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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/09

SPONSOR Ezzell LAST UPDATED _____ HJR 21

SHORT TITLE Former Walker Air Force Base Land Sale SB _____

ANALYST Archuleta

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$120.0*		Nonrecurring	Property Control Reserve Fund

(Parenthesis () Indicate Revenue Decreases)

*Estimated amount provided by GSD

SOURCES OF INFORMATION

LFC Files

Responses Received From

General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Joint Resolution 21 authorizes the Property Control Division (PCD) of the General Services Department (GSD) to sell 2.899 acres of residential property with fifteen houses located on the former Walker Air Force Base in Roswell. The bill provides for the payment to the federal government representing the value of the state's use of property and improvements in proportion to the length of time of its use. It has been determined by PCD that this property and improvements are surplus and not useful to the state, and that PCD will sell the property using a request for proposal.

FISCAL IMPLICATIONS

According to GSD, PCD will sell unused property and deposit the proceeds into the Property Control Reserve Fund created for this purpose after payment to the federal government representing the length of time that the state did not fulfill its use obligation under the original deed transferring the property from the federal government to the state. The properties are appraised individually, but the estimated total value is over \$100,000.

SIGNIFICANT ISSUES

According to GSD, this residential property was originally to be used as part of the rehabilitation programs at the Southern NM Rehabilitation Center located near the houses. The program that utilized the houses was discontinued by the Department of Health in August, 2002 and the houses have fallen into disrepair. Currently, PCD is completing design on a replacement facility for the rehabilitation center on what is now a campus of Eastern New Mexico University located on the old Walker Air Force Base property.

Because the rehabilitation program is moving, and because of the dilapidated state of these houses, PCD has determined that they are of no use to the state, and that a sale would allow private developers to improve and put the property to use. Part of the sales proceeds will be paid to the Federal Government to meet the State's obligation under the original transfer.

OTHER SUBSTANTIVE ISSUES

Disposal of this property to the private sector at market rates will remove buildings from PCD inventory that are a liability and safety hazard, while at the same time, ultimately improve the local neighborhood. According to GSD, this is the right thing to do, given the condition of the houses.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

PCD will be unable to dispose of this property

DA/mt