

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

**August 4, 2014
Room 311, State Capitol
Santa Fe**

The third meeting of the Capitol Buildings Planning Commission (CBPC) for the 2014 interim was called to order by Edwynn L. Burckle, secretary of general services, on August 4, 2014 at 1:42 p.m. in Room 311 of the State Capitol.

Present

Edwynn L. Burckle, Secretary of General Services, Co-Chair
Rep. W. Ken Martinez, Speaker of the House of Representatives, Co-Chair
Tom Church, Secretary of Transportation
Veronica N. Gonzales, Secretary of Cultural Affairs
Sen. Stuart Ingle, Senate Minority Floor Leader
Elaine Olah, Designee for Ray Powell, Commissioner of Public Lands
Sen. Mary Kay Papen, Senate President Pro Tempore
Debbie Romero, Designee for Tom Clifford, Secretary of Finance and Administration
Patrick Simpson, Designee for Barbara J. Vigil, Chief Justice of the New Mexico Supreme Court
Clarence Smith, Designee for James B. Lewis, State Treasurer

Absent

Rep. Thomas C. Taylor

Staff

Raúl E. Burciaga, Director, Legislative Council Service (LCS)
Renée Gregorio, Researcher, LCS
Caela Baker, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts are in the meeting file and are available online at www.nmlegis.gov.

Monday, August 4

Approval of Agenda

Members of the CBPC discussed amending the agenda to reverse the order of presentation number two and presentation number three. Upon a motion by Senator Papen,

seconded by Secretary Church, members of the CBPC voted unanimously in favor of adopting the agenda with the amendment.

Adoption of Minutes

Members of the CBPC voted unanimously in favor of adopting the minutes of the June 23, 2014 CBPC meeting.

Review and Update of Santa Fe Master Plan/Main Capitol Complex

Andy Aguilar, Architectural Research Consultants, Inc. (ARC), reviewed the five-year implementation strategy for the Main Capitol Campus. He indicated that the key elements of the strategy are to:

- relocate agencies that have been approved for relocation to or within the Main Capitol Campus;
- relocate agencies approved for campuses other than the Main Capitol Campus; and
- relieve overcrowding and address facility renewal across the campus.

Mr. Aguilar stated that the five-year plan recommends constructing new facilities in the most cost-effective manner, phasing in projects over several years, redirecting lease revenue to fund capital costs, minimizing multiple moves and relocating agencies from leased space to state-owned space. Mr. Aguilar told the CPBC that the first component of the five-year plan is to construct the Executive Office Building (EOB) and that the state is currently planning and developing a design for the EOB. Mr. Aguilar also identified several long-term agency moves, including relocation of the Administrative Office of the Courts from the Capitol North Building to the Apodaca Building and co-location of the Public Education Department and the Higher Education Department in a new building. Mr. Aguilar gave an overview of several moves that have already occurred within the Main Capitol Campus and discussed planned moves and renovations.

Update of New Mexico's Space Standards

Mr. Aguilar provided an update on the space standards and indicated that "space costs money", both to acquire or lease space as well as to operate and maintain the space. Accordingly, most institutions have policies and procedures to manage space and achieve optimum utilization. Mr. Aguilar indicated that the existing New Mexico Space Standards ("Space Standards") were completed in 2000 and were based on the Utah Space Standards. He stated that the Space Standards promote the use of "open offices" to the extent possible because open offices improve flexibility and efficiency. The use of an open office is not possible when the job position requires confidentiality.

Mr. Aguilar discussed issues concerning the current Space Standards, including the fact that the Space Standards have not been updated since they were adopted and space categories do not necessarily align with current state personnel classifications. In addition, the Space Standards do not reflect the current industry space trend, which is to use less space. A member

of the CBPC inquired as to the weight that is given to the Space Standards. John Petronis, ARC, stated that the Space Standards are guidelines.

Another member of the CBPC asked how much it would cost to update the Space Standards. Mr. Petronis responded that updating the Space Standards would cost less than \$20,000. The member expressed reservations about spending any money to update the Space Standards because there is very little flexibility to move employees or agencies around at the current time. Another member of the CBPC responded that approximately 64 percent of state office space is in state-owned facilities, but around 36 percent is in leased facilities, and these leases are continually up for renewal. A member of the CBPC asked if there is a provision in the leases that allows the state to break the lease if space in a state-owned building becomes available. A member of the CBPC responded that there is such a lease provision and that it is contained in all state leases. Two members of the CBPC indicated that it should be the duty of the architect when constructing a building to apply modern space standards and that this task should not cost any additional money beyond the general design costs. Several members of the CBPC expressed support for updating the Space Standards because of the utility of the standards in planning agency relocations.

Mr. Aguilar told members of the CBPC that ARC has completed research on space standards used by other state governments, as well as research on space standards used by entities in the private sector. Additionally, ARC has analyzed space use at seven state-owned facilities in Santa Fe. He indicated that the next step is to form a review committee to review draft findings. ARC has tentatively identified a proposed review committee composition, which can be viewed on page 15 of ARC's handout.

Status of Inventory of State Buildings

Mr. Petronis and Mr. Aguilar presented an update on the progress toward creating an inventory of state facilities and properties. Mr. Petronis gave a demonstration of the web site that currently holds the inventory. A member of the CBPC stated that the web site should go live to the public as soon as possible.

Mr. Aguilar indicated that the responsibility for state buildings and land is split among many agencies and that having a comprehensive inventory of these properties is essential for successful facility asset management. Mr. Aguilar and Mr. Petronis identified some of the obstacles that ARC has encountered in trying to finalize the inventory. A member of the CBPC stated that the inventory should be self-perpetuating — when an agency opens a new building, the agency should be required to update the information in the inventory. Similarly, when a building is no longer owned, that information should be input into the inventory. Another member of the CBPC indicated that the Department of Information Technology (DoIT) is creating a similar database and that ARC and the DoIT should partner to share data. The member agreed that the web site should be made public soon and expressed support for migrating the web site over to the Sunshine Portal or the General Services Department (GSD) web site.

A member of the CBPC asked whether the inventory could be updated every year. Several members added that the web site should be dynamic, rather than static, and that state agencies should be required to report changes to the inventory. Mr. Aguilar and Mr. Petronis discussed "space type codes" that have been applied to buildings owned by the state and indicated that once the appropriate codes are in place, agencies should be able to update the inventory to reflect changes.

Members of the CBPC discussed what could be done to institutionalize inventory reporting by agencies, including whether a statute mandating reporting is needed.

Mr. Aguilar and Mr. Petronis discussed the steps that ARC has taken to update and correct the building and space data. These steps include meeting with agencies to introduce and explain the inventory, distributing inventory information to every agency for review and validation, collecting information on the number of full-time employees (FTEs) at each site, assisting agencies to complete inventory information and integrating information from the Santa Fe Space Use Assessment.

Mr. Aguilar and Mr. Petronis explained the major differences between the 2012 version of the inventory and the 2014 update. Among the differences are the addition of FTE information and details concerning leases. They indicated that condition and valuation information is not yet included but that both the Facilities Management Division (FMD) and the Risk Management Division of the GSD have efforts under way to update this information.

Update on the EOB

Pam Nicosin, deputy director, FMD, GSD, explained that the purpose of the EOB project is to construct an office building that will adequately address the space needs of the Department of Finance and Administration. The proposed EOB would be 56,000 square feet and three stories in height. It would be located at a site adjacent to the capitol parking structure and would require the removal of several casitas. Ms. Nicosin noted that a city-approved building height study would permit the building to be up to 57 feet in height, which is four to five stories.

Ms. Nicosin discussed the steps that have been taken toward completing the EOB project. These steps are listed on pages 6 through 9 of the corresponding handout. Ms. Nicosin indicated that the casitas that would require demolition in order for the project to move forward have been upgraded to a "significant" historical designation by the City of Santa Fe. A member of the CBPC inquired as to why the historical designation was upgraded. Ms. Nicosin indicated that the casitas are said to have historical value in that they demonstrate the original character of the neighborhood.

A member of the CBPC asked who currently owns the casitas. Ms. Nicosin responded that the casitas are owned by the FMD. A member of the CBPC asked whether the footprint of the EOB could simply be moved back to preserve the casitas. Ms. Nicosin indicated that there

may be offsets required by the City of Santa Fe that would require the EOB to be a certain distance from the road.

A member of the CBPC wondered whether it would be more prudent to maximize the space by building four or five stories instead of three, and the member indicated that the CBPC would be wise to consider what the space needs will be 20 years from now. Several members of the CBPC indicated support for moving forward with the EOB as soon as possible. One member stated that the casitas should be preserved because they are part of the history of the city.

Secretary Burckle stated that he plans to schedule a meeting with officials from the City of Santa Fe to discuss the casitas.

Los Luceros Property Update

Secretary Gonzales introduced Jim Peach, a regents professor at New Mexico State University, who conducted a study of possible agricultural uses for the Los Luceros property. Mr. Peach provided historical information about the Los Luceros property, which is located approximately 10 miles north of Española on U.S. Highway 68. The Cultural Affairs Department (CAD) purchased the property in 2008 for \$2.5 million. The CAD estimates that the cost of operating and maintaining the property is between \$400,000 and \$500,000 per year. Since the property itself is not capable of generating enough revenue through agricultural activities to pay for these costs, three options are suggested:

- 1) manage the property as a state monument or museum;
- 2) sell the property as is, with deed restrictions in place; or
- 3) enter into a public/private partnership for various aspects of the property.

Mr. Peach stated that from a strictly financial perspective, the best option may be to sell all or part of the property. Mr. Peach told the CBPC that there is a deed restriction that requires a portion of the property to continue to be used as an apple orchard. He further stated that the apple trees on the property were planted in the 1960s and most of the trees will soon need to be replaced at a cost of \$28.00 per tree. Mr. Peach added that the apple orchard, once replanted, would not be productive for approximately six to seven years.

A member of the CBPC expressed disapproval for the option that would involve selling all or a part of the property. The member also stated that the deed restrictions — particularly the requirement that an apple orchard be maintained and the requirement that the property be maintained as a historic property — may limit the pool of potential purchasers and reduce the amount of money that the state could get for the property.

Another member of the CBPC asked how the estimate of \$400,000 to \$500,000 for operational and maintenance costs was determined. Secretary Gonzales stated that the analysis was based on other historic sites and the fact that the property requires extensive maintenance and preservation efforts. The property currently has two FTEs for maintenance, which costs approximately \$100,000 per year. In addition, there is the cost of basic utilities.

A member of the CBPC suggested that the CAD should reach out to other entities, such as the Corrections Department, to help with maintenance on the property. Richard Sims, director of historic sites, CAD, stated that many volunteer groups already provide services on the property; however, there is still a need for specialized help, particularly with regard to the historic preservation needs on the property.

A member of the CBPC asked whether the CAD had received any offers for the property. Secretary Gonzales stated that the CAD is not entertaining offers because the appropriate disposition of the property has not yet been determined. Another member of the CBPC requested to see a copy of the deed to the property and asked whether the property was purchased from a private owner and whether there is a reversion clause in the deed. Secretary Gonzales responded that the property was purchased from a private owner and that there is a reversion clause. The member stated that it will be very difficult to sell the property with the reversion clause and that the reversion clause will lower the value of the property. The member expressed support for a public/public partnership, such as a partnership between the state and a university. The member stated that if a public/public partnership is not possible, a public/private partnership should be considered. Several members discussed the possibility of using a portion of the property as a vineyard.

Members of the CBPC discussed water rights on the property. CJ Law, caretaker of Los Luceros, explained that the Los Luceros property has significant water rights.

Review of Statutory Language Regarding Commission Duties and Disposition of State Property

Lisa Sullivan, staff attorney, LCS, distributed copies of and discussed the following statutory sections pertaining to the duties of the CPBC:

- Section 6-21C-4 NMSA 1978;
- Section 13-6-2 NMSA 1978;
- Section 13-6-3 NMSA 1978;
- Section 15-10-1 NMSA 1978; and
- Section 15-10-2 NMSA 1978.

Members of the CBPC discussed whether the term "private person" in Paragraph (3) of Subsection B of Section 13-6-2 NMSA 1978 should be amended to remove the modifier "private" because the word "private" is not a term of art and is not defined.

One member of the CBPC indicated that the state should not be engaging in a "negotiated sale to a private person" and that this language should be removed. The member also stated that Subsection H of Section 13-6-2 NMSA 1978 is unclear. The member indicated that the language in that subsection could be interpreted to mean that the State Parks Division of the Energy, Minerals and Natural Resources Department is not permitted to sell property.

Another member of the CBPC stated that the CBPC should consider seeking language that would require special review for historic properties. The member indicated that the CAD was not notified of a recent sale of historic property until it was too late to stop the sale.

Members of the CBPC engaged in a discussion about what additional steps could be taken to avoid the sale of state property without proper review. One member of the CBPC stated that the fiscal impact report for any legislation authorizing a sale should highlight any problems or issues with a proposed property sale. Another member of the CBPC stated that proceeds from the sale of property should go to the general fund rather than to the agency selling the property.

Another member of the CBPC asked whether statute needs to be changed to require the CBPC to "ratify" the sale. The member wondered whether this would be adding another level of approval to a process that generally seems to work.

Mr. Burciaga stated that perhaps review should be conducted by the CBPC first, followed by approval by the legislature.

A member of the CBPC requested legislation that would require the CBPC to review and approve any proposed sale of property that is within the master planning jurisdiction of the CBPC. Additionally, the member stated that prior to any sale, a written determination should be made that a proposed property disposition is in the best interests of the state. The member further requested that the word "private" be deleted from the phrase "private person" in Paragraph (3) of Subsection B of Section 13-6-2 NMSA 1978. Finally, the member stated that a general clearinghouse should be created in the GSD for all agencies wishing to sell real property.

Another member of the commission stated that the State Land Office should be notified of proposed sales of state property.

One member stated that the CBPC should take a cautious approach and ensure that the proposed statutory changes are not going to complicate matters.

Public Comment

Tim Maxwell, speaking on behalf of the Old Santa Fe Association, expressed concerns about the proposed EOB and the review process for the sale of state-owned property.

Adjournment

There being no further business before the commission, the third meeting of the CBPC adjourned at 5:39 p.m.