is very reputable in New Mexico. Finance

Director Huff said she is not saying that, she was saying that it was not handled well. We also wanted to bring outside parties to provide guidance, because none were brought in for the initial review. Commissioner Rardin said he would like to see the whole thing. Finance Director Huff said we will provide you with multiple drafts. Is there a drafted sign ordinance as well? She said there was one not considered functional enough to bring to the Commission at any point in time. One doesn't even say billboard in it.

Commissioner Guthrie said citizens have told her they want a fishing pond in Alamogordo. They would like us to look into that potentially. Commissioner Rardin said one used to be Alameda Park. Utilities Director Nunnelley said that was correct, one was there behind the fireman's station until the 1980's. Utilities Director Nunnelley said he mentioned wanted to put multiple ponds in. They would be multi-purpose storage for reclaimed water that we could use for pumping. We currently exhaust about 300,000,000 gallons to waste during the winter months. We could put it into storage and repurposed it at Griggs and Washington. The first one we are looking at is behind the softball fields located off Walker. This is all just talk and there is nothing official. It is in a Parks Master Plan right now, but there is nothing moving forward. Mayor Payne asked if it could have fish in it. Utilities Director Nunnelley said yes. Commissioner Guthrie asked if a fishing pond could happen. Utilities Director Nunnelley said it is not cheap and there is a lot to go through with regulatory agencies and classification of the water. We currently make Class A reclaimed water, that is perfectly fitting. I am all for ponds because they would give me more storage. Lake management goes along with that, too. Commissioner Rardin asked if the one in Las Cruces uses reclaimed water as well. Utilities Director Nunnelley said correct. A lot of cities use them that way. We could irrigate more at night and recover during the day. We are looking at the big one at Griggs that would have multiple peninsulas, so it could be used for wedding photos, graduation parties, and more, for rental spots for the park. Commissioner Guthrie asked how we would progress this. Utilities Director Nunnelley said if Parks and Recreation Director Bass was watching, she would want to jump all over this. Commissioner Rardin said so the bottom line is cost. Utilities Director Nunnelley said money, time, and renewal of the permit. The permit would cost upwards of \$70,000 to \$100,000 to get, but we are approaching doing a permit renewal anyway. We have plenty of options for locations that will work hydraulically. Griggs is probably the best one to put a wet well and feed off that. Hang Glider Park was the proposed area.

CONSENT AGENDA

- 2. Approve the minutes for the Regular Commission meetings on October 28, 2025, and November 5, 2025. (Rachel Hughs, City Clerk)**
- 3. Approve the statements related to the Executive Closed Session held on November 5, 2025. (Rachel Hughs, City Clerk)**
- 4. Consider, and act upon, a funds appropriation of \$151,000 through the Capital Outlay Bureau with the Aging & Long-Term Services Department to renovate the Senior Center parking lot, adding a designated area for the City of Alamogordo Senior Center fleet. (Magdalena Morales, ASC Manager, and Eileen Flint, Community Services Director).**
- 5. Consider, and act upon, the award of RFP 2025-011 Water & Wastewater Analytical Testing Services to Aqua Environmental Testing Laboratory. (Dave Nunnelley, Utilities Director)**
- 6. Consider, and act upon, the award of Public Works Bid No. 2025-009, Lower Alamo, Callahan, and Ocotillo Water Tank Rehabilitation Project No.UP2602, to DNR Tank, related to the Lower Alamo, Callahan, and Ocotillo Water Tank Project for an amount not to exceed \$7,609,529.01, including NMGR. (Justen Boyle, Senior Project Manager)**
- 7. Consider, and act upon, the award of Public Works Bid No. 2025-008, White Sands and Fairgrounds Intersection Project No.CM2601, to Rock Canyon Construction, related to the White Sands and Fairgrounds Intersection Project for an amount not to exceed \$2,203,069.62, including NMGR. (Justen Boyle, Senior Project Manager)**

8. Consider, and act upon, the award of Public Works Bid No. 2025-003, La Luz South Reservoir Cover, Tower, and Catwalk Replacement Project No. UC2209, to KE&G, related to the La Luz South Reservoir Cover, Tower, and Catwalk Replacement Project for an amount not to exceed \$4,586,180.64, including NMGR. (Justen Boyle, Senior Project Manager)

Mayor Payne said we are pulling Item 5.

Mayor Pro-Tem McDonald moved to approve as amended.

Commissioner Guthrie seconded the motion.

Motion Passed with a vote of 7 - 0 - 0.

ITEMS REMOVED FROM CONSENT AGENDA

5. Consider, and act upon, the award of RFP 2025-011 Water & Wastewater Analytical Testing Services to Aqua Environmental Testing Laboratory. (Dave Nunnelley, Utilities Director)

Commissioner Tapley asked what kind of water testing was being done. Utilities Director Nunnelley said we have had a similar contract in place since 2012, when we crossed over from a private contractor to the City. They do the majority of our wastewater testing. Commissioner Tapley said so they have always done it. Utilities Director Nunnelley said yes since 2012. This is a renewal. We are exploring options of trying to bring in lab operations completely in-house, so we can have operators communicating with operators. We have to take samples or else break regulatory compliance. Commissioner Rardin asked how much this was a year. Utilities Director Nunnelley said historically, we spend \$65,000 a year between water and wastewater.

Mayor Pro-Tem McDonald moved to Approve.

Commissioner Tapley seconded the motion.

Motion Passed with a vote of 7 - 0 - 0.

PUBLIC HEARINGS

9. Consider, and act upon, the question of whether the Alcoholic Beverage Control Division of the State of New Mexico should approve or disapprove the transfer of ownership and location of Dispenser Liquor License No. DIS-000637 with no premises consumption with no patio service to the the applicant Murphy Oil USA, Inc., dba Murphy Express #3576 at 2919 White Sands Blvd., with the transfer from BW Gas and Convenience Retail, LLC, dba Allsup's #102177 at 2201 N. White Sands Blvd. (Dylan Aleshire, Deputy City Clerk)

Commissioner Rardin asked if this was the old Allsup's that was torn down. Deputy City Clerk Aleshire said he believed so but was not sure.

Commissioner Tapley moved to approve.

Commissioner Rardin seconded the motion.

Motion Passed with a vote of 7 - 0 - 0.

UNFINISHED BUSINESS

10. Consider, and act upon, Ordinance 1719 for first publication to approve a Local Economic Development Project not to exceed \$475,000 Secured Assistance Proposed by Xtreme Amplitude. (Echo Johnson, Owner) (Roll Call Vote Required)

Mayor Payne asked if the withdrawal was official, even if it was during public comment. Deputy City Clerk Aleshire said the applicant had already left. Commissioner Rardin said the applicant stated she was withdrawing it and did not want it. City Attorney Mori said he would just reiterate that the applicant subject to Item 10 has withdrawn their LEDA application publicly, and because of that, move to pull it from the agenda.

Mayor Payne asked if she had a motion to withdraw Item 10 due to the withdrawal of the application.

Commissioner Tapley moved to Withdraw Item 10 due to the withdrawal of the application.

Mayor Pro-Tem McDonald seconded the motion.

Motion Passed with a vote of 5 - 0 - 2. Commissioner Stephen Burnett and Commissioner Crystal Guthrie voted to abstain.

NEW BUSINESS

11. Consider, and act upon, the first publication of Ordinance 1720 Declaring The Need For Designation By Otero County, New Mexico By And Through The County's Board Of County Commissioners Of Certain Real Property Within The County's Area Of Operation Overlapping The Municipal Boundaries Of The City Of Alamogordo As A Metropolitan Redevelopment Area. (*Chris Muirhead, Modrall Sperling*) (Roll Call Vote Required)

Mr. Muirhead said in full disclosure, we are also public finance attorneys for Otero County. We do not advise them of your policy decisions; that is what you have in front of you. They reached out to us to walk through how to do a Metropolitan Redevelopment Area, an MRA, if they wanted to pass benefits on to Patriot Pointe. We have done that, and tonight, I am here representing you. I do not think it is a conflict, but tonight I am here advising you whether to do it or not. To summarize, Patriot Pointe is a multi-family housing development. They were looking for economic incentives to lighten their burden of building it. Under New Mexico law, you cannot use an industrial revenue bond. What does fit is, if developing it in an MRA, there is a seven-year tax for the increased value of the property from year one through year seven. Throughout the seven years, they still pay the property tax they were paying on the undeveloped value of that property. They would get a seven-year abatement on the increase in value. It goes back on the tax role for all entities after year seven. Under Metropolitan Redevelopment Code, the County cannot designate an area within the City's territorial jurisdiction as an MRA without the City's consent and acknowledgment. The scope of what the County had designated may be overly broad, which is a concern. You are free to scope it however you like to. This is what the County Attorney did just to get something in front of you. The Metropolitan Redevelopment Code has unfortunate wording in there about blighted, slum, and things of that nature, which are not descriptive of Alamogordo and create perception issues. You can, if in need of housing, declare an area technically blighted. The door to do this is the need for housing. It is perfectly legal to designate it to incentivize housing developments.

Mayor Payne asked for an explanation of the process. Mr. Muirhead said if you want to provide this to consent, the County then has to have multiple public hearings, and then it has to develop a Metropolitan Redevelopment Plan. In those, there is an extensive plan about what your economic development and reconstruction will be, along with what other improvements you are going to do, and what the full scope of the hope is for the area. Over time, you incentivize private development coming in. The County would have multiple different hearings to approve that plan. There is no size limitation under the Metropolitan Redevelopment Code, and this is very much a surgical strike to do this for one project. Once the County approves the plan, it is still governed by the County in terms of what happens there. This is a unique and not illegal way to address the housing shortage in the community. Mayor Payne asked how long the process is. Mr. Muirhead said three to four months with all the hearings. You may be able to get the area designated in March.

Commissioner Rardin said he had questions about the legal description and how large an area it was. It is a huge portion of the City. I had previously spoken with City Attorney Mori and Acting City Manager Hernandez about downsizing it. Do we want to make it that large? The County would have to come up with a plan for how to redevelop that extra area. Mr. Muirhead said you were looking at the idea of incentivizing multiple-family housing or other developments because you have already designated that whole area. Again, it is a perception issue. The bigger and broader it is, the more responsibility to figure out the whole area. Commissioner Rardin said originally, they had from Taco Bell to Scenic Drive, from Scenic Drive to Abbott, and then from Abbott all the way down to White Sands Boulevard. It encompasses many newer subdivisions in town. It would basically be Districts 4 and 5. City Attorney Mori said if we do a larger area, does that open up more room for possible redevelopment plans for other companies to utilize? We are working with the County in this case for Patriot Pointe. If we designate an area too large, would the City have to create their own separate MRA? Would there be two competing MRAs? Mr. Muirhead said the way you have it now, this is the County asking you permission for them to create this district. If you give them permission based on this designation, and they choose not to create it that big, there is no obligation on the City to go ahead and fill that in.

Mayor Pro-Tem McDonald said in reading it, it says it starts on the corner of Panorama and White Sands, goes down Panorama, down Ocotillo, all the way down to Scenic, where it covers that area. There are brand new subdivisions, and Quail Hollow #2 is there, too. Coming east from White Sands, that area is probably the most housed. You are covering everything west of Scenic. You are including the high school. From 4th Street and White Sands, taking it all the way up Scenic and Abbott. That is a lot of territory. City Attorney Mori said it started off as a massive swath for the Commission to whittle down, if it wants. It was originally proposed as just that lot. If the Commission decides they just want that lot designated, that is the Commission's prerogative, and your ability to declare what parts of Alamogordo would be deemed in necessary need of housing. Whatever the Commission designates is what the County has to work with in regard to their plan.

Commissioner Guthrie asked if all the land had to be connected. If we take that one lot, and take it out to the other side of White Sands, would that be two separate situations to deal with, with their own processes? Can we pick and choose? Mr. Muirhead said they did not have to be contiguous. You could have multiple different areas designated. In some ways, that is more defensible because you are being strategic in saying these are the areas we really think this works. Here, you have someone coming and saying they want to build but we need tax incentives. It can be done another way, where you create a district to incentivize private money.

Commissioner Rardin asked if all that area discussed previously would be eligible for the property tax abatement. Mayor Payne asked what the area discussed was. Commissioner Rardin said he and City Attorney Mori looked at it on a map, and the area was huge. Patriot Pointe is actually in my district. The area would encompass a majority of that older part of your district, and it would catch a finger part of mine where Patriot Pointe is. I really wish that staff had a map of this. Mayor Pro-Tem McDonald said for the last six years, I have been told that in District 5, by anyone who would come in, like contractors or developers, that they could not make money in that area. I am skeptical about being placed in something where something may not happen. All I see at this point is Patriot Pointe going in. Besides Main Street and Inkwell, nothing in thirty years has happened in that area for a building. So I am skeptical. Mayor Payne said the downtown area has already been declared an MRD. My concern is, around Patriot Pointe, there is nothing else to build. The only thing left is his lot. We are specifically doing this for one developer. I think you would need to expand that. Let's say it did encompass Ocotillo. What does that do for a developer if they came in? Would that give a developer a tax break? Those would be single-family homes that people would purchase. Mr. Muirhead said no one gets a tax benefit without action by the governing body. In doing this, where you give them consent, it would also be authority for approval on any subsequent projects they want to approve for designation. In here, we are starting with Patriot Pointe. There would be a transaction around that to get it off the tax rolls for seven years. Just because you live in that area, it does not mean you get a benefit unless you go through the process. So nothing would happen unless there was a decision that the County and City agreed with, like there was a development you felt fit. Mayor Payne said what if a developer wants to come in and develop in an MRD we already designated. Would the developer get the incentive? Would the homeowners? Mr. Muirhead said in theory, the idea is that it costs the developer less, and they pass that off in lower rents or sales prices for that period of time. In theory, it is supposed to be a trickle-down effect. Mayor Payne said but there is nothing legally that says that has to be in practice. Mr. Muirhead said no. Mayor Payne asked if the tax break extended to the people building the house, or was it only the developer? Mr. Muirhead said hypothetically, if you did it for single-family homes, the owner of the property enjoys the benefit for the seven years.

Commissioner Rardin said we should just do the parcel. In the area with Districts 4 and 5, it was so we could redevelop it, but it doesn't look like this would be an incentive. Mr. Muirhead said it was a unique concept, and he had not seen it work that way before. Commissioner Rardin said District 5 is the older part of town with vacant lots and run-down properties. Mr. Muirhead said let's say you designate the big area, then you have a developer come in and look to redevelop. Then you enter an agreement for that on an individual basis with them for those properties. Those properties you develop within an MRA could enter into an agreement. Commissioner Rardin asked if it would be beneficial to declare a larger area. Mr. Muirhead said he would approve the larger area with the caveat in the ordinance for individual project approvals. The County creates it, and you would want to have a voice in the process. The City can do its own, where you have complete control. Mayor Payne asked if we could come back and designate an area without the County. Mr. Muirhead said absolutely. This is unique because the County wants to do it in your jurisdiction, and they need your consent. You could do this all on your own if you want to.

Mayor Pro-Tem McDonald said the Sacramento Mountain Foundation will be presenting five pilot projects to the City. We already know the money and commitment are there with the Foundation. I would hesitate to have the whole area designated as blight because there is a plan to do something throughout the City. Having the whole area blighted

could cause hiccups. We also do not know what venture capital will come into our area.

Mayor Payne asked why the County was so determined to build these apartments. I question it.

Commissioner Rardin said it would be more beneficial to pass tonight on just the parcel they are building the apartments on. Then, if we want to do an MRA for the area we were discussing, it would be best if we did it, not the County. We will have control over it, correct? Mr. Muirhead said correct. Commissioner Rardin asked if that would face legal challenges. Mr. Muirhead said no, this was just to get it published. I recommend, before it comes back for final consideration, that we redraft the description of the property. Regarding the Foundation, the City can create its own area and plan that you control. Commissioner Rardin said we could create it, then the Foundation could step in, and it would offer some incentives for them. Commissioner Guthrie said so tonight we are just voting on the publication on a specific area. Commissioner Rardin asked if in the motion, we need to designate just the Patriot Point parcel. City Attorney Mori said yes, amending the legal description to just the plot for Patriot Pointe, or however the Commission names it. Commissioner Rardin said he did not want to give the County control of that large of a portion of the City. They would be able to do whatever they want to. Mr. Muirhead said it is subject to your approval, but it could be a good collaboration. Commissioner Rardin said their real intent is getting this done, not redeveloping. City Attorney Mori said that his understanding was that the County's intention with the MRA is solely Patriot Pointe. Mayor Payne said she felt it was odd that they went to the County and not the City, when the City could have done this. Finance Director Huff said a significant amount of work will go into this. Developing an MRA plan is not an easy thing. Mayor Payne said she did not know why the City didn't just do this to begin with.

Mayor Pro-Tem McDonald said even in going forward with the MRA, how long until they break ground? Mr. Muirhead said he did not know what the status of the project was. I know they are getting federal HUD support and stacking incentives up. Mayor Payne said they were waiting until September to see what interest rates would do, but they do not have a loan yet.

Mayor Payne asked that the Commission receive information before the final publication. Commissioner Rardin asked if the final publication ordinance could be amended to include a start date. I do not want to approve this, and it takes ten years to get that started. Mr. Muirhead said yes, you could put whatever restrictions or requirements you want in there. Mayor Payne asked when the clock would start ticking. Mr. Muirhead said when the County approves it as an MR project. Right now, you are just giving the County consent to create an MR area.

Commissioner Rardin moved to approve Ordinance 1720 and the designated area is just Patriot Pointe.
Mayor Pro-Tem McDonald seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.

12. Consider, and approve, Resolution 2025-35, Authorizing and Approving Submission of a Completed Application for Financial Assistance and Project Approval to the New Mexico Finance Authority. (Chris Muirhead, Modrall Sperling) (Roll Call Vote Required)

Commissioner Rardin said this was about the Natatorium. Finance Director Huff said yes, this is to begin the funding process for the \$12,000,000 for the new Natatorium. Mr. Muirhead said this kicks it off and is nonbinding. It supports putting the application in, but does not mean you are required to vote yes on the ordinance.

Commissioner Rardin asked if this would give us a total of \$16,000,000, then, along with the \$4,000,000 in LEDA money transferred? Finance Director Huff said correct. The instruction given to Parks and Recreation Director Bass and Senior Project Manager Boyle is that they need to have a \$12,000,000 pool designed. The \$4,000,000 is to deal with contingency. We already had to put in sewer connections and a change order on the Oregon Street project to get the funding right. We are going to debt for \$12,000,000, but \$16,000,000 is available for the total project.

Commissioner Rardin moved to approve.
Commissioner Guthrie seconded the motion.
Motion Passed with a vote of 7 - 0 - 0.

13. Appointments to Boards and Committees. (Susan L. Payne, Mayor)

Mayor Payne appointed Pamela Vesey to the Alamogordo Public Library Board. No one was opposed.

ADJOURNMENT

Mayor Pro-Tem McDonald moved to adjourn at 9:04 PM.

Commissioner Rardin seconded the motion.

Motion Passed with a vote of 7 - 0 - 0.

ATTEST:



Mayor Susan Payne



City Clerk Rachel Hughs

(Prepared by Dylan Aleshire, Deputy Clerk)

Approved at the Regular Meeting held on December 2, 2025.

