Board of Finance
Approval of Las Soleras
Land Acquisition Agreement

November 16, 2010

General Services Department
Property Control Division
Arturo L. Jaramillo
Secretary
Sale Property & Appraised Value

Las Soleras “Sale Property” consists of:

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

20 Acres Market Value (Including Infrastructure)

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

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

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

Transaction Includes a Gift from Seller of Remainder $2,253,000.
Option Properties and Price

Exclusive Options Exercisable Through

June 30, 2013

Lot 27 (22.67 Acres) at **Lesser** of $11.00 SF or FMV
Lot 19 (9.17 Acres) at **Lesser** of $11.00 SF or FMV

**Rights of First Refusal with 120 Day Notice**
Lot 26 (3.78 Acres) at $11.00 SF
Lot 24 (5.97 Acres) at $11.00 SF

No Holding Fee or Cost for Options

No Increase In Option Price Through 6-30-13
## Consideration Paid by the State

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>HB 154   STB’s</td>
<td>$4 Million</td>
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<tr>
<td>NMFA BANS Accepted by Seller</td>
<td>$1,948,227</td>
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<td>HJR 8 (2007) Trade Galisteo Property</td>
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<td>4.45 Acres Appraised Value $10SF</td>
<td>$1,938,856</td>
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<td>Total Cash and Trade from State</td>
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<td>State’s Total Cost Per Square Foot</td>
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<tr>
<td>20 Acre Fair Market Value</td>
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<td>Gift from Seller of Remainder</td>
<td>$ 2,253,000</td>
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</table>
Infrastructure to be Constructed by Seller Under the Land Purchase Agreement

Roads:
- Beckner from NW/Corner Lot 26 to Rambla Road
- Rambla Road from Intersection with Beckner to Rail Runner Road
- Beckner Road from Ramba Road to Richard’s Avenue Temporary Base Coarse Surface

Rail Station and Platform:
- Construct RR Train Station, Covered Bridge and Platform, with Easement Across Lot 20 (Regulatory Approval is Condition Precedent to Sale)
- Paved Sidewalk from RR Station to RR Road for safe access to Phase I

Utilities:
- Sewer Line, Storm Sewer, Water, Power, Natural Gas, Internet, etc., from Beckner to Rambla Road to North Boundary of Sale Property
- Streetscape, Landscaping, Sidewalks and Bicycle Trails within Rambla Road Easement from Beckner to Rail Runner Road
## GSD Site Selection Analysis

<table>
<thead>
<tr>
<th>Site #</th>
<th>Site Name</th>
<th>Owner</th>
<th>Location</th>
<th>Available Acres</th>
<th>Sufficient Acres for Ph I</th>
<th>Min 20 Acres for Ph I Development</th>
<th>Proximity to Road Runner Station</th>
<th>Overall Road Capacity</th>
<th>Proximity to Commercial Services</th>
<th>Compatible Zoning</th>
<th>GSD Evaluation</th>
<th>HOK/SMPC Study Result</th>
<th>ARC Study Result</th>
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</table>

* 21 Acres bisected by major roads & rail

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

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

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

See Handout for Financial Analysis.
Improved Collateral for Infrastructure

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

- **Roads, Utilities, Etc.**
  - Seller will Require Full Performance Bond from Seller’s Contractor to Insure that all other Infrastructure Improvements Required by the Purchase Agreement will be Completed
  - In Addition, any Cash Collateral Reduction in Escrow for Rail Runner Bridge and Station will be Applied to Seller’s Other Infrastructure Obligations
Additional Benefits of Revised Purchase Agreement

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