



# Capitol Buildings Planning Commission

## 2010 INTERIM REPORT

*Legislative Council Service  
411 State Capitol  
Santa Fe, New Mexico 87501  
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**CAPITOL BUILDINGS  
PLANNING COMMISSION**

**2010**

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**A. STATUTORY  
AUTHORITY**



15-10-1. Capitol buildings planning commission created.

A. The "capitol buildings planning commission" is created. The commission shall be composed of four members of the legislature, two from each house, appointed by the New Mexico legislative council, the secretary of general services or the secretary's designee, the state treasurer or the state treasurer's designee, the secretary of transportation or the secretary's designee, the secretary of cultural affairs or the secretary's designee, the secretary of finance and administration or the secretary's designee, the commissioner of public lands or the commissioner's designee and the chair of the supreme court building commission or the chair's designee.

B. The commission shall:

(1) study and plan for the long-range facilities needs of state government in the greater metropolitan areas of Las Cruces, Santa Fe and Albuquerque and, after developing an initial master plan for the state facilities in those areas, conduct a review of state properties throughout the state for the development of an overall master plan;

(2) review proposed lease-purchase agreements pursuant to Section 15-10-2 NMSA 1978;

(3) work with the general services department and other state agencies in developing recommendations for addressing deferred maintenance on state facilities and disposal strategies for aging facilities no longer able to serve their mission; and

(4) utilizing life cycle costing, work with the general services department in developing recommendations regarding whether the state should lease, lease-purchase or purchase needed additional facilities.

C. The legislative council service shall provide staff for the commission in coordination with the staff architect and other staff of the property control division of the general services department.

D. The commission shall meet regularly and shall report annually to the legislature on an annual update of the master plan for the long-range facilities needs of state government in the greater metropolitan areas of Las Cruces, Santa Fe and Albuquerque and throughout the state.

History: Laws 1997, ch. 178, § 5; 2002, ch. 69, § 1; 2003, ch. 110, § 1; 2007, ch. 64, § 1; 2009, ch. 19, § 1.

15-10-2. Capitol buildings planning commission; review of lease-purchase agreements.

A. Before submitting a proposed lease-purchase agreement to the legislature for ratification and approval pursuant to Section 15-3-35 NMSA 1978, the proposed lessee shall notify the commission. The commission shall review a proposed lease-purchase agreement if:

(1) the total lease revenues to be generated during the term of the lease-purchase agreement, including any possible extensions or renewals, exceed five million dollars (\$5,000,000); or

(2) pursuant to criteria adopted by the commission, the commission selects the lease-purchase agreement for review.

B. A review conducted pursuant to this section shall include findings by the commission as to whether:

(1) the leasehold property and the term of the lease-purchase agreement are sufficient to meet the identified needs of the state agency that will occupy the leasehold property;

(2) the payment of all lease revenues due pursuant to a lease-purchase agreement will be sufficient, at the end of the term of the lease-purchase agreement, to acquire ownership of the leasehold property;

(3) the lease-purchase agreement provides that there is no legal obligation for the state or state agency to continue the lease-purchase agreement from year to year or to purchase the leasehold property, and that the lease-purchase agreement shall be terminated if sufficient appropriations are not available to meet the current lease payments; and

(4) the lease-purchase agreement is the most cost-effective alternative for acquiring the leasehold property, taking into account currently available alternative lease arrangements, lease-purchase agreements or other financing arrangements permitted by law.

C. After a review pursuant to this section, the commission shall submit its findings and recommendations to the legislature.

D. As used in this section:

(1) "commission" means the capitol buildings planning commission;

(2) "facilities" means buildings and the appurtenances and improvements associated therewith, including the real estate upon which a building is constructed; suitable parking for use of the building; utilities, access roads and other infrastructure; and related real estate. "Facilities" can also mean undeveloped or developed real estate that is transferred or leased with the intent that a new building or improvement be constructed thereon;

(3) "lease-purchase agreement" means a financing agreement for the leasing of facilities by the state or a state agency from a public or private entity with an option to purchase the leasehold property for a price that is reduced according to the payments made pursuant to the financing agreement;

(4) "leasehold property" means facilities that are subject to a lease-purchase agreement;

(5) "lease revenues" means the amounts payable pursuant to a lease-purchase agreement; and

(6) "state agency" means any department, branch, institution, board, officer, bureau, instrumentality, commission, district or committee of government of the state of New Mexico except:

(a) the state armory board;

(b) the commissioner of public lands;

(c) state institutions under the jurisdiction of the higher education department;

(d) the economic development department when the department is acquiring property pursuant to the Statewide Economic Development Finance Act [6-25-1 NMSA 1978];

(e) the public school facilities authority when the authority is acquiring property pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978]; and

(f) a state-chartered charter school.

Effective dates. — Laws 2009, ch. 19, § 3 provided that Laws 2009, ch. 19, § 2 was effective July 1, 2009.

## **B. MEMBERSHIP**



## **MEMBERSHIP**

The Capitol Buildings Planning Commission (CBPC) is an intergovernmental agency created in 1997 to conduct long-range facilities master plans for all state agencies in Santa Fe. Over the years, its master planning jurisdiction has been expanded to include the major metropolitan areas of New Mexico and an inventory of all state facilities for the development of a statewide master plan (Section 15-10-1 NMSA 1978). Since its inception, the commission has developed metropolitan area master plans and endorsed legislation to study and finance the construction of state government facilities in New Mexico. Recently, the CBPC developed guidance materials for the review process of lease-purchase financing agreements for the construction of state facilities.

Additionally, the CBPC works with the General Services Department (GSD) and other state agencies in developing recommendations for addressing deferred maintenance on state facilities and disposal strategies for aging facilities no longer able to serve their mission; and, using life-cycle costing, the CBPC works with the GSD in developing recommendations regarding whether the state should lease, lease-purchase or purchase needed additional facilities.

The commission is composed of 11 members:

- four members of the legislature, two from each house appointed by the New Mexico Legislative Council;
- the secretary of general services;
- the state treasurer;
- the secretary of transportation;
- the secretary of cultural affairs;
- the secretary of finance and administration;
- the chair of the Supreme Court Building Commission; and
- the commissioner of public lands.

Each of the nonlegislative members may name a designee to serve in the member's place. Representative Ben Lujan, speaker of the house, and Arturo Jaramillo, secretary of general services, co-chaired the commission during the 2010 interim.

The actual commission members who served during the 2010 interim, in addition to Secretary Jaramillo and Speaker Lujan, include Senator Timothy Z. Jennings, president pro tempore of the senate; Senator Stuart Ingle, senate minority floor leader; Representative Thomas C. Taylor, house minority floor leader; Katherine B. Miller, secretary of finance and administration; Stuart Ashman, secretary of cultural affairs; Gary Giron, secretary of transportation, with Deputy Secretary of Transportation Max Valerio serving as Secretary Giron's designee; Patrick Lyons, commissioner of public lands, with Larry Kehoe serving as the commissioner's designee; Charles W. Daniels, chief justice of the New Mexico Supreme Court, with Patrick Simpson, deputy director of the Administrative Office of the Courts, serving as the chief justice's designee; and State Treasurer James B. Lewis, with Clarence Smith serving as his designee. Late in the year, Dannette Burch, secretary-designate of finance and administration, attended meetings in place of Katherine B. Miller.

The Legislative Council Service (LCS) staff, in coordination with the GSD's Property Control Division (PCD) director, the staff architect and other PCD staff, provide staffing for the commission and work extensively with contractors responsible for providing master planning services to the commission.

The CBPC does not have a budget; however, the LCS provides staff for the commission in coordination with the staff architect and other PCD staff. Contract master planners, coordinated by the staff and directed by the commission, provide primary master planning services.

The commission meets primarily during the interim months, convening after the close of the legislative session.

## **C. OPEN MEETINGS RESOLUTION**



**Capitol Buildings Planning Commission  
of the State of New Mexico**

April 19, 2010

**Open Meetings Resolution**

**WHEREAS**, the Capitol Buildings Planning Commission met in regular session on April 19, 2010 pursuant to statute; and

**WHEREAS**, Section 10-15-1(B) NMSA 1978 of the Open Meetings Act (Sections 10-15-1 through 10-15-4 NMSA 1978) states that, except as may be otherwise provided in the constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission or other policymaking body of any state agency held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

**WHEREAS**, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

**WHEREAS**, Section 10-15-1(D) NMSA 1978 of the Open Meetings Act requires the Capitol Buildings Planning Commission to determine annually what constitutes reasonable notice of its public meetings;

**NOW, THEREFORE, BE IT RESOLVED** by the Capitol Buildings Planning Commission that:

1. All meetings shall be held at the State Capitol in Santa Fe, New Mexico, or as indicated on the meeting notice.
2. Regular meetings shall be held as determined at the call of the co-chairs. All meetings will be held in the State Capitol unless notice of another location has been given. The agenda for each regular meeting will be available at least twenty-four hours prior to the meeting from the Legislative Council Service, whose office is located in Room 411 of the State Capitol in Santa Fe, New Mexico. Notice of any other regular meetings held at the call of the co-chairs will be held only after reasonable notice is given to the public. The notice shall indicate how a copy of the agenda may be obtained.
3. Special meetings may be called by the co-chairs or by a majority of the members upon three days' notice. The notice shall include an agenda or information on how an agenda may be obtained. The agenda must be available to the public at least twenty-four hours before any special meeting.

4. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect the health, safety and property of citizens. The Capitol Buildings Planning Commission will avoid emergency meetings whenever possible. Emergency meetings may be called by the co-chairs or by a majority of the members upon twenty-four hours' notice unless threat of personal injury or property damage requires less notice. The notice shall include an agenda or information on how the public may obtain a copy of the agenda.

5. For the purposes of regular, special and emergency meetings described in this resolution, notice requirements shall be met if notice of the date, time, place and agenda or information on how an agenda may be obtained is available at the Legislative Council Service and is posted on the legislative web site ([www.nmlegis.gov](http://www.nmlegis.gov)).

6. For the purposes of emergency meetings described in Paragraph (4) of this resolution, notice requirements shall be met if available at the Legislative Council Service and posted on the legislative web site ([www.nmlegis.gov](http://www.nmlegis.gov)), and oral or written notice of the date, time, place and general subject matter to be discussed at the meeting is given to the news media and to all affected entities as soon as it is practical.

7. In addition to the information specified above, all notices issued following the adoption of this resolution shall include the following language:

If you require special accommodations, such as a hearing interpreter, to participate in a meeting, please contact the Legislative Council Service at least five working days prior to the scheduled meeting day at (505) 986-4600 or by TDD phone at (505) 986-4653. Public documents from these meetings are available in alternative formats upon request.

8. If it is otherwise difficult or impossible for a member of the Capitol Buildings Planning Commission to attend any meeting in person and if necessary to achieve a quorum at such a meeting, members may participate in a meeting by means of a conference telephone or other similar communications equipment, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time and members of the public attending the meeting are able to hear any member who speaks during the meeting.

9. The Capitol Buildings Planning Commission may close a meeting to the public only if the subject matter of such discussion or action is exempted from the open meeting requirement under Section 10-15-1(H) NMSA 1978 of the Open Meetings Act.

(a) If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Capitol Buildings Planning Commission taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure, and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in a closed meeting.

(b) If the decision to hold a closed meeting is made when the Capitol Buildings Planning Commission is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed in reasonable specificity, is given to the members and to the general public.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

(d) Except as provided in Section 10-15-1(H) NMSA 1978, any action taken as a result of discussions in a closed meeting shall be made by vote of the Capitol Buildings Planning Commission in an open public meeting.

Passed by the Capitol Buildings Planning Commission this 19th day of April 2010.

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ARTURO JARAMILLO, Co-Chair

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BEN LUJAN, Co-Chair



## **D. 2010 INTERIM SUMMARY**



## **2010 — INTERIM SUMMARY**

The Capitol Buildings Planning Commission (CBPC) met seven times between April 2010 and December 2010. More than nine staff and consultant workshops were conducted to address master planning, life-cycle costing analysis and database development. Considerable public comment was received from the landlords of state agencies and developers in the Santa Fe area throughout the interim in all CBPC hearings. State agency representatives, commission staff, master planners and capital project managers and consultants appeared before the CBPC. Legislative Council Service (LCS) staff and consultants conducted research and provided regular updates about legislative initiatives and actions and master planning for state campuses and facilities. Staff from the Property Control Division (PCD) of the General Services Department (GSD) provided regular updates about various state properties, capital projects and renovations and acquisitions, including leases and sales. Specific presentations on state agency master plans were presented by the PCD and the agencies.

The master planners for the CBPC, Architectural Research Consultants, Inc. (ARC), reported to the commission on progress with the Albuquerque, Santa Fe and Las Cruces metropolitan area master plans and updates, as well as progress with the statewide facility inventory. ARC, which is also under contract through collaboration with Dekker/Perich/Sabitini (DPS) to provide expertise for main capitol campus renovations, additions and long-term space planning needs, gave several presentations specific to the site selection for Phase 1 of the Health and Human Services (HHS) Complex in Santa Fe. More details are provided below.

### **Facilities Master Planning and Lease-Purchasing**

A basic strategic facility planning process consists of four steps:

- determining facility requirements for a state agency based on that agency's strategic plan for agency outcomes and operations;
- evaluating existing facilities for their current condition and ability to meet future facility needs;
- using life-cycle costing to choose new facility design, construction, acquisition and financing methods; and
- using the most cost-effective finance tools for required maintenance, renovation and new facility acquisition.

Updates to all master plans are scheduled for completion by April 2011. The new plan will unify into one plan the existing master plans for all state campuses. At the conclusion of the year, master planning principles had been recompiled and will be made available on the legislative web site. The goal for all agency master plans is compliance with the state master planning principles.

A weakness in the process in New Mexico includes the state's lack of a specific mechanism for financing the renovation of facilities located outside of Santa Fe and for those not under the jurisdiction of the PCD in Santa Fe. Deferred maintenance can play a critical role in the life of a

facility, and facilities outside of Santa Fe do not have a dedicated revenue stream for maintenance and renovations.

The commission receives proposals for legislation to help address maintenance for current state assets and, recently, it has begun to review proposals for lease-purchased facilities that might be constructed in the future.

A critical factor in the feasibility of lease-purchase agreements is the need to redirect current lease payments to provide a revenue stream for bond payments, if there are no general fund dollars to finance state building bonds. LCS and PCD staff, in conjunction with consultants to the CBPC, conducted extensive analysis during 2008 to select the most likely agencies to manage future lease-purchase payments through redirected lease payments. This information was used to develop initiatives for the 2009 legislature to consider. During that session, the first project receiving approval for lease-purchase of a state agency office complex was Phase 1 of the HHS complex in Santa Fe.

Also, in 2009, the legislature expanded the duties of the commission to include the development of criteria for the review of all future proposed lease-purchase agreements and for the acquisition and disposal of state assets.

The CBPC began work on a review process for lease-purchase agreements that would be required for approval to proceed to the legislature for authorization of these agreements. PCD and CBPC staff developed a preliminary process for 2009 reviews; however, no requests were submitted for review.

CBPC staff and consultants worked extensively during the 2010 interim to complete a *Lease-Purchase Agreement Review Process Guidance* document, which was adopted by the CBPC on December 16, 2010. This document communicates the following:

- which agencies need to appear before the commission for lease-purchase agreement review;
- which lease-purchase agreements require review;
- the lease-purchase agreement review process the commission has adopted; and
- what information needs to be submitted by the state agencies submitting lease-purchase agreements.

For the next five years (fiscal years 2011-2015), the commission has chosen to review **all lease-purchase agreements (except those excluded by law)** in order to fine-tune guidance material and to monitor compliance with the Capitol Buildings Master Plan (CBMP).

As part of the *Guidance* document, CBPC consultants and staff developed a methodology for conducting a life-cycle cost analysis (LCCA) to be used by agencies to demonstrate that a proposed lease-purchase agreement is the most cost-effective alternative for facility acquisition. The LCCA is a method for assessing the total cost of facility ownership, taking into account all costs of acquiring, owning, operating and disposing of a building or a building system. A

database has been developed and is currently in the testing and documentation phases, with a target date of March 2011 set for launching the database online at the New Mexico legislative web site for use by requesting agencies. A user guide will accompany the database, but components of the database will be controlled by CBPC staff to ensure that analyses are comparable.

Additionally during the 2010 interim, the PCD established a new rule for the lease-purchasing of real property (NMAC 1.5.25). Effective January 1, 2011, this rule applies to all lease-purchases by executive branch agencies except the State Land Office. "The objective of the rule is to establish a fair, uniform, clear and effective process to regulate the lease-purchasing of real property constructed by public or private entities as office, warehouse or special use facilities for state executive agencies under jurisdiction of the property control division."

### **Statewide Inventory/Review of State-Owned Properties/Statewide Database**

In 2009, the master planners presented to the CBPC a *preliminary* statewide inventory of state-owned and state-leased property. The state occupies about 40.8 million gross square feet (gsf) of building space. When excluding educational uses, the state occupies 18.8 million gsf of owned and leased space. The state pays for "leasable" square feet (lsf), which does not include certain common areas otherwise included in gsf measurements. The state leases 3.4 million lsf, which, for calculation purposes, is approximately equal to 4.3 million gsf. Additionally, the counties provide 1.6 million gsf to the state for certain state agencies.

Recommendations endorsed by the commission in 2009 call for staff and consultants to address the database issues, to develop plans for requiring state agencies to develop long-range master plans, to establish policies for acquiring and disposing of state assets and to develop space standards for state functions provided by counties. In 2010, the staff and master planners made only minimal progress on the statewide inventory due to the lack of a comprehensive uniform system for maintaining and accessing facility data. Several meetings were held with state agencies to discuss how a statewide database might be developed.

It may be possible for the state's financial system, SHARE, to be used to acquire capacity information for the database. There is considerable interest in having a unique identifier for each building and the assigned employee positions at each building. It is possible that geocoding of facilities, similar to what is being done at the Public Schools Facilities Authority (PSFA), might be a means of capturing data for use by several state agencies and the CBPC. Currently, there is no agency taking the lead on this initiative; however, it has been determined that the Risk Management Division of the GSD may have the most comprehensive information of any other state entity.

Implementation of the recommendations of the CBPC will be heavily dependent upon available financial and human resources. The master planners reported that additional technical support for data entry and report generation may be needed at the PCD and other agencies. Reductions in agency budgets to address the ongoing deficits in New Mexico have impacted this work.

## **HHS Complex — Proposed New Campus — Santa Fe**

The original Santa Fe master plan in 2000 called for consolidation of key agencies into state-owned buildings at the south capitol campus. The initial focus has been on the Human Services Department (HSD), in part because its offices were originally displaced to leased facilities around 1989. In 2002, under the Johnson administration, a consolidated complex was proposed for the department.

The CBPC adopted legislation in 2009 to authorize Phase 1 of the lease-purchase of an HHS facility in Santa Fe to house the HSD and the Children, Youth and Families Department (CYFD). The state proposed to redirect \$5.1 million in annual lease payments to finance up to \$80 million for the project. The CBPC endorsed a request for \$4 million in capital outlay to help finance a land purchase if a state-owned site in Santa Fe County was not feasible, and the legislature later incorporated state land transfers as part of a land purchase for the facility.

The 2009 legislature enacted **Senate Bill 728** authorizing the New Mexico Finance Authority (NMFA) to issue bonds for an HHS building and authorizing the PCD to enter into a lease-purchase agreement for Phase 1 of the facility, projected at 216,000 square feet of buildings. In May 2009, the PCD reported its preliminary decision that a site known as "Las Soleras" was the most viable for the project.

In November 2010, final reviews and approvals were received from the CBPC, the State Board of Finance and the attorney general to proceed with land acquisition at Las Soleras, consisting of 20 acres to be purchased, including all infrastructure constructed and in place. A comprehensive appraisal process was undertaken in support of the final acquisition, resulting in a "blended market value of \$11.64 per square foot", for a total value of \$10,140,000. The state will be paying \$9.053 per square foot, or \$7,887,000. The transaction includes a gift from the seller of the difference, which is \$2,253,000. Additionally, there are land options for the purchase of additional acreage, which options may be exercised by the state with no increase in the option price through June 30, 2013.

The financing consists of \$4 million in severance tax bond proceeds, a trade of 4.45 acres of property (valued at \$1,938,856) on Galisteo Street in Santa Fe and a Bond Anticipation Note (BAN) from the NMFA in lieu of \$2 million in cash. The transaction cannot be closed until February 15, 2011, in order to allow the governor-elect to review the proposed acquisition.

## **Santa Fe Metropolitan Area**

There are five specific campuses in the Santa Fe Metropolitan Area Master Plan:

1. the main capitol campus;
2. the south capitol campus;
3. the west capitol campus;
4. the public safety/Department of Transportation (DOT) campus; and
5. the corrections/Oñate campus.

On the main capitol campus, the key issues of the master plan include relocating state agencies that are constitutionally created, such as the Office of the State Auditor, Office of the State Treasurer and the Public Regulation Commission (PRC), to this campus and relocating agencies, such as the CYFD, to other service-oriented campuses. Space in the existing buildings is becoming more scarce, and the master planners are considering options to relieve overcrowding.

The south capitol campus is also overcrowded, and some of the existing buildings are in serious need of renovation or demolition and reconstruction. Since the inception of the original master plan for Santa Fe, the DOT has proposed different types of development for its headquarters site and its District 5 site. A new South Capitol Campus Master Plan was completed in 2010.

The west capitol campus currently has seven main structures and is partially split by land not owned by the state. The state needs to acquire land from the federal government and the Santa Fe Public School District. This year, land was acquired from the City of Santa Fe on the former College of Santa Fe campus.

Other capitol campuses, including the corrections/Oñate campus, should be planned to maximize leverage of Rail Runner train stations. At the Penitentiary of New Mexico (PNM), the issue of whether to lease the wastewater treatment plant on a long-term basis to Santa Fe County also needs to be resolved in coordination with the CBPC.

### **Historic District Ordinance**

The 2009 legislature enacted **House Bill 360**, which sets up a collaborative process for the state and local governments relating to the design, renovation or demolition of state buildings within historic districts. The new process affects all state capital projects that are undertaken in historic districts when the affected cities have in place specific ordinances for those historic districts. The first facility construction project likely to fall under the provisions of the new law is the planned executive office building on the main capitol campus, which lies within the historic district of Santa Fe. The location of casitas adjacent to the site on the main capitol campus will require consultation with the City of Santa Fe before and during the design phase of the construction.

### **Main Capitol Campus**

- **Executive Office Building — Main Capitol Campus — Santa Fe**

The 2009 legislature enacted **Senate Bill 221** authorizing construction of a new facility to implement one phase of a five-year planning strategy for the main capitol campus, which includes relocating constitutional officers to the campus, constructing new state-owned facilities in the most cost-effective manner and relocating state agencies from leased space to state-owned

space. The master planners recommended that the process begin as soon as possible to maximize savings in the design, construction and relocation of agencies, particularly during the economic downturn, which has resulted in reduced construction costs.

The project has lagged with issues of site selection and programming still pending.

This project would be separate from, but in conjunction with, the first phase of the HHS Complex project that would free up space for the PRC, the Higher Education Department and the Office of the State Engineer in the Public Employees Retirement Association building.

Upon completion of the projects, the designated state agencies will be located on the main capitol campus; overcrowding will be relieved in existing buildings, which will receive some renovations; and the bulk of the expensive leased space that the state occupies in Santa Fe will be reduced. In the long term, as space needs increase, the Concha Ortiz y Pino building might be demolished, and Phase 2 of the executive office building could be constructed.

### **South Capitol Campus**

- **South Capitol Campus Master Plan (SCCMP)**

In 2009, the legislature appropriated \$500,000 for a south capitol complex development plan, renovations and improvements for infill and redevelopment. The SCCMP was finalized in August 2010. The SCCMP is intended to reduce long-term lease and operating costs and save money through sustainable building and energy practices. The south capitol campus is also intended to serve as a model for a transit-oriented campus.

The design team assessed current building conditions and user programs, performed a comprehensive site analysis, evaluated the supply and demand of parking, conducted visioning sessions with key state agency stakeholders, created design guidelines, incorporated a sustainability plan and recommended implementation strategies. Currently, the south capitol campus consists of 30 acres of land, with 23 acres adjacent to it controlled by the DOT. The campus has six buildings with 550,000 gsf. Many of the buildings and their infrastructures are approaching the end of their useful lives. There are 1,800 state employees at the site working in nine state agencies. The campus also serves as a regional multimodal transportation hub. The multimodal aspect of the campus is a crucial concept underlying the master plan; it creates capacity for additional office space while minimizing additional parking demand.

The master plan envisions a potential development capacity of up to 488,000 additional gsf at the campus, with a maximum of 2,051 parking stalls. The plan allows for doubling the current capacity of the campus, provides flexible scenarios for incremental development, increases the efficiency of infrastructure and buildings, provides for open space and for utility and emergency access corridors and encourages multimodal transportation. Finally, the master plan is designed to improve the quality of life of campus occupants and visitors.

The master plan has four development scenarios, which can be sequenced in any manner. Renovations of existing buildings can occur to improve space use and energy efficiency. This allows for the possibility of relocating additional agency staff from leased space into state-owned buildings. The plan calls for the renovation of existing buildings into open-office systems for most employees. Three new buildings are also envisioned, each with a companion parking structure. The design team identified 120,000 lsf occupied by agencies that could be relocated to the campus, for a savings of \$2.6 million per year, which potentially could be used for lease-purchase financing.

The master plan should be implemented by focusing on the renovation of existing buildings. Some renovations have begun in the Runnels building, which is already a top priority for the GSD in its capital improvements plan for 2011 legislative consideration. Additional studies need to be conducted to establish travel patterns and a baseline of current energy use. A detailed sustainability plan for 2040 should be prepared. Finally, the long-range intentions of the DOT for its adjacent land are an integral part of the south capitol campus planning.

### **Public Safety/DOT Campus**

- The new Motor Vehicle Division office is scheduled for occupancy on March 1, 2011.

### **West Capitol Campus**

With the change in ownership of the College of Santa Fe, the executive branch requested, and the legislature approved in 2010, an expansion of previous appropriations to use for purchase of specific parcels of vacant land at the college campus. Purchases of five tracts of land were authorized in 2010. Four parcels total 15 acres, and the fifth parcel contains nine acres.

### **Corrections/Oñate Campus**

- Santa Fe County continues to express some interest in a long-term lease with the state for the wastewater treatment facility at the PNM.

### **New Mexico School for the Deaf (NMSD) — Santa Fe**

- The NMSD reported that it has now completed more than 50 percent of its master plan, and NMSD owns 255 acres of land near the public safety/DOT campus, which it plans to develop.

### **Educational Retirement Board (ERB)**

- The ERB presented plans for relocating to a new facility. A projected \$10 million cost was a concern to some CBPC members due to current underfunded actuarial liabilities in the pension fund.

## Albuquerque/Los Lunas Metropolitan Area

The consultants explained that the principles underlying the master plan include: locating state agencies to achieve functional, operational and logistical efficiency; promoting convenient public access to government services; providing equitable and adequate space while realizing economic efficiencies; and protecting long-term asset values of state property.

In Albuquerque, the state currently leases 860,000 square feet of mostly office space. By redeveloping the Youth Diagnostic and Development Center (YDDC) site into a state office complex, the state can transition much of that currently scattered leased space into a centralized area, allowing for easier public access and potential long-term savings to the state. The master plan identifies 21 state agency offices in Albuquerque that could be relocated to the super block site without affecting the services they provide.

At the Albuquerque super block site, redevelopment of the site would require eventual relocation of the YDDC facility, which the CBPC has recommended be moved to the Los Lunas correctional campus. The plan would develop the super block site into four types of state activity:

- Area A, adjacent to the frontage road and Interstate 25, would be developed for high-density offices serving the metropolitan area. The state may need to acquire a small piece of property from the DOT and to develop a different location for the Emergency Management Response Center;
- Area B, which is in the north central portion of the property, would be reserved for low-density specialty uses;
- Area C, bordering Edith Boulevard, would be used for field offices or specialty uses. The master plan recommends making only code and health and safety investments in the facilities currently housing the YDDC because it may be relocated to Los Lunas; and
- Area D, on the southern portion of the property, would continue its secure facility uses in the short term and midterm but could be redeveloped in the long term. Access to this area would need to be improved if the other areas of the super block site are redeveloped.

The Los Lunas area has three sites totaling nearly 2,000 acres of state land. The grasslands site of 288 acres has been recommended to be held for future development in the long term. Short-term agricultural leases are recommended for the foreseeable future. Long-range plans should take into account local government planning efforts.

The 1,200-acre correctional campus could see the relocation of the YDDC and the development of other secure and therapeutic uses.

Finally, the 185-acre hospital site master plan envisions the demolition of unsafe buildings, many of which were demolished in 2010, the continuation of leasing land to local government

entities, the consolidation of state agency field offices and the possible long-term lease of a portion of the property for residential use. Open space and linkages to recreation sites would be included in any development plan for the site.

- **New Scientific Laboratory (Tri-Lab) and Old Laboratory Facility — Albuquerque**

Construction of this facility was commenced in 2008, with total funding for the project reaching \$86 million. The CBPC toured the facility in the fall of 2009 prior to occupation of the facility in 2010. After the relocation of the Office of the State Medical Investigator and the Veterinary Diagnostic Services to the new facility, the CBPC reviewed the transfer of the old state laboratory facility to the University of New Mexico.

- **Substance Abuse Treatment and Training Center — Los Lunas**

The PCD reported that the facility is expected to be completed in January 2011.

### **CYFD — Cambiar Feasibility Study and Master Plan**

During 2009 and 2010, the CYFD developed a master plan for implementation of the Cambiar model for serving youth and adequately addressing the needs of the CYFD and its clients. The PCD and consultants facilitated the planning and presented the final results to the CBPC in 2010. The Cambiar model has implications for the CYFD's long-term facility needs because it involves shifting to decentralized, regional facilities that are small and treatment-oriented with a residential-like environment. These facilities are planned for locations in regions of the state, allowing youthful clients to remain in treatment closer to their homes. The plan looks forward to the years between now and 2027.

This was a project endorsed by the CBPC, so the consultants to the CBPC provided a response to the master plan noting the following:

- the plan successfully reconciles programmatic needs with the capital needs for the CYFD;
- the plan recommends retaining the YDDC, but defines a move of the YDDC from Albuquerque to Los Lunas as a viable option years into the future and leaves open the option of revisiting this potential relocation until a later time; and
- the plan recommends eventual decommissioning of Camino Nuevo as a secure detention facility.

The Albuquerque Metropolitan Area Master Plan currently recommends relocation of the YDDC to one of the Los Lunas sites owned by the state. A critical factor in the construction of regional facilities is the adequacy of therapeutic services in the selected regions. The first facility is planned for Roswell.

## **Cultural Affairs Department (CAD)**

The department presented its five-year facilities plan, emphasizing the challenges of addressing repairs, renovations and deferred maintenance for eight museums, eight monuments, 183 buildings and 1,200 acres of property. Eighty-one buildings are historic.

## **DOT**

In 2010, the DOT suspended action indefinitely on the feasibility studies for the redevelopment of the DOT headquarters and the DOT District 5 property. Financing of development of the properties was reported to not be possible during the current time due to budgetary issues.

## **Demolition and Abatement of Facilities**

In 2009, the legislature funded the CBPC request for \$2.7 million for demolition, decommissioning and asbestos abatement of state buildings, primarily for the Los Lunas campus but also for other facilities statewide that pose hazardous situations. Four buildings at the Los Lunas hospital site were demolished in 2010. Another facility at the YDDC site in Albuquerque and the old Roswell Rehabilitation Center dormitory are scheduled for demolition in 2010.

## **Las Cruces Area Master Plan**

In 2010, the master planners continued to map facility changes in the Las Cruces Area Master Plan and provided some updates at the last meeting of the CBPC. Most notably, the downturn in the economy has provided some potential sites for acquisition, which might be viable for the consolidation of nearly all state agencies currently located in leased space. The state agencies include the CYFD, the Taxation and Revenue Department, the Office of the State Engineer, the HSD and the Workforce Solutions Department.

Although the CBPC had endorsed the GSD's 2009 legislative initiative to request funding for land acquisition and design of a Las Cruces state office building, the initiative did not receive an appropriation. CBPC planners proposed that the new *Guidance* document will provide options for analyzing the most cost-effective options for agency consolidation.

## **Statewide Projects**

- The Department of Health vacated the old Fort Bayard facility and is occupying the newly constructed facility. The Veterans' Services Department is assessing the possible use of the old facility. A feasibility study is being done to determine possible future uses of the old facility and property.
- The Santa Teresa port of entry land exchange was reviewed by the CBPC in preparation for the next phase of development.

## **Final Recommendations for Legislation**

Each year, the commission considers endorsement of proposed legislation and some specific commission or state agency capital project requests that are consistent with or are part of the state's master plans. Additionally, the commission may bring forth its own legislation.

Proposals were limited for the 2011 legislative session, primarily because of the continued shortage of funding for state operations, facilities or other capital outlay and infrastructure projects. The CBPC has focused its efforts on planning for the long term and encouraging state agencies to do more long-term planning as well.

The CBPC endorsed one staff proposal for substantive legislation intended to strengthen the capital improvements planning process for state agencies. The legislation requires each state agency to develop and annually update a five-year facilities master plan in the form prescribed by the PCD and consistent with the CBPC master plans and planning principles.

The legislation does not restructure any government agencies or divisions. It does require that capital projects in the master plans must be prioritized and further classified as:

1. those requesting funding for the initial planning and design phase; or
2. those requesting full project costs after the planning and design phase has been approved by the appropriate planning entity.

The PCD is required to provide technical assistance to the agencies and to develop guidelines for the development of the plans. The legislation would not apply to political subdivisions, institutions governed by boards of regents, independent authorities specifically exempted from laws governing state agencies, the Public School Capital Outlay Council, the PSFA and certain State Transportation Commission and DOT facilities.

The capital outlay requests presented to the CBPC by the GSD and the CAD were endorsed by the CBPC as to their consistency with the CBMP and master planning principles.

The endorsed projects are as follows:

- GSD:
  1. \$10,000,000 for statewide repairs, deferred maintenance, emergencies, infrastructure and decommissioning/demolition of vacant property;
  2. \$10,000,000 for Phase 1 of the Lujan building renovation (south capitol campus); and
  3. \$2,000,000 for statewide planning/design (master plans, surveys, etc.) and demolition/decommissioning of state properties.

- CAD:
  1. \$2,000,000 for repairs and maintenance of cultural assets spread throughout New Mexico;
  2. \$250,000 to complete the water system for the Center for New Mexico Archaeology at the Museum of Indian Arts and Culture; and
  3. \$750,000 to complete the educational complex of the New Mexico Museum of Natural History and Science.

## **E. 2011 LEGISLATIVE INITIATIVES**



# 2011 LEGISLATIVE INITIATIVES

## Capitol Buildings Planning Commission (CBPC)

### November 2010

#### COMMISSION GENERAL LEGISLATION:

#### FIVE-YEAR FACILITIES MASTER PLANS

- The proposal is intended to strengthen the infrastructure capital improvements planning process for state agencies. The legislation requires state agencies to develop and annually update a five-year facilities master plan in the form prescribed by the property control division (PCD) of the general services department and to be consistent with the CBPC master plans and planning principles. The plans are submitted to the department of finance and administration (DFA) on July 1 of each year.
- The DFA and PCD are required to jointly prepare and annually update a five-year program for all state capital improvement projects, which is submitted to the governor and the legislature by November 1 of each year.
- The proposal does not restructure any government agencies or divisions. It will provide incremental improvement to the facilities planning process.
- Projects must be prioritized and further classified as:
  1. those requesting funding for the initial planning and design phase; or
  2. those requesting full project costs after the planning and design phase has been approved by the appropriate planning entity.
- The PCD is required to provide technical assistance to the agencies in the development of the plans and to develop guidelines for the plans.
- The guidelines shall include:
  1. requirements for preventive and deferred maintenance plans;
  2. a criteria-based weighted ranking system to determine priority capital projects for state facilities;
  3. space and energy efficiency standards for state facilities; and
  4. life-cycle costing models for existing and proposed state facilities.
- Not included in the definition of "state agency" are:
  1. political subdivisions;
  2. institutions governed by boards of regents;
  3. independent authorities specifically exempted from laws governing state agencies;
  4. the public school capital outlay council;
  5. the public school facilities authority; and
  6. certain state transportation commission and department of transportation facilities.

**NON-CAPITAL OUTLAY LEGISLATION FROM THE GENERAL SERVICES DEPARTMENT:**

- No proposals were submitted.

**CAPITAL OUTLAY WITHIN MASTER-PLANNED AREAS OF NEW MEXICO:**

The CBPC has endorsed certain capital outlay requests presented to the commission for its consideration as to consistency with:

1. the master plans under the purview of the commission; and
2. the general development principles of master planning for state government.

**FROM THE COMMISSION:**

- No proposals were submitted.

**FROM THE GENERAL SERVICES DEPARTMENT:**

- \$10,000,000 for statewide repairs, deferred maintenance, emergencies, infrastructure and decommissioning/demolition of vacant property;
- \$10,000,000 for Phase 1 of the Lujan Building renovation (South Capitol Campus); and
- \$2,000,000 for statewide planning/design (master plans, surveys, etc.) and demolition/decommissioning of state properties.

**FROM THE CULTURAL AFFAIRS DEPARTMENT:**

- \$2,000,000 for repairs and maintenance of cultural assets spread throughout New Mexico;
- \$250,000 to complete the water system for the Center for New Mexico Archaeology at the Museum of Indian Arts and Culture; and
- \$750,000 to complete the educational complex of the New Mexico Museum of Natural History and Science.

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SENATE BILL

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

FOR THE CAPITOL BUILDINGS PLANNING COMMISSION

AN ACT

RELATING TO STATE FACILITIES; REQUIRING STATE AGENCIES TO  
SUBMIT FIVE-YEAR FACILITIES MASTER PLANS; PROVIDING FOR PLAN  
GUIDELINES; PROVIDING ADDITIONAL DUTIES FOR THE PROPERTY  
CONTROL DIVISION OF THE GENERAL SERVICES DEPARTMENT;  
RECONCILING CONFLICTING AMENDMENTS TO THE SAME SECTION OF LAW  
IN LAWS 2001 BY REPEALING LAWS 2001, CHAPTER 293, SECTION 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 6-4-1 NMSA 1978 (being Laws 1975,  
Chapter 282, Section 3, as amended) is amended to read:

"6-4-1. CAPITAL PROGRAMS--PREPARATION--DUTIES.--

A. The department of finance and administration and  
the property control division of the general services  
department shall jointly prepare ~~[amend and maintain a four-~~  
~~year program of major state capital improvement projects~~

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1 ~~recommended to be undertaken by the state or to be undertaken~~  
2 ~~with state aid or under state regulation]~~ and annually update a  
3 five-year program for all state capital improvement projects,  
4 which program shall be submitted to the governor and  
5 legislature by November 1 of each year. The program shall  
6 [classify] prioritize projects with respect to urgency and need  
7 [for realization] and [it] shall recommend a time sequence for  
8 construction. The program shall [also contain the contract  
9 price or estimated cost of each project and it shall indicate  
10 probable operating and maintenance costs and probable revenues,  
11 if any, as well as existing sources of funds or the need for  
12 additional sources of funds for the construction and operation  
13 of each project] further classify the projects into:

14 (1) those projects for which the initial  
15 planning and design phase has been completed and approved by  
16 the appropriate planning entity and that are awaiting  
17 consideration by the legislature and appropriation for the full  
18 project costs; and

19 (2) those projects requesting funding for the  
20 initial planning and design phase for which the programming,  
21 delivery method, partial schematic design and construction cost  
22 estimates have not been determined or completed.

23 B. Heads of departments and other agencies of the  
24 state shall transmit to the department of finance and  
25 administration, in the form and content prescribed by the

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1 property control division of the general services department,  
2 on July 1 of each year, a [~~statement of all~~] plan for proposed  
3 capital projects [~~proposed~~] for the ensuing [~~four~~] five years  
4 for review and recommendation to the governor with respect to  
5 inclusion in the state capital program [~~of the state~~]. A state  
6 agency required to develop a facilities master plan pursuant to  
7 Section 6-4-1.1 NMSA 1978 shall submit its plan for proposed  
8 capital projects as part of its facilities master plan or  
9 update to that master plan."

10 SECTION 2. A new Section 6-4-1.1 NMSA 1978 is enacted to  
11 read:

12 "6-4-1.1. [NEW MATERIAL] FACILITIES MASTER PLANS--  
13 GUIDELINES.--

14 A. Each state agency shall annually develop or  
15 update a five-year facilities master plan that describes all  
16 capital projects proposed for the ensuing five years and  
17 contains such other information as required by the property  
18 control division of the general services department pursuant to  
19 Subsection B of this section. The master plan shall be  
20 submitted to the department of finance and administration on  
21 July 1 of each year pursuant to Section 6-4-1 NMSA 1978.

22 B. The property control division shall prescribe  
23 the form and content of facilities master plans for state  
24 agencies to follow in the preparation of master plans,  
25 consistent with the capitol buildings planning commission

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1 master plans and comprehensive planning principles. The  
2 property control division shall provide technical assistance to  
3 state agencies in the development of their plans. The  
4 guidelines shall include:

5 (1) guidelines for development of the master  
6 plans;

7 (2) requirements for preventive and deferred  
8 maintenance plans, including standards for facility maintenance  
9 plans;

10 (3) a criteria-based weighted ranking system  
11 to determine priority capital projects for state facilities;

12 (4) space and energy efficiency standards for  
13 state facilities;

14 (5) life-cycle costing models for existing and  
15 proposed state facilities; and

16 (6) any other requirements that may assist the  
17 department of finance and administration, the property control  
18 division, the governor and the legislature in assessing needs  
19 and establishing priorities for including state capital  
20 projects in the state capital program.

21 C. As used in this section, "state agency" means  
22 any department, institution, board, bureau, commission,  
23 district or committee of state government except:

24 (1) political subdivisions of the state;

25 (2) institutions governed by boards of

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1 regents;

2 (3) the state transportation commission and  
3 the department of transportation in regard to facilities used  
4 directly for the transportation of natural resources,  
5 manufactured products or passengers, including communication  
6 and transportation structures and other facilities necessary  
7 for the operation of those facilities; provided that the state  
8 transportation commission and the department of transportation  
9 are each a "state agency" as used in this section in regard to  
10 facilities that are used for administrative purposes by those  
11 entities and are intended to provide work space for commission  
12 and department officers and employees, including buildings and  
13 the appurtenances, improvements, real estate, parking,  
14 utilities and access roads associated with a building and  
15 undeveloped or developed real estate that is intended for  
16 improvement for administrative purposes;

17 (4) independent authorities specifically  
18 exempted from laws governing state agencies; and

19 (5) the public school capital outlay council  
20 and the public school facilities authority."

21 SECTION 3. Section 9-6-5.1 NMSA 1978 (being Laws 1983,  
22 Chapter 296, Section 7) is amended to read:

23 "9-6-5.1. PLANNING POWERS AND DUTIES OF SECRETARY OF  
24 FINANCE AND ADMINISTRATION.--The secretary of [~~the department~~  
25 ~~of~~] finance and administration, in addition to the other powers

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1 and duties conferred:

2 A. shall review federal grant applications and  
3 provide management assistance;

4 B. shall coordinate, in accordance with directives  
5 from the governor's office of policy and planning, state agency  
6 plans for economic, natural resource, energy resource and human  
7 resource development;

8 C. shall provide aid to planning and development  
9 districts in developing grant proposals and cooperate with  
10 other local entities in developing grant proposals;

11 D. shall [~~acquire~~] receive, study and review all  
12 plans for capital projects proposed by state agencies pursuant  
13 to Section 6-4-1 NMSA 1978 and render advice on the plans. The  
14 secretary shall maintain long-range estimates and plans for  
15 capital projects [~~and develop standards for measuring the need~~  
16 ~~for and utility of proposed projects~~];

17 E. may contract for, receive and utilize any grants  
18 or other financial assistance made available by the United  
19 States government or by any other source, public or private;

20 F. may provide planning and funding assistance to  
21 units of local government, council of government organizations,  
22 Indian tribal governments situated within New Mexico and [~~to~~]  
23 nonprofit entities having for their purpose local, regional or  
24 community betterment. The secretary, incident to any such  
25 programs, may enter into contracts and agreements with such

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1 units of local government, council of government organizations,  
2 Indian tribal governments, nonprofit entities and the federal  
3 government and may participate in or receive aid from any  
4 federal or private program in relation to such a planning  
5 program or assistance;

6 G. shall confer with the state budget division of  
7 the department of finance and administration in developing  
8 comprehensive plans to assure coordination of planning and  
9 budgeting functions;

10 H. shall coordinate the state clearinghouse review  
11 process;

12 I. shall develop a status of the state report;

13 J. shall review and coordinate comment by state  
14 agencies on draft environmental impact statements;

15 K. shall provide community development block grant  
16 technical assistance to local governments;

17 L. shall administer, in consultation with and upon  
18 advice and direction from the community development block grant  
19 policy committee, the program for the state community  
20 development block grant program;

21 M. shall serve as staff to the New Mexico  
22 association of regional councils;

23 N. shall maintain a state planning library; and

24 O. shall provide planning assistance to county and  
25 multi-county districts relative to application by such

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1 districts for financial assistance and for regional plan  
2 development."

3 SECTION 4. Section 15-3B-4 NMSA 1978 (being Laws 1978,  
4 Chapter 166, Section 14, as amended by Laws 2001, Chapter 293,  
5 Section 1 and by Laws 2001, Chapter 319, Section 4) is amended  
6 to read:

7 "15-3B-4. DIVISION--DUTIES--FEDERAL FUNDS.--

8 A. The division shall:

9 (1) unless otherwise specified by law, assign  
10 the use or occupancy of state buildings and lands under its  
11 jurisdiction to the state agency or political subdivision that  
12 may make the best and highest beneficial use of the property;

13 (2) regulate the use or occupancy of buildings  
14 and real property under its jurisdiction and make reasonable  
15 requirements for the continuation of that use or occupancy;

16 (3) regulate the lease-purchase of buildings  
17 or other real property by state executive agencies except the  
18 state land office;

19 [~~3~~] (4) establish space standards for  
20 buildings under its jurisdiction;

21 [~~4~~] (5) have custody of all maps, deeds,  
22 plats, plans, specifications, contracts, books and other papers  
23 connected with state buildings under its jurisdiction;

24 [~~5~~] (6) secure copies of all documents of  
25 title to all real property under its jurisdiction held in the

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1 name of the state or for the use of the state, and index those  
2 documents so that the status of real property held by the state  
3 under its jurisdiction can be readily ascertained;

4 [~~(6)~~] (7) control the lease or rental of space  
5 in private buildings by state executive agencies other than the  
6 state land office, including inspection for code compliance and  
7 life and safety issues. The director may act as lessee on  
8 behalf of a state agency if the division determines it is in  
9 the best interest of the state;

10 [~~(7)~~] (8) make rules for the conduct of all  
11 persons in and about buildings and grounds under its  
12 jurisdiction necessary and proper for the safety, care and  
13 preservation of the buildings and grounds and for the safety  
14 and convenience of the persons while they are in and about the  
15 buildings and grounds;

16 [~~(8)~~] (9) have the power to sell state  
17 buildings and real property under its jurisdiction in  
18 accordance with Sections 13-6-2 and 13-6-3 NMSA 1978. Any such  
19 sale shall be by quitclaim deed;

20 [~~(9)~~] (10) have the power to purchase title  
21 insurance or a title opinion in conjunction with the sale of  
22 state buildings or land;

23 [~~(10)~~] (11) have the power to enter into  
24 contracts for the improvement, alteration and reconstruction of  
25 the state buildings under its jurisdiction, including the

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1 governor's residence, and for the design and construction of  
2 additional buildings, to the extent funds are available;

3 ~~[(11)]~~ (12) develop long-range programs for  
4 the continuing preservation and repair of buildings and  
5 improvements and for beautification of grounds and premises  
6 under its jurisdiction;

7 ~~[(12)]~~ (13) conduct continuing review and  
8 analysis of requirements for additional structures and  
9 facilities to house state agencies;

10 ~~[(13)]~~ (14) ensure that on-site inspections of  
11 capital projects are conducted to verify that construction  
12 specifications are being met; ~~[and]~~

13 ~~[(14)]~~ (15) receive gifts, grants and  
14 donations from the federal government or other sources for the  
15 public buildings repair fund;

16 (16) prescribe guidelines for state agencies  
17 to use in preparing five-year facilities master plans pursuant  
18 to Section 6-4-1.1 NMSA 1978; and

19 (17) in conjunction with the department of  
20 finance and administration, prepare and submit a five-year  
21 program for all state capital improvement projects pursuant to  
22 Section 6-4-1 NMSA 1978.

23 B. The provisions of this section are subject to  
24 federal law or rules if the buildings or property was purchased  
25 with federal funds.

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C. The division and a state agency or institution that controls property exempt from the jurisdiction of the division may enter into a joint powers agreement pursuant to the Joint Powers Agreements Act giving the division the power to exercise control of the property as specified in the agreement."

SECTION 5. REPEAL.--Laws 2001, Chapter 293, Section 1 is repealed.



## **F. 1997-2010 BACKGROUND**



## **CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)**

### **Background of the CBPC (1997-2010)**

Created by the New Mexico legislature in 1997 to study and plan for long-range facility needs of state government within Santa Fe, the CBPC's original statutory responsibility was to review prior long-range facility needs assessments and develop an initial master plan for state facilities in Santa Fe. Also, the commission was required to continue updating the master plan and report annually to the legislature.

In 1999, the commission endorsed, and the legislature passed, a bill to fund both a master plan and a repair-and-replacement study. The initial master plan for state facilities in Santa Fe was completed in 2000, and implementation began in 2001-2002.

The initial plan was divided into sub-master plans for five campuses identified in Santa Fe. Additionally, a facilities study was done that included an inventory and evaluation of existing state-owned building systems and a plan for long-range repair, renovation and replacement with an 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: to reduce the amount of space that the state leases.

**Senate Bill 182 (Laws 2001, Chapter 166)** authorized the property control division (PCD) of the general services department (GSD) to acquire buildings and land in Santa Fe county for use as state office buildings, which had been recommended in the master plan. In the same legislation, the New Mexico finance authority (NMFA) was granted a contingency authorization to issue up to \$75 million in revenue bonds for the purchase of properties. Included in that authorization were the purchases of the PERA and NEA buildings at the main capitol campus, the construction of an office building (currently named the Toney Anaya building) at the west capitol campus and the purchase of property in Santa Fe near Cerrillos road and adjacent to the public safety campus and the district 5 office of the New Mexico department of transportation (DOT).

**Senate Bill 214 (Laws 2001, Chapter 199)** created a financing source for state office building acquisitions in the State Office Building Acquisition Bonding Act. This act authorized the NMFA to sell state office building tax revenue bonds to acquire the state office buildings authorized that same year in Senate Bill 182 and provided up to \$500,000 per month of a state gross receipts tax intercept for this purpose.

By 2002, the statute authorizing the CBPC had been amended to extend the commission's authority to include the Albuquerque Metropolitan area within the overall 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 greater metropolitan Albuquerque, which included Valencia county and all three Los Lunas sites.

In 2004, the CBPC requested an update of the original Santa Fe master plan, and, at that time, it authorized a full master plan for Albuquerque. **Senate Bill 332 (Laws 2004, Chapter 123)** appropriated \$250,000 to provide funds for these master planning mandates. Also, as provided in **Laws 2004, Chapter 123**, the area of property that could be considered for purchase near the public safety campus was expanded, and subsequently, land purchases in the Valdes industrial park were approved by the state board of finance on January 10, 2006.

During the 2005 interim, the master plan consultants for the CBPC completed questionnaires and interviews for most state departments and agencies located in the Santa Fe and Albuquerque metropolitan areas, preparatory to incorporating Albuquerque within the state master plan. Preliminary findings were offered to the CBPC for consideration. In 2006, the master planners were directed by the CBPC to include the DOT and the cultural affairs department (CAD) data into the master plan.

Another option for acquiring additional state facilities was realized when **Constitutional Amendment Number 2** passed in the 2006 general election. The amendment provides for lease-purchase agreements for state buildings. In 2007, the CBPC endorsed, and the legislature approved, enabling legislation for lease-purchases, which became law in **House Bill 1022 (Laws 2007, Chapter 184)**. The same year, **Senate Bill 1061 (Laws 2007, Chapter 64)** increased the authority of the NMFA to issue up to \$100 million in revenue bonds at any one time. This bill also increased the state gross receipts tax intercept up to \$530,000 per month to finance the bonds. The NMFA issued state building acquisition revenue bonds for construction of an office building on the west capitol campus and to purchase the NEA building. This revenue source has funded other projects, including the scientific laboratories (tri-lab) in Albuquerque and the capitol parking garage in Santa Fe at the main capitol campus.

**Senate Bill 1061 (Laws 2007, Chapter 64)** was enacted to expand the CBPC authority to include the Las Cruces metropolitan area into its master plans and to include a review of state properties throughout New Mexico in order to develop an overall statewide master plan. Funds were appropriated for FY 2007 through FY 2009 to fund these expanded master planning efforts.

In the 2008 legislative session, the CBPC requested an increase in the gross receipts tax intercept up to \$590,000 per month to support construction of the parking garage on the main capitol campus; however, the legislation, **Senate Bill 298 (2008)**, was pocket vetoed by the governor, resulting in construction of fewer parking spaces than originally endorsed by the CBPC. An extremely successful collaborative process was undertaken to ensure that its design and functionality would complement the other facilities on the main capitol campus and the historic district of Santa Fe. The parking structure was completed and ownership transferred to the New Mexico legislative council in October 2009.

The creation of several state campuses in the Albuquerque metropolitan area has been proposed, along with the possibility of having a "superblock" site in Albuquerque, where the current youth development and diagnostic center (YDDC) facility is located. In 2006, the CBPC had directed

that evaluation of a superblock site in Albuquerque be done and that certain state land holdings in Los Lunas be considered as possible locations for development of state campuses. Additionally, the CBPC requested assessments of other owned and leased sites in Albuquerque. In 2008, the CBPC had supported recommendations for relocating programs of the children, youth and families department (CYFD) from Albuquerque to one of the Los Lunas campuses in Valencia county. Details of these proposals continue to be studied by the master planners, the PCD, the CYFD and the CBPC. The CYFD received funding to address master planning for the agency, which was completed in 2010.

**House Joint Resolution 9 (2008)** approved the trade, sale or transfer of the department of health (DOH) old state laboratory building to the university of New Mexico (UNM) upon completion of the new tri-lab facility adjacent to the UNM campus. DOH moved into the new lab in 2010 and the property transfer was completed.

The collaborative process used for the Santa Fe main capitol campus parking structure led to the passage of **House Bill 360 (Laws 2009, Chapter 23)**, which establishes a process for state and local collaboration during the implementation of projects within certain historic districts of the state. The process allows for both local government and public input.

A super complex for health and human services was considered and subsequently approved and funded by the legislature in 2009. The initial proposal for a super complex in Santa Fe recommended consolidation of a number of human service agencies into a state-owned facility, where operations and functions could create "one-stop shopping" for services. Consolidation was supported as a means to realize economic efficiencies through asset sharing. Earlier in 2007, a site assessment had been conducted for the proposed complex, now known as the health and human services complex (HHS). Throughout the interim of 2008, the CBPC received testimony in support of the HHS, although the actual site for the facility was debated.

The CBPC endorsed legislation, subsequently adopted in **House Bill 728 (Laws 2009, Chapter 145)**, to fund phase 1 of the HHS, including authorization for a possible lease-purchase agreement, and for the NMFA to issue bonds for the land and construction of the facility within the municipality or county of Santa Fe. Additionally, more funding was authorized to acquire land for the complex at a location to be determined. The legislation required that state land be considered for possible trade as part of the land acquisition for the HHS. In 2009 and 2010, considerable attention was given to the selection of a site and land acquisition for the HHS. Not until November 2010 did the land acquisition at Las Soleras receive final approval from the CBPC, state board of finance and attorney general. Financing of the acquisition also received approval from the NMFA in November 2010.

Earlier in 2008, appropriating language for the state capitol north annex renovations was expanded to include long-range facility space needs, including the initial planning and design of an additional executive agency facility (**Senate Bill 352 (Laws 2008, Chapter 83, Section 381)**, which amended **House Bill 1137 (Laws 2007, Chapter 192)**).

In 2009, the CBPC put forth several legislative initiatives. Two received funding for master

planning of the south capitol campus in Santa Fe and for demolition, decommissioning and abatement of buildings at the Los Lunas campus and statewide. Both initiatives underscore the CBPC's consideration of both master planning and facility disposition as critical components in the master planning process. The south capitol campus 2040 master plan was completed in 2010 and presented to the CBPC.

Additionally in 2009, **Senate Bill 221 (Laws 2009, Chapter 114)** was enacted, increasing the gross receipts tax intercept to finance the construction of a new state-owned executive office building on the main capitol campus, adjacent to the new parking structure. Construction of the facility is planned to provide for the relocation of several state agencies throughout the main capitol campus and to allow other state agencies to vacate leased space and move into state-owned property. Additionally, the legislation extended the expenditure period for master planning funds and for appropriations to finance the future purchase of federal land located adjacent to the west capitol campus. This last authorization was expanded in **Laws 2010, 2nd special session, Chapter 4** to provide for the purchase of certain parcels of land on the former college of Santa Fe campus, adjacent to the west capitol campus. Four parcels of land were purchased in 2010.

**Senate Bill 220 (Laws 2009, Chapter 19)** further expanded the duties of the CBPC to include the review of proposed lease-purchase agreements for certain projects prior to submission to the legislature; and directed the commission to work with the GSD on addressing deferred maintenance on state facilities and using life-cycle costing in the development of recommendations for the lease, lease-purchase or purchase of additional facilities. Although some preliminary life-cycle costing has been used in support of CBPC initiatives, a more formalized lease-purchase agreement review process was developed in 2010 to analyze financing options for facilities. A web-based application is under development and should be completed in late 2010 or early 2011.

**G. HISTORY OF LEGISLATION  
RELATING TO THE  
CAPITOL BUILDINGS PLANNING  
COMMISSION  
1997-2010**



**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>1997</b>		
<b>1997</b>	House Bill 1268 (B. Lujan), Chapter 178, Section 5. Compiled under Section 15-10-1 NMSA 1978.	In Section 5 the CBPC is created to study and plan for the long-range facilities needs of state government in Santa Fe. Chapter 178 also contains appropriations for the Capitol North and state library original renovations.
<b>1998</b>		
<b>1998</b>	House Bill 211 (B. Lujan), Chapter 58. Compiled under Section 15-3B-20 NMSA 1978.	Established the "Property Control Reserve Fund", which consists of appropriations, money from sale of real estate, gifts, etc., to be used for purchasing or constructing state office buildings in Santa Fe subject to appropriation by the legislature. Money in the fund is not subject to reversion to the general fund.
<b>1998</b>	SJR 13 (Maes).	Charged the CBPC with review of the disposition of the properties known as La Villa Rivera, Marian Hall and Cathedral Park.
<b>1998</b>	Senate Bill 322 (Fidel), Chapter 70.	Provided \$150,000 for a master plan and \$150,000 for a repair-and-replacement study for state facilities in Santa Fe.
<b>2000</b>		
<b>2000</b>	<i>Senate Bill 134 (Fidel) failed.</i>	Would have authorized the Property Control Division (PCD) of the General Services Department (GSD) to acquire various office buildings in Santa Fe County for the use of state office buildings, and would have authorized the State Board of Finance to issue and sell state office building tax revenue bonds in compliance with the State Office Building Acquisition Bonding Act.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2000</b>	<i>Senate Bill 135 (Fidel) failed.</i>	Would have created the State Office Building Acquisition Bonding Act.
<b>2001</b>		
<b>2001</b>	Senate Bill 182 (Fidel), Chapter 166. Compiled under Section 6-21C-4 NMSA 1978.	Legislature authorized the PCD to acquire various office buildings and land in Santa Fe County for use as state office buildings, as recommended in the master plan, and authorized the New Mexico Finance Authority (NMFA) to issue up to \$75 million in revenue bonds for the purchase of properties. The properties included: construction of a new office at the West Capitol complex; purchase of the National Education Association (NEA) Building; purchase of the Public Employees Retirement Association (PERA) Building; and purchase of land on Cerrillos Road in Santa Fe, located adjacent to the District 5 office of the Department of Transportation (DOT).
<b>2001</b>	Senate Bill 214 (Fidel), Chapter 199. Compiled under Chapter 6, Article 21C NMSA 1978.	Enacted the State Office Building Acquisition Bonding Act, which was in 2003 renamed the State Building Bonding Act. Offered the financing source for the West Capitol complex, NEA and PERA buildings and land on Cerrillos Road adjacent to the DOT District 5 office. The bill earmarked a distribution (intercept) of state gross receipts tax revenue, up to \$500,000 per month, to buy and build state office buildings; the NMFA is authorized to sell state office buildings tax revenue bonds to acquire the state office buildings authorized in Senate Bill 182. (The NMFA issued the first series of state office building tax revenue bonds, totaling \$34.7 million, on December 13, 2001.)

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2002</b>		
<b>2002</b>	House Bill 88 (Sandoval), Chapter 110.	Appropriated bond funding of \$3 million to plan, design, construct and equip a state lab at the University of New Mexico (UNM) in Albuquerque. Funding was programmed to four labs to include the state police crime lab, Office of the Medical Investigator, the Department of Health (DOH) scientific lab and the Department of Agriculture lab.
<b>2002</b>	Senate Bill 111 (Fidel), Chapter 69. Compiled under Chapter 15, Article 10 NMSA 1978.	Amendment to include the Albuquerque Master Plan within the purview of the CBPC.
<b>2003</b>		
<b>2003</b>	Senate Bill 689 (Fidel), Chapter 110. Compiled under Section 15-10-1 NMSA 1978.	Added the Secretary of Transportation and the Secretary of Cultural Affairs to the CBPC membership.
<b>2003</b>	House Bill 496 (Coll), Chapter 371. Compiled under Section 6-21C-5 NMSA 1978.	Renamed the State Office Building Acquisition Bonding Act as the State Building Bonding Act; changed the name of the State Office Building Bonding Fund to the State Building Bonding Fund; and expanded the act's purpose to authorize the NMFA to issue and sell bonds through the State Building Bonding Fund for renovation and maintenance of existing structures and development of permanent exhibits for state museums, including monuments.
<b>2003</b>	House Bill 594 (Coll), Chapter 372. Compiled under Section 6-21C-5 NMSA 1978.	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 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 certified it and recommended the issuance of bonds.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2003</b>	House Bill 259 (J.G. Taylor), Chapter 89.	Appropriated \$8 million from the State Building Bonding Fund to the Board of Regents of New Mexico State University for acquisition of a university sports facility after all other authorized projects have been funded.
<b>2004</b>		
<b>2004</b>	House Joint Resolution 12 (Varela) and House Bill 545 (B. Lujan), Chapter 63. Compiled under Section 15-3B-20 NMSA 1978.	Approved the sale of the Labor Department building in Santa Fe and authorized the proceeds of the sale to be used for the purchase of a new building.
<b>2004</b>	Senate Bill 332 (Fidel), Chapter 123. Compiled under Chapter 6, Article 21C NMSA 1978.	Grandfathered in cultural affairs projects that were authorized in 2003 using intercept funds for the State Building Bonding Fund, but returned the purpose of the law to its original language of 2001. The bill also included amendments to Laws 2001, Chapter 166. The amendments expanded the Jaguar Road definition from "for the purchase of land on Cerrillos Road in Santa Fe, located adjacent to the District 5 office of the Department of Transportation" to increase the available property that could be considered in the public safety campus area and required that infrastructure be in place. Also, the bill appropriated \$250,000 to the Legislative Council Service (LCS) for expenditure in FY04-FY07 to provide for master planning (an update to the original Santa Fe Master Plan) and annual updates.
<b>2005</b>		
<b>2005</b>	House Bill 1045 (B. Lujan), Chapter 147. Compiled under Section 10-11-130 NMSA 1978.	Authorized the PERA Board to acquire land and construct a new building to house the retirement association if the existing PERA building is sold. This measure also provided authority to use the proceeds of the sale of the existing PERA building to design and construct a new PERA building, which will be held as a trust asset in the PERA's name.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2005</b>	HTRC/House Bill 885, Chapter 347.	<u>Not a CBPC bill</u> , but Section 64 authorized short-term severance tax bonds of \$17 million for a state laboratory facility for the Department of Health.
<b>2005</b>	Senate Bill 289 (Fidel), Chapter 320. Compiled under Section 6-21C-4 NMSA 1978.	Expanded the purposes of the State Building Bonding Act. Authorized the PCD to spend bond proceeds to plan, design, construct and equip a parking structure in the central Capitol campus in Santa Fe, contingent upon approval from the CBPC and in conformance with the CBPC-approved master plan; expanded the use of the fund slightly to cover replacement of state facilities in danger of losing certification and, thus, authorized partial funding for a replacement facility for the state laboratory on the UNM campus in Albuquerque. The commission heard testimony during the interim that the tri-labs purchase agreement had been drafted and the site had been selected on the UNM campus near Carrie Tingley Hospital, which will provide the labs with access to I-25. It extended the expiration of the master planning expenditure authorization from FY07 to FY08. The original appropriation was made in 2004.
<b>2006</b>		
<b>2006</b>	<i>Senate Bill 380 (Fidel), failed.</i>	Would have appropriated \$565,000 from the general fund to the PCD to establish a master planning and asset management function for the needs of state government facilities within the purview of the CBPC and to obtain the necessary hardware and software necessary to maintain an updated master plan.
<b>2007</b>		
<b>2007</b>	House Bill 1022 (B. Lujan), Chapter 184. Compiled under Section 15-3-35 NMSA 1978.	Established enabling provisions for the lease-purchase of state facilities. Purchases must be authorized by the legislature. <i>(Does not include public school facilities or state educational institutions—see SB 395 (Nava) for public school facilities.)</i>

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<p><b>2007</b></p>	<p>Senate Bill 1061 (Ingle), Chapter 64.</p>	<p>Changed the CBPC membership to include the state treasurer and omit the staff architect; expanded the jurisdiction of the commission to Las Cruces; and clarified that the jurisdiction also applies to the metropolitan areas of Santa Fe, Albuquerque and Las Cruces. Required that a review of state properties be done throughout the state in order to develop an overall master plan, and it authorized \$350,000 for FY07 through FY09 to the LCS to undertake for the CBPC. Authorized various financing methods for the acquisition of needed state properties: an additional \$10 million in state office building tax revenue bonds and appropriated the proceeds of the bonds (\$18.8 million) for the state (tri) laboratory, the acquisition of the Coughlin Building (\$1.5 million), the Capitol parking structure (\$11.5 million) and the commission's master planning process (\$350,000); it increased the gross receipts tax distribution for debt service to \$530,000 from \$500,000; it authorized \$11 million in severance tax bonds for the state laboratory for FY07 through FY11; it appropriated \$5 million (\$1.5 million from the Property Control Reserve Fund and \$3.5 million from the Public Buildings Repair Fund) for FY07-FY09 to purchase federal property within the West Capitol complex (current citation in Laws 2010 (2nd S.S.), Chapter 4, Section 35); and it appropriated \$1 million from the general fund for the planning and design of a state police crime laboratory in Albuquerque in FY07-FY09. It provided that state office building tax revenue bonds outstanding at any one time shall not exceed \$100 million, an increase of \$10 million above the previous level.</p>
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**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2007</b>	House Bill 1137 (B. Lujan), Chapter 192.	<u>Not a CBPC bill</u> , but included appropriations of \$4.5 million for the plan, design, construction and renovation of Capitol North and limited Capitol space needs. (Funded \$1 million FY07 distributions from the Capitol Buildings Repair Fund (CBRF), \$2.5 million FY08 distributions to CBRF and \$1 million legislative cash balances.) FY07-FY11 expenditure authority. See changes to appropriations in Laws 2008, Chapter 83 and Laws 2009, Chapter 114.
<b>2007</b>	House Bill 2 (Saavedra), Chapter 28.	Provided additional funds and two FTEs in the GSD/PCD.
<b>2007</b>	Senate Joint Resolution 13 (Papen).	<u>Not CBPC legislation</u> , but authorized the sale/trade of property in Las Cruces for the future co-location/construction of state facilities.
<b>2007</b>	Senate Joint Resolution 16 (Altamirano).	Authorized sale, trade or lease of old metro court in Albuquerque. See subsequent legislation (2010 HJR 9) transferring the property to Bernalillo County.
<b>2007</b>	House Joint Resolution 8 (B. Lujan).	Authorized sale or trade of Galisteo property in Santa Fe.
<b>2007</b>	House Joint Resolution 14 (Sandoval).	<u>Not CBPC legislation</u> , but authorized the lease of certain property adjacent to Edith Boulevard (YDDC) in Albuquerque.
<b>2008</b>		
<b>2008</b>	<i>Senate Bill 298 (Ingle) pocket vetoed.</i>	Would have increased the gross receipts tax (GRT) intercept into the State Building Bonding Fund to provide an additional \$9 million for additional parking capacity at the Main Capitol Campus parking structure.
<b>2008</b>	House Joint Resolution 9 (B. Lujan).	Approved the sale, trade or other transfer of the old state laboratory building and property to the Board of Regents of the University of New Mexico. Replaced authorization from SJR 12 in 2001 to sell the building to UNM.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2008</b>	<i>House Bill 352 (B. Lujan) failed.</i>	Would have removed the requirement in Laws 2007, Chapter 64, Section 6 that the New Mexico State Police Crime Laboratory be located in Albuquerque.
<b>2008</b>	SFI/Senate Bill 352 (Cisneros), Chapter 83, Section 381.	Expanded expenditure period through 2012 for appropriations for capitol area renovations and expanded the purpose to include renovations for larger legislative committee space and long-range facility space plans, including the initial planning and design of any additional executive agency space. Appropriations were originally authorized in Laws 2007, Chapter 192 and later amended in Laws 2009, Chapter 114.
<b>2008</b>	Senate Joint Resolution 12 (Cisneros).	<u>Not CBPC legislation</u> , but authorized the transfer of two acres of land and improvements from the GSD to the Town of Taos. CBPC to review the transfer prior to it being finalized.
<b>2008</b>	<i>Senate Bill 509 (Ingle), pocket vetoed.</i>	<u>Not CBPC legislation</u> , but would have provided the CBPC with additional duties to review proposed lease-purchase agreements; to develop a long-term statewide strategic facility management plan; to determine deferred maintenance for existing state facilities; to make recommendations regarding leasing, lease purchasing or purchasing additional state facilities; and to formulate disposal strategies for aging state facilities.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2009</b>		
<b>2009</b>	SFC/Senate Bill 221 (Ingle), Chapter 114. Amended Sections 6-21C-4, 6-21C-5 and 7-1-6.42 NMSA 1978 (not all sections of bill were compiled).	Authorized an increase in the GRT intercept to finance the construction of a state-owned executive office building on the main capitol campus. GRT intercept would not begin until July 1, 2011, or when debt service payments are to begin. No net impact on general fund because revenues currently paying for leased space will offset the diversion from the general fund. The bill also extended the expenditure period for certain master planning funds for the CBPC (originally authorized in Laws 2001, Chapter 166, Section 2; amended by Laws 2004, Chapter 123, Section 7; Laws 2005, Chapter 320, Section 4; and Laws 2007, Chapter 64, Section 4; current citation in Laws 2009, Chapter 114, Section 5); appropriated and reauthorized additional funds for CBPC master planning (originally authorized in Laws 2007, Chapter 192 and reauthorized by Laws 2008, Chapter 83; current citation in Laws 2009, Chapter 114, Section 7); and extended the expenditure period for purchasing land at the west capitol complex (originally authorized in Laws 2007, Chapter 64, Section 6; 2009 changes made in Laws 2009, Chapter 114, Section 6; current citation in Laws 2010 (2nd S.S.), Chapter 4, Section 35).
<b>2009</b>	House Bill 728 (B. Lujan), Chapter 145. Enacted new Sections 6-21-6.14 and 15-3B-21 NMSA 1978.	Authorized the initial phase of construction for a facility to house the Human Services Department (HSD) and the Children, Youth and Families Department (CYFD) using a lease-purchase financing arrangement. The NMFA is authorized to issue revenue bonds to construct the building and enter into a lease-purchase agreement with the PCD, which will sublease the facility to the HSD and CYFD and use current private lease payments as the revenue source to pay the debt service.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2009</b>	Senate Bill 220 (Ingle), Chapter 19. Amended Section 15-10-1 NMSA 1978 and enacted a new Section 15-10-2 NMSA 1978.	Allowed for the secretary of general services and the state treasurer to appoint designees to attend CBPC meetings on their behalf; provided for the CBPC to review proposed lease-purchase agreements for certain projects prior to submission to the legislature; and directed the commission to work with the GSD on addressing deferred maintenance on state facilities and using life-cycle costing in developing recommendations regarding the lease, lease purchase or purchase of additional facilities.
<b>2009</b>	HTRC/House Bill 360 (B. Lujan), Chapter 23. Enacted a new Section 3-22-6 NMSA 1978.	Established a collaborative process for a state agency to carry out a capital outlay project in a historic district in a manner that is generally compatible with local ordinances.
<b>2009</b>	<i>House Bill 194 (Taylor), failed.</i>	Would have allocated 2% of appropriations exceeding \$100,000 for new construction or major renovation of buildings under the jurisdiction of the PCD to be directed into the Public Buildings Repair Fund for addressing maintenance and repairs of state buildings, particularly those outside of Santa Fe.
<b>2009</b>	<i>Senate Joint Resolution 7 (M. Sanchez) and Senate Bill 546 (M. Sanchez), failed.</i>	Senate Joint Resolution 7 would have approved the lease-purchase agreement for a substance abuse treatment and training facility on the Los Lunas correctional campus and would have approved the lease of state land on which the facility was to have been constructed. Senate Bill 546 would additionally have allowed the NMFA to sell revenue bonds to finance the construction of the facility and would have established a statutory lease-purchase financing mechanism for the NMFA for this and future projects.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2009</b>	HTRC/House Bill 154, Chapter 125.	<u>Not CBPC legislation</u> , but authorized severance tax bonds for <u>CBPC-endorsed projects</u> , including \$2.7 million for demolition, decommissioning and asbestos abatement of state buildings at the Los Lunas campus and statewide (Section 7, Subsection 22); \$2 million for statewide repairs, renovations, deferred maintenance and infrastructure improvements (Section 7, Subsection 23); \$4 million to acquire land for and to plan and design a health and human services complex in Santa Fe in Santa Fe County (Section 7, Subsection 15); \$500,000 for a south capitol complex development plan, renovations and improvements for infill and redevelopment (Section 7, Subsection 16); \$1 million for statewide repairs and maintenance of cultural assets (Section 9, Subsection 6); and \$3.7 million for completion of statewide cultural facilities projects (Section 9, Subsections 1 through 5). Other funded projects that are within the Albuquerque metropolitan master planning area include \$330,000 for improvements to the therapeutic pool in the natatorium at the Los Lunas campus (Section 7, Subsection 26); \$5 million for the State Fair Commission to develop a master plan and for improvements to state fair facilities (Section 21); and \$50,000 for the DOT to replace the roof of the hilltop building in Albuquerque (Section 45, Subsection 1).
<b>2009</b>	House Joint Resolution 19 (Park).	<u>Not CBPC legislation</u> , but authorized extension of the lease to the Downs of Albuquerque of facilities at the state fairgrounds until January 2012.
<b>2010</b>		
<b>2010</b>	Senate Joint Resolution 9 (regular session) (Papen).	Authorized the trade of state land for 3.8 acres of private land to be used for Santa Teresa port of entry drainage purposes
<b>2010</b>	SFC/Senate Bill 200 (regular session), Chapter 73. Enacted a new Section 15-3-36 NMSA 1978.	<u>Not CBPC legislation</u> , but established energy-efficiency standards for new state government buildings.

**HISTORY OF LEGISLATION RELATING TO THE  
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)  
1997-2010**

<b>2010</b>	House Joint Resolution 9 (regular session) (Miera).	<u>Not CBPC legislation</u> , but authorized the transfer of the old Metropolitan Court building in Albuquerque to Bernalillo County.
<b>2010</b>	SFI/Senate Joint Resolution 16 (regular session).	<u>Not CBPC legislation</u> , but authorized the trade or sale to the town of Taos of state-owned land within the Taos Mini Industrial Park, subject to land grant right of first refusal provisions of Section 13-6-5 NMSA 1978 and review by the CBPC.
<b>2010</b>	House Bill 112 (regular session) (A. Lujan), Chapter 11, and Senate Bill 95 (regular session) (Papen), Chapter 9.	<u>Not CBPC legislation</u> , but authorized the Las Cruces downtown tax increment development district, encompassing possible state-office development, to issue \$8 million in bonds to finance the district.
<b>2010</b>	House Bill 5 (2nd special session) (Trujillo), Chapter 4.	<u>Not CBPC legislation</u> , but authorized severance tax bonds for several projects within master planning areas, including \$1.4 million for projects at the YDDC in Albuquerque (Section 4, Subsections 1 through 3); \$500,000 for completion of the tri-services lab facility in Albuquerque (Section 4, Subsection 4); \$3.48 million for renovation and deferred maintenance projects in state building statewide (Section 4, Subsection 12); and \$1.1 million for infrastructure improvements to cultural facilities statewide (Section 5). The bill also mandated that money previously appropriated (Laws 2007, Chapter 64, Section 6, as amended by Laws 2009, Chapter 114, Section 6) for purchase of property on the West Capitol Campus also be expended for the acquisition of certain parcels on the College of Santa Fe campus (Section 35).

## **H. AGENDAS**



**TENTATIVE AGENDA  
for the  
FIRST MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**April 19, 2010  
Room 311, State Capitol  
Santa Fe**

**Monday, April 19**

1:30 p.m.     **Call to Order and Roll Call**  
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair  
—Representative Ben Lujan, Speaker of the House, Co-Chair

***Action Item: Adoption of the December 2009 Minutes***  
***Action Item: Annual Adoption of Open Meetings Resolution***

1:35 p.m.     **Update on Land Appraisals and Proposed Agreement; HJR 8 (2007) —  
Disposition of Galisteo Property**  
—Arturo Jaramillo, Secretary, GSD

**Paseo Nuevo, Ltd. Co. — Las Soleras — Question and Answer Period**  
—John Mahoney, Developer/Agent

***Action Item: Finalize or Continue Review of Land Purchase Proposal; HJR 8  
(2007)***

3:00 p.m.     **UNM Campus — Disposition of Old Laboratory Facility — HJR 9 (2008)**  
—Bill Taylor, Director, Property Control Division (PCD), GSD  
—Dr. Paul Roth, Executive Vice President for Health Sciences, University of  
New Mexico (UNM)  
—Steven Beffort, Vice President, Institutional Support Services, UNM

***Action Item: Finalize or Continue Review of Property Disposition***

**Status Report — Department of Transportation (DOT) — Santa Fe Sites**  
—Gary Giron, Secretary, DOT

**Public Comment**

**2010 Legislative Initiatives, Capital Outlay and Interim Report**  
—Paula Tackett, Director, Legislative Council Service (LCS)  
—Bill Taylor, Director, PCD, GSD  
—Roxanne Knight, LCS

**PCD Regional Updates — Capital Projects, Property Dispositions and  
Joint Resolutions**

—Bill Taylor, Director, PCD, GSD

**Next Meeting**

—June 14, 2010, 1:30 p.m., Room 311, State Capitol

**Adjourn**

**TENTATIVE AGENDA  
for the  
SECOND MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**June 14, 2010  
Room 311, State Capitol  
Santa Fe**

**Monday, June 14**

1:30 p.m.     **Call to Order and Roll Call**  
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair  
—Representative Ben Lujan, Speaker of the House, Co-Chair

*Action Item: Adoption of the April 2010 Minutes*

**Cultural Affairs Department (CAD) — Five-Year Facilities Plan and  
Archaeological Building (Hwy 599 and Caja del Rio)**

—Elena Sweeney, Deputy Secretary, CAD  
—Anne Green-Romig, Director of Legislative Affairs, CAD  
—Eric Blinman, Director, Office of Archaeological Studies, CAD

**Recap of Albuquerque/Los Lunas Master Plan**

—John Petronis, Architectural Research Associates (ARC)  
—Andy Aguilar, ARC

**Children, Youth and Families Department Cambiar Master Plan — Status  
Briefing**

**South Capitol Master Plan — Status Briefing**

—Bill Taylor, Director, Property Control Division (PCD), GSD  
—Lemoyne Blackshear, Staff Architect, PCD, GSD

**Educational Retirement Board (ERB) — Facility Relocation Planning and  
Requests for Proposals**

—Jan Goodwin, Executive Director, ERB  
—Jeff Riggs, Deputy Director, ERB

**PCD Regional Updates and HJR 14 (2007) (Edith Boulevard Land Sale to  
Bernalillo County)**

—Bill Taylor, Director, PCD

**Public Comment**

**Next Meeting: July 19, 2010, 1:30 p.m., Room 311, State Capitol**

**Adjourn**



**TENTATIVE AGENDA  
for the  
THIRD MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 10, 2010  
Room 311, State Capitol  
Santa Fe**

**Tuesday, August 10**

1:30 p.m.     **Call to Order and Roll Call**

—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair  
—Representative Ben Lujan, Speaker of the House, Co-Chair

*Action Item: Adoption of the June 2010 Minutes*

1:35 p.m.     **Presentation of Cambiar Master Plan for Children, Youth and Families  
Department (CYFD)**

—Bill Dunbar, Secretary-Designate, CYFD  
—Bill Taylor, Director, Property Control Division (PCD), GSD  
—Lemoyne Blackshear, Staff Architect, PCD, GSD

**Question and Answer Period**

*Action Item: Directions to Staff*

2:00 p.m.     **Presentation of South Capitol Campus Master Plan**

—Bill Taylor, Director, PCD, GSD  
—Lemoyne Blackshear, Staff Architect, PCD, GSD  
—David Dekker, AIA, Senior Principal/Architect, Studio Southwest Architects,  
LLC

**Question and Answer Period**

*Action Item: Directions to Staff*

**Statewide Inventory Database — Update and Next Steps**

—Roxanne Knight, Capitol Buildings Planning Commission (CBPC) Staff,  
Legislative Council Service (LCS)  
—John Petronis, CBPC Master Planner, Architectural Research Consultants  
(ARC)  
—Andy Aguilar, CBPC Master Planner, ARC

*Action Item: Directions to staff*

**Lease Purchase Requests from Agencies — Notice to Agencies**  
—Roxanne Knight, LCS

*Action Item: Approval to Proceed with Dissemination of Letter*

**PCD Updates: College of Santa Fe Land Acquisition — West Campus;  
Executive Office Building Project — Main Campus**  
—Bill Taylor, Director, PCD, GSD

**Public Comment**

**Next Meeting: September 20, 2010, 1:30 p.m., Room 311, State Capitol**

**Adjourn**

**TENTATIVE AGENDA  
for the  
FOURTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**September 20, 2010  
Room 311, State Capitol  
Santa Fe**

**Monday, September 20**

1:30 p.m.     **Call to Order and Roll Call**  
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair  
—Representative Ben Lujan, Speaker of the House, Co-Chair

*Action Item: Approval of Agenda and Adoption of the August 2010 Minutes*

1:35 p.m.     **New Mexico School for the Deaf (NMSD) — Master Planning for the Main  
Campus and Other Properties in Santa Fe**  
—Dr. Ronald J. Stern, Superintendent, NMSD  
—Richard Gorman, Projects Manager, NMSD

2:20 p.m.     **Staff Reports: Property Control Division (PCD) Regional Updates**  
—Bill Taylor, Director, PCD, GSD

**Lease-Purchase Requests from Agencies (Due 9/30)  
August Requests for Information (Handouts)**  
—Roxanne Knight, Capitol Buildings Planning Commission Staff, Legislative  
Council Service

3:00 p.m.     **Public Comment**

**Cambiar Feasibility Study and Master Plan for the Children, Youth and  
Families Department — Review for Compliance with the Master Plans**  
—John Petronis, American Institute of Architects (AIA), American Institute  
of Certified Planners (AICP), Architectural Research Consultants (ARC)  
—Andy Aguilar, Facilities Planner, ARC

**Discussion of Lease-Purchase Request Review Process**  
—John Petronis, AIA, AICP, ARC  
—Andy Aguilar, Facilities Planner, ARC

**Next Meeting: October 18, 2010, 1:30 p.m., Room 311, State Capitol**

**Adjourn**



Revised: October 15, 2010

**TENTATIVE AGENDA  
for the  
FIFTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**October 18, 2010  
Room 311, State Capitol  
Santa Fe**

**Monday, October 18**

- 1:30 p.m.     **Call to Order and Roll Call**  
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair  
—Representative Ben Lujan, Speaker of the House, Co-Chair

*Action Item: Adoption of the September 2010 Minutes*

- 1:35 p.m.     **Interstate Stream Commission (ISC) — Transfer of Water Rights to Properties  
— Roswell and Southern New Mexico Areas**  
—Estevan López, Director, ISC  
—Greg Lewis, Bureau Chief, Pecos River Basin

- 2:15 p.m.     **Lease-Purchase Review Process; Commission Discussion**  
—John Petronis, Architectural Research Associates (ARC)  
—Andy Aguilar, ARC

*Action Item: Recommend Adoption in November After Capitol Buildings  
Planning Commission (CBPC), State Agency and Staff Review:*

- 3:15 p.m.     **Staff Report**  
1. Lease-Purchase Requests Submitted by Deadline  
2. Preliminary Discussion of CBPC Legislative Proposals and Agency  
Requests in Master-Planned Areas  
—Roxanne Knight, Staff, Legislative Council Service

*Directions to Staff for Drafting Proposed Legislation*

**Public Comment**

**Next Meeting**

—November 15, 2010, 1:30 p.m., Room 311, State Capitol

**Adjourn**



**TENTATIVE AGENDA  
for the  
SIXTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**November 15, 2010  
Room 311, State Capitol  
Santa Fe**

**Monday, November 15**

**1:30 p.m. Call to Order and Roll Call**

- Arturo Jaramillo, Secretary of General Services, General Services Department (GSD), Co-Chair
- Representative Ben Lujan, Speaker of the House, Co-Chair

*Action Item: Adoption of the October 2010 Minutes*

**1:35 p.m. Final Presentation of Guidance and Criteria for the Capitol Buildings Planning Commission (CBPC) Lease-Purchase Review Process**

- John Petronis, American Institute of Architects, Architectural Research Consultants (ARC)
- Andy Aguilar, Facilities Planner, ARC

*Action Item: Adoption of Guidance*

**2:15 p.m. Final Review Under House Bill 728 — Las Soleras Land Acquisition**

- Arturo Jaramillo, Secretary of General Services, GSD
- Zachary Shandler, Assistant Attorney General, Office of the Attorney General

*Action Item: Motion on Final Review*

**3:00 p.m. Public Comment**

**Review Legislative Proposals and Agency Requests in Master Planned Areas**

- Roxanne Knight, Legislative Council Service, CBPC Staff
- Bill Taylor, Director, Property Control Division (PCD), GSD

*Action Item: Endorsement of Legislative Proposals*

**PCD Regional Updates**

- Bill Taylor, Director, PCD, GSD

**Next Meeting**

- December 16, 2010, 1:30 p.m., Room 311, State Capitol

**Adjourn**



# **I. MINUTES**



**MINUTES  
of the  
FIRST MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**Monday, April 19, 2010  
Room 311, State Capitol  
Santa Fe**

The first meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Speaker of the House Ben Lujan, co-chair, on Monday, April 19, 2010, at 1:44 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House, Co-Chair  
Gary Giron, Secretary of Transportation  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
James Lewis, State Treasurer  
Stuart Ashman, Secretary of Cultural Affairs  
Katherine B. Miller, Secretary of Finance and Administration  
Patrick Simpson, Deputy Director, Administrative Office of the Courts  
Rep. Thomas C. Taylor, House Minority Floor Leader

**Staff**

Paula Tackett, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General  
Services Department (GSD)  
Lemoyne Blackshear, Staff Architect, PCD  
Larry Miller, Deputy Director, PCD

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

## **Monday, April 19**

The minutes of the December 19, 2009 meeting of the commission were adopted.

The commission adopted its Open Meetings Act resolution for 2010.

### **Update on Land Appraisals and Proposed Agreement; HJR 8 (2007) — Disposition of Galisteo Property**

#### **Las Soleras Land Acquisition**

Secretary Jaramillo and Director Taylor, PCD, reviewed for the commission the proposed land acquisition agreement to purchase land at the Las Soleras development for the Health and Human Services (HHS) complex. Secretary Jaramillo said that he hoped that the commission would support the project. He addressed a previous concern raised by commission members that the state was not getting the best deal possible for the land. Because those concerns were raised in September 2009, Secretary Jaramillo said that he has done his due diligence and renegotiated with the Las Soleras developers (otherwise referenced as Paseo Nuevo, Ltd. Co.) three times to improve the deal for the state.

Secretary Jaramillo reported that the appraisal process was completed, and the final consensus of appraised value for the property was \$12.25 per square foot for the C-2 zoned property (Lot 22) and \$11.00 per square foot for the C-1 zoned property (Lots 21 and 23). The weighted average price per square foot for the entire 20-acre property yielded a price of \$11.64 per square foot, for a total value of \$10.1 million. The state will pay the developers \$6 million in cash and trade 4.5 acres of land it owns in the Galisteo Business Park, appraised at \$1.9 million. The remaining amount, approximately \$2.2 million, is considered a gift from the seller. The actual consideration paid for the property, \$7.9 million, equates to a per-square-foot price of \$9.11.

The state also retains unconditional options through June 1, 2013 on two adjacent parcels (Lots 19 and 27), about 30 acres in size, for \$11.00 per square foot, which is their current appraised value. In addition, the state has the first right of refusal through June 1, 2013 on two other adjacent parcels (Lots 24 and 26) totaling about 10 acres.

Secretary Jarmillo indicated that as part of the agreement, the Las Soleras developers are required to construct a Rail Runner train station near the site, and they are required to construct roads and install infrastructure to the property line. The apportioned cost of the infrastructure the state is receiving exceeds \$6 million, said Secretary Jaramillo.

Secretary Jaramillo said that the proposed acquisition of land and development of the HHS complex meet the requirements of the Santa Fe area master planning principles, including the contribution of government operational efficiencies and business synergies; the co-location of certain state agencies' administrative functions; the promotion of convenient public access to government services; and the close proximity to a commuter rail station. The secretary emphasized that some criteria are more important than others, including location and access to customers and employees and proximity to the Rail Runner and retail businesses. Final approvals for the Rail

Runner station must be obtained by the Federal Highway Administration and the New Mexico Department of Transportation (DOT). Secretary Jaramillo noted that the GSD will come back to the commission to review the financing agreement and any additional requests for proposals and contracts. He concluded by saying he had negotiated every aspect of the agreement and the state will be paying \$2.50 per square foot less than what the parcels are worth. Additional approvals from the attorney general and the State Board of Finance (BOF) must be received for the purchase agreement and grant of option for the land acquisition.

Senator Jennings complimented Secretary Jaramillo on the current agreement, saying that the renegotiations have resulted in more cost savings to the state. He asked whether utilities delivered by the developers would reach Lots 21 and 23, which are adjacent to Lot 22, to which the land plat shows utilities being delivered. Secretary Jaramillo said that once the building location and design are completed, the state will continue the utilities to any necessary portion of the property. Jim Siebert, planning consultant for Las Soleras, said that there will be utilities along Rail Runner Road, which borders all of the property being purchased. He added that utilities will come up Rambla Road and possibly between Lots 24 and 25. The state can get access to the utilities from that source as well, he said.

Senator Jennings asked what would happen in the worst-case scenario, if Las Soleras went bankrupt and was unable to complete its obligations. Secretary Jaramillo said that all of Las Soleras' obligations will be secured by letters of security and some deposits of cash for completion of the infrastructure requirements, including the rail station.

Senator Jennings suggested that the Las Soleras land acquisition proposal be presented to the New Mexico Legislative Council and to the Legislative Finance Committee so that all legislative members can be informed of the project. He also said that City of Santa Fe officials should be apprised of the agreement because the development will affect vehicular traffic in the area. He commented that when the state vacates private leased space, the commercial real estate market is negatively affected. Ms. Tackett noted that the New Mexico Legislative Council will meet on May 12, 2010.

Senator Jennings expressed concern that reduction in federal funds to cover health care costs could have a negative impact on the state's finances.

Senator Ingle asked whether every lot that the state is purchasing will have a stub out for utilities delivered to its property line. Mr. Siebert said that the lots would have utilities and that water lines on Cerrillos Road and Richards Avenue will be linked. Mr. Siebert said every lot would have a stub for utilities.

Representative Taylor asked about the status and future ownership of the Rail Runner station. John Mahoney, developer of Las Soleras, said that the station will be completed by the time Phase 1 of the HHS complex is scheduled to open. He said that the state (e.g., DOT) will own the station, but Las Soleras will construct it according to design specifications approved by the DOT. Currently, the environmental assessment is being conducted. The Mid-Region Council of Governments will run the station.

Secretary Miller asked about the approval process of the BOF and the attorney general. Secretary Jaramillo said that the attorney general reviews such agreements for legal sufficiency and the BOF reviews the financial details of the agreement. The GSD must work with the New Mexico Finance Authority to calculate federal lease allocation reimbursements and then to issue a request for proposals (RFP) to complete the bridging documents. Secretary Jaramillo noted that all of the RFP documents will come before the commission.

Secretary Ashman lauded the secretary's work and moved that the commission acknowledge that it has reviewed the agreement of the Las Soleras property proposal and land acquisition proposal and should proceed to the next stage. Representative Taylor amended the motion to specify that the commission will continue to review the land purchase proposal and contract subject to the attorney general's review.

Senator Jennings inquired about laborers for the construction. Karl Sommer, an attorney for Las Soleras, stated that union labor has to be used because of the scope and type of the project.

**Action Item:** The amended motion was adopted unanimously by the commission.

#### Galisteo Business Park Property Disposition

Secretary Jaramillo discussed the trade of the Galisteo Business Park property, which is part of the Las Soleras land acquisition contract. House Joint Resolution 8 in 2007 authorized the disposition of the property by the GSD, subject to review of the CBPC. The Galisteo property will be granted to the Las Soleras developers at its appraised value of \$1.9 million, which amount will be credited against the purchase price of the Las Soleras property. Secretary Jaramillo said that the property disposition will not occur if the Las Soleras acquisition contract is not executed.

**Action Item:** The motion to approve of the transfer, which was adopted unanimously by the commission, reads:

The Capitol Buildings Planning Commission approves of the trade of the Galisteo property described in House Joint Resolution 8 (2007), as presented by the General Services Department, as a component of the acquisition of land from Las Soleras subject to approval of the Attorney General and final review of the Las Soleras contract by the commission.

#### **University of New Mexico (UNM) Campus — Disposition of Old Laboratory Facility — HJR 9 (2008)**

Mr. Taylor, Dr. Paul Roth, executive vice president for health sciences, UNM, and Steven Beffort, vice president, institutional support services, UNM, presented to the commission the proposed transfer to UNM of the old state laboratory facility that has housed the state laboratory, the Office of the State Medical Investigator and the Veterinary Diagnostic Services. Those entities will be housed in the new laboratory facility, and the existing facility will be transferred to UNM.

House Joint Resolution 9 in 2008 authorized the disposition of the building by the GSD. The GSD and UNM negotiated a trade in which the university will provide approximately \$1 million in utility connections for the new laboratory, as well as pay for the cost of moving from the old facility to the new facility, in exchange for the old facility, which has been appraised at \$1.9 million. Mr. Taylor said that the state ends up gaining \$58,000 from the transactions. In addition, by hooking up to the university's power grid, the state stands to save \$50,000 annually in utility costs.

Senator Jennings suggested that UNM consider setting aside sufficient undeveloped land near the new laboratory to provide room for the state forensic laboratory. He reported that studies show the forensic laboratory should be housed with the other laboratories, near other scientists. Mr. Taylor said that he thought that not much land is available in the vicinity for the forensic laboratory, and he said that initial studies have indicated that one Santa Fe site is better suited to house the state forensic laboratory than a site considered in Albuquerque (e.g., at the Youth Development and Diagnostic site). Mr. Beffort said that he supported a quad-laboratory when the initial planning for the laboratory facility was being done. Subsequently, the state (under a new administration) indicated it did not wish to place the forensic laboratory in Albuquerque. However, Mr. Beffort stated that if the state is interested in that now, then UNM would be willing to investigate the land option.

**Action Item:** The motion to finalize the CBPC review of the sale, trade or transfer of a building on the UNM campus, as described in House Joint Resolution 9 (2008), was adopted unanimously.

### **Status Report — DOT — Santa Fe Sites**

Secretary Giron gave a brief presentation to the commission on the status of two projects in the Santa Fe area. First, he reported that the DOT was suspending action indefinitely on the feasibility studies for the redevelopment of the DOT headquarters and the DOT District 5 property. He said that the DOT has struggled with its budget for the past two years, and there is not enough money to justify the continuation of the redevelopment plans. He said that a public-private partnership (PPP) for the development of those properties is still a good idea but that financing of such a project currently is not possible. He thanked Secretaries Miller and Jaramillo for their help. Also, he reported that there is no contract in process and the DOT can cancel the RFP.

The second possible DOT project involved acquiring a building near the District 5 offices, located on Jaguar Road. Secretary Giron said that the DOT is not pursuing that property acquisition.

### **Public Comment**

#### Vistas Caja del Rio

Michael Bodelson, an architect representing the Vistas Caja del Rio development, said that although it appears that Las Soleras will house the HHS complex, the offer of Vistas to donate 30 acres of land to the state for its HHS complex will continue to be in effect. The Vistas property is located northwest of New Mexico Highway 599 (NM 599), close to the Cultural Affairs Department (CAD) Center for New Mexico Archaeology, currently under construction.

Speaker Lujan asked if the proposed interchange on NM 599 has been funded. Mr. Bodelson said that the interchange is in the DOT's plans but has not been funded yet. Speaker Lujan said that the offer to donate 30 acres of land is significant.

### The Pavilion

Gerald Chavez and Phil Sena of the Pavilion development presented to the commission a new offer for the state to consider in locating the HHS complex. The Pavilion would sell to the state 40 acres of developed land, which includes a NM 599 overpass and all utilities for \$15 million. The Pavilion would then donate \$5 million to the Santa Fe Partners in Education Foundation. The developers would also be willing to construct the HHS complex for the state on a cost-plus basis. Finally, the developers would share with the state five percent of any profits the entire development would earn for 20 years. Mr. Chavez said that the offer to the state remains if the Las Soleras deal falls through. Mr. Sena said that by purchasing land at the Pavilion, the state would immediately realize several million dollars in equity, which the developer has invested. According to Mr. Sena, water is already in place; construction is about to begin on the NM 599 interchange; and the developer is constructing a one-mile road to the Santa Fe Municipal Airport.

Secretary Ashman questioned whether the \$5 million donation would run afoul of the state's constitutional prohibition from donating money to private entities. Mr. Chavez said that the deal could easily be structured to avoid anti-donation issues.

Speaker Lujan asked if the profit-sharing provision would be legal. Mr. Chavez said that many states have PPPs in which profit sharing is a component. He estimated that the development would earn \$500 million in the first seven years of its existence, which would help the state tremendously.

### Zia Station

Mark Bertram, representing Zia Station, said that it will be difficult for elected officials to justify the state spending \$200 million on an HHS complex. This may not be the best time for the state to be constructing a new building, he said. However, because it is doing so, it should have given a fair analysis to the Zia Station property, located on the corner of Zia Road and St. Francis Drive. He said that the site analysis performed by the GSD contained some mistakes, and, initially, nobody contacted the property developers to inform them of the upcoming analysis. He said that the best site for the HHS complex is actually at the state-owned DOT property adjacent to the south capitol campus; the Zia Station would be the next preferable location. Finally, he said that vacating existing private leases will hurt the commercial real estate market in Santa Fe.

Senator Jennings said that he shares many of the same concerns expressed by Mr. Bertram. The City of Santa Fe spent untold hours dictating the stylistic facade of the capitol parking structure but does not seem the least bit interested in the fact that the commercial vacancy rate in the city is about to be dramatically increased, which will affect city revenues.

Secretary Jaramillo said that the legislature has already authorized the purchase of land and the construction of the HHS complex, primarily to save the state money and to gain operational efficiencies from locating all administrative services of some departments in one location. The

state currently pays more than \$15 million in private lease payments in Santa Fe. The HHS complex will redirect \$5 million of those lease payments toward a building the state owns. Some Human Services Department (HSD) leases have already paid for those buildings two to three times more than their original value.

Speaker Lujan said that consolidation of the HSD will save the state money and will be better for HSD customers.

## **2010 Legislative Initiatives, Capital Outlay and Interim Report**

Ms. Knight reported to the commission the actions taken by the legislature concerning commission-related legislation.

### Commission Legislation:

1. Five-Year Facilities Master Plans. The proposal would require most state agencies to submit a five-year facilities master plan in the form prescribed by the PCD and consistent with the CBPC master plans and planning principles. Plans would be updated annually and used by the Department of Finance and Administration (DFA) and the GSD in preparation of a five-year state capital projects program. **The proposal did not receive an executive message.**

### GSD Legislation:

2. Agency Preventive Maintenance Plans. The proposal would require agencies under the jurisdiction of the PCD to develop and implement preventive maintenance plans for any new proposed capital outlay project and would charge the PCD with developing guidelines to assist agencies in developing their plans. It would require the PCD to develop a uniform web-based facility information management system that would provide a central database of maintenance activities, provide comprehensive maintenance request and expenditure information and facilitate the training of maintenance personnel. **The proposal did not receive an executive message.**
3. Exempt the PCD from the \$10 Million Threshold for the Design-Build Project Delivery Method. The proposal would remove from statute the minimum threshold amount required in order for state agency projects to be able to use the design-build project delivery method. The proposal would not change the law with regard to local public bodies. **The proposal did not receive an executive message.**
4. Exchange State-Owned Land for Private Land for the Santa Teresa Port of Entry. The proposed resolution would authorize the trade of state land for private land to be used for the Santa Teresa port of entry. After the design of the facility was completed, it was determined that an additional 3.8 acres would be needed for drainage purposes. **The proposal was approved in SJR 9 (2010 regular session).**
5. Eliminate SBF Approval for Construction Contracts. The proposal would remove the requirement that the SBF approve all construction contracts into which the PCD enters for the redesigning, major renovation and remodeling of current state buildings and the erection of additional state buildings when needed. The current requirement was enacted prior to the

Procurement Code and is no longer necessary, as reported by the PCD. **The proposal did not receive an executive message.**

#### Capital Outlay Within Master-Planned Areas

The CBPC endorsed certain capital outlay requests presented to the commission for its consideration as to consistency with the master plans under the purview of the commission and consistency with the general development principles of master planning for New Mexico state government.

6. Expansion of Purpose for Two Appropriations from 2007 and 2009. The proposal expands the purpose of appropriations to purchase adjacent land at the west capitol campus from the federal government to include the purchase of certain parcels of land adjacent to the campus on the College of Santa Fe property. The PCD is pursuing options to trade state land for the federal land at the campus, which would free up appropriations for purchasing land at the college. The state proposes to purchase Tracts A, B, C and D, located contiguous to each other on the southeastern portion of the campus, close to the state printing facility. **The request was approved in Laws 2010, 2nd Special Session, Chapter 4, Section 35.**
7. Statewide Repairs and Maintenance of Cultural Assets. One million dollars was requested for repairs and maintenance of cultural assets throughout New Mexico. **Funding of \$1,100,000 was appropriated in Laws 2010, 2nd Special Session, Chapter 4, Section 5.**

#### **PCD Update**

Mr. Taylor provided the commission with an update of the PCD's activities.

#### Planning Activities

- South Capitol Campus Master Plan: The planning process for the redevelopment of the campus is underway.
- Executive Office Building: Programming phase will be done by August.
- Lujan Building Renovation: In programming and schematics and looking at phasing the project, commencing in the fall of 2010.
- Runnels Building Renovation: This is a two-year project, which is still in the design phase.
- Cambiar New Mexico Master Plan: The PCD and the Children, Youth and Families Department (CYFD) are meeting to develop an implementation plan for the Cambiar (Missouri Model) program.

#### Capital Projects

- Roswell Rehabilitation Center: The project is 50 percent completed, with a fall 2010 completion date scheduled.

- Los Lunas Substance Abuse Treatment Facility: The project is about 25 percent complete, with a spring 2011 completion date scheduled.
- New Meadows Hospital, Las Vegas, NM: The RFP for the project will be let on April 22.
- Department of Public Safety District Offices: Land acquisition for the Las Cruces project is proceeding with the federal Bureau of Land Management. The Las Vegas district office project is still working on utility connection issues with the City of Las Vegas.
- Workforce Solutions Department (WSD) Offices: The WSD has received \$2.5 million in federal stimulus funding, and the PCD has been working with the department to identify repair projects.
- Santa Fe Motor Vehicle Division Office: The new building is scheduled to be completed in spring 2011.
- Corrections Department Energy Retrofitting: The PCD is spending \$12 million in federal stimulus funding to make energy-efficient upgrades at the Southern New Mexico Correctional Facility and the Central New Mexico Correctional Facility.

#### Property Dispositions

- College of Santa Fe Property Acquisition: The PCD is currently working with the city of Santa Fe to perform an environmental study of the property.
- Halpin Building Property Transfer: The CAD had indicated that it still has a use for the building, located in the Santa Fe Railyard. An agreement has been reached with the city to demolish a portion of the building that has been condemned and for the city to use some of the vacant land for a Rail Runner welcome center. (See below for more details.)
- Border Authority Santa Teresa Property Transfer: The Border Authority now has title to the property.
- Santa Teresa Port of Entry Property Trade: The PCD is awaiting survey results before proceeding with the trade.
- Taos Detoxification Building Transfer: Mr. Taylor said that although the property has already been transferred to the Town of Taos, the PCD neglected to have the transfer reviewed by the CBPC, as required by the enacting legislation (SJR 12, 2008). No action was taken on the transfer.
- Las Cruces Camunez Building: The building has been vacated by the CYFD.

- Camp Sierra Blanca: The property has been vacated by the CYFD.
- Los Lunas Grasslands Campus: The property has been leased for five years to Wagner Farms, which will establish vegetation on the property. The PCD is working to get the wells on the property operational.
- Taos Mary Medina Building: The building has been vacated.
- Las Vegas Epi Duran Building: The building has been vacated.

#### Property Leases

- Some state agencies have requested the termination of private leases due to the agencies' lack of funding.

#### Staffing

- The PCD has three vacancies currently but has been allowed by the DFA to fill one of those vacancies.

Speaker Lujan suggested that the cost of the lease of the grasslands property was too generous to Wagner Farms because the lessee will pay \$5,700 per year, but the wells will cost \$30,000 to repair. Senator Ingle responded that nobody would lease an agricultural property without a functioning water source and that Wagner Farms will probably spend \$250,000 just to get an alfalfa crop established.

Ms. Tackett asked if the CAD will keep the Halpin Building. Secretary Ashman said that the CAD has a use for the building for at least the next five years. The agreement with the city will include a trade of 15 parking spaces in the city's parking garage for land currently used by the state for parking. Also, when the archaeology center at Caja del Rio is completed, space will become available for the Economic Development Department, saving the state \$9,000 per month in existing lease expenses.

There being no further business, the commission meeting adjourned at 4:45 p.m.

**MINUTES  
of the  
SECOND MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**June 14, 2010  
Room 311, State Capitol  
Santa Fe**

The second meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Monday, June 14, 2010, at 1:41 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House, Co-Chair  
Gary Giron, Secretary of Transportation  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, President Pro Tempore of the Senate  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
James B. Lewis, State Treasurer  
Emilio Martinez, Designee for Stuart Ashman, Secretary of Cultural Affairs  
Fern Goodman, Designee for Patrick Simpson, Administrative Office of the Courts  
Rep. Thomas C. Taylor, House Minority Floor Leader

**Absent**

Katherine B. Miller, Secretary of Finance and Administration

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)  
Lemoyne Blackshear, Staff Architect, PCD  
Larry Miller, Deputy Director, PCD

## **Guests and Handouts**

The guest list and handouts are the meeting file.

## **Monday, June 14**

### **Adoption of Minutes**

The minutes of the April 19, 2010 meeting of the commission were adopted without changes.

### **Cultural Affairs Department — Five-Year Facilities Plan and Archaeological Building**

Elena Sweeney, deputy secretary, Cultural Affairs Department (CAD), Anne Green-Romig, director of legislative affairs, CAD, and Eric Blinman, director, Office of Archaeological Studies, CAD, presented the department's five-year facilities plan. The department has the following properties: eight museums, eight monuments, 183 buildings and 1,200 acres. Eighty-one of the buildings are historic. Ms. Green-Romig said that each year, the department prioritizes projects in the order of repairs, project completion, equipment, expansion and acquisitions. For the upcoming funding cycle, the CAD is only requesting funding for critical repairs, project completions and equipment. The funding request includes:

- \$7.8 million for statewide repairs to cultural facilities;
- \$5.3 million for completion of projects at various CAD facilities; and
- \$1.4 million for equipment for statewide CAD facilities.

Ms. Green-Romig and Mr. Blinman reviewed the agencies' organizational chart and provided graphics to reflect where museums and monuments are located statewide. The charts also reflect the location of archaeological sites, protected historic properties and facilities under development.

Mr. Blinman updated the commission on the progress of the archaeological center currently under construction in Santa Fe County, near New Mexico Highway 599 (NM 599) and Caja del Rio. The new facility, of which the structure is substantially complete, is still awaiting power from Public Service Company of New Mexico. The total funding for the project is \$6.6 million, and the facility will be 33,000 square feet. The center will contain storage and research space for the Museum of Indian Arts and Culture and will also house the offices for the archaeological staff of the department.

Ms. Green-Romig said that in the future, the intent of the CAD is to use the NM 599 property for storage of collections, which will free up space in downtown Santa Fe and Museum Hill facilities for better public access.

Secretary Jaramillo asked how far-reaching the plans are, to which Ms. Green-Romig responded "two to five years, tracking with the capital request process". She noted that Fort Stanton is a huge property, and that there are discussions under way for possible joint operational agreements with the Army. Eighty-eight of the buildings need a lot of work. One hundred

thousand dollars has been appropriated for master planning at Los Luceros. Additionally, there are growing costs for repairs. Last year, \$200,000 was spent at the Space Center for boilers.

Senator Jennings said that CAD staff need to "look outside the box" and fund more projects located outside Santa Fe to attain better geographic representation of museums in the state. He said that although nearly all cultural projects are funded through severance tax bonds paid for mostly by taxes on the oil and gas industry, few cultural projects are situated in the southeastern and northwestern part of the state. He suggested a possible tax on art to fund museums. He mentioned that although the new UNM Cancer Center is nice, it is in Albuquerque, and transportation to get people there from other parts of the state is lacking.

Representative Taylor asked about staffing levels at El Camino Real International Heritage Center, located in Socorro County. Ms. Sweeney said that the center is currently open to the public five days per week and has four staff members. Representative Taylor commented that the center is several miles away from Interstate 25 and does not seem to receive many visitors.

Speaker Lujan said that it would be a good idea to expand the geographic representation of cultural facilities in the state, and he complimented the CAD staff for doing a good job of maintaining the state's assets. He said that oil and gas revenues belong to all of the state's residents and that the money spent by the CAD has been spent wisely. He asked if there are any open balances from capital outlay projects. He noted that gross receipts tax revenues from the museums go to the general fund for the benefit of all New Mexicans. Ms. Sweeney said that most balances have been encumbered; any money not encumbered by last fall was swept back to the general fund during the 2009 special session of the legislature.

Mr. Kehoe asked whether other public stakeholders are involved in the development of the CAD's five-year capital improvements plans. Ms. Sweeney said that each museum has a board that holds regular public meetings, at which time members of the public can provide comment.

Mr. Martinez said that the CAD has been asking for an average of \$7 million each year for repairs but typically gets funded for only \$1 million. Eventually, the backlog of maintenance and repair issues will reach a critical level.

Secretary Jaramillo said that he sympathizes with the dilemma on the deferred maintenance issues that the CAD faces; the GSD also has a huge deferred maintenance problem in its statewide facilities. He asked how the CAD might guide the commission with regard to these problems. Deputy Secretary Sweeney advised funding maintenance and repairs.

### **Recap of Albuquerque/Los Lunas Master Plan**

John Petronis and Andy Aguilar of Architectural Research Associates reviewed for the commission the master plan for the Albuquerque/Los Lunas area. Mr. Petronis restated the principles of the master planning process for the state, which include locating state agencies to achieve functional, operational and logistical efficiency; promoting convenient public access to government services; providing equitable and adequate space; realizing economic efficiencies;

protecting long-term asset values; and establishing a framework for individual campus development.

General goals for the Albuquerque/Los Lunas area include consolidating state office facilities to meet the service demand in the area; redeveloping the Albuquerque "super block" complex for consolidated state functions, which would eventually require relocating the New Mexico Youth Diagnostic and Development Center (YDDC) facility; developing the southern Los Lunas correctional campus for specialized secure and therapeutic uses; redeveloping the Los Lunas hospital campus to support local state field office demand; and establishing policies and investment strategies to provide a flexible development framework.

Mr. Petronis discussed the Albuquerque super block site in detail. Redevelopment of the site would require eventual relocation of the YDDC facility, which the CBPC has recommended be moved to the Los Lunas correctional campus. The plan would develop the super block site into four types of state activity:

- Area A, adjacent to the frontage road and Interstate 25, would be developed for high-density offices serving the metropolitan area. The state may need to acquire a small piece of property from the Department of Transportation (DOT) and to develop a different location for the Emergency Management Response Center;
- Area B, which is in the north-central portion of the property, would be reserved for low-density specialty uses;
- Area C, bordering Edith Boulevard, would be used for field offices or specialty uses. The master plan recommends making only code and health and safety investments in the facilities currently housing the YDDC because it may be relocated to Los Lunas; and
- Area D, on the southern portion of the property, would continue its secure facility uses in the short term and midterm but could be redeveloped in the long term. Access to this area would need to be improved if the other areas of the super block site are redeveloped.

The Los Lunas area has three sites totaling nearly 2,000 acres of state land. The grasslands site of 288 acres has been recommended to be held for future development in the long term. Short-term agricultural leases are recommended for the foreseeable future. Long-range plans should take into account local government planning efforts. The 1,200-acre correctional campus could see the relocation of the YDDC and the development of other secure and therapeutic uses. The master plan calls for the continuation and expansion of leases to local governments, as well as for maintaining large agricultural buffer areas to allow for future growth. Finally, the 185-acre hospital site master plan envisions the demolition of many unsafe buildings, the continuation of leasing land to local government entities, the consolidation of state agency field offices and the possible long-term lease of a portion of the property for residential use. Open space and linkages to recreation sites would be included in any development plan for the site.

Speaker Lujan suggested that the master planners consult with every Los Lunas area legislator about the current master plan for the area.

Secretary Jaramillo asked whether the possible move of the YDDC to Los Lunas would free up space for other state facilities. Mr. Petronis said that the redevelopment of the super block site in Albuquerque, as envisioned in the current master plan, in the long term would require the relocation of the YDDC.

### **Children, Youth and Families Department (CYFD) Cambiar Master Plan — Status Briefing**

Mr. Taylor and Ms. Blackshear updated the commission on the status of the CYFD master plan. The CYFD received an appropriation to do a long-range planning study for its facilities based on its recent adoption of the Cambiar New Mexico plan for youth under its jurisdiction. The Cambiar model calls for smaller facilities, with a home-like atmosphere. Ideally, the youth would be housed no more than 100 miles from their hometowns in order to maximize family interaction. The PCD facilitated the master planning process with the CYFD, and Ricci Greene Associates was hired to perform the studies and develop the plan. The project has been under way since August 2009, with the study, the analysis and the implementation plan completed. The facility prototype and space programming, as well as a budget estimate, are expected to be completed in the next few months.

Ms. Blackshear said that between 304 and 389 secure beds will be required statewide by 2030. A 48-bed facility is the optimal size for the Cambiar model, with cottages of 10 to 12 beds each. The master plan will call for four geographic regions of the state that will maximize community services infrastructure and correspond as well as possible to the actual needs of various regions of the state. Finally, a four-phase implementation time line is set out, with the first phase to include building a new facility for boys in the southeastern part of the state. The major project in phase 2, beginning in 2015, is to construct a new facility for boys in the northwestern region.

Although the CYFD master plan does not envision moving the YDDC to Los Lunas, as the CBPC master plan calls for, the decision as to whether to relocate does not need to be decided for a few years, said Ms. Blackshear. By 2019, the CYFD plan of renovating the YDDC to comply with the Cambiar model or relocating the facility will need to be decided. She said that there is still room and time for discussion of the future location of the YDDC and the development of the Albuquerque super block site. This needs to be coordinated with the Albuquerque master plan.

Ms. Knight noted that the CBPC previously supported the CYFD's appropriation request for master planning.

Senator Jennings said that once a new secure facility in the southeastern region is completed, it will probably be filled to capacity. Bill Dunbar, deputy secretary, CYFD, said that housing youth close to their families has proven to be a more successful model than the current system. He said the CYFD chose the "Missouri" model (now called Cambiar New Mexico) because recidivism rates are much lower than the current model. Senator Jennings suggested an accelerated time line for building new facilities and said that the state should not wait until 2027 to fully fund the

Cambiar model. He suggested the possibility of reduced funding for universities, and he noted that this is as much of a priority as schools.

State Treasurer Lewis said that certain economies of scale will be lost when moving from a centralized model to Cambiar's regional approach; however, he agreed that a decentralized model would be better. Ms. Blackshear said that access to appropriate professional services was a big factor in the current drawing of the four geographic quadrants. Mr. Dunbar said that although the Cambiar model is more expensive than the current model, in the long run, the state will save tremendously by having more successful outcomes. He said that in the short term, the CYFD will not ask for additional operating money to support the Cambiar model. Ms. Blackshear noted that a facility prototype is being considered.

Mr. Kehoe asked what the current bed need is for adjudicated youth. Mr. Dunbar said that the state currently has a 270-bed capacity and that there are on average 230 beds occupied. Further discussion ensued regarding programming for Cambiar.

Speaker Lujan asked why the CYFD master plan does not support (in Phase 3) relocating the YDDC to Los Lunas. Ms. Blackshear said that the study indicated that service infrastructure is inadequate in Los Lunas. Mr. Dunbar said that CYFD staff and service providers indicated that they would not be willing to commute from Albuquerque to Los Lunas. Secretary Giron said that Los Lunas already has a full-service developmental disabilities clinic and will soon have a substance abuse treatment clinic. He said the argument that Los Lunas lacks professional services for the CYFD does not make sense.

### **South Capitol Master Plan — Status Briefing**

Mr. Taylor and Ms. Blackshear briefed the commission on the status of the master plan for the south capitol campus. The purpose of the project is to develop a master plan that will adequately address certain executive state agency administrative housing needs as part of an integrated statewide planning process. Many state agencies currently located on the south capitol campus participated in the study, which was performed by the planning firm Studio Southwest Architects, LLC. Master plan objectives for the campus include creating an administrative campus that is a model of sustainable development and creates an exemplary environment for employees and visitors. The plan will be consistent with CBPC master planning principles and includes:

- pedestrian corridors as an interior spine of the campus;
- consideration of parking and access and the site's capacity;
- the integration of sustainability principles;
- plans for phased implementation; and
- some consideration of the relationship to the adjacent DOT property activities.

Interim findings of the master plan are that the campus is a model for transit-oriented development; that existing buildings should be renovated to improve space utilization; that new buildings need to be paired with companion parking structures; and that multimodal transportation incentives need to be maximized.

Mr. Kehoe asked how the state could provide incentives for multimodal transportation. Ms. Blackshear said that the state could provide subsidies to state employees to take mass transit. Mr. Miller said that the State of Washington has many incentives, including providing the best parking spaces for carpoolers, through the use of tiered parking structures. Parking is not included in the benefits "cafeteria plan".

Senator Ingle said that one solution to the parking and office space problems the state has is to dramatically cut the number of state employees.

Senator Jennings said that the DOT is part of the problem as well as the solution, and it needs to be part of any plan to develop the south capitol campus. The DOT has employees who are affected by any plan.

### **Educational Retirement Board (ERB) — Facility Relocation Planning and Requests for Proposals**

Jan Goodwin, executive director, ERB, and Jeff Riggs, deputy director, ERB, presented to the commission the need for a new office building in Santa Fe. The current building, purchased in 1986, no longer meets the needs of the ERB. Member privacy is a big issue in the current facility because the open layout of the building does not allow private interviews with clients. In addition, heavy and dangerous traffic congestion on the adjacent Cordova Road creates safety hazards for employees. The ERB wants to build or purchase a new headquarters, and then sell its current building, which was appraised in 2007 at \$3.48 million.

Chris Gunning, from the planning firm Dekker/Perich/Sabatini (DPS), described the programming and site selection being performed for the ERB. DPS has just begun its programmatic review of the ERB, and when that is finished, it will begin a site selection process. He added to the conclusions presented by Ms. Goodwin, including that the current building does not have any room for expected long-term growth of staff; that some ERB divisions do not have staff located in the same location, which leads to operational inefficiencies; that storage space for client materials is not adjacent to the staff that use the materials; and that there is no access to natural light on the first floor of the building.

Representative Taylor asked about what work had been done with the city to address the traffic issues. Ms. Goodwin said that a stop light could not be installed.

Speaker Lujan asked if the \$2.5 million appropriated in 2009 for this project is still available. Ms. Goodwin said that some money has been spent on architectural fees, but the rest of the money is unspent. Mr. Riggs said that the appropriation, which came from the Educational Retirement Fund, allowed for planning, designing, land acquisition and constructing a new building or for purchasing and renovating an existing building. Speaker Lujan asked how big the new building

will be. Mr. Riggs said that preliminary estimates of 30,000 square feet were too high, but the current building of 14,000 square feet is too small a space. He said that the ERB's five-year capital improvements plan estimates that the new building would cost up to \$10 million, but he thought that number was also on the high end of actual costs. The DPS study will provide a much better estimate of space needs and acquisition costs. Speaker Lujan asked if the ERB had discussed financing options with the New Mexico Finance Authority. Ms. Goodwin said that the ERB was planning to use cash from the Educational Retirement Fund. Other questions were raised about how long it might take to sell the current property.

Senator Jennings asked if the ERB has performed a demographic study of its members. Ms. Goodwin said that approximately one-third of ERB members live in the Albuquerque area. Senator Jennings suggested that the ERB move its headquarters to Albuquerque, where it can easily serve most of its members, and it could purchase an office building for much less than \$10 million. He said that the Educational Retirement Fund is already underfunded to meet actuarial liabilities and that taking \$10 million out of the fund for a new office could hasten the demise of the fund and create a public backlash.

### **PCD Regional Updates**

Mr. Taylor updated the commission on the PCD's recent activities.

- Lujan Building Renovation. The GSD will be submitting a funding request for this building.
- Runnels Building Renovation. The GSD will be submitting a funding request for this building.
- Roswell Rehabilitation Center. This facility is under construction and is 65 percent complete.
- Los Lunas Substance Abuse Treatment Facility. This facility is under construction and is 40 percent complete.
- Las Vegas New Meadows Hospital. The selection process was completed on May 27. The contract will be subject to approval by the State Board of Finance in July.
- Department of Public Safety District Offices. Construction documents for the Las Vegas and Las Cruces state police facilities are 95 percent complete.
- Motor Vehicle Division Santa Fe Office. This facility is under construction and is 20 percent complete.
- College of Santa Fe Acquisition. Environmental reports are being prepared for submission to the State Board of Finance and the CBPC.

- Taos Mary Medina Building Disposition. The state has vacated this building. The PCD will meet with Taos officials about the property transfer, which was authorized by Senate Joint Resolution 16 (2010).

- Albuquerque Edith Road Property Disposition. The PCD sold this property to Bernalillo County but neglected to bring the property transfer to the CBPC for review, as required by House Joint Resolution 14 (2007). Mr. Taylor said that the state sold 10 acres of the 15-acre parcel of state land for drainage purposes to the county for \$800,000. The PCD had determined that the land was not suitable for development. The remainder of the parcel is still owned by the state and is being used.

- Los Lunas Hospital Campus Demolitions. The PCD received bids for the demolition of four buildings on the campus and is currently evaluating the bids.

- State Agency Lease Terminations. Some state agencies have requested that they be able to terminate private leases, due to budgetary constraints. The PCD has encouraged the agencies to renegotiate the cost of the leases before termination. Some state agencies have reported success in lowering their lease payments.

- Grasslands Campus. The PCD has executed a short-term lease of the property to Wagner Farms, which will be growing alfalfa on the property soon. This will help relieve the blowing dust problems in the area.

#### **Public Comment**

There was no public comment.

There being no further business, the commission adjourned at 4:10 p.m.



**MINUTES  
of the  
THIRD MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 10, 2010  
Room 311, State Capitol  
Santa Fe**

The third meeting in 2010 of the Capitol Buildings Planning Commission (CBPC) was called to order by Secretary of General Services Arturo L. Jaramillo, co-chair, on Tuesday, August 10, 2010, at 1:44 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House of Representatives, Co-Chair  
Stuart Ashman, Secretary of Cultural Affairs  
Gary Giron, Secretary of Transportation  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
James Lewis, State Treasurer  
Katherine B. Miller, Secretary of Finance and Administration  
Patrick Simpson, Administrative Office of the Courts

**Absent**

Rep. Thomas C. Taylor, House Minority Floor Leader

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)  
Lemoyne Blackshear, Staff Architect, PCD  
Larry Miller, Deputy Director, PCD

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

**Tuesday, August 10**

*Action Item: The draft minutes of the June 14, 2010 meeting of the commission were adopted unanimously without changes by motion of Treasurer Lewis, seconded by Mr. Kehoe.*

**Presentation of Cambiar Master Plan for the Children, Youth and Families Department (CYFD)**

Ms. Blackshear and Mr. Taylor presented the master plan developed by the CYFD to implement the Cambiar model for serving youth. Bill Dunbar, interim secretary of children, youth and families, did not attend. The purpose of the master planning project has been to develop a facilities master plan for adequately addressing the needs of the CYFD and its clients. The planning committee for the project consisted of staff from the CYFD and the PCD and was facilitated by RicciGreene Associates. The agency has adopted the Cambiar model for serving youths under its jurisdiction, which represents a change from a custodial model to a therapeutic model. The Cambiar model has implications for the CYFD's long-term facility needs because the model involves decentralized, regional facilities that are small and treatment-oriented and have a residential-like environment.

In 2009, the CYFD had 349 youths in its custody, approximately 240 of whom were in long-term commitments. The master plan estimates a total need of 304 to 389 beds by 2030. This need will be served mostly by regional 48- to 60-bed facilities consisting of 12-bed cottages within a secure campus setting. The department will establish four regions in the state to maximize the interaction between committed youths and their families and communities. The facilities master plan will be carried out in four phases that will include new regional facilities and upgrades to existing facilities.

The greatest current need is for a regional boys' facility in the southeastern quadrant of the state, and the CYFD has made that project its top priority for capital improvements. The first phase, from fiscal years 2011 to 2015, will also include some upgrades to the Youth Diagnostic and Development Center (YDDC) in Albuquerque and cosmetic renovations to the John Paul Taylor Center (JPTC) in Las Cruces. After the new southeast boys' facility is completed, youths will be relocated from both existing facilities. The preliminary estimate to fund phase 1 is \$28 million. Phase 2, from fiscal years 2015 to 2019, will include a new northwest boys' regional facility and programmatic renovations at the YDDC. That phase is expected to cost nearly \$23 million in 2010 dollars.

By the time phase 3 begins in 2019, the decision of whether to relocate the YDDC to the Los Lunas correctional campus will have to be made. The current CBPC master plan calls for that component of the program to be moved to Los Lunas to make room for other state department functions at the site in Albuquerque. Ms. Blackshear noted that although the CYFD is currently not in favor of moving the program, there is still much time for that option to be considered. In addition to the program relocation possibility, phase 3 calls for a new northeast boys' facility and a new central girls' facility. Depending on whether the YDDC program is moved, the cost for phase 3 will either be \$48 million or \$89 million. Phase 4, from fiscal years 2023 to 2027, calls for the expansion of the existing southwest boys' facility. That phase will cost between \$1.5 million and \$3.5 million, depending on how many new cottages are needed at the JPTC.

Mr. Simpson asked why the CYFD will need bed space for only 30 more youths in the next 20 years. Ms. Blackshear responded that the idea behind the Cambiar model is to have a more integrated transition for youths back into their communities.

Senator Ingle commented that the shift from secure facilities to more integrative models of therapy is not always successful. The state will always need high-security facilities for some youthful offenders.

Secretary Miller asked whether the CYFD facilities master plan could be adapted if the Cambiar model is discontinued. Ms. Blackshear responded that the prototype facilities were designed for flexibility and can be made more or less secure, depending on the need.

Secretary Jaramillo asked if any existing facilities, in addition to the recently renovated JPTC, are being changed to fit into the Cambiar model. Ms. Blackshear responded that the YDDC is making incremental "soft" changes to the facility. She noted that the CYFD is implementing the Cambiar model with existing facilities, but it is also planning for new facilities in the future. By the end of phase 4 in 2027, the master plan calls for four new facilities and the possible relocation of the YDDC to Los Lunas.

State Treasurer Lewis asked how the CYFD is involving communities with adjudicated youths. A CYFD representative said that, currently, the department uses transition coordinators to help youths access services once they are back in their communities; however, due to budgetary constraints, those services are only available for high-risk youths.

**Staff Directive:** *Speaker Lujan asked the CYFD to provide data describing the ethnic breakdown of adjudicated youths.*

Speaker Lujan asked about the timing for appropriations for the implementation of the master plan. Ms. Blackshear responded that the new southeast boys' facility is the top capital priority for the department, and the CYFD will be requesting funds from the legislature in 2011. Speaker Lujan suggested that the PCD investigate acquiring land obtained by the Interstate Stream Commission in compliance with the Pecos River Compact. If suitable land is available, the state may be able to save money in land purchase costs for a Roswell facility.

Mr. Taylor commended the CYFD staff for spending the time to do comprehensive master planning. He stressed that the GSD wants all departments to perform similar planning efforts.

**Action Item:** *The commission directed CBPC staff and consultants to review the CYFD facilities master plan to ensure that it is within the scope of the state capitol buildings master plan (CBMP) adopted by the commission and to report back on September 20, 2010.*

Mr. Taylor noted that the planning dollars to start the process will be requested in the infrastructure capital improvement plan. The CYFD's number one priority is to complete a new facility by 2015. Secretary Jaramillo commended GSD staff members for their efforts in helping state agencies align their programmatic functions with their capital needs.

## **Presentation of the South Capitol Campus Master Plan (SCCMP)**

Mr. Taylor, Ms. Blackshear and David Dekker of Studio Southwest Architects presented an overview of the new SCCMP. Ms. Blackshear noted that the plan was developed by Studio Southwest and several other architectural and planning companies after extensive consultation with the PCD staff and all of the state agencies located on the campus. The goal of the project, funded by the legislature with support from the commission, is to develop a master plan that will adequately address state agency administrative space needs and be part of an integrated statewide planning process.

The overall master plan objective is to create an administrative campus that is a model of sustainable development and creates an exemplary environment for employees and visitors. Key objectives of the plan include that it be consistent with the CBMP; that it consider activities on the adjacent Department of Transportation (DOT) land; that pedestrian corridors serve as an interior spine of the campus; that it consider parking, access and site capacity; that it integrate sustainability; and that it be planned for incremental implementation. The SCCMP is intended to reduce long-term lease and operating costs and save money through sustainable building and energy practices. The south capitol campus is also intended to serve as a model for a transit-oriented campus.

Mr. Dekker gave a detailed presentation of the proposed master plan. The design team assessed current building conditions and user programs; performed a comprehensive site analysis; evaluated the supply and demand of parking; conducted visioning sessions with key state agency stakeholders; created design guidelines; incorporated a sustainability plan; and recommended implementation strategies. Currently, the south capitol campus consists of 30 acres of land, with 23 acres adjacent to it controlled by the DOT. The campus has six buildings with 550,000 gross square feet (GSF). Many of the buildings and their infrastructures are approaching the end of their useful lives. There are 1,800 state employees at the site working in nine state agencies. The campus also serves as a regional multimodal transportation hub. Mr. Dekker said that the multimodal aspect of the campus is a crucial concept underlying the master plan; it creates capacity for additional office space while minimizing additional parking demand.

The master plan envisions a potential development capacity of up to 488,000 additional GSF at the campus, with a maximum of 2,051 parking stalls. The plan allows for doubling the current capacity of the campus, provides flexible scenarios for incremental development, increases the efficiency of infrastructure and buildings, provides for open space and for utility and emergency access corridors and encourages multimodal transportation. Finally, the master plan is designed to improve the quality of life of campus occupants and visitors.

Mr. Dekker discussed design guidelines for the campus, which include:

- use of the current height, massing and orientation patterns of the campus;
- that building materials should be massive to enhance passive heating, cooling and ventilation;
- that parking structures should be above ground and open air;
- that parking structures should be internal to the campus and paired with the development of a new office building; and

- that parking structures should be designed for future conversion to office buildings or for the addition of more parking levels should the need arise.

The master plan has four development scenarios, which can be sequenced in any manner. Renovations of existing buildings can occur to improve space use and energy efficiency. This allows for the possibility of relocating additional agency staff from leased space into state-owned buildings. The plan calls for the renovation of existing buildings into open-office systems for most employees. Three new buildings are also envisioned, each with a companion parking structure. The design team identified 120,000 leased square feet occupied by agencies that could be relocated to the campus, for a savings of \$2.6 million per year, which potentially could be used for lease-purchase financing.

Mr. Dekker reviewed the sustainability plan for the campus, which calls for no net increase in energy or water use in 2040 compared to 2010 levels. The sustainability plan envisions reducing energy and water consumption at existing facilities; incorporating passive energy systems and water harvesting, reuse and recycling in new buildings; reusing waste streams for energy needs; and installing some on-site renewable energy generation systems.

Ms. Blackshear noted that the master plan should be implemented by focusing on the renovation of existing buildings. Some renovations have begun in the Runnels building, which is already a top priority for the GSD in its capital improvements plan for 2011 legislative consideration. Additional studies need to be conducted to establish travel patterns and a baseline of current energy use. A detailed sustainability plan for 2040 should be prepared. Finally, the long-range intentions of the DOT for its adjacent land are an integral part of the south capitol campus planning. Ms. Blackshear asked the commission for its support of the SCCMP.

Senator Jennings said that not all state agency buildings need to be built in Santa Fe. He commented that he believes that very few state employees in Santa Fe actually use multimodal transportation and that the only way to get more employees to use the RailRunner is for travel times to be reduced.

Mr. Kehoe asked the design team for more detail on leased state agency space in Santa Fe. Andy Aguilar, a CBPC master planner who was also a member of the Studio Southwest design team, said that the team studied current leases in Santa Fe. Based on the CBMP, the team chose agencies to recommend for relocation to the campus.

Mr. Kehoe asked if the sustainability goal of no net energy or water use increase is feasible, given the near doubling of capacity at the site. Mr. Dekker said that current energy and water use at campus buildings can be greatly reduced. He said that the sustainability plan is viable. Senator Ingle echoed Mr. Kehoe's concerns and mentioned that sometimes the cost to conserve energy is too high to be justified.

Secretary Jaramillo noted that the state is planning for 30 years in the future. Sustainability standards need to be set today, and when the time comes to spend money on capital projects on the campus, designers will need to try to fit within those guidelines. He commended the design team

and said that the master plan allows for a reasoned, practical approach to development of the campus.

Speaker Lujan asked about the open-office concept of the master plan. He expressed concern about noise levels and privacy needs of some state employees. Ms. Blackshear said that new open-space office models pay attention to acoustic and lighting levels. Mr. Dekker added that there is always a need for private offices for some positions, but most employees do not need a private office. He said that one method of reducing acoustic pollution is to install white noise systems in buildings to minimize background conversations.

Senator Ingle commented that new construction of state-owned buildings requires significant and skilled oversight by the state.

Mr. Kehoe commented that while pedestrian corridors are useful during the few months of summer in Santa Fe, walking from one building to another on the campus during the winter can be a nightmare.

*Staff Directives: CBPC staff will review the final plan and report back to the commission.*

### **Statewide Inventory Database — Update and Next Steps**

Ms. Knight and John Petronis and Mr. Aguilar of Architectural Research Consultants briefed the commission on the status of the development of the statewide database inventory of capital assets. Ms. Knight said that many agencies, including the GSD, and the CBPC need a reliable, updateable source of data that describe current buildings and other assets for comprehensive master planning. It may be possible for the state's financial system, SHARE, to be used to acquire capacity information for the database. Mr. Petronis said that the state has done periodic surveys of capital assets, but surveys are costly and only provide snapshots of conditions. Ms. Knight said that the statewide database project is an ongoing effort and has involved many state agencies discussing current system capabilities and other initiatives for capturing data.

Next steps include meeting with other stakeholders and developing a common identification code for facilities and other assets. Staff meetings and workshops will continue with other entities, including the Department of Information Technology, the Homeland Security and Emergency Management Department, the Department of Finance and Administration and the State Engineer's Office. The goal is to use the data for planning, reporting and analysis.

Mr. Kehoe asked if the database will provide a unique identifier for each building and the assigned employee positions at each building. Mr. Petronis confirmed that this information would be invaluable for the master planners in determining space needs for state agencies, but it is yet to be established.

Speaker Lujan asked if the State Land Office (SLO) would be included in the database. Mr. Petronis said that the SLO building in Santa Fe would be included but that it tracks SLO land holdings with its own database system.

## **Lease-Purchase Requests from Agencies — Notice to Agencies**

Ms. Knight reviewed a draft letter to be sent to all state agencies notifying them of statutory requirements regarding any contemplated lease-purchase agreements.

*Action Item: The commission directed staff to proceed with the distribution of the letter to state agencies.*

## **PCD Updates**

Mr. Taylor briefed the commission on the status of two ongoing PCD projects.

### College of Santa Fe Land Acquisition

The 2010 legislature authorized the PCD to purchase 15 designated acres of land on the campus of the former College of Santa Fe, now the Santa Fe University of Art and Design, which is contiguous to the west capitol campus. The purchase of the property is in compliance with the CBMP, which seeks the acquisition of additional land contiguous to the west capitol campus for expansion in the future. The PCD negotiated a purchase price from the City of Santa Fe of \$4.6 million. The contract is scheduled to be reviewed by the State Board of Finance on August 11.

### Executive Office Building

The legislature authorized the PCD to construct a new executive office building on the main capitol campus. The project was given a high priority, and the legislation contained an emergency clause. The project will be a design-build project. Site selection and programming were completed by the architect in July 2010, and the PCD is currently reviewing the draft program report and providing comments to the architect. Mr. Taylor reported that the 50,000 GSF size of the building presents challenges to be resolved with the City of Santa Fe's Historic Design Review Board using the model laid out in HB 360 (2009). Issues that will be discussed include the building height and the disposition of the casitas located on the property, as well as issues regarding water ordinances.

Mr. Simpson asked how many floors the new building would have. Mr. Taylor said that number is still unclear because the final programming phase is not complete. The building could be as high as four stories, with a possible subfloor.

Mr. Simpson asked how long negotiations with the city would take. Secretary Jaramillo said that a process similar to the one regarding the construction of the capitol parking garage would take place. In response to Speaker Lujan's request to know when the project is going out to bid, Mr. Taylor said that a request for proposals for the design and construction of the project should be issued by the end of the year.

There being no further business, the commission adjourned at 4:05 p.m.



**MINUTES  
of the  
FOURTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**September 20, 2010  
Room 311, State Capitol  
Santa Fe**

The fourth meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Monday, September 20, 2010, at 1:34 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House, Co-Chair  
Larry Kehoe, Designee for Patrick Lyons, Commissioner of Public Lands  
Emilio Martinez, Designee for Stuart Ashman, Secretary of Cultural Affairs  
Rick Martinez, Designee for Dannette Burch, Secretary-Designate of Finance and Administration  
Patrick Simpson, Designee for Charles W. Daniels, Chief Justice of the Supreme Court  
Clarence Smith, Designee for James B. Lewis, State Treasurer  
Rep. Thomas C. Taylor, House Minority Floor Leader  
Max Valerio, Designee for Gary Giron, Secretary of Transportation

**Absent**

Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)  
Larry Miller, Deputy Director, PCD  
Lemoyne Blackshear, Staff Architect, PCD

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

## **Monday, September 20**

**Action Item:** *The minutes of the August 10, 2010 meeting of the commission were adopted without changes.*

### **New Mexico School for the Deaf — Master Planning for the Main Campus and Other Properties in Santa Fe**

Dr. Ronald Stern, superintendent, New Mexico School for the Deaf (NMSD), and Richard Gorman, projects manager, NMSD, reviewed for the commission the school's master plan for its properties in Santa Fe. Dr. Stern said that the school was established in 1885 and is the only land grant school for the deaf in the country. In 2000, the board of regents of the school spent much time deciding whether to keep its Santa Fe campus or to move the school to Albuquerque. After deciding to keep the school in Santa Fe, the board developed a master plan for revitalization of NMSD facilities in 2006. For many years, the facilities at the campus were neglected, but with recent legislative support, the NMSD has completed more than 50 percent of its master plan. The school also has 255 acres near Capital High School in Santa Fe, which land is currently being planned for development. That land was given to the school in the early part of the twentieth century for the benefit of the school. Also, the school currently leases out a small triangular (one-quarter acre) lot located adjacent to the northeast corner of the St. Francis Drive and Cerrillos Road intersection.

Mr. Gorman said that once the decision to stay in Santa Fe was made, the school embarked on an aggressive campus revitalization plan. He described some of the capital projects at the school campus, including the renovation of Connor Hall and Dillon Hall. Other components of the plan include electric utility upgrades, a new maintenance building, new interior campus roads, campuswide roof repairs, demolition of old buildings, a new athletic track and field, library renovations and the expansion and development of parking and a play field.

The NMSD also owns 255 acres of land within Santa Fe, referred to as the "Dairyland" property, which it plans to develop. Five acres of the original 260-acre gift were recently sold to the Santa Fe Community Housing Trust. Forty acres of the land have been identified as suitable for commercial and office space, including the potential for state government functions. The acreage is adjacent to land owned by the New Mexico Department of Transportation (NMDOT) and to Jaguar Road. The rest of the property is suitable for residential development. The 40-acre tract is less than two miles from the proposed RailRunner stop at the Las Soleras property and is currently on a city bus route. Mr. Gorman said that recent litigation with the City of Santa Fe regarding water rights on the property is being settled out of court.

Mr. Martinez asked if the NMSD is ready to develop the property. Mr. Gorman said that the board wants to develop the property for the benefit of the school. The board would prefer a long-term lease of the property, but it would be willing to consider selling portions of the land.

Ms. Knight said that representatives from the school were invited to make a presentation to the commission because the main school campus is adjacent to the state's South Capitol Campus. Mr. Gorman noted that the Dairyland property was analyzed by the state master planners and the

GSD in their search for a suitable location for the health and human services (HHS) complex. At the time of the analysis, the NMSD notified the GSD that the property was not yet available for acquisition due to litigation of the water rights.

Representative Taylor asked about the nature of the water rights litigation with the City of Santa Fe. Mr. Gorman said that the city's new water use rule requires that any new water user relinquish water rights to the city. However, the NMSD board believes that the school's annexation agreement with the city does not require the acquisition and relinquishment of new water rights. He said the board used a precedent set by the development of Tierra Contenta to pursue its case against the city. Speaker Lujan asked for more detail on the status of the water rights case. Dr. Stern said that the city and the school have decided to settle out of court, and the two parties are currently in the process of working out the settlement terms. Mr. Gorman said that the property did not have water rights when it was donated. The negotiated settlement will not require the school to purchase water rights for any affordable housing development, but the NMSD will purchase water rights for any other developments. Speaker Lujan commented that, as a constitutional school, the NMSD should have water rights on its properties.

Secretary Jaramillo asked if the Dairyland property development has progressed sufficiently to estimate the prices for long-term leases. Mr. Gorman said that the previous plan developed a few years ago is no longer viable because the economic downturn has made that property currently undesirable.

Mr. Martinez asked whether legislative approval would be needed for any NMSD land development. Mr. Gorman responded that he would research that question and report back to the commission.

Mr. Simpson asked whether the NMSD master plan provides for adequate space at the current school campus for the foreseeable future. Dr. Stern said that the campus does have enough space. Mr. Gorman added that the NMSD also has a small campus in Albuquerque, and it leases space in Las Cruces and Farmington.

### **PCD Regional Updates**

Mr. Taylor gave an update to the commission on the activities of the PCD.

#### *Santa Fe*

- Penitentiary of New Mexico (PNM) Wastewater Treatment Facility. Secretary Jaramillo recently met with Katherine B. Miller, Santa Fe County manager and former CBPC member, to discuss the possibility of the state entering into a long-term lease with the county for the wastewater treatment facility at the PNM. The facility needs many infrastructure improvements that will be expensive, and leasing the facility to the county will alleviate the state's responsibility for its maintenance. Any property transaction would have to go to the State Board of Finance (BOF).

Ms. Knight commented that the state master planners have made recommendations regarding the wastewater treatment facility.

Speaker Lujan asked which entity would be the recipient of return-flow credits from wastewater discharges. Mr. Taylor said that this issue has not yet been discussed with the county. The intent of the GSD is to ensure that the Corrections Department retain its water rights.

Speaker Lujan asked whether the county intends to use the wastewater facility to serve future housing developments. Mr. Taylor said that there is currently a plan for a housing development in the area. Currently, the facility serves the PNM facility, the National Guard facility nearby and the county correctional facility. Secretary Jaramillo said that there is another wastewater facility in the area that the county will use if no agreement is made with the state for use of the PNM wastewater facility. Mr. Taylor said that the county has been leasing the facility for several years, and it is currently under a one-year lease extension.

Speaker Lujan asked if the state would pay operational fees to the county for wastewater service and asked if the state would earn any money from the lease of the facility. Mr. Taylor said that the PCD wants to establish daily water usage levels at which the state would begin paying fees. An appropriation for the fees would need to be added to the Corrections Department operating budget. The benefit accrued to the state would consist of the value of the infrastructure of the facility. The county currently operates and maintains the facility, and it has done so for several years. Secretary Jaramillo said that if the county stops leasing the facility, the state will be forced to spend a significant amount of money on infrastructure improvements soon.

- State Office Space Utilization Request from the Legislative Finance Committee (LFC). Mr. Taylor reported that the LFC recently sent out a letter to all state agencies requesting them to identify the number of full-time-equivalent positions at each facility. This will enable the LFC to understand better the space utilization of agency facilities and possibly lead to cost-savings in the future. These data are similar to data needed by the PCD and the state's master planners.

- Las Soleras Acquisition. The contract with the Las Soleras developers for the purchase of land for the HHS complex is awaiting final review of the attorney general and the BOF. The BOF is investigating whether it can make an advance to the GSD of \$2 million for a portion of the land price or whether the New Mexico Finance Authority (NMFA), which may be providing financing for the building construction, will issue a bond anticipation note for the same amount. The contract for the land purchase will be reviewed again by the commission within the next two months, possibly in October or November.

- Santa Fe University of Art and Design Land Acquisition. The state recently finished the purchase of 15 acres of land, consisting of Tracts A, B, C and D, on the campus of the Santa Fe University of Art and Design, formerly the College of Santa Fe, and is proceeding with the acquisition of approximately nine additional acres in Tract O.

- Executive Office Building. The programming report for the new executive office building on the Main Capitol Campus was delivered by the contractor to the PCD on September 15, beginning a two-week comment period.

### *Albuquerque*

- Youth Diagnostic and Development Center (YDDC). Funded improvement projects at the YDDC are ongoing. The demolition of the "white house" at the center is slated for this year.
- Tri-Laboratory Facility. The new facility is occupied by the user agencies and is in operation.

### *Los Lunas*

- Building Demolitions. Demolition of four buildings at the Los Lunas old hospital campus has been completed.
- Requests for Extension of Lease with Los Lunas Public Schools. The Los Lunas Public School District has requested a lease extension from the state for land leased by the district for a school. The lease is set to expire in two years.

Speaker Lujan asked about the acreage of the lease for the school. Mr. Taylor said that the acreage is very small and that he will report back to the commission with the actual number of acres. Secretary Jaramillo said that he believes the school district has invested \$6 million in the school facility. He said that Senator Michael S. Sanchez has indicated that he wants to sponsor legislation transferring title of the property to the school district.

### *Roswell*

- Rehabilitation Center. The completion date for a planned rehabilitation center is scheduled for November 2010.
- Dormitory Demolition. The demolition of the old Roswell rehabilitation center dormitory will be completed in October 2010.
- Children, Youth and Families Department (CYFD) Cambiar Facility. The CYFD wants to build a youth treatment facility in the Roswell area, and land acquisition will probably be necessary.

Speaker Lujan asked if the PCD had made contact with the Interstate Stream Commission (ISC) about purchasing land acquired by the ISC from the *Pecos River* Settlement. Ms. Knight said that her conversations with the ISC staff indicated that any land acquired would not have water rights associated with the property. Two parcels are still available for purchase. Mr. Taylor indicated he would follow up on this.

**Direction to Staff:** *Staff was directed to ask the Office of the State Engineer about the process of transferring water rights from state-owned property to other property the state may purchase in the Roswell area.*

- Old Rehabilitation Facility Uses. The Veterans' Services Department recently toured the existing rehabilitation facility in Roswell, scheduled to be vacated at the end of the year, and has

expressed interest in using the building for a veterans' wellness program. The department has identified potential funding from the U.S. Department of Veterans Affairs for the program.

#### *Fort Bayard*

- Medical Center Construction. The new Fort Bayard Medical Center, which was lease-purchased from Grant County, will be ready for occupancy in October 2010. The PCD is working with the Department of Health on a strategy to evacuate the old facility. There is a large amount of local interest in keeping the historic facility in use, including a proposal to use the building for a posttraumatic stress disorder clinic for veterans.

#### *Santa Teresa*

- Port of Entry Land Trade. The federal General Services Administration (GSA) has been in contact with the GSD regarding the trade of remaining state land in Santa Teresa that is not needed for the port of entry. This could be an opportunity for the state to acquire the GSA property located adjacent to the West Capitol Campus in Santa Fe.

#### *Las Vegas*

- New Meadows Nursing Home Construction. The New Mexico Behavioral Health Institute facility project broke ground on September 9, 2010. The facility is expected to be completed in September 2011.

### **Lease-Purchase Requests from Agencies and August Requests for Information**

Ms. Knight reported that no state agency has submitted a request to enter into a lease-purchase agreement for capital infrastructure.

Ms. Knight also distributed handouts requested by the commission at its August meeting regarding the ethnic breakdown of youths in the custody of the CYFD. Speaker Lujan expressed concern that 75 percent of CYFD clients are Hispanic and asked if more Hispanic youths are referred to the CYFD by the Children's Court in the southern portion of the state than the northern portion. Bill Dunbar, secretary-designate of children, youth and families, said that he recently studied those data, and he is very concerned about that trend. He said that he has asked CYFD legal counsel to investigate those data further.

### **Cambiar Feasibility Study and Master Plan for the CYFD — Review for Compliance with the Master Plan**

Andy Aguilar, CBPC master planner, Architectural Research Consultants (ARC), reviewed for the commission the compatibility of the CYFD master plan with the Capitol Buildings Master Plan (CBMP) adopted by the commission. The CBMP recommends that agencies align their capital planning with programmatic functions of the agencies, and the CYFD master plan does that very well, said Mr. Aguilar. He identified one area in which the CBMP and the CYFD master plan differ. The CBMP recommends that the YDDC in Albuquerque eventually be moved to the correctional campus in Los Lunas in order to make room for the development of the Albuquerque "superblock" site for state agencies. In Phase III of the master plan for the CYFD (to occur between 2019 and 2023), the strategy offers two options for consideration. Option A maintains the YDDC in Albuquerque but with reduced bed space. Option B relocates to Los Lunas the YDDC,

including the Albuquerque boys' population, the acute mental health population and the girls' facilities.

Mr. Aguilar said that he hopes the CBPC is better able to communicate master planning principles to state agencies in the future, and he suggested that future state agency master planning efforts include cost-benefit analyses.

### **Discussion of Lease-Purchase Request Review Process**

John Petronis, CBPC master planner, ARC, presented to the commission issues for the commission to consider in developing a lease-purchase review process. The commission is charged with reviewing proposed lease-purchase agreements and developing recommendations for deferred maintenance and disposal strategies and whether the state should lease, lease-purchase or purchase needed additional facilities. The lease-purchase review process will better assist the commission in making those recommendations. One of the main criteria in statute that the commission has in reviewing lease-purchase agreements is determining whether the agreement is the most cost-effective alternative for acquiring the property.

The Public School Facilities Authority (PSFA) has a system to review public school lease-purchase projects that focuses mainly on the needs of schools, rather than on the cost-effectiveness of the proposal. The PCD has developed a proposed lease-purchase review process for state agencies under its jurisdiction, which process has been promulgated in draft form for public comment; however, the PCD lease-purchase review process would only apply to agencies under its jurisdiction.

Mr. Petronis proposed a basic review process, composed of three steps, before a proposal is submitted to the legislature. The first step is for the agency to perform a space needs assessment, life-cycle costing analysis and other costs and benefits analyses for the proposed project. The agency would need to follow other state agency rules and instructions, in addition to receiving guidance materials and assistance from the CBPC and PCD staff. If an agency is within the jurisdiction of the PCD, the agency's proposal would need to go through the PCD review process before being submitted to the commission. The next step in the process is for CBPC staff to perform a technical review of the proposal and present findings to the commission. The commission would then review them and provide written findings to the legislature.

The authorizing statute directs the commission to review any lease-purchase agreement in which the total value of the project exceeds \$5 million and to review those projects that the commission chooses according to adopted criteria. Mr. Petronis suggested that all projects for the next five years be subject to CBPC review, as well as any project that does not get reviewed by the PCD. The commission may also consider reviewing any specialized facility proposal because there may be extenuating circumstances affecting the cost-benefit analyses.

Mr. Petronis proposed that the CBPC should issue guidance material to agencies regarding what information is required for CBPC review, including current space use and issues associated with that space; how much space is needed based on adopted state agency space guidelines; documented compliance with agency master plans and the CBMP; demonstration of why existing

state facilities cannot accommodate agency needs; documentation that the proposal meets all the statutory and constitutional requirements of lease purchases; and documentation that the proposal is the most cost-effective alternative.

The rest of Mr. Petronis' presentation addressed how to determine whether a project is the most cost-effective alternative. All things being equal, because the cost of capital to the public sector is less than that available to the private sector, the public sector should be able to own assets at a lower total cost than leasing them over the long term. There are, however, many mitigating factors that can make that assumption untrue, including the cost of construction or operations that might be higher in the public sector; that federal leases are often reimbursed to the state using simple lease formulas; that leasing may be cheaper when lease rates fall below a certain level; that it may be better to purchase and renovate an existing asset rather than building a new asset; and that there may be other broad external costs and benefits that are difficult to quantify.

The master planners studied several other states' capital asset management systems and whether they had asset management policies, cost-benefit analysis processes and statewide inventories of assets. Some states use a discounted cash flow analysis, in which the cost of leasing and the cost of owning over time is calculated, taking into account inflation. The lowest cost over time is the best alternative. Other states use a technique called life-cycle cost analysis (LCCA), which takes into account the total cost of ownership of a facility, including the costs of acquiring, owning and disposing of a building. Mr. Petronis recommended that the commission use this type of analysis in evaluating lease-purchase proposals.

Several assumptions involved in an LCCA need to be standardized in order to ensure consistent results and to include establishing a realistic discount rate, the maintenance and operations rate, the replacement cost and the residual value proportion. Each of these assumptions can have significant effects on the outcome of an LCCA.

Mr. Petronis gave an example of a simplified LCCA for a building in Santa Fe, with current lease rates of \$24.64 per square foot. In the example, the highest total life-cycle cost would be for the state to continue leasing, and the lowest cost would be for the state to construct a new building with cash financing. Lease-purchasing with financing from the public sector was second cheapest, and financing through the private sector was slightly higher. In this example, with high lease rates such as those in Santa Fe, the state would best be served by either appropriating cash to construct a new building or, if that money is not available, to lease-purchase the building from the public sector, using NMFA financing.

For another example, Mr. Petronis used Albuquerque, where average lease rates are \$17.50 per square foot. In this example, constructing a new building with cash was the most cost effective, but it was only slightly cheaper than retaining the current leases. Lease-purchasing a new building was significantly more expensive than both of those options. Although leasing was the cheapest alternative, Mr. Petronis said that other mitigating factors, such as the fact that there are many scattered state offices throughout the Albuquerque area, could be used to offset the LCCA result.

Mr. Kehoe asked how many lease-purchase proposals the state deals with on an annual basis. Ms. Knight said that since the constitutional amendment allowing lease-purchases was adopted in 2006, only two have been acted on: the new medical center at Fort Bayard and the HHS complex. Those two projects had separate authorizing legislation setting out the lease-purchase process.

Mr. Taylor said that he feels the process outlined by Mr. Petronis should be used for all state acquisition proposals and not just for evaluating lease-purchase proposals.

Mr. Kehoe commented that changing the dollar-per-square-foot lease assumption changes the financial scenario dramatically.

Mr. Simpson asked whether the Davis-Bacon Act (the Public Works Minimum Wage Act for New Mexico purposes) applies to lease-purchase agreements. Mr. Pollard said that depends on how the building is financed. If a lease-purchase agreement is executed with a private developer, that act would not apply; but if the NMFA finances the building, the act does apply. That means construction costs will be higher, but at the same time, financing costs will be much lower than with the private sector.

Secretary Jaramillo said that financing a project with cash often takes several years to complete, which means the real purchasing power of that cash is diminished by inflation by the time the money is available.

Commission members discussed the next steps in developing the lease-purchase review process. Mr. Petronis suggested putting together guidance documents for agencies, and Ms. Knight suggested that agencies not under the jurisdiction of the PCD be approached to see if they would be in favor of being governed by the new process. Secretary Jaramillo said that, at a minimum, PCD agencies should be governed by the process.

**Directives to Staff:**

- *The master planners are to provide a simplified version of the lease-purchase recommendations to the commission.*

- *CBPC and PCD staff are to make contact with other agencies not under the jurisdiction of the PCD about the possibility of being governed by the new process. The agencies should be briefed and given an opportunity to participate.*

- *The process should be developed as a guidebook for agencies.*

There being no further business, the commission adjourned at 4:12 p.m.



**MINUTES  
of the  
FIFTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**October 18, 2010  
Room 311, State Capitol  
Santa Fe**

The fifth meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Monday, October 18, 2010, at 1:36 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Stuart Ashman, Secretary of Cultural Affairs  
Dannette Burch, Secretary-Designate of Finance and Administration  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
Patrick Simpson, Designee for Charles W. Daniels, Chief Justice of the Supreme Court  
Clarence Smith, Designee for James Lewis, State Treasurer  
Rep. Thomas C. Taylor, House Minority Floor Leader

**Absent**

Rep. Ben Lujan, Speaker of the House, Co-Chair  
Gary Giron, Secretary of Transportation

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Larry Miller, Deputy Director, Property Control Division (PCD), General Services Department (GSD)  
Lemoyne Blackshear, Staff Architect, PCD

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

## **Monday, October 18**

**Action Item:** *The minutes of the September 20, 2010 meeting of the commission were adopted without changes.*

### **Interstate Stream Commission (ISC) — Transfer of Water Rights to Properties — Roswell and Southern New Mexico Areas**

Ms. Knight explained to the commission that, as a result of the presentation to the commission of the Children, Youth and Families Department (CYFD) master plan, questions arose about the availability and suitability of lands acquired by the ISC for potential use by the CYFD to implement the Cambiar model of treatment for youth in the Roswell area.

Estevan López, director, ISC, described for the commission the properties that the ISC still has in its possession as a result of the *Pecos River Settlement*. In 2003, after being sued by Texas for its share of water from the Pecos River, the affected parties agreed that New Mexico would reduce its water allocations. The ISC purchased 12,000 acres of land in the Roswell and Carlsbad areas and retired the water rights on those lands. In 2008, the legislature allowed the ISC to sell the lands, which no longer have any water rights associated with them. Section 72-1-2.6 NMSA 1978 stipulates that land must first be offered to the party from which the ISC purchased the land, and if the prior owner does not purchase the land, the ISC can sell the land according to normal property disposition law. All lands sold have deed restrictions that prohibit domestic wells and require that any water use on the property necessitates the transfer of other valid water rights to the property.

The ISC has sold all of its excess properties except four parcels. The Troost property consists of 381 acres 13 miles north of Artesia; the Waggoner property consists of 157 acres six miles south of Artesia; the Uriquidez property consists of 20 acres three miles northwest of Loving; and the Willow Lake property consists of 164 acres one mile south of Malaga. Mr. Lopez said that the ISC does not have any available water rights to transfer to any property should the CYFD or other agency desire a parcel; however, the ISC could assist the state in identifying water rights in the region that might be purchased and transferred.

Mr. Simpson asked whether any of the properties have nearby domestic water sources. Mr. López responded that he does not believe there are any, and he added that the appraised values of the properties are very low because the properties have no immediate access to water. A typical land price with water rights in the Carlsbad area is \$2,500 per acre, compared to the \$50.00 per acre appraised value of some of the ISC's properties.

Representative Taylor asked about the economic impact to the state of removing 12,000 acres from agricultural production. Mr. López said that he did not know the answer to that question; however, prior to the settlement, the ISC had estimated the economic impact to the state of \$300 million in the first year if the state were forced to place a priority call on all secondary water rights holders.

Secretary Jaramillo suggested that information on the ISC properties be kept for future analysis of the state's property needs. Mr. Lopez said that the current plan is for the ISC to divest of all of its excess properties by the end of 2010. If the state has any interest in a property, the ISC can delay the sale until a final decision is made. Mr. Miller said that the CYFD needs land close to an urban area and that any land purchase will take some time.

Senator Jennings commented that he has heard of many complaints about the ISC properties. The ISC has not been able to keep the properties maintained since their acquisition, and weed migration to neighboring lands has become an issue.

### **Lease-Purchase Review Process**

John Petronis and Andy Aguilar of Architectural Research Consultants, master planners for the commission, presented a draft of the Lease-Purchase Agreement Review Process Guidance. The guidance document is intended to assist agencies in submitting lease-purchase proposals to the commission for its review. Agencies will submit the proposed agreements, with supporting documentation, to the commission. Commission staff then perform a technical review of the agreement and make a recommendation to the commission. The commission then submits its findings on the proposal to the legislature for its consideration. If an agency is under the jurisdiction of the PCD, it needs to have the proposal reviewed by the PCD before its submittal to the commission.

The agency submitting the proposal should provide information demonstrating how the agreement meets the needs of the agency. The draft document requires the agency to:

- identify current space and issues with the current space or location;
- identify how much space is needed based on a facility program using state space guidelines;
- submit any studies that have been completed in support of the project;
- demonstrate why the agency's needs cannot be accommodated within existing state-owned facilities;
- determine whether the proposal complies with the Capitol Buildings Master Plan principles;
- document that the proposal complies with the legal and technical requirements of Section 15-3-35 NMSA 1978 and Article 9, Section 8 of the Constitution of New Mexico; and
- document that the proposal is the most cost-effective alternative, based on a life cycle costing analysis (LCCA).

Mr. Petronis said that an LCCA is a method for assessing the total cost of facility ownership, taking into account all costs of acquiring, owning, operating and disposing of a building or building

system. Total life cycle costs are the total dollar costs of owning, operating, maintaining and disposing of a building over a period of time, using the present value of money. The life cycle costs for a number of comparable alternatives are examined, and generally, the alternative with the lowest life cycle cost is favored. Some of the factors studied include the cost of acquiring the building, operational costs, renovation and renewal costs during the life of the building and residual value at the end of the life cycle period. An LCCA can be a very detailed financial analysis with many variables affecting the final outcome. The lease-purchase guidance document establishes parameters over many variables to ensure that proposals are evaluated using the same assumptions. Controlled parameters include the construction cost per square foot based on building type, standard operating and maintenance costs, replacement and renewal costs, residual value calculations and financial calculation standards.

Because the cost of capital to the public sector is usually less than that available to the private sector, all things being equal, the public sector should be able to own assets at a lower total cost than leasing over the long term. But things are not necessarily equal, and many variables may impact the choice of the best alternative, including:

- the cost of construction or operations may be higher in the public sector than the private sector;
- the public sector may not be able to finance and construct a facility as quickly as the private sector can;
- the cost of a lease can be reimbursed to the state from federal sources for certain agency programs; however, the state has the ability to capitalize federally reimbursed leases, although that process is more complex;
- it may be better to lease when the lease rate is below what the state could construct or could acquire in a comparable facility;
- it may be better to purchase and renovate an existing building than build a new one; and
- there may be broad external costs that are difficult to quantify, such as the tradeoff between having a state agency scattered across an area in multiple leased offices versus paying for a new state-owned centralized office.

Secretary Ashman suggested that the guidance document clearly state that the review by the CBPC is not the end of the process for a lease-purchase proposal; the legislature would still need to ratify the agreement.

Senator Ingle asked if the Administrative Office of the Courts would be subject to the lease-purchase review process. Mr. Petronis said that lease-purchase proposals would be reviewed by the commission, but leases would not be. Senator Ingle said that there needs to be a better review process for leases and said that some agency leases have astronomical rates.

Senator Jennings asked if any entity would review a lease-purchase proposal that is less than \$5 million in total value. Ms. Knight said that all lease-purchase proposals from state agencies need to be ratified by the legislature. Projects costing less than \$5 million are not required to be reviewed by the CBPC, but the commission can elect to review such projects. Senator Jennings said that it may actually be cheaper for the state to choose a private developer to acquire a lease-purchased facility, due to the high cost of statutorily mandated union labor and the new executive order requirement that new state facilities be constructed to meet sustainability standards. He also said that he foresees a significant reduction in the state government work force in the near future, which may alleviate the dire need for new agency facilities.

Mr. Miller stated that, from the PCD's perspective, the draft guidance document looks very useful for state agencies in preparing lease-purchase proposals. He said that the PCD sometimes receives lease-purchase proposals from private developers who need to divest their assets.

Secretary Jaramillo noted that the state needs assurance that any building it acquires does meet quality standards. Mr. Petronis said that the PCD has set standards for facilities under its jurisdiction, and the commission would evaluate proposals using similar standards. He said that although a privately built building may be cheaper to construct, it may not be on par with a building constructed to PCD standards.

Ms. Knight said that commission staff have discussed the lease-purchase guidance process with staff from many state agencies. She suggested that the commission consider adopting the guidance at its November meeting, after receiving feedback from commission members and state agencies.

## **Staff Report**

### Lease-Purchase Requests

Ms. Knight reported to the commission that no state agency reported that it would be submitting a lease-purchase agreement for the legislature's approval in 2011.

### Preliminary Discussion of CBPC Legislative Proposals and Agency Requests in Master Planned Areas

Ms. Knight briefly discussed legislation endorsed by the commission in 2009 but never introduced in the legislature due to the lack of an executive message. She asked the commission to consider endorsing some or all of the legislation for introduction in the upcoming legislative session. The endorsed legislation includes bills to require state agencies to develop and submit five-year facilities master plans; to require state agencies under the jurisdiction of the PCD to develop and implement preventive maintenance plans for any new proposed capital outlay project; to exempt the PCD from the \$10 million threshold for the design-build project delivery method; and to eliminate the approval requirement by the State Board of Finance of construction contracts issued by the PCD. Details of the legislation are available in the CBPC's 2009 interim report.

Ms. Knight suggested that the commission endorse language specifying the PCD's authority to regulate lease-purchase agreements for agencies under its jurisdiction. There is staff disagreement about whether the PCD has statutory authority to regulate lease-purchase agreements based on current law.

Secretary Jaramillo said that the commission will consider endorsement of this and any other proposed legislation at the commission's November meeting.

**Directive to Staff:** *Staff was directed to provide a written synopsis of legislation endorsed by the commission in 2009.*

There being no further business, the commission adjourned at 3:47 p.m.

**MINUTES  
of the  
SIXTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**November 15, 2010  
Room 311, State Capitol  
Santa Fe**

The sixth meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Speaker of the House of Representatives Ben Lujan, co-chair, on Monday, November 15, 2010, at 1:48 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House, Co-Chair  
Stuart Ashman, Secretary of Cultural Affairs  
Dannette Burch, Secretary-Designate of Finance and Administration  
Ruth Dygert, Designee for Charles W. Daniels, Chief Justice of the Supreme Court  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
Clarence Smith, Designee for James Lewis, State Treasurer  
Rep. Thomas C. Taylor, House Minority Floor Leader  
Max Valerio, Designee for Gary Giron, Secretary of Transportation

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Roxanne Knight, LCS  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)  
Larry Miller, Deputy Director, PCD  
Lemoyne Blackshear, Staff Architect, PCD

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

## **Monday, November 15**

**Action Item:** *The minutes of the October 18, 2010 meeting of the commission were adopted unanimously without changes.*

The commission discussed the meeting agenda and modified it to accept public comment prior to hearing presentations. There was no member opposition to the change.

### **Public Comment**

The commission provided members of the public an opportunity to comment on the proposed Health and Human Services (HHS) complex land acquisition contract at Las Soleras before bringing that issue before the commission for consideration.

Mark Bertram of Zia Station, LLC, said that he is the owner of the Zia Station property, which has its own Rail Runner station. He is also a landowner that leases office buildings to the state. Mr. Bertram stated that he felt the site selection process was flawed from the beginning and that his site was never reviewed. He opined that it would be very unwise for the HHS project to move forward now, especially with a new executive administration coming in. He commented that the economic picture today is vastly different from what it was in 2006, when the HHS project began in earnest. He asked the commission to postpone any decision on the project until after the start of the new year.

Michael Branch of Branch Realities and owner of Southwest Plaza, an office complex leased to the state, said that an economic impact study was never performed to gauge the impact on local businesses of building the HHS complex. He said that he was appointed by Governor-Elect Richardson in 2002 to head the transition team for the GSD. He had proposed that lease-purchase agreements be allowed, but in the context of the state entering into the agreements with private developers, and not with the state creating its own financing and development. (He noted that during the Gary Johnson administration, a proposal was made for the HHS complex to be on Highway 14.)

He referred to a proposal he made to the commission and delivered to CBPC staff the previous Friday evening, about lease purchasing to the state all of the buildings currently leased and occupied by the Human Services Department (HSD).

Rosie Colgate of the Colgate Trust, which leases 100,000 square feet of office space to the state, said that she always treated the lease arrangements she made with state agencies as providing a convenience to the state. Putting the HHS complex at the far end of Santa Fe would be a disservice to the public. She said that the state could lease-purchase the existing building scheduled to be vacated at one-half of the cost of building a new building at the Las Soleras development. Finally, she said that if the HHS complex is such a great idea, it should be voted on by the voters as a general obligation bond question.

Phil Sena of the Turnkey Company, one of the land offerors for the HHS complex, said that the state does not need any more "movidas". He provided a handout of a proposal for the HHS at the

Pavilion property. He said that the project needs an economic impact study before vacating private leases, and he then proceeded to detail the offer he made to the state previously of selling the state 20 acres of land at the Pavilion development (near the airport) for the HHS complex. He requested that a decision on the Las Soleras purchase be delayed.

Speaker Lujan thanked the members of the public for their comments. He pointed out that House Bill 728 (compiled as Section 15-3B-21 NMSA 1978) passed unanimously in the senate and almost unanimously in the house of representatives in 2009. The commission is giving the land acquisition portion of the project its final review. Ms. Knight clarified that at the April 2010 meeting of the commission, the CBPC completed the initial review of the proposal, subject to the approvals of the State Board of Finance (BOF) and the Attorney General's Office (AGO), and it required the project to be reviewed again by the CBPC when those approvals are finished.

Speaker Lujan asked whether the HHS project can proceed if the CBPC does not approve the final review of the project. Ms. Knight reiterated the requirements outlined in Section 15-3B-21 NMSA 1978 — that neither requests for proposals or contracts be issued without review by the CBPC to ensure that they are the most cost-effective method for acquiring the building and that the building and its use are within the scope of the master plan. A final review requires action by the commission.

#### **Final Review Under House Bill 728 — Las Soleras Land Acquisition**

Secretary Jaramillo and Mr. Taylor presented the proposed land acquisition contract for the acquisition of 20 acres of land at the Las Soleras development for the HHS complex. Secretary Jaramillo said that he has presented this project to the commission seven times, and the resulting contract is much better because of the review. There are some changes in the contract since it was reviewed by the commission in April 2010.

In 2002, then-Secretary of Human Services Robin Dozier Otten testified before the commission and presented the urgent need of the HSD to relocate to a centralized administrative location. The PCD and commission have been working on the project ever since. In 2006, the voters adopted a constitutional amendment allowing the state to enter into lease-purchase agreements, which provided a new financing option for projects. Lease revenues from current private leases, many of which have paid for the buildings occupied several times over, will be diverted to pay lease-purchase revenue bonds, without costing the general fund any new expenditures. The HHS project is the centerpiece of the Capitol Buildings Master Plan (CBMP) for Santa Fe and will save the state millions of dollars.

The BOF and AGO had many technical issues with the contract, and Secretary Jaramillo said that he has responded in extensive detail to all of the questions. The AGO questioned whether the New Mexico Finance Authority (NMFA) has the statutory authority to advance the \$2 million in cash needed to complete the land transaction. Four million dollars in severance tax bonds have been authorized; approximately \$1.9 million worth of land trade was authorized; and \$2 million from proceeds of lease-purchase revenue bonds (LPRBs) were authorized for the purchase of the land. However, the LPRBs will not be issued until after other seller conditions have been met, so the state needed a temporary bridge loan. The NMFA proposed to issue a bond anticipation note

(BAN) instead of advancing the cash. The finance costs of the BAN actually reduced the sale price of the property by \$51,000. The BAN will be payable to the seller only if the LPRBs are issued for construction of the complex.

Another change to the contract involves better terms for the state's options to purchase other adjacent parcels. The state retains the right of first refusal on Lots 26 and 24; 9.7 acres immediately adjacent to the sale property; and the state has the exclusive option to purchase Lots 19 and 27, comprising 31.8 acres west and east of the sale property and across Rail Runner Road.

The obligations of the seller to provide infrastructure improvements remain intact, including construction of roads in the vicinity; the construction of the Rail Runner station and platform; and installation of utilities to the property.

Other changes to the agreement include:

- increased collateral required for the seller's obligations to install infrastructure;
- the state has been exempted from any subdivision fees;
- title exceptions to the warranty deed have been resolved satisfactorily by the BOF and AGO;
- the phase I environmental study has been completed by the seller; and
- a "due diligence" period has been granted of 60 days, in which the state can, for any reason, terminate the contract. This will allow the incoming administration time to review the contract before proceeding.

Secretary Jaramillo then discussed with the commission two issues that the commission has been charged with reviewing: whether "...the contract is the most cost-effective method for acquiring the building..." and whether "...the building and its proposed use are within the scope of the commission's master plan." (Section 15-3B-21 NMSA 1978). Regarding cost-effectiveness of the land acquisition portion of the project, the state is acquiring 20 acres of land for the HHS complex, with completed infrastructure and a Rail Runner station in place. The fair market value of the property has been appraised independently at \$10.1 million, and the state is paying \$5.9 million in cash and trading \$1.9 million in land for the property. The seller is offering the remaining \$2.25 million in property as a gift. The options to purchase additional property at the lower of \$11.00 per square foot or the current fair market value add even more value to the deal, said Secretary Jaramillo. The acquisition of the property is also within the scope of the CBMP, for many reasons, including the following:

- the project will consolidate operational, functional and logistical efficiencies of the HSD, which are currently scattered in expensive and inefficient leased space;
- the new facility will allow the state to realize efficiencies, economies of scale and cost savings by eliminating unnecessary and duplicate leased space;

- the public will have convenient access to government services;
- commuter rail service is adjacent to the property;
- the property is in close proximity to retail and commercial services, and those services will be developed adjacent to the property; and
- the development will have a pedestrian-oriented interior with connections to open space.

Additional testimony was given by Secretary Jaramillo regarding the previous financing analysis done by Mr. Pollard and verified by the NMFA.

Secretary Jaramillo briefly addressed the Branch Realty proposal, noting that it does not meet any of the guidance and criteria for the CBPC lease-purchase review process. State agencies need to decide what their facility requirements are, and the HSD determined long ago that it needed to centralize its administrative functions. Purchasing the buildings it currently occupies would not be in conformance with the CBMP on multiple grounds, including cost-efficiency, operational efficiency and centralized function principles.

Senator Jennings complimented Secretary Jaramillo for the incredible amount of work put into the development of the HHS project over the past several years. He said that although this project will save the state much money, he is concerned about the effect of empty office buildings on the Santa Fe economy. At the same time, the state does not owe anything to building owners if it chooses to vacate leases. He said that he thinks the state should not move forward on the project right now.

Representative Taylor also commended Secretary Jaramillo's work and expressed some concerns about the effect of the project on the local economy. He said that he thinks the New Mexico economy is in a 20-year decline and is experiencing a steady loss of high-wage jobs. The state is very reluctant to change the rules for businesses to operate, and that means that new revenue to the state will be very slow to grow. He recommended that the commission wait a few months, until the new administration begins, to make a decision.

Senator Ingle said that the January 15, 2011 deadline for the new administration to decide on the project is too soon, since Governor Susanna Martinez will have taken office only 14 days earlier. He agreed that the lease rates the state pays in Santa Fe are extremely high, and they will probably only get higher. He proposed changing the due diligence period allowed the administration from 60 days to 180 days.

Mr. Kehoe asked if the AGO has approved the contract yet. Secretary Jaramillo said that all of the issues raised by the AGO and the BOF have been resolved. The BOF is meeting the following day to consider approval of the project, and the AGO is expected to issue an approval letter soon. He clarified that the new administration would have 45 days to review the project before January 1, 2011 and 15 more days to decide whether to proceed. If the contract takes effect, then severance

tax bonds and the BAN would be issued. When the LPRBs are ready to be issued, the project will need to be reviewed again by the commission.

Mr. Kehoe asked about the diversion of lease payments intended to pay for the LPRBs. Secretary Jaramillo said that \$5.4 million in HSD lease payments would be used. In addition, another \$1 million in lease payments from other agencies would be used once those agencies relocate from leased space to space currently occupied in state-owned space by the Children, Youth and Families Department. The state will also be able to capitalize federal lease reimbursements on an accelerated schedule for many of the component systems of the HHS facility.

Mr. Kehoe asked whether the property valuations are based on the value of future infrastructure. Secretary Jaramillo said that the GSD wanted to ensure that it did not end up with a piece of property that was undeveloped by the seller. For that reason, the seller is required to fully collateralize the infrastructure obligations.

Senator Jennings suggested that the contract be amended to extend the 60-day due diligence period another 30 days. Secretary Jaramillo said that, on behalf of the GSD, he would support the change, and he would attempt to negotiate with the sellers on that point.

Mr. Kehoe said that Commissioner of Public Lands Lyons would support the agreement if it has the extra 30 days for the new administration to consider it.

Speaker Lujan said that the new administration could request additional time to study the proposal before January 15. He agreed that the administration needs time to review the proposal, and he supports moving the proposal forward.

Joshua Skarsgard, representing the sellers of the property, said that the sellers would accept the amendment to the contract.

Secretary Ashman made the following motion, which was seconded by Secretary-Designate Burch:

In accordance with Laws 2009, Chapter 145, Section 1, Subsection D, a final review by the Capitol Buildings Planning Commission is required for the Purchase Agreement and Cash Option Agreement (hereafter "the Agreement") between the Property Control Division of the General Services Department and Paseo Nuevo, Ltd. Co., a New Mexico limited liability company, for purchase, acquisition, sale, trade and gift of certain real properties of the Parties located in Santa Fe County, New Mexico. Motion is hereby made to conclude the final review of the Agreement contingent upon: 1) the parties agreeing to extend the right to terminate to February 15, 2011; and 2) final approval of the State Board of Finance and the Attorney General. The final review shall be evidenced by a letter from the Speaker of the House as Co-Chair of the Capitol Buildings Planning Commission.

**Action Item:** *The motion to conclude final CBPC review of the land acquisition agreement was adopted by the commission, with all members voting yes, except Representative Taylor voting no.*

### **Final Presentation of Guidance and Criteria for the CBPC Lease-Purchase Review Process**

John Petronis, Architectural Research Consultants (ARC) and master planner to the commission, and Andy Aguilar, ARC, presented for the commission's approval the Lease-Purchase Agreement Review Process Guidance document developed this year. Mr. Petronis said that the guidance document is essentially the same document as was presented at the October CBPC meeting, with a few technical changes. He sent the document to all potentially affected agencies for comment, but he has not received any responses. The PCD and CBPC staff have, however, provided useful input into the document.

One change made to the process is to clarify that state agencies will have the opportunity to address any issues raised by the CBPC staff review of a lease-purchase proposal. Another change in the document is the inclusion of an agency checklist prior to submission of a proposal. The master planners are creating a web-based tool to calculate life-cycle cost analyses of proposed lease-purchase agreements. Currently, the calculations are available as a spreadsheet application. Upon completion, it will be available on the legislative web site.

Senator Jennings asked whether counties would be allowed to use the CBPC lease-purchase guidance document. Staff indicated that counties only have limited ability to enter into certain types of lease-purchase agreements; however, staff will research questions raised by the senator and respond in December.

**Direction to Staff:** *Staff was directed to research the question of county lease-purchase authority.*

Senator Jennings expressed concern that the use of the lease-purchase process might circumvent the statutory requirement in the Public Works Minimum Wage Act that public works projects of the state or a political subdivision be constructed using the prevailing wage in the area. If a private developer builds a building and then lease-purchases the building to the state, the developer does not have to use prevailing wages, which means that the building could potentially be built cheaper than if the state uses a design-build or other type of existing procurement process.

Staff requested time to research the issue and suggested that final approval of the guidance document be done in December.

**Direction to Staff:** *Staff was directed to research the applicability of prevailing wage statutes to the lease-purchase financing process.*

The commission postponed action on the guidance document until the December meeting, pending further research by CBPC staff.

### **Additional Public Comment**

Michael Bodelson, Vistas del Caja del Rio, one of the property offerors for the HHS complex, thanked members of the commission for their diligence in selecting a site for the HHS complex. He said that the developers of the Vistas property are looking at the long term for future state

infrastructure development. He said that the offer of land donation to the state for an office complex will remain in effect for some time.

## **Review Legislative Proposals and Agency Requests in Master Planned Areas**

### Five-Year Facilities Master Plans

Ms. Knight and Mr. Taylor presented legislation for the commission's possible endorsement. The bill proposed would be very similar to the five-year facilities master plan bill endorsed by the commission in 2009. That legislation did not receive an executive message and was not introduced. The bill requires state agencies to develop and annually update a five-year facilities master plan, consistent with the CBMP and master planning principles. The facilities master plans and updates are to be submitted to the Department of Finance and Administration (DFA) on July 1 of each year. The legislation does not contain an appropriation, nor does it restructure government.

The DFA and PCD then jointly prepare and annually update a five-year program for all state capital improvements. This directive is similar to what existing statute requires, except that projects are prioritized and further classified into those that need funding for the initial planning and design phase and those that have completed the planning and design phase and need full construction funding.

The PCD is directed to develop guidelines for state agencies in developing their master plans and to provide assistance to state agencies with those plans. Key aspects of the agency facility master plans will include:

- requirements for preventive and deferred maintenance plans, including standards for facility maintenance plans;
- a criteria-based weighted ranking system to determine priority capital projects;
- space and energy standards with which facilities must comply; and
- life-cycle cost analysis of existing and proposed facilities.

The current version of the bill includes language to clarify that the PCD has the authority to regulate lease-purchase proposals of most state agencies. Other differences from the 2009 bill include changing the effective date to occur 90 days after the end of the legislative session, rather than next year, and changing the due date for the submission of the state capital improvements plan from September 1 to November 1.

Senator Jennings asked whether the legislation would require state agencies to maintain their buildings. Mr. Taylor said that preventive and deferred maintenance plans would be required for all facilities under the management of a state agency.

**Action Item:** *The commission unanimously endorsed the five-year facilities master plan bill.*

## Capital Outlay Within Master Planned Areas of New Mexico

### *From the GSD*

Mr. Taylor presented a list of priority capital projects for which the GSD is seeking funding. He said the GSD is not seeking endorsement of the projects from the commission. GSD capital projects include:

- \$10 million for statewide repairs, deferred maintenance abatement, emergencies, infrastructure, decommissioning and demolition;
- \$10 million for phase I of the Lujan Building renovation at the South Capitol Campus in Santa Fe; and
- \$2 million for statewide planning and design, including master plan development of state properties and for demolition and decommissioning of properties.

Linda Kehoe, Legislative Finance Committee (LFC), said that the estimated severance tax bonding capacity for the upcoming year is \$260 million. Thus far, state agencies have requested \$1.5 billion in funding for capital projects. She said that the LFC recommendations may match up fairly closely to the GSD's requests.

**Action Item:** *The commission unanimously endorsed the GSD projects as to their consistency with the CBMP and master planning principles.*

### *From the Cultural Affairs Department (CAD)*

Secretary Ashman reviewed the priority capital outlay projects for which the CAD is requesting funding. He said the department has reduced funding requests since the CAD presented its capital projects to the commission at its June 2010 meeting. The capital projects include:

- \$2 million for repairs and maintenance of statewide cultural assets;
- \$250,000 for project completion of cultural facilities; and
- \$750,000 to equip the New Mexico Museum of Natural History and Science.

**Action Item:** *The commission unanimously endorsed the CAD projects as to their consistency with the CBMP and master planning principles.*

## **PCD Regional Update**

Mr. Taylor briefly provided the commission with updates of PCD projects around the state. Ongoing projects include:

- Executive Office Building. The PCD is in the process of preparing comment to the completed programming document for the new building to be constructed on the Main Capitol Campus in Santa Fe. One problem for the building site is that the proposed 52,000 square-foot building does not fit very well on the proposed site on Don Gaspar Road if the existing casitas are

to remain intact. The project, which is expected to cost \$22 million, has already been approved by the legislature.

- Roswell Rehabilitation Facility. The Department of Health (DOH) will be moving into the new facility soon. The regional housing authority in the Roswell area is interested in leasing from the state the vacated rehabilitation facility.

- Fort Bayard Medical Center. The DOH has occupied the new facility. The PCD will enter into a contract for a feasibility study for future uses of the old facility and property.

- New Mexico Behavioral Health Institute. The New Meadows nursing home construction project in Las Vegas began on September 9, 2010 and is expected to be completed in September 2011. There is an issue with the City of Las Vegas regarding a zoning permit for the facility.

- Former College of Santa Fe Campus Land Acquisition. The GSD will be presenting the acquisition of nine acres of land at the former College of Santa Fe campus to the BOF the next day.

There being no further business, the commission adjourned at 4:42 p.m.

**MINUTES  
of the  
SEVENTH MEETING IN 2010  
of the  
CAPITOL BUILDINGS PLANNING COMMISSION**

**December 16, 2010  
Room 311, State Capitol  
Santa Fe**

The seventh meeting of the Capitol Buildings Planning Commission (CBPC) in 2010 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Thursday, December 16, 2010, at 1:39 p.m. in Room 311 of the State Capitol in Santa Fe.

**Present**

Arturo L. Jaramillo, Secretary of General Services, Co-Chair  
Rep. Ben Lujan, Speaker of the House, Co-Chair  
Stuart Ashman, Secretary of Cultural Affairs  
Sen. Stuart Ingle, Senate Minority Floor Leader  
Sen. Timothy Z. Jennings, Senate President Pro Tempore  
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands  
James Lewis, State Treasurer  
Rick Martinez, Designee for Dannette Burch, Secretary-Designate of Finance and Administration  
Patrick Simpson, Designee for Charles W. Daniels, Chief Justice of the Supreme Court  
Rep. Thomas C. Taylor, House Minority Floor Leader  
Max Valerio, Designee for Gary Giron, Secretary of Transportation

**Staff**

Roxanne Knight, Legislative Council Service (LCS)  
Tom Pollard, LCS  
Ric Gaudet, LCS  
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)  
Larry Miller, Deputy Director, PCD  
Lemoyne Blackshear, Staff Architect, PCD

**Minutes Approval**

Because the commission will not meet again this year, the minutes for this meeting have not been officially approved by the commission.

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other materials provided to the commission are in the meeting file.

## **Thursday, December 16**

**Action Item:** *The minutes of the November 15, 2010 meeting of the commission were adopted without changes.*

### **Staff Reports**

Ms. Knight presented to the commission two information memoranda relating to questions raised by commission members at the November meeting. The first question was whether prevailing wage statutes, in statute as the Public Works Minimum Wage Act, would apply to construction projects financed through a lease-purchase arrangement. In most cases, that act does apply to lease-purchase agreements, especially if the state is integrally involved in the design and construction of the building and if the agreement is structured so that the state is clearly intended to be the occupant and eventual owner of the building.

The second question was whether counties have the authority to enter into lease-purchase agreements. The 2006 constitutional amendments allowed lease-purchase financing arrangements for the state and for school districts, but the amendments did not change existing law for counties or municipalities. As interpreted in the *Montano v. Gabaldon* decision, without the approval of the voters, a county or municipality cannot legally enter into a lease-purchase agreement for the acquisition of facilities.

### **Presentation of Interim Report**

Ms. Knight presented a draft of the commission's interim report for 2010. The report will be finalized by the end of 2010 and posted on the web site of the legislature. Printed copies of the report will be made available to commission members, if requested.

### **Lease-Purchase Agreement Review Process Guidance Document and Review of Web-Based Application**

John Petronis and Andy Aguilar, of Architectural Research Consultants, and commission master planners, presented to the commission the guidance document for lease-purchase agreement review and the associated web-based application to perform life-cycle cost analyses (LCCAs). Mr. Petronis said that the guidance document is almost identical to the document presented at the November meeting, except for some language clarifications and changing the initial review period of all proposed lease-purchases to the period 2011-2015.

Mr. Petronis led the commission through an example of a hypothetical LCCA to determine the facility option that would be the most cost-effective. Common alternatives include leasing or continuing to lease at prevailing local rates; constructing or purchasing a new facility using cash resources; lease-purchasing a facility from the private sector; and constructing or purchasing a facility using tax-exempt bond financing, including severance tax bonds, general obligation bonds, gross-receipts-tax-backed bonds and lease-purchase revenue bonds from the New Mexico Finance Authority.

The user agency would enter into the database a set of variables to determine the agency's facility needs. Data entered would include the gross square footage of the proposed new facility,

the desired occupancy date, the purchase price and gross square footage of an existing facility, current lease information, proposed lease-purchase costs and any other specialized costs not included in the general proposal. Controlled parameters include standard square foot construction costs by building type and location; costs for professional fees, contingencies and administration; standard operations and maintenance costs; replacement cost formulas; residual value calculation; and financial variable standards.

Mr. Petronis said that currently, the cost of acquiring buildings is generally less than the cost of constructing new buildings. The LCCA program could be used to explore the option of purchasing a building and renovating it for state use; however, building acquisitions would be subject to other master planning principles besides the LCCA.

Secretary Jaramillo asked if the LCCA program takes into account renovations of new facilities 20 years after initial construction and whether operating costs are factored into the program. Mr. Petronis said that the program is able to account for future renovations and operations and maintenance costs. PCD staff will need to provide input about accurate maintenance and operational costs of facilities and standard construction costs.

Senator Ingle asked whether other states have a system to evaluate facility acquisition options. Mr. Petronis said that other states have similar systems, but none that are as simple to use as the one developed for New Mexico. He said that most states perform this kind of analysis at the staff level. The New Mexico system is designed to provide quick financial analyses of possible options for all state agencies and other users. Controlled parameters will be uniform, which will make comparison of different projects reliable.

Senator Jennings said that contractors tend to overcharge state and local governments for capital projects. Potential bidders already know how much money has been allocated for a project, and construction bids tend to reflect that information. Mr. Petronis said that the LCCA program is intended to give a general idea of how much a particular project will cost. Construction bids, however, are based on an actual design of a building, and the bidding process tends to be competitive.

**Action Item:** *The Lease-Purchase Agreement Review Process Guidance Document was adopted by the commission unanimously.*

## **Preliminary Updates to and Discussion of all Metropolitan Area Master Plans**

### Capitol Buildings Master Plan Update

Mr. Aguilar reported to the commission on the progress of the update to the Capitol Buildings Master Plan (CBMP) for the state. The update is expected to be completed by the master planners by April 2011. The updated CBMP will be a comprehensive listing of the state campuses and will reflect the most recent activities and plans for each campus. The CBMP will also unify into one plan the existing master plans for all state campuses. Recent changes to state assets include the state capitol parking garage; the new Public Employees Retirement Association building; the archaeology center facility; the Motor Vehicle Division (MVD) field office in Santa Fe; the

scientific laboratory facility; the court of appeals facility; the substance abuse treatment center in Los Lunas; replacement and additions to Department of Health facilities in Las Vegas, Roswell, Fort Bayard and Truth or Consequences; the spaceport; land acquisitions at the west capitol campus and Los Luceros; and planned developments for the health and human services (HHS) complex and the executive office building (EOB).

The updated CBMP will include the history of state master planning initiatives, a summary of overall state holdings, notable master plan achievements, planning principles and a discussion of ongoing master planning challenges. Detailed descriptions of all area master plans will also be included.

### Planning Principles

Mr. Petronis reviewed master planning principles that have been developed by CBPC and PCD staff as part of the CBMP update and planning guidelines for state agencies to follow. General development principles include the following.

- Plan for future growth and change with flexibility to meet changing needs.
- Realize economic efficiencies by reducing long-term lease expenditures by gradually relocating agencies from leased space to state-owned space; promoting economies of scale and asset-sharing among agencies; promoting sustainable office environments; and reducing operating costs.
- Protect long-term asset value by providing sufficient resources for maintenance and periodic facility renewal; disposing of property only when expected benefits exceed its long-term value; maintaining and protecting critical infrastructure; and maintaining a strategic land bank for future use.
- Encourage co-location and consolidation of state agencies into single or adjacent sites that achieve functional, operational and logistical efficiency; promote convenient public access to government services; provide equitable and adequate space; meet functional needs; provide efficient space organization; and provide a quality environment for state employees.
- Coordinate state resources and strategies with local development efforts when siting new state facilities.
- Establish a framework for campus development, including land use and density, infrastructure development and management and architectural character.

Each campus will have its own master plan and specific design guidelines based on general development principles. Land use and siting guidelines should establish appropriate uses for each site based on the surrounding context, function, site availability and public access requirements; establish a framework for future circulation, parking, building sites and landscape planning; provide guidelines for density, building coverage and building height; and adopt incremental development strategies that consider the long-term development vision, make the most efficient use

of the site, promote integrated and structured parking and avoid dependence on long-term acquisitions for implementation. Vehicular and pedestrian movement strategies should separate vehicles from pedestrian movement systems, establish clear entry and exit points to each campus and identify areas for deliveries and employee drop-offs. Safe pedestrian routes should also be established between buildings. A consistent visual and architectural character for each campus should be established, and open space features should be developed.

Mr. Kehoe asked which entity would decide whether a proposed building project fits within the CBMP and campus master plan. Mr. Petronis said that the commission could make that determination after the initial agency-level planning process.

Mr. Simpson asked if a design-build project that fits within the CBMP would be better received by policymakers than a project that does not comply. Mr. Miller said that he hopes that any state agency contemplating a capital project will direct its planning consultants to follow the CBMP and its principles.

Speaker Lujan said that the CBMP should serve as a guidance document for agencies and project developers. The state is providing a valuable service to private entities that construct state buildings. He said that if a project were developed that was inconsistent with the CBMP, the commission would probably not endorse it.

Secretary Jaramillo said that an emerging issue in the development of state building projects is the interaction between the state and local governments. The state probably needs a unified position in how it deals with local governments when projects are being planned. The state should not be required to go through a local building code review process for state capital projects. Mr. Petronis said that the state usually accepts local ordinances without yielding sovereignty to local governments.

**Staff Directive:** *The master planners were directed to add language to the planning principles that asserts state sovereignty and were directed to delete language referring to local political concerns.*

#### Implementation Strategy Update

Mr. Petronis gave an update on recent master planning implementation strategies. Although CBMP principles focus on the long-term fiscal benefits to the state from state ownership and consolidation of agency space, the current economic climate may shift some priorities to short-term fiscal concerns. There are some opportunities that the state could consider that would benefit the state both in the short term and long term. The state should continue to fully develop existing state facilities to maximize space use instead of entering into new leases. However, the recession has impacted local commercial real estate markets, and buildings currently have high vacancy rates. The state should renegotiate existing leases whenever possible and look for opportunities to acquire existing facilities. In light of the current economic situation, acquiring and renovating a building may be less expensive than new construction.

Mr. Petronis recommended that existing planned developments proceed, including the HHS and EOB facilities and implementation of the first phase of the south capitol campus. The superblock campus in Albuquerque is still fiscally viable, but the state should also look for new opportunities of acquiring existing commercial buildings. Las Cruces commercial buildings may be similarly attractive for state acquisition.

### **Review of Land Exchange for Santa Teresa Port of Entry**

Mr. Taylor presented to the commission the land exchange being made between the state and Verde Realty for the completion of the Santa Teresa port of entry. Senate Joint Resolution 9 in 2010 and Senate Joint Resolution 9 in 2006 granted the PCD the authority to trade land for the project. The 2010 legislation also required review by the commission before the trade can proceed. The state is trading three parcels of state land consisting of 17.36 acres for two privately owned parcels consisting of 21.2 acres. Land the state is trading consists of the existing port-of-entry land and land immediately adjacent to the Pete Domenici Highway. Land the state is acquiring is immediately north of the international port of entry. It will be used to construct the state's new port-of-entry facility. Final archaeological surveys need to be completed before the land exchange can proceed. Mr. Taylor said he expects the transfer to occur in January 2011.

Mr. Valerio said that the Department of Transportation has been working on this project in collaboration with the Department of Public Safety and the PCD. Mr. Taylor said that the current location of the state's port of entry does not work very well and is a safety hazard. The state has been losing revenue from commercial vehicle fees because many vehicles do not stop at the port of entry. When the new facility is completed, vehicles leaving the international port of entry will drive directly into the state's port of entry. The 3.8 acres the state is acquiring directly south of National Avenue is needed for drainage purposes. After initial schematics for the facility were completed, it was determined that there was not enough land on the 17.4-acre parcel north of National Avenue, and the legislature in 2010 gave approval to acquire additional land.

**Action Item:** *The commission approved the review of the Santa Teresa land exchange unanimously.*

### **PCD Regional Updates**

Mr. Taylor updated the commission on PCD projects.

#### Santa Fe

- The state purchased property on the former College of Santa Fe campus in November. The City of Santa Fe is assuming responsibility for the asbestos remediation and demolition of the barracks on the property. Mr. Taylor reported that the GSD plans for Tract C of the property to be sold by the state to Santa Fe Community College if appropriations are authorized. (This is not part of the approvals for the west capitol campus master plan.)

- The new MVD office is scheduled for occupancy on March 1, 2011.

- The Las Soleras land acquisition for development of the HHS facility was approved by the State Board of Finance in November.

Mr. Simpson asked about the current status of the EOB. Mr. Taylor said that the project is still in the programming phase, and construction will not begin for at least one year. He said that negotiations with the City of Santa Fe regarding the casitas on the site could stall the project even longer.

#### Los Lunas

- Demolition has been completed of four buildings on the old hospital campus.
- The substance abuse treatment facility will be completed in January 2011.

#### Fort Bayard

- The Department of Health has vacated the old facility and is occupying the newly constructed facility. The PCD is preparing to enter into a contract to study the potential uses for the old facility.

#### Las Cruces

- The City of Las Cruces is proceeding with legislation to grant the PCD the authority to transfer title of the Camunez building to the city. The 6,000-square-foot building is located within the Las Cruces Main Street Downtown Tax Increment Development District.

Ms. Knight noted that the master planners have not evaluated the donation of the building with reference to the Las Cruces area master plan. She said that the CBPC is charged with reviewing how property dispositions are handled.

Mr. Miller said that the Camunez building shares a wall with the Rio Grande theater, which is an integral component of the revitalization project. There is no surrounding land associated with the building. He said that it makes sense for the city to acquire the building because the PCD does not have any current need for the building.

Speaker Lujan asked whether the building has been appraised. Mr. Taylor said that it has not yet been appraised. Speaker Lujan said that the donation of the building to Las Cruces needs to be reviewed by the CBMP master planners. The state should consider trading the building for other property the state may desire in order to implement the Las Cruces area master plan. Mr. Taylor agreed, and said that there were discussions about property trades when the building was originally proposed for acquisition by the city.

Secretary Ashman said that if a state-owned property qualifies for historic preservation status, it cannot be demolished.

There being no further business, the commission adjourned at 3:32 p.m.

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## **J. MASTER PLANNING DOCUMENTS**

Master plans and master plan presentations for the 2010 meetings of the Capitol Buildings Planning Commission may be located at the following link on the New Mexico legislative web site:

<http://www.nmlegis.gov/Session/InterimCommittees/CBPC/>