



Capitol Buildings Planning Commission

2011 INTERIM REPORT

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**CAPITOL BUILDINGS
PLANNING COMMISSION**

2011

INTERIM REPORT

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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 planning 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 that are no longer able to serve their mission. 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 of representatives, and Edwynn L. Burckle, secretary of general services, co-chaired the commission during the 2011 interim.

The actual commission members who served during the 2011 interim, in addition to Secretary Burckle 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; Richard May, succeeded by Tom Clifford, secretary of finance and administration; Veronica N. Gonzales, secretary of cultural affairs; Alvin C. Dominguez, secretary of transportation; Ray Powell, commissioner of public lands, with Elaine Olah 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 James B. Lewis, state treasurer, with Clarence Smith serving as the treasurer's designee.

The CBPC does not have a budget; however, the Legislative Council Service (LCS) provides staff for the commission in coordination with the staff architect and other Property Control Division (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

D. 2011 INTERIM SUMMARY

2011 INTERIM SUMMARY

The Capitol Buildings Planning Commission (CBPC) met five times between June and December 2011. Additionally, many staff and consultant workshops and meetings were conducted to address master planning, the updating of master plans, asset management, capital financing and more. Public and state agency input was received throughout the interim during meetings of the commission. Regular updates were offered about legislative initiatives and actions and master planning for state campuses and facilities. Periodic updates were provided by the PCD, the Cultural Affairs Department (CAD) and the Department of Transportation (DOT) about state properties, capital projects, renovations, acquisitions and agency office leases.

Membership

With the change in governorship, all the cabinet agency representatives on the CBPC changed, resulting in the initial interim meetings being focused on introducing the new members to the history of the commission and what has occurred with master planning in recent years. There was an election to select the co-chairs, Speaker Ben Lujan and Secretary of General Services Burckle.

During the introductory presentations to the members, it was noted that one of the main benefits of the CBPC is bringing together multiple agencies and branches of government to plan state infrastructure. The commission has four main areas of responsibility: (1) studying and planning for the long-range facilities needs of state government and developing master plans for campuses and facilities statewide; (2) reviewing proposed lease-purchase agreements; (3) developing recommendations for addressing deferred maintenance and disposal strategies for state facilities; and (4) developing recommendations for acquisitions of state facilities using life-cycle costing tools.

Review of 2011 Legislation Affecting State Facilities/Assets

In 2011, the legislature authorized the PCD to sell a former College of Santa Fe parcel of land to the Santa Fe Community College for \$1.5 million. Also, the legislature authorized a transfer of the Katherine Gallegos Elementary School site in Los Lunas to the local school district with the contingency that the property revert to the state if, eventually, it is no longer used for the school. In Las Cruces, the state-owned Camunez Building, located in the recently authorized tax increment development district in downtown Las Cruces, was transferred to the City of Las Cruces.

Facilities Master Planning

Master planning opportunities are continuously being explored by the commission and its staff in collaboration with state agencies, including achieving an appropriate balance of owned-versus-leased space; assessing the needs of state agencies housed in local government-provided facilities; developing a comprehensive database of state agency facilities and related assets, such as water rights and vacant lands; addressing the ongoing problem of deferred maintenance in state-owned facilities; identifying state employee full-time-equivalency (FTE) counts associated

with each facility and location; instituting policies for state agencies to complete government collaboration in developing state projects in historic districts and addressing historic preservation issues for state facilities; and integrating sustainable planning concepts into the master plans.

In June 2011, the master planning consultants presented updates of all the metropolitan area master plans, reviewing each campus and conceptual plans of possible development. All plans were assembled into a single document, allowing the commissioners and the public to have easy access to the information. The plans and a variety of other planning documents and presentations are now available on the legislative web site, www.nmlegis.gov, and in reference binders for the commission members and staff.

The commission was informed that the state has approximately 96 million total gross square feet (gsf) of facilities, but the majority of that footage is under the control of higher education (24 percent, or 22.7 million gsf) and public schools (61 percent, or 58.9 million gsf). Public schools have independent processes for facility planning, management and maintenance, and higher education has a mechanism to address ongoing capital facilities renewal. The remaining 13.8 million gsf are not under the purview of education; rather, they fall primarily under the executive and legislative branches of government, with nearly half under the jurisdiction of the PCD (49 percent, or 6.6 million gsf).

Acquisition and Disposition of Property

There are numerous statutes and rules pertaining to the acquisition and disposition of properties by governmental entities in New Mexico. The primary entity having the most frequent approval role for property transactions is the State Board of Finance; however, legislative approval for certain property transactions is required. Currently, the state does not have a clear and unified process for the acquisition and disposition of facilities, assets and sites. Staff presented flow charts to the members for both the acquisition and disposition approvals required for the sale, trade, lease, donation, exchange, lease-purchase or demolition of real property by state agencies and governing boards, boards of regents, school districts, charter schools and local public bodies.

New Mexico has a relatively decentralized process for facilities and land asset management, although the central financial control for many processes is held by the State Board of Finance. There are redundancies and inefficiencies in the levels of approval; however, some of these redundancies serve as a form of checks and balances within state government. During commission meetings, it was noted that the public schools have more comprehensive facilities management practices, including: (1) comprehensive planning at the school level and with the state; (2) implementation tied to dedicated funding; and (3) the development of consistent implementation procedures for school districts accepting state funding.

Much of the success in public schools facilities management is attributable to the laws passed and processes implemented as a result of the 1999 *Zuni* lawsuit (*The Public School District et al. v. the State of New Mexico et al.*, cv-98-14-11). Statutes and systems are in place to target considerable earmarked funding for public school facilities construction and school

facilities planning through the Public School Capital Outlay Council and the Public School Facilities Authority (PSFA).

Lease Surveys and Leases

The PCD surveyed state agency facility leases, finding a total of 321 existing leases representing \$42.3 million in annual lease payments for 2.33 million square feet of space and housing 5,814 full- and part-time employees. The average amount of square footage per FTE position is 401 at an annual leased-space cost of \$7,282. After evaluation and analysis, 28 leases were identified for potential consolidation and savings of \$2.7 million annually. By December 2011, the PCD had renegotiated or terminated eight leases, resulting in lease cost savings of more than \$819,000 annually. The PCD continues to monitor 89 leases, representing \$9 million annually, which have shorter than two-year agreements, with some potential for consolidation. The agency is still working on a survey of state-owned space for assessing the impact of a 14 percent reduction in FTEs over the last three years.

Deferred Maintenance, Asset Management Best Practices and Implementation Strategies and Capital Financing

The commission heard presentations about deferred maintenance and facilities renewal that underscored how delaying maintenance for a period of time can evolve into a capital expense far exceeding the cost for a timely repair or maintenance issue. Additionally, timely renewals (life-cycle maintenance) of critical facility systems can prevent costly repairs and result in substantial savings in operational efficiencies. Staff members noted the importance of having a plan in place for the renovation or demolition of older properties prior to the relocation of staff and programs into a new facility. Another point made by the staff was the need to review acquisitions by and donations to the state of real properties before governmental entities assume ownership, especially when those properties may cause the state to incur considerable operational or maintenance costs in the future.

The CAD presented information about its facilities and assets, noting that the department is responsible for 180 buildings, including 81 historic buildings; that it owns 1,000 acres (not including archaeological sites); and that it manages another 130 acres. The PCD/GSD and the DOT staff also gave presentations to the commission about the challenges of financing repairs, renovations and upgrades to a variety of facilities under the jurisdiction of those agencies. The PCD is using the FacilitiesMax database (now known as AIM) to enter the serial numbers of large building components so that a deferred maintenance program can track the life cycle of the components and needed renewals.

Some discussion was held about the setting aside of one percent of every department budget for maintenance and building repair, which could generate potentially \$50 million a year. Staff reported that funding for maintenance or deferred maintenance is limited and that a building use fee enacted in the 1990s has never been implemented to help with the funding. Suggestions were made to activate the fee and to earmark a recurring amount of capital funding for the Public Buildings Repair Fund.

The commission's consultants reviewed deferred maintenance issues, detailing the costs of initial construction and building ownership over the life cycle of a facility. The consultants emphasized that when maintenance system upgrades or repairs are deferred to a future budget cycle or postponed until funding becomes available, building systems run until they fail and costs are accelerated. One expert has calculated that deferred maintenance can increase to 15 times the total repair cost when repairs or renewals are deferred.

Based on a review of previous, but dated, facility condition assessments and comparisons with other condition assessments, a very preliminary figure in current dollars of \$1.4 billion was estimated to be the cost of needed facility renewals (without higher education), and possibly as much as an additional \$2 billion was estimated for higher education. It was projected that 10 percent to 20 percent of the needs are high priority, with amounts of \$144 million to \$288 million (without higher education) and an additional \$209 million to \$418 million for higher education.

The consultants noted that the best practices of four other states (Arizona, Texas, Utah and Washington) include an inventory of assets, comprehensive assessment of the condition of facilities, identification of priorities in a way that separates needs from wants, centralization of management of state facilities and sites, preparation of a statewide plan that encompasses owned and leased facilities and provision of a dedicated source of revenue for capital facilities renewal. Particular notation was made of the Utah State Building Board and the Texas Facilities Commission.

A review of practices in New Mexico presented both strengths and weaknesses. The good practices include that departments are required to prepare strategic plans as part of performance-based budgeting. Another includes the higher education dedicated capital facilities renewal revenues; the public schools capital and maintenance planning; the existing technical and specialized staff at the PCD and the PSFA; the progress that has been made to date on the statewide inventory; and the capital project approval process through the State Board of Finance and the CBPC.

The areas suggested for improvement include fragmented ownership, responsibilities and procedures for managing facilities; the lack of a unified, comprehensive facilities/asset inventory; the absence of a consistent assessment of facilities, outside of the process used for public schools; the absence of a unified process for strategic capital planning and budgeting; the absence of a consistent process for the disposal of assets; no linkage of strategic planning with capital planning; no continuous and dedicated source of funding; and a large backlog of capital needs.

The following recommendations were presented to the commission:

1. adopt a strategic asset management model, which would include completing an inventory and database of state facilities and sites;
2. conduct a comprehensive and consistent assessment of state facilities;
3. prepare departmental and agency master plans linked to strategic plans;
4. centralize facility ownership and management of state facilities;

5. prepare a statewide plan that encompasses owned and leased facilities; and
6. identify a dedicated source of revenue for capital facilities renewal.

The commission had active discussions about deferred maintenance, and there was general agreement that the completion of the inventory and database of state facilities and sites and the conducting of a comprehensive and consistent assessment of state facilities (a facilities condition assessment) need to be accomplished.

Capital Financing

Staff reviewed the steps in the strategic facility planning process:

- determining facility requirements from the strategic plan for agency outcomes and operations;
- evaluating the existing facility inventory condition and ability to meet future facility needs;
- using life-cycle costing to choose new facility design, construction, acquisition and finance methods; and
- using the most cost-effective finance tools for required maintenance, renovation and new facility acquisition.

Discussion covered the historical financing of the public schools via severance tax bonding resulting from the *Zuni* lawsuit and the fact that a dedicated revenue source creates opportunities to implement a successful building renewal program for facilities and capital projects.

The consultants and staff presented cost estimates for a three-year plan to complete the recommendations; however, the first two years of initial costs are estimated at \$3.3 million, which was incorporated into the 2012 legislative recommendations from the commission. Third-year financing was projected at an additional \$400,000. Although capital facilities renewal funding was estimated at \$40 million annually, the commission did not take action on the estimate. The endorsed funding recommendations are detailed below.

Updates for CBPC-Sponsored Capital Projects and Other State Projects

Executive Office Building (EOB) — Main Capitol Campus

The PCD has been working with the Historic Preservation Division of the CAD on the proposed demolition of the four casitas located on the site where the EOB is to be built. The division is acquiring historic architectural services for demolition mitigation and will commence a design-build process after appropriate approvals and processes have been achieved for the new facility.

Health and Human Services (HHS) Facility, Phase 1 — Proposal for Las Soleras Land Acquisition

The PCD has received approval from the State Board of Finance for the third extension to May 15, 2012 on the potential purchase and trade of real property to and from Paseo Nuevo, Ltd. Co. for the potential location of the HHS facility. (The purchaser will convey \$5,948,226.80 and real property worth \$1,938,855.60.) The extensions have been requested due to delays in federal approvals for eventual construction of a Rail Runner station at Las Soleras. The station would be privately funded by Beckner Road Equities, Inc., and constructed in the median of Interstate 25 (I-25) near the development.

The secretary of the transportation reported that a technical report on the proposed station's impact on I-25 traffic, an environmental assessment and an analysis of potential station ridership have been prepared and reviewed by the involved state agencies and the project stakeholders. Questions have been raised about the private ownership of certain property adjacent to the proposed rail stop and about future maintenance of a rail stop. Public hearings will have to take place as well; thus, resolution is expected to take months, easily running into mid-2012.

New Roswell Rehabilitation Center

The 45,000-square-foot facility was completed and occupied by the Department of Health (DOH) in April 2011. An assessment has been under way to determine if the old rehabilitation center might be re-purposed as a juvenile detention facility in the southeastern part of the state.

Fort Bayard

In March 2011, the DOH occupied a new Fort Bayard medical center, which the agency is leasing from Grant County. The 468-acre Pershing-era fort is located six miles outside Silver City and has 81 structures on the site, including the former 145,000-gsf hospital, which need significant repair and are deteriorating rapidly. The fort's most valuable asset is its 280 acre-feet of highly potable water; current operations utilize approximately 54 acre-feet. Maintenance of the fort currently costs the state about \$45,000 per month.

A three-part disposition assessment and feasibility study was conducted in 2011, and several recommendations for future ownership and management of the fort are still being studied. Some recommendations include maintaining the status quo of state ownership and management; conveying some portions to a land trust; donating portions for economic development and affordable housing; transferring portions to local government; leasing water rights for beneficial uses; and demolishing buildings that have exceeded their useful lives.

Other Projects

Additional reports addressed:

- renovation of the Workforce Solutions Department buildings in Las Cruces;
- construction of the new state police district office in Las Cruces;
- the land exchange for the Santa Teresa port-of-entry weigh station;

- construction of the New Mexico Behavioral Health Institute's new Meadows Phase 1 project in Las Vegas;
- the April 2011 opening of the new Motor Vehicle Division office in Santa Fe;
- the Bataan, Runnels and Lujan building renovations in Santa Fe;
- demolition plans for buildings at the GSD surplus property site and Tract O at the former College of Santa Fe site; and
- a five-year lease, which commenced April 1, 2010, of the Grasslands in Los Lunas, where the state has 288 acres of land with water rights.

Final Recommendations for 2012 Legislation

A. Each year, the commission considers endorsements 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.

1. The commission put forth a five-year facilities master planning bill in the 2011 legislative session (SB 193), which was passed unanimously by both houses of the legislature. The bill was pocket vetoed by the governor without discussion as to the reason for its demise. For the 2012 legislature, the commission has endorsed reintroduction of the bill with the addition of funding for a statewide facilities condition assessment (\$2.3 million) and planning and design funding (\$1 million) for five-year facilities master plans.

The legislation does not restructure any government agencies or divisions; it does, however, require that capital projects in the master plans be prioritized and further classified as:

- a. those requesting funding for the initial planning and design phase; or
- b. 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 and develop guidelines for the agencies in the development of the plans.

2. The commission also supported a reauthorization proposal to continue funding for the Capitol and Capitol North renovations, which will result from the relocation of constitutional officers and their staff into the Bataan Building after construction of an EOB for the Department of Finance and Administration. Additionally, the proposal continues funding to provide master planning services to the commission. The extensions would run through fiscal year 2016 if adopted by the legislature.

B. The capital outlay requests presented to the CBPC by state agencies noted below were endorsed by the CBPC as per their consistency with the Capitol Buildings Master Plan

and master planning principles; however, the commission did not take a position on the funding prioritization for the various requests.

The endorsed projects are as follows:

FOR THE CULTURAL AFFAIRS DEPARTMENT:

- \$9,373,000 for repairs and maintenance of cultural assets spread throughout New Mexico (\$1,945,000 is listed as life/safety priorities);
- \$4,175,000 to complete projects started;
- \$955,000 for renovations/remodels statewide; and
- \$2,470,000 for cultural facilities equipment.

FOR THE GENERAL SERVICES DEPARTMENT:

- \$10,000,000 for statewide building repairs/renovations, including life/safety needs;
- \$10,000,000 for phase 1 of the Lujan Building renovation;
- \$2,000,000 for statewide planning and master planning, design, demolition and decommissioning of facilities;
- \$2,000,000 for pre-design and design phases of the Runnels Building renovation;
- \$260,000 for phase 1 of the restoration of the Bataan Building;
- \$6,000,000 for state building energy-efficiency measures; and
- \$120,000 for the phase 1 restoration of the former Public Employees Retirement Association facility at the main capitol campus.

FOR THE CORRECTIONS DEPARTMENT:

- \$13,000,000 for heating, ventilation and air conditioning systems at housing units in prisons (Southern New Mexico Correctional Facility, Central New Mexico Correctional Facility and Western New Mexico Correctional Facility);
- \$2,000,000 for statewide critical security upgrades in prison facilities; and
- \$3,000,000 for statewide security maintenance/equipment and repairs.

FOR THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT:

- \$1,975,000 to plan, design and acquire land for a new 54-bed facility for the Cambiar model regional plan.

FOR THE STATE COMMISSION OF PUBLIC RECORDS:

- \$500,000 for high-density shelving for the Albuquerque facility; and
- \$213,000 for the design of an expansion to the State Records Center and Archives in Santa Fe.

FOR THE DEPARTMENT OF PUBLIC SAFETY:

- \$3,600,000 to complete the design and construction documents for renovation of the old dormitory at the New Mexico Law Enforcement Academy.

FOR THE DEPARTMENT OF HEALTH :

- \$1,567,000 for facility master plans for the DOH campuses.

E. 2012 LEGISLATIVE INITIATIVES

2012 LEGISLATIVE INITIATIVES

Capitol Buildings Planning Commission (CBPC)

December 2011

CBPC GENERAL LEGISLATION:

1. FIVE-YEAR FACILITIES MASTER PLANS — This is a slightly modified version of SB 193 (2011), which was pocket vetoed. The senate passed it 35-0. The House passed it 67-0. It contains appropriations in a new Section 5 and renames subsequent sections.

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 (GSD) and consistent with the CBPC master plans and planning principles. The plans are to be 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 are required to be prioritized and further classified:
 1. as those requesting funding for the initial planning and design phase; or
 2. for the full project costs after the planning and design phase has been completed and approved by the appropriate planning entity.
- The PCD provides technical assistance to the agencies in the development of the plans and develops the guidelines for the plans.
- The guidelines shall include:
 1. requirements for preventive and deferred maintenance plans;
 2. a 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 under the jurisdiction of the Higher Education Department;
3. certain State Transportation Commission and Department of Transportation non-administrative facilities;
4. independent authorities specifically exempted from laws governing state agencies;
5. public schools and charter schools; and
6. the Public School Facilities Authority, when the authority acquires property pursuant to the Public School Capital Outlay Act.

2. EXTENSION OF EXPENDITURE PERIOD FOR MASTER PLANNING AND RENOVATION FUNDS — This extends the expenditure period of appropriations for continued statewide master planning for the CBPC and renovations to the State Capitol resulting from the future construction of the executive office building and relocation of executive agencies.

NON-CAPITAL OUTLAY LEGISLATION FROM THE GSD:

No proposed legislation was submitted.

CAPITAL OUTLAY WITHIN MASTER-PLANNED AREAS OF NEW MEXICO:

In prior years, the CBPC has endorsed certain capital outlay requests presented to it for its consideration as to consistency with the:

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

FROM THE CBPC: no proposals were submitted.

FROM THE CULTURAL AFFAIRS DEPARTMENT:

- \$9,373,000 for repairs and maintenance of cultural assets spread throughout New Mexico (\$1,945,000 is listed as life/safety priorities);
- \$4,175,000 to complete projects started;
- \$955,000 for renovations/remodels statewide; and
- \$2,470,000 for cultural facilities equipment.

FROM THE PCD:

FOR THE GSD:

- \$10,000,000 for statewide building repairs/renovations, including life safety needs;
- \$10,000,000 for phase 1 of the Lujan Building renovation;
- \$2,000,000 for statewide planning and master planning, design, demolition and decommissioning of facilities;

- \$2,000,000 for pre-design and design phases of the Runnels Building renovation;
- \$260,000 for phase 1 of the restoration of the Bataan Building;
- \$6,000,000 for state building energy-efficiency measures; and
- \$120,000 for the phase 1 restoration of the former Public Employees Retirement Association facility at the main capitol campus.

FOR THE CORRECTIONS DEPARTMENT:

- \$13,000,000 for heating, ventilation and air conditioning systems at housing units in prisons (Southern New Mexico Correctional Facility, Central New Mexico Correctional Facility and Western New Mexico Correctional Facility);
- \$2,000,000 for statewide critical security upgrades in prison facilities; and
- \$3,000,000 for statewide security maintenance/equipment and repairs.

FOR THE CHILDREN, YOUTH AND FAMILIES DEPARTMENT:

- \$1,975,000 to plan, design and acquire land for a new 54-bed facility for the Cambiar model regional plan.

FOR THE STATE COMMISSION FOR PUBLIC RECORDS:

- \$500,000 for high-density shelving for the Albuquerque facility; and
- \$213,000 for the design of an expansion to the State Records and Archives Center in Santa Fe.

FOR THE DEPARTMENT OF PUBLIC SAFETY:

- \$3,600,000 to complete the design and construction documents for renovation of the old dormitory at the New Mexico Law Enforcement Academy.

FOR THE DEPARTMENT OF HEALTH (DOH):

- \$1,567,000 for facility master plans for the DOH campuses.

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
1997-2011

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

1997		
1997	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.
1998		
1998	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.
1998	SJR 13 (Maes).	Charged the CBPC with review of the disposition of the properties known as La Villa Rivera, Marian Hall and Cathedral Park.
1998	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.
2000		
2000	<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.
2000	<i>Senate Bill 135 (Fidel) failed.</i>	Would have created the State Office Building Acquisition Bonding Act.
2001		

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2001	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).
2001	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.)
2002		
2002	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2002	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.
2003		
2003	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.
2003	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.
2003	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.
2003	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2004		
2004	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.
2004	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.
2005		
2005	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.
2005	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2005	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 and to be transferred to the New Mexico Legislative Council upon completion; 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.
2005	House Joint Resolution 9 (B. Lujan).	Constitutional amendment proposing that the state and school districts enter into lease-purchase agreements for the acquisition of buildings and other real property.
2006		
2006	<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.
2006	House Joint Resolution 9 (2005) adopted by the voters Nov. 7, 2006. Compiled under Article 9, Section 8 of the Constitution of New Mexico.	Allowed the state and school districts to enter into lease-purchase agreements for the acquisition of buildings and other real property.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2007		
2007	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), Chapter 365 (partial veto) for public school facilities.)</i>
2007	Senate Bill 1061 (Ingle), Chapter 64.	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2007	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.
2007	House Bill 2 (Saavedra), Chapter 28.	Provided additional funds and two FTEs in the GSD/PCD.
2007	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.
2007	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.
2007	House Joint Resolution 8 (B. Lujan).	Authorized sale or trade of Galisteo property in Santa Fe.
2007	House Joint Resolution 14 (Sandoval).	<u>Not CBPC legislation</u> , but authorized the lease of certain property adjacent to Edith Boulevard (YDDC) in Albuquerque.
2008		
2008	<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.
2008	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)
1997-2011**

2008	<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.
2008	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.
2008	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.
2008	<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)
1997-2011**

2009		
2009	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).
2009	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)
1997-2011**

2009	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.
2009	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.
2009	<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.
2009	<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)
1997-2011**

2009	HTRC/House Bill 154, Chapter 125.	<p><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) with an appropriation expiring June 30, 2013; \$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).</p>
2009	House Joint Resolution 19 (Park).	<p><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.</p>
2010		
2010	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
2010	SFC/Senate Bill 200 (regular session), Chapter 73. Enacted a new Section 15-3-36 NMSA 1978.	<p><u>Not CBPC legislation</u>, but established energy-efficiency standards for new state government buildings.</p>

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2010	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.
2010	SF1/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.
2010	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.
2010	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).

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

2011		
2011	House Joint Resolution 9 (Varela)	<u>Not CBPC legislation</u> , but authorized the donation or sale of property on the former College of Santa Fe campus to Santa Fe Community College.
2011	Senate Joint Resolution 1 (Papen)	<u>Not CBPC legislation</u> , but authorized the donation of the Camunez Building to the City of Las Cruces.
2011	Senate Joint Resolution 11 (Sanchez)	<u>Not CBPC legislation</u> , but authorized the transfer of land upon which is located Katherine Gallegos Elementary School to the Los Lunas Public School District.
2011	<i>Senate Bill 193 (Ingle), pocket vetoed.</i>	Would have required state agencies to develop five-year facilities master plans, based on guidelines developed by the PCD and consistent with CBPC master plans and planning principles.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2011**

<p>2011</p>	<p><i>SFC/Senate Bill 218, (Cisneros) failed.</i></p>	<p><u>Not CBPC legislation</u>, but would have authorized severance tax bonds for many state projects within master-planned areas, including \$300,000 for Workforce Solutions Department projects in Albuquerque, Deming and Las Vegas (Section 5, Subsections 3, 6 and 19); \$18.6 million for Corrections Department projects statewide (Section 5, Subsections 4, 5, 7, 8 and 28); \$3.9 million for Children, Youth and Families Department projects in Albuquerque and southeastern New Mexico (Section 5, Subsections 9 and 10); \$12.8 million for projects at the New Mexico Behavioral Health Institute in Las Vegas (Section 5, Subsections 12-18); \$12 million for renovations to buildings at the South Capitol Campus in Santa Fe (Section 5, Subsections 21 and 22); \$10.8 million for Department of Health projects in Truth or Consequences and Los Lunas (Section 5, Subsections 23-26); \$5 million for the drug and substance abuse treatment facility in Los Lunas (Section 5, Subsection 27); \$2 million for demolition and decommissioning of state buildings statewide (Section 5, Subsection 29); and \$5 million for repairs, renovations and deferred maintenance abatement at state buildings statewide (Section 5, Subsection 30).</p>
<p>2011</p>	<p><i>HM 52 (Maestas).</i></p>	<p><u>Not CBPC legislation</u>, but calls for collaboration among certain agencies to achieve cost-effective consolidation of agency offices into state-owned facilities in Albuquerque.</p>

H. AGENDAS

Revised: June 13, 2011

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

**June 14, 2011
Room 311, State Capitol
Santa Fe**

Tuesday, June 14

1:30 p.m. **Call to Order and Roll Call; Approval of Agenda**
—Representative Ben Lujan, Speaker of the House

Introduction of Members, Designees, Staff and Consultants

**Staff Report on Election of Officers; Review Open Meetings Resolution and
General Meeting Information; Legislative Update**
—Roxanne Knight, Commission Staff, Legislative Council Service (LCS)

Action Item: Election of Officers

Action Item: Adoption of Open Meetings Resolution

Action Item: Adoption of December 16, 2010 Minutes (Regular Meeting)

2:00 p.m. **Primer on the Capitol Buildings Planning Commission**
—Roxanne Knight, Commission Staff, LCS
—John Petronis, Commission Facilities Planner, Architectural Research
Associates (ARC)
—Andy Aguilar, Commission Facilities Planner, ARC

**Update on the Executive Office Building and the Health and Human Services
Complex — Phase 1**
—Chuck Gara, Director, Property Control Division (PCD), General Services
Department (GSD)
—Lemoyne Blackshear, Staff Architect, PCD, GSD

Break (10 Minutes)

Presentation of Master Plan Updates
—John Petronis, Commission Facilities Planner, ARC
—Andy Aguilar, Commission Facilities Planner, ARC

Public Comment

Tentative Meeting Dates: July 12; August 12; October 11; November 8

Adjourn

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.

Revised: August 25, 2011

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

**August 29, 2011
Room 311, State Capitol
Santa Fe**

Monday, August 29

1:30 p.m. **Call to Order; Approval of Agenda**
—Representative Ben Lujan, Speaker of the House

Property Control Division (PCD) Regional Updates; Full-Time-Equivalent Location Survey; PCD Lease Survey for Privately Owned Space; Los Lunas/Grassland Campuses — Follow-Up
—Chuck Gara, Director, PCD, General Services Department (GSD)

Capitol Buildings Planning Commission Review:
—**House Joint Resolution 9 (2011): Sale of West Capitol Property to Santa Fe Community College**
—**Senate Joint Resolution 11 (2011): Transfer of Certain Los Lunas Campus Property to the Los Lunas Public School District**
—Chuck Gara, Director, PCD, GSD

Action Item: CBPC Adoption of the Final Review for: (1) HJR 9 Sale; and (2) SJR 11 Transfer

Action Item: Adoption of June 14, 2011 Minutes

Staff Reports; Acquisition and Disposition of Property by New Mexico Governmental Entities and Commission Discussion
—Commission Staff:
—Roxanne Knight, Commission Staff, Legislative Council Service
—Chuck Gara, Director, PCD, GSD
—Lemoyne Blackshear, Staff Architect, PCD, GSD
—John Petronis, Commission Facilities Planner, Architectural Research Consultants (ARC)
—Andy Aguilar, Commission Facilities Planner, ARC

Public Comment
2011 Meeting Dates: October 11; November 8
Adjourn

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

**October 11, 2011
Room 311, State Capitol
Santa Fe**

Tuesday, October 11

1:30 p.m. **Call to Order; Approval of Agenda**
—Representative Ben Lujan, Speaker of the House, Co-Chair
—Edwynn L. Burckle, Secretary, General Services Department (GSD), Co-Chair

Action Item: Adoption of August 29, 2011 Minutes

Deferred Maintenance — (1) Review of Current Practices for Addressing Maintenance/Repair of Facilities; (2) Agency Capital Requests in Master Planned Areas:

Cultural Affairs Department (CAD)

—Veronica N. Gonzales, Secretary, CAD

General Services Department

—Edwynn L. Burckle, Secretary, GSD

—Chuck Gara, Director, Property Control Division, GSD

Department of Transportation (DOT)

—Alvin C. Dominguez, Secretary, DOT

Status Report — Federal Review and Environmental Assessment — Rail Runner Station at Las Soleras Location

—Alvin C. Dominguez, Secretary, DOT

Deferred Maintenance: Asset Management Best Practices

—John Petronis, Commission Facilities Consultant, Architectural Research Consultants (ARC)

—Andy Aguilar, Commission Facilities Consultant, ARC

Member Discussion

Action Item: Recommendations Regarding Deferred Maintenance

Staff Reports

Preliminary Discussions of Any Legislative Proposals

—Staff

Public Comment

**2011 Meeting Dates: November 8; and, if needed, a December
6 meeting might be scheduled**

Adjourn

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.

Revised: November 7, 2011

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

**November 8, 2011
Room 311, State Capitol
Santa Fe**

(Please check www.nmlegis.gov for revisions to the agenda)

Tuesday, November 8

1:30 p.m. **Call to Order; Approval of Agenda**
—Representative Ben Lujan, Speaker of the House, Co-Chair

Implementation Strategies for Asset Management (and Adopted Recommendations) and Reevaluation of Existing Master Plan Strategies
—John Petronis, Commission Facilities Planner, Architectural Research Consultants (ARC)
—Andy Aguilar, Commission Facilities Planner, ARC

Capital Financing
—Dr. Tom Pollard, Capitol Buildings Planning Commission (CBPC) Staff

Action Item(s): Directions to staff relating to previous presentations
Action Item: Adoption of October 11, 2011 minutes

Public Comment

Legislative Proposals and Agency Requests in Master Planned Areas; State Purchasing Comment on Procurement Task Force Initiatives
—Raúl E. Burciaga, Director, Legislative Council Service (LCS)
—Chuck Gara, Director, Property Control Division (PCD), General Services Department (GSD)
—Roxanne Knight, CBPC Staff, LCS
—Lemoyne Blackshear, Staff Architect, PCD, GSD
—Douglas Carver, CBPC Staff, LCS
—Dr. Tom Pollard, CBPC Staff, LCS
—Lawrence Maxwell, State Purchasing Agent and Director (invited presenter)

Action Items: Discussion and adoption of legislative proposals; endorsement of capital requests as to consistency with the Capitol Buildings Master Plan and Planning Principles.

Action Item: Approval to meet in executive session for the following purpose: Section 10-15-1(H)(6) NMSA 1978 to discuss "... the contents of competitive sealed proposals solicited pursuant to the Procurement Code [13-1-28 NMSA 1978]....The actual approval of purchase of the item or final action regarding the selection of a contractor shall be made in an open meeting.". Requires a majority of the quorum, to be voted on in open session and each member vote recorded.

CLOSED Staff Committee Report to the CBPC Sitting as a Selection Committee

- Raúl E. Burciaga, Director, LCS
- Chuck Gara, Director, PCD, GSD
- Roxanne Knight, CBPC Staff, LCS
- Douglas Carver, CBPC Staff, LCS

OPEN Action Item: Any action resulting from the closed session shall be voted on in an open meeting.

Next Meeting: December 6, 2011 at 1:30 p.m., Room 311, State Capitol

Adjourn

Notice requirement: If you require special accommodations, such as a hearing interpreter, to participate in a meeting, please contact the LCS 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.

TENTATIVE AGENDA
for the
FIFTH MEETING
of the
CAPITOL BUILDINGS PLANNING COMMISSION
December 6, 2011
Room 311, State Capitol
Santa Fe
(Please check www.nmlegis.gov for revisions to the agenda)

Tuesday, December 6

10:30 a.m. Call to Order

Action Item: Approval of Agenda

Action Item: Adoption of November 8, 2011 minutes

—Representative Ben Lujan, Speaker of the House, Co-Chair, Capitol Buildings Planning Commission (CBPC)

—Edwynn L. Burckle, Secretary, General Services Department (GSD), Co-Chair, CBPC

10:35 a.m. *Action Item — Requires a Formal Motion in Open Session:*

Executive session (Section 10-15-1(H)(6) NMSA 1978) to discuss the contents of competitive sealed proposals solicited pursuant to the Procurement Code.

Staff Committee Report to the CBPC Sitting as a Selection Committee

—Chuck Gara, Director, Property Control Division (PCD), GSD

—Roxanne Knight, Legislative Council Service (LCS)

—Douglas Carver, LCS

—Kathy Pacheco-Dofflemeyer, Assistant Director, LCS

Action Item — Requires Formal Motion in Open Session: For approval of final action regarding the selection of candidate for master planning services. (Requires majority of the quorum, voted on in open session and each member vote recorded.)

Action Item: Directions to staff for contract negotiation and final review/signature by director of LCS.

11:30 a.m. *Informational Item:* Staff updates on prior recommendations, as may be required.

Action Item: Review and potential adoption of recommendations from November 8, 2011 meeting, discussion and adoption of legislative proposals to implement recommendations and endorsement of capital requests as to consistency with the CBPC Master Plan and Planning Principles.

- Roxanne Knight, LCS
- Dr. Tom Pollard, LCS
- Chuck Gara, Director, PCD, GSD
- Lemoyne Blackshear, Staff Architect, PCD, GSD
- Douglas Carver, LCS

Public Comment

Next Meeting: To be Decided

Adjourn

Notice requirement: If you require special accommodations, such as a hearing interpreter, to participate in a meeting, please contact the LCS 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.

I. MINUTES

**MINUTES
of the
FIRST MEETING IN 2011
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**June 14, 2011
Room 311, State Capitol
Santa Fe**

The first meeting of the Capitol Buildings Planning Commission (CBPC) in 2011 was called to order by Speaker of the House of Representatives Ben Lujan on Tuesday, June 14, 2011, at 1:47 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Alvin C. Dominguez, Secretary of Transportation
Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Richard May, Secretary of Finance and Administration
Elaine Olah, Designee for Ray Powell, 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

Sen. Timothy Z. Jennings, Senate President Pro Tempore

Staff

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Douglas Carver, 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.

Tuesday, June 14

Introduction of Members, Designees, Staff and Consultants

Much of the membership of the CBPC changed in January 2011 due to the incoming administration of Governor Susana Martinez and other elected state officers. Commission members, staff and consultants introduced themselves to each other before continuing with the agenda.

Staff Reports

Election of Officers

Ms. Knight presented a memorandum to the commission about the protocol to be followed in selecting officers for the CBPC. The enabling legislation for the CBPC makes no mention of any process for electing the co-chairs or other officers for the commission. Based on a review of *Mason's Legislative Manual*, *Robert's Rules of Order* and *The Standard Code of Parliamentary Procedures*, Ms. Knight concluded that the election of any officers of the CBPC is subject to the will of a majority of the members. Since the CBPC's inception, the secretary of general services has been a co-chair, presumably because most of the state-owned buildings are controlled by the PCD. Speaker Lujan has been the other co-chair for the past 10 years.

The commission postponed action on this item until all members who had indicated their attendance at the meeting had arrived.

Review Open Meetings Act Resolution

Ms. Knight presented a proposed Open Meetings Act resolution for the 2011 interim. The Open Meetings Act requires that all public bodies set a policy for how their meetings are to be announced and conducted in accordance with that act. The resolution mirrored the resolutions adopted by the commission in 2009 and 2010.

Action Item: *The commission adopted the Open Meetings Act resolution for 2011 unanimously.*

Adoption of Minutes

Action Item: *The minutes of the December 16, 2010 meeting were adopted without changes.*

Legislative Update

Ms. Knight briefed the commission on initiatives sponsored or reviewed by the commission during the 2011 legislative session.

- Five-Year Facilities Master Plans (Senate Bill 193, pocket vetoed). This commission-proposed legislation would have required state agencies to develop and annually update five-year facilities master plans in the content and form determined by the PCD. The GSD and the Department of Finance and Administration (DFA) would jointly prepare a capital program for the state, similar to what they currently do, except that proposals would be classified into those that are seeking initial planning funding and those that are requesting full project costs after the completion of the planning phase. The PCD would have been tasked with developing guidelines for agency master plans, including requirements for preventive and deferred maintenance plans; a criteria-based weighted ranking system; space and energy efficiency standards; and life-cycle costing models for proposed and existing state facilities.

- Capital Outlay Within Master-Planned Areas of the State (Senate Finance Committee Substitute for Senate Bill 218, failed). The commission did not endorse any capital outlay projects, but it did endorse state agency requests based on their consistency with state master plans. Some of those projects included \$5 million for deferred maintenance, emergencies, infrastructure and decommissioning of vacant property; \$10 million for phase 1 of the Lujan building renovation on the south capitol campus; \$2 million for statewide planning and design and for demolition and decommissioning of state properties; \$4 million for repairs and maintenance of cultural assets statewide; and \$1 million for completion of projects at the Archaeology Center and New Mexico Museum of Natural History and Science.

- Former College of Santa Fe (CSF) Land Transfer (House Joint Resolution 9, passed). The legislation authorized the donation or sale of property on the former CSF campus, currently owned by the PCD, to Santa Fe Community College.

- Camunez Building Transfer (Senate Joint Resolution 1, passed). The legislation authorized the donation of the Camunez building and surrounding land located in downtown Las Cruces to the City of Las Cruces.

- Katherine Gallegos Elementary School Land Transfer (Senate Joint Resolution 11, passed). This legislation authorized the transfer of land upon which is located the Katherine Gallegos Elementary School to the Los Lunas Public School District.

- Albuquerque State Office Consolidation (House Memorial 52, passed). This legislation called for collaboration among state agencies, including the CBPC, to achieve cost-effective consolidation of state agency offices into state-owned facilities in Albuquerque.

Primer on the CBPC

John Petronis, Architectural Research Associates (ARC) and CBPC facilities planner, Andy Aguilar, ARC, and Ms. Knight gave an introduction of the commission's duties and master plans to commission members. The CBPC is an intergovernmental agency tasked with studying and planning for the long-range facility needs of state government. The commission is composed of representative from all three branches of government in order to ensure participation from major stakeholders within state government that have oversight of state-owned facilities. The commission has four main areas of responsibility: studying and planning for the long-range facilities needs of state government and developing master plans; reviewing proposed lease-purchase agreements; developing recommendations for addressing deferred maintenance and disposal strategies for state facilities; and developing recommendations for acquisitions of state facilities using life-cycle costing tools. The CBPC is staffed by the LCS in coordination with the staff architect of the PCD. The commission also has contracted with master planners, who provide primary master planning services to the commission.

The commission has been instrumental in the development of many initiatives, including the adoption of the Capitol Buildings Master Plan (CBMP), the enactment of the State Building Bonding Act, which provides a revenue stream to finance state facilities; the constitutional

amendment providing for lease-purchase agreements as a funding option for acquiring state facilities; and the establishment of the Property Control Reserve Fund. The commission has endorsed dozens of state projects, based on its adopted master plans, including the acquisition of the Concha Ortiz y Pino and Public Employees Retirement Association buildings; construction of the Toney Anaya building, the state laboratory building, the Court of Appeals building, the state capitol parking facility and the substance abuse treatment facility in Los Lunas; approval and funding mechanisms for phase 1 of the health and human services (HHS) complex and an executive office building (EOB); acquisition of land on the west capitol complex; and funding for state agencies to perform comprehensive facilities master planning.

Many master planning opportunities are still being worked on by the commission, including achieving an appropriate balance of owned versus leased space; assessing the needs of state agencies housed in local government-provided facilities; developing a comprehensive database of state agency facilities; addressing the ongoing problem of deferred maintenance; documenting the state's non-building assets; identifying state employee full-time-equivalency (FTE) counts associated with each facility; instituting policies for state agencies to complete long-range plans that link facility needs with operational plans; ensuring state and local government collaboration in developing state projects in historic districts; addressing historic preservation issues for state facilities; and integrating sustainable planning concepts into the state master plan.

The purpose of the CBMP is to provide guidance and decision tools for sustained, comprehensive planning for state facilities. The plan provides information about state-owned and -occupied facilities to support informed decision-making about capital asset planning. Separate plans have been developed for the campuses in Santa Fe and for the metropolitan areas of Albuquerque and Las Cruces. The guiding principles for the CBMP include planning for future growth with flexibility to meet changing needs; realizing economic efficiencies; protecting long-term asset values; encouraging co-location and consolidation of state agencies into single or adjacent facilities; providing efficient space organization; providing a quality environment for state employees; coordinating state resources with local development efforts; and establishing frameworks for campus development, including guidance on land use and siting, vehicular and pedestrian movement, visual and architectural character and infrastructure systems. Each campus master plan is based on the general principles but also has campus-specific planning principles.

Secretary May asked about the process for selecting ARC as the commission's master planner. Ms. Knight said that the current contract with the master planners was entered into after a standard request for proposals process according to the Procurement Code. Mr. Petronis said that ARC has been under contract with the commission since 1998 and that the current contract for master planning services is due to expire in December 2011.

Secretary May commented that the CBPC master planning principles are very similar to planning guidelines being developed by the GSD and the DFA and suggested that ARC master planners be invited to those planning meetings. Mr. Petronis said that one of the main benefits

of the CBPC is that it brings together multiple agencies and branches of government to work together to plan state infrastructure.

Speaker Lujan thanked the master planners for their presentation and said that the CBPC has accomplished much in its 14-year history.

Secretary May asked whether ARC was consulted on the economic feasibility of the lease-purchase agreement entered into between the Department of Health (DOH) and Grant County to replace the aging Fort Bayard facility. Mr. Petronis said that the DOH initiated that acquisition before the current lease-purchase enabling legislation was enacted and that the CBPC was not part of that process. Mr. Pollard said that originally the hospital was going to be leased from a private entity. The Legislative Finance Committee had recommended that purchasing the building would be better for the state, but there was no ability to finance the construction through the normal capital outlay process. Grant County ended up selling bonds and lease-purchasing the building to the state. Mr. Miller said that the federal government had threatened to shut down the aging facility if it was not replaced with a modern, functioning geriatric facility.

Secretary May commented that the state is paying \$4 million per year to finance the building, which comes from the DOH's operating budget. That budget line-item is difficult to pay for in the current revenue downturn, he said. Mr. Pollard said that if the state can finance a facility through direct appropriation or selling its own bonds, that is always the cheapest financing strategy. If capital outlay dollars are not available, however, a lease-purchase agreement is the next-best solution, especially if the bonds are sold by the New Mexico Finance Authority. Mr. Petronis said that the newly developed life-cycle costing analysis tool would have been able to calculate the best financial means to finance the facility. Speaker Lujan said that lease-purchase agreements were allowed in 2006 by a constitutional amendment. This new tool will allow the state to finance the acquisition of state facilities instead of the long-standing practice of the state leasing a building from a private developer, sometimes paying for the building several times over the course of the lease and renewals.

Election of Officers

Senator Ingle moved that Speaker Lujan and Secretary Burckle be elected co-chairs of the commission, and the motion was seconded. Both Speaker Lujan and Secretary Burckle said that they would be honored to serve in that position.

Action Item: *Speaker Lujan and Secretary Burckle were unanimously elected co-chairs of the commission.*

Update on the EOB and the HHS Complex

Mr. Miller and Ms. Blackshear gave an update to the commission on the status of the EOB and the HHS.

EOB

The purpose of the project is to construct an office building that will adequately address the DFA's operational needs. This will enable the state to relocate from privately leased

facilities and move constitutionally created state officers to the main capitol campus. The study and program phases are currently in progress, and the project definition and schematic phases are scheduled to be completed by the third quarter of 2011. The interim findings of the program phase indicate that the building should be 56,000 gross square feet in order to meet the needs of the DFA. The building will be located at the site adjacent to the state capitol parking facility. The casitas on the property need to be removed, and further archaeological studies will need to be performed. The project will be harmonious and generally compatible with Santa Fe's historic district ordinance.

Secretary May said that there is not enough space in the Bataan building for the DFA's needs. He said there are two issues involving the building height and the casitas, which are in disrepair, but they are also the city's main concern regarding the construction of the EOB. He asked what is the time line for collaborating with the City of Santa Fe. Ms. Blackshear said that the PCD has been working with the city for more than a year on this project and that the process should be completed within the next quarter. She said that the PCD is recommending that the casitas be demolished in order to construct a building that fits within the city's historic district height guidelines.

Secretary Gonzales offered the assistance of the Historic Preservation Division of the Cultural Affairs Department in the project.

Speaker Lujan said that there is potential for the city and state to agree on a project but that if an agreement cannot be reached, the state is not required to follow the municipal historic design ordinance.

HHS

The HHS complex is intended to achieve operational, functional and logistical efficiencies among HHS agencies currently scattered in leased and state-owned office buildings throughout Santa Fe. The project will realize economic efficiencies through economies of scale and asset and infrastructure sharing, and it will achieve substantial long-term general fund savings by vacating private leased space.

In response to Speaker Lujan's inquiry about federal approval of a railstop, it was reported that the project is currently postponed, and the business model and feasibility of the project are being reevaluated. The land acquisition is also on hold while federal approvals for a Rail Runner station at Las Soleras are sought.

Secretary Burckle said that the developer has agreed to a second extension of the real estate contract in order to wait for federal approval of the train station. He said that he understood that the New Mexico Department of Transportation (DOT) had not yet submitted an application to the United States Department of Transportation.

Secretary May said that the mere approval of the HHS complex by the legislature and executive agencies has had a substantial impact on the private lease rates in state agencies. He

said that there have been discussions about 15 percent to 20 percent reductions in lease rates with some property owners.

Secretary Dominguez confirmed that the DOT has not yet submitted an application for a Rail Runner station at Las Soleras. He said that there have been many complaints about the length of time it takes to get from Albuquerque to Santa Fe and that there are several other proposed train stations along the route. He mentioned having some concerns about an environmental impact.

Master Plan Updates

Mr. Petronis and Mr. Aguilar presented updates of all of the state's master plans to the commission. They gave a description of each campus and presented conceptual plans of possible development. The master plan for each campus has for the first time been assembled into a single document so that commissioners and the public have easy access to the information. The master plan is available online on the legislature's web site.

Secretary May commented that the state has a high percentage of leased space in Albuquerque compared to Santa Fe. He said that some state employees have an office in Santa Fe and in Albuquerque, and that it is difficult to determine where employees are actually located for space planning purposes. Mr. Miller said that the PCD has surveyed all state agencies about their leased space. He said that the state's accounting system, SHARE, has the capability of tracking each employee's primary location. It would be fairly easy to start tracking that data. Ms. Knight said that CBPC staff have discussed this issue with PCD and DFA staff over the past year. Many state agencies have the need to know where their FTEs are located. Secretary May said that he will ask DFA SHARE staff to look into tracking FTE location information.

Secretary Burckle agreed with the CBMP principle of moving from high-priced leased space into state-owned space. He asked whether the Superblock campus in Albuquerque could house additional state agencies. Mr. Miller said that the current master plan for that campus calls for the development of a centralized location for state agencies in Albuquerque. Some areas on the property can be developed soon, but if the full plan is to be realized, the Youth Development and Diagnostic Center would need to be relocated.

Secretary May asked if the Grassland site in Los Lunas has been appraised. Mr. Miller said that property has not been appraised, but he said that PCD Director Chuck Gara could probably estimate its value because he has been involved in many real estate developments in the area.

Senator Ingle and Speaker Lujan asked for specific details on the current agricultural lease for the Grasslands site. Mr. Miller said that the entire property has water rights but that only one well on the property is producing water. The lessee indicated that it will cost too much to put in a new well unless he is granted a long-term lease. Speaker Lujan suggested that the Corrections Department use inmates to farm the property.

Speaker Lujan asked about the status of the port of entry in Santa Teresa. Mr. Miller said that the recently approved land exchange has not yet been finalized.

Secretary Burckle asked whether any property in Las Cruces has been identified as a location for a state agency campus. Mr. Petronis said that a feasibility study was performed in Las Cruces a few years ago for a consolidated office building. The CBPC endorsed the plan, but money was not appropriated. He said that given the current economic conditions, the state can probably acquire an existing building for much cheaper than constructing a new one.

Staff Follow-Up: Several questions were raised about the Grasslands and Las Cruces consolidated offices.

Staff Directive: Speaker Lujan asked that staff investigate financing scenarios for acquiring a state office building in Las Cruces.

There being no further business, the commission adjourned at 4:57 p.m.

**MINUTES
of the
SECOND MEETING IN 2011
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 29, 2011
Room 311, State Capitol
Santa Fe**

The second meeting of the Capitol Buildings Planning Commission (CBPC) in 2011 was called to order by Secretary Edwynn L. Burckle, co-chair, on Monday, August 29, 2011, at 2:04 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Tom Church, Designee for Alvin C. Dominguez, Secretary of Transportation
Anne Greene-Romig, Designee for Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Elaine Olah, Designee for Ray Powell, Commissioner of Public Lands
Patrick Simpson, Designee for Charles W. Daniels, Chief Justice of the New Mexico Supreme Court
Clarence Smith, Designee for James B. Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Absent

Richard May, Secretary of Finance and Administration

Staff

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Douglas Carver, LCS
Cassandra Jones, LCS
Chuck Gara, Director, Property Control Division (PCD), General Services Department
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, August 29

Welcome

Secretary Burckle opened the meeting by welcoming members of the CBPC, staff and public who were in attendance.

Action Item: *Approval of agenda*

Ms. Olah moved to approve the agenda. The motion was seconded by Mr. Smith. Members of the commission voted unanimously in favor of the motion.

Action Item: *Adoption of June 14, 2011 minutes*

Ms. Olah moved to approve the minutes of the prior meeting. The motion was seconded by Mr. Church. Members of the commission voted unanimously in favor of the motion.

PCD Regional Updates; Full-Time-Equivalent Location Survey; PCD Lease Survey for Privately Owned Space; Los Lunas/Grasslands Campuses — Follow-Up

Updates:

Mr. Gara proceeded with the regional updates, guiding the members to a handout he provided titled "Regional Update from PCD". He noted that the new 45,000-square-foot Roswell Rehabilitation Center was completed and occupied by the Department of Health in April 2011. Several nonprofit groups are interested in the vacated (old) facility; however, there are needed renovations that have to be made.

The new Fort Bayard Medical Center that is leased from Grant County was completed and the Department of Health occupied it in March 2011. He indicated that the old Fort Bayard complex would need a fair amount of work in order to be used by another agency and the current annual operating costs exceed \$500,000. A disposition assessment and feasibility study is being conducted and is about 65 percent complete. Members of the commission noted that there is a not-for-profit organization interested in the complex, but it is not clear whether the organization would have funding for any operations.

The Las Cruces Workforce Solutions building in Las Cruces has recently completed renovation, and the J. Paul Taylor renovation project is approximately 80 percent complete. The state police district office in Las Cruces is now under construction. The Santa Teresa port-of-entry weigh station is moving forward, along with an agreement for a land exchange for the port.

The New Mexico Behavioral Health Institute's new Meadows Phase 1 project in Las Vegas is approximately 75 percent complete. Also, ground was broken on construction of the new state police district office in Las Vegas.

In Santa Fe, the new Motor Vehicle Division office opened in April 2011. The Bataan, Runnels and Lujan building renovations are continuing, and two sites are under design for demolition — one is the Quonset hut at the GSD surplus property site and the second is the old barracks on Tract O at the former College of Santa Fe site. The executive office building project is now under way with the process required to begin removal of buildings to clear the site.

Lease survey:

Mr. Gara directed the commission members' attention to the documents that summarize the state agency property leases surveyed by the PCD. A total of 321 existing leases, representing \$42.3 million in annual lease payments for 2.33 million square feet of space and housing 5,814 full- and part-time employees, were compiled. The average amount of square footage per full-time-equivalent position is 401 at an annual leased-space cost of \$7,282 per employee.

After evaluating and analyzing the leases, they were scored and 28 leases were identified for consideration of potential consolidation. According to the executive summary, these leases represent a potential lease cost savings of \$2.7 million per year; 146,252 square feet of space; 185 employees; an average leased-space cost per employee more than double the overall average of \$14,729; and an average space per employee of 791 square feet.

Additionally, it was recommended that leases with less than two years be carefully reviewed for potential consolidations. These include 89 leases representing approximately \$9 million in annual lease payments, some of which were already mentioned in the 28 leases above. There was a discussion regarding how different agencies could exit existing leases. Secretary Burckle noted that such cost metrics are important to the governor, who is interested in reducing the state's total cost of real estate. Mr. Gara noted that he wants agencies to comply with the space standards.

Grasslands:

Mr. Gara gave an update on the Grasslands area in Los Lunas, directing the members' attention to a handout that summarized information about the lease and details on the well and water rights. The area is currently leased for a five-year term commencing April 1, 2010 to the Wagner's Farmland Experience for the purpose of maintaining erosion control and preventing dust blowing across Interstate 25 and into nearby neighborhoods.

The property is comprised of approximately 288 acres with one well, repaired in 2010 by the state at \$46,000 and producing 700 gallons per minute. Lease of the water rights was waived for the duration of the five-year lease. The site has 600 acre-feet of diverted water rights. The Office of the State Engineer has granted authorization to drill a supplemental well. Costs for drilling have been estimated in the range of \$100,000 to \$225,000.

Members of the commission asked further questions of Mr. Gara concerning the well and water rights. He responded that the PCD has begun developing a database to track all water rights under PCD ownership.

Discussion:

Commission members inquired about whether or not there should be mandatory legislative action prior to agencies accepting real property donations.

Directions to Staff: Secretary Burckle asked to know what percentage of assets is spent annually on maintenance, and he asked for pros and cons of decentralized versus centralized asset management processes.

CBPC Review; Sale of West Capitol Property to Santa Fe Community College — HJR 9 (2011); Transfer of Certain Los Lunas Campus Property to the Los Lunas Public School District — SJR 11 (2011)

Mr. Gara discussed property transfers requiring CBPC review. He began with the sale of former College of Santa Fe land to Santa Fe Community College for \$1.5 million. Mr. Gara provided copies of HJR 9 (2011) and the retail purchase agreement for review by members of the commission. There was some discussion with members of the commission regarding this sale, with Mr. Gara noting that the land had originally been purchased with PCD appropriations.

Mr. Gara discussed the transfer of the Katherine Gallegos Elementary School site in Los Lunas to the school system, and he provided members of the commission with a copy of SJR 11 (2011), a copy of the quitclaim deed for the transfer and a map showing the location of the site. Commission members discussed why this site was transferred at no cost while the Santa Fe site had been sold. Mr. Gara noted that the Katherine Gallegos site had been leased by the schools for years. Ms. Knight added that the sale of the Santa Fe site had occurred after a vote on a local bond issue to finance the land purchase.

Mr. Gara then discussed the transfer of the Camunez Building in Las Cruces. There was discussion regarding the history of the building and why it was donated rather than sold. Ms. Knight noted that for both of the donations (in Las Cruces and Los Lunas), there was a clause in each resolution requiring that if the donees no longer had use of the property, it would revert back to the state at no cost.

Action Item: *CBPC moved adoption of final review for HJR 9 sale and SJR 11 transfer.*

Senator Ingle moved to approve the final review for the HJR 9 sale and the SJR 11 transfer. The motion was seconded by Mr. Smith. Members of the commission voted unanimously in favor of the motion.

Staff Reports; Acquisition and Disposition of Property by New Mexico Governmental Entities and Commission Discussion

Staff Report:

Ms. Knight noted LCS staff changes to the CBPC and reviewed some administrative matters. She also discussed a master planning request for proposals to be issued in September. She noted that there would be CBPC meetings in October and November but that there probably would not be a need for a December meeting.

Acquisition and Disposition of Property:

Ms. Knight, accompanied by John Petronis and Andy Aguilar of Architectural Research Consultants (ARC), reported on the process of acquisition and disposition of property by the state. Ms. Knight then walked the members of the commission through a detailed handout titled "Acquisition and Disposition of Real Property" and explained the various processes the state has

for acquiring and disposing of property. She reviewed the statutory mandates of the CBPC as listed in Section 15-10-1 NMSA 1978 and discussed a flow chart showing how planning fits in with the differing government entities. Ms. Knight explained how the steps required for acquisition or disposal of property depend, in part, upon who the initiating authority is. She discussed the governing authority for each entity and the important role played by the State Board of Finance in many of these transactions. Ms. Knight indicated that this discussion was intended both to provide information to members of the commission and to provide a starting point for consultants so that they could make suggestions for how to improve the state's property management practices and statutes.

Mr. Petronis discussed a handout providing a broader overview of acquisition and disposal issues and deferred maintenance. Some charts were presented showing at least 96 million gross square feet of state-funded facilities, including higher education and public schools. He noted that ARC wishes to understand the magnitude of deferred maintenance in state facilities and to locate best practices in other states that might be useful as a model for New Mexico. He noted that the state does not have a clear and unified process for the acquisition and disposal of assets, and he suggested an overall asset management framework for the commission to consider. He also indicated that the separation in New Mexico between acquisition and disposal and deferred maintenance is not the norm elsewhere in the country. He presented charts to the members of the commission that show the distribution of state-funded facilities and compare New Mexico's relatively decentralized process with the more centralized process in Utah. He noted that in New Mexico, there are many statutes and rules affecting its agencies, but there is no unified asset management process. He stated that central financial control for many, but not all, processes is held by the State Board of Finance, resulting in some redundancy and inefficiencies in levels of approval. He concluded by citing the public schools process in New Mexico as an in-state example of good practices, including: (1) comprehensive planning at the school level and with the state; (2) implementation tied to dedicated funding; and (3) the development of consistent implementation procedures for school districts accepting state funding.

In response to questions from members of the commission, Mr. Petronis noted that deferred maintenance delayed for a period of time can evolve into a capital expense. Ms. Knight also discussed problems with the processes surrounding the acquisition of property through gifts, especially those given to the Cultural Affairs Department. These properties often have significant additional maintenance expenses. Members of the commission added that properties given as a gift to the state can at times occur through legislative action or separately through the executive branch. Mr. Gara noted that the PCD is discussing the ability of an agency to have a plan in place for an old property before a new building is constructed or purchased. The PCD intends to also review acquisition of properties through donation to state governmental entities.

Mr. Aguilar indicated that ARC hopes to have its comparative study completed and recommendations ready for the commission by the October or November meeting. Secretary Burckle said that he looks forward to the results of the analysis and ARC's recommendations. He encouraged ARC to look at states beyond Utah and to focus on the pros and cons of a centralized system versus a decentralized system. Speaker Lujan noted the importance of

providing capital for proper maintenance of facilities, and he hopes that this could become established henceforth.

Public Comment

No members of the public wished to make any comments.

Next Meeting

Secretary Burckle noted that the next CBPC meeting would be October 11, 2011.

There being no further business, the commission adjourned at 3:28 p.m.

**MINUTES
of the
THIRD MEETING IN 2011
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**October 11, 2011
Room 311, State Capitol
Santa Fe**

The third meeting of the Capitol Buildings Planning Commission (CBPC) in 2011 was called to order by Secretary Edwynn L. Burckle, co-chair, on Tuesday, October 11, 2011, at 1:46 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Tom Clifford, Secretary-Designate of Finance and Administration
Alvin C. Dominguez, Secretary of Transportation
Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Elaine Olah, Designee for Ray Powell, 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

Staff and Interested Parties

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Douglas Carver, LCS
Cassandra Jones, LCS
Chuck Gara, 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.

Tuesday, October 11

Welcome

Secretary Burckle opened the meeting by welcoming members of the CBPC, staff and members of the public in attendance.

Action Item: Approval of Agenda

Ms. Olah moved to approve the agenda. The motion was seconded by Secretary Dominguez. Members of the commission voted unanimously in favor of the motion.

Action Item: Adoption of August 29, 2011 Minutes

Senator Jennings moved to approve the minutes of the prior meeting. The motion was seconded by Mr. Smith. Members of the commission voted unanimously in favor of the motion.

Deferred Maintenance — (1) Review of Current Practices for Addressing Maintenance/Repair of Facilities; (2) Agency Capital Requests in Master Planned Areas

Cultural Affairs Department

Secretary Gonzales spoke about the deferred maintenance issues facing the Cultural Affairs Department (CAD), working through three handouts she provided: 1) an overview of facilities management at the CAD; 2) a detailed spreadsheet of the CAD's draft five-year capital outlay plan; and 3) a draft five-year plan of statewide repairs and maintenance of the CAD's cultural assets. She noted how the CAD's facilities are critical to its mission of preserving, fostering and interpreting New Mexico's diverse cultural heritage and expression for present and future generations. She noted that preserving the state's patrimony is one of the CAD's primary responsibilities. Key to this is preserving and protecting the state's cultural assets, both collections and facilities. Secretary Gonzales noted that the CAD is not under the control of the PCD and thus is responsible itself for funding, planning for and implementation of all infrastructure, buildings, grounds and equipment. She further noted that the CAD's facilities have unique security and climate control requirements, and while the state provides a substantial foundation of support for the CAD's museums and monuments, the CAD also relies heavily upon private donors, gifts and grants, as well as earned income garnered from fundraising and facility rentals.

Secretary Gonzales stated that the CAD is responsible for 180 buildings, including 81 historic buildings, owns 1,000 acres (not including archaeological sites) and manages another 130 acres. Deferred maintenance creates hazards to visitors and threats to collections and reflects poorly on the state's ability to safeguard its arts, culture and history, creating a potential loss of earned revenue. She then directed the attention of the members of the commission to the spreadsheets showing the CAD's capital outlay priorities and the plan of statewide repairs and maintenance of the CAD's cultural assets.

Members of the commission asked how the CAD's cost estimates were developed. Secretary Gonzales replied that each division has done an assessment and determined its top priorities. She then met with her senior management team and weighed the highest priorities,

which are safety of employees, of the public and of the collections. She noted that the CAD in general does not do maintenance and repair. Secretary Gonzales then deferred to Patrick Salazar, facilities manager, for further details. He noted that he determines by examination what the needs are, develops a price estimate, brings in different companies to provide alternate estimates and then proceeds with a bid. He noted that some of the figures in the charts represent bids. He also noted that while some of the figures might seem high, such as for providing a door for a sculpture garden, the figures represent the specialized nature of much of the CAD's needs. Secretary Clifford expressed a need to know more about the CAD's process.

Members of the commission expressed their displeasure to Secretary Gonzales that the majority of state funding and support for cultural resources goes to institutions in northern New Mexico, specifically Albuquerque and Santa Fe, when there are plenty of other cultural dimensions to the state that are not supported or marketed. Secretary Gonzales noted that she is aware that this is a long-standing issue, and that is why when she began her tenure she conducted a statewide listening tour and met with every staff person in the CAD. She stated that she will continue to address this issue while she is in her position.

Secretary Gonzales, assisted by Anne Green-Romig of the CAD, explained the structure of the CAD's responsibilities, the difference between boards of regents, advisory boards and foundations with different museums and how the statutes that set up the various museums determine their governing structure. Secretary Gonzales also noted that it is important that museums have strong ties to their local communities. It was suggested by members of the commission that perhaps the CAD should consider streamlining the museums' structures.

Secretary Gonzales noted that the dollar figures in her capital outlay plan reflect the FY 2012 appropriation from the last regular session and that the recent special session appropriation was not deducted from the FY 2013 request. Members of the commission suggested that Secretary Gonzales work on lobbying the legislature harder. She closed by noting that the needs of the CAD are massive and that she appreciates any support that can be offered.

GSD

Mr. Gara and Ms. Blackshear presented the deferred maintenance needs for the PCD, providing a handout that outlines the PCD's special session request and FY 2013 request. Mr. Gara noted that the PCD is using the FacilitiesMax database (now known as AIM), plugging in the serial numbers of large components so that the PCD will know when a piece went into operation and can create a deferred maintenance program over the piece's life cycle. He noted that with current funding levels, only patchwork maintenance can be accomplished. He addressed the level of the Public Buildings Repair Fund, which is currently under \$1 million, which will mean trouble were there to be a major problem with a facility. He added that he would like a recurring revenue stream so that the PCD is not dependent upon annual funding for deferred maintenance. He noted that if the PCD requests \$10 million, it usually gets \$1 million to \$5 million, and it received no funding in the last regular session. He stated that deferred maintenance is used until such time as a building is replaced and that the state possesses 40-year-old buildings that contain facilities that are 40 years old. He also noted that the state could be more efficient in how it uses buildings. Members of the commission suggested that the PCD set

aside one percent of every budget for maintenance and building repair, which could generate \$50 million a year.

Ms. Blackshear directed the attention of the members of the commission to the PCD handout concerning capital outlay projects within the capitol buildings master planning area, and she noted that the agencies listed on the sheet are those under the control of the PCD. She also noted that the \$10 million statewide request was the first piece of a \$20 million project. She detailed some of the specific needs of the facilities on the project list, noting particularly that the needs of the Corrections Department are actually greater than what is being requested and the impact of the Cambiar Plan on the needs of the Children, Youth and Families Department.

Members of the commission suggested looking again at SB 193, which passed in the last regular session but was pocket-vetoed. When asked how the numbers on the handout reflect the money granted in the recent special session, Ms. Blackshear noted that the capital outlay bill from the special session has only just been signed, and that the estimates on the handout are over one year old. She also noted that as the GSD waits for funds, prices go up, and as the process progresses, the PCD finds more items that need to be fixed, which requires more funding. Members of the commission requested that the PCD update the figures in the chart for the 2012 session so that they reflect the special session appropriation and new estimates. Ms. Blackshear noted that the agencies under the PCD's purview are working to update the numbers in time for the capital outlay review in November.

Staff Directive: Provide revised capital outlay request data.

Members of the commission also wondered when the PCD anticipates bonds being sold and when bids will be advertised. Ms. Blackshear noted that many of the projects are ready to go to bid now. Members of the commission also wondered how long it would take, once bids are out, for construction to commence, as there is a serious need for jobs in the state. Mr. Gara noted that bonds will be available by the end of November or the beginning of December and will be issued at that time. Members of the commission and Linda M. Kehoe, capital outlay coordinator for the Legislative Finance Committee, discussed the scheduling of capital outlay projects.

Members of the commission asked about the building use fee enacted years ago. Agencies are not being charged for reasons that he has yet to determine. He also noted that operational maintenance is different from life-cycle maintenance and that currently these items are absorbed in the PCD budget, but this has put the PCD budget at the mercy of events out of the GSD's control, such as increases in electric prices and insurance rates. Ms. Kehoe provided some history to the user fee bill for the members of the commission. It was enacted years ago, but the state has never assessed the fees through the budgeting process.

Mr. Gara stated that he would like to see a recurring amount in the Public Buildings Repair Fund, and he reported that the Capitol Buildings Repair Fund receives on average about \$400,000 a month.

Department of Transportation (DOT)

Secretary Dominguez read from the memorandum to Paul Gray, DOT deputy secretary, from Richard J. Gomez, chief, General Services Bureau, DOT, concerning the department's capital improvement long-range plan and deferred maintenance, and then he discussed some of the details in the spreadsheet he provided concerning the DOT capital improvement project requests listed by priority. He noted that the plan has a mixture of requests, including repairs, upgrades, renovations, replacement and new construction for main buildings, patrol buildings, project offices, HVAC systems, roof repairs, wash bays, salt domes and storage structures for housing equipment.

Secretary Dominguez noted that the total request for FY 2013 was \$8.5 million and that most of the time, the DOT uses State Road Fund money for improvements and not capital outlay requests. He added that in the special session, the DOT received \$350,000 for one salt dome, and if emergency repairs are needed in the state, the DOT will have to scramble.

Members of the commission expressed concern that there was no discussion of roads or bridges in the secretary's presentation and in the spreadsheet from the DOT. Members of the commission also expressed concern that there was a disconnect after the former State Highway and Transportation Department was moved to the executive branch in that it seemed to have lost its connection to the people who vote on measures such as the gas tax. There was also discussion concerning why it took 10 years for a section of highway to be named after police officers who were killed. Members of the commission asked Secretary Dominguez how they could help the DOT, whether there are available sources of revenue that are being missed or a tax that was authorized but is not being implemented as it should be. It was noted by members of the commission that it is hard to bring businesses to New Mexico with the road infrastructure being in disrepair.

Status Report — Federal Review and Environmental Assessment — Rail Runner Station at Las Soleras Location

Secretary Dominguez gave a presentation to the commission concerning the possible Las Soleras Rail Runner station, reading from a prepared statement. He noted that the DOT has been advising and assisting the GSD on the processes necessary to have a new Rail Runner station constructed in the median of Interstate 25 (I-25) near the Las Soleras development. The station would be connected by an overhead pedestrian walkway to the Las Soleras Master Plan development site on the north side of I-25. The development was approved by the City of Santa Fe in 2009. The station would be privately funded by Beckner Road Equities, Inc., the development company of the Las Soleras development. Secretary Dominguez noted that the station will only be constructed if the property transactions necessary for the development are approved by the state and the development is constructed. The Santa Fe Metropolitan Planning Association has approved the development of the Rail Runner station and has approved a Santa Fe Transportation Improvement Plan amendment that includes the Las Soleras station final design and construction.

Secretary Dominguez noted that as the station would be located in the right of way of I-25, it requires authorization from the Federal Highway Administration (FHWA). Three

required reports have been prepared and reviewed by the pertinent agencies and the project stakeholders: a technical report on the proposed station's impact on traffic on I-25; an environmental assessment; and an analysis of potential station ridership.

After comment by the DOT and the FHWA, a final environmental assessment was submitted to the FHWA, which provided further comments that require further consideration by the DOT. Once these comments are addressed, the environmental assessment will have to be submitted by the DOT to the FHWA for signature. The environmental assessment will then be available for public comment for 30 days, during which time the public can request a public hearing. It is expected that when the comment period on the environmental assessment has closed, the FHWA will issue a finding of no significant impact. A final application and request will be submitted in conjunction with the approved environmental assessment. Secretary Dominguez concluded by noting that, although the proposed improvements are being privately funded, the application to the FHWA needs to be made by the DOT; it cannot be made by a private entity.

Secretary Dominguez added to his prepared statement that he has held additional conversations with the FHWA division administrator, who noted that there have been sight distance impacts with the Route 599 Rail Runner station, and, thus, more review of the environmental assessment and design would be required before the station at Las Soleras can be approved.

Members of the commission inquired whether there would be any property transactions required for the Las Soleras station, particularly whether there would be state property going to a private entity or vice versa. Secretary Dominguez noted that the DOT is not inheriting any property, but there is some private property on the north side of I-25, which creates issues regarding who will be responsible for maintenance of the walkway over the interstate and of what is planned to be a private parking lot for the station. He also noted that while there are memoranda of understanding with the City of Albuquerque and some pueblos, there are no Rail Runner stations that incorporate private property as would be done with Las Soleras. He stated that he hopes to get answers from the FHWA in six months, but the review process could take longer if a public hearing is required.

Deferred Maintenance: Asset Management Best Practices

John Petronis, commission facilities consultant, Architectural Research Consultants, Inc. (ARC), and Andy Aguilar, commission facilities consultant, ARC, gave a presentation to the members of the commission titled "Deferred Maintenance: Asset Management Best Practices". The printout of their slides was provided for the commission's review. The principal purposes of the presentation were to provide an asset management framework, to review the condition of state-funded facilities in New Mexico, to review the magnitude of capital facilities renewal that is needed in the state, to compare processes in New Mexico with best practices from similarly situated states and to examine what next steps might be taken in New Mexico.

In discussing the asset management framework, Mr. Petronis spent a significant amount of time covering the total cost of ownership of a building noting that, over a 30-year period,

personnel costs are the greatest costs of a building and that, not including personnel, the cost of operation and maintenance of a building is generally more than its initial construction cost. He also noted that once building systems or components have exceeded their service life expectancy but remain in use, the number of repairs and the overall cost of maintaining the building increase. This is why resources are needed periodically to renew building systems that reach the end of their life cycle and adapt to new requirements, a process known as capital facilities renewal. Mr. Petronis added that when maintenance system upgrades or repairs are deferred to a future budget cycle or postponed until funding becomes available (also known as deferred maintenance), building systems are run until they fail and costs are accelerated. He noted that one expert has calculated that if one defers maintenance, one can expect future expenses to be equal to or greater than the cost of the part squared, or 15 times the total repair cost. He cited the example of Hodgin Elementary School, whose central courtyard had a known drainage issue with an estimated repair cost of \$145,000, but as the problem was not addressed, heavy rain that caused repeated flooding has saddled the school with repair costs to its floors of over \$250,000 and counting. Mr. Petronis ended this part of his presentation by delineating some standard industry definitions for facilities management.

Mr. Petronis then turned his discussion to the condition of the state's facility assets and the potential magnitude of capital renewal facilities needs. He noted that the state has approximately 96 million total gross square feet (gsf), but the majority of that square footage is under control of higher education (24 percent, or 22.7 million gsf) and public schools (61 percent or 58.9 million gsf). Public schools have independent processes, and higher education has a mechanism to address ongoing capital facilities renewal. The remainder of Mr. Petronis' presentation concerned the 13.8 million gsf that is not under the purview of education.

Mr. Petronis said that there have been three recent studies assessing the condition of state facilities, one by 3Di from 2006 that looked at PCD buildings, another by 3Di in 2006 that reviewed all colleges and universities and an ISES Corporation study from 2011 of a portion of PCD facilities. Mr. Petronis noted that the studies did not address all state facilities, were done at different times and have similar, but not identical, methods and terminology, thus making direct correlation of their data difficult. He commented that the state does not know the current capital facilities renewal needs for all state-funded facilities, but available condition assessments indicate that the needs are significant. Based on the information available, Mr. Petronis said that the estimated needs in current dollars are approximately \$1.4 billion (without higher education), and an additional \$2 billion for higher education. He further stated that it is likely that 10 to 20 percent of the needs are high priority, with amounts of \$144 million to \$288 million (without higher education) and an additional \$209 million to \$418 million for higher education.

Mr. Petronis then discussed best practices in other states, focusing particularly on Arizona, Texas, Utah and Washington. He noted that these states' best practices include an inventory of assets, comprehensive assessment of the condition of facilities, identification of priorities in a way that separates needs from wants, centralization of management of state facilities and sites, preparation of a statewide plan that encompasses owned and leased facilities and provision of a dedicated source of revenue for capital facilities renewal. He briefly discussed the Utah State Building Board and the Texas Facilities Commission. He discussed

how there are many examples of best practices to address building repair backlogs (deferred maintenance), which include recognizing and understanding the scale of the problem, quantifying and communicating the financial impact, conducting preventive maintenance and completing repairs promptly to avoid backlog redevelopment and prioritizing projects and developing a strategy to secure adequate funding.

Mr. Petronis discussed different models for budgeting for ongoing building renewal and noted that, depending on the model used, New Mexico would need \$80 million to \$109 million a year in dedicated annual capital renewal funding, not including higher education or public schools.

He also addressed the strengths and weaknesses of practices in New Mexico. He noted that good practices include that departments are required to prepare strategic plans as part of performance-based budgeting (required by Sections 6-3A-1 through 6-3A-8 NMSA 1978). Other good practices include the higher education dedicated capital facilities renewal revenues; the public schools capital and maintenance planning; the existing technical and specialized staff at the PCD; the DOT and the progress that has been made to date on the statewide inventory; and the capital project approval process through the State Board of Finance and the CBPC. The areas for improvement that he noted include fragmented ownership, responsibilities and procedures for managing facilities; the lack of a unified inventory; the lack of consistent assessment of facilities, outside of public schools; the lack of a unified process for strategic capital planning and budgeting; the lack of a consistent process for the disposal of assets; that there is no linking of strategic planning and capital planning; that there is no reliable source of funding; and the large backlog of capital needs.

Mr. Petronis concluded with a set of recommendations. The first is to adopt a strategic asset management model, which would include completing an inventory and database of state facilities and sites; conducting a comprehensive and consistent assessment of state facilities; preparing departmental and agency master plans linked to strategic plans; centralizing ownership and management of state facilities; preparing a statewide plan that encompasses owned and leased facilities; and identifying a dedicated source of revenue for capital facilities renewal. Next steps include identifying and recommending a dedicated and reliable funding source for capital facilities renewal for state-funded facilities and developing legislation to centralize management of state facilities.

Members of the commission questioned Mr. Petronis concerning some of the details of his calculations. Members of the commission also inquired whether being a right-to-work state versus a union state affects the way state assets are managed. Members of the commission commented that the legislature does more planning than it is given credit for, and any changes in these processes should safeguard the legislature's responsibilities. Members of the commission also questioned whether state buildings and offices could not be spread more widely across the state, bringing jobs and acting as a magnet for businesses statewide, rather than being focused on Santa Fe and Albuquerque.

Staff Directive: Members of the commission requested that ARC provide details on the geographic spread of state buildings in the comparison states.

Action Item: Recommendations Regarding Deferred Maintenance

Members of the commission had an active discussion concerning which of the recommendations in ARC's presentation should be taken on as a next step. There was general agreement that the completion of the inventory and database of state facilities and sites and the conducting of a comprehensive and consistent assessment of state facilities need to be accomplished before any of the other steps, such as the centralization of processes, can be undertaken. Members of the commission discussed the use of the state severance capacity as a possible source of a revenue stream, but they determined that that issue should also be postponed until the fundamental steps are taken. Concern was expressed about removing funding sources from the legislature by having too much dedicated revenue.

Staff Directive: Members of the commission expressed the desire that staff report back to the commission on the linkage of departmental and agency master plans to strategic plans and on the prioritization criteria that would undergird any centralization and management of state facilities.

Ms. Knight briefly discussed the new request for proposals (RFP) for the master planning contract, with a deadline for submissions of October 17, 2011. She also mentioned SB 193 (2011) and support for reauthorization of master plan funds, noting that the present contract ends in December 2011. She said that part of the RFP is the continuation of the database work, which can only be accomplished if funded with master plan dollars. She noted that the CBPC does not have a budget but pulls together borrowed staff from the PCD and the LCS.

Staff Follow-Up: She stated that staff will develop concrete ideas regarding how to utilize staffing at the other agencies.

Action Item: Speaker Lujan moved to adopt as next steps the completion of the inventory and database of state facilities and sites and the conducting of a comprehensive and consistent assessment of state facilities, with staff informing the members of the commission how these steps would be accomplished and what resources would be required. The motion was seconded by Senator Ingle. Members of the commission voted unanimously in favor of the motion. The commission decided to table action on the other recommendations and, in particular, until staff presents proposals for financing the recommendations.

Staff Reports

Ms. Knight provided the members of the commission with a handout that discussed SB 193, the five-year facilities master plan bill, which was pocket-vetoed after the last regular session, and capital outlay requests within master-planned areas of the state. She noted the various items that were funded in SFC/SB 10 during the special session. She also stated that ARC is still trying to get the life-cycle analysis tool available on the internet and that staff would report back on progress with that initiative in November. She also repeated that the master planning RFP deadline is October 17, 2011, with a deadline of October 31, 2011 to create a

shortlist. She stated that the committee staff reviewing the RFP would report back to the commission at its November meeting.

Staff Directive: Members of the commission asked Ms. Knight to have staff look into the use of the dedicated gross receipts tax, what the status is and whether there is any potential balance. Ms. Knight replied that the State Building Bonding Fund is up to \$115 million and that there is a dedicated intercept for the executive office building and other facilities. She stated that she would get the required information for the commission by the next meeting.

Public Comment

No members of the public present wished to make any comments.

Next Meeting

Secretary Burckle noted that the next CBPC meeting will be on November 8, 2011. The CBPC might also meet on December 6, 2011 if necessary to complete its business for the year.

Adjournment

There being no further business, the commission adjourned at 5:30 p.m.

**APPROVED MINUTES
of the
FOURTH MEETING IN 2011
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**November 8, 2011
Room 311, State Capitol
Santa Fe**

The fourth meeting of the Capitol Buildings Planning Commission (CBPC) in 2011 was called to order by Chuck Gara, designee for Secretary of General Services Edwynn L. Burckle, on Tuesday, November 8, 2011, at 1:50 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Chuck Gara, Director, Property Control Division (PCD), General Services Department (GSD)
Designee for Edwynn L. Burckle, Secretary of General Services, Chair
Tom Clifford, Secretary-Designate of Finance and Administration
Alvin C. Dominguez, Secretary of Transportation
Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Elaine Olah, Designee for Ray Powell, 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 of Representatives, Co-Chair

Staff and Interested Parties

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Douglas Carver, LCS
Cassandra Jones, LCS
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.

Tuesday, November 8

Welcomes

Due to the absence of Secretary Burckle and Speaker Lujan, Mr. Gara chaired the meeting. He opened the meeting by welcoming members of the CBPC, staff and members of the public in attendance.

Action Item: Approval of Agenda

Secretary Clifford moved to approve the agenda. The motion was seconded by Ms. Olah. Members of the commission voted unanimously in favor of the motion.

Implementation Strategies for Asset Management (and Adopted Recommendations) and Reevaluation of Existing Master Plan Strategies

John Petronis, commission facilities planner, Architectural Research Consultants (ARC), and Andy Aguilar, commission facilities planner, ARC, gave a follow-up presentation to the commission on issues that had been raised during the commission's previous meeting. Mr. Petronis noted that the current strategies for the Santa Fe, Albuquerque and Las Cruces master plans include seeking to decrease overall lease expense by developing consolidated state facilities in the three cities. Since this strategy was developed, the continuing economic downturn has led to downsizing of state staffing and has created an increase in vacancy rates for leased office space. This has created greater opportunity for the state to acquire existing buildings, which is generally a less expensive option than constructing a new building.

Staff Directive: Secretary Clifford asked that ARC research precise figures on downsizing, its impact statewide and on local markets and on office leased space vacancy rates.

Mr. Petronis did not recommend a change in the overall strategy presented in June 2011, but he added that it is difficult for the state to move quickly to take advantage of opportunities for building acquisition, and he recommended that the state consider creating a property acquisition fund.

Mr. Petronis then discussed implementation strategies for asset management, beginning with conducting a condition assessment of all facilities aside from those under the jurisdiction of the Higher Education Department and public schools. He recommended that external contractors perform condition assessments; that the PCD, with the assistance of expertise in other state agencies, manage the process; that a committee representing the major agencies involved be established to provide input and monitor progress, with the CBPC providing general oversight and review; and that the assessments should provide as deliverables identification of building conditions with a prioritized list of repairs, identification of current use and office capacity and integration of the collected data into the state building inventory database. Members of the commission noted that to be effective, such assessments need to be done regularly. Mr. Petronis agreed, and he recommended a six-year cycle. Mr. Petronis then discussed steps to assist agencies in integrating their master plans with the overall planning process to improve the linkage between strategic planning and capital planning. The next stages should be preparation of a prioritized plan to address capital facilities renewal and the

establishment of a reliable source of funds for capital building renewal, including implementation of a capital building renewal program. Mr. Petronis modeled a management structure for facilities asset management, showing the importance of the Capital Buildings Master Plan, the Capital Facilities Renewal Fund and the Local Government Division of the Department of Finance and Administration's (DFA) Infrastructure Capital Improvement Plan (ICIP) process to achieving outcomes. He then discussed the costs for a full condition assessment, noting that the cost range could be expected to be between \$0.10 and \$0.37 per gross square foot, depending on the overall size of the facilities to be assessed. Mr. Petronis outlined the facilities renewal costs, noting that the cost to address facilities most in need of action could total anywhere from \$125 million to \$250 million, or approximately \$25 million to \$50 million a year for five years. He added that capital management costs for such projects are usually 3.5 percent to 5.0 percent of the project. Mr. Petronis also provided a breakdown of implementation costs, based on a six-year cycle, with the condition assessment totaling \$2.3 million for years one and two, agency master plans assistance totaling \$1.4 million for years one through three, a Capital Facilities Renewal Fund for facilities most in need of repair totaling \$200 million and state management totaling \$10 million. In response to questions from members of the commission, Mr. Petronis stated that these figures are an educated guess based on data that are presently available, but that the figures could change once better data are obtained.

Members of the commission expressed concern that ARC would have an inside track if a request for proposals (RFP) were issued for managing the Capital Facilities Renewal Plan. Mr. Petronis said that if ARC continued to be an advisor to the commission, it would not submit a proposal if that were an issue. Other members of the commission noted that all of the information that ARC was presenting as well as its other work product for the commission is publicly available, and presumably anyone interested in submitting an RFP would avail themselves of ARC's work. Dr. Pollard noted that ARC was presenting these estimates at the request of members of the commission in order to inform the commission of the potential magnitude of the costs associated with capital facilities renewal.

Mr. Petronis then addressed the question of whether there are gaps in the prioritization criteria for strategic asset management. He discussed the ICIP for all state agencies promulgated by the DFA and the ICIP criteria used for agencies under the PCD purview, noting that the two agencies had similar, though not identical, criteria. Mr. Aguilar then discussed the prioritization criteria used by Utah and Washington, and Mr. Petronis discussed the criteria used in Texas. Mr. Petronis then made some observations and recommendations, drawing from the experiences of these three states. He recommended that New Mexico's prioritization criteria be unified, noting that the PCD provides criteria grouping that is clearer than the DFA's listing. Mr. Petronis added that it should be considered whether the geographic dispersal of benefits is important to the state. He noted that these other states have categories and grouping of criteria that more clearly convey state objectives and priorities, and that the criteria in these states address more specifically items to which New Mexico only alludes; for instance, improving space utilization, opportunities to co-locate with other agencies, protection of critical infrastructure and making a business case for a given project. He proposed that a process be developed that seeks wider review and input to unify and seek improvements to state prioritization criteria.

Mr. Aguilar then discussed how other states distribute their facilities, comparing Utah, Washington, Texas and Arizona. Mr. Petronis noted that New Mexico was a leader in this analysis, with a good system of mapping and a good distribution of state facilities. Mr. Aguilar then discussed building costs in neighboring states, noting that it was difficult to get data that were readily comparable and that there was a large variation in costs. He discussed factors that have an impact on costs, including whether construction was in a large city and the effect of state and local taxes. He noted that there was not a large impact from the federal Davis-Bacon Act of 1931 because the right laborers for most projects require high wages. There was some discussion among members of the commission on wage rates and tax rates.

Mr. Petronis then discussed how to assess the economic impact of a project on a local community, noting that there would be an impact both from operations of the facility and in the facility's construction. Measures for the impact of operations and construction include the total output — the value produced by the final demand dollars cycling through the economy; total earnings — the amount of total output paid in compensation; and total employment — the number of jobs created or sustained. He discussed the United States Bureau of Economic Analysis' (BEA) regional input-output modeling system as a method for assessing the local economic impact of a project. Members of the commission discussed drawbacks to the BEA's tool. Mr. Petronis noted in conclusion that one must also consider other impacts on a local economy, including the impact of a new facility on the local office market, considering what percentage of the local office market is reflected in the project; the impact of the project on the vacancy rate; and the type, condition and locations of existing state offices.

Members of the commission noted that with the structure of the bidding process, when there is state construction in outlying areas, it is rare for local firms to get the job, and most of the workers tend to be from Albuquerque.

Capital Financing

Dr. Pollard gave a presentation to the commission on planning and financing for state facilities. He noted that most state-owned facilities are well beyond a reasonable useful life; for instance, the median age of state facilities under GSD control is 44 years. The total renewal costs for all state facilities (excluding higher education) are \$1.4 billion. The estimate for high-priority, critical renewal projects is estimated to be \$250 million. Since 1990, there has been a dropoff in new construction as the state has depended more on private leasing, an option that may provide a long-term, cost-effective solution to state facility needs, but one that needs careful analysis, including comparing leasing to the cost of renewal and use of existing facilities and to the cost of purchase or construction of new facilities.

Dr. Pollard then walked the members of the commission through the strategic facility planning process. Step 1 is to determine facility requirements from the strategic plan for agency outcomes and operations; Step 2 is to evaluate the existing facility inventory condition and ability to meet future facility needs; Step 3 is to use life cycle costing to choose new facility design, construction, acquisition and finance methods; and Step 4 is to use the most cost-effective finance tools for required maintenance, renovation and/or new facility acquisition.

Dr. Pollard then discussed the principal sources of capital project financing from FY 2006 through FY 2011, noting that the proceeds from severance tax bonds were by far the largest source of capital project funding by the state. The severance tax bonds are secured primarily by taxes on mineral production in the state and are used to finance capital projects authorized by the legislature and approved by the governor. Over the last six years, the state has issued \$1.6 billion in senior severance tax bonds and notes and \$1.3 billion in supplemental severance tax bonds and notes. He added that with the failure of the senior severance tax bond authorization bill during the 2011 regular session, \$206 million of the \$233 million in severance tax bonds issued during FY 2011 were supplemental severance tax bonds. He noted that an \$81 million senior severance tax bond authorization was approved during the 2011 special session to be issued during FY 2012. Dr. Pollard then discussed how general fund cash balances have historically been the second-largest source of funds for capital projects statewide, but that during the recent period of state operating budget shortfalls, there have been no general fund balances for use in funding capital. Additionally, in FY 2009 and FY 2010, a total of \$407.8 million that was previously appropriated for capital projects was reappropriated for operating budget purposes. Dr. Pollard discussed how general obligation bonds, which are voted on in public referenda in even-numbered years, have been used to fund \$386 million in higher education, library and senior citizen center projects, but that in November 2010, voters failed to approve \$155 million in higher education bonds and approved only \$19.7 million in senior citizen center, library and public education projects. Dr. Pollard then discussed the estimated bond capacity through FY 2016, with figures based on the October 2011 revenue estimates.

Dr. Pollard concluded his presentation by discussing the funding requirements for enhanced state facility planning. He noted that the condition assessment of all state facilities, except higher education and public schools, was estimated at \$2.3 million total, to be spent in the first two years. A further \$1.4 million was estimated to be required to assist agencies in developing facilities master plans, which would be spent over the first three years. Furthermore, a reliable revenue source to implement a building renewal program would need to be established, starting in the second year of a program, with a cost estimate of \$40 million a year. Finally, the management of condition assessments, prioritization of renewal projects and the maintenance of required databases would cost an estimate of \$2 million a year, beginning with the second year of a plan.

Members of the commission discussed the amounts that are available through the senior severance tax bonds, and noted nervousness about earmarking money for facilities renewal. Dr. Pollard noted that, in the past, very little money has been spent on facilities maintenance or renovation, which seems to have been made the lowest priority. The bulk of such money that has been spent has been on major repairs necessitated by lack of prior maintenance; for example, when the roof of a prison needs to be completely replaced because maintenance has been neglected for years. The goal, Dr. Pollard stressed, is to use the state's limited resources more efficiently. He also noted that the goal of the condition assessment is to allow the state to know with greater precision what money amount is necessary for required repairs and maintenance. Members of the commission agreed in principle with the need for an assessment and for a plan to properly maintain state facilities for the future.

Staff Directive: Staff are to determine how much of the \$4 billion from the state's bonding capacity has been used for the buildings that would be addressed in the proposed capital facilities renewal plan.

Action Item: Adoption of October 11, 2011 Minutes

Ms. Olah moved to approve the minutes of the prior meeting. The motion was seconded by Mr. Smith. Members of the commission voted unanimously in favor of the motion.

Public Comment

Marc Bertram of Santa Fe Brown wished to give the members of the commission a perspective from the private sector. He stated that he agreed with the establishment of some kind of building purchase fund, and he stressed the need to leverage public-private partnerships. He stated that he believes that Davis-Bacon Act wages were a significant factor in construction costs. He expressed criticism of the process for the RFP for the Los Soleras complex. Members of the commission and Mr. Bertram briefly discussed the Los Soleras project.

State Purchasing Comment on Procurement Task Force Initiatives

Lawrence Maxwell, state purchasing agent and director, discussed the state's recordkeeping for procurement. He noted that the state does not presently have an information storage recordkeeping system, and that with the current system, all recordkeeping is on paper. He stated that one of his highest priorities is to rectify this issue, and he added that the governor had appointed a Procurement Reform Task Force. He stated that the task force is looking at recommendations regarding paperless procurement, as well as certain statutory revisions.

Legislative Proposals

Ms. Knight discussed the revisions that had been made to SB 193, which had been vetoed by Governor Martinez after the last regular session, noting that the only changes were to some redundant language. Anne Green-Romig, who had replaced Secretary Gonzales as her designate, noted that language concerning boards of regents in the legislation would have to be changed if the legislation intends to include certain museums under the control of the Cultural Affairs Department. There was some discussion regarding the governor's veto of SB 193.

Closed Session

Upon a motion by Mr. Smith, seconded by Ms. Green-Romig, the members of the commission met in a closed session in order to consider the report of the selection committee that had reviewed the RFP for the new master planning contract. The selection committee members were Mr. Gara, Mr. Burciaga, Ms. Knight and Mr. Carver. No action was taken by the commission after the conclusion of the closed session.

Next Meeting

After discussion, it was determined by the members of the commission that the next meeting of the commission would be on December 6, 2011 at 10:30 a.m., solely to discuss the master planning RFP and possible legislation for endorsement by the committee. As a number of members of the commission cannot be in Santa Fe that day, it was agreed that they could participate in the meeting telephonically.

Adjournment

There being no further business, the commission adjourned at 4:52 p.m.

**UNAPPROVED MINUTES
of the
FIFTH MEETING IN 2011
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**December 6, 2011
Room 311, State Capitol
Santa Fe**

The fifth meeting of the Capitol Buildings Planning Commission (CBPC) in 2011 was called to order by Secretary Edwynn L. Burckle, co-chair, on Tuesday, December 6, 2011, at 10:55 a.m. in Room 311 of the State Capitol in Santa Fe.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Reneé Borrego, Designee for Tom Clifford, Secretary-Designate of Finance and Administration
Veronica N. Gonzales, Secretary of Cultural Affairs
Elaine Olah, Designee for Ray Powell, 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

Absent

Alvin C. Dominguez, Secretary of Transportation
Sen. Stuart Ingle
Sen. Timothy Z. Jennings
Rep. Thomas C. Taylor

Staff and Interested Parties

Roxanne Knight, Legislative Council Service (LCS)
Kathy Pacheco-Dofflemeyer, LCS
Tom Pollard, LCS
Douglas Carver, LCS
Cassandra Jones, LCS
Lemoyne Blackshear, Staff Architect, Property Control Division (PCD), General Services
Department (GSD)
Chuck Gara, Director, PCD, GSD

Guests

The guest list is in the meeting file.

Handouts

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

Tuesday, December 6

Welcome

Speaker Lujan opened the meeting by welcoming members of the CBPC, the staff and the public in attendance.

Action Item: Approval of Agenda

Action Item: Motion 1

Mr. Smith moved to approve the agenda. The motion was seconded by Ms. Olah. Members of the commission voted unanimously in favor of the motion.

Action Item: Approval of Minutes

Action Item: Motion 2

Ms. Olah moved to approve the minutes of the November 8, 2011 meeting. The motion was seconded by Mr. Smith. Members of the commission voted unanimously in favor of the motion.

Closed Session

Upon a motion by Mr. Simpson, seconded by Secretary Burckle, the members of the commission met in a closed session in order to reconsider the report of the staff committee that had reviewed the request for proposals (RFP) for the new master planning contract. The members of the commission who approved the motion were Secretary Burckle, Speaker Lujan, Ms. Borrego, Mr. Simpson, Mr. Smith and Ms. Olah. No members of the commission present opposed the motion. Secretary Gonzales was not present for the vote to go into closed session, but she joined the commission during the closed session. The staff committee members present were Mr. Gara, Ms. Knight and Mr. Carver.

Action on RFP for Master Planning

After ending the closed session, members of the commission passed two motions regarding the RFP for master planning.

Action Item: Motion 3

Secretary Burckle made a motion, seconded by Ms. Olah, that the commission accept the recommendations of the RFP staff committee regarding the proposed contractor; that the staff committee be authorized to conduct negotiations with the highest-ranked company; and that the negotiated contract be for a four-year term, with a one-year base period of performance and three one-year options, each option to be exercised annually. The motion passed, with all members of the commission voting in the affirmative.

Action Item: Motion 4

Mr. Simpson made a motion, seconded by Secretary Gonzales, that the co-chairs of the commission select an executive committee with the authority to approve the contract for signature after it is negotiated by the staff committee. The motion passed, with all members of the commission voting in the affirmative.

Speaker Lujan noted that he would give three names, five at most, for the executive committee. [At the conclusion of the meeting, the co-chairs advised staff of the three names: Senator Ingle, Secretary Burckle and Treasurer Lewis.]

Updates to the Commission

Ms. Knight noted that the list of online resources for the commission had been updated. She also noted that the life-cycle costing analysis tool was installed online on November 23, 2011. She then reviewed the presentations and recommendations for facilities asset management and capital financing from the October and November 2011 meetings.

Proposed Legislation

Reintroduction of Senate Bill (SB) 193 (2011)

Ms. Knight discussed proposed legislation for endorsement by the commission. The first two pieces were revised versions of SB 193 that had been pocket vetoed by the governor after the 2011 regular session and would have provided for five-year facilities master plans from state agencies. The only difference between the two versions is that one version contains a section that provides for an appropriation for the master planning. These versions of SB 193 make only minor modifications to the prior language of SB 193, with the exception that language excluding organizations with boards of regents was rewritten to clarify that public schools, charter schools and the Public School Facilities Authority (PSFA), when the PSFA acquires property pursuant to the Public School Capital Outlay Act, are to be excluded, rather than the museums under the control of the Cultural Affairs Department (CAD) that also have boards of regents. Ms. Knight explained that the bill would require master plan updates as a regular process by requiring that facilities master plans are integrated with agency strategic plans. It was anticipated that this process would be of assistance to the governor and the legislature when planning capital outlay. Mr. Gara agreed and noted that the planning process is key to the success of any future programs. Ms. Blackshear added that the PCD would develop the overall structure for the master plans for the various agencies to follow so that everyone is working from the same template. Ms. Knight noted that Senator Ingle had offered to carry the bill. Dr. Pollard added that there would be substantial savings because problems in facilities could be addressed before they lead to excessive expense to repair. He also noted that he believes that the master planning would qualify for severance tax capital outlay funding.

Staff Direction: Speaker Lujan asked that staff research whether master planning could be funded through the state's severance tax bonding capacity.

Secretary Burckle informed the members of the commission that he had spoken with the Office of the Governor and learned that the governor had not signed SB 193 because she believed that the authority in the bill, including the five-year master planning, was within the authority of the executive branch and could be accomplished by executive order. He added that he would like to meet with the Office of the Governor in order to explain the bill and to get the governor's feedback on the proposed legislation.

Action Item: Motion 5: 187688.2 - Draft Bill

Secretary Gonzales made a motion, seconded by Ms. Olah, for the commission to

endorse the version of SB 193 that includes the appropriation, subject to Secretary Burckle's discussion with the Office of the Governor. The bill requires state agencies to submit five-year facilities master plans, establishes guidelines for facilities master plans and provides additional duties for the PCD. The bill also appropriates \$2.3 million from the general fund to the PCD to fund a facility condition assessment of all state facilities and an additional \$1 million to the PCD to provide assistance to state agencies in development of facilities master plans. The motion passed, with all members of the commission voting in the affirmative, with the exception of Mr. Simpson, who abstained as the judicial branch does not participate in the unified funding scheme.

Reauthorization of Master Planning Money

Ms. Knight discussed proposed legislation to extend the period of appropriations for continued statewide master planning for the CBPC and renovations to the Capitol and Capitol North facilities resulting from the future construction of the executive office building. She noted that the proposed legislation is merely extending previously authorized funds, not expending additional money.

Action Item: Motion 6: 187670.1 - Draft Bill

Mr. Smith made a motion, seconded by Ms. Olah, for the commission to endorse the reauthorization. The motion passed, with all members of the commission voting in the affirmative, with the exception of Mr. Simpson, who abstained as the judicial branch does not participate in the unified funding scheme.

Legislative Initiatives

Ms. Blackshear and Mr. Gara discussed certain legislative initiatives of the PCD. These include the following: 1) eliminating State Board of Finance approval of PCD construction contracts; 2) raising the limit for on-call design services from \$200,000 to \$500,000 over a four-year term; 3) eliminating the \$10 million threshold for the use of design-build project delivery; and 4) allowing state agencies to utilize the construction manager at the Risk Management Division of the GSD as a delivery method for construction.

Ms. Blackshear then discussed the capital outlay needs of the PCD, directing the attention of the members of the commission to two spreadsheets that she provided. She stressed the importance of the capital outlay requests for the Corrections Department (CD), particularly the major renovations needed for the heating, ventilation and air conditioning (HVAC) systems for the Southern, Central and Western New Mexico correctional facilities; the money needed for the Children, Youth and Families Department (CYFD) to implement the Cambiar Model regional development plan; and the money necessary for the State Commission of Public Records to expand the Albuquerque storage facility. She stressed that in the past, the commission had endorsed certain projects, with the understanding that they be consistent with the overall master plan. She said that these projects are consistent with the master plan. There was some discussion concerning the shifting of staff once the executive office building project is under way and about the money needed for the HVAC renovations.

The appropriations, listed in a handout presented by Ms. Blackshear, include:

- for the PCD: \$10 million for statewide use; \$10 million for renovation of the Lujan Building; \$2 million for planning and design as well as demolition and decommissioning of state buildings; \$2 million for the Runnels Building renovation; \$260,000 for the first phase of renovation for the Bataan Building; \$6 million for energy efficiency projects statewide; and \$120,000 for the first phase of restoration for the Public Employees Retirement Association building;
- for the CD: \$13 million for housing units at the Southern, Central and Western correctional facilities; \$2 million for security concerns at all state facilities; and \$3 million for maintenance, repairs and equipment at all state facilities;
- for the CYFD: \$1.975 million for site analysis, assessment and design of a new 54-bed facility;
- for the State Commission of Public Records: \$500,000 for shelving to be installed in the Albuquerque facility; and \$213,000 to expand the State Records Center and Archives in Santa Fe; and
- for the Department of Public Safety: \$3.6 million for the construction of a New Mexico Law Enforcement Academy dormitory.

Ms. Knight discussed the capital outlay requests for the CAD, which consist of \$9.3 million for repairs and maintenance of cultural assets throughout the state; \$4.1 million to complete projects already begun; \$955,000 for renovations and remodeling statewide; and \$2.4 million for cultural facilities equipment.

Ms. Knight informed the members of the commission that these capital outlay proposals were presented only for the commission's endorsement as being consistent with the state's master planning principles. Secretary Gonzales noted the magnitude of the needs facing the CAD, and Secretary Burckle discussed the importance of repair and maintenance for the GSD buildings, as well as the \$2 million requested for demolition or decommissioning of facilities that are no longer in use. He used the facility at Fort Bayard as an example, which costs \$500,000 a year to maintain even though it is not being used. Mr. Gara gave further detail concerning that expense.

Action Item: Motion 7

Mr. Smith made a motion, seconded by Mr. Simpson, that the commission endorse the capital outlay requests as being consistent with the master planning principles. The motion passed with all members of the commission voting in the affirmative.

Further Business

Ms. Blackshear informed the commission that she had accepted, on behalf of the PCD, a merit award from the New Mexico Chapter of the American Society of Landscape Architects for the south capital campus master plan.

Public Comment

There were no members of the public in attendance who wished to make public comment.

Adjournment

There being no further business, the commission adjourned at 12:30 p.m.

J. MASTER PLANNING DOCUMENTS

Master plans and master plan presentations for the 2011 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/>

A primer for the CBPC is available at:

http://www.nmlegis.gov/sessions/interimcommittees/cbpc/2011_Primer_June-2011v16.pdf

Additional master planning resources are available at:

http://www.nmlegis.gov/lcs/cbpc_cbmp.aspx

November 8, 2011 handout "Planning and Financing of State Facilities":

<http://zia/lcs/handouts/CBPC%20110811%20Planning%20and%20Financing%20of%20State%20Facilities.pdf>

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BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

DISCUSSION DRAFT

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;
MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

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-~~

underscoring material = new
[bracketed material] = delete

underscored material = new
[bracketed material] = delete

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

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

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

24 B. Heads of departments and other agencies of the
25 state shall transmit to the department of finance and

.187688.2

underscored material = new
[bracketed material] = delete

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

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

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

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

23 B. The property control division shall prescribe
24 the form and content of facilities master plans for state
25 agencies to follow in the preparation of the master plans,

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

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

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

11 (3) a ranking system to determine priority
12 capital projects for state facilities;

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

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

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

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

25 (1) political subdivisions of the state;

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1 (2) institutions under the jurisdiction of the
2 higher education department;

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

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

20 (5) public schools and charter schools; and

21 (6) the public school facilities authority
22 when the authority acquires property pursuant to the Public
23 School Capital Outlay Act."

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

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1 "9-6-5.1. PLANNING POWERS AND DUTIES OF SECRETARY OF
2 FINANCE AND ADMINISTRATION.--The secretary of [~~the department~~
3 ~~of~~] finance and administration, in addition to the other powers
4 and duties conferred:

5 A. shall review federal grant applications and
6 provide management assistance;

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

11 C. shall provide aid to planning and development
12 districts in developing grant proposals and cooperate with
13 other local entities in developing grant proposals;

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

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

23 F. may provide planning and funding assistance to
24 units of local government, council of government organizations,
25 Indian tribal governments situated within New Mexico and [~~to~~]

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1 nonprofit entities having for their purpose local, regional or
2 community betterment. The secretary, incident to any such
3 programs, may enter into contracts and agreements with such
4 units of local government, council of government organizations,
5 Indian tribal governments, nonprofit entities and the federal
6 government and may participate in or receive aid from any
7 federal or private program in relation to such a planning
8 program or assistance;

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

13 H. shall coordinate the state clearinghouse review
14 process;

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

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

18 K. shall provide community development block grant
19 technical assistance to local governments;

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

24 M. shall serve as staff to the New Mexico
25 association of regional councils;

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1 N. shall maintain a state planning library; and
2 O. shall provide planning assistance to county and
3 multi-county districts relative to application by such
4 districts for financial assistance and for regional plan
5 development."

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

10 "15-3B-4. DIVISION--DUTIES--FEDERAL FUNDS.--

11 A. The division shall:

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

16 (2) regulate the use or occupancy of buildings
17 and real property under its jurisdiction and make reasonable
18 requirements for the continuation of that use or occupancy;

19 (3) regulate the lease purchase of buildings
20 or other real property by state executive agencies except the
21 state land office;

22 [~~3~~] (4) establish space standards for
23 buildings under its jurisdiction;

24 [~~4~~] (5) have custody of all maps, deeds,
25 plats, plans, specifications, contracts, books and other papers

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1 connected with state buildings under its jurisdiction;

2 [~~(5)~~] (6) secure copies of all documents of
3 title to all real property under its jurisdiction held in the
4 name of the state or for the use of the state, and index those
5 documents so that the status of real property held by the state
6 under its jurisdiction can be readily ascertained;

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

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

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

23 [~~(9)~~] (10) have the power to purchase title
24 insurance or a title opinion in conjunction with the sale of
25 state buildings or land;

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1 [~~(10)~~] (11) have the power to enter into
2 contracts for the improvement, alteration and reconstruction of
3 the state buildings under its jurisdiction, including the
4 governor's residence, and for the design and construction of
5 additional buildings, to the extent funds are available;

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

10 [~~(12)~~] (13) conduct continuing review and
11 analysis of requirements for additional structures and
12 facilities to house state agencies;

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

16 ~~(14)~~ (15) receive gifts, grants and donations
17 from the federal government or other sources for the public
18 buildings repair fund;

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

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

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1 B. The provisions of this section are subject to
2 federal law or rules if the buildings or property was purchased
3 with federal funds.

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

10 SECTION 5. APPROPRIATIONS.--

11 A. Two million three hundred thousand dollars
12 (\$2,300,000) is appropriated from the general fund to the
13 property control division of the general services department
14 for expenditure in fiscal years 2012 through 2014 to fund a
15 facility condition assessment of all state facilities under the
16 jurisdiction of state agencies as defined in Subsection C of
17 Section 6-4-1.1 NMSA 1978. Any unexpended or unencumbered
18 balance remaining at the end of fiscal year 2014 shall revert
19 to the general fund.

20 B. One million dollars (\$1,000,000) is appropriated
21 from the general fund to the property control division of the
22 general services department for expenditure in fiscal years
23 2012 through 2014 to provide assistance to state agencies as
24 defined in Section 6-4-1.1 NMSA 1978 in development of
25 facilities master plans and annual updates of facilities master

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1 plans. Any unexpended or unencumbered balance remaining at the
2 end of fiscal year 2014 shall revert to the general fund.

3 SECTION 6. REPEAL.--Laws 2001, Chapter 293, Section 1 is
4 repealed.

5 SECTION 7. EMERGENCY.--It is necessary for the public
6 peace, health and safety that this act take effect immediately.

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BILL

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC BUILDINGS; EXTENDING TIME FOR EXPENDITURE OF CERTAIN BALANCES IN THE CAPITOL BUILDINGS REPAIR FUND AND LEGISLATIVE CASH BALANCES.

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

SECTION 1. Laws 2008, Chapter 83, Section 381 is amended to read:

"Section 381. CAPITOL RENOVATIONS--EXPAND PURPOSE TO INCLUDE SPACE FOR LEGISLATIVE AND EXECUTIVE SPACE--EXTEND TIME--CAPITOL BUILDINGS REPAIR FUND AND LEGISLATIVE CASH BALANCES.--The unexpended balance of the appropriations to the legislative council service in Subsections A, B and C of Section 1 of Chapter 192 of Laws 2007 for the purpose of constructing and renovating capitol north and the capitol may include renovations to provide for larger legislative committee

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1 space and long-range facility space plans, including the
2 initial planning and design of any additional executive agency
3 space, if such space is determined to be necessary. The time
4 of expenditure for these appropriations is extended through
5 fiscal year [~~2012~~] 2016."

6 SECTION 2. Laws 2009, Chapter 114, Section 7 is amended
7 to read:

8 "Section 7. EXPANSION OF PURPOSE FOR MASTER PLANNING AND
9 COMPLETION OF PARKING STRUCTURE.--One million dollars
10 (\$1,000,000) of the unexpended balance of the appropriations to
11 the legislative council service in Subsections A, B and C of
12 Section 1 of Chapter 192 of Laws 2007 for the purpose of
13 constructing and renovating capitol north and the capitol and
14 as reauthorized for an expanded purpose in Laws 2008, Chapter
15 83, Section 381 may be expended by the legislative council
16 service in fiscal years 2009 through [~~2012~~] 2016 for the
17 purpose of providing funding for the capitol buildings planning
18 commission master planning process for statewide state
19 facilities, including feasibility studies and annual updates to
20 master plans, and, if needed, the completion of the parking
21 structure in the central capitol campus in Santa Fe, but
22 excluding any payments for salaries, benefits and costs of
23 state employees."