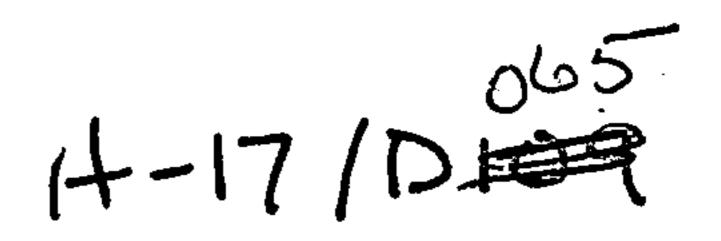
L1 Name: Embudo Arroyo Channel

Legal: Portion Parcel D, Embudo Arroyo Channel

Zone Atlas: H-17 Size: 10,000 +/- sq. ft.

Potential Lease Range: \$3,600 - \$10,000 per year



Embudo Arroyo Channel east of Carlisle and north of I-40. Most of this segment of the facility is an open channel, except for the eastern 133 +/- feet that is in an underground box culvert. The surface area over the underground culvert has been used for surface parking by employees and/or patrons of adjacent businesses for many years, with the number of vehicles parked on the property gradually increasing over time as adjacent properties have been developed.

Last years REC Recommendation to the AMAFCA Board - Remove from potential surplus list. Staff should start the process to put the property up for lease, with AMAFCA reserving the right to operate, maintain and access the AMAFCA drainage facilities. REC expressed concern about possible adverse uses of the property if put out to bid for highest lease return (junk cars, heavy equipment based on adjacent nearby businesses).

Actions Taken: Staff has consulted with adjacent owners that are considered to be the most likely potential lessees. Franklin Earthmoving which is located to the north is no longer interested in leasing the site, as they have fenced off their property and have determined they have adequate space on their own property. Similarly, Knittles Towing which is located across the street is not interested in leasing the site. Liberty Gym which is located to the south is interested in leasing the site for employee and customer parking. Staff has requested guidance from Attorney Bregman in lease issues in order that we comply with State Statutes since this would be different from the two existing leases that are short term for agricultural purposes.

Two major issues that need to be addressed are compliance with the City/County Dust regulations which may require that the site be graveled or paved, and any required lighting of the property. These issues could likely be passed on to the successful lessee as a condition of the lease of the property. Staff estimates that the potential lease rate could vary significantly depending on the term of the lease, the site improvements that AMAFCA (or the City planning and/or zoning department) may require of the lessee (surfacing for dust control, lighting, fencing, perimeter landscaping, etc.) We estimate that a possible lease rate might be in the range of \$3,600.00 to \$10,000.00 per year. Unless the REC or the Board provides direction to do something different, we hope to be in a position to recommend a lease of this property at an upcoming Board meeting.

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