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FISCAL IMPACT REPORT

SPONSOR:	Lujan	DATE TYPED:	02/18/00	HB	451/aHTRC
SHORT TITLE:	Acquire State Office Buildings			SB	
				ANALYST:	Carrillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 7,500.0			Non-Rec	State Office Building Bond Fund
	See Fiscal Impact Section			Non-Rec	Property Control Reserve Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		\$ (9,000.0)	Recurring	Public Building Repair Fund
	See Fiscal Impact Section		Non-Recurring	Property Control Reserve Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to SB135, HB61, HJR14, HB450, SB134

SOURCES OF INFORMATION

General Services Department

SUMMARY

Synopsis of HTRC Amendment

The Senate Finance Committee's proposed amendments to Senate Bill 134 provide for the following:

- Inserts a new section directing the amount of balances in the Property Control Reserve Fund necessary to the debt service and other payments on the bonds plus any amount needed for any required reserves to be transferred to the State Office Building Tax Bonding Fund.
- Adds clean-up language to existing section of the proposed legislation.
- Reduces the authorization from \$75 million to \$30 million.
- Adds language to an existing sections ensuring that there will be sufficient amounts in the Property Control Reserve Fund to pay all of the debt service and other payments on the proposed bonds for the first twenty-four months after the bonds are issued.
- Changes the recipient of the appropriation from the Property Control Reserve Fund to the Property Control Division of the General Services Department for expenditure in Fiscal Year 2000 and subsequent fiscal years for the purposes of making the acquisitions pursuant to the proposed legislation.

Synopsis of Original Bill

House Bill 451 authorizes the Property Control Division of the General Services Department to acquire various office buildings and land in Santa Fe County for use as state office buildings. HB 451 contains appropriation and emergency clauses. HB 451 provides for the following, listed in priority order, as funding becomes available in the Property Control Reserve Fund:

- •Purchase, renovate, equip, and furnish the National Education Association (NEA) building on South Capitol Street.
- •Plan, design, construct, equip, and furnish a new office building with integrated parking at the west capitol complex on Cerrillos road (pursuant to the design funded by Subsection I of Section 14 of Chapter 118 of Laws 1998 at a price not to exceed \$25 million).
- •Purchase, renovate, equip, and furnish the Public Employee Retirement Association (PERA) building on Paseo de Peralta.
- •Purchase vacant land adjacent to the District 5 office of the State Highway and Transportation Department on Cerrillos Road, at no more than the appraised value established by the Taxation and Revenue Department.

The bill authorizes up to \$75 million in revenue from bonds to be sold pursuant to the proposed State Office Building Acquisition Act in Senate Bill 135 and House Bill 450.

Significant Issues

The proposed acquisitions in HB 451 represent the recommendations of the Capitol Buildings Planning Commission and is in response to actions requested in House Joint Memorial 43 (Laws 1999).

According to General Services Department staff, this is a major initiative to acquire state-owned office space in Santa Fe to:

- •reduce recurring operating costs to the general fund to lease privately-owned office space,
- •consolidate state offices in campus settings to provide better public access to state services, and
- •plan for future office space needs of state government in Santa Fe.

The Capitol Buildings Planning commission was created in 1997 with members from the legislative, executive and judicial branches to recommend short-term and long-range solutions to state agency housing requirements in Santa Fe.

FISCAL IMPLICATIONS

HB 451 authorizes up to \$75 million in revenue bonds to acquire new office space for state use. This provision in HB 451 is dependent upon HB 450 or SB135 becoming law. SB 135 and HB 450 establish the State Office Building Acquisition Bonding Act.

The General Services Department staff adds the state can provide office space in Santa Fe for state agencies at approximately one-third of the cost of leasing from private entities. The staff from the General Services Department comments the state pays just under \$9 million a year to lease privately-owned office space in locations throughout the city of Santa Fe. These lease payments are deposited into the Public Building Repair Fund.

The Property Control Reserve Fund was established in Chapter 58, Laws 1998 as a repository of proceeds from the sale of state-owned properties not suitable for use for state purposes. Senate Joint Resolution 13 (Laws 1998) authorized the sale of the La Villa Rivera Building, Marian Hall, and Cathedral Park. Senate Joint Resolution 16 authorizes the sale of the following five properties: (1) approximately 67 acres located near Cononcito at Apache Canyon (Santa Fe County); (2) approximately 10 acres located in La Tierra Nueva subdivision (Santa Fe County); (3) approximately 21,300 square feet located at the corner of Third and Lead in Albuquerque (Bernalillo County); (4) approximately one acre located at the Newport industrial park-west in Albuquerque (Bernalillo County); and (5) 5 acres at 1600 East Tilden in Roswell (Chaves County). The proceeds from these sales will be deposited in the Property Control Reserve Fund.

ADMINISTRATIVE IMPLICATIONS

The impact will be included in the Property Control Division as part of its primary mission.

RELATIONSHIP

SB 134 is related to SB 135 (State Office Building Acquisition Bonding Act), House Bill 61 (Property Control Division Operating Expenses) and House Joint Resolution 14 (Sale of the Fort Stanton Facility).

WJC/njw:gm

