

STATE OF NEW MEXICO
COUNTY OF LEA
RESOLUTION NO. 22-MAY-109R

**A RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN LEA COUNTY AND
THE CITY OF HOBBS REGARDING COMMERCIAL AIR SERVICE/AIRLINE SUBSIDY AT THE LEA
COUNTY REGIONAL AIRPORT FOR FISCAL YEAR 2022-2023**

WHEREAS, the County and the City agree that a major airline service in Lea County provides a significant economic benefit to Lea County; *and*

WHEREAS, a major airline service to Lea County provides efficient transportation for its citizens and businesses; *and*

WHEREAS, a major airline service to Lea County provides efficient transportation for its citizens and businesses, including healthcare; *and*

WHEREAS, the Economic Development Corporation of Lea County ("EDC") has negotiated and obtained an agreement with United Airlines ("UNITED") to provide regular jet air service to and from Hobbs, NM; *and*

WHEREAS, the agreement requires subsidy payments from the CITY and COUNTY, if necessary, to maintain the air service; *and*

WHEREAS, the CITY and COUNTY desire to jointly fund any required subsidy.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of County Commissioners of Lea County that the Memorandum of Understanding between Lea County and the City of Hobbs regarding Commercial Air Service/Airline Subsidy at the Lea County Regional Airport is hereby approved.

BE IT FURTHER RESOLVED that the Commission Chair and/or County Manager may finalize and sign any agreements consistent with the terms of this resolution.

PASSED AND APPROVED on this 12th day of May, 2022, by the Lea County Board of County Commissioners in an open meeting in Lovington, New Mexico.

LEA COUNTY BOARD OF COUNTY COMMISSIONERS



Dean Jackson (District 1), Chair
Voted: Yes No Abstain



Gary G. Eidson (District 3), Vice Chair
Voted: Yes No Abstain

Rebecca Long

Rebecca Long (District 2), Member
Voted: Yes No Abstain

Pat Sims

Pat Sims (District 5), Member
Voted: Yes No Abstain

Jonathan Sena

Jonathan Sena (District 4), Member
Voted: Yes No Abstain

ATTEST: Keith Manes
Lea County Clerk

By: *Teri Davis*

Teri Davis, Deputy Clerk



**APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:**

John W. Caldwell

John W. Caldwell, County Attorney

**MEMORANDUM OF UNDERSTANDING BETWEEN
LEA COUNTY, NEW MEXICO AND THE
CITY OF HOBBS**

This Memorandum of Understanding is made this _____ day of May, 2022, by and between the City of Hobbs (*hereinafter* "CITY") and Lea County, New Mexico (*hereinafter* "COUNTY").

PURPOSE

The purpose of this agreement is to memorialize the terms and agreement between the CITY and COUNTY regarding their funding of airline subsidy for FY 22-23. CITY and COUNTY agree to cooperate as outlined in this Memorandum of Understanding (*hereinafter* "Agreement").

WHEREAS, the CITY and COUNTY agree that a major airline service in Lea County provides a significant economic benefit to Lea County; and

WHEREAS, a major airline service to Lea County provides efficient transportation for its citizens and businesses; and

WHEREAS, a major airline service in Lea County is required in the recruitment of new businesses and maintaining existing businesses; and

WHEREAS, the Economic Development Corporation of Lea County ("EDC") has negotiated and obtained an agreement with United Airlines ("UNITED") to provide regular jet air service to and from Hobbs, NM; and

WHEREAS, the agreement requires subsidy payments from the CITY and COUNTY, if necessary, to maintain the air service; and

WHEREAS, the CITY and COUNTY desire to jointly fund any required subsidy.

NOW THEREFORE, the CITY and COUNTY agree as follows:

SUBSIDY FUNDING

1. CITY and COUNTY agree to budget and share equally the costs of subsidy funding for FY 22-23.

2. The subsidy shall not exceed \$2,025,137.00 in the aggregate for each entity.

3. At the conclusion of each quarter, UNITED will provide an accounting to EDC determining subsidy requirements. CITY and COUNTY shall monitor and confirm the subsidy amounts.

4. Each entity shall be responsible for one-half of each of the four (4) quarterly required subsidy payments.

MERGER OF AGREEMENT

This Agreement incorporates all agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this Agreement. No prior statements, representations, promises or agreement of understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

SOVEREIGN IMMUNITY

CITY and COUNTY and their public employees (as defined in the New Mexico Tort Claims Act) do not waive sovereign immunity, do not waive any defense(s), and/or do not waive any limitation(s) pursuant to the New Mexico Tort Claims Act and the New Mexico Civil Rights Act. No provision in the Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act or the New Mexico Civil Rights Act as it relates to CITY and COUNTY and their public employees.

LIABILITY

Each party agrees to bear liability and responsibility for the negligent, reckless or deliberate acts or omissions of their own officers and employees, as limited by the New Mexico Tort Claims Act or the New Mexico Civil Rights Act.

THIRD PARTY BENEFICIARIES

It is specifically agreed between the parties executing the Agreement that it is not intended by any of the provisions of any part of the Agreement to create in the public or any member thereof, a third party beneficiary, or to authorize anyone not a party to the Agreement to maintain, pursuant to the provisions of the Agreement, a suit of any nature, including but not limited to suits alleging wrongful death, bodily and/or personal injury to person(s), damages to property(ies), and/or any cause of action.

INSURANCE

Both CITY and COUNTY shall maintain liability insurance or qualify as a self-insured entity, as required by law.

TERM

This Agreement shall continue in full force and effect, for the four required quarterly payments to UNITED. Nothing in this Agreement guarantees future airline subsidy funding by either entity beyond what this Agreement contemplates.

SEVERABILITY

If any provision of this Agreement is found to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

NO ORAL MODIFICATION

The forgoing constitutes the entire agreement between the Parties and may be modified only in writing signed by both Parties. Amendments and alterations to this Agreement after execution may only be made in writing signed by both parties.

GOVERNING LAW

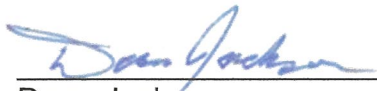
This Agreement shall be construed in accordance with the laws of the State of New Mexico.

EFFECTIVE DATE

This Agreement shall be in full force and effect upon execution and approval of the parties hereto.

ATTEST:

LEA COUNTY, NEW MEXICO

BY: 

Dean Jackson,
Lea County Chair

May 12, 2022
Date: _____

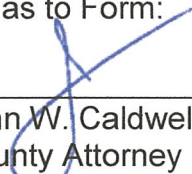
ATTEST:

CITY OF HOBBS

BY: _____
Sam Cobb,
Mayor

Date: _____

Approved as to Form:

By: 

John W. Caldwell
County Attorney

May 12, 2022
Date: _____

By: _____
Efren A. Cortez
City Attorney

Date: _____