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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/12

SPONSOR Sanchez LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Los Lunas Property Transfer SB SJR 15

ANALYST Daly

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY12	FY13	FY14	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

General Services Department (GSD)  
Public School Facilities Authority (PSFA)

### SUMMARY

#### Synopsis of Bill

Senate Joint Resolution 15 authorizes the Property Control Division (PCD) of GSD to transfer, for no consideration and not including water rights, four parcels of land surrounding the former Los Lunas Hospital & Training School totaling approximately 71.6 acres to the Los Lunas public school district. Any such transfer is contingent upon: 1) a determination by PCD that the property is not needed by the state for any purpose; 2) compliance with state law that may require a grant of a right first refusal to a land grant; and 3) review by the capitol buildings planning commission. Any conveyance to the school district would be subject to reconveyance to the state at its option and without cost if the school district no longer needs or uses the property for student agricultural and science purposes. The school district would be required to complete a survey prior to any transfer of title.

### FISCAL IMPLICATIONS

The school district is currently in the second year of a five year lease with PCD for 15 acres of this land for \$1.00 a year rent, plus compliance with certain maintenance requirements. Thus, any conveyance of the property pursuant to this resolution for no consideration would have virtually no fiscal impact on the state.

## **SIGNIFICANT ISSUES**

The GSD does not support this bill. It explains:

The property has been owned by the state for many years. A number of buildings on the campus have been demolished in the past few years and it is anticipated that a number of buildings will be demolished in the upcoming years. The entire campus is part of the Albuquerque/Los Lunas Master Planning Area of the Capitol Buildings Planning Commission. The Plan for the area is a redevelopment, over time, for a mix of state and local uses. Included in the Plan is redevelopment of a portion of the property to support the demand by state agencies for local field offices in the Los Lunas area. The Property Control Division has determined that the property may be needed in the future for the construction of state buildings to serve state agencies.

It also points out:

No revenue is provided to the Property Control Division with this transfer. If additional real property in Los Lunas was required for a state building project the Property Control Division would need an appropriation to purchase land instead of using land it already owned.

## **TECHNICAL ISSUES**

The GSD reports that PCD has deeds to the Los Lunas Campus properties, but those deeds do not match the descriptions provided in this resolution.

## **OTHER SUBSTANTIVE ISSUES**

The PSFA reports that the school district is using the land currently under lease for an agricultural program at the high school. The lease terminates on September 30, 2014, subject to termination without cause by either party upon 180 days notice. The PSFA reports that the balance of the acreage subject to the proposed transfer is rangeland to the west of the campus, and it is unclear how the school district would use that land.

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

The PCD advises that it will continue to own the real property for future redevelopment to support state agencies in the Los Lunas area.

MD/amm