

Special Meeting – Continuation of Public Hearing

July 24, 2001

The Board of County Commissioners, in and for the County of Otero, State of New Mexico, met in a Regular Meeting at the Otero County Courthouse in Alamogordo, County and State aforesaid. Meeting called to order by the Chairman at 6:00 p.m., July 24, 2001; and he announced that reasonable notice for this meeting was given to the Alamogordo Daily News, Mountain Monthly, and to Radio Stations, KPSA, KINN and KYEE.

Present:

Richard Zierlein	Chairman
Timothy McGinn	Vice-Chairman
Michael Nivison	Member
LaDonna Adams	Administrative Secretary
Dan Bryant	County Attorney
Kim Chavez	Deputy Clerk

DRAFT

I. Continuation of Public Hearing to discuss proposed Ordinance No. 01-01 authorizing the lease and purchase of a jail facility for use by the County and other incarcerating jurisdictions and to pay a principal amount of up to \$28,000,000 for the purpose of defraying the cost of construction, acquiring and equipping the Project, which amount will be payable solely from the net revenues of the Project. Commissioner Zierlein informed the public if there is any new or additional comments, the Commission would like to hear them at this time. Dan Bryant, County Attorney stated that the following changes were made to the Ordinance. Mr. Bryant stated that there was concern at the last meeting about whether the passage of this Ordinance irrevocably binds the County in participating all the way through to the end without options in this Revenue Bonding

process. Mr. Bryant stated that as a reaction to those comments Mr. Bendicksen from the Law Firm of Sutin Thayer & Browne stated that the Ordinance could be amended. Mr. Bryant stated that there has been amendments made to Section 3 paragraph B. The first two lines of the paragraph now read: The forms of the Agreement as presented at the meeting of the Board at which this Ordinance was adopted are approved conceptually subject to final negotiations and the approval of the Lease payment schedule, the certificate interest rates and maturity schedule and other details of the Agreements not inconsistent with this Ordinance in a resolution (the "Sale Resolution") of the Board to be adopted subsequent to this Ordinance, which is to approve the Agreements in substantially final form.

In Section 7, a paragraph C was added to read: The adoption of this Ordinance by the Board shall not obligate the County to adopt the Sale Resolution, to enter into any of the Agreements or to take any other actions in furtherance of the transactions contemplated by this Ordinance or the Agreements. Mr. Bryant stated that when the Ordinance is reviewed in total what is contemplated here is the vehicle by which the doors open for the County to enter into negotiations for the Lease with Purchase Option to make the Revenue Bonding Program work. Revenue Bonds are an economic development tool that the Legislature granted to local public bodies in New Mexico and this particular project is an economic development project that is designed to stimulate the economy.

The issue for the Board of County Commissioners is do you want to take action and pass this Ordinance and open the door to enter into negotiation and take care of the other issues. Mr. Bryant stated that the County has hired Kevin Powers and Paul Cassidy from Albuquerque to review the agreements. Mr. Powers has done bonding work for the County since before 1978. Mr. Bryant stated that it is crystal clear that this thing is designed to support itself. Mr. Bryant stated that the County is also negotiating with Dr. Alex Thal who has done cost benefit analysis on rural jail

facilities in New Mexico for a few Counties. Mr. Thal is going to be asked to look at this and produce a report that talks about the cost and benefits of the jail facility. If the Board of County Commissioners chooses to pass this it will start the process by which Revenue Bonds are developed, the agreements are negotiated and finalized. If everything keeps proceeding the County will do a Sale Resolution at another public meeting of the Board of County Commissioners and that Sale Resolution has to be consistent with the Ordinance. Once all of that is done the agreements will be finalized and approved. At that point and time the contract can't change. The reason for that is to guarantee the integrity of the Revenue source to pay off the bonds that are being sold out in the public as a revenue bond so that the investors in that revenue bonding process will have some sense of confidence that the project they have bought into is going to stay the project they bought into and is not going to have the legs cut out from under it by some County Commission changing the rules in the middle of the game.

Art Grammont, Operation Officer at the Otero County Detention, asked when all the paperwork is finalized and the negotiations come about who is going to operate the facility; is there going to be a joint powers agreement between Otero County and El Paso for emergency services and is it going to have to go through the governors of the two different States and will Otero County have any kind of say so in the operation of the facility?

Larry Schultz, President of the Otero County Economic Development Council, stated that given all that has been said about this issue he is highly in favor of the facility. Mr. Schultz stated that he is somewhat saddened that most of these jobs will go to El Paso residents.

Commissioner Nivison thanked the County Attorney for taking time out of his busy schedule to keep each Commissioner up on this Ordinance. Commissioner Nivison made a motion to pass the Ordinance as amended. Commissioner McGinn seconded the motion. Commissioner

McGinn stated that he thinks this will be a good project for Otero County. Commissioner McGinn thanked Commissioner Zierlein for all the work he has done on this project. Roll call was taken as follows:

Commissioner Zierlein	yes
Commissioner McGinn	yes
Commissioner Nivison	yes

The motion passed unanimously. See pages_____.

There being no further business before the Commission, the Chairman adjourned the meeting at 6:20 p.m.

APPROVED:

Chairman

ATTEST:

Mary D. Quintana
Otero County Clerk