



Capitol Buildings Planning Commission

DECEMBER 2003

2003 ANNUAL REPORT

*Legislative Council Service
411 State Capitol
Santa Fe, New Mexico*

**CAPITOL BUILDINGS PLANNING
COMMISSION
ANNUAL REPORT**

DECEMBER 2003

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CAPITOL BUILDINGS PLANNING COMMISSION ANNUAL REPORT

DECEMBER 1, 2003

Introduction

The capitol buildings planning commission (CBPC) was created by the legislature in 1997 to study and plan for the long-range facilities needs of state government in Santa Fe. The statutory responsibility of the commission is to review prior long-range facilities needs assessments and develop an initial master plan for state facilities. The commission is also to annually update the master plan. In this regard, a master plan for state facilities in Santa Fe was completed in 2000. Following the initial steps taken on the master plan during 2001, the commission is following the recommended short-term moves as defined in phase II of the master plan updated for 2002. In response to legislative action, the commission's authority has been extended to Albuquerque and the commission completed an initial data-gathering phase and facilities inventory for Albuquerque.

The commission is composed of 11 members consisting of four members of the legislature, the secretary of general services, the property control division staff architect, the secretary of transportation, the state cultural affairs officer, the secretary of finance and administration, the commissioner of public lands and the chairman of the supreme court building commission or their respective designees. Representative Ben Lujan, speaker of the house, and Ed Lopez, secretary of general services, co-chaired the commission.

The legislative council service, in coordination with the staff of the general services department (GSD), provides the staff for the commission.

The commission is pleased to submit its annual report to the legislature and the governor.

History and Status of Programs of Major Focus

In 1999, the commission endorsed a bill to fund a master plan and a repair and replacement study. The initial process developed a long-range facilities master plan for all state agencies in Santa Fe, breaking the plan up into sub-master plans for the five main campuses identified at the time. Additionally, the initial study validated the existing long-range space needs plan and developed an inventory and evaluation of existing state-owned building systems and a plan for long-range repair, renovation and replacement with anticipated life-cycle rating schedule for existing state-owned buildings. The plan developed alternatives; strategies; site master plans identifying capital needs, costs and ongoing facility management requirements; and potential funding mechanisms to address one of the major considerations emerging from the initial master plan, which was to reduce the amount of space the state leased.

In 2001, the legislature, in response to the commission's work, authorized and funded two companion bills for the purpose of acquiring property and buildings in Santa Fe.

Laws 2001, Chapter 166 (Senate Bill 182) authorized the property control division (PCD) of GSD to acquire various office buildings and land in Santa Fe county for use as state office buildings as recommended in the master plan. The bill authorized the New Mexico finance authority (NMFA) to issue up to \$75 million in revenue bonds for the purchase of the properties.

Additionally, **Laws 2001, Chapter 199 (Senate Bill 214)** created a financing source for the state office building acquisitions in the State Office Building Acquisition Bonding Act.

This act earmarks distribution of state gross receipts tax, up to \$500,000 per month, to buy and build state office buildings, and authorized the NMFA to sell state office building tax revenue bonds to acquire the state office buildings authorized in Senate Bill 182. The NMFA issued the first series of the state building acquisition revenue bonds, totaling approximately \$34.7 million, on December 13, 2001.

Implementation of the provisions of Laws 2001, Chapter 166 and Laws 2001, Chapter 199 by the PCD and the NMFA continues to be in progress. The specific buildings and properties authorized to be acquired include:

West Capitol Complex

Project status: the new building at the west capitol complex was completed in October 2003. Tenant improvements are ongoing.

National Education Association (NEA) Building

Project status: an appraisal of the NEA building was conducted during spring 2003. This resulted in the state negotiating the final purchase of the building for \$4.75 million on August 28, 2003.

Purchase of Land on Cerrillos Road in Santa Fe, Located Adjacent to the District 5 Office of the Department of Transportation

Project status: Jaguar road property is no longer under consideration, but the commission continues to be interested in property adjacent to the district five office of the department of transportation (DOT) and the department of public safety. Legislation may be necessary to expand the authorization language in Laws 2001, Chapter 166.

Purchase of the Public Employees Retirement Association (PERA) Building

Project status: PCD received a letter in December 2002 from the chairman of PERA stating that PERA was not interested in selling the building at that time. The commission directed the co-chairs to proceed to determine the feasibility of pursuing negotiations with PERA. At the December 2003 meeting, it was reported that the PERA board has indicated a willingness to entertain discussion on the potential

purchase of the PERA building.

2003 Legislation Impacting the Work of the CBPC

The legislature in 2003 authorized and funded two companion bills for the purpose of renovating and maintaining existing structures and developing permanent exhibits at state museums.

The first bill, **Laws 2003, Chapter 371 (House Appropriations and Finance Committee Substitute for House Bill 496)** renamed the State Office Building Acquisition Bonding Act the State Building Bonding Act and expanded its purpose to authorize the NMFA to issue and sell bonds through the state building bonding fund for renovating and maintaining existing structures and developing permanent exhibits for state museums, including monuments.

The companion measure, **Laws 2003, Chapter 372 (House Appropriations and Finance Committee Substitute for House Bill 594)** authorized the NMFA to issue and sell state museum tax revenue bonds in compliance with the State Building Bonding Act not to exceed \$5,760,000 when the state cultural affairs officer certifies that the money is needed for the renovation, maintenance and development of state museums and monuments after review by the CBPC. The commission reviewed the proposal after the office of cultural affairs (OCA) certified it and recommended the issuance of the bonds.

Additionally, **Laws 2003, Chapter 89 (House Appropriations and Finance Committee Substitute for House Bill 259)** appropriated \$8 million from the state building bonding fund to the board of regents of New Mexico state university for the acquisition of a university sports facility after all other authorized projects have been funded.

Laws 2003, Chapter 110 (Senate Bill 689) added two additional members, the secretary of transportation and the State cultural affairs officer, to the CBPC. This membership increase on the commission provides necessary input and participation of the DOT and the OCA to the commission, which will be an asset for the commission in carrying out its duties.

Senate Joint Memorial 60 requested the CBPC to study parking opportunities in the state capitol area.

Other Areas of Concern

Areas of concern and study addressed by the commission in 2003 include the following:

Villagra Building: The plan includes demolition of the existing 1953 building, the building of a new structure and a remodel of the 1934 structure. During the course of demolition, historical artifacts were uncovered and an archaeological investigation was necessary. Final clearing of the site had to wait until completion of this study. The building is finally scheduled for completion in February 2004. The commission recently learned of the parking shortage the building will face following completion and was asked to investigate the purchase of land around the site for

the purpose of parking.

La Villa Rivera: GSD determined that it made better financial sense to terminate many of the lease agreements in the Santa Fe area when possible. La Villa Rivera's lease was up for renewal in July 2003, resulting in an October 2003 move-out date. In August 2003, PCD negotiated a month-to-month lease with a possible lease extension.

Parking Needs in Santa Fe: The commission conducted an initial review of the state's parking needs in downtown Santa Fe. Parking is limited in the downtown area, especially during the legislative session. This issue will continue to be studied by the commission in 2004.

2003 Reports

State Land Office: The state land office has not received funding of any major maintenance upkeep in over 10 years. The commissioner of public lands was of the opinion that the land office should be eligible to receive funds from the capitol buildings repair fund (CBRF). However, in 1987, the attorney general wrote an opinion that identified specific state buildings that were eligible to receive CBRF money and the state land office was not included. The commission directed staff to discuss this issue with the attorney general's office. The CBPC then suggested that the commissioner of public lands use the state land office maintenance fund for the land office, which would require a BAR from the department of finance and administration. The BAR was not forthcoming, so the commissioner of public lands will be proposing legislation for this situation.

Albuquerque Master Plan: The initial step in preparing a master plan for state government facilities in Albuquerque was undertaken in 2003 by ARC-Dekker Perich through a data-gathering inventory of the facilities in metropolitan Albuquerque, which included Valencia county. The Albuquerque master plan will be a major focus of the CBPC in 2004.

Attachments:

Recommendations for 2004 Legislation

Updated Master Plan

2003 Minutes: Capitol Buildings Planning Commission Meetings

**PROPOSED RECOMMENDATIONS
FOR
2004 LEGISLATION**

2004 PROPOSED LEGISLATIVE INITIATIVES

1. **Capitol buildings repair fund bond refinancing.** Staff directed to research the possibility of refinancing and, if appropriate, legislation would be introduced to provide for this option.
2. **Amend the authorization statute.** The commission proposed to amend Laws 2001, Chapter 166 to expand the language to allow for acquisition of properties contiguous to the district five office of the state Department of Transportation and Department of Public Safety; the language to allow specifically for the exploration of properties that already include infrastructure. The commission also seeks to amend the authorization statute to allow master planning and updating costs to be paid from bond proceeds.
3. **Restore the State Office Building Acquisition Bonding Act to its original purpose.** In 2003, the State Office Building Acquisition Bonding Act was renamed the State Building Bonding Act. It defined "building bonds" to include state museum tax revenue bonds and authorized NMFA to issue and sell these bonds. This would restore the original language to the State Building Bonding Act and grandfather in projects that began under the 2003 legislation.
4. **Authorization to sell the property that houses the Santa Fe office of the state Labor Department.** Request authorization to sell the property at market value.
5. **Severance tax permanent fund as construction financing for state buildings.** Draft for review a bill to develop a financing mechanism that would use investment of the severance tax permanent fund as construction financing for state building projects.

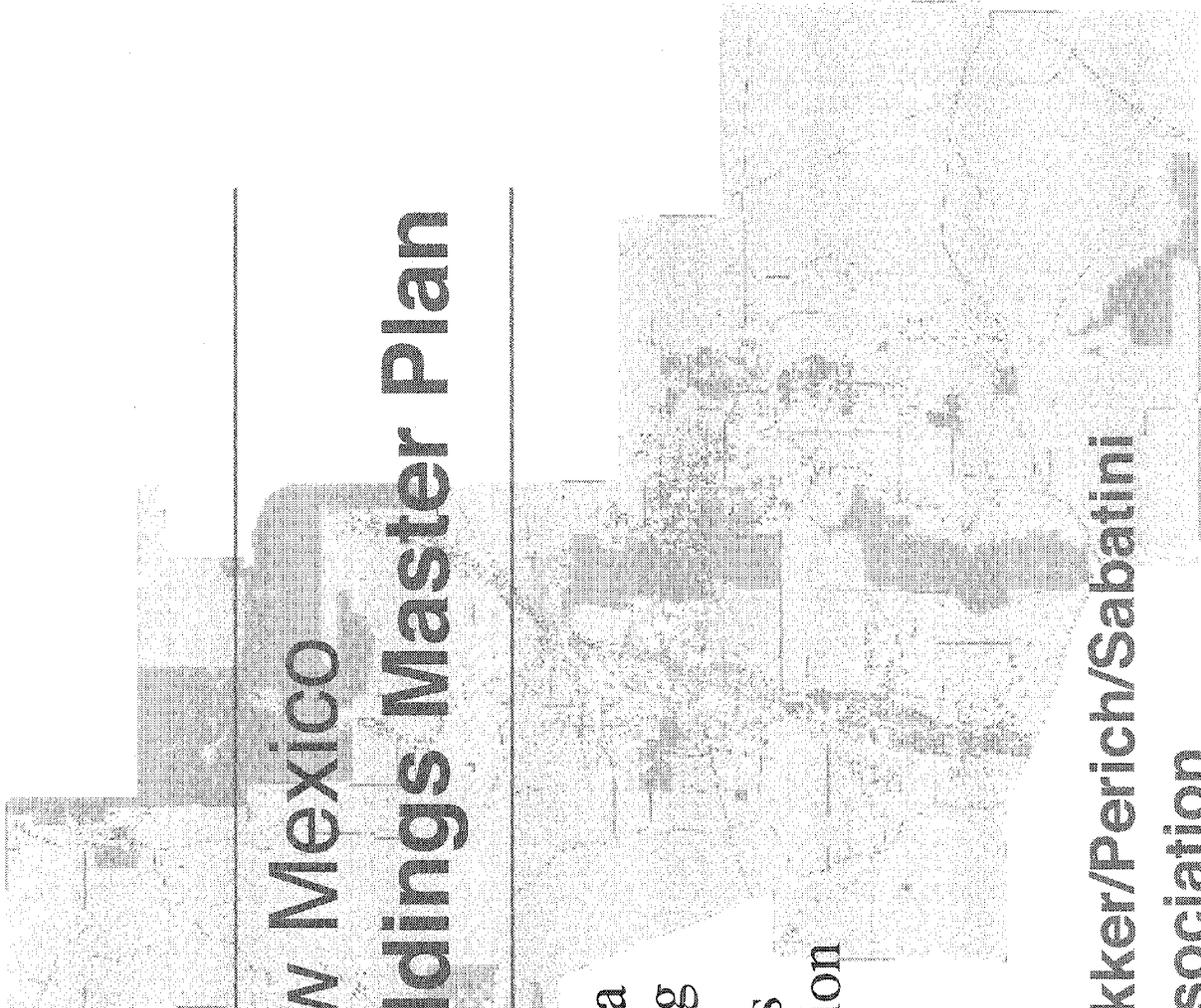
STATE OF NEW MEXICO INITIAL INVENTORY
FOR ALBUQUERQUE MASTER PLAN

JUNE 16, 2003

&

STATUS REPORT

AUGUST 22, 2003



State of New Mexico
Capitol Buildings Master Plan

Albuquerque Area
Overview Briefing

Capitol Buildings
Planning Commission

June 16, 2003

**The ARC - Dekker/Perich/Sabatini
Association**

Agenda

- ✓ **Goal/Questions/Activities**
- ✓ **Space Supply Characteristics**
- ✓ **Space Demand Characteristics**
- ✓ **Opportunities for the future**

Albuquerque Master Plan

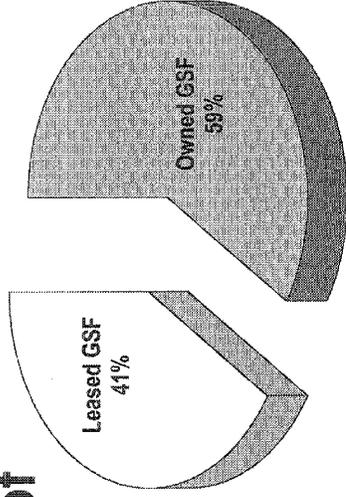
✓ Goal - Use available data sources to explore preliminary space needs and potential opportunities to meet needs for the Albuquerque Metro area.

✓ Questions:

- *What are characteristics of state facilities in the Albuquerque area?***
- *How will the Albuquerque Metro area grow?***
- *What are the opportunities for providing state services?***

Supply Characteristics

- ✓ The state owns or leases the equivalent of 2.3 million gross square feet (gsf) in the Albuquerque metro area
- ✓ About 41% of total equivalent space is leased



Existing State Facilities (Owned and Leased) in Albuquerque Metropolitan Area

	Owned Buildings		Leased Buildings					Average \$ /USF	
	GSF	% total GSF	USF***	% total USF	Total GSF equiv.*	Total GSF equiv.**%	Annual Lease		% total annual lease
Bernalillo County	573,831	42.37%	576,306	93.99%	886,625	93.99%	\$9,674,201	92.23%	\$16.79
Valencia County	772,024	57.01%	16,029	2.61%	24,660	2.61%	\$261,429	2.49%	\$16.31
Sandoval County	8,400	0.62%	20,840	3.40%	32,062	3.40%	\$554,061	5.28%	\$26.59
Total	1,354,255	100.00%	613,175	100.00%	943,346	100.00%	\$10,489,691	100.00%	
% Total All GSF	59%							41%	

Total GSF equiv.*	Total USF Equiv.**	% total USF %
1,460,466	949,296	63.56%
796,684	517,845	34.67%
40,462	26,300	1.76%
2,297,601	1,493,441	100.00%

Sources: Leased space - Mike Malinowski - PCD
Owned - PCD spreadsheets and 3DI Study

*Converts leasable square feet (USF) to equivalent gross square feet (GSF)

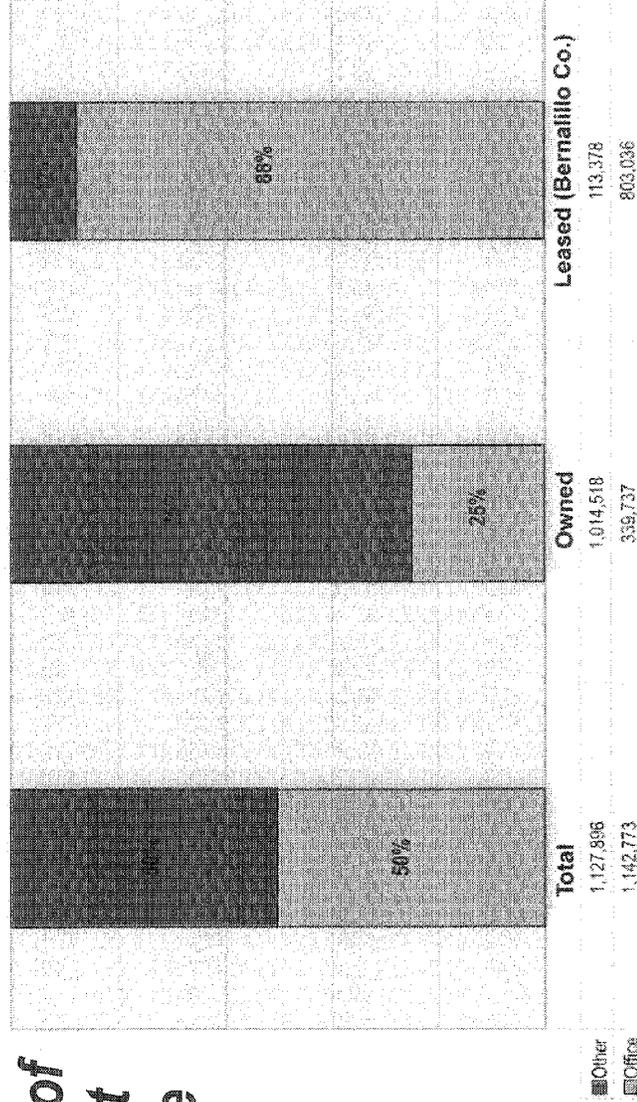
**Converts gross square feet (GSF) to equivalent leasable square feet (USF)

Supply Characteristics

✓ Type of Space

- Total amount of space is about 50% office use
- Owned- buildings are 25% office - 75% other
- Leased facilities are about 88% office use

Type of State Space in Albuquerque Metro Area
Gross Square Feet Equivalent



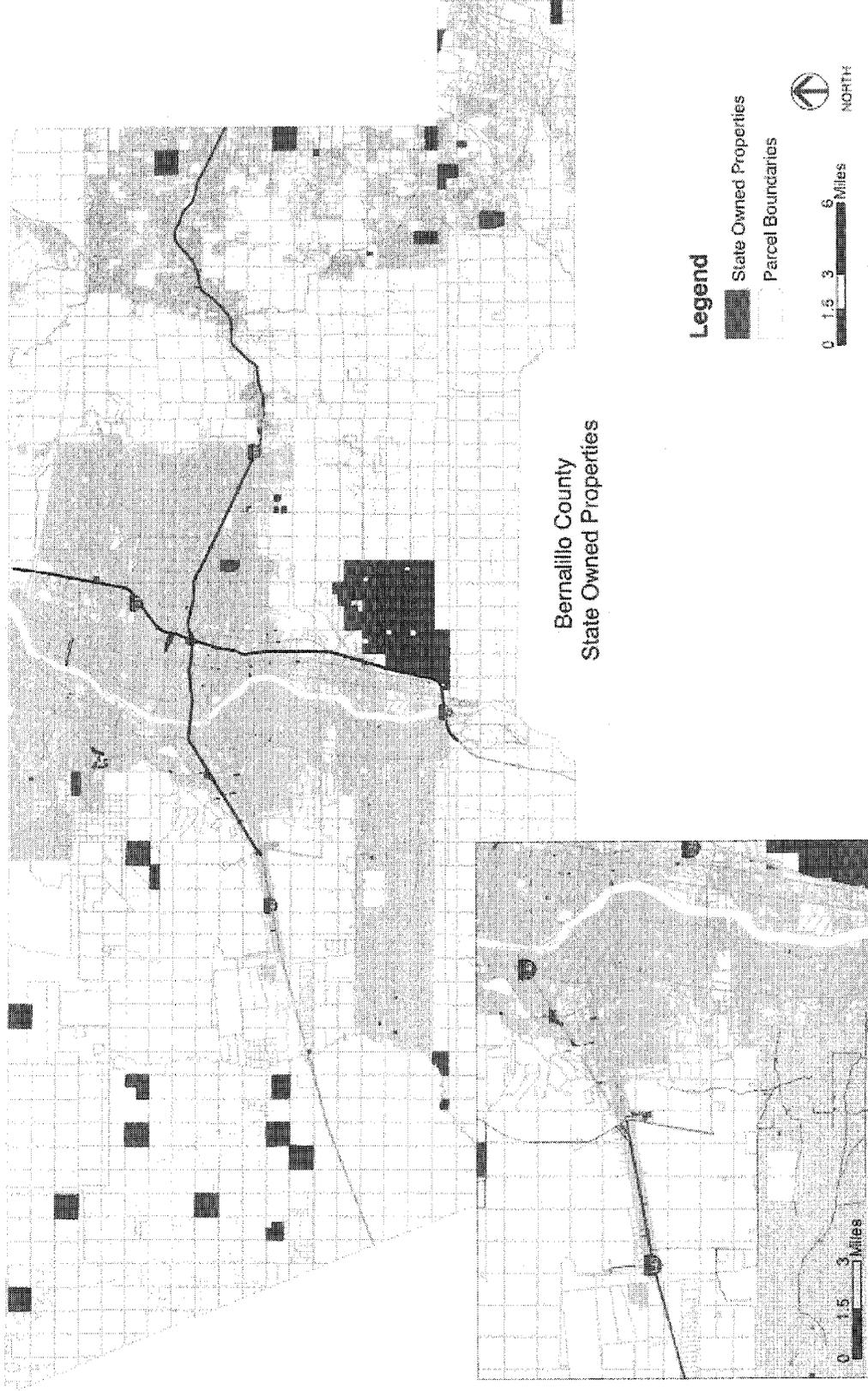
Sources: Leased space - Mike Malinowski - PCD

Owned - PCD spreadsheets and 3DI Study

Supply Characteristics

✓ State Land
Office land
ownership in
Albuquerque
Metro Area





✓ **State Land Ownership in Bernalillo County (source: Bernalillo County Assessors Office)**

Supply Characteristics*

- ✓ Location of State-owned and leased facilities in the Albuquerque metro area under jurisdiction of GSD PCD



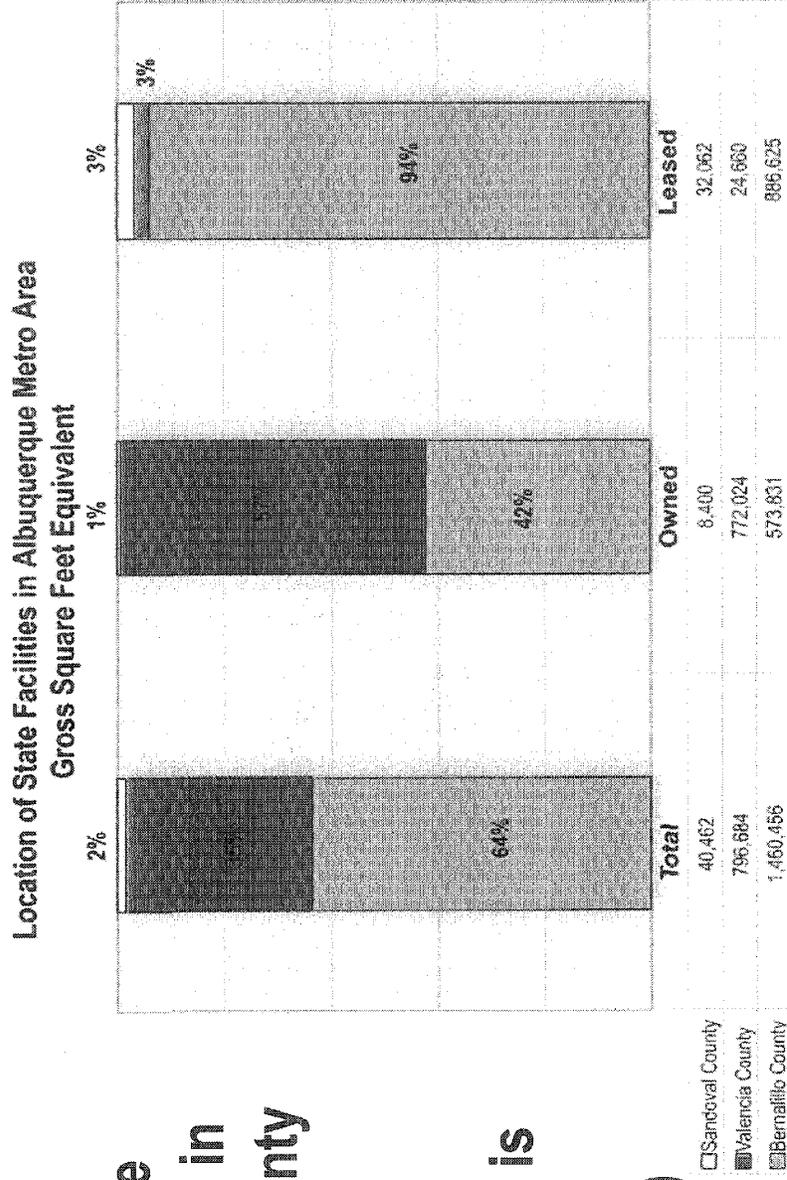
Properties Owned and Leased in the Albuquerque Metro Area

Legend
○ Properties Owned
● Properties Leased

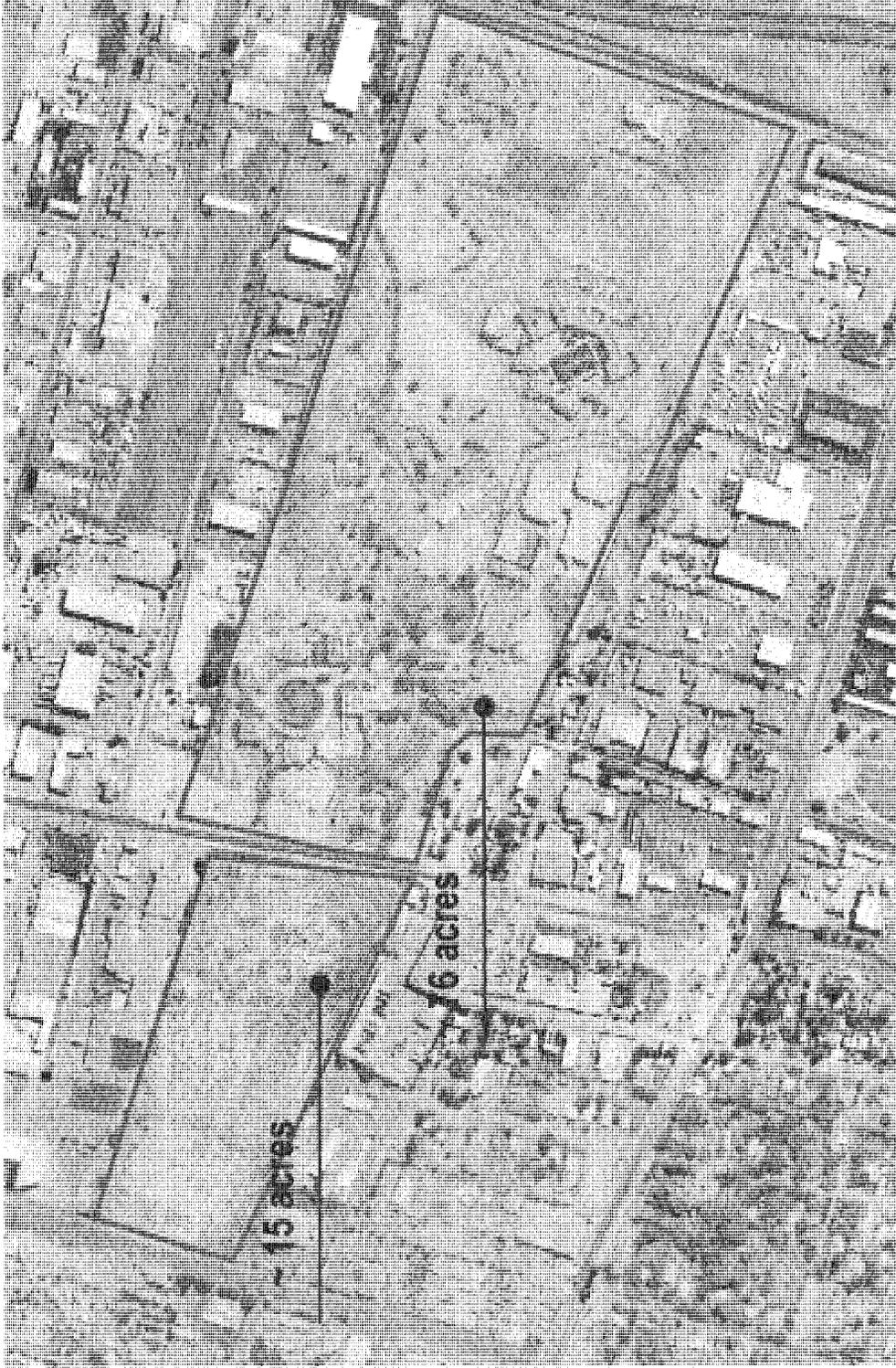
*Does not include Museums, State Fair, SHWD, Courts, UNM, SLO

Supply Characteristics*

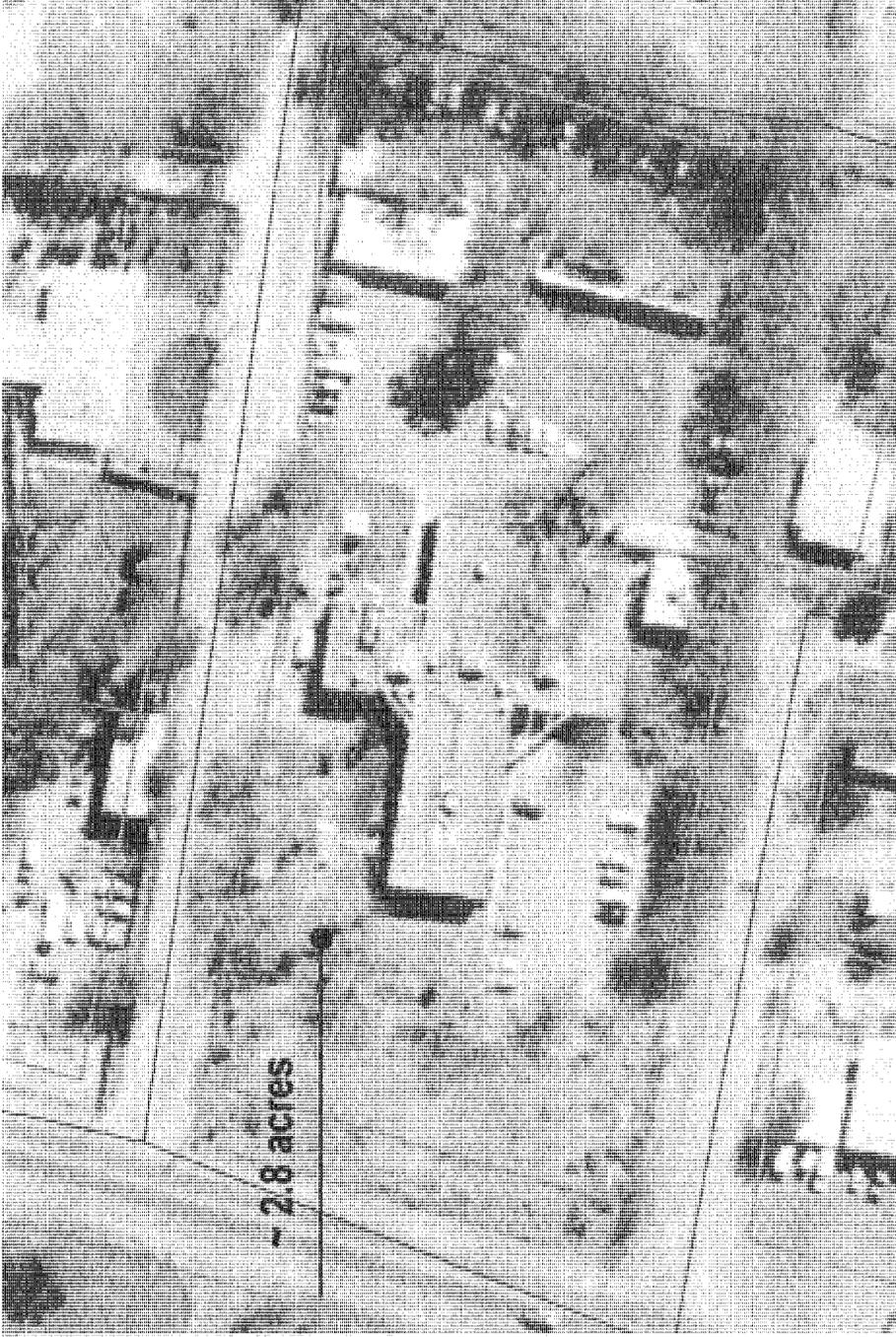
- ✓ Most of the space that the state owns is in Valencia County (57%)
- ✓ Most of the leased space is in Bernalillo County (92%)



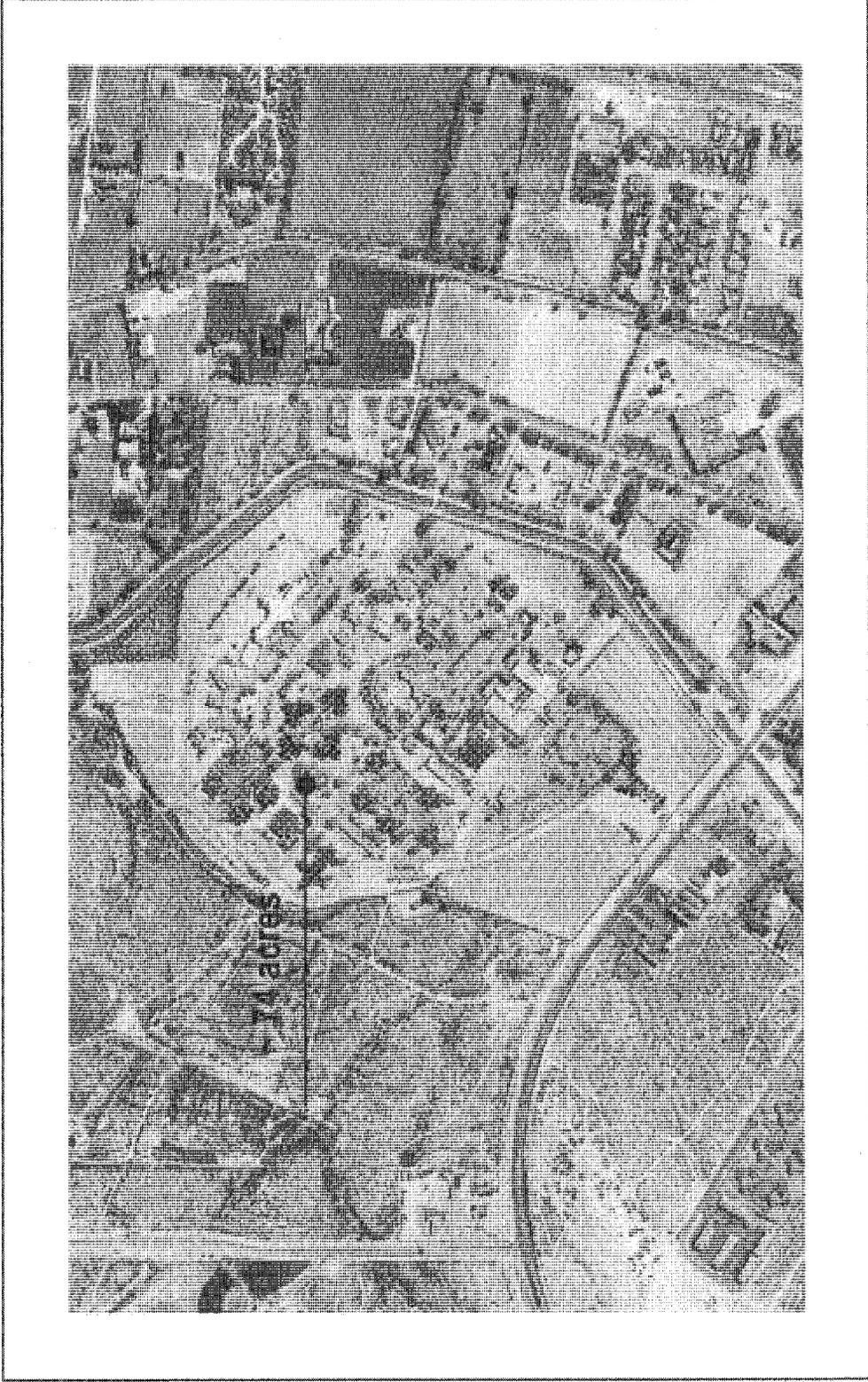
*Does not include Museums, State Fair, SHWD, Courts, UNM, SLO



✓ YDDC site (near I-25 and Candelaria NE)



✓ **Turquoise Lodge site**
(6000 Isleta Blvd, SW)



✓ Los Lunas Hospital

Supply Characteristics

- ✓ The state paid about \$10 million a year in leases in the Albuquerque area in 2002 (about the same as Santa Fe [1998]).
- ✓ About 98% of the leased cost was for office space

Type of Lease	Current Annual Lease	% of Dollars	Leaseable SF	Average RLSF	Number of Leases	% of Leases
OFFICE	\$9,811,272	98.0%	648,659	\$15.13	69	92.0%
OTHER						
Special Use	\$122,161	1.2%	61,466	\$1.99	4	5.3%
Warehouse	\$75,968	0.8%	11,870	\$6.40	1	1.3%
Storage	\$1,800	0.0%	360	\$5.00	1	1.3%
	\$10,011,201	100%	722,355		75	100%

Source: Leased space - Mike Malinowski - PCD

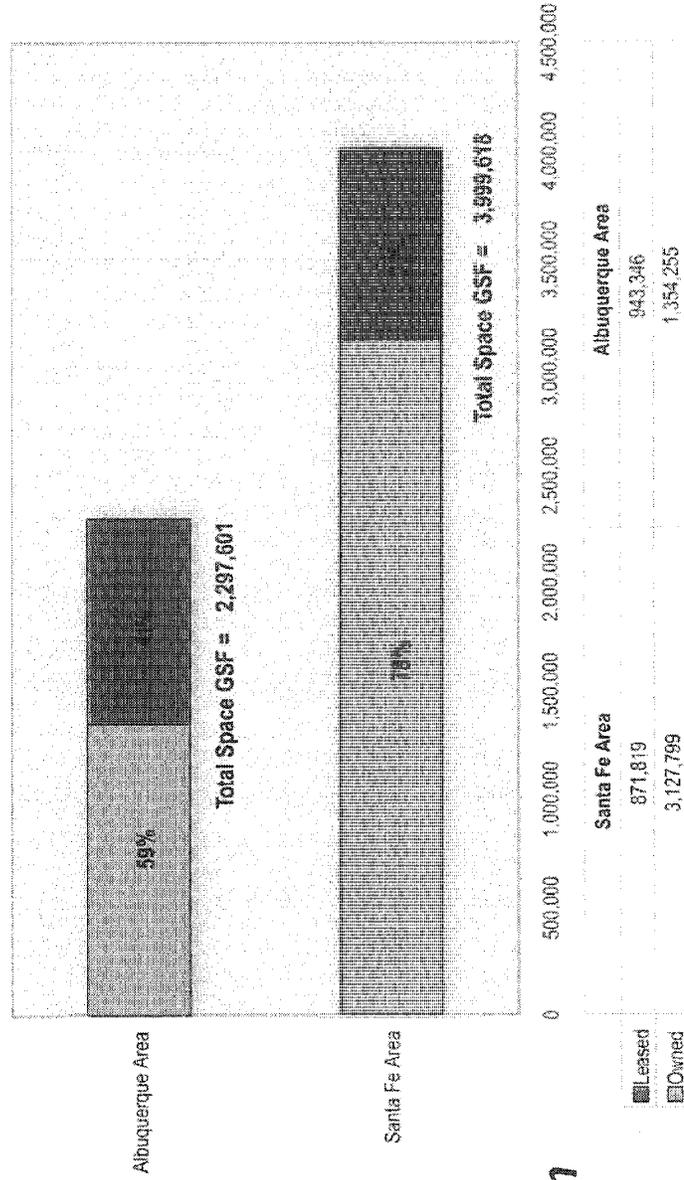
Supply Characteristics

✓ Compared to

the Santa Fe area:

- Albuquerque has about 60% of the total amount of space
- There is more leased space in Albuquerque (total and as a total percent)

Comparison of Santa Fe and Albuquerque Area Facilities
Gross Square Feet Equivalent



Demand*

✓ There are about
3,600 state
Employees in the
Albuquerque
Area

*Does not include Museums, State Fair, SHWD, Courts, UNM, SLO.

Source: State Personnel Office

Agency ID	Agency Name	# Positions	% Total
690	Children Youth & Family Dept	782	21.8%
665	Health, Department of	600	16.8%
631	Labor, Department of	442	12.3%
630	Human Services Department	391	10.9%
333	Taxation & Revenue Department	234	6.5%
644	Vocational Rehabilitation	166	4.6%
355	Public Defender	150	4.2%
770	Corrections, Department	123	3.4%
790	Public Safety, Department of	115	3.2%
632	Workers Compensation	112	3.1%
606	Blind, Commission for the	56	1.6%
667	Environment, Department of	55	1.5%
465	Gaming Control Board	52	1.5%
420	Regulation & Licensing Dept	49	1.4%
550	Engineer, State	49	1.4%
305	Attorney General, Office of	29	0.8%
508	Livestock Board	26	0.7%
516	Game & Fish Commission	20	0.6%
705	Military Affairs	20	0.6%
780	Crime Victims Reparation Comm	19	0.5%
469	Racing Commission, State	14	0.4%
521	Energy, Minerals, & Nat Res Dpt	11	0.3%
449	Nursing Board	10	0.3%
350	General Services Department	9	0.3%
601	Status of Women, Commission of	9	0.3%
624	Aging, State Agency on	9	0.3%
765	Parole Board, Juvenile	6	0.2%
352	Educational Retirement Board	3	0.1%
369	Records, Commission of Public	3	0.1%
569	Organic Commodities Commission	3	0.1%
668	Natural Resources Trustee, OFC	3	0.1%
670	Veteran Service Commission	3	0.1%
950	Higher Education, Comm on	3	0.1%
479	Veremary Examiners Board	2	0.1%
218	Admin Office Courts	1	0.0%
358	Governor, Office of the	1	0.0%
366	Public Employees Retire Assoc	1	0.0%
Grand Total		3,581	100.0%

Regional Development Context

✓ **The Albuquerque Region* will continue to be the dominant growth engine in the State of New Mexico.**

The Albuquerque Region:

- **39% of the State's population lives in the region, projected to increase to 42% by 2030.**
- **48% of the State's employment is in the region**
- **47% of the State's gross receipts (2001) are generated in the region**

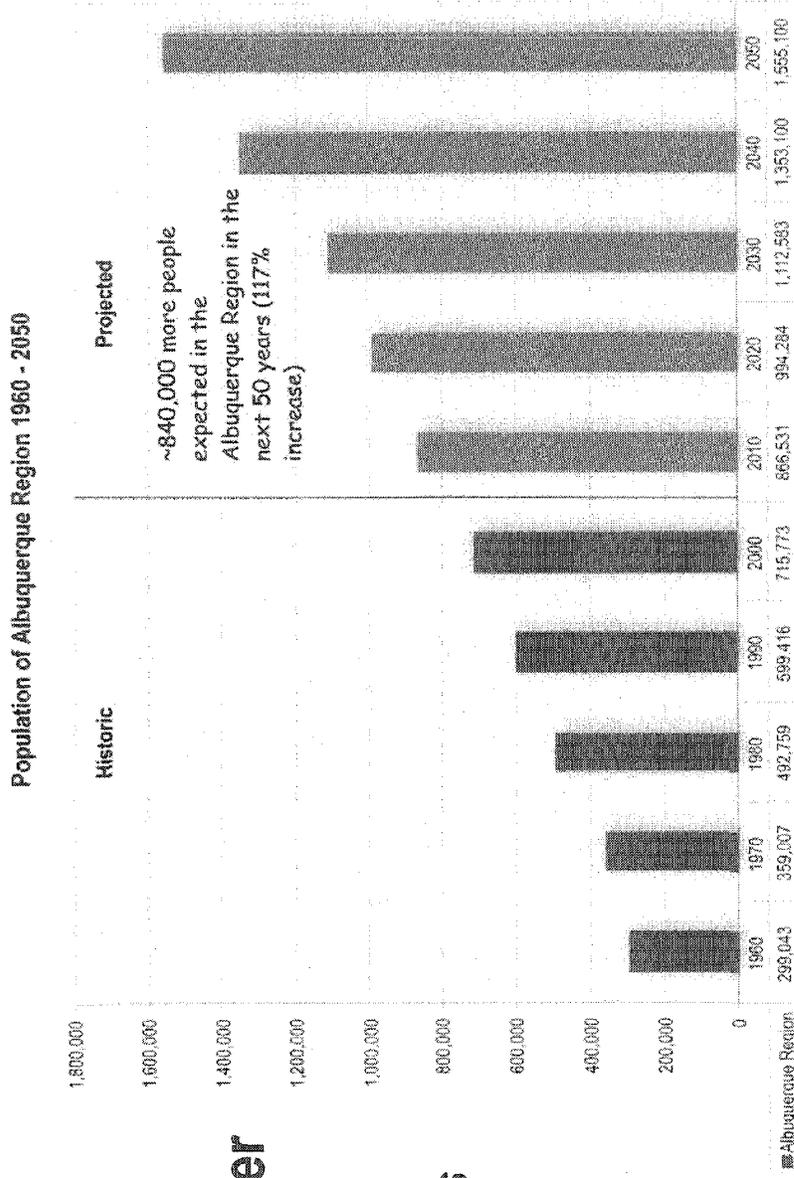


*Albuquerque Region encompasses the Counties of Bernalillo, Valencia, Sandoval and Torrance served by the Mid Region Council of Governments

Regional Development Context

✓ Is expected to more than double in population over the next 50 years.

- The region is projected to slightly increase its share of the State's population and economy.

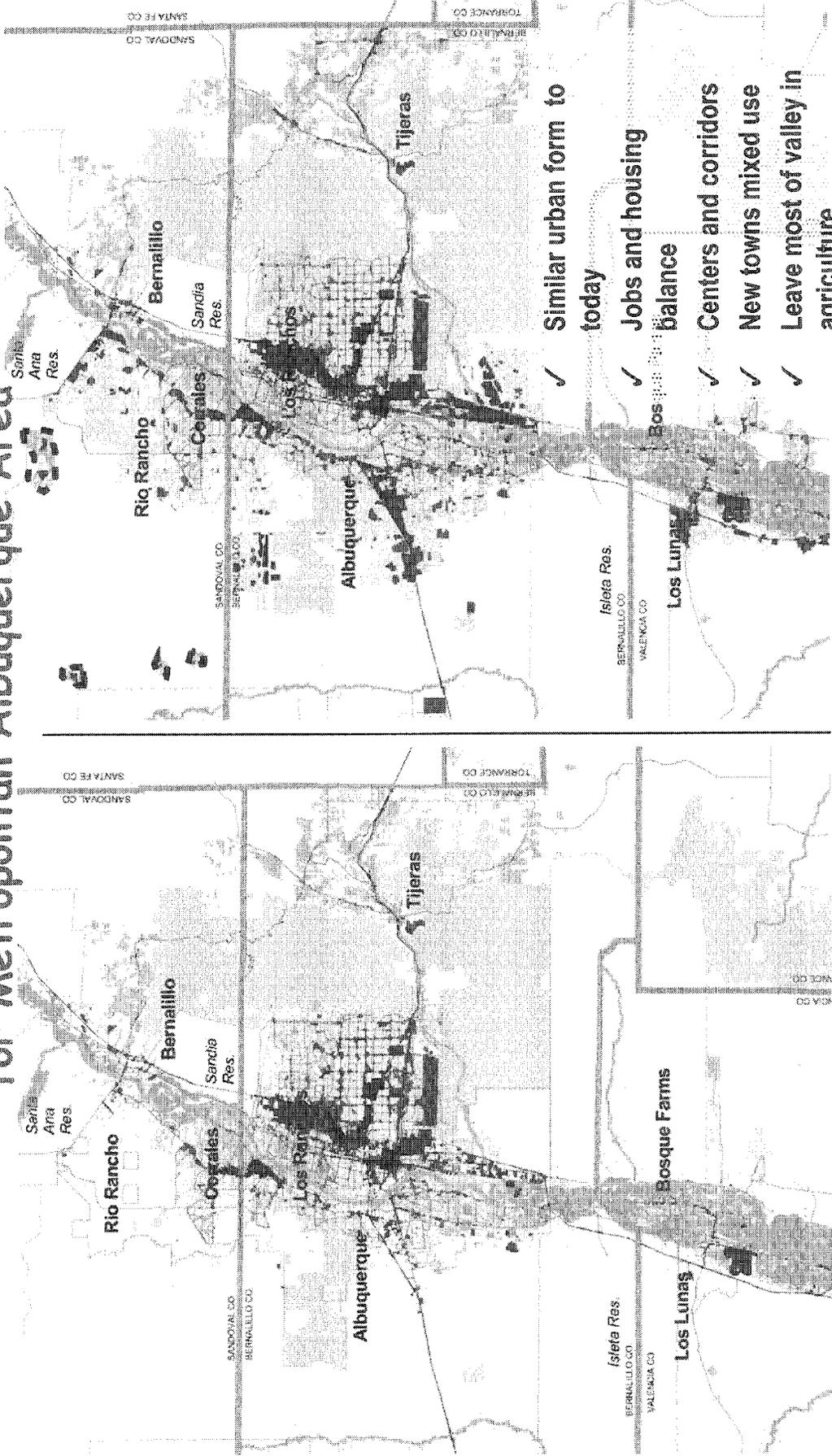


Regional Development Context

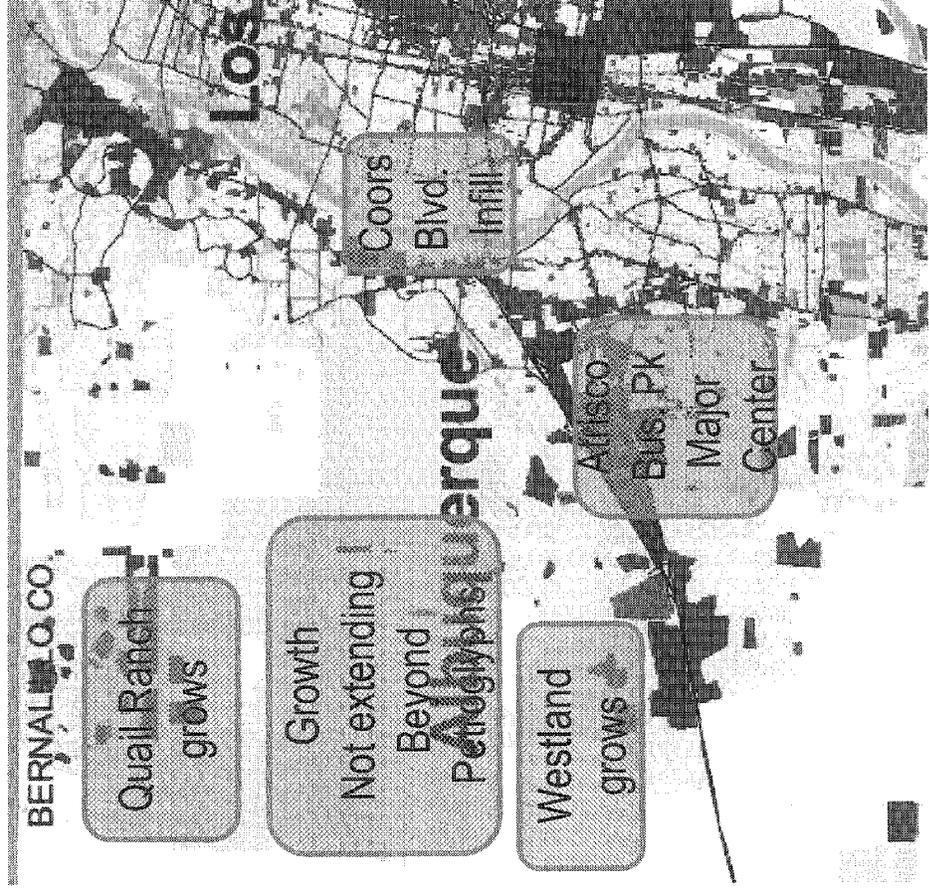
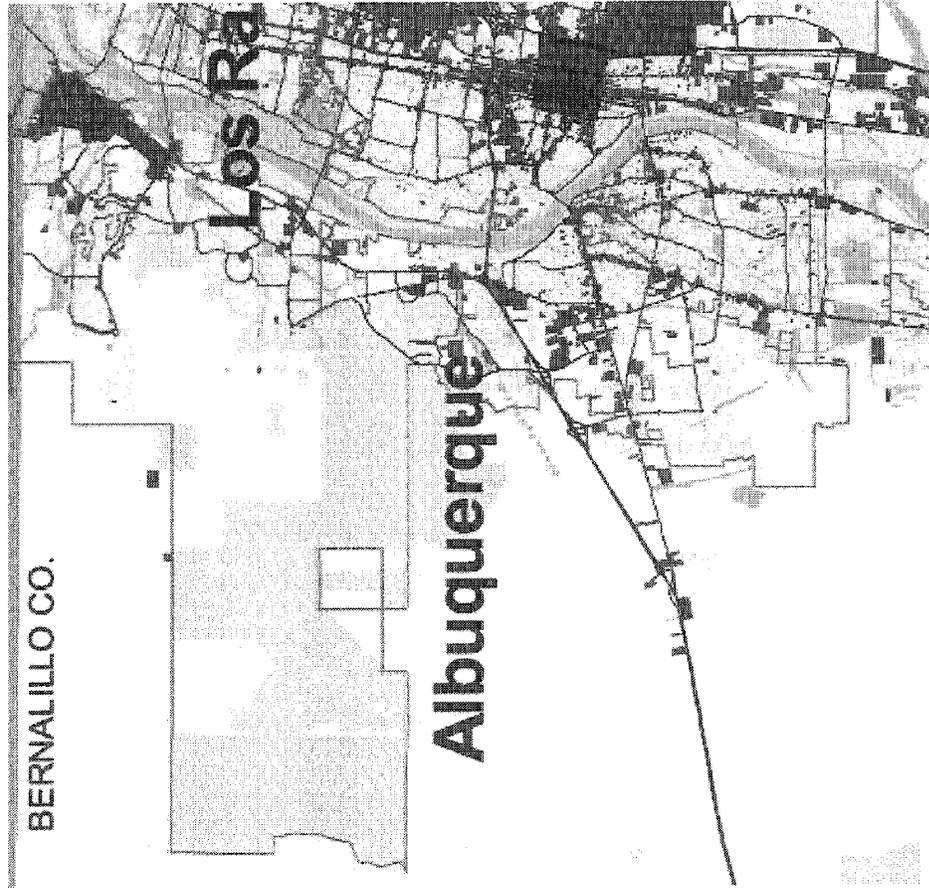
- ✓ Where is the metropolitan growth going to occur in the region?
 - *The Regional Plan developed by the Mid Region Council of Governments (MRGCOG) in 2000 tried to answer this question through adopting a non-mandatory 50 year vision, growth principles and land use plan in conjunction with long range transportation plans.*
 - *There is general agreement in local plans that the West Side, Valencia County and Rio Rancho should absorb most of the regional growth through more compact urban form.*
 - *Downtown Albuquerque receives special attention as the region's most important government and banking center and current efforts to increase office space and improve its mix of residential and entertainment uses.*
- **Key Ideas**
 - Compact growth in existing developed areas
 - Balance jobs/housing
 - Protect valley agriculture
 - Promote new compact master planned communities

Comparison of 1999 & 2050: from Focus 2050 Land Use

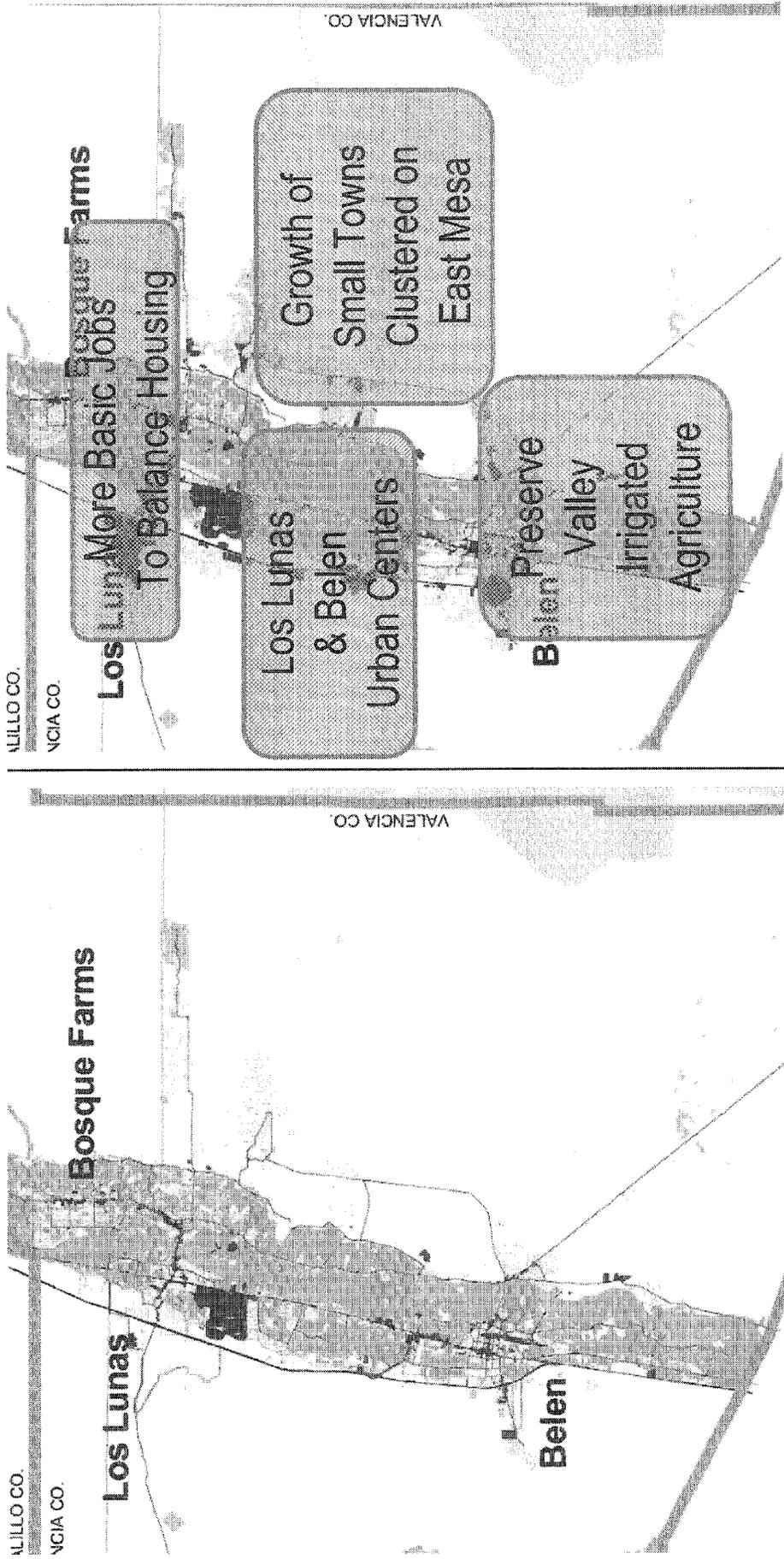
for Metropolitan Albuquerque Area



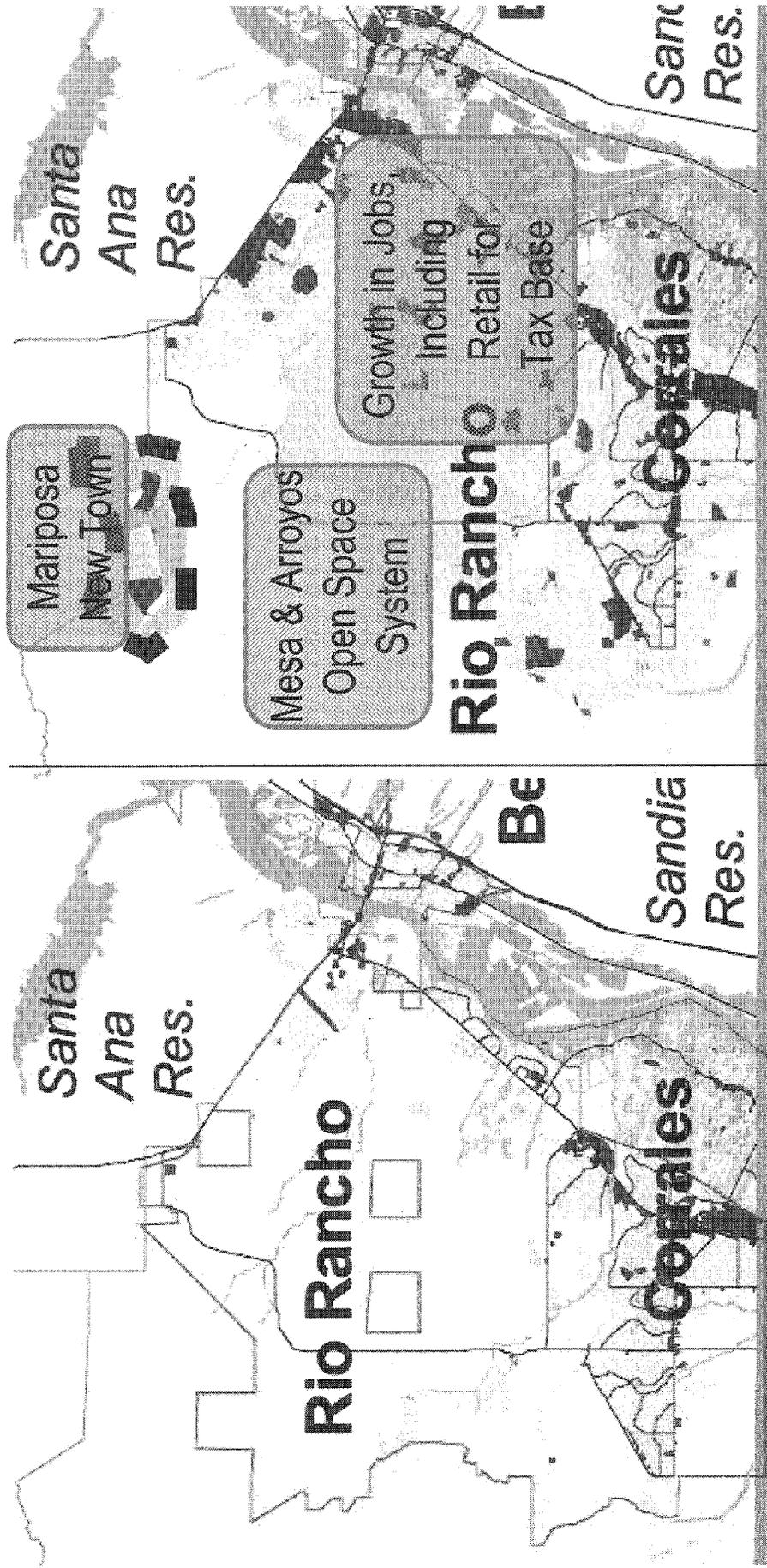
Comparison of 1999 & 2050 from Focus 2050 Land Use: West Side



Comparison of 1999 & 2050 from Focus 2050 Land Use: Valencia County

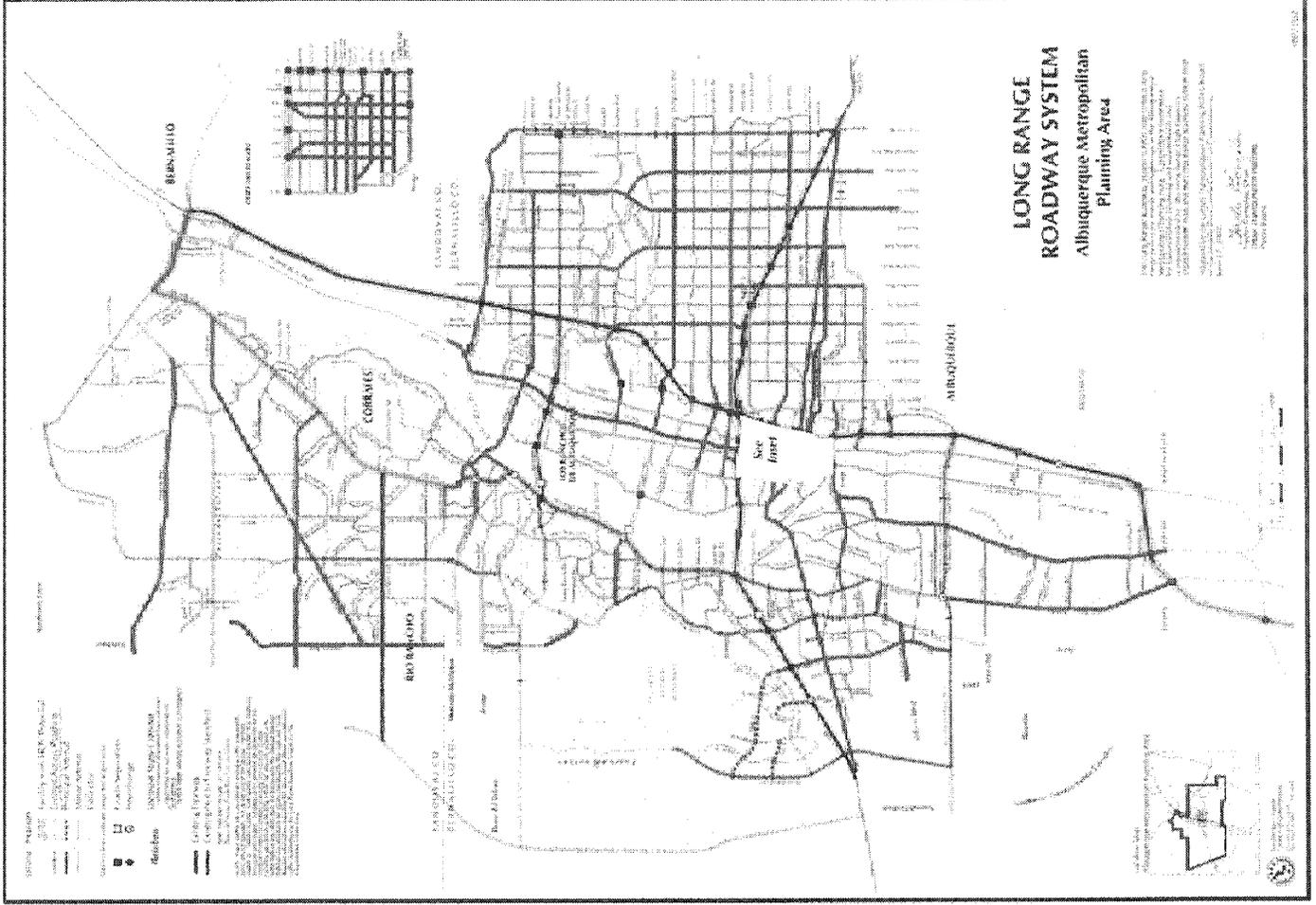


Comparison of 1999 & 2050 from Focus 2050 Land Use: Rio Rancho



Long Range Roadway System for Metro Area (MPO)

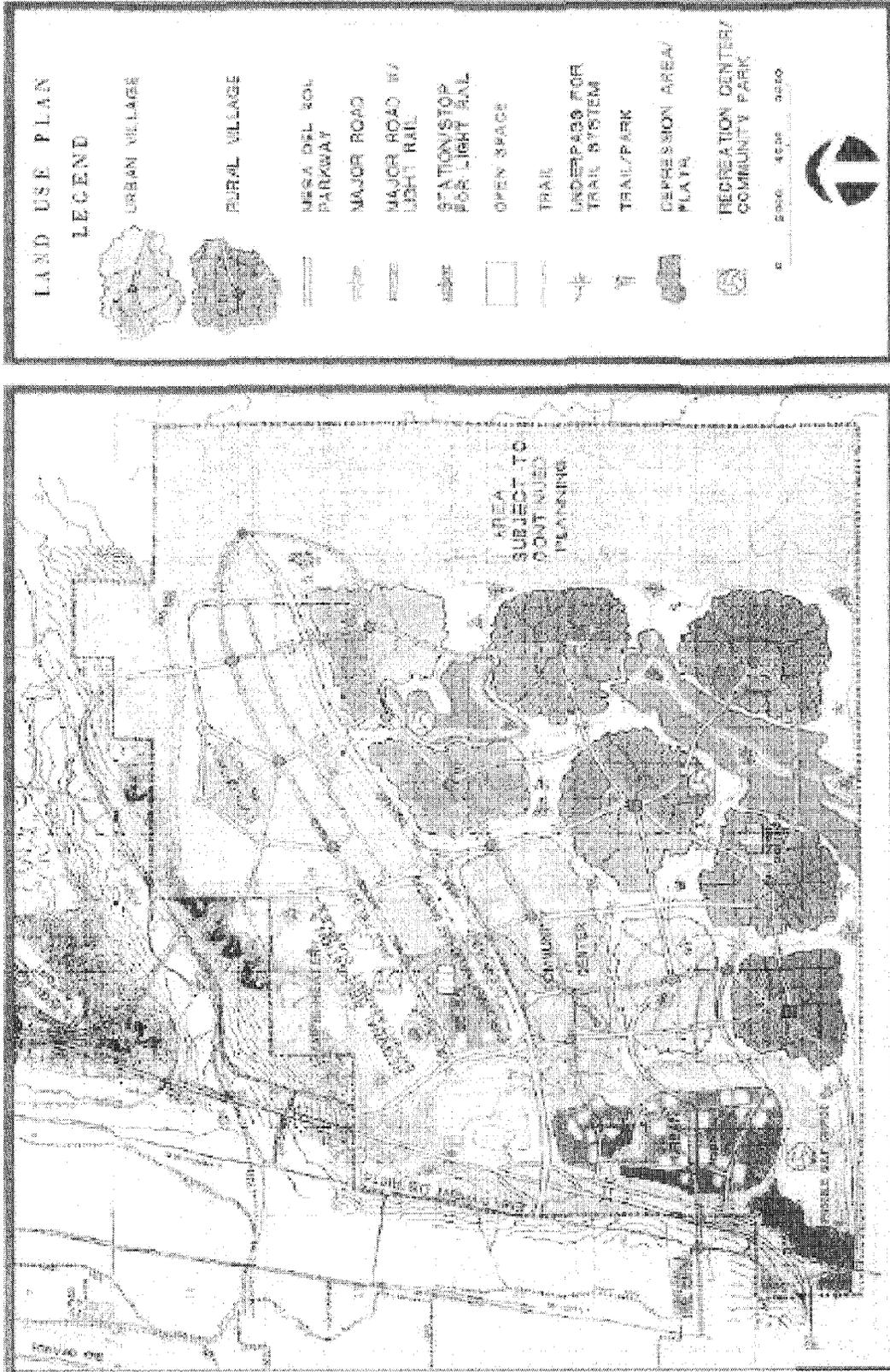
- ✓ Focus on existing arterial roads capacity improvements and West Side connections
- ✓ Paseo del Volcan only major new corridor looping metro area. MRG Connections Plan (in process) also expected to confirm.
- ✓ Extension of University to Mesa del Sol desired to provide sufficient access to develop



Mesa del Sol Update

- ✓ State Land Office mixed-use master planned area on 12,400 acres south of the Sunport airport. Plan calls for two employment centers and eight mixed use villages for over 30,000 homes and 60,000 jobs.
- ✓ Annexed by Albuquerque with agreement to extend utilities at “no net cost” to the City.
- ✓ In 2002, the State selected Forest City Enterprises as the master developer.
- ✓ Residential land would be sold off & commercial land leased. SLO would like jobs created before rooftops.
- ✓ After 20 years of planning, Mesa del Sol is home to the Journal Pavilion amphitheatre and is in partnership with Bernalillo County to develop a square-mile Regional Recreation Complex.
- ✓ State Legislature appropriated \$4 million for extending University Blvd. More funding needed.

Mesa del Sol Land Use Plan



Supply vs. Demand

✓ Space Projections

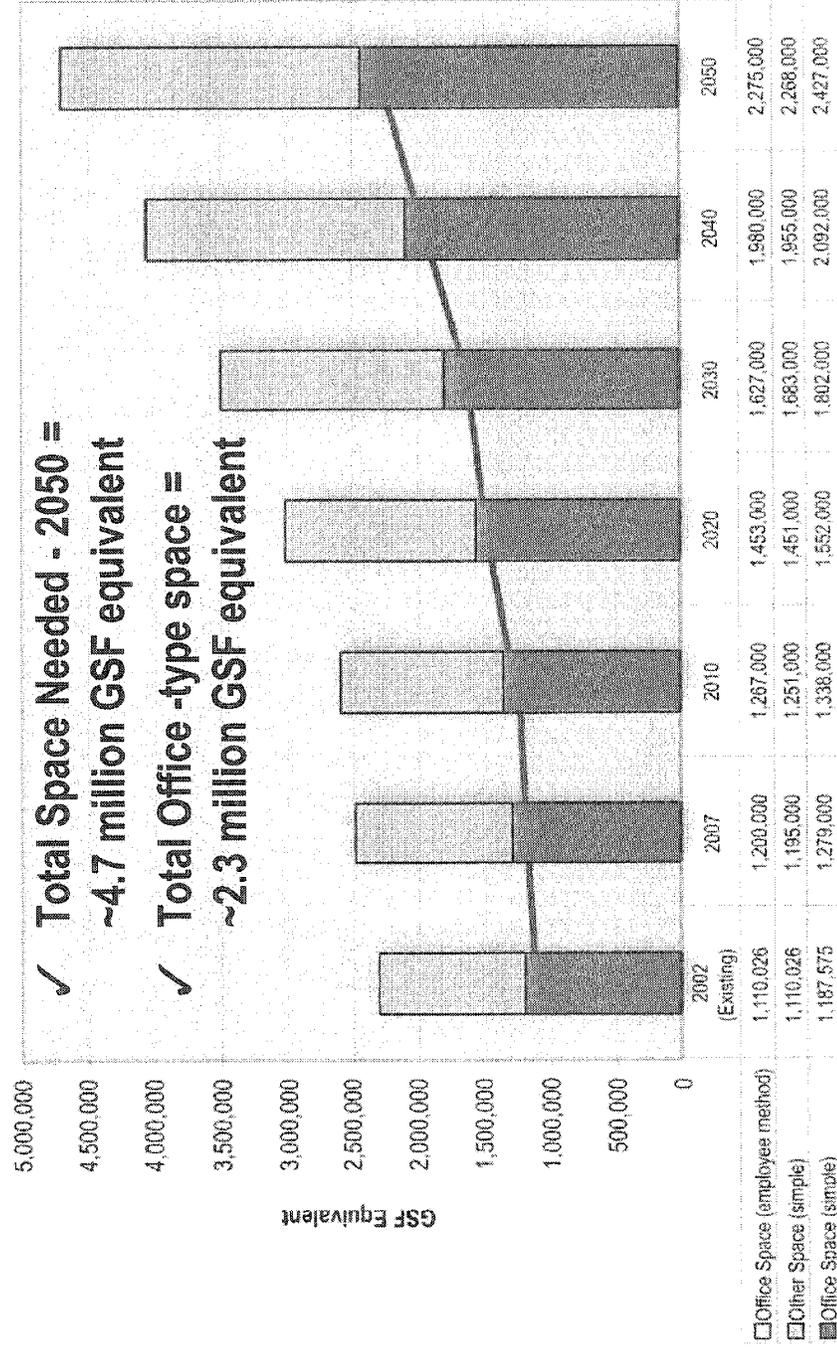
- **Caveats**
 - Used broad assumptions
 - Database of users and space probably has some gaps
- **Projected space with similar methods as for Capitol Area**
 - Simple projection (Office and Other) - 1.5% per year
 - Office Space
 - Identified service area populations
 - Assumed similar ratio for employees to service area population will continue into the future
 - Assigned square footage to each person (198 sf/.65 = 304 gsf/person - based on current usage in Albuquerque area)
 - Projections are within 10% of each other

Supply vs. Demand

Comparative Sizes

Coronado Center	1.14 million sf
Cottonwood Center	1.01 million sf
Winrock Center	0.874 million sf

Projected Space Required - Present to 2050

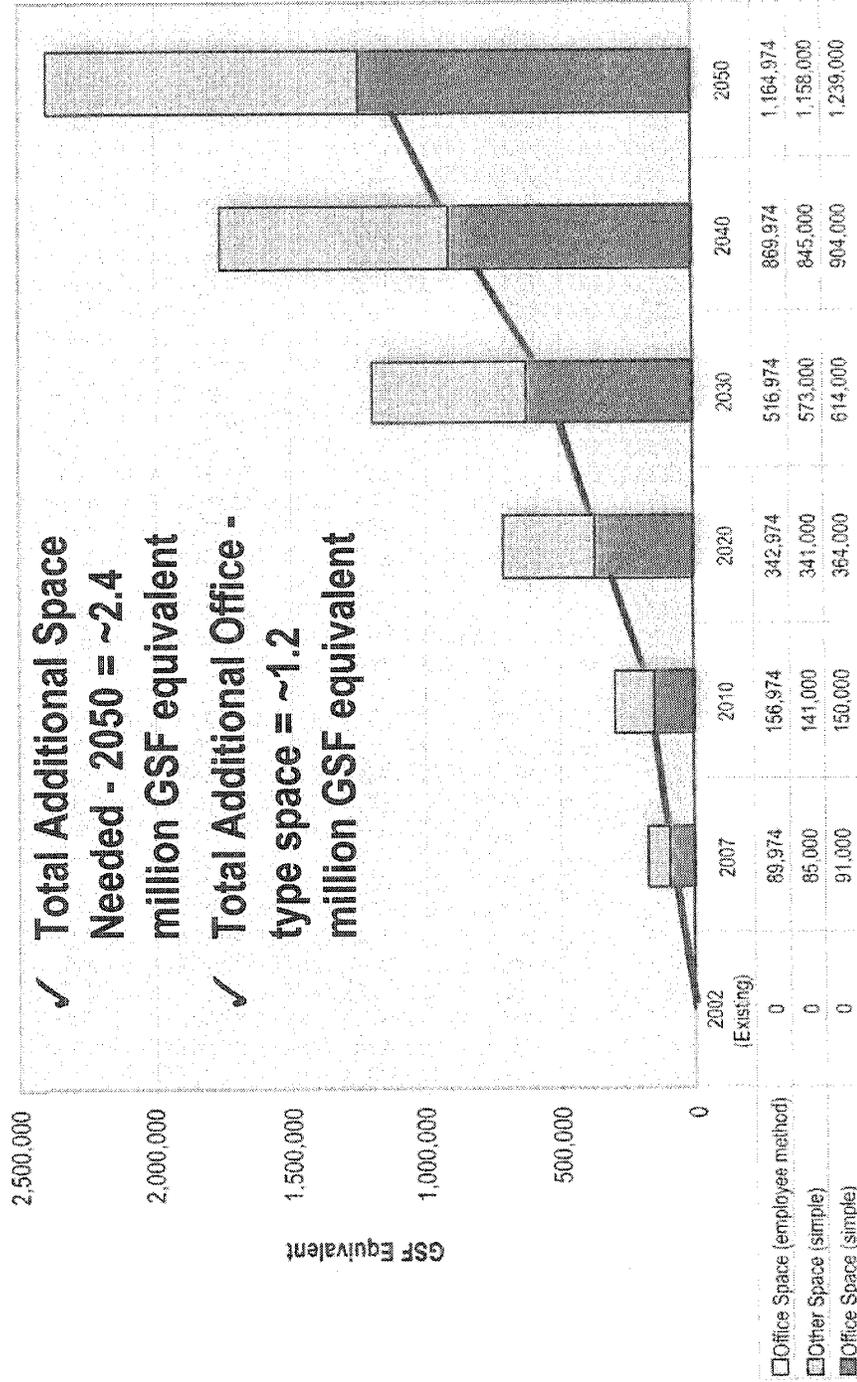


Supply vs. Demand

Comparative Sizes

Coronado Center	1.14 million sf
Cottonwood Center	1.01 million sf
Winrock Center	0.874 million sf

Projected Additional State Office Space Required - Present to 2050



Supply vs. Demand

✓ Observations

- ***State spends a significant amount for leased facilities in the Albuquerque metro area***
 - \$10 million+ year
 - About 1/3 is for agencies that have potential of federal reimbursement (1/4 of space)
- ***Albuquerque metro area will continue to grow and be dominant in population, jobs and commerce to foreseeable future.***
 - Additional office space will be required to match service area growth.
 - Without state-owned facilities available, additional leased facilities will be required.
- ***Most of growth will occur in Albuquerque's west side, Rio Rancho, Valencia County and eventually Mesa Del Sol***
- ***Except for the Los Lunas Campus, there is no existing State property with significant capacity to absorb growth.***

Supply vs. Demand

✓ Potential Opportunities

- ***Construct additional state-owned office facilities***
 - More advantageous to own than lease in the long-run
- ***Develop a state service campus (or multiple campuses) in an area(s) central to population served***
 - Acquire land in prime developing areas (e.g., Westside, Mesa Del Sol; potentially through cooperation with SLO)
 - Consider possible shift of existing uses (e.g., relocate YDDC and use for other purposes, continued use of old State Hospital in Los Lunas, long-term relocation of State Fair?)



Architectural Research Consultants, Incorporated
Albuquerque, New Mexico • 505-842-1254 • Fax 505-766-9269 • Internet: www.ARCplanning.com

State Capitol Buildings Planning Commission
August 22, 2003 Meeting

ARC/DPS Status Report

Where we started

1998 - Inventory of state buildings and uses in Santa Fe - (BPLW)

1998-current (ARC-Dekker/Perich/Sabatini Association)

Phase 1: (adopted)

- Identified supply/demand characteristics for space
- Developed general space use policies including location criteria for state agencies
- Prepared development "vision" for each site
- Made recommendations for short-term priorities
- Prepared space standards

Phase 2

- Refined campus planning framework development
- Prepare Space moves analysis

Phase 3

- Albuquerque area overview

Where we are now

- Adopted space use policies, location criteria and development vision for each Santa Fe site.
- Expanded CBPC responsibilities to Albuquerque area
- Major progress on accomplishing Phase 1 recommendations
 - Buy NEA Building / Property
 - Construct new state office building (West Capitol Complex)
 - Buy PERA Building
 - Buy PS/HW Department Parcel (e.g., Cerrillos / Jaguar Road)

Considerations for the Future

- Recommend: Representatives of the CBPC , LCS- GSD staff, and consultant meet to discuss:
 - Future planning activity requirements, budgets and desired timetables
 - Consultant responsibilities and reporting channels
- Consider the following:
 - Update planning information and assumptions (base data is more than 5 years old)
 - Validate adopted Santa Fe strategy (due to administration changes and expanded commission membership). Any course corrections necessary?
 - Develop Albuquerque area strategy

2003 AGENDAS & MINUTES

CAPITOL BUILDINGS PLANNING COMMISSION

Revised: June 16, 2003

**TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION**

**June 16, 2003
Room 317, State Capitol**

Monday, June 16

10:00 a.m. CALL TO ORDER
 —Representative Ben Lujan

 APPROVAL OF MINUTES

 ELECTION OF CO-CHAIRS

 APPROVAL OF MINUTES

 LEGISLATIVE UPDATE
 —Property Control Division

 UPDATE ON ALBUQUERQUE MASTER PLAN – STATUS
 —John Petronis, Architectural Research Consultants

 PROPERTY CONTROL DIVISION STATUS REPORT
 —Villagra Building
 —West Capitol
 —NEA
 —PERA
 —La Villa Rivera

 STATE LAND OFFICE FACILITIES CONCERNS

 PUBLIC COMMENT

 ADJOURN

Revised: August 22, 2003

**TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 22, 2003
Room 317, State Capitol**

Friday, August 22

1:30 p.m. CALL TO ORDER AND WELCOME TO NEW MEMBERS
—Representative Ben Lujan, Speaker of the House, and Ed Lopez, Secretary of
General Services, co-chairs

APPROVAL OF MINUTES

OVERVIEW OF THE CAPITOL BUILDINGS PLANNING COMMISSION
—Paula Tackett

UPDATE ON ALBUQUERQUE MASTER PLAN – STATUS
—John Petronis, Architectural Research Consultants

OFFICE OF CULTURAL AFFAIRS FUNDING
—Secretary Ruben Smith

PROPERTY CONTROL DIVISION STATUS REPORT
—Villagra Building
—West Capitol
—NEA
—La Villa Rivera

PUBLIC COMMENT

ADJOURN

TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION
December 1, 2003
Room 317, State Capitol

Monday, December 1

10:00 a.m.

CALL TO ORDER

—Representative Ben Lujan, Speaker of the House

—Ed Lopez, Jr., Secretary, General Services Department (GSD)

TRI-LABS PROJECT — ALBUQUERQUE

STATE POLICE CRIME LAB — SANTA FE

—Ed Lopez, Jr.

PROPERTY CONTROL DIVISION (PCD) STATUS REPORT —
AGENCY LOCATIONS AND RELOCATIONS — WHO'S ON
FIRST?

—Bill Taylor, Director, PCD, GSD

—Villagra Building

—West Capitol

—NEA

—La Villa Rivera

—Jaguar Road

PARKING AROUND THE CAPITOL

—Representative Luciano "Lucky" Varela

PERA — STATUS REPORT

MASTER PLANNING PROCESS — PROCESS FOR ANNUALLY
UPDATING MASTER PLANS FOR SANTA FE AND
ALBUQUERQUE

—Bill Taylor

—Paula Tackett, Director, Legislative Council Service

STATE LAND OFFICE FACILITIES — STATUS REPORT

—Duffy Rodriguez, Director, Administrative Services Division, State Land Office

LEGISLATIVE RECOMMENDATIONS

PUBLIC COMMENT

**MINUTES
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**June 16, 2003
State Capitol
Santa Fe**

The meeting of the capitol buildings planning commission (CBPC) was called to order by Representative Ben Lujan, co-chairman, on Monday, June 16, 2003, at 10:05 a.m. in room 317 of the state capitol.

PRESENT

- ◆ Representative Ben Lujan, Co-chairman
- ◆ Edward Lopez, Jr., Secretary, General Services Department (GSD), and Co-chairman
- ◆ Louise Baca, Administrative Office of the Courts (AOC), for Gina Maestas, Director, AOC
- ◆ Michael Bodelson, Staff Architect, Property Control Division (PCD), GSD
- ◆ James Jimenez, Secretary, Department of Finance and Administration
- ◆ Patrick H. Lyons, Commissioner, State Land Office

ABSENT

- ◆ Senator Joseph A. Fidel
- ◆ Representative Ted Hobbs
- ◆ Senator Stuart Ingle

STAFF

- ◆ Elizabeth Holmes, Legislative Council Service (LCS)
- ◆ Cindy Long, PCD, GSD
- ◆ Paula Tackett, Director, LCS
- ◆ Bill Taylor, Director, PCD, GSD

Representative Lujan called the meeting to order at 10:05 a.m. and welcomed the commission members. The minutes from the January meeting were approved. Representative Lujan and Secretary Lopez were elected unanimously as co-chairmen of the commission.

LEGISLATIVE UPDATE BY THE PCD

Bill Taylor, director, PCD, GSD, and Paula Tackett, director, LCS, reviewed legislation introduced during the 2003 legislative session. The CBPC first discussed House Joint Resolution 31. The resolution would have allowed for the trade of state-owned land in Dona Ana county for federal government land in Santa Fe county in which the exchange would have allowed for the expansion of the west capitol complex pursuant to the master plan adopted by the commission. The resolution died in the senate conservation committee.

Senate Bill 689, carried by Senator Fidel, was enacted adding the secretary of highway and transportation and the state cultural affairs officer to the CBPC effective July 1, 2003. The State Office Building Acquisition Bonding Act was renamed the State Building Bonding Act in HAFC/HB 496 (Chapter 371). The primary purpose of the change is to authorize the New Mexico finance authority (NMFA) to issue and sell "state museum tax revenue bonds" to renovate and maintain existing structures and develop permanent exhibits at state museums and monuments. A companion bill, HAFC/HB 594 (Chapter 372), authorizes the NMFA to raise up to \$5.76 million in state museum tax revenue bonds. Secretary Lopez explained that the act as set out originally had diverted \$500,000 per month of the gross receipts tax revenue to the general fund for acquisition of state office buildings, which would ultimately decrease the needed amount of lease payment paid from the general fund. The amendments shifted the focus of the act from decreasing the amount of lease payments, which would not constitute a drain on the general fund, to one where gross receipts tax funding was diverted without the necessary replenishment of the general fund. Secretary Lopez indicated he had opposed the bill for that reason.

The commission then turned its attention to House Bill 259 and Senate Joint Memorial 60. House Bill 259 appropriates \$8 million from the state building bonding fund (SBBF) to the board of regents of New Mexico state university (NMSU) for the development and construction of a sports facility over a two-year period as long as it does not impact the projects authorized or to be authorized. Several members of the commission voiced their concerns about the bill and said the gross receipts tax could be affected and NMSU could get the loan and then there would be no funds to meet the debt service. Senate Joint Memorial 60 requested that the CBPC evaluate existing studies of public parking in the state capitol area and present proposals by December 31, 2003. The study would focus on increasing the availability of parking in the state capitol area.

PROPERTY CONTROL DIVISION STATUS REPORT

Bill Taylor and Cindy Long, PCD, explained the PCD's goal to reduce lease payments in Santa Fe. They also reported on the status of several buildings around the Santa Fe area.

Villagra

The Villagra building is scheduled for completion in May 2004, and it is anticipated at this time the state treasurer's office and state auditor's office will move to this location. There is also a possibility the state investment office will be located in the Villagra building. The building is currently in the design phase and under budget. Other agencies that will move into the Villagra building have yet to be identified. Secretary Lopez raised the discovery of the old Spanish well at the Villagra location and discussed the subject of underground parking. He suggested the commission seriously consider the consequences of underground parking because of the downtown area's historic value.

The West Capitol Complex

The west capitol complex is scheduled for completion by December 31, 2003. The regulation and licensing department will occupy the second and third floors while the cultural affairs department (CAD) is planned to occupy the first floor.

NEA

An appraisal of the NEA building has been completed. It will cost \$4.75 million to purchase the building. Negotiations for final purchase are currently in progress.

PERA

The PCD was asked to get an appraisal of the PERA building and get a sales price. The commission determined it should continue to pursue the acquisition of the building. As of last December, the PERA board had indicated it is not interested in selling the building. The commission discussed the opportunity for the chairs to negotiate in an amicable manner with the new PERA board. Secretary Lopez said the state has the authority of eminent domain and believes the purchase of the building would further reduce the cost of lease payments. The commission moved that the co-chairs proceed with negotiations since there is now a new set of players at PERA who desire to work together.

La Villa Rivera

The La Villa Rivera building lease is up for renewal at the end of July 2003. The PCD would like to relocate all the agencies in the La Villa Rivera building to save the state from further leasing costs. Secretary Lopez informed the commission that annual lease costs are \$11 million in Santa Fe, which comes from the general fund.

Ruben Smith, secretary of cultural affairs, discussed the CAD's scheduled relocation to the west capitol complex. Secretary Smith told the commission that he believes it is imperative that the CAD stay in a downtown locale. It was suggested that the CAD move to the museum hill administrative office complex, but Secretary Smith opined that being located on museum hill would send the wrong message to the whole department by appearing to favor the department's museum division.

Mr. Taylor made the point that agencies are expanding and require more space, and at the same time costs for utilities are increasing. It is important that the state be aware of the population growth so that future space needs can be met.

STATE LAND OFFICE FACILITIES CONCERNS

Commissioner of Public Lands Patrick Lyons informed the commission that the state land office has not received any major maintenance upkeep for over a decade. Commissioner Lyons told the commission that he believes the state land office is eligible for money from the capitol buildings repair fund (CBRF). However, a 1987 attorney general's opinion specifically identified the state buildings eligible to receive money from the CBRF and the state land office was not included. Discussion turned to the possibility of funding the state land office upkeep through the

public building repair fund (PBRF). This would require the fund to be expended pursuant to appropriations by the legislature. The commission agreed to look into using proceeds from the CBRF for the state land office without having to go through the legislature for appropriations. The commission instructed legislative staff and the state land office to work together to clarify the use of the CBRF.

UPDATE ON ALBUQUERQUE MASTER PLAN — STATUS

John Petronis of architectural research consultants reported on the Albuquerque capitol buildings master plan. The goal of the plan is to use available data sources to explore preliminary space needs and potential opportunities to meet needs for the Albuquerque metro area. Mr. Petronis told the commission that the state owns or leases the equivalent of 2.3 gross square feet in the Albuquerque metro area, and about 41 percent of the space is leased. Most leased facilities are used as office space while owned facilities are generally used for purposes other than office space. Most of the space that the state owns is located in Valencia county, and most of the leased space is in Bernalillo county. Mr. Petronis said the state paid about \$10 million in leases in the Albuquerque area in 2002 and 98 percent of the leased cost was for office space.

Mr. Petronis reviewed the supply and demands of the metro area master plan. Excluding the courts and state fair, there are about 3,600 employees in the metro area. It is projected that the Albuquerque region (counties of Bernalillo, Valencia, Sandoval and Tarrant served by the middle Rio Grande council of governments) will continue to be the dominant growth engine in New Mexico. Currently, 39 percent of the state's population lives in the region, 48 percent of the state's employment is in the region and 47 percent of the state's gross receipts (2001) are generated in the region.

Discussion turned to the question of where metropolitan growth, specifically, is going to occur in the region. Mr. Petronis said the regional plan developed by the middle Rio Grande council of governments in 2000 tried to answer this question through adopting a non-mandatory 50-year vision, growth principles and a land use plan in conjunction with long-range transportation plans. There is general agreement in local plans that the west side, Valencia county and Rio Rancho should absorb most of the regional growth through more compact urban form. Downtown Albuquerque receives special attention as the region's most important government and banking center, and current efforts are underway to increase office space and improve its mix of residential and entertainment uses. Except for the Los Lunas campus, there is no existing state property with significant capacity to absorb growth. Mr. Petronis summarized the long-range roadway system for the metro area and the mesa del sol land use plan. He pointed out that the master plan report does not make any recommendations but identifies the many opportunities for the Albuquerque metro area and the state.

PUBLIC COMMENT

Mark Bertrom and Michael Branch, both private owners of state-leased property, voiced their concerns regarding the GSD's policy of reducing, and eventually eliminating, lease

agreements with private entities. They view the private sector and state as partners, and believe it is a misconception that owning buildings would cost the state less than leasing. Mr. Bertrom and Mr. Branch asked that the private sector be made aware of the GSD's future actions concerning leasing.

The meeting adjourned at 12:40 p.m.

MINUTES
of the
CAPITOL BUILDINGS PLANNING COMMISSION

August 22, 2003
State Capitol
Santa Fe

The meeting of the Capitol Buildings Planning Commission (CBPC) was called to order by Edward Lopez, Jr., Secretary of General Services and co-chairman, on Friday, August 22, 2003, at 10:40 a.m. in Room 317 of the State Capitol.

PRESENT

- ◆ Representative Ben Lujan, Co-Chairman
- ◆ Edward Lopez, Jr., Secretary, General Services Department (GSD), and Co-Chairman
- ◆ Representative Ted Hobbs
- ◆ Senator Stuart Ingle
- ◆ Michael Bodelson, Staff Architect, Property Control Division (PCD), GSD
- ◆ James Jimenez, Secretary, Department of Finance and Administration
- ◆ Rick Gomez for Rhonda Faught, Secretary of Transportation
- ◆ Duffy Rodriguez for Patrick Lyons, Commissioner, State Land Office (SLO)
- ◆ Ruben Smith, Secretary, Cultural Affairs Department (CAD)

ABSENT

- ◆ Senator Joseph A. Fidel
- ◆ Louise Baca, Administrative Office of the Courts (AOC), for Gina Maestas, Director, AOC

STAFF

- ◆ Elizabeth Holmes, Legislative Council Service (LCS)
- ◆ Paula Tackett, Director, LCS
- ◆ Bill Taylor, PCD, GSD

Secretary Lopez welcomed the new commission members. The minutes from the June meeting were approved.

David Harris, director of the New Mexico Finance Authority (NMFA), appeared before the commission to discuss the State Building Bonding Act, which diverts \$6 million annually. This revenue stream allows up to \$75 million in bonds to be issued by NMFA to purchase and remodel public buildings.

Mr. Harris expressed the opinion that the appropriation to the New Mexico State University (NMSU) athletic complex appears to conflict with the underlying projects authorized to be bonded and that conflict needs to be resolved. To date, \$37.5 million worth of bonds have been issued to construct office buildings in the West Capitol, purchase the NEA and PERA

buildings and purchase property out by Highway Division Five and the Department of Public Safety (DPS) property. Two additional responsibilities were approved in Chapter 371 and Chapter 89 of Laws 2003; one authorized \$5.7 million for the Office of Cultural Affairs, now CAD, and the other appropriated \$8 million to NMSU for the acquisition of a university sports facility. The appropriation to NMSU is contingent upon there being sufficient funds available to service bonds issued or "authorized to be issued pursuant to the State Building Bonding Act".

Secretary Lopez concurred that the legislation transferring net proceeds to NMSU was in conflict with the concept of the original funding program. The secretary reminded the commission that the whole rationale for the State Office Building Acquisition Bonding Act was to avoid excessive rent payments through state ownership of buildings, thus justifying the \$6 million annual diversion of gross receipts tax from the general fund.

Mr. Harris asked the commission to work to develop a plan whereby the gross receipts tax allocation could be expanded to allow for additional bonding for additional statewide projects such as the remodeling of the old Metropolitan Court in Albuquerque. He thanked the commission for its time.

OVERVIEW OF THE CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)

Ms. Tackett provided the commission with a brief overview of the history and duties of the CBPC. The CBPC was created in 1997 to study the long-range facility needs in Santa Fe. The initial master plan focused on Santa Fe, but in 2002 the master planning responsibility was extended to include Albuquerque. Membership of the commission was also expanded in 2003 to include the secretaries of the Department of Transportation (DOT) and the CAD. The CBPC is required to meet at the call of the chair and generally meets four to five times a year. To date, the CBPC has developed a master plan for Santa Fe, developed a funding mechanism to acquire or renovate state office buildings, identified four campuses and reviewed funding for long-range planning projects.

UPDATE ON ALBUQUERQUE MASTER PLAN – STATUS

John Petronis of Architectural Research Consultants (ARC) provided an update on the master plan. There has been major progress toward completing phase one of the master plan. Mr. Petronis recommended that the commission and its staff meet to provide further guidance to ARC. Due to the new administration, it is important to review the overall direction of the planning strategy in Santa Fe as well as in Albuquerque. CBPC members directed staff from the PCD and the LCS to collaborate on further developing a strategy for the master plan and report progress to the whole commission within the next two meetings. It was also noted that the state pays out \$40 million in leases annually statewide.

CULTURAL AFFAIRS DEPARTMENT

Ruben Smith, secretary of cultural affairs, and Karen Durkovich, president of the Museum of New Mexico board of regents, discussed plans to use renovation funds for New Mexico's historic landmarks and museums. The CAD is faced with rundown facilities that could

potentially threaten the existence of the state's cultural treasures and artifacts housed in these facilities. Secretary Smith briefed the commission on the location and needs of the various CAD facilities. The commission had a discussion on the need for RFPs and how to conduct them expeditiously. Secretary Jimenez explained that agencies cannot enter into a contract until the money is available. The commission approved the plan for renovation of the museum and monuments as submitted in the amount of \$3,953,000. Additionally, it was explained that \$1.8 million was authorized for permanent exhibitions.

PROPERTY CONTROL DIVISION STATUS REPORT

Mr. Taylor reported on several buildings around the Santa Fe area.

Villagra

The Villagra building is 60 percent complete and should be finished in February 2004 at a cost of \$5.6 million. The building will be faced with a parking shortage, and it is the desire of the CBPC to solve this issue through future legislation. Speaker Lujan stated that the commission should begin looking at purchasing possible property for the purpose of parking.

The West Capitol Complex

The West Capitol Complex is 95 percent complete and has a finish date of October 16, 2003 at a cost of \$11.5 million.

NEA

The NEA building has successfully been purchased by the state and has a closing date of August 28, 2003 for \$4.57 million.

La Villa Rivera

La Villa Rivera's building lease has not been renewed and a move-out date is scheduled for October 2003. Currently, PCD is negotiating a month-to-month lease with a possible lease extension. A year lease was not renewed because it is believed the state could potentially save \$1 million.

Jaguar Road

Mr. Taylor, in looking at the whole master plan, indicated that PCD felt it was advantageous to have more property in the DOT and DPS area. The state has placed an offer on the Jaguar Road property that includes the purchase of 10 acres of land based on the last option. Speaker Lujan indicated that the commission needs to move carefully on that property. The proposal is being reviewed by the State Board of Finance.

PERA

The CBPC continues to be interested in purchasing the PERA building and is beginning the process of obtaining approval. Secretary Lopez said more information should be available at the next meeting. He is on the PERA agenda to discuss the interests of the commission in purchasing the PERA building.

Lack of parking continues to be an issue at the Capitol's main campus, especially during the legislative session. Secretary Lopez suggested that a study be conducted to quantify parking needs during session compared to the interim.

Duffy Rodriguez discussed SLO facility issues. SLO has been without air conditioning for the 2003 summer. Patrick Lyons, state land commissioner, has authorized emergency procurement for the chiller and wants to use SLO funding. SLO had suggested other funding sources, but was informed that funding from the Capitol Buildings Repair Fund (CBRF) cannot be distributed to the SLO by the State Board of Finance because of an opinion given by the attorney general to the effect that the SLO is not eligible to receive CBRF funding. The commission suggested that the commissioner move forward to use SLO funds.

PUBLIC COMMENT

Marco Gonzales, who represents owners of property leased to the state, said he continues to work with the state in the hope that they will reach a suitable lease agreement for all parties. He clarified that the \$37.00 per square foot amount is based on the Taxation and Revenue Department's appraisal, and that once it was discovered by his group, the lease amount shifted to \$18.71 per square foot.

The meeting adjourned at 3:30 p.m.

**MINUTES
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**December 1, 2003
Room 317, State Capitol**

The meeting of the Capitol Buildings Planning Commission (CBPC) was called to order by Edward Lopez, Jr., secretary of general services and co-chairman, on Monday, December 1, 2003, at 10:10 a.m. in room 317 of the state capitol.

PRESENT

- ◆ Representative Ben Lujan, co-chairman
- ◆ Edward Lopez, Jr., secretary, general services department (GSD) and co-chairman
- ◆ Representative Ted Hobbs
- ◆ Dannette Burch for James Jimenez, secretary, department of finance and administration (DFA)
- ◆ Ben Lujan, Jr., for Stuart Ashman, secretary, office of cultural affairs (OCA)
- ◆ Duffy Rodriguez for Patrick Lyons, commissioner, state land office (SLO)

ABSENT

- ◆ Senator Joseph A. Fidel
- ◆ Senator Stuart Ingle
- ◆ Louise Baca, administrative office of the courts (AOC) for Gina Maestas, director, AOC
- ◆ Michael Bodelson, staff architect, property control division (PCD), GSD
- ◆ Rhonda Faught, secretary, department of transportation (DOT)

STAFF

- ◆ Elizabeth Holmes, legislative council service (LCS)
- ◆ Paula Tackett, director, LCS
- ◆ Bill Taylor, PCD, GSD

Secretary Lopez and Speaker Lujan welcomed commission members. The minutes from the August meeting were approved.

TRI-LABS PROJECT

Bill Taylor provided the commission with an update regarding the Tri-Labs project. The department of health's scientific lab at the university of New Mexico (UNM), the office of the state medical investigator and the veterinary diagnostic services division make up the Tri-Labs project at the UNM campus in Albuquerque. The three labs have outgrown their current building space, and the facility and location no longer meet the needs of the labs. GSD has met with UNM and other state agencies to discuss the design and new location for the Tri-Labs project. An appropriation of \$4 million was made for the design phase of this project. Secretary Lopez indicated that the condition of the current lab is deplorable and that the project is estimated to

cost the state a total of \$60 million, not including the land, and is scheduled to be completed in two stages. A proposed location for a new site is near Carrie Tingley hospital with convenient access to the frontage road and highway. GSD is still in discussion with DFA to get this project on the executive's capital improvement plan. The CBPC endorsed the construction of the Tri-Labs project to be done in two phases with a consensus that it needs to be located near the teaching facility at UNM.

STATE POLICE CRIME LAB

John Denko, secretary of public safety, Paul Cook and Susan Scholl reminded the commission that the state police crime lab was originally to be a part of the Tri-Labs project and that the lab is currently housed on the UNM campus with the other labs. However, Secretary Denko said it was more functional to expand the crime labs in Albuquerque and to expand the crime lab headquarters in Santa Fe with a satellite crime lab in Las Cruces to serve the southern regions of New Mexico.

Secretary Denko and the department of public safety (DPS) have determined that the crime lab will require 55,000 square feet to meet its current needs. A large space is needed to store evidence, such as cars, that must be housed at the facility. Currently, evidence is being stored in the maintenance garage at the UNM location.

The discussion then turned to the cost of building this facility and its proposed location in Santa Fe. Upon questions from Speaker Lujan, the commission learned that the cost of this project is estimated at \$20 million. Secretary Lopez said GSD estimated the design phase of the crime lab project to be \$1.5 million to \$2 million. He suggested that DPS secure the funding for land during the upcoming legislative session and then lobby for construction funding during the subsequent session. Secretary Lopez further stressed the importance of finding the least costly land if DPS wants to relocate its facility to Santa Fe. Mr. Cook informed the commission that the land they are currently looking at is on a level site so the construction cost will go down.

CBPC endorsed an appropriation up to \$2 million for planning and design for the state police crime lab to be introduced during the upcoming legislative session.

PROPERTY CONTROL DIVISION STATUS REPORT

Bill Taylor, PCD, reported on several buildings around the Santa Fe area.

Villagra

The Villagra building is scheduled to be occupied in May 2004. Occupancy in the 1954 building has been offered to the attorney general's office; however, a final decision has not been made and other options are being explored. Speaker Lujan inquired about progress and work that has been done to the 1934 building and who might occupy it. Speaker Lujan was concerned that only a minimum amount of restoration was planned and that this would result in further problems with a minimally adequate building, and that the situation would have to be addressed in the near future. He was of the opinion that the building restoration should take place now so that it will

be adequate for government agencies to occupy. He suggested that the commission look at what is needed to make the old Villagra building useable for the next 30 to 50 years. Secretary Lopez told the commission that GSD is studying this issue.

The West Capitol Complex

The west capitol complex is near completion. The regulation and licensing department is scheduled to occupy the second and third floors while the state agency on aging will occupy the first floor. PCD is currently studying the possibility of other agencies moving into the west capitol complex.

NEA

The NEA building has been purchased by the state. A one-year lease with a six-month extension has been negotiated to allow time for NEA to relocate.

La Villa Rivera

Short-term leases have been negotiated and all agencies will relocate soon. The New Mexico office of Indian affairs has already moved to the Pinon building.

Jaguar Road

Jaguar road land is no longer an option for the state to explore because of the large infrastructure costs required to develop the land. However, it was suggested that the commission look at expanding the authorization language to allow for other options contiguous to DPS and the district 5 office of the DOT. Speaker Lujan suggested legislation be drafted to allow PCD to explore properties that already include infrastructure.

PARKING AROUND THE CAPITOL

Representative Luciano "Lucky" Varela discussed the parking issue around the capitol area, especially during the legislative session. He suggested the commission form a subcommittee to work with PERA to reach a possible agreement to purchase the building and land as one way to resolve this issue. Representative Varela mentioned that PERA is worried that this would cause a loss in revenue if the building was sold and that this issue should be addressed with the subcommittee.

Representative Varela recommended the commission turn its attention to the NEA property as another potential resolution to the parking issue. He also suggested negotiating a deal with the city to remove the parking meters on Don Gaspar, saying that it should be the goal of the state to focus on long-range solutions. Speaker Lujan reminded the commission that a parking garage facility has been a long-range goal of the state, and with the city of Santa Fe's change in administration, the commission might see if the city is again interested in addressing the parking needs of the state and the city. It was also suggested that the NEA space could be reconfigured and that the state architect could look at expanding the old motor pool with NEA.

Secretary Lopez asked Mr. Taylor to review the contractual obligations the state has with

the city and to report his findings to the commission during its next meeting. Representative Varela reminded the commission that the parking problem is a hindrance to New Mexico citizens who want to take part in the legislative process but are deterred because of the limited parking at the capitol.

Representative Hobbs asked the commission to meet with the governor's office to inquire about that office's parking needs during the next legislative session.

MASTER PLANNING PROCESS

Mr. Taylor discussed the current standing of the master planning process. He told the commission that the focus of PCD has been to eliminate state agencies use of leased space, especially in Santa Fe. He suggested that state agencies submit space needs to the CBPC. Secretary Lopez informed the commission that he was comfortable with the Santa Fe master plan; however, controversy that needs to be addressed still remains between the state and landlords of leased space.

Paula Tackett, LCS, asked the commission to provide staff with input regarding the direction and focus the commission would like to take next year. The commission agreed to address the need to validate the Santa Fe master plan, develop a more automatic update system, address the direction of the Albuquerque master plan and review federal leased space by the state.

Speaker Lujan turned the discussion to the relocation of the labor department (LD). LD has experienced a high rate of vandalism in its current location. Secretary Lopez told the commission that LD's property is being appraised.

The commission then turned its attention to the Albuquerque master planning process. Secretary Lopez explained that strategies need to be developed for the reduction of general fund dollars. He recommended the commission direct staff and the consultants to identify lease space to fill up potential uses for property in Albuquerque already owned by the state. Secretary Lopez also cautioned that the cost to pursue the next phases of developing a master plan for Albuquerque will surely be higher than the money available, and the exact amount should be established before the commission moves forward. Speaker Lujan concurred with Secretary Lopez and said directions should be provided after staff and consultants present their ideas and recommendations. CBPC directed staff to develop a proposal on a comprehensive Albuquerque master plan and to present its recommendations at the next meeting.

STATE LAND OFFICE FACILITIES – STATUS REPORT

Duffy Rodriguez explained to the commission that last summer a chiller broke at the SLO and its replacement will cost \$789,000. SLO requested a budget adjustment to fix this problem, but it was rejected by DFA. Currently, a supplemental appropriation has been requested that will include the replacement of the chiller, re-stuccoing, elevators and a four-year process for the replacement of windows and carpets. In the event this strategy fails, SLO will look for

legislative sponsorship for an appropriation of \$789,000.

Secretary Lopez suggested the SLO use proceeds from the land trust for the upkeep of its grounds. Ms. Rodriguez told the commission this option has been explored; however, the statutes have been amended to require a budget adjustment by DFA.

Speaker Lujan recommended that SLO establish a fund from the SLO maintenance fund. Ms. Rodriguez explained that the remaining balance of this fund is never carried over to the next fiscal year because it is reallocated to its beneficiaries. It would be difficult to set aside a revenue stream because of the requirement that the funds go to the beneficiaries at the end of the year.

The commission discussed a number of possible legislative recommendations and asked staff to draft a bill to restore the Building Acquisition Act to its original purpose, as long as OCA funds are not impaired.

The meeting adjourned at 12:10 p.m.