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## FISCAL IMPACT REPORT

SPONSOR Fidel DATE TYPED 03/18/05 HB 289/aSPAC/aSFL#1/a  
 SHORT TITLE Bonds for Santa Fe Parking Structure SB HTRC  
 ANALYST Geisler

### APPROPRIATION

| Appropriation Contained |      | Estimated Additional Impact |               | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|---------------|----------------------|---------------|
| FY05                    | FY06 | FY05                        | FY06          |                      |               |
|                         |      |                             | See Narrative |                      |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
 New Mexico Finance Authority (NMFA)  
 General Services Department (GSD)

### SUMMARY

#### Synopsis of HTRC Amendments

The House Taxation and Revenue Committee amendments to Senate Bill 289 as amended:

- 1) Strike Senate Floor amendment #1 but reinsert language providing that the completed parking garage will be transferred to the legislative council service for operation upon completion.
- 2) Insert language authorizing construction of a state laboratory facility in Bernalillo County and expenditure of up to \$18.1 million for that purpose.
- 3) Amend the State Building Bond Act to allow acquisition of state buildings and related facilities, or critical facilities located within the master planning jurisdiction of the capitol buildings planning commission.
- 4) Authorize the New Mexico Finance Authority sell additional state office building tax revenue bonds in compliance with the State Building Bonding Act in a total amount not to exceed \$15 million upon certification by the property control division of the general services department that bonds are needed for one of more of the purposes of the state building bond act.
- 5) Authorize use bonds backed by cigarette tax proceeds distributed pursuant to Subsection G of Section 7-1-6.11 NMSA 1978 for health facility related land acquisition and planning, designing, construction, equipping and improvements. Authorize NMFA to issue and sell revenue bonds for such purposes.
- 6) Authorize NMFA to purchase revenue bonds issued pursuant to Laws 2003, Chapter 341, as amended for projects with money in the public project revolving fund pursuant to the provisions of Section 6-21-6 NMSA 1978.

- 7) Authorize sale of bonds for \$39 million in projects consisting of:
- \$10.3 million for improvements at the Southern NM Rehabilitation Center.
  - \$11 million dollars for improvements at the Las Vegas medical Center.
  - \$4 million for improvements at Fort Bayard Medical Center
  - \$13.7 million for use of the property control division for design, construction, and equipping of a state laboratory facility in Bernalillo County for use by the department of health.

SEE ATTACHMENT FOR ADDITIONAL INFORMATION ON STATE BUILDING BONDING ACT AND HEALTH FACILITIES COMBINED FINANCE PLAN.

#### Synopsis of Senate Floor Amendment #1

Senate Floor Amendment #1 to Senate Bill 289 as amended, transfers the parking garage and associated real estate to the New Mexico legislative council upon completion. After the transfer, the legislative council shall operate and maintain the parking structure.

#### Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to Senate Bill 289 exempts the parking garage project from the purchase related requirements of section C as they should not apply to the project, which is new construction on state-owned land.

#### Synopsis of Original Bill

Senate Bill 289 is Capitol Buildings Planning Commission (CBPC) sponsored legislation which amends Laws 2001, Chapter 166 to authorize the Property Control Division (PCD) of the General Services Department (GSD) to spend bond proceeds to plan, design, construct and equip a parking structure in the central capitol campus in Santa Fe, contingent on approval from the (CBPC) and in conformance with the CBPC approved master plan.

#### Significant Issues

The State Office Building Acquisition Act (Laws 2001, Chapter 199, Senate Bill 214) provided for a \$6 million dollar gross receipts tax revenue stream to pay for the issuance of up to \$75 million in bonds for state office buildings as authorized in Laws 2001, Chapter 166. In January 2002, the NM Finance Authority authorized \$34.6 million in State Office Building Tax Revenue Bonds, Series 2002A, to fund a number of projects including design and construction of a new office building at the West Capitol Complex, purchase and renovation of the national education association (NEA) building in Santa Fe, and purchase and renovation of the public employees retirement association (PERA) building in Santa Fe. After construction of the West Capitol Building and purchase of NEA, approximately \$5.2 million remains in the program fund. Adding a parking structure to the authorized use of the bond proceeds would alleviate the parking shortage in the State Capitol area. The garage project would have to be in conformance with the Santa Fe master plan, which is in the process of being updated.

#### **FISCAL IMPLICATIONS**

The average costs for a parking structure range from \$5,000 to \$12,000 per space, depending upon design and location. A 500-car structure would occupy about 40,000 square feet. At a me-

dium-range cost of \$8,000 per space, the construction cost would be approximately \$4 million, and total cost including design, contingency, taxes and administrative fee, would be approximately \$5 million. It is not clear what the operating costs would be for this facility, and whether the state would operate the facility or some other entity, perhaps the City of Santa Fe or Santa Fe County.

### **OTHER SUBSTANTIVE ISSUES**

GSD notes that there is sufficient state-owned land in the central capital campus area to allow construction of a parking structure without having to purchase additional land. Therefore, the requirement for property appraisal is not necessary (see proposed amendment).

### **ALTERNATIVES**

NMFA adds that unused proceeds of bonds could be used to reduce the annual debt service on the series 2002A bonds, but that the expenditure of the remaining bond proceeds for a parking structure is more consistent with the original purposes for which the bonds were intended.

GSD provides that if the remaining bond proceeds are not used for this project, an alternative funding source for the garage would be an appropriation from the general fund or severance tax bond proceeds.

### **PROPOSED AMENDMENTS**

GSD suggests that on page 3, line 2 strike the underscored words “and in Subsection B” since an appraisal is not required for new construction on state-owned land.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Parking shortages will continue for state employees and visitors in the central capitol campus area.

GG/rs:yr:lg