

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

**June 22, 2017  
State Capitol, Room 311  
Santa Fe**

The first meeting of the Capitol Buildings Planning Commission (CBPC) for the 2017 interim was called to order by Edwynn L. Burckle, secretary of general services, on June 22, 2017 at 1:48 p.m. in Room 311 of the State Capitol.

**Present**

Edwynn L. Burckle, Secretary of General Services, Co-Chair  
Tom Church, Secretary of Transportation  
Mike Delello, Designee for Veronica N. Gonzales, Secretary of Cultural Affairs  
Craig Johnson, Designee for Aubrey Dunn, Commissioner of Public Lands  
Rep. Rod Montoya  
Sen. Mary Kay Papen, Senate President Pro Tempore  
Debbie Romero, Designee for Duffy Rodriguez, Secretary of Finance and Administration  
Clarence Smith, Designee for Tim Eichenberg, State Treasurer

**Absent**

Rep. Brian Egolf, Speaker of the House of Representatives, Co-Chair  
Sen. Stuart Ingle (Excused)  
Judith K. Nakamura, Chief Justice, New Mexico Supreme Court

**Staff**

Raúl E. Burciaga, Director, Legislative Council Service (LCS)  
Michelle Jaschke, Researcher, LCS  
Jeff Eaton, Research and Fiscal Policy Analyst, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts from the meeting are in the meeting file and are posted at [www.nmlegis.gov](http://www.nmlegis.gov).

**Thursday, June 22**

**Approval of Agenda and Minutes**

On motions duly made, seconded and unanimously adopted, the commission approved the agenda for the meeting as well as the minutes for the meeting held on October 25, 2016.

## **Legislative Initiatives and CBPC Funding Update**

Mr. Burciaga presented an update on the CBPC legislative initiative to update rules for the disposition of state property. Senate Bill 335, sponsored by Senator Papen during the 2017 regular session, would have amended Section 13-6-2 NMSA 1978 to incorporate changes suggested by the CBPC to increase certain threshold requirements for property dispositions and to strengthen CBPC and legislative oversight of the disposition of state property. The bill passed both chambers during the 2017 regular session but was subsequently pocket vetoed by the governor. Mr. Burciaga reported that an appropriation of \$150,000 for the CBPC to continue the development and maintenance of the statewide inventory of facilities, as well as to conduct master planning activities in fiscal year (FY) 2018, was line-item vetoed. Commission members discussed the most recent version of the property disposition bill and considered the value of holding an additional meeting during the 2017 interim, given the lack of funding for the commission's work.

## **Status Report and Discussion: Statewide Inventory and Albuquerque Area Master Plan Updates**

Andy Aguilar, facility planner, Architectural Research Consultants, Inc. (ARC), provided a brief summary of activities that ARC has completed over the past year for the New Mexico Inventory of Facilities and Properties. He explained that the inventory is the only repository of comprehensive facility data for *owned*, *leased* and *provided* space occupied by state employees across the executive, legislative and judicial branches of state government. This year's work has been limited by funding constraints and has focused on maintaining and keeping the inventory data as current as possible. Mr. Aguilar described the following highlights of ARC's work on the statewide inventory over the past year.

- ARC has completed monthly updates to the inventory to reflect current data for the Facilities Management Division (FMD) of the General Services Department's owned and leased facility records. The most recent update reflects data as of June 9, 2017.
- ARC has worked with the Corrections Department and FMD staff to reconcile department facility data with the FMD's records (the department had a significant number of assets that were not yet in the FMD's database).
- At the request of George Morgan, capital projects manager, Department of Health (DOH), ARC completed improvements to the inventory's search engine to allow for multi-agency queries. This new capability is being used by state personnel charged with exploring consolidation opportunities.
- ARC hosted staff from the DOH, the Human Services Department (HSD) and the FMD for a presentation of the inventory on Wednesday, May 17, 2017. The purpose of the presentation was to "socialize" the inventory — to provide users with a better understanding of what information is available for their use and how to navigate through the inventory. Another presentation for additional FMD staff was planned for the following week.

Mr. Aguilar reported that there is ongoing work that should continue to ensure that the inventory data remains current and useful as a tool for agency facility administrators. Additionally, he described the following areas of development for the inventory that require attention:

- establishing a process for assigning new location codes when an agency relocates to ensure that the Statewide Human Resource, Accounting and Reporting System, commonly known as "SHARE", location coding effort completed in 2015 continues to work as intended. Location coding allows the state to report accurate employment data to the United States Department of Labor as required. This effort requires further coordination among the FMD, the Department of Information Technology, the State Personnel Office and the Department of Finance and Administration. It remains unclear which state agency will lead that effort. Employment data was last updated in October 2016; and
- updating facility data for the non-FMD agencies, most of which was last updated in 2015. The Administrative Office of the Courts leases do reflect current FY 2017 data. Updates to the remaining non-FMD agencies require personal contact with each agency to confirm and update data, especially for those agencies in provided space. Resources were not available to complete the work this year, and the issue remains a concern for the coming year.

In response to members' questions, Mr. Aguilar reported that past reviews have shown that roughly 45 percent of facilities included in the inventory are under the jurisdiction of the FMD but a current review of that percentage has not been completed. Mr. Aguilar estimated the cost of maintaining the inventory database at approximately \$2,500 per month. He reported that higher education institutions manage their own facility inventories and that those facilities are not included in the CBPC statewide inventory but could be added. Secretary Church reported that the Department of Transportation (DOT) is also working on a facility inventory study regarding DOT facilities and hopes to coordinate with ARC in that regard.

John Petronis, president, ARC, presented an update to the Albuquerque area master plan. The update focuses on identifying issues and opportunities for cost savings, improved service and communication by consolidating facilities of the Children, Youth and Families Department (CYFD) and the HSD in the Albuquerque area. Mr. Petronis described the approach and process that ARC used to develop the plan and reported that the study shows that considerable benefits could be derived from a consolidation effort. ARC is now drafting a final report that will be available in the coming weeks. Among the preliminary findings, Mr. Petronis reported that:

- the lease cost the state is paying at existing CYFD and HSD locations is not competitive in some locations and that the state may want to renegotiate existing lease rates; and

- while large multi-tenant buildings are being absorbed relatively rapidly in the Albuquerque market, there are properties of sufficient size to accommodate a consolidated CYFD/HSD facility.

Mr. Petronis reviewed the HSD and CYFD functional commonalities and differences in facility needs. An optimal service distribution model was presented that would consolidate one of the four existing HSD service centers with the CYFD. Mr. Petronis noted that the HSD's Income Support Division and Child Support Enforcement Division have access control requirements that can be achieved with modern access control systems or modifications at potential consolidated spaces. Mr. Petronis observed that both agencies have concerns with respect to the potential for conflict among their clientele in a joint setting, as well as with cultural differences between the agencies.

ARC's analysis of agency and client needs and the current real estate market in Albuquerque present a number of options for a consolidated facility. Mr. Petronis presented further analysis that was developed using the life-cycle cost analysis tool previously developed by ARC for the CBPC examining the options to:

- continue to lease at the current rate or in optimized space under a better rate;
- construct a new facility (cash, debt finance or build to suit under a lease-purchase); and
- buy an existing facility (pay cash and renovate, renovate with debt financing or lease to purchase).

Several locations were featured in the Albuquerque market analysis completed by CBRE in cooperation with ARC that meet the square footage requirements and are optimally located for a consolidated facility. Mr. Petronis observed that all of the alternatives identified to the current facility status would provide long-term savings to the state. Members discussed the status of current leases and the impediments that exist for the state to act in a timely manner on property acquisitions. Mr. Petronis observed that other states have enabling legislation for public-private partnerships that allows for a more timely response to market opportunities. He added that developing a coordinated, long-term strategy for housing state agencies is critical to optimizing service delivery and using limited resources effectively. A commission member asked if public-private partnership options were considered in this analysis, and Mr. Petronis responded that such an option was not considered in this update but could be considered in future research work.

#### **Action Item: Master Planning Contract Extensions**

Mr. Burciaga reported that, although funding for the master planning and statewide inventory contracts will not be available for the coming year, the commission may want to extend the current contracts with ARC and CBRE. The contracts were executed in response to the request for proposals issued last year and may be extended for a total of three additional years. ARC has completed two task assignments under the contract, the most recent in cooperation with

CBRE. Secretary Church moved to extend the contracts for ARC and CBRE for an additional year and the motion was seconded by Mr. Johnson and passed without objection.

Members discussed the possibility of holding an additional meeting to discuss the idea of developing legislation to support public-private partnerships, as well as strategies to identify and address any concerns the executive may have had with the property disposition bill. Secretary Burckle advised members that the commission might hold an additional meeting during the interim to hear testimony on public-private partnerships.

**Adjournment**

There being no further business before the commission, the first meeting of the CBPC for the 2017 interim adjourned at 2:57 p.m.