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Board of Finance  
Approval of Las Soleras  
Land Acquisition Agreement

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November 16, 2010

General Services Department  
Property Control Division  
Arturo L. Jaramillo  
Secretary

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# Sale Property & Appraised Value

Las Soleras “Sale Property” consists of:

- ❑ 20 Acres Proximate to RR Station
- ❑ Including Infrastructure In Place

**20 Acres Market Value (Including Infrastructure)**

- [Lot 22] 10.21 Acres Market Value \$12.25/SF C-2 General Commercial
- [Lot 21] 4.70 Acres Market Value \$11.00/SF C-1 Office Zoning
- [Lot 23] 5.09 Acres Market Value \$11.00/SF C-1 Office Zoning

**Average Blended Market Value 20 Acres (871,200 SF) is \$11.64/SF (\$10,140,000)**

**Total Consideration (Cash and Trade) Paid by the State \$9.053/ SF (\$7,887,000)**

**Transaction Includes a Gift from Seller of Remainder \$2,253,000.**

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# Option Properties and Price

## Exclusive Options Exercisable Through June 30, 2013

Lot 27 (22.67 Acres) at Lesser of \$11.00 SF or FMV

Lot 19 (9.17 Acres) at Lesser of \$11.00 SF or FMV

### **Rights of First Refusal with 120 Day Notice**

Lot 26 (3.78 Acres) at \$11.00 SF

Lot 24 (5.97 Acres) at \$11.00 SF

**No Holding Fee or Cost for Options**

**No Increase In Option Price Through 6-30-13**

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## Consideration Paid by the State

HB 154 STB's	\$4 Million
NMFA BANS Accepted by Seller	\$1,948,227
HJR 8 (2007) Trade Galisteo Property	
4.45 Acres Appraised Value \$10SF	<u>\$1,938,856</u>
<b>Total Cash and Trade from State</b>	<b>\$7,887,000</b>
<b>State's Total Cost Per Square Foot</b>	<b><u>\$ 9.053 SF</u></b>
<b>20 Acre Fair Market Value</b>	<b>\$10,140,000</b>
<b>Gift from Seller of Remainder</b>	<b>\$ 2,253,000</b>

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# **Infrastructure to be Constructed by Seller Under the Land Purchase Agreement**

## **Roads:**

**Beckner from NW/Corner Lot 26 to Rambla Road**

**Rambla Road from Intersection with Beckner to Rail Runner Road**

**Beckner Road from Rambla Road to Richard's Avenue Temporary Base  
Coarse Surface**

## **Rail Station and Platform:**

**Construct RR Train Station, Covered Bridge and Platform, with  
Easement Across Lot 20 (Regulatory Approval is Condition Precedent  
to Sale)**

**Paved Sidewalk from RR Station to RR Road for safe access to Phase I**

## **Utilities:**

**Sewer Line, Storm Sewer, Water, Power, Natural Gas, Internet, etc., from  
Beckner to Rambla Road to North Boundary of Sale Property**

**Streetscape, Landscaping, Sidewalks and Bicycle Trails within Rambla  
Road Easement from Beckner to Rail Runner Road**

# GSD Site Selection Analysis

Site #	Site Name	Owner	Location	Available Acres	Sufficient Acres for Ph I Min 20 Acres	Available for Timely Ph I Development	Location/Access	Proximity to Rail Runner Station	Overall Road/Traffic Capacity	Proximity to Commercial/Retail Services	Compatible Zoning	GSD Evaluation	HOK/SMPC Study Result	ARC Study Result
1.	Ocate	State	County	63	3	1	2	0	1	0	2	9	<input type="checkbox"/>	<input type="checkbox"/>
2.	Valdes	State	City	11.8	0	3	2	0	2	2	3	12	<input type="checkbox"/>	<input type="checkbox"/>
3.	S. Capitol w/ DOT	State	City	21.1	2	0	3	3	2	3	3	16	<input type="checkbox"/>	<input type="checkbox"/>
4.	West Capitol	State	City	19	0	0	3	0	2	3	3	11		<input type="checkbox"/>
5.	DPS Track	State	City	15	0	0	2	0	2	2	3	9		<input type="checkbox"/>
6.	DOT District 5	State	City	42	3	0	2	0	2	2	2	11		<input type="checkbox"/>
7.	599 Interchange	State	County	20	1	0	1	3	1	0	1	7		<input type="checkbox"/>
8.	Las Soleras	Private	City	43	3	3	3	3	3	2	3	20	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9.	Oshara	Private	County	25	3	3	2	0	2	1	3	14		<input type="checkbox"/>
10.	Rabbit Rd/St. Francis	Private	County	69	3	2	2	0	2	1	3	13		<input type="checkbox"/>
11.	Pumice	Private	City	21*	1	1	3	3	1	3	3	15		<input type="checkbox"/>
12.	College of Santa Fe	Private	City	15	0	0	2	0	1	3	3	9		<input type="checkbox"/>
13.	South of Ocate	Private	County	261	3	1	1	0	1	0	2	8		<input type="checkbox"/>
14.	599 East of Airport	Private	County	396	3	1	1	0	2	0	3	10		<input type="checkbox"/>
15.	Otero	Private	County	25	3	1	0	0	2	0	3	9		<input type="checkbox"/>
16.	NM School f the Deaf Property (withdrawn)	Private	City	40	3	0	2	0	2	2	3	12		<input type="checkbox"/>

\* 21 Acres bisected by major roads & rail

- Recommended
- Included in Study

The judgment of the PCD professionals who studied, inspected, and analyzed these properties has been exercised by applying the selection criteria to each property using the following ranking: Superior (3); Good (2); Fair (1); Poor or Noncompliant (0).

# Bond Anticipation Note (BAN)

- Resolves AGO Issue of NMFA Authority to Finance \$2M for Land Acquisition
- BANs Expressly within NMFA's Statutory Authority
- Seller agreed to accept **\$1,948,226** BAN from NMFA in lieu of **\$2M** cash from NMFA Loan Advance to PCD.
- BAN payable to Seller only if Lease Purchase Revenue Bonds ("LPRBs") are Issued to Construct the HHSD Complex.
- No risk of loss to State or to NMFA.
- If LPRB's Do Not Issue by June 30, 2013, Lot 21 (4.70 acres) Reverts to Seller
- Remaining 15 Acres Adequate for Build-out of HHSD Complex
- GSD Retains its +/--\$2M Benefit of Bargain on Land Acquisition (Difference between FMV of Land Rec'd and Actual Consideration Given by State— See Analysis)
- ~~The State May Purchase Lot 21 at the Lesser of \$11/sf or FMV at any time Prior to Reversion.~~

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# Financial Analysis

Use of NMFA BANs In Lieu of \$2M Cash Loan  
from NMFA

See Handout for Financial Analysis.

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# Improved Collateral for Infrastructure

- **NM Rail Runner Bridge and Station:**

- \$3.5M in Cash from Sale Proceeds to be Placed in Escrow at Closing Until Contract Award Per Public Bid Determines Maximum Construction Cost
- Cash in Escrow may then be Reduced to 10% over Bid Price and Applied to Collateralize Roads, Utilities, etc. See below

- **Roads, Utilities, Etc.**

- Seller will Require Full Performance Bond from Seller's Contractor to Insure that all other Infrastructure Improvements Required by the Purchase Agreement will be Completed
- In Addition, any Cash Collateral Reduction in Escrow for Rail Runner Bridge and Station will be Applied to Seller's Other Infrastructure Obligations

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## Additional Benefits of Revised Purchase Agreement

- State Exempted from Subdivision CCR's fees, Assessments, Maintenance Expenses of Common Areas.
- Title Exceptions Resolved by AGO and BOF.
- Sale Property Environmentally Safe per Phase 1 paid for by Seller
- "Due Diligence" period of 60 days from BOF/AGO Approvals with State's Right to Terminate with that time