

**SUBMITTED BY:** Luis Pedroza, Deputy City Manager

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager

**FOCUS AREA:** Other / NA

**ORGANIZATIONAL IMPROVEMENTS:** EnterTextHere

**SUBJECT:** **SECOND READING OF ORDINANCE NO. 25-1212**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the **EXECUTION** of a **LEASE AGREEMENT** with **HENSEL PHELPS CONSTRUCTION CO.** for 21,500 square feet of vacant land at city owned parcel 408-34-008b for purposes of conducting construction contractor operations for the construction of the new Douglas commercial port of entry authorizing the City Manager to execute all necessary documents; establishing severability of components of Ordinance; and establishing an effective date thereof.

**EXECUTIVE SUMMARY:**

Hensel Phelps Construction Contractor is scheduled to break ground at the 80-acre parcel for the construction of the new Douglas Commercial Port of Entry in August 2025. Hensel Phelps is seeking a lease with the city owned 5-acre parcel adjacent to the 80-acre parcel for job staging area, yard, general construction operations and general office purposes.

**BACKGROUND:**

The city built the temporary water well site in this 5-acre parcel for the construction of the new commercial POE. Hensel Phelps is seeking vacant land for their yard and office trailers around the fenced well site. Hensel Phelps will be responsible for all improvements and cleaning the premises during and after they leave. We expect Hensel Phelps to be at the site for at least 42 months. The rent was negotiated at \$650 per month based on the same rental rate the city provided to Barnard, the Border Wall Contractors stationed at vacant land at the Airport in 2024.

**DISCUSSION:**

This lease is presented as an ordinance due to the period being longer than 12 months. The terms of the lease are listed in the attached lease agreement. Staff recommend the approval of the lease agreement.

**FISCAL IMPACT:**

\$7,800 revenue per year.

**Fiscal Year:** 2024/2025

**Amount Requested:** \$0

**Budgeted:** Y / N

**Account (s):**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE SECOND READING OF ORDINANCE NO. 25-1212 BY NUMBER AND TITLE ONLY.”**