

**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.