



Capitol Buildings Planning Commission

2009 INTERIM REPORT

*Legislative Council Service
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**CAPITOL BUILDINGS
PLANNING COMMISSION**

2009

INTERIM REPORT

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**A. STATUTORY
AUTHORITY**

15-10-1. Capitol buildings planning commission created. (2009)

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. (2009)

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 commission is composed of 11 members, consisting of 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 commissioner of public lands; and the chair of the supreme court building commission or their respective designees. Representative Ben Lujan, speaker of the house, and Arturo Jaramillo, secretary of general services, co-chaired the commission during the 2009 interim.

The actual commission members who served during the 2009 interim, in addition to Secretary Jaramillo 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; Katherine Miller, secretary of finance and administration; Stuart Ashman, secretary of cultural affairs; Gary Giron, secretary of transportation, with Deputy Secretary Max Valerio serving as Secretary Giron's designee; Patrick Lyons, commissioner of public lands, with occasional designees serving for the commissioner; Patrick Simpson, deputy director of the administrative office of the courts and designee for Arthur Pepin, director; and State Treasurer James Lewis, with Clarence Smith serving as his designee.

The legislative council service (LCS) director and staff, in coordination with the general services department's property control division (PCD) director, the staff architect and other PCD staff, provide staffing for the commission and work extensively with contractors responsible for providing master planning services to the commission.

The commission is pleased to submit its interim report.

C. OPEN MEETINGS RESOLUTION

**Capitol Buildings Planning Commission
of the State of New Mexico**

June 23, 2009

Open Meetings Resolution

WHEREAS, the Capitol Buildings Planning Commission met in regular session on June 23, 2009, at 1:30 p.m. pursuant to statute; and

WHEREAS, Section 10-15-1(B) of the Open Meetings Act (Sections 10-15-1 through 10-15-4 NMSA 1978) states that, except as may be otherwise provided in the constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission or other policymaking body of any state agency held for the purpose of formulating public policy, discussing public business or for the purpose of taking any action within the authority of or the delegated authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1(D) NMSA 1978 of the Open Meetings Act requires the Capitol Buildings Planning Commission to determine annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT RESOLVED by the Capitol Buildings Planning Commission that:

1. All meetings shall be held at the Capitol of the State of New Mexico in Santa Fe, New Mexico, or as indicated on the meeting notice.

2. Regular meetings shall be held as determined at the call of the co-chairs. All meetings will be held in the State Capitol building unless notice of another location has been given. The agenda for each regular meeting will be available at least twenty-four (24) hours prior to the meeting from the Legislative Council Service, whose office is located in Room 411 of the State Capitol in Santa Fe, New Mexico. Notice of any other regular meetings held at the call of the co-chairs will be held only after reasonable notice is given to the public. The notice shall indicate how a copy of the agenda may be obtained.

3. Special meetings may be called by the co-chairs or by a majority of the members upon three (3) days' notice. The notice shall include an agenda or information on how an agenda may be obtained. The agenda must be available to the public at least twenty-four (24) hours before any special meeting.

4. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect the health, safety and property of citizens. The Capitol Buildings Planning Commission will avoid emergency meetings whenever possible. Emergency meetings may be called by the co-chairs or by a majority of the members upon twenty-four (24) hours' notice unless threat of personal injury or property damage requires less notice. The notice shall include an agenda or information on how the public may obtain a copy of the agenda.

5. For the purposes of regular, special and emergency meetings described in this resolution, notice requirements shall be met if notice of the date, time, place and agenda or information on how an agenda may be obtained is available at the Legislative Council Service and is posted on the legislative web site (www.legis.state.nm.us).

6. For the purposes of emergency meetings described in paragraph four (4) of this resolution, notice requirements shall be met if available at the Legislative Council Service and posted on the legislative web site (www.legis.state.nm.us), and oral or written notice of the date, time, place and general subject matter to be discussed at the meeting is given to the news media and to all affected entities as soon as it is practical.

7. In addition to the information specified above, all notices issued following the adoption of this resolution shall include the following language:

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.

8. If it is otherwise difficult or impossible for a member of the Capitol Buildings Planning Commission to attend any meeting in person and if necessary to achieve a quorum at such a meeting, member(s) may participate in a meeting by means of a conference telephone or other similar communications equipment, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time and members of the public attending the meeting are able to hear any member who speaks during the meeting.

9. The Capitol Buildings Planning Commission may close a meeting to the public only if the subject matter of such discussion or action is exempted from the open meeting requirement under Section 10-15-1(H) NMSA 1978 of the Open Meetings Act.

(a) If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the Capitol Buildings Planning Commission taken during the open meeting. The authority for the closure and the subjects to be discussed shall be stated with reasonable specificity in the motion for closure and the vote on closure of each individual member shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in a closed meeting.

(b) If the decision to hold a closed meeting is made when the Capitol Buildings Planning Commission is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed in reasonable specificity, is given to the members and to the general public.

(c) Following completion of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.

(d) Except as provided in Section 10-15-1(H) NMSA 1978, any action taken as a result of discussions in a closed meeting shall be made by vote of the Capitol Buildings Planning Commission in an open public meeting.

Passed by the Capitol Buildings Planning Commission this 23rd day of June 2009.

Arturo Jaramillo, Co-Chair

Ben Lujan, Co-Chair

D. 2009 INTERIM SUMMARY

2009 — INTERIM SUMMARY

The Capitol Buildings Planning Commission (CBPC) met seven times between January 2009 and December 2009. Considerable testimony was received from several state agencies, commission staff, the master planners and capital project managers and consultants. Property Control Division (PCD) of the General Services Department (GSD) staff provided regular updates about various state properties and capital projects, renovations and acquisitions, including leases and sales. Legislative Council Service (LCS) staff conducted research and provided regular updates about master planning for state facilities, legislative initiatives and actions and facilitated CBPC meetings, staff workshops and group discussions with historic district advocates.

The master planners for the CBPC, Architectural Research Consultants, Inc. (ARC), reported to the commission on progress with the Albuquerque, Santa Fe and Las Cruces metropolitan area master plans and updates, as well as progress with the statewide facility inventory. ARC, which is also under contract through collaboration with Dekker/Perich/Sabitini (DPS) to provide expertise for main capitol campus renovations, additions and long-term space planning needs, gave several presentations specific to the Santa Fe metropolitan area. More details are provided below.

Facilities Master Planning

A basic strategic facility planning process consists of four steps:

- determining facility requirements for a state agency based on that agency's strategic plan for agency outcomes and operations;
- evaluating existing facilities for their current condition and ability to meet future facility needs;
- using life-cycle costing to choose new facility design, construction, acquisition and financing methods; and
- using the most cost-effective finance tools for required maintenance, renovation and new facility acquisition.

Weaknesses in the process in New Mexico include the state's lack of a specific mechanism for financing the renovation of facilities located outside of Santa Fe and for those not under the jurisdiction of the PCD in Santa Fe. Deferred maintenance can play a critical role in the life of a facility. The commission receives proposals for legislation to help address maintenance for current state assets, and recently it has begun to review proposals for lease-purchased facilities that might be constructed in the future.

In 2009, the legislature expanded the duties of the commission to include the development of criteria for the acquisition and disposal of state assets and for the review of proposed lease-purchase agreements.

Statewide Inventory/Review of State-Owned Properties/Statewide Database

The master planners presented to the CBPC a statewide inventory of state-owned and state-leased property. The state occupies about 40.8 million gross square feet (gsf) of building space. When excluding educational uses, the state occupies 18.8 million gsf of owned and leased space. The state pays for "leasable" square feet (lsf), which does not include certain common areas otherwise included in gsf measurements. The state leases 3.4 million lsf, which, for calculation purposes, is approximately equal to 4.3 million gsf. Additionally, the counties provide 1.6 million gsf to the state.

The master planners discussed barriers to and preliminary recommendations for statewide master planning. A major barrier is the lack of a comprehensive uniform system for maintaining and accessing facility data. The commission endorsed the recommendations of the planners to address the database issues, to require state agencies to develop long-range master plans, to establish policies for acquiring and disposing of state assets and to develop space standards for state functions provided by counties.

Implementation of the recommendations will entail an ongoing process and will be heavily dependent upon available resources. The master planners reported that additional technical support for data entry and report generation may be needed at the PCD and other agencies.

Health and Human Services (HHS) Complex — Proposed New Campus — Santa Fe

The original master plan called for consolidation of key agencies into state-owned buildings at the south capitol campus. However, after the GSD contracted for a study to assess the consolidation of several health-related agencies into an HHS complex, the campus was considered too small for a complex estimated to need 500,000 to 700,000 square feet of building space.

CBPC staff and GSD consultants conducted extensive analysis throughout the 2008 interim, and the CBPC concluded that it would support legislation in 2009 to authorize phase 1 of the lease-purchase of an HHS facility in Santa Fe to house the Human Services Department (HSD) and the Children, Youth and Families Department (CYFD) in approximately 212,000 square feet of space. The state proposed to redirect \$5.1 million in annual lease payments to finance up to \$80 million for the project. The CBPC endorsed a request for \$4 million in capital outlay to help finance a land purchase if a state-owned site in Santa Fe County was not feasible.

The 2009 legislature enacted **Senate Bill 728** authorizing the New Mexico Finance Authority (NMFA) to issue bonds for an HHS building and authorizing the PCD to enter into a lease-purchase agreement for phase 1 of the facility, projected at 216,000 square feet of buildings. Ultimately, the complex is projected to need over 650,000 square feet of buildings. In May 2009, the PCD reported its preliminary decision that a site known as "Las Soleras" was the most viable for the project.

Throughout 2009, the CBPC heard extensive testimony from the secretary of general services regarding the search for and evaluation of sites for the HHS complex. Site tours were conducted in the summer of 2009, and the master planning consultants for the CBPC conducted separate site evaluation for multiple properties throughout the city of Santa Fe and Santa Fe County. In addition, the master planners provided an overview of the Santa Fe Master Plan and the individual campuses. The conclusion of the overview was that an additional campus would be necessary to accommodate the entire HHS complex. When the master planners completed their review of all sites, the Las Soleras property received the top ranking, primarily due to its proximity to the Rail Runner. Assuming all approvals for a rail stop would be adjacent to the building site, Las Soleras offers the potential for employees to commute to work and walk from the stop to the building site.

In subsequent meetings of the CBPC, members heard testimony from several developers and property owners interested in receiving consideration of their properties for the location of the HHS complex. Developers made various offers for donations of lands and water rights to the state as encouragement for selection of their properties.

At the close of 2009, work continued on evaluation of various proposals for the HHS complex, and a site selection decision is expected in 2010.

Historic District Ordinance

The 2009 legislature enacted **House Bill 360**, which sets up a collaborative process for the state and local governments relating to the design, renovation or demolition of state buildings within historic districts. The new process affects all state capital projects that are undertaken in historic districts when the affected cities have in place specific ordinances for those historic districts. The first facility construction project likely to fall under the provisions of the new law is the planned executive office building on the main capitol campus, which lies within the historic district of Santa Fe.

Las Cruces Area Master Plan

In 2009, the master planners continued work on the Las Cruces Area Master Plan and provided some updates on data collection and site visits. Critical financial analysis is still underway. With the extension of master planning funds, it will be possible to conduct more studies to determine which site, building construction, purchase and financing options are the most viable for a facility in which to consolidate nearly all state agencies currently located in leased space. The state agencies include the CYFD, the Taxation and Revenue Department, the Office of the State Engineer, the HSD and the Workforce Solutions Department.

There are several other initiatives and projects being monitored in this rapidly growing area of the state. As part of a study on records storage for the state, some consideration has been given to the location of storage space in the southern region to eliminate the need to transport records to the facilities in Albuquerque and Santa Fe.

Although the CBPC had endorsed the GSD's 2009 legislative initiative to request funding for land acquisition and design of a Las Cruces state office building, the initiative did not receive an appropriation.

Mid-Region Council of Governments (MRCOG)

A representative from the MRCOG offered a brief primer on transit-oriented development, highlighting the impact that a rail station can have on land values within a one-half mile radius. These areas are deliberately more dense than surrounding areas. The MRCOG is encouraging capitalization on rail investments in Los Lunas, Belen, the Santa Fe Railyard and the South Valley of Albuquerque.

Lease-Purchasing

A critical factor in the feasibility of lease-purchase agreements is the need to redirect current lease payments to provide a revenue stream for bond payments if there are no general fund dollars to finance state building bonds. LCS staff, in conjunction with consultants to the GSD and the CBPC, conducted extensive analysis during 2008 to select the most likely agencies to manage future lease-purchase payments through redirected lease payments. This information was used to develop initiatives for the 2009 legislature to consider. The first project approved for lease-purchase of a state agency office complex is phase 1 of the HHS complex in Santa Fe.

The CBPC began work on a review process for lease-purchase agreements that would be required for approval to proceed to the legislature for authorization of these agreements. PCD and CBPC staff developed a process for 2009 reviews, and they informed agencies of the required deadlines for submission of any lease-purchase proposals. In 2009, no requests were submitted for review.

A more in-depth review process is being developed.

Santa Fe Metropolitan Area

There are five specific campuses in the Santa Fe Metropolitan Area Master Plan:

1. the main capitol campus;
2. the south capitol campus;
3. the west capitol campus;
4. the public safety/Department of Transportation (DOT) campus; and
5. the corrections/Oñate campus.

Key issues in the implementation of the master plan involve: 1) timing agency relocations to coordinate with the timing of construction and renovation of buildings; 2) the need for "surge" space to house agencies while existing buildings are renovated to accommodate new tenants; and 3) financing new facilities, including the lease-purchasing of buildings using federal and state operational lease money as a bonding source.

On the main capitol campus, the key issues of the master plan include relocating state agencies that are constitutionally created, such as the state auditor, state treasurer and the Public Regulation Commission (PRC), to this campus and relocating agencies, such as the CYFD, to other service-oriented campuses. Space in the existing buildings is becoming more scarce, and the master planners are considering options to relieve overcrowding.

The south capitol campus is also overcrowded, and some of the existing buildings are in serious need of renovation or demolition and reconstruction. Since the inception of the original master plan for Santa Fe, the DOT has proposed different types of development for its headquarters site and its District 5 site. The master plan is being revised to reflect potential state facility construction on only the GSD portion of the property, but the construction needs to be coordinated with the adjacent DOT development once that is determined.

The west capitol campus currently has seven main structures and is partially split by land not owned by the state. The state needs to acquire land from the federal government, the Santa Fe Public School District and possibly the city of Santa Fe on the former College of Santa Fe campus if any more substantial development is to take place there in the future.

Other capitol campuses, including the corrections/Oñate campus, should be planned to maximize leverage of Rail Runner train stations. At the Penitentiary of New Mexico, the issue of whether to lease the wastewater treatment plant on a long-term basis to Santa Fe County also needs to be resolved, in coordination with the CBPC.

Since adoption of the 1999 South Capitol Campus Master Plan, the properties there have undergone significant changes with the implementation of a Rail Runner stop, a potential public-private development and new headquarters for the DOT on the DOT-controlled portion of the campus, primarily to the west of the railroad tracks. The CBPC expressed concerns throughout the year that any development concepts by the DOT for the west side of the south capitol campus require coordination with the state's master plans for the east side of the campus.

Main Capitol Campus

- **Executive Office Building — Main Capitol Campus — Santa Fe**

In December 2008, the commission adopted recommendations for the Santa Fe main capitol campus as proposed by the master planners and CBPC staff.

The 2009 legislature enacted **Senate Bill 221** authorizing construction of a new facility to implement one phase of a five-year planning strategy for the main capitol campus, which includes relocating constitutional officers to the campus, constructing new state-owned facilities in the most cost-effective manner and relocating state agencies from leased space to state-owned space. The master planners recommended that the process begin as soon as possible to maximize savings in the design, construction and relocation of agencies, particularly during the economic downturn, which has resulted in reduced construction costs.

This project would be separate from, but in conjunction with, the first phase of the HHS complex project that would free up space for the PRC, the Higher Education Department and the Office of the State Engineer in the Public Employees Retirement Association (PERA) building.

Upon completion of the projects, the designated state agencies will be located on the main capitol campus; overcrowding will be relieved in existing buildings, which will receive some renovations; and the bulk of the expensive leased space that the state occupies in Santa Fe will be reduced. In the long term, as space needs increase, the Concha Ortiz y Pino building might be demolished, and phase 2 of the executive office building could be constructed.

The state's current lease payments of \$1.6 million annually are sufficient to cover the cost of the project and debt service to finance approximately \$26 million in state office building tax revenue bonds issued by the NMFA. CBPC staff proposed a gross receipts tax intercept that would not begin before July 1, 2011.

The PCD has awarded a contract to Wilson and Company for design-build consulting services for the project.

- **PERA Building Purchase — Main Capitol Campus — Santa Fe**

The PERA purchased land and broke ground in 2007 on a new building in a location south of Santa Fe near I-25 and the West Frontage Road not far from the new Rail Runner stop at New Mexico Highway 599. Relocation from the main capitol campus to its new facility was completed June 1, 2009, allowing for the subsequent relocation of PRC staff out of leased space and into state-owned space vacated by the PERA at the former PERA facility.

- **Capitol Campus Parking Facility — Main Capitol Campus — Santa Fe**

In October 2009, the main capitol campus parking facility was completed and deeded to the New Mexico Legislature. Under the direction of the New Mexico Legislative Council, the facility opened in December 2009 and was used for state employees and the public during the legislative session commencing in January 2010.

- **Coughlin Building — Main Capitol Campus — Santa Fe**

This building, located on the main capitol campus adjacent to the capitol campus parking facility, was demolished in December 2009. By January 6, 2010, the site was converted to temporary surface parking for public employee vehicles pending the potential construction of an executive office building.

South Capitol Campus

- **Master Planning — South Capitol Campus**

In 2009, the legislature appropriated \$500,000 for a south capitol complex development plan, renovations and improvements for infill and redevelopment. The PCD was actively engaged in 2009 with this project, which will include production of a master plan, a supporting parking study and a space needs study.

- **DOT Facility: General Office Transit-Oriented Development at Headquarters on Cerrillos and Cordova Roads in Santa Fe**

The DOT is continuing its efforts to find a way to convert the department's most valuable asset, the headquarters site of approximately 25 acres at Cerrillos and Cordova roads, into a new headquarters building and multi-modal transportation center. In 2008, representatives from the DOT, the GSD and the State Transportation Commission established via a memorandum of understanding a working group called the Executive Project Oversight Committee composed of representatives from the Department of Finance and Administration, the GSD and the DOT. The agreement allows for the parties to collaborate on the best plan for the redevelopment of the Santa Fe DOT properties. The group was still working on this project at the end of 2009.

Public Safety/DOT Campus

- **State Crime Laboratory — Santa Fe**

The PCD selected Nims Calvani Architects to perform the initial programming phase of the project, primarily to assess Santa Fe and Albuquerque potential sites. The state-owned Valdes property near the current crime laboratory was the Santa Fe site; the Albuquerque site was land in the "super block" site near Candelaria and I-25. In the final report, the company scored Santa Fe significantly better than Albuquerque.

West Capitol Campus

In the 2007 legislative session, \$5 million was appropriated to acquire approximately 2.5 acres of land from the federal General Services Administration and an additional seven acres from the U.S. Forest Service located adjacent to the west capitol campus. The acquisition would allow the state to have a contiguous campus from Cerrillos Road to Siringo Road and allow the state to build facilities to move agencies out of leased space. Both federal agencies have been given authorization to dispose of the property through a competitive process, and congressional action is required to direct the agencies to sell the property to the State of New Mexico. The PCD reported to the CBPC during 2008 that it was having discussions with the congressional delegation and federal agencies to determine if the acquisition could be accomplished, preferably through the trade of other state-owned land in southern New Mexico.

The legislature extended the appropriation for several more years to earmark the funding for this land purchase at that campus. However, with the change in ownership of the College of Santa Fe, the executive branch requested, and the legislature approved in 2010, an expansion of

authorization to use the appropriation for purchase of specific parcels of vacant land at the college campus.

Several planned relocations of agencies from the south capitol campus to the west capitol campus are in process. Additional surge space for temporary location of staff during renovations has been established at this campus.

- **State Records Center and Archives — West Capitol Campus**

The State Records Center and Archives is located on the west capitol campus. In 2009, the master planners conducted a study of the long-range records and archives growth by record type, agency and general location in the state. They studied space requirements, capacities of current facilities and projected future demand for facilities. A number of recommendations were made for consideration by the State Records Center and Archives to consider in conjunction with the PCD. Several CBPC members suggested locating storage facilities in regions of the state that are closer to the customers creating and using the records.

Corrections/Oñate Campus

- **Department of Military Affairs**

The CBPC heard a request from the Department of Military Affairs to consider endorsing the purchase of 261 acres of land adjacent to New Mexico National Guard. Although the CBPC did not endorse the request the members did tour some vacant property in the area in July 2009 during their tour of potential HHS sites.

Galisteo Property — Santa Fe

In 2007, the legislature authorized the sale, trade or lease of this property, which is situated near St. Michael's Drive and St. Francis Drive in Santa Fe, not far from the proposed Zia Road stop for the Rail Runner. As part of the negotiations for land acquisition for a new HHS complex in Santa Fe, the Galisteo property is being considered for possible trade to complete a land acquisition for the complex.

Courts

A CBPC designee reported that the new state court of appeals building would open in December 2009 on the University of New Mexico campus. The relocation of three judges from Santa Fe is expected to increase space availability in Santa Fe for the Administrative Office of the Courts in the New Mexico Supreme Court building.

Albuquerque/Los Lunas Metropolitan Area

In June 2008, the update to the Albuquerque/Los Lunas Metropolitan Area Master Plan received preliminary approval by the commission. Members endorsed the concepts presented, and they

directed that an implementation plan be started to establish time frames and budgets for future review and adoption. The commission directed that the DOT hilltop facility at the proposed superblock site stay on the site.

A component of all master plans is to include a review of the water rights with a particular goal of preserving any water rights, particularly at undeveloped sites, such as at the grasslands site in Los Lunas as well as on all state properties.

The consultants explained that the principles underlying the master plan include locating state agencies to achieve functional, operational and logistical efficiency; promoting convenient public access to government services; providing equitable and adequate space while realizing economic efficiencies; and protecting long-term asset values of state property.

The basic plan for the Albuquerque/Los Lunas metropolitan area includes:

- developing a high-density superblock complex of state agencies at the current location of the Youth Diagnostic and Development Center (YDDC) in Albuquerque;
- relocating most of the YDDC to a new location in Los Lunas;
- developing the old Los Lunas hospital site to support local state agency field offices;
- developing the southern Los Lunas site for specialized secure and therapeutic uses; and
- keeping the Los Lunas grasslands site for future development.

In Albuquerque, the state currently leases 860,000 square feet of mostly office space. By redeveloping the YDDC site into a state office complex, the state can transition much of that currently scattered leased space into a centralized area, allowing for easier public access and potential long-term savings to the state. The master plan identifies 21 state agency offices in Albuquerque that could be relocated to the superblock site without affecting the services they provide. ARC interviewed each of those agencies about expected future staffing and space needs. The plan calls for redeveloping the northern part of the YDDC site into three different density and use areas and keeping the southern portion for the short term to midterm in its current secure uses.

Consideration was given to the property owned by Expo New Mexico, that is undergoing review in anticipation of the departure of the Downs at Albuquerque. Due to the Expo's central location, it might be a viable site for a centralized state office building or campus.

In Los Lunas, the master plan addressed three areas: the grasslands site, the southern Los Lunas campus and the Los Lunas hospital site. The 288-acre grasslands site was recommended for long-term development with short- to mid-term leases and maintenance of all water rights at the site.

The southern Los Lunas campus consists of approximately 1,200 acres of state-owned land, some of which is currently used for correctional purposes. Although, the current master plan recommends relocating the YDDC to this location, the CYFD began developing an agency

master plan in 2009 that may lead to changes in the master plan conducted by the CBPC. It is expected that in 2010 the CYFD will make a report to the CBPC and consult with its master planners on the direction of future facility needs of the agency.

The Los Lunas hospital site consists of approximately 184 acres, 50 acres of which are currently leased to local governmental entities. The master plan proposes maintaining the current leases, consolidating local state offices in 30 acres of the site, preserving a few buildings and 60 acres of open space in order to create linkages to local parks and further recreational opportunities, potentially leasing 44 acres for residential use in this rapidly growing area and demolishing several buildings that are beyond repair.

- **Old Metropolitan Court — Albuquerque**

Bernalillo County expressed strong interest in having the state transfer title of this property to the county in exchange for services to the state. The county has been leasing the facility, where education, training, counseling and substance abuse treatment services are being provided to certain inmates and others. **House Joint Resolution 9**, which would authorize the transfer, has been proposed for legislative consideration in 2010.

- **YDDC — Albuquerque**

Additionally, the commission previously endorsed the CYFD proposal to move toward smaller regional facilities for housing youthful offenders, referred to as the "Missouri Model". In 2009, the CYFD was actively engaged in its statewide master planning initiative, which will be presented to the CBPC in 2010.

- **Scientific Laboratory (Tri-Lab) — Albuquerque**

Construction of this facility was commenced in 2008, with total funding for the project reaching \$86 million. The CBPC toured the facility in the fall of 2009. Occupation of the facility is planned for the spring of 2010, after which time very few tours of any kind will be allowed due to the nature of the work conducted in the laboratories.

- **Substance Abuse Treatment and Training Center — Los Lunas**

The 2009 legislature did not endorse funding for the second part of the proposed treatment and training center in Los Lunas. As a result, the PCD restructured the design-build proposal and continued forward on construction of a facility that is expected to be completed in January 2011.

- **Demolition and Abatement of Facilities**

In 2009, the legislature funded the CBPC request for \$2.7 million for demolition, decommissioning and asbestos abatement of state buildings, primarily for the Los Lunas campus

but also for other facilities statewide that pose hazardous situations. This initiative is expected to remedy a number of problem facilities in Los Lunas and make room for future construction.

Final Recommendations for Legislation

Each year, the commission considers endorsement of proposed legislation and some specific state agency capital project requests that are consistent with or part of the state's master plans. Additionally, the commission may bring forth its own legislation.

Proposals were limited for the 2010 legislative session, primarily because of a shortage in funding for state facilities or other capital outlay projects. In fact, funding for many capital outlay projects was eliminated or redirected to finish projects already started.

Five proposals submitted to the CBPC by the GSD were endorsed. Only two proposals passed the legislature.

- A proposed resolution authorizing the trade of state land for private land to be used for the Santa Teresa port of entry was enacted in **Senate Joint Resolution 9**.
- A proposal to expand the purpose for expenditure of \$5 million in appropriations to include the purchase of parcels of vacant land adjacent to the west capitol campus on the College of Santa Fe property was passed in **Laws 2010 (Second Special Session) Chapter 4, Section 35**.
- In another proposal, agency preventive maintenance plans would have been required for those agencies under the jurisdiction of the PCD. The proposal did not receive an executive message.
- Exempting the PCD from the \$10 million threshold for the design-build project delivery method was not introduced because it did not receive an executive message.
- A proposal to eliminate State Board of Finance approval for certain PCD construction contracts for the redesign, major renovation and remodeling of state buildings did not receive an executive message.
- A proposal to fund statewide repairs and maintenance of facilities owned by the Cultural Affairs Department was adopted in the sum of \$1,100,000 in **Laws 2010 (Second Special Session) Chapter 4, Section 5**.

The CBPC endorsed one staff proposal for legislation to require each state agency to submit an annual five-year facilities master plan. The proposal was intended to strengthen the infrastructure capital improvements plan process for state agencies. This, too, did not receive an executive message.

E. 2010 LEGISLATIVE INITIATIVES

2010 LEGISLATIVE INITIATIVES AND FINAL ACTIONS

Approved by the Capitol Buildings Planning Commission (CBPC)

December 2009

COMMISSION GENERAL LEGISLATION:

- ◆ Five-Year Facilities Master Plans. The proposal would require most state agencies to submit a five-year facilities master plan in the form prescribed by the property control division (PCD) and consistent with the CBPC master plans and planning principles. Plans would be updated annually and used by the department of finance and administration and the general services department in preparation of a five-year state capital projects program. **The proposal did not receive an executive message.**

NON-CAPITAL OUTLAY LEGISLATION FROM THE GENERAL SERVICES DEPARTMENT:

- ◆ Agency Preventive Maintenance Plans. The proposal would require agencies under the jurisdiction of the PCD to develop and implement preventive maintenance plans for any new proposed capital outlay project and would charge the PCD with developing guidelines to assist agencies in developing their plans. It would require the PCD to develop a uniform web-based facility information management system that would provide a central database of maintenance activities, provide comprehensive maintenance request and expenditure information and facilitate the training of maintenance personnel. **The proposal did not receive an executive message.**
- ◆ Exempt PCD from the \$10 Million Threshold for the Design-Build Project Delivery Method. The proposal would remove from statute the minimum threshold amount required in order for state agency projects to be able to use the design-build project delivery method. The proposal would not change the law with regard to local public bodies. **The proposal did not receive an executive message.**
- ◆ Exchange State-Owned Land for Private Land for the Santa Teresa Port of Entry. The proposed resolution would authorize the trade of state land for private land to be used for the Santa Teresa port of entry. After the design of the facility was completed, it was determined that an additional 3.8 acres would be needed for drainage purposes. **The proposal was approved in SJR 9 (2010 regular session).**
- ◆ Eliminate State Board of Finance (SOF) Approval for Construction Contracts. The proposal would remove the requirement that the SOF approve all construction contracts into which the PCD enters for the redesigning, major renovation and remodeling of current state buildings and the erection of additional state buildings when needed. The current requirement was enacted prior to the Procurement Code and is no longer necessary, as reported by the PCD. **The proposal did not receive an executive message.**

CAPITAL OUTLAY WITHIN MASTER-PLANNED AREAS OF NEW MEXICO.

The CBPC endorsed certain capital outlay requests presented to the commission for its consideration as to consistency with the master plans under the purview of the commission and consistency with the general development principles of master planning for New Mexico state government.

FROM THE COMMISSION:

- ◆ NO PROPOSALS WERE SUBMITTED

FROM THE GENERAL SERVICES DEPARTMENT:

- ◆ Expansion of Purpose for Two Appropriations from 2007 and 2009. The proposal expands the purpose of appropriations to purchase adjacent land at the west capitol campus from the federal government to include the purchase of certain parcels of land adjacent to the campus on the college of Santa Fe property. The PCD is pursuing options to trade state land for the federal land at the campus, which would free up appropriations for purchasing land at the college. The state proposes to purchase Tracts A, B, C and D, located contiguous to each other on the southeastern portion of the campus, close to the state printing facility. **The request was approved in Laws 2010, 2nd Special Session, Chapter 4, Section 35.**

FROM THE CULTURAL AFFAIRS DEPARTMENT:

- ◆ Statewide Repairs and Maintenance of Cultural Assets. One million dollars is requested for repairs and maintenance of cultural assets spread throughout New Mexico. Funding of \$1,100,000 was appropriated in Laws 2010, Second Special Session, Chapter 4, Section 5.

F. 1997-2009 BACKGROUND

CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)

Background of the CBPC (1997-2009)

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. The commission was also 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 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.

During the initial process, a long-range facilities master plan for all state agencies in Santa Fe was developed. The plan was divided into sub-master plans for five main campuses identified at the time. Additionally, the initial study validated the existing long-range space needs plan and developed 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.

In 2002, the statute authorizing the CBPC was amended, extending the commission's authority to include the Albuquerque area in 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.

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 master planning.

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 as 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 the 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).

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.

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 in Senate Bill 182 and provided up to \$500,000 per month of a state gross receipts tax intercept for this purpose.

Several years later, **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. 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. Also, 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. The tri-lab is nearly complete and will be occupied in the spring of 2010.

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 collaborative process used for the 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 those projects within certain historic districts of the state. The process allows for both local government and public input.

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 areas, preparatory to incorporating the metropolitan area of 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, which became law in **House Bill 1022 (Laws 2007, Chapter 184)**.

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 directed further evaluation of a superblock site in Albuquerque and certain state land holdings in Los Lunas 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 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 has received funding to address master planning for the agency.

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) after the DOH relocates to the new tri-lab facility under construction adjacent to the UNM campus. Details of the trade, sale or transfer were still pending at the close of 2009.

A super complex for health and human services was considered and subsequently approved in 2009. The initial proposal for a super complex in Santa Fe recommended consolidation of a number of human services 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. In 2007, a site assessment was 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.

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 still to be determined. The legislation required that state land be considered for possible trade as part of the land acquisition for the HHS.

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 continue master planning efforts, including master planning for Las Cruces and a review of state properties throughout New Mexico.

In 2008, appropriating language for capitol area north renovations was expanded to include long-range facility space needs, including the initial planning and design of additional executive agency space (**Senate Bill 352 (Laws 2008, Chapter 83, Section 381)**, which amended **House Bill 1137 (Laws 2007, Chapter 192)**).

During the 2009 legislative session, in support of the CBPC initiatives, **Senate Bill 221 (Laws 2009)** was enacted, extending the expenditure period for master planning funds and for the future purchase of federal land located adjacent to the west capitol campus. Most notably, this

legislation authorized an increase in 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 this 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.

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 developing recommendations regarding the lease, lease-purchase or purchase of additional facilities. Although some preliminary life-cycle costing has been used, the efforts continue to establish a more formalized process that will incorporate different purchasing options such as lease-purchase. The GSD received funding in 2009.

Two other CBPC initiatives received funding from the legislature in 2009 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.

**G. HISTORY OF LEGISLATION
RELATING TO THE
CAPITOL BUILDINGS PLANNING
COMMISSION
1997-2009**

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

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	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	<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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

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. 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	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)
1997-2009**

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	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

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.
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	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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

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.
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; 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.
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.
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) for public school facilities.)</i>

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

<p>2007</p>	<p>Senate Bill 1061 (Ingle), Chapter 64.</p>	<p>Changed the 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; 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.</p>
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**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

2007	House Bill 1137 (B. Lujan), Chapter 192.	<u>Not a CBPC bill</u> , but includes appropriations of \$4.5 million for the plan, design, construction and renovation of Capitol North and limited Capitol space needs. (Funds \$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 a CBPC bill</u> , but authorizes 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.
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 a CBPC bill</u> , but authorized lease of certain property adjacent to Edith Boulevard (YDDC) in Albuquerque.
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.
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.

**HISTORY OF LEGISLATION RELATING TO THE
CAPITOL BUILDINGS PLANNING COMMISSION (CBPC)
1997-2009**

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 a CBPC resolution</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 a CBPC bill</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)
1997-2009**

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; current citation in Laws 2009, Chapter 114, Section 6).
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)
1997-2009**

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)
1997-2009**

2009	HTRC/House Bill 154, Chapter 125.	<u>Not a CBPC bill</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); \$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).
2009	House Joint Resolution 19 (Park).	<u>Not a CBPC resolution</u> , but authorized extension of the lease to the Downs of Albuquerque of facilities at the state fairgrounds until January 2012.

H. AGENDAS

Revised: January 8, 2009

**TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION**

**January 13, 2009
Room 307, State Capitol
Santa Fe**

Tuesday, January 13

1:00 p.m. **Call to Order and Roll Call**
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
—Representative Ben Lujan, Speaker of the House, Co-Chair

Action Item: Adoption of the December 17, 2008 Minutes

Public Comment

Department of Military Affairs — Request for Capital Outlay
—Major General Kenny C. Montoya

2009 Legislation and Capital Outlay Requests
—Paula Tackett, Director, Legislative Council Service (LCS)
—Roxanne Knight, Tom Pollard and Ric Gaudet, LCS
—Bill Taylor, Director, Property Control Division, GSD

A. Proposed Legislation:

- ◆ **Capitol Buildings Planning Commission (CBPC) Proposals**
- ◆ **GSD Proposals**
- ◆ **CBPC Staff Proposals**

B. Endorsements of Capital Outlay Requests in Master Planning Areas

Action Item: Adoption of Legislative Proposals and Capital Requests

Discuss Next Meeting Date

Adjourn

Revised: May 6, 2009

**AGENDA
for the
SECOND MEETING
IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**May 6, 2009
Room 322, State Capitol
Santa Fe**

Wednesday, May 6

1:00 p.m. **Call to Order and Roll Call**
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
—Representative Ben Lujan, Speaker of the House, Co-Chair

Action Item: Adoption of the January 2009 Minutes

Public Comment

2009 Legislative Initiatives — Final Action

—Roxanne Knight, LCS
—Tom Pollard, LCS
—Paula Tackett, Director, Legislative Council Service (LCS)
—Bill Taylor, Director, Property Control Division (PCD), GSD

A. Final Inventory of Statewide Owned and Leased Property

B. Preliminary Findings and Recommendations for Statewide Master Planning

—John Petronis and Andy Aguilar, Architectural Research Associates, Inc.

C. Questions and Answers with Master Planners

—Capitol Buildings Planning Commission (CBPC) Members, Master Planners,
CBPC Staff

PCD Updates

—Bill Taylor, Director, PCD

Discussion of Next Steps in Follow-up on Legislative Initiatives

—CBPC Staff and Members

Action Items: Directions to Staff and Appointment of Work Groups, as Needed

Tentative Next Meeting

—June 23, 2009, Time TBA, Room 322, State Capitol

Adjourn

**TENTATIVE AGENDA
for the
THIRD MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION
June 23, 2009
Room 307, State Capitol
Santa Fe**

Tuesday, June 23

1:30 p.m. **Call to Order and Roll Call**
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair
—Representative Ben Lujan, Speaker of the House, Co-Chair

Action Items: Adoption of the May 2009 Minutes and Open Meetings Resolution

1:35 p.m. **Background and Recap of Recent Santa Fe Master Plan Process**
—Paula Tackett, Director, Legislative Council Service

1:40 p.m. **Overview of Santa Fe Master Plan and Campuses and Review of Site Options for Health and Human Services (HHS) Project**
—John Petronis and Andy Aguilar, Master Planning Consultants, Architectural Research Consultants, Inc.

Action Item: Consider Adoption of Amendments to Santa Fe Master Plan

HHS Site Presentation
—Arturo Jaramillo, Secretary, GSD, Co-Chair

Property Control Division (PCD) Updates:
 Executive Office Building RFP for Architectural and Engineering Services
 Capitol Parking Structure
 Los Lunas: Grasslands RFP and Substance Abuse Facility
 Valdes Park
—Bill Taylor, Director, PCD, GSD

Public Comment

Next Meeting
—July 27, 2009, 1:30 p.m., Room 322, State Capitol

Adjourn

Revised: August 18, 2009

**TENTATIVE AGENDA
for the
FOURTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**August 19, 2009
Room 307, State Capitol
Santa Fe**

Wednesday, August 19

- 1:30 p.m. **Call to Order and Roll Call**
—Representative Ben Lujan, Speaker of the House, Co-Chair
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair

Action Item: Adoption of the June 23, 2009 Minutes

Staff Updates on Historic District Ordinance (HB 360) and Review Process for Lease Purchases (SB 220)

- Paula Tackett, Director, Legislative Council Service (LCS)
—Lemoyne Blackshear, Property Control Division (PCD), GSD

—Tom Pollard, LCS

- 2:00 p.m. **Health and Human Services (HHS) Facility Update**
—Arturo Jaramillo, Secretary, GSD

Master Planning Activities Update — Las Cruces, Statewide Database and Review of HHS Properties

- John Petronis and Andy Aguilar, Master Planning Consultants, Architectural Research Associates, Inc.

- 2:30 p.m. **PCD Updates**
—Bill Taylor, Director, PCD

Public Comment

Next Meeting

- September 23, Room 322, State Capitol, Santa Fe
—Tri-Lab Tour and YDDC Site Tour in September (TBA)

Adjourn

Revised: September 18, 2009

**TENTATIVE AGENDA
for the
CAPITOL BUILDINGS PLANNING COMMISSION**

**September 23, 2009
Room 322, State Capitol
Santa Fe**

Wednesday, September 23

- 1:30 p.m. **Call to Order and Roll Call**
—Representative Ben Lujan, Speaker of the House, Co-Chair
—Arturo Jaramillo, Secretary of General Services, Co-Chair
- Review Process for Lease Purchases (SB 220) — Agency Letter**
—Tom Pollard, Legislative Council Service (LCS)
—Michael Northrup, Property Control Division (PCD), General Services
 Department (GSD)
- Action Items: Adoption of the August 19, 2009 Minutes and Approval of Letter
to State Agencies*
- 1:45 p.m. **Master Planning Activities Update: Statewide Database; Health and Human
Services (HHS) Sites (New Mexico School for the Deaf; NM 599/I-25 Rail
Runner Stop; Zia Station)**
—John Petronis and Andy Aguilar, Master Planning Consultants, Architectural
 Research Associates, Inc.
- 2:10 p.m. **Update on HHS Facility/Development**
—Arturo Jaramillo, Secretary of General Services
- 2:25 p.m. **Cultural Affairs Department — Master Planning and Capital Requests**
—Stuart Ashman, Secretary of Cultural Affairs
- 2:40 p.m. **Public Comment**
- 2:50 p.m. **Break**
- 3:00 p.m. **Transit-Oriented Development — Mid-Region Council of Governments
(MRCOG)**
—Lawrence Rael, Executive Director, MRCOG
—Chris Blewett, Director, Transportation and Planning Services, MRCOG

3:45 p.m. **PCD Updates**
—Bill Taylor, Director, PCD, GSD

GSD Capital Outlay Requests (Time Permitting)
—Bill Taylor, Director, PCD, GSD

4:00 p.m. **Forensic Laboratory — Department of Public Safety (DPS) — Calvani Report**
—Robert Calvani, Principal in Charge, NCA Architects
—Mark Salvo, Forensic Lab Bureau Chief, DPS
—Noreen Purcell, Forensic Lab Supervisor, DPS
—Anthony Pacheco, Facilities Bureau Chief, DPS
—Dr. Mike Mier, Deputy Secretary of Administration, DPS

Future Meetings
—October 26, 10:00 a.m. to 5:00 p.m., Room 307, State Capitol, Santa Fe
—November 16, 10:00 a.m. to 5:00 p.m., Room 311, State Capitol, Santa Fe
—December 16, 10:00 a.m. to 5:00 p.m., Room 307, State Capitol, Santa Fe

October/November Tours
—Tri-Lab and Youth Diagnostic and Development Center Site, Albuquerque

Adjourn

**TENTATIVE AGENDA
for the
SIXTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION
November 16, 2009
Room 311, State Capitol
Santa Fe**

Monday, November 16

- 10:00 a.m. **Call to Order**
—Representative Ben Lujan, Speaker of the House, Co-Chair
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair

Adoption of the September 23, 2009 Minutes

- 10:05 a.m. **Property Control Division (PCD) Updates, PCD Capital Outlay Requests
and Preliminary Review of Legislation for 2010**
—Bill Taylor, Director, PCD, GSD

- 10:45 a.m. **State Records Center and Archives — Final Report**
—John Petronis, Architectural Research Associates (ARC)
—Andy Aguilar, ARC

- 11:30 a.m. **New Court of Appeals Facility Update**
—Patrick Simpson, Deputy Director, Administrative Office of the Courts

Public Comment

Next Meeting

—December 16, 1:00 p.m. to 5:00 p.m., Room 311, State Capitol, Santa Fe

Adjourn

Revised: December 14, 2009

**TENTATIVE AGENDA
for the
SEVENTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION
December 16, 2009
Room 311, State Capitol
Santa Fe**

Wednesday, December 16

- 1:00 p.m. **Call to Order and Roll Call**
—Representative Ben Lujan, Speaker of the House, Co-Chair
—Arturo Jaramillo, Secretary, General Services Department (GSD), Co-Chair

Action Item: Adoption of the November 16, 2009 Minutes

GSD and Property Control Division (PCD) Capital Project Reporting
—Bill Taylor, Director, PCD

Capitol Buildings Planning Commission — Planning — Exceptions
—John Petronis, Architectural Research Associates
—Roxanne Knight, Legislative Council Service (LCS)

Action Items: Commission Action on Recommendation/Correspondence

Lease-Purchase Proposals from Agencies — NONE SUBMITTED

Legislation

- **GSD Proposals**
—Bill Taylor, Director, PCD
- **Cultural Affairs Department (CAD)**
—Emilio Martinez, Director, Administrative Services Division, CAD
- **CBPC Staff Proposals**
—Paula Tackett, Director, LCS
—Bill Taylor, Director, PCD

Action Item: Legislative Proposals

Other Business — Meeting Procedures
—Roxanne Knight, LCS

Action Items: Commission Action on Procedures

Public Comment

Adjourn

(Note: 2010 Meeting Schedule To Be Determined)

I. MINUTES

MINUTES
of the
FIRST MEETING FOR 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION

Tuesday, January 13, 2009
Room 307, State Capitol
Santa Fe

The first meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Tuesday, January 13, 2009, at 1:20 p.m. in Room 307 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Stuart Ashman, Secretary of Cultural Affairs, and Emilio Martinez (sitting in at times) for
Secretary Ashman
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Katherine B. Miller, Secretary of Finance and Administration
Rep. Thomas C. Taylor, House Minority Floor Leader
Lawrence Barreras, designee for Gary Giron, Secretary-Designate of Transportation
Joyce Pankey, designee for Patrick H. Lyons, Commissioner of Public Lands
Patrick Simpson, designee for Arthur W. Pepin, Director, Administrative Office
of the Courts
Clarence Smith, designee for James Lewis, State Treasurer

Absent

Sen. Stuart Ingle, Senate Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)
Lemoyne Blackshear, Staff Architect, PCD
Gary Carlson, LCS
Ric Gaudet, LCS
Roxanne Knight, LCS
Larry Miller, Deputy Director, PCD
Tom Pollard, LCS

Guests

The guest list is in the meeting file.

Handouts

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

Minutes

The minutes of the December 17, 2008 meeting of the CBPC were adopted, without changes.

Ms. Tackett informed the commission of the death that morning of Mike Trujillo, former director of the PCD and friend to many members of the commission and staff.

Public Comment

Frank Katz, Santa Fe city attorney, asked that he and others be allowed to comment on CBPC 7 at the appropriate time.

Department of Military Affairs — Request for Capital Outlay

Kenny C. Montoya, major general of the Department of Military Affairs, presented the commission with the department's main capital outlay request for the 2009 session. Major General Montoya apologized for not having worked with the commission master planners until recently, which, he explained, was why the presentation to the commission came so late. Currently, the New Mexico National Guard occupies 300 acres of state-owned land in the southwestern part of the Santa Fe metropolitan area and is seeking acquisition of an adjacent parcel of 261 acres. Major General Montoya said that land for National Guard facilities needs to be purchased by the state, and then the federal government pays for any facilities on the property.

The new property is intended to house a tactical vehicle driving course, wind and solar power generating facilities, staging sites for state emergencies, space for physical training facilities, additional frontage road access, long-range facilities for the National Guard and a buffer area. The appraised value of the property is \$2.4 million, and the department is proposing to purchase the property at five percent below that value, for \$2.28 million. Major General Montoya said this figure represents a more accurate cost than the earlier Infrastructure Capital Improvements Plan (ICIP) request of \$2.8 million.

Senator Jennings congratulated Major General Montoya for his able leadership of the department and the New Mexico National Guard. He asked how much money would be needed to renovate and repair the existing guard barracks in Roswell. Major General Montoya said he would have to research that question and would provide Senator Jennings with the answer.

Secretary Jaramillo asked if the proposed land purchase is in compliance with the Santa Fe area master plan. Andy Aguilar of Architectural Research Consultants, Inc., (ARC) said that the department had been working with the master planners to comply with the plan.

2009 Legislation and Capital Outlay Requests

A. CBPC Proposed Legislation

Staff presented the proposed CBPC legislation, which included revisions resulting from member comments received after the December meeting.

CBPC 1. Executive Office Building (.174660.4)

Providing an additional \$150,000 gross receipts tax diversion to the State Building Bonding Fund for a new executive office building on the Main Capitol Campus.

Mr. Pollard said that the state will be able to use about \$1.8 million in annual lease payments toward debt service on the building bonds. Over a 40-year period, it is projected that the state will save about \$40 million, not including the value of the building it will own.

Secretary Miller requested that language be added to the bill clarifying that payments on the debt service will not be allowed prior to July 1, 2010.

CBPC 1 was adopted unanimously, with the requested revisions.

CBPC 2. Health and Human Services (HHS) Building (.174821.4)

Authorizing the New Mexico Finance Authority (NMFA) to issue bonds for an HHS building and authorizing the PCD to enter into a lease-purchase agreement for the facility. The building would house the Children, Youth and Families Department and the Human Services Department (HSD), and the bill would have no immediate fiscal impact. The building would have a 216,000-square-foot design and would be built in the Santa Fe metropolitan area.

Secretary Jaramillo said that several sites have been evaluated by the department's consultants for locating 686,000 square feet of buildings for the entire HHS complex. The Las Soleras site has the most viability for a project of that size. It is also being considered for a Rail Runner train station. Ms. Tackett said that the bill includes language allowing for the purchase of land for the building, if necessary.

Karl Sommer, representing Las Soleras developers, said that the property is currently being annexed by Santa Fe. Las Soleras is interested in having the entire HHS complex on that site and will work to make that property attractive to the state for development.

Secretary Miller asked if federal reimbursement funds could be used for the lease purchase. Mr. Pollard said they can, but that they will be applied toward the depreciation of the building, according to federal regulations.

Secretary Miller asked about the fiscal impact of the bill and how money would be allocated to pay the NMFA bonds. Mr. Carlson said that each agency that is housed in the HHS building receives in its operating budget money for its portion of the lease of the building, which will be transferred by the Department of Finance and Administration (DFA) to the debt service account. There would not be a net fiscal impact after the planning phase.

Senator Jennings suggested that a 15-year lease-purchase term be investigated to see if the state would save more money. Mr. Pollard said the state would save some money that way, but it may not be able to meet its debt service payments on that accelerated schedule. Mr. Pollard said that he will investigate whether the state could finance the HHS building using a 15-year term.

CBPC 2 was adopted by the commission unanimously, subject to any necessary technical adjustments.

CBPC 3. Extension and Change in Certain Appropriations (.174664.2)

Extending the time for expenditure of the current appropriation to the LCS for funding the CBPC and master planning process until 2012; extending the time for expenditure of a \$5 million appropriation for purchase of property at the West Capitol Campus; and reauthorizing \$500,000 from a mostly unused appropriation for the Department of Public Safety crime laboratory to the LCS for the next phase of CBPC master planning statewide.

Representative Taylor, referring to an existing severance tax bond appropriation in law that is being proposed to be extended, said that the state should be spending general fund dollars, rather than borrowed bond dollars, for master planning.

Secretary Miller said she believes that the \$500,000 reauthorization toward master planning is already slated in the governor's solvency plan to be reverted to the general fund, so she unfortunately had to oppose the bill. Also opposing the bill were Secretary Jaramillo, Emilio Martinez and Lawrence Barreras.

The commission adopted CBPC 3 by a vote of 6-4.

CBPC 4. \$500,000 Appropriation for Master Planning (.174765.1)

Appropriating \$500,000 to the LCS for funding the CBPC master planning process for statewide state facilities.

Since CBPC 3 had been adopted, CBPC 4 was withdrawn from consideration.

CBPC 5. Expansion of CBPC Duties (.174662.1)

Expanding CBPC duties to include developing a long-term statewide strategic facility management plan.

CBPC 5 was withdrawn and incorporated into CBPC 9, which relates to several CBPC issues.

CBPC 6. Review of Lease-Purchase Agreements (.174663.1)

Provides for CBPC review of proposed lease-purchase agreements prior to legislative ratification.

CBPC 6 was withdrawn and incorporated into CBPC 9.

CBPC 7. Zoning Jurisdiction for State Buildings (.174666.2)

Clarifying the application of the Historic District and Landmark Act to state capital outlay projects. This bill enacts into law the practice recently put into place with the capitol parking garage by which a state agency collaborates with local governments and community members before designing a new building located in a historic district. The bill clarifies that, although there is no local approval power for state projects, the state needs to work with the community during the pre-design process.

Mr. Katz of the City of Santa Fe said that the city has had excellent results working with the state to ensure that buildings fit in with the historic character of Santa Fe. The city wants to preserve its historic character, which makes it an attractive tourist destination, generating gross receipts tax revenue for both the city and the state. He said that if the city is able to provide input on projects before they are designed, the results will be beneficial to both parties.

Richard Ellenberg, a Santa Fe attorney, said that he also applauds the collaborative process that occurred between the city and state in designing the capitol parking garage. He expressed concern that a few phrases in the proposed bill would weaken the historic design community's ability to influence the outcome of a design. "Reasonable budgetary constraints" and "preserving essential functionality" could be used by less cooperative future agency heads to derail any real collaboration between the city and state, he said.

Marilyn Bane, chair of the Old Santa Fe Association, suggested a different approach to the issue. She said the city could create a state capitol subdistrict in which the Main Capitol Campus would have its own special zoning guidelines. She said that Santa Fe Mayor David Coss has agreed to look into that idea.

Secretary Jaramillo said state projects sometimes conflict with local zoning standards, but that early collaboration between the parties can minimize conflicts. He said the proposed bill will provide some objective standards for the state and a municipality with which to work. He said that the "reasonableness" language in the bill is important because it sets an objective standard.

Mr. Katz said the most crucial issue for the Santa Fe historic zoning community is building height. If the proposed executive office building is a six-story office building, that will ruin the character of the downtown area of the city. It may be more economical to build a tall building, but that building does not belong downtown, he said.

The commission adopted CBPC 7 unanimously, with technical adjustments.

CBPC 8. Commission Member Designees (.174740.1)

Allowing the state treasurer and the secretary of general services to appoint a designee.

CBPC 8 was withdrawn and incorporated into CBPC 9.

CBPC 9. Consolidated Commission-Related Bill (.175341.2)

Allowing the state treasurer and the secretary of general services to appoint a designee; expanding CBPC duties to include working with the GSD and other state agencies in developing recommendations for addressing state facility needs; reviewing proposed lease-purchase agreements prior to submission of the agreements to the legislature for ratification.

Senator Jennings suggested that the commission could be expanded to include more legislative members, which would make it a more balanced body and make it more likely that the legislature would support its recommendations.

The commission adopted CBPC 9 unanimously without changes.

B. General Services Department Proposed Legislation

GSD 1. Purchase JP Taylor Facility Land (.174772.2SA)

Appropriating \$5,000 to the Capital Program Fund for the PCD to purchase land currently occupied by the Southern New Mexico Correctional Facility and the JP Taylor Juvenile Justice Center.

The commission adopted GSD 1 unanimously.

GSD 2. Ratification of Lease Purchase of a Substance Abuse Facility (.174773.2SA)

Granting approval to the HSD to enter into a lease-purchase agreement for a building for use as a substance abuse treatment and training facility at the correctional site of the Los Lunas Campus. This facility would be in compliance with the master plan for the Los Lunas area.

Senator Jennings said the GSD should be the lessor of the building, not the HSD. The agency that deals with buildings every day should decide how the lease-purchase agreement should be structured and how the building should be designed. That agency is the GSD, he said. Every time the state deviates from standard procedures, the state ends up with a poor outcome, he said, citing as an example the Department of Health's Fort Bayard facility.

Secretary Jaramillo agreed with Senator Jennings' assessment and said that the HSD has deferred to the GSD to draft the lease-purchase agreement. Mr. Taylor said the PCD is currently drafting a rule that will regulate future state agency lease-purchase agreements.

Mr. Simpson said he also agrees that the GSD is better suited to be the lessor than the HSD, but he said it is important that the state not lose any federal lease reimbursement revenue. Ms. Tackett said the GSD could enter into the lease-purchase agreement on behalf of the HSD, which would answer that concern.

The commission adopted GSD 2 unanimously.

GSD 3. Lease Purchase of an HHS Facility (not drafted)

GSD 3, which had not been drafted, was withdrawn from the commission's consideration since CBPC 2 is similar in nature.

GSD 4. Agency Preventive Maintenance Plans (.174774.2SA)

Requiring agency preventive maintenance plans for public buildings as a prerequisite for new construction. The bill also provides for a web-based facility maintenance information management system.

Mr. Martinez asked what impact the bill would have on the Cultural Affairs Department. Mr. Taylor said the bill only applies to facilities under the jurisdiction of the PCD. Eventually, he would like to see a maintenance standard for all state agencies.

Speaker Lujan, speaking in favor of the bill, said the bill would put into place a standard similar to that already in place for public schools.

The commission adopted GSD 4 unanimously.

GSD 5. Building Replacement Value Appropriation Requirement (.174775.2SA)

Requiring an appropriation be made each legislative session to the Public Buildings Repair Fund (PBRF) equal to 1.1 percent of the replacement cost of PCD buildings.

Secretary Miller asked that the bill be clarified to specify how the replacement value of buildings is determined. She said that singling out one specific area of capital outlay needs for appropriation is not a good idea.

GSD 5 was withdrawn from the commission's consideration.

GSD 6. Extending Water Nonforfeiture Provisions to GSD (.174776.1SA)

GSD 6 had been withdrawn since it had been deemed to be unnecessary.

C. CBPC Staff-Proposed Legislation

Staff 1. Unified State Agency Capital Planning Process (.174661.5)

Providing for a unified capital planning process for state facilities; creating the Facilities Planning Bureau within the PCD; providing for an annual state facility plan that uses an objective, weighted ranking system to prioritize state facilities; and providing for a facilities management database and facility maintenance plans.

Mr. Taylor said the PCD supports the intent of the bill, which he estimates would require three to four additional full-time-equivalent employees to carry out its provisions. He said the PCD is already doing many of the functions described in the bill, but not to the extent mandated by it.

Secretary Jaramillo also spoke in favor of the bill, but said that with no extra money in the budget this year, it seems unlikely the bill would pass.

Staff 1 was withdrawn from the commission's consideration.

Staff 2. Reinstate Building Use Fees

Staff 2 had been previously removed from the commission's consideration due to budgetary constraints.

Staff 3. Two Percent Allocation to the PBRF from Certain Capital Outlay Projects (.174997.1)

Allocating two percent of all appropriations for major renovation or construction (over \$100,000) for PCD buildings to the PBRF.

The commission adopted Staff 3 unanimously.

Endorsement of Capital Outlay Requests in Master Planning Areas

The following list includes all capital outlay projects as originally requested in the presentations to the CBPC. The agency projects went through the ICIP and planning processes. The commission took action on projects most likely to affect the metropolitan area master plans in Santa Fe, Albuquerque (including Los Lunas), Las Cruces and statewide.

<u>Capitol Buildings Planning Commission</u>	<u>Request</u>	<u>CBPC Recommendation</u>
● Demolition/Abatement Funds for Los Lunas Campus Buildings	\$ 2,650,000	\$ 2,650,000*
● Las Cruces State Office Bldg—Plan, Design and Land Acquisition	\$ 4,000,000	combined below**
● Statewide Master Planning Funds for CBPC	\$ 500,000	\$ 500,000
 <u>General Services Department</u>		
● Statewide Repairs, Deferred Maintenance	\$10,000,000	\$ 5,000,000
● HHS Complex Land Acquisition (\$8M) and Design/Development	\$ 9,000,000	\$ 9,000,000
● Statewide Demolition/Decommissioning ** (Demolition Incl. Los Lunas, Roswell, Hobbs; the ARC Est. for Only Los Lunas Demolition/Abatement Is \$2.6 million)	\$ 2,100,000	combined above *
● Statewide Building Energy Efficiency	\$ 6,000,000	no action
● South Capitol Complex Infill, Phase I	\$ 3,000,000	\$ 1,500,000
● Las Cruces State Office Bldg/Land Acquisition/Design	\$ 9,000,000	\$ 5,500,000**
● Central (Main) Capitol Campus Master Plan/Expansion	\$ 1,500,000	\$ 1,500,000
● Statewide Planning and Design	\$ 1,000,000	\$ 1,000,000

State Records and Archives

(GSD/PCD indicates funds are available now to do the study)

- Feasibility Study—Assess Space Needs and Financing Alternatives \$ 60,000 withdrawn

Cultural Affairs Department

(CAD reports top two are highest priority)

- Statewide Repairs and Maintenance of CAD-wide Cultural Assets \$ 8,426,000 \$ 8,426,000
- Cultural Facilities Project Completion \$ 8,320,000 \$ 8,320,000
- Cultural Facilities Expansion \$ 2,400,000 no action
- Cultural Facilities and Equipment Upgrades \$ 2,221,000 no action
- Purchase of Cultural Assets \$10,000,000 no action

Department of Military Affairs

- Santa Fe Land Acquisition, 261 Acres \$ 2,280,000 \$ 2,280,000

Adjournment

There being no further business, the CBPC adjourned at 3:50 p.m.

MINUTES
of the
SECOND MEETING FOR 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION

Wednesday, May 6, 2009
Room 322, State Capitol
Santa Fe

The second meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Wednesday, May 6, 2009, at 1:25 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Stuart Ashman, Secretary of Cultural Affairs
Lawrence Barreras, Designee for Gary Giron, Secretary of Transportation
Dennis Garcia, Designee for Patrick H. Lyons, Commissioner of Public Lands
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
James Lewis, State Treasurer
Katherine B. Miller, Secretary of Finance and Administration
Patrick Simpson, Administrative Office of the Courts (AOC)

Absent

Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)
Ric Gaudet, LCS
Roxanne Knight, LCS
Larry Miller, Deputy Director, PCD
Tom Pollard, LCS

Guests

The guest list is in the meeting file.

Handouts

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

Minutes

The minutes of the January 13, 2009 meeting of the CBPC were adopted without changes.

2009 Legislative Initiatives — Final Action

Staff presented to the commission the action taken during the 2009 legislative session on several pieces of legislation endorsed by the CBPC.

1. Executive Office Building (EOB), Main Capitol Campus, Santa Fe (Senate Bill 221; Laws 2009, Chapter 114) effective April 6, 2009. Authorizes the future intercept of gross receipts taxes to finance the construction of a state-owned office building on the main capitol campus, which will enable several state agencies currently in private leased space to relocate to state-owned buildings. The bill also extends the expenditure period for certain master planning funds and for the purchase of property on the west capitol campus.

2. Health and Human Services (HHS) Complex, Santa Fe (House Bill 728; Laws 2009, Chapter 145) effective June 19, 2009. Authorizes the initial phase of construction of the HHS complex to house the Human Services Department and the Children, Youth and Families Department and allows the state to enter into a lease-purchase agreement backed by the future diversion of currently budgeted private lease payments to finance the building.

3. CBPC-Related Legislation (Senate Bill 220; Laws 2009, Chapter 19) effective July 1, 2009. Provides for the CBPC to review proposed lease-purchase agreements for certain projects, allows the state treasurer and the secretary of general services to appoint designees to attend meetings on their behalf and directs the commission to work with the GSD on addressing deferred maintenance on state facilities and utilizing life-cycle costing in developing recommendations regarding the lease, lease-purchase or purchase of additional facilities.

4. Historic District and Landmark Act Changes (House Bill 360; Laws 2009, Chapter 23) effective June 19, 2009. Makes changes to the Historic District and Landmark Act by establishing a process for a state agency to carry out a capital outlay project in an historic district in a manner that is compatible with local ordinances.

5. Appropriations to the Public Buildings Repair Fund (PBRF) (House Bill 194; failed). Would have allocated two percent of appropriations exceeding \$100,000 for new construction or major renovation of buildings under the jurisdiction of the PCD to be directed into the PBRF for addressing maintenance and repairs of state buildings, particularly those outside of Santa Fe.

6. Endorsed Legislation from the GSD.

- House Bill 358 (failed) would have required preventive maintenance plans to be developed for all state buildings under the jurisdiction of the PCD.
- Senate Bill 429 (Laws 2009, Chapter 71) authorizes expenditure of \$5,000 to purchase land currently occupied by the Southern New Mexico Correctional Facility and the J. Paul Taylor Juvenile Justice Center.

- Senate Joint Resolution 7 and Senate Bill 546 (failed) would have authorized a lease-purchase agreement for a substance abuse treatment and training facility to be constructed on state land at the correctional site in Los Lunas.

7. Capital Outlay Within Master Planned Areas of New Mexico. Several state agency projects within master planning areas were endorsed or presented to the commission and received funding by the legislature, including \$2.7 million for the demolition, decommissioning and abatement of buildings; \$500,000 for statewide master planning; \$2 million for statewide repairs, renovations, deferred maintenance and infrastructure improvements; \$4 million toward the HHS complex; \$500,000 for infill and redevelopment of the south capitol complex; up to \$1 million in reauthorized money for master planning on the main capitol campus and, if necessary, for completing construction of the capitol parking structure; \$1 million for statewide repairs and maintenance of cultural assets; and \$3.7 million for cultural facilities project completion.

Speaker Lujan asked if a location for the HHS complex had been decided upon. Ms. Tackett said that the legislation only requires that the HHS complex be located in Santa Fe County. Speaker Lujan suggested that the College of Santa Fe (CSF) property should be evaluated as a location for the complex.

Senator Ingle asked which areas of the state will be affected by the changes to the Historic District and Landmark Act and whether state projects would be delayed in order to comply with the new law. Ms. Tackett explained that only those municipalities or counties that have enacted a historic district ordinance and that have enacted an ordinance specifically dealing with state agency projects will have any say in the design process of state buildings. She said that 10 local governments have enacted an historic district ordinance: Albuquerque, Columbus, Deming, Las Vegas, Lincoln County, Santa Fe, Silver City, Taos, Belen and Mesilla. The collaboration with local governments should occur before and during the design phase of the project and should not delay a project.

Final Inventory of Statewide Owned and Leased Property

John Petronis and Andy Aguilar of Architectural Research Consultants (ARC) presented the commission with the statewide inventory of state-owned and -leased property. The state occupies about 40.8 million gross square feet (gsf) of building space. Excluding educational uses, the state occupies 18.8 million gsf of owned and leased space. The state pays for "leasable" square feet (lsf), which does not include certain common areas otherwise included in gsf measurements. The state leases 3.4 million lsf, which, for calculation purposes, is approximately equal to 4.3 million gsf. In addition, counties provide 1.6 million gsf to the state.

The master planners used several data sources in performing the inventory: the Risk Management Division (RMD) of the GSD tracks all state-owned facilities; the PCD tracks building information on all of the buildings under its jurisdiction, and the division now has its FacilityMax database operational; and the PCD tracks leases for all executive agencies except for land controlled by the State Land Office. ARC gathered data from counties for the inventory, but no agency is currently tracking county-provided space.

Of the 12.8 million gsf owned by the state (excluding educational entities), more than one-half are located in Santa Fe and Bernalillo counties. Executive agencies account for 93 percent of state-owned space, and the remainder is occupied by legislative and judicial agencies. Of the executive agency space, 56 percent, or 6.7 million gsf, is controlled by the PCD.

The state leases 3.4 million lsf, which costs the state \$63.7 million annually. Ninety-one percent of the leases is for office space. Most leased space occurs in Bernalillo County (28 percent), Santa Fe County (25 percent), Dona Ana County (6.7 percent) and Valencia County (6.2 percent).

Finally, the master planners presented data on space provided to the state by counties, mostly to house district courts, district attorneys and public health offices. Statewide, counties provide 1.6 million gsf to the state, or nine percent of the total occupied by the state. The master planners reported that there are many significant space issues in county-provided facilities.

Senator Ingle asked who typically pays for repairs at buildings leased by the state. Mr. Taylor said that the PCD enters into leases for nearly all state agencies. Those leases contain very specific language regarding maintenance responsibilities. The building owners have usually done a good job of maintaining buildings, he said.

Senator Ingle asked about the practice of automatic increases in base lease amounts. Mr. Taylor said that new leases entered into by the PCD may only provide for operational and maintenance increases but not the base rent amount. Previous leases still in effect may have automatic increases, but those leases will be phased out in the next few years.

Senator Jennings commented that counties usually provide for magistrate courts, with help from a court fee fund the state maintains, but in Bernalillo County, the state ended up paying for the new Bernalillo County Metropolitan Courthouse. The court fee fund, which was intended to support all county courthouses, is now paying for that courthouse. He also said that money returned to the state from the recent courthouse scandal criminal convictions should be returned to the same fund, rather than the general fund. Secretary Miller agreed and said that, although the Attorney General's Office (AGO) initially said the money should go to the general fund, she believes that the money needs to be deposited into the debt service fund to repay the bonds for the courthouse. She said that the AGO and the New Mexico Finance Authority are reviewing bond documents. Mr. Simpson said that the AOC's position is similar and that the money needs to be deposited into the debt service fund.

Senator Jennings said that standards for district courthouses need to be compared with GSD standards and that there should be uniformity statewide for courts. In response to a question, Mr. Petronis said the estimate for a new district courthouse in Bernalillo County is \$100 million.

Preliminary Findings and Recommendations for Statewide Master Planning

The master planners discussed barriers to and preliminary recommendations for statewide master planning. Barriers include: no unified source of data for all state facilities; no

unified coding system to categorize and rank buildings; the existence of some data discrepancies between data sources; no method to easily track staffing patterns and needs at sites; limited agency long-range capital planning; no tracking of county-provided space; no space standards for county-provided space; limited capacity of counties to provide facilities for the state; private facilities that are not tracked; no comprehensive database on state-owned land; no comprehensive system to track water rights on state lands; and no comprehensive policies for acquisition and disposal of state-owned properties.

The master planners made several recommendations for the commission's consideration:

- create a consistent and comprehensive database of state assets and leased properties, which would include assigning a single agency to compile, consolidate and update occupancy data; resolving discrepancies from various data sources; and expanding the FacilityMax system to include consistent data for all state assets and leased properties, including data for location, agency owner, size, condition, occupants, replacement value and water rights;
- require state agencies to develop long-range capital master plans;
- establish policies for acquiring and disposing of state assets that include an analysis of costs and benefits, considering compliance with the CBPC master plans, long-term uses and mission requirements and total costs of ownership and operation; and
- develop space standards for state functions provided by counties.

Secretary Jaramillo suggested that representatives of counties be consulted in the development of space standards in county-provided buildings. He also said that any agency assigned the responsibility of creating the comprehensive database would need additional staffing. Ms. Knight said that CBPC staff will review agency impacts of the recommendations.

Action Taken: The recommendations of the master planners were approved unanimously by the commission.

Al Duran from the RMD reported that over \$300 million in construction is occurring and that there are some issues with insuring facilities. He said that Court of Appeals staff told the RMD that it did not have jurisdiction over the court's buildings.

Property Control Division Updates

Mr. Taylor provided the commission with an update on the PCD's activities.

Location of HHS Complex

With the passage of House Bill 728 (Laws 2009, Chapter 145), the next steps in the process include developing a request for proposals (RFP) for bidders to develop a design-build or lease-purchase agreement; however, a site for the complex needs to be identified before any planning documents can be created. Mr. Taylor said that the Las Soleras site, which ranked very

high in a study two years ago, is still the most likely choice for the complex. Additional sites have been evaluated by the GSD recently, but have not ranked as well as the Las Soleras site. Mr. Taylor estimated that between 10 and 40 acres would be needed for a complete HHS complex; however, he said 10 are needed for the first phase that was funded.

West Capitol Complex

The City of Santa Fe has indicated its long-range plan of vacating its properties on Siringo Road in its process of relocating many of its functions to the Siler Road area. The GSD is interested in extending the west capitol campus to Siringo Road and purchasing city property. Other developments in the area include the possible acquisition of land at the CSF, as well as a potential reauthorization of a \$5 million appropriation for purchase of federal land in the west capitol complex, to be redirected toward the purchase of the CSF.

Halpin Building

The City of Santa Fe and the Middle Rio Grande Council of Governments are interested in acquiring from the state the Halpin Building, located on Montezuma Street adjacent to the Santa Fe Railyard train depot. Currently, that building is used by the Cultural Affairs Department (CAD). Mr. Taylor said that the PCD is awaiting a proposal from the interested parties before proceeding.

Relocations of Agencies

Santa Fe:

- the Building Services Division of the GSD is moving from the south capitol campus to the T-187 building at the west capitol campus;
- the Motor Transportation Division of the Department of Public Safety (DPS) is moving from the south capitol campus to the Fleming Building at the west capitol campus;
- the Public Employees Retirement Association (PERA) will vacate the PERA building on the main capitol campus and move June 1 into its new building located near Cerrillos Road and Interstate 25;
- the Public Regulation Commission will vacate leased space at Marion Hall and at San Mateo Road, and move into the PERA building at the main capitol campus; and
- the Coughlin Building on the main capitol campus is scheduled for demolition in September to make way for construction of the EOB. That building is currently being used by the American Recovery and Reinvestment Act of 2009 (ARRA) program.

Albuquerque:

- the Adult Probation and Parole Division of the Corrections Department now occupies the Turquoise Lodge facility on Isleta Boulevard; and

- the HSD desires to vacate its southeast Bernalillo County facility and warehouse.

Los Lunas:

- there has been interest from local schools and the county extension office to use land on the Grasslands site. Speaker Lujan expressed interest in including Valencia County and the Village of Los Lunas in future discussions about the site; and
- the Department of Health may vacate private leased space and re-occupy state-owned buildings on the old hospital campus.

Las Cruces:

- the DPS will relocate its New Mexico State Police district office when construction is completed in 2010.

PCD "Stimulus Package"

Although not part of the federal ARRA program, the PCD is opening bids on several projects this summer that will create jobs around the state, including:

- the Las Vegas Meadows Hospital phase 1;
- the Lordsburg port of entry;
- the Roswell Rehabilitation Center;
- the Motor Vehicle Division's new Santa Fe office at Valdes park;
- upgrades and replacements to heating and cooling systems at the Southern and Central New Mexico Correctional Facilities; and
- the J. Paul Taylor Juvenile Justice Center gymnasium in Las Cruces.

Los Lunas Substance Abuse Center

After failing to receive legislative approval to lease-purchase a facility, the PCD is proceeding to construct the previously approved portion of the state-owned facility using a design-build process. The RFP will be issued in mid-May.

Capitol Parking Structure

The scheduled completion date for the structure is early August. There were weather-related and delivery delays to the project during the winter. A possible increased liability to the City of Santa Fe in impact fees is no longer an issue.

GSD 2009 Legislative Initiatives

In addition to the listing of GSD and CBPC legislation detailed previously in these minutes, one piece of legislation endorsed by the GSD passed:

- approval for the PCD to sell surplus state land on the former Walker Air Force base in Chaves County.

Speaker Lujan asked about the scope of the proposed lease at the Grasslands site in Los Lunas. Mr. Taylor said that there is some concern that the proposed lease would be too long because the state wants to use that land in the long term.

Senator Ingle expressed concern that the HHS complex will follow the usual trajectory of state-financed buildings: that the state starts construction on a project it does not really have sufficient funding for, and then the legislature is forced to fund huge cost overruns. He said that projects the state builds tend to cost 30 percent more than in the private sector. Mr. Taylor said that PCD and CBPC staff have discussed this issue at length. This is the first large-scale lease-purchase for the state, and it is essential that the project be completed within its budget. The entire project, except for a \$4 million appropriation for land acquisition, planning and designing, is to be financed using current budgeted lease payments.

Senator Ingle asked how big the property needs to be for the HHS complex. Mr. Taylor said that for phase 1, 10 acres could work. He said that the complex needs to be within a transit-oriented development or near a train depot.

Senator Ingle asked for a list of all the different site locations for the HHS complex, and GSD staff said they would supply it. Secretary Jaramillo said that the GSD and a contractor have looked at 10 different sites. The GSD is currently narrowing the choices for the site. The legislature appropriated \$4 million to the GSD for land acquisition for the HHS complex, and there is room to use some of the \$80 million lease-purchase money for land acquisition. Secretary Jaramillo said that everyone involved in the project is aware that this project cannot cost more than the approved amount; otherwise, the legislature will probably never approve another lease-purchase project. Secretary Jaramillo said that the GSD is interested in having an option to purchase land, based on the results of the RFP process, for the entire project. That way, the GSD can confirm that the project will stay within budget before making commitments.

Secretary Ashman inquired about the CSF property.

Secretary Jaramillo gave an update on the CSF property. He said that the governor asked the GSD to study the possibility of reducing the debt owed by the CSF and provide a benefit of equal value to the state. Without the City of Santa Fe issuing bonds to cover much of the CSF debt, there would have been little that the state could have done. Now, however, the state may ask the legislature to reauthorize \$5 million currently allocated for the purchase of federal land adjacent to the west capitol complex for the CSF, in addition to other money that may be available. Regarding the purchase of federal property, Secretary Jaramillo said that of the two parcels the state has been trying to purchase, the federal General Services Administration property could be traded for state land near the Fort Bayard Cemetery. Secretary Jaramillo suggested that the U.S. Forest Service property is turning out to be too expensive for the state to acquire because the Forest Service wants the state to build a replacement facility in exchange for

the property. With both of these developments, it may be a good idea to reauthorize the money toward the acquisition of the CSF property.

A portion of the CSF property, consisting of nearly 20 acres bordering Siringo Road and near Santa Fe High School, could be acquired by the state. Secretary Jaramillo suggested that the property could then be developed by the state for a higher education center at which state universities could establish specialized programs. In addition, the Higher Education Department eventually could be relocated to the property, and the state library also may be a good fit.

The goal of the GSD is to be able to acquire \$5 million worth of property from the CSF, said Secretary Jaramillo.

Speaker Lujan, speaking about the HHS complex, asked if the intention is to use current lease revenues to finance the entire project. Mr. Pollard said that is the intention. The calculation of the cost includes possible use of \$2 million, if necessary, for land acquisition. The project will save the state millions of dollars over the life of the building, Mr. Pollard said.

Discussion of Next Steps

Ms. Knight presented a list of activities for CBPC staff to begin working on, due to recent legislation, including:

- development of the Las Cruces master plan;
- implementation of the Albuquerque area master plan;
- notification to local governments with historic districts of recent changes to the Historic District and Landmark Act; and
- development of criteria for the acquisition and disposal of state assets and for the review of proposed lease-purchase agreements.

Action Taken: The commission adopted the staff directives.

Tentative Meeting Dates

Staff presented a list of meeting dates for the commission during the 2009 interim. The next meeting is scheduled for June 23, 2009 at the State Capitol.

There being no further business, the commission adjourned at 3:25 p.m.

**MINUTES
of the
THIRD MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**Tuesday, June 23, 2009
Room 307, State Capitol
Santa Fe**

The third meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Speaker of the House Ben Lujan, co-chair, on Tuesday, June 23, 2009, at 1:45 p.m. in Room 307 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Gary Giron, Secretary of Transportation
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Emilio Martinez, designee for Stuart Ashman, Secretary of Cultural Affairs
Katherine B. Miller, Secretary of Finance and Administration
Katherine Moss, designee for Patrick H. Lyons, Commissioner of Public Lands
Patrick Simpson, Administrative Office of the Courts
Clarence Smith, designee for James Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Ric Gaudet, LCS
Roxanne Knight, LCS
Tom Pollard, LCS
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)
Lemoyne Blackshear, Staff Architect, PCD
Larry Miller, Deputy Director, 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 23

Minutes

The minutes of the May 6, 2009 meeting of the CBPC were adopted without changes.

Open Meetings Resolution

The open meetings resolution for the CBPC for 2009 was adopted.

Background and Recap of Recent Santa Fe Master Plan Process

Ms. Tackett made brief opening remarks about the Santa Fe master plan.

Overview of Santa Fe Master Plan and Campuses and Review of Site Options for Health and Human Services Project

Master planners John Petronis and Andy Aguilar from Architectural Research Consultants, Inc. (ARC), presented to the commission the results of their study of potential sites for the location of phase 1 of the health and human services (HHS) complex. A previous study in 2007 had been performed by another contractor, but since that study, several additional sites have been identified as possible locations for the complex.

The 2009 legislature authorized the lease-purchase acquisition of a building to house the Human Services Department (HSD) and the Children, Youth and Families Department. Up to \$80 million is available for financing the project, and another \$4 million is designated for land acquisition and design.

Mr. Petronis began with a review of the five existing state campuses in the Santa Fe master plan. Although some of the campuses have potential to house the HHS complex, most would not be able to accommodate the project in a timely manner. Locating the project at the south capitol complex would require demolition of at least one existing building, in addition to construction of a parking garage. One goal for the west capitol complex is the acquisition of property from the federal government that could provide space for the complex, but that property transfer has been stalled for the foreseeable future. The main capitol campus has been designated mostly for constitutional agencies, and there is no immediate space for the project at that campus. The Department of Public Safety (DPS)/Department of Transportation (DOT) campus was evaluated by the master planners for suitability, but was deemed not available within the time frame needed for the project.

The phase 1 development of the HHS complex would need a minimum of nine acres, and if phases 2 and 3 are constructed, between 13 and 29 acres would be required, depending on whether surface or structured parking is used. The master planners also assumed that the land would need to be available immediately for phase 1 development in order to be considered viable. After evaluating potential sites for size and availability, the remaining sites were then ranked according to a series of evenly weighted criteria. Criteria included proximity to an existing state campus; convenient access to its users, including commuter rail proximity and vehicle access; compatibility with state and local land planning policies, including promotion of a compact urban form, encouraging sensitive infill development, alignment with land use and

zoning plans and the potential for a mixed-use environment; and acquisition and site development costs.

Fourteen sites were evaluated, and after the first elimination round of size and immediate availability, six sites were further ranked. Those sites include the Onate property, using state land near the penitentiary; Las Soleras property; Oshara Village property; Rabbit Road/St. Francis property; College of Santa Fe property; and property south of the Onate site. The top three sites ranked according to this system were Las Soleras, scoring 25 points; Oshara Village, scoring 20.5 points; and the College of Santa Fe, scoring 20.5 points.

Mr. Petronis said that the top three sites all have potential and should be further investigated. The Las Soleras site stands out from the rest mainly because of its excellent access to a proposed commuter rail station. The conclusions reached by the master planners are in accord with the conclusions reached by the GSD separately, reported Mr. Petronis.

Senator Ingle asked about the time frame for completion of infrastructure at Las Soleras. Secretary Jaramillo said that a contract with Las Soleras would require the developer to develop sufficient roadway access and sewer capabilities within 270 days. All infrastructure, including paved roads and a Rail Runner station, would need to be completed within two years.

In response to a comment by Representative Taylor, it was noted that the station will be a "center-line" station.

Karl Sommer, representing the Las Soleras developers, said that there are currently roadways and utilities within the development very close to the proposed site. He reported that Las Soleras is willing to commit to completing all the infrastructure and expects everything to be completed within the two-year time frame. He also reported that the Rail Runner stop requires approvals from the Federal Highway Administration (FHA) and others, and he anticipates those approvals will occur within two years. An environmental assessment is required for the FHA.

Representative Taylor asked how much time the new station would take to complete. Lawrence Barreras, deputy secretary of transportation, reported that the federal approval process typically takes 18 months and construction of a station would take six months or longer. He said that the stop at Las Soleras has already been approved by the Santa Fe Metropolitan Planning Organization's (MPO) Transportation Policy Board (TPB); however, as previously reported, there are certain contingencies tied to the MPO approval.

Senator Jennings opined that the state will be increasing tremendously the value of Las Soleras' property and that perhaps the state should get some of the most valuable commercial property in addition to the site for the HHS complex. He asked about the ownership of the Las Soleras property. Mr. Sommer responded that five families own the property. He also said that the master plan, roadway plans and annexation by the city have been approved.

Senator Jennings expressed concern that there will be too many Rail Runner stops in Santa Fe, which will make the commute to and from Albuquerque very slow. He said that he is

concerned about the cost to the state of the property, compared to the value Las Soleras will be receiving. He said the selection process needs to be much more transparent, especially in light of all the other scandals facing the current administration. There is sufficient doubt in the eyes of the public about this project, he said. Finally, he asked whether the state will need to make any more appropriations in the future for the project. Secretary Jaramillo said that the HHS project is to be funded by diverting the \$5.9 million in private lease payments toward the lease-purchase of the phase 1 facility. The New Mexico Finance Authority will probably issue bonds for the project. Other than the \$4 million appropriated and designated by the legislature to acquire land and to plan and design an HHS complex, no new money will be needed for phase 1 of the project. The HHS legislation only authorizes phase 1 of the project. If phases 2 and 3 are desired in the future, new legislation and funding sources will be needed, he said.

Secretary Miller asked who decided the location of the Rail Runner stop at Las Soleras. Secretary Giron said that the MPO made that decision. The distance between the NM 599 stop and the Las Soleras stop is sufficient to ensure efficient operation of the train, Secretary Giron reported.

Secretary Miller asked who is responsible for the cost of building the station. Secretary Giron said that the developer is responsible for all costs associated with the stop, regardless of whether the state builds an office building at the site.

Secretary Miller said that the current administration has been discussing the HHS complex for five years, and it is time to get the project moving.

Senator Ingle asked about the letter from the governor supporting Las Soleras as a Rail Runner stop location and as a location for the HHS. Secretary Jaramillo said that the CBPC has looked at Las Soleras since 2007. In its first analysis, the planning firm HOK scored Las Soleras the highest and recommended acquisition of property for the complex. The letter from the governor came after that analysis, since the GSD believed it was the best site in 2008.

HHS Site Presentation

Secretary Jaramillo gave a detailed presentation to the commission about the selection of and proposed agreement for the Las Soleras property. Getting a state building constructed is an incredibly difficult process, and the HHS complex has been on the drawing board for nearly a decade, he said. The master plan strategy is to consolidate operational, functional and logistical efficiencies among the HHS agencies, which are scattered in leased and state-owned office buildings throughout Santa Fe. Creating an HHS complex would foster collaboration between agencies at the administrative level; co-locate HHS agencies to maximize program synergy; improve public accessibility and eliminate multiple locations; realize economic efficiencies through economies of scale and infrastructure sharing; vacate private leased space and achieve substantial long-term savings; relieve existing crowded conditions; and make space available for other agencies in existing state-owned facilities.

In 2006, New Mexico voters approved a constitutional amendment allowing the state to lease-purchase assets. The 2009 legislature passed House Bill 728 (Laws 2009, Chapter 145),

which authorizes the lease-purchase of an \$80 million HHS office complex. The legislation requires review by the CBPC prior to entry into any contracts. Secretary Jaramillo reported that the financial analysis allocated up to \$2 million for acquisition of land from the \$80 million. In addition, the legislature appropriated \$4 million for HHS land acquisition. House Bill 728 requires consideration of land trades for acquisition of the property, subject to final approval by the legislature.

The proposed deal with the Las Soleras developers involves a \$6 million payment by the state; a trade of state-owned property on Galisteo Road and some portion of the Valdes property; and a contribution of land from the sellers to the state. The proposal also provides a five-year option to acquire an additional 6.9 acres adjacent to the acquisition site, which would allow for development of phases 2 and 3, if so desired. The state will pay the sellers \$6 million for at least 6.89 acres of the property, depending on the appraised value. At \$20.00 per square foot, which is the maximum amount the state will pay, the state would acquire 6.89 acres. If the appraised value is lower, the state will acquire proportionally more property. The state will also trade, on an equal basis, the Galisteo property and a portion of the Valdes property based upon the appraised values of the properties. Finally, if the total amount of land conveyed to the state from the cash sale and trades does not equal 20 acres, the seller will donate to the state the remaining portion of the property.

The state will retain the option to purchase an adjacent 6.89 acre parcel at the appraised value, subject to a five percent annual price increase.

The developer would be required to provide adequate access roads and utilities to the site within 270 days of closing. Within 24 months, Las Soleras would have to construct the finished roads to the site and complete a Rail Runner platform with a pedestrian bridge over the interstate.

Secretary Jaramillo described the selection criteria for the HHS complex, which were similar to the criteria used by the ARC master planners. Criteria included sufficient acreage for phase 1 development and the potential to accommodate future development; availability for timely phase 1 development; convenience of location; proximity to an authorized Rail Runner station; potential for supporting retail and commercial development to serve HHS employees; adequacy of timely installation of essential infrastructure; and compatible zoning for HHS infrastructure. The GSD and HOK examined 12 sites in 2007, and Las Soleras scored the highest. Since that study, the CBPC has heard testimony on the progress of that site for the complex, as well as other related land developments, including the elimination of the south capitol campus from consideration.

Senator Ingle asked about the appraised value for the Galisteo and Valdes properties. Secretary Jaramillo said those properties will need to be appraised. He has heard of comparables in the Galisteo Road area of \$6.00-\$7.00 per square foot.

Senator Jennings stated that phase 1 of the HHS complex will house 750 employees, approximately 30 percent of whom live in the Albuquerque area. Of that number, he wondered

how many would actually use the train to commute. He said that his calculation of \$900,000 per acre at the Las Soleras site seems quite high. Other sites might have scored better if consideration of a train station were not part of the equation, he said. He suggested that the state should get more land in exchange for the deal.

Secretary Miller asked why the state wanted such a highly valued parcel when there are other parcels at Las Soleras that are valued lower. Secretary Jaramillo responded that the GSD initially negotiated for the acquisition of different Las Soleras parcels, but the users of the building indicated that the walk to the train station would be too far for employees.

Secretary Miller said that she wants to examine the details of the site selection more closely and asked for a list of all the owners of the other properties being considered. She asked that the top three sites be reviewed again prior to the July meeting of the CBPC. Secretary Jaramillo said that would be fine, but that the review needs to be done soon. He wants the HHS complex to go to bid under the current favorable construction climate.

Representative Taylor asked how the appraisal of the property would be performed and wondered how \$20.00 per square foot could ever be determined, especially given recent sales and the dependence of the value of the property on the state constructing the HHS complex. Secretary Jaramillo said that appraisers have standard practices they must follow, including transactions that involve complicated contingencies.

Senator Jennings said that Presbyterian Hospital recently purchased 40 acres at Las Soleras for \$15 million (equalling \$375,000 per acre, or \$8.60 per square foot), yet the state is about to pay twice as much per acre for property very close to the Presbyterian property. He estimated that two-thirds of the HHS complex users will travel by car, which makes proximity to a train station not very important and could create traffic issues. Secretary Jaramillo said that the Las Soleras developers think the property is worth \$20.00 per square foot; an appraisal will determine its actual value.

Speaker Lujan said that the state has been looking for a location for the HHS complex since 2004. The state needs to move soon on this project, now that interest rates and construction costs are low. He suggested that other property owners be invited to present possibilities before a final decision is made.

Public Comment

Alan Hoffman, founder of Oshara Village, said that Oshara is a much better site for location of the HHS complex for several reasons. First, Oshara has already received final approval of its master plan, which includes 1.3 million square feet of commercial development. Vehicle access is easy, both from Richards Avenue and Rabbit Road. The interstate can be reached in only four minutes from the center of the village. The Oshara developers are attempting to get the MPO to reconsider its selection of Las Soleras as a train stop in favor of a stop at Richards Avenue.

Mr. Hoffman criticized the station selection at Las Soleras as a "chicken and egg" situation, meaning that the site would not have been chosen for a rail stop if the HHS complex would not be located there. He said that the Las Soleras stop is too close to the NM 599 stop and it has no vehicle access. Bus service from Richards Avenue is also much better than at Las Soleras.

Next, Mr. Hoffman said that the Oshara project is ready to go and is already under construction. Roads in the village are mostly complete. He said that after an initial conversation with Bill Taylor, Oshara has not been contacted by anyone from GSD. He said that Oshara would negotiate a better price than the proposed deal with Las Soleras.

Oshara Village is an ideal green village concept with very affordable lot prices. He said that state employees who work at the HHS complex could afford to buy a house in the village. Oshara also works very closely with Santa Fe Community College and is very close to the campus.

Secretary Miller asked about the proposed location of the HHS complex with Oshara. Mr. Hoffman said that he envisions the complex being about 1,200 feet from Richards Avenue and the proposed Rail Runner station. He said that Oshara does not own the adjacent parcel of land that would provide the quickest access to those places, but negotiations with the current owner are underway.

In response to questions, Mr. Sommer said that the \$20.00 per square foot price is actually a price cap and the actual price will be determined by an appraisal. He also said that Las Soleras is paying for the construction of the station, which would otherwise not be built for the foreseeable future. Finally, he said that a Rail Runner station at Las Soleras will serve a larger community than at Richards Avenue. Mr. Hoffman responded by saying that Oshara would consider paying for a station at Richards Avenue.

Property Control Division Updates

Mr. Taylor, gave a brief update to the commission about PCD activities.

- Executive Office Building (EOB). The PCD has issued a request for proposals (RFP) for a design consultant for programming and design criteria for a design-build delivery method. The PCD is working closely with LCS staff and the Santa Fe Historic Review Design Board. The building will house the Department of Finance and Administration, which will allow the Secretary of State's Office to vacate the Capitol North building.

- Capitol Parking Structure. The structure is scheduled to be complete in August 2009.

- Los Lunas Grasslands. The PCD has issued an RFP for the grasslands site in order to remedy an emergency situation. The site is free of vegetation, and dust from the property often creates a hazard for vehicles on the adjacent Interstate 25. The RFP is for short-term agricultural uses.

- Los Lunas Substance Abuse Treatment Center. The PCD and HSD are currently in the selection process for the design-build team.

- Valdes Park. The Motor Vehicle Division field office project will go to bid soon.

Speaker Lujan asked whether the Corrections Department would be interested in using the grasslands site for farming. Mr. Taylor said that he will contact the department to see if it wants to expand its current farming operation.

Representative Taylor suggested that commission members visit the top three sites for the HHS complex. Mr. Simpson agreed, but cautioned against having a quorum present during a tour, since it could possibly violate the Open Meetings Act. Staff was directed to organize site tours.

There being no further business, the commission adjourned at 5:20 p.m.

Addendum: July 16-17 Site Visits of Potential HHS Locations

On July 16 and 17, members of the commission, staff and members of the public toured several sites under consideration for the location of the HHS facility. Site visits included the College of Santa Fe, the Rabbit Road property, Oshara Village, the New Mexico 599 interchange property, property near the National Guard, the Pavilion property, Las Soleras and the Valdes property.

On July 16, commission members attending included Senators Ingle and Jennings, Speaker Lujan and Secretaries Jaramillo and Miller. Staff attending the tour included Ms. Tackett, Ms. Knight, Mr. Pollard, Mr. Petronis, Mr. Aguilar and Mr. Taylor. On July 17, commission members attending were Representative Taylor, State Treasurer Lewis and Secretary Jaramillo. Staff included Mr. Taylor, Ms. Knight, Mr. Pollard, Mr. Taylor, Ms. Blackshear and Mr. Petronis. Additional attendees were David Abbey, Linda Kehoe, David Archuleta and Kyle Burns from the Legislative Finance Committee, Marty Dallman and Kathleen Magee from the GSD and Jessica Dyer from the *Albuquerque Journal*.

MINUTES
of the
FOURTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION

Wednesday, August 19, 2009
Room 307, State Capitol
Santa Fe

The fourth meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Speaker of the House Ben Lujan, co-chair, on Wednesday, August 19, 2009, at 1:50 p.m. in Room 307 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Dennis Garcia, designee for Patrick H. Lyons, Commissioner of Public Lands
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Emilio Martinez, designee for Stuart Ashman, Secretary of Cultural Affairs
Katherine B. Miller, Secretary of Finance and Administration
Patrick Simpson, Deputy Director, Administrative Office of the Courts
Clarence Smith, designee for James Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader
Max Valerio, designee for Gary Giron, Secretary of Transportation

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Ric Gaudet, LCS
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)
Lemoyne Blackshear, Staff Architect, PCD
Larry Miller, Deputy Director, PCD

Guests

The guest list is in the meeting file.

Handouts

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

Wednesday, August 19

Minutes

The minutes of the June 23, 2009 meeting of the CBPC were adopted without changes.

Staff Update on Historic District Ordinance

Ms. Tackett and Ms. Blackshear reviewed for the commission the status of the City of Santa Fe's development of a historic design ordinance for state buildings. The ordinance is being developed in response to recently enacted legislation (House Bill 360, compiled as Section 3-22-6 NMSA 1978) that set up a collaborative process for the state and local governments relating to the design, renovation or demolition of state buildings within historic districts. Ms. Tackett said that Santa Fe's Historic Design Review Board, in consultation with city staff and the Old Santa Fe Association, has drafted a proposed ordinance, and the ordinance has been reviewed by staff from the GSD, Cultural Affairs Department and CBPC. The ordinance mostly mirrors language in Section 3-22-6 NMSA 1978, which sets up the process that the state and a local government will follow with buildings inside a historic district. The city's ordinance then describes various design standards that state buildings are expected to follow, including standards relating to height, facade, roofs, fenestration and wall coloring.

Several meetings have taken place between state and city representatives in order to clarify some issues, including how to calculate surrounding streetscape building heights for institutional buildings and discussion of demolition of historically significant or contributing buildings.

Ms. Tackett said that the proposed ordinance is following procedures enacted by the legislature and is not merely enforcing its code on the state. One issue that could pose problems in the future is that the city, state and federal governments all have different definitions and boundaries for historic districts within Santa Fe.

Senator Jennings said that he does not believe the state should be subservient to a city government and that perhaps the newly enacted law went too far. He opined that the state should work with the City of Santa Fe in designing new buildings, but there was no reason for a law to be enacted mandating such cooperation.

Commission members asked about the review and collaboration process, and whether long delays in capital projects will result. Ms. Tackett said initially there is a 60-day period in which the local government and the state can negotiate to resolve any design issues. If unresolved issues remain, a state-local government historic review board will be created within five days, and that board will make determinations of those issues within 20 days of its formation. Any aggrieved party can appeal the board's decision to the district court, on a limited basis, similar to the appeals process for other state agency decisions.

Secretary Jaramillo asked Ms. Blackshear if there are any design standards in the proposed ordinance that are incompatible with the state's needs. Ms. Blackshear said that, in her opinion as staff architect for the PCD, the state can work with those standards. She said that the

standards may dampen somewhat the pursuit of design solutions and the ability of the state to pursue its strategy, especially on the main capitol campus; however, she said those obstacles are not insurmountable, and the state can work within the proposed design standards.

Secretary Jaramillo said that the new law only requires that designs for state buildings be "generally compatible" with city ordinances. He said that if the city has overly strict standards, the state will be limited in its ability to carry out its plans effectively. Ms. Blackshear said that Santa Fe's design standards are passionately protected by the city, and the state has given the city the authority to set those standards.

Frank Katz, city attorney for the City of Santa Fe, said that the design standards were drafted intentionally to be general. The basic desire is for new institutional buildings to look similar to other institutional buildings in the area, thus preserving the historic style of the district.

Secretary Miller asked whether the design standards in the city have thwarted the ability to design alternative-energy buildings. Mr. Katz said that the argument for keeping strict design standards within historic districts has been that if the city allows other building styles to develop, tourism to the city would be affected negatively.

Senator Jennings commented that flat roofs always leak eventually, and that maybe the proposed health and human services (HHS) complex should be constructed in Albuquerque, rather than in Santa Fe, in part to reduce costs associated with following historic design standards.

Master Planning Activities Update — Las Cruces, Statewide Database and Review of HHS Properties

John Petronis and Andy Aguilar of Architectural Research Consultants, Inc. (ARC), updated the commission on their activities. Mr. Aguilar described a recent visit to Las Cruces by master planners and CBPC staff. The planners toured the Southern New Mexico Correctional Facility (SNMCF); the J.P. Taylor Juvenile Justice Center; the Camunez Building, which houses juvenile probation offices; the Las Cruces Workforce Solutions Department (WSD) office space; and the New Mexico Farm and Ranch Heritage Museum. The tour highlighted the rationale for a number of long-range master planning initiatives endorsed by the commission, including the need for state agencies to develop long-range capital master plans, the need to establish a unified source of asset data and the need to establish policies for the acquisition and disposal of state-owned properties.

The SNMCF has a need to develop an agency master plan for facility renewal for systems approaching the end of their expected service life, for water and sewer system requirements and the possibility of access to a regional records center since its current records storage area is located in a building that is not weather proof. The Children, Youth and Families Department (CYFD) is currently in the process of developing a long-range plan to identify issues and costs of adopting the Cambiar New Mexico service model for all of its facilities, including at the J.P. Taylor Juvenile Justice Center. The Camunez Building has a number of facility

condition issues and is a substandard office space. The CYFD requested that it be allowed to move out of that building and lease private office space, which request has been initially denied by the PCD. The Las Cruces WSD office will soon be renovated and expanded as part of a state capital outlay project, and the department is still in the process of developing a master plan to consider the implementation of planned one-stop service centers and the potential future relocation of the department into a proposed consolidated state office building in Las Cruces. Finally, Mr. Aguilar described issues at the New Mexico Farm and Ranch Heritage Museum, chiefly, that the museum is facing rapid encroachment from adjacent residential development. The museum wishes to secure federal land as a buffer to ensure the museum's viability in the long term. Land the museum currently sits on is being sublet from New Mexico State University, which leases the land from the federal Bureau of Land Management.

Other state government activities in the Las Cruces area include the Department of Transportation's (DOT) District 1 master planning for its Las Cruces facilities. The CBPC's master plan for the area will consider the DOT's master planning efforts. Other activities in the Las Cruces area include the ongoing construction of a New Mexico State Police office in the city and the planning and design of a new veterans' museum.

In addition to the Las Cruces visit, Mr. Aguilar described other projects the master planners have been working on, including the implementation of a statewide inventory of property assets. After initial strategy meetings with CBPC staff, the master planners will be meeting with various state agencies to discuss a plan for developing the unified asset inventory. Mr. Aguilar also reported that ARC has been working with State Records and Archives Center staff to complete a needs assessment of records and archives facilities statewide and will report its findings to the CBPC at a future meeting.

Senator Jennings said that a records center in Las Cruces is a great idea, and he related how the Office of the State Engineer had recently been unable to maintain adequate records of water filings at the Santa Fe office. Speaker Lujan agreed that some water-related records should be stored regionally, rather than in Santa Fe.

Secretary Jaramillo directed CBPC staff and the master planners to work with affected state agencies in discussions about the Camunez Building.

Property Control Division Update

Mr. Taylor gave the commission an update of the PCD's activities. Ongoing projects include:

Santa Fe

- Executive Office Building. Wilson & Co. has been selected as the design consultant for programming and design criteria. The building will eventually house the Department of Finance and Administration.
- Coughlin Building. It is scheduled to be demolished in September, once the current

occupants are relocated.

- Capitol Parking Structure. The substantial completion date for the structure is August 2009, with transfer to the LCS scheduled for mid-September. The facility will accommodate 598 vehicles.

- South Capitol Campus Master Plan. Proposals from prospective contractors for master planning services are due August 21, with selection of a contractor on September 10.

- Penitentiary of New Mexico Main Wastewater Treatment Facility. The PCD, Corrections Department (CD) and Santa Fe County are currently meeting to discuss a cost-benefit analysis of transferring management of the facility to the county. The facility is currently out of compliance with Department of Environment (NMED) regulations, and a 2007 assessment estimated that \$2.5 million was needed to bring the facility into compliance.

Albuquerque

- Old Metropolitan Court Building. The PCD executed a five-year lease of the building with Bernalillo County, which is using it to house a charter school, community custody program, addiction treatment program and other related programs. The county has already invested \$4 million in building renovations and improvements. The county desires to acquire the building from the state. The PCD currently has the legislative authority to sell, trade or lease the building.

- Tri-Lab Facility. The new laboratory facility will be substantially completed in October 2009, with a move-in date estimated in February or March 2010.

- Turquoise Lodge. The Department of Health (DOH) vacated the facility in 2008, and the CD requested that it use the building for the women's probation and parole reintegration program. The CD has invested \$500,000 to renovate and improve the building.

Los Lunas

- Grasslands. The PCD issued a request for proposals (RFP) for agricultural use of the 288-acre site, which is creating hazardous road conditions on the adjacent Interstate 25 due to blowing dirt. The PCD only received one response to the RFP, and that was deemed nonresponsive to the RFP. Now, the PCD is collaborating with the DOT to apply a soil enzyme to stabilize the soil.

- Substance Abuse Treatment Center. Gerald Martin/THE Design Group has been selected as the design-build team for the center. The facility is expected to be completed in January 2011.

- Hospital Campus. The PCD is in the process of obtaining new quotes for the demolition of four buildings on the campus. Previous quotes for asbestos remediation only were for more than \$200,000.

- Central New Mexico Correctional Facility. The CD had been under order from the NMED to remediate water contaminates in its water and wastewater systems. The CD elected instead to connect those systems into the Village of Los Lunas, which project was completed in June 2009.

Las Cruces

- Land Acquisition. The land acquisition from the federal Bureau of Land Management is proceeding. The J.P. Taylor Juvenile Justice Facility and the SNMCF are located on the property being purchased.

- Department of Public Safety (DPS) District Office. Schematics for the new state police buildings are nearly complete.

- Camunez Building. The CYFD requested earlier this year to vacate the building and move into leased space. The PCD denied the request and asked the department for additional budget information. Legislation in the 2009 regular session authorizing the transfer of the building to the City of Las Cruces failed.

- SNMCF. The PCD completed the connection of the wastewater treatment system to the City of Las Cruces, after a cost-benefit assessment showed substantial savings to the state in operations and maintenance. The existing sewage ponds will be evaporated and filled in at an estimated cost of \$200,000.

Las Vegas

- DPS District Office. Schematics for the new state police buildings are nearly complete. However, the PCD has discovered that utility connections to the city will be expensive. A possible way to avoid cost-overruns would be to transfer the existing district office to the city in exchange for utility connections.

- New Mexico Behavioral Health Institute. The DOH Meadows Hospital replacement phase 1 project is scheduled to go to bid in November 2009. Phase 1 will be for the construction of administrative offices and a 36-bed unit.

Roswell

- Rehabilitation Center. Construction of the new DOH rehabilitation center is scheduled to begin in September 2009, with completion of the facility in September 2010. The Jaynes Corporation was awarded the construction contract. The existing facility will be vacated, and no new use for the facility has been identified.

Silver City

- Fort Bayard Medical Center. The new facility is scheduled to be completed in late 2010, and the existing hospital will be vacated. No future use for the existing building has been identified.

Mr. Simpson asked if there had been any contact with the CD regarding its possible agricultural use of the Grasslands campus. Mr. Taylor said that he has met with representatives of the CD, DOT, United States Forest Service and Natural Resources Conservation Service. The CD is willing to assist the PCD in reclaiming the land, he said.

Senator Jennings asked where the proceeds of a sale of the Old Metropolitan Court Building would go. Mr. Taylor said any proceeds would be deposited into the Property Control Reserve Fund. Senator Jennings said that the rest of the state has been paying for the new metropolitan courthouse in Albuquerque, and magistrate courts around the state have suffered as a result. He suggested that money from the sale of the old courthouse should be used for the benefit of magistrate court facilities. Senator Jennings also said that state-owned land near Roswell, acquired as a result of the *Pecos River* settlement, has not been maintained very well. He also pointed out that roofing projects for public buildings cost three to four times as much as privately owned roofing projects.

Public Comment

Several developers presented proposals to the commission for the HHS complex. Mark Suazo, representing Sonny Otero, said that the developer would be willing to donate 25 acres of land to the state on Caja del Rio Road if the state builds the HHS complex there. The proposed location is at the heart of an existing and expanding zone of public facilities, said Mr. Suazo.

Mark Bertram, a principal of Zia Station, LLC, said that nobody in his company ever met with GSD officials concerning the Zia Station property's suitability for the HHS complex. He said that he could not understand how "due diligence" was performed without meeting with the developers of the property. He said the DOT site owned by the state is probably the best location for the facility, but since that property is no longer available, the Zia Station site would be the preferred location. He asked that a new, completely transparent RFP process be performed to select the location of the HHS complex. Secretary Jaramillo said that the Zia Station property was evaluated twice, and it was deemed to be too small for the HHS development. Mr. Bertram said that the property consists of 20 acres, and the largest parcel is 10 acres. He said that the property has evolved tremendously in the past two years, and he wants to ensure that the property is adequately evaluated. Senator Jennings said that the state may seriously depress the private rental market for 15 to 20 years by building such a massive office building. Mr. Bertram agreed, and said that the state could purchase every commercial building he owns for less than the proposed cost of the new facility.

James Wheeler of Commercial Properties, Inc., presented the Pavilion property as a potential site for the HHS complex. The Pavilion is a 371-acre property, owned by Richard Cook and others, located adjacent to New Mexico Highway 599 (NM 599). The site is approximately two miles from the new Railrunner train station at NM 599 and Interstate 25. The developer has recently reduced the price to the state for the HHS complex to \$5.50 per square foot, said Mr. Wheeler. Design work for a new interchange at Jaguar Drive and NM 599 has already begun, which will allow easy access to the property. That interchange will be paid for by Mr. Cook, said Mr. Wheeler, as will a new road leading directly to the Santa Fe Municipal

Airport. Mr. Wheeler asked that there be another round of property evaluations for the HHS complex. Speaker Lujan asked whether water rights are associated with the property. Mr. Wheeler said that water rights are already included in the cost of the land. Phil Sena, part owner of the Pavilion property, said that the Pavilion property has everything that the state needs for the HHS project. He claimed that Las Soleras was pre-selected two years ago for the project.

Staff Update on CBPC Review Process for Lease Purchases

Mr. Pollard described to the commission a proposed review process for lease-purchase agreements resulting from legislation adopted by the 2009 regular session of the legislature. The legislation, Senate Bill 220 (compiled as Sections 15-10-1 and 15-10-2 NMSA 1978), required that proposed lease-purchase agreements from most state agencies be reviewed by the CBPC before submission to the legislature for ratification. The proposed review process includes analysis by the state agency proposing the lease purchase to determine whether the project meets strategic objectives, including whether the project is in compliance with applicable master plans; whether the project addresses critical life, safety or health deficiencies; whether the project addresses documented growth in essential programs; whether the project will maintain or enhance delivery of client services; whether the project provides additional suitable space without being excessive; whether the life-cycle cost analysis of the project demonstrates that a lease purchase is the most cost-effective method of acquisition; and whether operating budget impacts of the project have been fully anticipated.

Proposed lease-purchase analyses would be sent to the commission no later than mid-November, in order for staff to review the proposals and prepare recommendations for the commission. The commission would decide on its recommendations at its December or January meeting and submit its findings in writing to the legislature prior to the session. Mr. Pollard proposed that for the 2009 interim, a letter be sent in September to all affected state agencies notifying them of the new statutory requirements. He said he needs to consult with the PCD to make sure all affected agencies are notified.

HHS Facility Update

Secretary Jaramillo reviewed for the commission the status of the HHS complex project. He began by describing the rationale for the complex, which has been in the planning stages for more than a decade. The concept of consolidating four key service agencies into one complex grew from the realization that those agencies, which often have overlapping responsibilities, would benefit from a centralized administrative location. In addition, the Human Services Department (HSD) has been operating inefficiently because it is currently housed in several leased office buildings around Santa Fe. In the past three years, much has been accomplished on the project, including legislation recently enacted that allows for a lease purchase of a building for phase 1 of the project, to house the HSD and CYFD. Many studies have been done evaluating various sites, and it is now time to make a decision and get the project started, he said.

Secretary Jaramillo said that the Zia Station property is too complicated and crowded for the HHS facility. It could be great for a future state project, but it would not be appropriate for the HHS complex. After visiting the Pavilion property three times this year, Secretary Jaramillo

concluded that there is no reasonable assurance that there will be sufficient services or access to the site, which is 10 miles from the city center. It is still a good site, he said, but not the best. The South Capitol Campus, once the adjacent DOT property was removed from consideration, was quickly deemed too small and crowded for the facility. Finally, he mentioned property the New Mexico School for the Deaf has available, which consists of 255 acres west of Cerrillos Road, 40 acres of which, adjacent to Jaguar Road, could be used for the HHS complex. Although the property ranked fairly high, the school wants to use the land sale to finance its operations and is not interested in land trades, which meant that the price was too high for the GSD to purchase.

Secretary Jaramillo said that only one location meets all of the criteria for the HHS complex: Las Soleras. Commission members at the June CBPC meeting had expressed concern that the state was not getting the best deal it could in its negotiations with Las Soleras, said Secretary Jaramillo, and he presented to the commission renegotiated terms of the proposed deal. Key aspects of the new proposal include:

- the state will purchase a tract of land of at least 20 acres;
- the state will pay \$6 million in cash;
- the seller will deed to the state a matching gift of \$6 million in land;
- the state will trade its 4.45-acre Galisteo Road property and 8.11 acres of its Valdes property at a dollar-for-dollar rate against the Las Soleras property cost;
- all properties will be appraised by two independent appraisers to set the fair market value of the properties; the sale price of the Las Soleras property will be capped at \$20.00 per square foot; and
- if the valuation of the properties results in a consideration by the state that exceeds the fair market value of 20 acres of Las Soleras property, the size of the purchased tract will be increased to equalize the consideration.

Secretary Jaramillo described the appraisal process, which will involve two highly qualified appraisers, one selected by the buyer and one selected by the seller. The appraisers will independently appraise the properties, using the Uniform Standards of Professional Appraisal Practice. If the appraisals claim fair market values differing more than 10 percent, a review appraisal procedure will be used to reconcile the valuations; otherwise, the fair market value will be set at the midpoint of the two appraisals.

The state would also have an option to purchase an additional tract of land up to 25 acres if it decides to proceed with phase 2 of the HHS project. The price would be the lesser of \$20.00 per square foot or the then-appraised value of the tracts if the option is exercised within 12 months. The purchase price will increase four percent annually after that date. Finally,

Secretary Jaramillo detailed the seller's responsibilities, which include construction of roads to the area; installation of utilities to the property; construction of the Railrunner platform and pedestrian bridge; and posting of sufficient performance bonding.

Senator Ingle complimented Secretary Jaramillo for working with such diligence on the project. Without desiring to cast aspersions on the secretary, Senator Ingle said that there are still lingering questions about the valuation of the Las Soleras property. The HHS complex will increase tremendously the value of the property, and the appraisal process needs to take that into consideration. He said he is generally in favor of commercial development, but he wants to make sure the state gets a good deal, which, typically, it does not get.

Representative Taylor asked if a second site has been identified if the Las Soleras deal does not work. Secretary Jaramillo said that a tentative alternative has been identified, but he said it is not a good idea for the state to negotiate with multiple parties if it actually has one preferred location. Representative Taylor said that personally, he prefers the NM 599/Interstate 25 property owned by the DOT, because it is already owned by the state and it is the first rail stop coming from the Albuquerque area. That site was rejected too early in the evaluation process, and he said that it should be evaluated again. Secretary Jaramillo said that he and ARC would provide additional information about that property and surrounding properties to the commission.

Senator Jennings said that traffic effects from 2,000 cars will be large at Las Soleras, which will create another problem on Cerrillos Road. He said that maybe the best solution would be to move the DOT headquarters to the south end of town and put the HHS complex on the DOT property adjacent to the South Capitol campus, which is what the master plan originally called for. If Las Soleras is selected, however, the state should not pay more per square foot than Presbyterian Hospital recently paid for at Las Soleras. Secretary Jaramillo said that much of the 40 acres Presbyterian purchased for \$15 million is cut by arroyos, but the proposed HHS property is flat. Senator Jennings said that if the state paid \$8.61 per square foot, which is the price Presbyterian paid for its land, that would be an acceptable price. However, calculating the benefit to Las Soleras of the presence of the Railrunner station, he suggested that the actual purchase price be set at \$5.00 per square foot.

Speaker Lujan asked if the Valdes property has water rights. Secretary Jaramillo said he believed the property does not have water rights. Speaker Lujan said that the HHS complex will increase surrounding property values and that should be taken into consideration in negotiating a purchase price. He said that other property options should be studied more thoroughly. He said he understands the concern the GSD has with getting the HHS project moving, but other offers need to be evaluated. For example, he said that if 25 acres were donated to the state, the state could use the allocated \$6 million to build a highway interchange instead.

There being no further business, the commission adjourned at 5:37 p.m.

MINUTES
of the
FIFTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION

Wednesday, September 23, 2009
Room 322, State Capitol
Santa Fe

The fifth meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Wednesday, September 23, 2009, at 1:48 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Stuart Ashman, Secretary of Cultural Affairs
Gary Giron, Secretary of Transportation
Della Gutierrez, Designee for Patrick H. Lyons, Commissioner of Public Lands
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
James B. Lewis, State Treasurer
Rick Martinez, Designee for Katherine B. Miller, Secretary of Finance and Administration
Patrick Simpson, Deputy Director, Administrative Office of the Courts
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Ric Gaudet, LCS
Bill Taylor, Director, Property Control Division (PCD), General Services Department (GSD)
Lemoyne Blackshear, Staff Architect, PCD
Larry Miller, Deputy Director, PCD

Guests

The guest list is in the meeting file.

Handouts

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

Wednesday, September 23

Review Process for Lease Purchases — Agency Letter

Mr. Pollard and Michael Northrup, PCD, discussed with the commission a review process for the CBPC to evaluate proposed lease-purchase agreements for state agencies. Mr. Pollard began by reviewing a draft letter to be sent to all affected state agencies detailing new statutes requiring CBPC review of proposed lease-purchase agreements. For the initial year of the process, state agencies seeking legislative approval of a lease-purchase agreement must submit their proposals by November 15, 2009 to the CBPC. That will allow staff and the commission to review the proposals and make recommendations to the legislature in January 2010. The letter to state agencies also describes information that agencies should submit to the CBPC, including demonstration of the need for the leasehold property, the suitability of the additional property, a sound life-cycle costing justification and estimates of the operational budget impact. Mr. Pollard mentioned the current ambiguity in New Mexico statutes regarding the legislature's approval of lease-purchase agreements.

Mr. Northrup then described for the commission the process the PCD is developing for its agencies to use in evaluating a potential lease-purchase agreement. The process is divided into phases in order to avoid spending too much state money on projects that are not deemed viable. The first phase, development of a business case for a possible lease-purchase arrangement, is further divided into several steps. The first step is resource evaluation, which identifies alternative locations and development opportunities; considers departmental programming in relation to the proposed acquisition; evaluates the cost of renovation of existing facilities against new acquisition; and performs market studies. The next step, due diligence, analyzes various financing models to determine the best acquisition strategy, including build-to-suit, public-private partnerships, general obligation bond issuance or other market opportunities. The next step establishes a baseline cost model for the facility, including deferred maintenance costs over the life of the facility. A space needs assessment is then performed, which includes a comprehensive study of current and future space requirements for the agency. The PCD then develops building performance specifications and a proposed transaction structure for the facility's acquisition.

Deputy Secretary Martinez asked about the number of lease-purchase agreements on which the PCD is working. Mr. Northrup said that currently there is none. Senator Jennings asked whether there are any requirements that prevailing wages be paid to workers constructing a lease-purchase building. Mr. Northrup said he believes that the building would not be owned by the state until after the term of the lease-purchase contract, so prevailing wages would not be required. Senator Jennings said that this exemption is an unfair loophole. He said that the state would save money, but cities and counties would still be required to pay prevailing wages. Mr. Pollard said that the CBPC could take prevailing wages into account in its review of proposed lease-purchase agreements. Speaker Lujan said that he would support a bill that mandates the use of prevailing wages in the construction of lease-purchased buildings for the state.

On a motion by Deputy Secretary Martinez and second by Speaker Lujan, the commission approved the content of the staff letter to be sent to state agencies.

Minutes

On a motion by Speaker Lujan and second by Secretary Giron, the minutes of the August 19, 2009 meeting of the CBPC were adopted without changes.

Public Comment

Carolyn Agard, representing the Candlelight Neighborhood Association in Santa Fe, said she came to the meeting to express concern about possible increased traffic at Zia Road and St. Francis Drive should the health and human services (HHS) complex be located at the proposed Zia Rail Runner station. She said that traffic studies have concluded that the intersection is a failing intersection, and the state would seriously need to consider traffic issues if the HHS facility is to be located at the station.

Mark Bertram, representing the Zia station, thanked Secretary Jaramillo and the CBPC master planners for further investigating the feasibility of locating the HHS complex at the Zia station. He provided extensive information about the location and said he hopes that will result in a fair evaluation of the site. In addition, referring to the lease-purchase letter being sent to state agencies, he said that the private sector will need to be involved in the lease-purchase process eventually.

Michael Bodelson, former New Mexico staff architect, currently representing Vistas Caja del Rio, discussed with the commission the offer to donate up to 30 acres of land to the state for the HHS complex, with an additional five acres being reserved for future state use. The Caja site, off New Mexico Highway 599 (NM 599) and adjacent to the existing Department of Game and Fish headquarters, is a 120-acre parcel for retail and office space in addition to the HHS complex. While some people dismiss the location as being "way out there", Mr. Bodelson said that the entire area is being developed rapidly, and now is a great opportunity for the state to acquire prime land for free. The donated land will be able to accommodate a four-story building and three three-story buildings plus 1,200 parking spaces. He stated that all utilities will be in place by 2011.

Secretary Jaramillo said that in exploring the possibility of the Caja location, the lack of availability of a regional sewer system is a major factor in it not being deemed the best location. Mr. Bodelson said that an environmentally friendly bio-packing treatment plant will be constructed, which will allow discharged water to be used for irrigation in the surrounding city athletic fields. Solids would be hauled from the plant every six months, he said. The system would require a standard discharge permit from the Department of Environment, and its size would be 25 feet by 100 feet. The wastewater treatment option was selected, according to Mr. Bodelson, because the nearest sewer connection is a mile away. The cost for the plant is estimated to be \$75,000 to \$200,000.

Speaker Lujan asked how much the proposed bio-packing plant would save over connecting to an existing wastewater system more than a mile away. Mr. Bodelson said he could provide an analysis for the commission of the cost tradeoffs.

Questions were asked about what type of system will be used at the nearby Cultural Affairs Department (CAD) archaeology facility. It was confirmed that a wastewater treatment system is planned at that location.

James Wheeler, representing the Pavilion development off NM 599, gave a presentation to the commission about its proposal for the HHS complex. While the original offer to the state was to sell 25 acres to the state at \$5.50 per square foot, the Pavilion is willing to donate an additional five acres, bringing the net per-square-foot cost to \$4.58, said Mr. Wheeler. In addition, approximately 19 acre-feet of water rights are included in the purchase price, an approximate \$600,000 savings to the state, according to Mr. Wheeler.

Speaker Lujan asked about the status of the proposed NM 599/Jaguar Road interchange. Mr. Wheeler said that the interchange has been approved and that construction is expected to begin in April 2010. The developers will pay for the design and construction of the interchange. He also mentioned a letter from the manager of the Santa Fe Municipal Airport, which said the Pavilion development and infrastructure would benefit the airport and the general public.

Secretary Giron said that the Department of Transportation (DOT) has had preliminary discussions about the location of the interchange but that no final decisions have been made, either at the department level or by the State Transportation Commission, which has the final say on highway projects. He said there is a formal process that the DOT must perform with the Federal Highway Administration in order to approve a highway interchange. Scott Hoelt of the Santa Fe Planning Group said that the developers started discussions with the DOT about the interchange and that the April 2010 date was suggested by the department in order to complete all the necessary approvals.

Phil Sena, co-owner of the Pavilion property, said that he is willing to sell the state 40 acres of property for the original purchase price of \$5.98 million, which would bring the per-square-foot price even lower, effectively to \$3.44. Mr. Sena said that Secretary Jaramillo told him in a previous meeting that the final authority to choose a location for the HHS complex rests with Secretary Jaramillo and that the CBPC is only a recommendatory body. Mr. Sena urged the commission to not make any decisions based on politics.

Mr. Sena said that once 400,000 square feet of office space is constructed, the developer will construct a light rail system from the Interstate 25/NM 599 Rail Runner stop through the Pavilion and to the airport. Transportation to the site is very easy, including for those traveling from north of Santa Fe. Finally, he claimed that 25 acres at Las Soleras is not enough land for a 686,000-square-foot facility.

Secretary Giron asked if the Pavilion developers have priced a light rail connection to the Rail Runner. Mr. Sena said that provisional estimates indicate that it would cost \$18 million after the federal government helps pay for a portion of the cost. He said that if enough office space is constructed, the federal government will help pay for a light rail system. Speaker Lujan said that he does not believe a light rail system will be necessary for the development.

Speaker Lujan asked if the neighboring Tierra Contenta association supported the Pavilion development. James Hicks, executive director of Tierra Contenta, said that the association is excited about the development because residents will have access to NM 599. In addition, state employees working at the HHS complex would have almost immediate access to housing. Speaker Lujan asked whether the homeowners associations within Tierra Contenta have discussed the Pavilion project. Mr. Hicks said that the Pavilion project, which is located on the other side of NM 599, has not been discussed, but that there has been a longstanding desire for a connection from Tierra Contenta to NM 599. He said he would be very surprised if there were much opposition to the project from residents of Tierra Contenta.

Deputy Secretary Martinez, who lives about one mile from the proposed development in La Cienega, said he had not heard about the proposal until very recently. He asked if La Cienega residents have been consulted. An engineer working with the Pavilion developers said that traffic affecting La Cienega was identified 10 years ago as the biggest potential problem resulting from development of the area. The Pavilion design has incorporated significant buffer areas separating it from the historic community, and he also stated that traffic in La Cienega will not increase due to the development.

Master Planning Activities Update

Statewide Capital Asset Inventory

John Petronis and Andy Aguilar, master planning consultants, Architectural Research Consultants, Inc. (ARC), gave the commission an update on their activities. Mr. Petronis began by discussing the ongoing development of a statewide inventory of the state's capital assets. The master planners have met with the major state departments that manage state assets, including the PCD; the Building Services and Risk Management divisions of the GSD; and the DOT. Other state agencies will be consulted in the near future. In order for a statewide inventory database to be completed and kept up to date, there may be a need for additional technical support for GSD agencies for data entry and report generation. In addition, money may be needed for an interface with the state's accounting software, known as SHARE.

State Records Center and Archives (SRCA) Study

Mr. Petronis reported on the needs assessment study of records and archives centers statewide. The results of the study will be presented to the commission at a future meeting. Part of the study includes surveying various government agencies to gain a better understanding of why they do or do not use the SRCA and the potential demands for the SRCA's services.

HHS Sites — Supplemental Information

Mr. Aguilar reported to the commission additional information requested by commission members about three potential HHS sites. First, he said that the New Mexico School for the Deaf requested that its property no longer be considered for acquisition by the state. Next, Mr. Aguilar discussed details of the Zia station site. The property is designed to be a mixed-use, transit-oriented development and consists of approximately 21 acres in three developable parcels. The developers envision a mix of retail office and residential uses totaling over 600,000 square feet of constructed space. There would be about 1,600 parking spaces, 800 of which would be below grade. The property includes a Rail Runner stop and will house a restaurant and coffee shop.

Currently, most of the land on the property is vacant, and the land is within the City of Santa Fe. Various zoning, general plan and master plan amendments will be necessary to allow development, which means that construction could start by late summer 2010, said Mr. Aguilar. He said that a traffic study is currently in progress.

Mr. Aguilar then discussed the property located adjacent to the Interstate 25/NM 599 interchange, owned by the DOT. The property is adjacent to a Rail Runner station and lies mostly within a freeway interchange roundabout. Mr. Aguilar also presented maps detailing ownership of surrounding properties, including lands that are vacant, and land use zoning. Currently, the site is within Santa Fe County's planning and zoning jurisdiction, but the area is slated to be annexed by the city in the next few years.

Senator Jennings asked why the GSD did not issue a request for information (RFI) to identify potential sites for the HHS complex. Secretary Jaramillo said that acquisition of property falls outside of the normal procurement processes of the Procurement Code. He said that CBPC contractors have been looking at potential HHS sites for a few years. The recently enacted House Bill 728 (Laws 2009, Chapter 145), which authorizes acquisition of land and the lease purchase of an HHS complex, requires that the CBPC review the plan to ensure that it is cost effective and that it complies with applicable state master plans. Secretary Jaramillo said that the GSD has never issued an RFI for land acquisition. The GSD has looked into all other offers for the HHS site, and Las Soleras remains at the top of the list. He said he cannot recall any other state acquisition that has undergone such scrutiny.

Senator Jennings said that the selection process for the HHS complex has not been the best process, and he said that adding 2,800 cars daily to Cerrillos Road will make traffic concerns worse than they already are. He expressed concern that the state might not be getting a very good deal from Las Soleras and said the many other offers currently on the table need to be looked at more seriously.

Senator Ingle said that the authorizing legislation tasks the commission with ensuring that the agreements are the most cost-effective method of acquiring the asset and that the building and its proposed use are within the scope of the commission's master plan.

Update on the HHS Facility

Secretary Jaramillo gave the commission an update on the HHS facility. First, he addressed some issues that arose during the public comment period of the meeting. The GSD has been looking at HHS sites for three years and has gone through an exhaustive process to choose the best site. The Pavilion site, although it has excellent potential for future development, did not even exist as a concept eight months ago. Next, he said that 20 acres is plenty of land for the first phase of the HHS complex based on expert advice from the master planners and others. He said that Las Soleras was chosen because it ranks the highest on several scoring evaluations, including one performed by ARC. Many of the other sites currently being offered are too far from the city center for efficient government operations, and most of them are still in the beginning phases of their development. Finally, he said that the only role the governor has played in the decision is to agree with Secretary Jaramillo's choice of Las Soleras as the best site; Las Soleras was not pre-selected, he said.

Addressing the Interstate 25/NM 599 location, Secretary Jaramillo said that it is not a good idea to put a massive office building in the middle of a high-speed interchange loop. Further, there are too many adjacent landowners surrounding the property to ensure adequate commercial and retail development. Third, the location is not pedestrian-friendly for its users. Finally, and perhaps most important, the land is controlled by the DOT, which has not indicated whether the land is even available for GSD use.

Secretary Jaramillo next spoke about the Vistas Caja del Rio property, which he agreed has some of the best views in the county. However, it is located three miles to the nearest sewer plant, and he said he is not going to invest millions of dollars of state money for a building that is serviced by a septic-type sewage system. He said that he will look into the system being proposed by the Caja developers. Perhaps more important than wastewater facilities is the fact that the site works against operational efficiencies that the HHS complex is trying to achieve because the location is remote and it is without retail shops or a place for employees to eat lunch in the area.

Regarding the Pavilion property, Secretary Jaramillo said that while it is a great property for possible future state projects, it will not be ready in time for the HHS time line. He has not heard that the project has received any final approvals from governing bodies, including the all-important approval for the Jaguar Road/NM 599 interchange.

Secretary Jaramillo then discussed the Las Soleras property and the status of the proposed contract to acquire property for the HHS complex. He said that questions have arisen in the past few months about how much the per-square-foot acquisition cost actually will be. The appraisals are currently underway, and he will have an actual cost to present at the next CBPC meeting. He said that he anticipates a draft contract for commissioners' review within one week or so.

Secretary Jaramillo said that the HHS complex will fit the 20 acres Las Soleras is offering, and if phase 2 is built, the state has the option of purchasing additional acreage for

the same price. He said the Las Soleras property is the right property for the project; it is the most cost-effective option; the developer is ready to proceed; and the property is close to crucial support services. While he believes that placing the HHS complex at the Zia station would overwhelm an already failing intersection, the Las Soleras traffic plan, including a state office complex, has been approved already by city traffic engineers.

Secretary Jaramillo, addressing Senator Jennings' criticism, said that he is not asking for a rubber-stamp approval of his choice. He has tried to answer all questions from commissioners and said that if Las Soleras is shown not to be the best choice for the HHS complex, he will be the first to admit it.

Deputy Secretary Martinez inquired about which sites would require bus or van transportation, to which Secretary Jaramillo responded that only Las Soleras would not need additional transportation.

Senator Jennings countered that in the best-case scenario, only one-third of the state employees at the HHS complex will use the Rail Runner for transport, which still leaves 2,000 cars daily commuting to Las Soleras. In addition, development of the other 520 acres at Las Soleras will bring in even more traffic. He said that the state should not pay more for property at Las Soleras than Presbyterian Hospital paid at the same approximate location. Although the Rail Runner and the HHS complex increase the Las Soleras property values tremendously, the state should benefit from that increase rather than pay for it. Finally, he said that although Las Soleras may indeed be the best location from an operational point of view, other properties might be better if the state has to pay exorbitantly for the Las Soleras property. Secretary Jaramillo responded that the state will be getting a better deal from Las Soleras than Presbyterian Hospital received.

Senator Ingle said he is still trying to explain to his constituents how the Rail Runner and the New Mexico Spaceport were approved when highway projects around the state still do not have sufficient funding. If the state pays \$20.00 per square foot for land at Las Soleras, that will be even more difficult to explain, he said.

Speaker Lujan said there will be more time for public discussion of the project at future meetings. He asked Mr. Sena to respond to Secretary Jaramillo's comments. Mr. Sena said that he expects to have all necessary approvals for the Pavilion project in October 2009. He also said that he does not believe that Las Soleras has received approval for its master plan.

Cultural Affairs Department — Master Planning and Capital Requests

Secretary Ashman presented to the commission the CAD's list of capital requests based on its master planning efforts. The list of projects requested by the department includes:

- statewide repairs and maintenance of CAD cultural assets — \$7.6 million, to include life and safety compliance, utility infrastructure, property preservation and general repairs;
- cultural facilities project completion — \$5.7 million, to include Museum of New Mexico educational enhancements; National Hispanic Cultural Center (NHCC) projects; archaeology center equipment; history museum conservation laboratory projects; Farm and Ranch Heritage Museum exhibits; Bosque Redondo State Monument exhibits; and New Mexico Veterans Museum land acquisition and construction;
- cultural facilities equipment — \$940,000, to include equipment for the Museum Resources Division, the Historic Preservation Division, the NHCC, the Museum of Natural History and Science and the history museum;
- cultural facilities expansion and renovation — \$2.5 million, to include projects at the Space History museum, the NHCC, the museum's NM 599 campus, the Museum of International Folk Art, the history museum and the Fort Stanton property; and
- cultural assets acquisitions — \$3.4 million, to include property acquisition at Jemez and Fort Selden state monuments, collections development for museums statewide and purchase and renovation of the Edgar Irving Course historic site.

Transit-Oriented Development — Mid-Region Council of Governments (MRCOG)

Chris Blewett, director, transportation and planning services, MRCOG, gave the commission a brief primer on transit-oriented developments (TODs). TODs typically center around rail assets and have a mix of uses from retail and commercial to residential. TODs have been developed around the country, but none has yet been developed in New Mexico. The area surrounding a rail station about one-half mile in radius usually is affected by the TOD's presence, including significantly increased land values. In addition, property usage in TODs is usually more dense than surrounding areas. In New Mexico, each Rail Runner stop is a potential TOD, including several good prospects in Santa Fe. The MRCOG is encouraging capitalization on rail investments in Los Lunas, Belen, the Santa Fe Railyard and the South Valley of Albuquerque. Mr. Blewett said that although TODs can help traffic congestion by using rail to transport people, they can also attract more cars to the area. This makes traffic engineering for TODs difficult, he said. Finally, Mr. Blewett said that many public entities around the country are using TODs as a method of generating revenue.

Senator Jennings said that the state should recoup some of the increase in property value that occurs as a result of a train stop being constructed.

Forensic Laboratory — Department of Public Safety

Bob Calvani and Tina Sanchez, NCA Architects, presented to the commission the results of a study to determine whether Albuquerque or Santa Fe is the best location for a new Department of Public Safety (DPS) forensic laboratory. The current laboratory facilities in Santa Fe are antiquated and are severely lacking in space, and the DPS commissioned the location and site analysis study as part of the process of constructing a new facility. In addition to the Santa Fe laboratory, there are facilities in Las Cruces and Hobbs that provide some services to law enforcement agencies. However, the Santa Fe laboratory is the only facility that currently provides DNA and firearms forensic services.

The NCA study compared Santa Fe to Albuquerque in two matrices: a location analysis matrix and a site analysis matrix. The location analysis matrix scored general factors between the two cities, using such variables as demographics, socioeconomic aspects, location preference of employees and clients, educational and training opportunities, technical factors and financial factors. In this matrix, Santa Fe scored slightly higher than Albuquerque.

The site analysis matrix compared two specific sites chosen for the forensic laboratory. The Santa Fe location that was studied is on the Valdes property owned by the state, near the current DPS headquarters. The Albuquerque location that was studied is at the "super block" site near Candelaria and Interstate 25. The NCA consultants compared factors, including site suitability, functionality, opportunities and constraints, sustainability and cost differentials. In the site analysis presented, Santa Fe scored significantly better than Albuquerque. In conclusion, the NCA study recommended siting the DPS forensic laboratory in Santa Fe.

Senator Ingle said he did not understand why Albuquerque scored so poorly in areas such as education and training. Noreen Purcell, forensic laboratory supervisor, DPS, said that Santa Fe has better forensics training than Albuquerque. There are no forensics degree programs in New Mexico, but Santa Fe Community College offers forensics courses.

Senator Ingle suggested that the location for the forensic laboratory was predetermined before the study was performed. Mr. Calvani said that his firm has no preconception of what was the best location. He agreed that the matrices involve some subjectivity, but changing how some of the items are ranked would not affect the outcome.

There being no further business, the commission adjourned at 5:17 p.m.

**MINUTES
of the
SIXTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**Monday, November 16, 2009
Room 311, State Capitol
Santa Fe**

The sixth meeting of the Capitol Buildings Planning Commission (CBPC) for 2009 was called to order by Senator Timothy Z. Jennings, acting as chair, on Monday, November 16, 2009, at 10:20 a.m. in Room 311 of the State Capitol in Santa Fe. Secretary of General Services Arturo Jaramillo, co-chair, joined the meeting later in the morning.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Robert Apodaca, Designee for Katherine B. Miller, Secretary of Finance and Administration
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands
James Lewis, State Treasurer
Emilio Martinez, Designee for Stuart Ashman, Secretary of Cultural Affairs
Patrick Simpson, Deputy Director, Administrative Office of the Courts
Rep. Thomas C. Taylor, House Minority Floor Leader
Max Valerio, Designee for Gary Giron, Secretary of Transportation

Absent

Rep. Ben Lujan, Speaker of the House, Co-Chair

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, LCS
Ric Gaudet, LCS

Bill Taylor, 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.

Monday, November 16

The minutes of the September 23, 2009 meeting of the commission were adopted without changes.

Property Control Division Updates, Capital Outlay Requests and Preliminary Review of Legislation for 2010

Mr. Taylor gave presentations to the commission regarding the activities of the PCD and upcoming legislative requests.

PCD Update

Santa Fe

- Executive Office Building — PCD staff have met with the design consultant Wilson & Co. to discuss the scope of work and contract execution for programming and design criteria for a design-build delivery method.

- Coughlin Building — The contractor has begun demolition of the building, which should be complete by January 31, 2010. Previous tenants of the building have been relocated to the Concha Ortiz y Pino building.

- Capitol Parking Structure — The parking facility is complete and in use.

State Treasurer Lewis asked if there are any outstanding issues with the parking structure. Mr. Taylor said that there are a few "punch list" items remaining, which will be resolved by the contractor. Mr. Simpson said that after 6:00 p.m., cars are unable to leave the facility, which has caused him problems in the past. Ms. Tackett said that problem is being addressed.

- South Capitol Campus Master Plan — The PCD selection committee chose Studio Southwest Architects to develop the master plan for the campus. The contract is being executed.

- Penitentiary of New Mexico Main Wastewater Treatment Facility — The PCD executed a two-year extension of the lease with Santa Fe County for operation of the facility.

A 2007 cost analysis for bringing the facility into environmental compliance recommended building a new treatment plant and abandoning the existing lagoons. The cost estimated to bring the facility into compliance is approximately \$2.5 million.

- College of Santa Fe — The PCD is working with the City of Santa Fe in obtaining appraisals of various parcels. Additional planning for the use of certain parcels within the campus will require input from multiple entities, including the CBPC members, staff and master planners.

Albuquerque

- Old Metropolitan Court Building — Bernalillo County will seek to acquire the building from the state by transfer, sale or trade. The PCD has legislative authority to trade or sell the building.

- Tri-Lab Facility — The new scientific laboratory has reached substantial completion of construction. The actual move-in date will be early 2010. The existing laboratory building on the University of New Mexico (UNM) campus near North Lomas Boulevard is being reappraised, and the PCD and UNM are negotiating about the disposition of the building. A meeting about the appraisal is November 17, 2009.

Senator Jennings asked whether the existing laboratory building could be used for a crime laboratory for the Department of Public Safety (DPS). Mr. Taylor said the UNM board of regents would have to change the current contract that allows the state to use the building, and the building would require significant renovations.

Los Lunas

- Substance-Abuse Treatment Center — Gerald Martin/THE Design Group has been selected as the design-build team. The treatment center is expected to be completed in January 2011.

- Los Lunas Hospital Site — The PCD is obtaining new quotes for the demolition of buildings located on the hospital site, as the previous quotes made were over \$200,000 for asbestos removal only. State agencies and local community groups have expressed interest in using facilities on the site. The PCD is investing money for renovation of the natatorium and may renovate a building to house Department of Health (DOH) staff. The DOH is looking at the possibility of moving back to this site. Mr. Taylor reported that planning money is needed to help the PCD determine whether to keep the property or dispose of it.

- Central New Mexico Correctional Facility — The PCD recently completed a full research and assessment of state-owned water rights in Los Lunas.

Representative Taylor asked if the study included an assessment of water rights at the grasslands site. Mr. Taylor said that the PCD is currently studying the water rights at that location.

Las Cruces

- Land Acquisition — The land acquisition from the federal Bureau of Land Management is proceeding. The John Paul Taylor Juvenile Justice Facility and the Southern New Mexico Correctional Facility (SNMCF) are located on the property being purchased.
- DPS District Office — The schematics for the new state police building are complete, and the PCD is currently awaiting results of archaeological studies.
- Camunez Building — The request by the Children, Youth and Families Department (CYFD) in July to vacate the Camunez building and occupy leased space was initially denied by the PCD, pending more thorough budgetary analysis. In October, the PCD approved the request, and a request for proposals for a lease was issued.
- SNMCF — The PCD completed the connectivity of the wastewater system to the City of Las Cruces wastewater treatment system. The existing ponds will be evaporated and filled in, with an estimated completion cost of \$200,000.
- Santa Teresa Inspection and Weigh Station Facility — Construction drawings for the facility are 95 percent complete, and the project will be ready to bid in January 2010. A land transfer between the state and Verde Realty, as well as various environmental clearances, need to be completed before the U.S. Department of Transportation will approve the bid to be issued.

Las Vegas

- DPS District Office — The schematics for the building are 95 percent complete. Utility access from the city will be expensive, so the PCD has been discussing with city representatives the possible trade of the current DPS building for city utility connections. Thus far, the City of Las Vegas is interested in the trade.

Senator Jennings asked why utility connection costs will be so high. Mr. Taylor said that city utilities will need to be extended some distance to the new DPS district office. Because the new building will also have a sprinkler system for fire suppression, the city will charge an additional fee for water usage.

- New Mexico Behavioral Health Institute — The Meadows Hospital replacement Phase I project is scheduled to bid in November 2009. This phase will see the construction of administrative offices and a 36-bed unit.

Roswell

- New Rehabilitation Center — Construction of the new facility has begun, with completion expected in September 2010. The Jaynes Corporation was awarded the construction contract. The current facility will be vacated, and no future use has been identified by the state. Mr. Taylor reported that planning funds are needed to determine what to do with the existing building.

Silver City

- New Fort Bayard Medical Center — The new facility is scheduled to be completed in early 2011, and the existing historic hospital building will be vacated. There is no future use identified by the state for the building yet, and planning funding is needed to determine its future use or disposition.

Fort Stanton and Camp Sierra Blanca

- The PCD has held meetings with staff from the federal Bureau of Land Management regarding possible recreational use of Fort Stanton. Camp Sierra Blanca is being used by the Corrections Department for its women's reintegration program, which has raised some concern with local residents.

GSD Capital Outlay Requests

Mr. Taylor presented a list of capital outlay requests the GSD is making this year. The list has been reduced from original requests, due to the severe budget crisis facing the state. State agencies have requested \$454 million in capital outlay projects this year, but only \$70 million is expected to be available in severance tax bonding capacity.

- Statewide Deferred Maintenance — \$2 million
- Statewide Demolition and Decommissioning of Buildings — \$1 million
- Lujan Building Renovations — \$2 million
- Statewide Planning and Design — \$500,000

Representative Taylor asked what percentage of the \$454 million in requests by state agencies are critical needs. Mr. Taylor said that he only has information on needs of agencies under the jurisdiction of the PCD. He said that he wants to pare down the state agency requests to \$70 million. Some state agencies need to do a better job of planning before they ask for capital outlay dollars, he said. Linda Kehoe, capital outlay coordinator for the Legislative Finance Committee, said that of the state agency requests, \$177 million is from higher education institutions and \$7 million is for senior centers, both of which tend to be funded from general obligation bonds every other year.

GSD 2010 Legislative Initiatives

Mr. Taylor offered a brief, preliminary review of seven legislative proposals to be presented to the 2010 legislature. Mr. Taylor did not present any bill drafts.

- Expand the purpose of two appropriations made in 2007 to include the acquisition of property within the former College of Santa Fe campus. The appropriations currently authorize funding for the purchase of land at the West Capitol Campus.
- Amend Section 13-1-124 NMSA 1978 to allow state agencies the use of the

construction manager at-risk project delivery method, currently allowed for school districts.

- Amend Section 13-1-154.1 NMSA 1978 to increase from \$200,000 to \$500,000 over a four-year period the maximum allowable amount on contracts for architectural and engineering services for multiple design projects.

Senator Jennings cautioned that such a change could be seen as benefiting friends of a particular administration. Mr. Taylor agreed but said that the process for selecting a contractor follows very strict qualifications-based procedures. The current limit of \$200,000 over a four-year period is too low to achieve the efficiencies anticipated when the legislation was originally enacted in 2007, he said.

- Require agency preventative maintenance plans as a prerequisite for new construction or major renovation projects. The legislation would be modeled after current language found in Section 22-24-5.3 NMSA 1978 requiring such plans for school districts. The PCD submitted similar legislation (HB 358) during the 2009 session, which failed to pass.

- Amend Section 13-1-119.1 NMSA 1978 to eliminate the \$10 million minimum threshold for the use of the design-build project delivery method.

Senator Jennings said that design-build projects have caused problems in the past, citing as an example the construction of U.S. Highway 70. The highway now has serious maintenance problems, just a few years after the highway was built.

- Granting the PCD approval to exchange state-owned land for private land for the completion of the Santa Teresa inspection station. Mr. Taylor said that an additional 3.7 acres is needed to construct drainage systems for the station.

- Removing the requirement that the State Board of Finance approve all remodeling, renovation and construction contracts costing more than \$500,000. Mr. Taylor said that there is sufficient oversight of construction contracts in the Procurement Code. He said that he believed the current language in statute was enacted before the state had a Procurement Code, and he believed that the board's approval was required in lieu of adequate procurement statutes. He said that the State Board of Finance agrees with the proposed change in legislation.

State Records and Archives — Final Report

John Petronis and Andy Aguilar of Architectural Research Consultants, Inc., presented to the commission findings and recommendations of their study of long-term needs of the State Records Center and Archives (SRCA). It was noted that Sandra Jaramillo, state records administrator, was also in attendance. The study attempted to project long-range records and archives growth by record type, agency and general location in the state; identify space requirements to meet projected demand; identify capacity of existing facilities to meet current and projected demand; and identify alternatives and strategies to meet needs in the Santa Fe,

Albuquerque and Las Cruces metropolitan areas.

The SRCA is an independent state agency that provides at no cost to state agencies storage facilities for inactive and permanent records. The SRCA currently operates a records center in Santa Fe and in Albuquerque and has about 74,000 square feet devoted to records and archives. The Santa Fe site, located in the state-owned Carruthers Building within the West Capitol Campus, has about 63,000 square feet of space for records and archives. The SRCA also leases a building in Albuquerque for records storage, at an annual cost of about \$83,000 or approximately \$7.00 per square foot.

The existing SRCA facilities are at about 85 percent capacity and will be full in six to seven years. Space in the records center can be made available for an additional two years by transferring some records to archives, but that will merely accelerate the filling of the archives facilities. Given current trends, the state will need an additional 5,300 gross square feet of storage space by 2020 to meet projected demand, which corresponds to a growth of 24,000 cubic feet of stored records.

There are a number of factors that influence the demand for record storage at the SCRA. Factors that tend to decrease demand include state agencies' lack of understanding of records storage rules and laws; the gradual adoption of electronic content-management systems, which will, however, increase the need for electronic media storage; and the lack of sufficient agency resources for records management. Factors that may increase demand include growth in state government and the provision of additional storage options convenient to users, especially for potential users in the southern and southeastern portions of the state.

The demand for records storage could increase dramatically in areas of the state if the SRCA were to establish facilities in those regions. Initial estimates for constructing records facilities in the southern and southeastern regions of the state to house records of state agencies are between \$1 million and \$2 million, not including the additional operational costs required to staff the facilities. However, the master planners did not find any significant potential operational savings that would offset capital expenditures for new facilities. For example, the cost to continue leasing the space for the records center in Albuquerque is significantly less than the cost of building a new facility, said Mr. Petronis.

The state has several compelling reasons to consider providing additional records facilities, including the promotion of adherence to state statutes; the promotion of public access to records; the preservation of important documents; and the decrease in liability risk to the state from improper records management practices. Mr. Petronis mentioned one New Mexico court case in which the plaintiff was awarded \$117,000 in legal fees for illegally withholding requested records.

In conclusion, the master planners made several recommendations for policymakers to consider, including:

- increase the education and training of state agencies so that only appropriate records are sent to the records center;
- invest in electronic records-management systems to provide more efficient access and protection of records;
- ensure that the SRCA primarily serve state agencies and only accept local government records if space permits;
- improve the storage efficiency of records within existing facilities, including purchasing high-capacity storage shelving at the Albuquerque records center;
- lease additional storage space in Albuquerque;
- create additional record storage space in Santa Fe;
- create additional records centers in other parts of the state to encourage proper record storage convenient to user agencies. Additional storage space will probably create more demand for records storage rather than relieve current space issues in Albuquerque or Santa Fe;
- maintain one central archives facility in Santa Fe for efficient research, document security and longevity and staffing reasons; and
- expand the archive vault to meet expected demands in the long-term, which will require some modifications to the existing records and state library building.

Senator Jennings suggested creating a records facility for the southeastern region of the state in the soon-to-be-vacant rehabilitation center in Roswell. Mr. Taylor said that could be possible, but the current building would require significant renovations and asbestos remediation.

Mr. Apodaca asked if state statutes require paper copies of records, and said that he does not understand why more storage space is necessary, as most agencies are using electronic media for their storage. Ms. Jaramillo said that records can be in any medium. She said, however, that paper records will always be used in many circumstances, and that electronic scanning of documents already in existence is usually too expensive to be justified. Mr. Petronis said that the cost of initiating electronic records-management systems is a factor in state agencies' difficulty in switching to electronic records.

State Treasurer Lewis asked who will provide additional training to state agencies on better records management. Mr. Petronis said that the SRCA can provide the training, but that it is limited in its staff to do so. Ms. Jaramillo said that the SRCA is currently putting records management training online.

Mr. Kehoe asked why the rate of records stored at the SRCA increased, beginning in 2002. Ms. Jaramillo said that legislation requiring longer storage of records was enacted that year. The change is mostly associated with district courts storing records longer. In addition, the current budget pressure on state agencies has increased the use of the SRCA's services.

New Court of Appeals Facility Update

Mr. Simpson gave a brief report on the new Court of Appeals building in Albuquerque that is nearing completion. The new facility is due to be open in early December. Three judges will be moving from Santa Fe to Albuquerque, which will increase space for the Administrative Office of the Courts in the Supreme Court building. The new building is in close proximity to the UNM School of Law, and students will have access to the facility. In addition, judges will be able to use the unparalleled legal research facilities at the law school. He said there should be enough money in the appropriation for furniture and furnishings. Ms. Kehoe said she believed that the appropriation for construction of the building would need to be reauthorized if the appropriation were to be used for furniture.

There being no further business, the commission adjourned at 11:45 a.m.

**UNAPPROVED MINUTES
of the
SEVENTH MEETING IN 2009
of the
CAPITOL BUILDINGS PLANNING COMMISSION**

**Wednesday, December 16, 2009
Room 311, State Capitol
Santa Fe**

The seventh meeting of the Capitol Buildings Planning Commission (CBPC) in 2009 was called to order by Secretary of General Services Arturo Jaramillo, co-chair, on Wednesday, December 16, 2009, at 1:22 p.m. in Room 311 of the State Capitol in Santa Fe.

Present

Arturo Jaramillo, Secretary of General Services, Co-Chair
Rep. Ben Lujan, Speaker of the House, Co-Chair
Gary Giron, Secretary of Transportation
Sen. Stuart Ingle, Senate Minority Floor Leader
Sen. Timothy Z. Jennings, Senate President Pro Tempore
Larry Kehoe, Designee for Patrick H. Lyons, Commissioner of Public Lands
Emilio Martinez, Designee for Stuart Ashman, Secretary of Cultural Affairs
Rick Martinez, Designee for Katherine B. Miller, Secretary of Finance and Administration
Patrick Simpson, Deputy Director, Administrative Office of the Courts
Clarence Smith, Designee for James Lewis, State Treasurer
Rep. Thomas C. Taylor, House Minority Floor Leader

Staff

Paula Tackett, Director, Legislative Council Service (LCS)
Roxanne Knight, LCS
Tom Pollard, 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.

Wednesday, December 16

The minutes of the November 16, 2009 meeting of the commission were adopted without changes.

GSD and PCD Capital Project Reporting

Mr. Miller updated the commission on the status of some capital outlay projects the PCD has been developing and how they have been affected by the recent executive order freezing capital projects. The Department of Finance and Administration (DFA) has been identifying projects to be voided that have not been fully funded or are not progressing, and it has frozen all projects that do not have contracts in place. The executive office building project, which will be funded from state office building tax revenue bonds, was not frozen or identified as voidable. The Health and Human Services (HHS) complex appropriation of \$4 million for land acquisition has been recommended by the DFA for release. Appropriations for the demolition of buildings at the Los Lunas hospital campus and in Roswell were also released. Most other PCD projects are still frozen, and PCD staff is working to get projects released, especially those that have already gone to bid or are ready to bid.

Speaker Lujan said that it is very important to get capital appropriations spent in order to create jobs. He said that contractors are currently bidding at very low prices and the state stands to save much money by letting contracts to bid. Mr. Miller agreed, saying that the PCD is ready to bid in the next quarter on approximately \$30 million in contracts. He said the Motor Vehicle Division (MVD) contract for \$3.4 million was given final approval by the State Board of Finance (SBOF) the previous day. The bid for that project was well below the maximum allowable construction cost.

CBPC — Planning — Exceptions

Ms. Knight and John Petronis briefly reviewed a draft letter urging that shovel-ready capital projects be allowed to proceed. The letter, which is addressed to the secretary of finance and administration and the directors of the LCS and the Legislative Finance Committee, is in response to the administration's preliminary freeze of capital projects and those agencies' efforts to identify projects that can be voided. The letter recommends allowing certain projects to proceed if they have been planned and designed to be consistent with appropriate master plans and have demonstrated that they add value to the state as well as represent prudent investments of state funds.

Mr. Kehoe asked what would happen after the letter is sent. Ms. Knight responded that the letter would represent the CBPC's formal position that encourages the consideration of planned and designed projects and of those projects that are ready to proceed.

Secretary Jaramillo said that several projects currently on hold have been supported by the CBPC and have been developed sufficiently to be able to proceed.

Mr. Simpson moved that the letter be amended to reflect the vote of commission members present and voting, as some CBPC members not in attendance had not read the letter before its adoption.

Action Item: The letter was approved by the commission unanimously, with those voting being Secretary Jaramillo, Speaker Lujan, Emilio Martinez, Secretary Giron, Mr. Smith, Mr. Kehoe, Mr. Simpson and Representative Taylor.

Legislation

GSD Proposals

Mr. Miller reviewed for the commission five proposed changes to laws for the upcoming legislative session.

Require Agency Preventive Maintenance Plans for Projects (.179492.ISA) — The draft bill requires agencies under the jurisdiction of the PCD to develop and implement preventive maintenance plans for any new proposed capital outlay project. The PCD is charged with developing guidelines to assist agencies in developing their plans. The division will also develop a uniform web-based facility information management system that will provide a central database of maintenance activities, provide comprehensive maintenance request and expenditure information and facilitate the training of maintenance personnel.

Mr. Kehoe asked how many maintenance plans will need to be developed if the legislation passes. Mr. Miller said that each state campus would need a plan. He estimated that there are 750 buildings under the jurisdiction of the PCD and that 50 maintenance plans would be developed.

Representative Taylor asked about the fiscal impact of the bill and whether it creates another unfunded mandate. Mr. Miller said that preventive maintenance plans will be submitted on a spreadsheet until the funding and development of the comprehensive database is complete. This process should be part of agencies' regular budgeting process. He said that it should not be too difficult for state agencies to tell the PCD what they are doing with their facilities.

Exempt the PCD from the \$10 Million Threshold for the Design-Build Project Delivery Method (.179495.ISA) — The proposed bill would remove from statute the minimum threshold amount required in order for state agency projects to be able to use the design-build project delivery method, which, in the past, has proven to save money for the state, as reported by the PCD. The bill would not change the law with regard to local public bodies.

Exchange State-Owned Land for Private Land for the Santa Teresa Port of Entry (.179526.1) — The draft resolution authorizes the trade of state land for private land to be used for the Santa Teresa port of entry. After the design of the facility was complete, it was determined that an additional 3.8 acres is needed for drainage purposes.

Eliminate SBOF Approval for Construction Contracts (.179570.1SA) — The proposed bill removes the requirement that the SBOF approve all construction contracts into which the PCD enters for the redesigning, major renovation and remodeling of current state buildings and the erection of additional state buildings when needed. The requirement was enacted prior to the development of the Procurement Code, and it is no longer necessary, as reported by the PCD.

Mr. Miller said that there is already sufficient oversight of PCD contracts; therefore, approval by the SBOF is redundant. The SBOF does not oppose the legislation.

Senator Jennings said that the PCD needs more oversight, not less, and that he would probably oppose the legislation.

Expansion of Purpose for Two Appropriations from 2007 and 2009 (.180442.1SA) — The proposed bill expands the purpose of appropriations to purchase adjacent land at the West Capitol campus from the federal government to include the purchase of certain parcels of land adjacent to the campus on the College of Santa Fe property. The PCD is pursuing options to trade state land for the federal land at the campus, which would free up appropriations for purchasing land at the college. The state proposes to purchase Tracts A, B, C and D, located contiguous to each other on the southeastern portion of the campus, close to the state printing facility.

Speaker Lujan emphasized that the bill does not appropriate new money but uses existing appropriations for the purpose. He said he would sponsor the legislation, if requested.

Action Item: The commission endorsed all GSD legislative proposals, with Secretary Jaramillo, Emilio Martinez, Secretary Giron, Senator Ingle, Mr. Smith, Mr. Kehoe and Mr. Simpson voting in favor, and with Senator Jennings and Representative Taylor opposed.

Cultural Affairs Department (CAD) Capital Outlay Proposals

Emilio Martinez presented to the commission a list of capital outlay projects for which the CAD is seeking funding. The list represents only those repairs and maintenance needs that have been deemed critical. The department originally identified \$7.4 million in needed repairs at its facilities statewide, but that list has been trimmed to \$1 million of the most important needs.

Mr. Martinez said the CAD had applied for federal stimulus funding and only received \$500,000 in funding for window repairs, which will replace or weatherize windows at one museum.

Senator Ingle commented that rural areas of the state are not slated to receive much funding for repairs this year.

Speaker Lujan asked what would happen if money was not appropriated for repairs and a critical heating or cooling system broke down. Mr. Martinez said that the facility could be forced to shut down, because there is no room in the department's operating budget to transfer funds to make repairs.

Action Item: The commission unanimously endorsed the CAD's \$1 million capital outlay request for repairs and maintenance.

CBPC Staff Proposal

Ms. Tackett and Mr. Miller presented a draft bill for the commission's consideration that would strengthen the infrastructure capital improvements plan (ICIP) process for state agencies. The bill requires each state agency to submit an annual five-year facilities master plan, and it directs the PCD to develop rules for the development of those plans. The GSD and DFA would jointly prepare a capital project program for the state, as current statutes dictate, but projects would be classified into those groups for which the initial planning and design have been completed and those needing initial appropriations for planning.

Rick Martinez asked how the legislation would be different from the current ICIP process. Ms. Tackett said the bill adds prioritizing, time sequencing and planning components to the existing ICIP process. State agencies need to plan better before spending large sums of money for projects. Mr. Miller said that the PCD would like agencies to study their needs before asking for new buildings. This planning process should be part of an agency's strategic plan.

Mr. Kehoe asked about language in the bill that removes from the DFA's responsibilities the development of standards for measuring the need for and utility of proposed projects. Ms. Tackett said the PCD is the state agency that is best suited to perform that task.

Rick Martinez asked whether state agencies will be required to have their own employees with the expertise to develop master plans. Ms. Tackett said that would not be required and that the PCD would assist state agencies in the development of their plans and will develop rules that will make agency master planning consistent for most executive agencies. Mr. Miller said the PCD has already begun discussing better planning processes with its constituent agencies. The proposed bill would add some more duties for the PCD and state agencies, but he said it would not be that difficult for agencies to comply. Ms. Knight said the idea discussed by staff is to set up a process for the planning of capital projects that is similar in concept to those planning processes already in place for agency budgeting and information technology.

Speaker Lujan wondered if state agencies would have sufficient funding to perform the new requirements being proposed.

Action Item: The commission endorsed the CBPC staff proposal unanimously, subject to the making of amendments to specifically exempt the Department of Transportation and to

provide that the PCD assist agencies with life-cycle costing analyses. The commission also instructed staff to make conforming changes to the bill that would make the new process mesh better with existing statutes.

Meeting Procedures

Ms. Knight presented a proposed public comment procedure to the commission. The procedure is designed to allow people to make comments to the commission using a fair and efficient process. People would sign up to comment, either in advance or at the meeting, and comments would be limited to two minutes per individual or group.

Commission members discussed whether limiting the amount of time to speak was a good idea — other than at those times when many people wish to speak. Concern was raised that the proposed procedure would end up stifling public comment. The public comment procedure was amended to read as follows:

PUBLIC COMMENT PROCEDURE FOR THE CAPITOL BUILDINGS PLANNING COMMISSION

The commission will provide a sign-up sheet for individuals or entities requesting to make public comment in meetings. If there are several persons in one group, they should designate a representative from the group to comment. The commission may limit the time for individual public comment.

Action Item: The commission adopted the public comment procedure, with Secretary Jaramillo, Speaker Lujan, Emilio Martinez, Secretary Giron, Mr. Smith, Mr. Kehoe, Rick Martinez and Mr. Simpson voting in favor, and with Senators Jennings and Ingle opposed.

Public Comment

Mark Bertram, representing the Zia station, asked about the status of the HHS project. He also distributed a recent editorial from *The Santa Fe New Mexican* that encouraged the redevelopment of buildings and empty space within the City of Santa Fe.

Secretary Jaramillo said that the HHS facility plan will be presented to the commission at its next meeting. He said the HHS project is not one of the projects that has been frozen. He said that Las Soleras is still the best choice for the project, and he will have a proposed contract before the next meeting. There is one more property appraisal underway, which will reconcile the two previous appraisals.

Senator Jennings said that the HHS facility could create a glut of private leased space in the city, which could be devastating to the local economy. He related a story in which he and his brother had renovated a building in Roswell and leased it to the state for six years, with an option to renew for another six years. After the original term expired, the state canceled the lease, and the building has sat vacant ever since. Senator Jennings said that the state needs to consider what will happen to building owners if the state suddenly cancels leases.

Secretary Jaramillo said he believes that the GSD has never undercut an existing lease, at least not in recent memory. He said that the MVD building in Santa Fe was the state's most expensive lease. After attempts to renegotiate the lease with the building owner were rebuffed, the GSD decided the best and most cost-effective solution would be to build its own facility. Some leased buildings occupied by the state have been paid for several times over, he said. Finally, he said that the GSD always studies the impact on local businesses before making capital project decisions.

There being no further business, the commission adjourned at 3:17 p.m.

J. MASTER PLANNING DOCUMENTS

Master Planning Documents for the 2009 Interim Report can be found on the New Mexico legislative web site: <http://www.nmlegis.gov/Sessions/InterimCommittees/CBPC/>

Click on the link below to view.

[Santa Fe Campuses Jan 2009 V1.pdf](#)

Capitol Master Plan Santa Fe Area
Overview

[CBPC 05 06 09v5.pdf](#)

Capitol Master Plan Statewide
Inventory

[CBPC 06 23 09v9.pdf](#)

Capitol Master Plan Additional Santa
Fe Campus

[CBPC 08 19 09v1b.pdf](#)

Capitol Buildings Master Plan New
HHS Site Opportunities

[CBPC 09 23 09v5.pdf](#)

Capitol Buildings Master Plan
Activities Update

[CBPC SRCA 11 16 09 v5 followup-noPlans\[1\].pdf](#)

Capitol Buildings Master Plan State
Records and Archives