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FISCAL IMPACT REPORT

SPONSOR: Maes DATE TYPED: 03/06/03 HB _____

SHORT TITLE: Santa Fe Railyard Project SB 810

ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Capital Outlay Request 649

SOURCES OF INFORMATION

LFC Files

Responses Received From
Economic Development Department

SUMMARY

Synopsis of Bill

Senate Bill 810 appropriates \$500.0 from the general fund to the Economic Development Department for the purpose of assisting the Santa Fe Railyard Community Corporation in the redevelopment of the city-owned Santa Fe Railyard.

Significant Issues

The \$500.0 appropriation in this bill is intended to pay for continued planning of the Santa Fe Railyard, a redevelopment project expected to be completed in 2007. The project involves the City of Santa Fe and two non-profit organizations: the Santa Fe Railyard Community Corporation and the Trust for Public Lands. The Santa Fe Railyard Corporation, a private non-profit, on behalf of the City of Santa Fe, will use the funds for strategic planning for implementation of the Railyard Master Plan. Strategic planning will include real-estate consultation, financial consultation, fundraising, etc.

The Railyard project has been in planning phases for over ten years. The City of Santa Fe now has an agreement with the Santa Fe Railyard Corporation that allows the Corporation to develop and manage the property for the city. The Corporation is currently supported with revenues from existing tenants.

EDD stated that it did not understand what type of assistance is expected from the appropriated funds.

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

It is unclear how EDD would support this project with an appropriation. The intended beneficiaries of the appropriation are the City of Santa Fe and the Santa Fe Railyard Community Corporation. EDD suggests, therefore, that the funds be directly appropriated to the City of Santa Fe.

RELATIONSHIP

This bill relates to Senate Capital Outlay Request 649, which provides \$500.0 to DFA's Local Government Division for engineering costs related to redevelopment of the Santa Fe Railyard project.

OTHER SUBSTANTIVE ISSUES

In 1995, the City of Santa Fe declared the railyard area blighted and purchased 50 acres of the site. The project has been in various planning stages for over ten years. A number of federal and state organizations have been or will be involved in this project, including the New Mexico Finance Authority, the Environmental Protection Agency, the U.S. Department of Housing and Urban Development and the U.S. Economic Development Administration.

The current completion date for the project is 2007. According to the Santa Fe Railyard Community Corporation, the project is expected to generate \$90,000.0 worth of new development during construction. When completed, the railyard is expected to generate \$68,500.0 in revenue annually.

POSSIBLE QUESTIONS

1. How much additional planning is needed before the actual development of the project begins?
2. Will this project continue to need state funding?