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FISCAL IMPACT REPORT



SPONSOR: Boykin DATE TYPED: 01/22/02 HB HJR 5

SHORT TITLE: Land Exchange & Purchase of PERA Building SB _____

ANALYST: Carrillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			\$0.1		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

General Services Department (GSD)
Public Employees Retirement Association (PERA)

SUMMARY

Synopsis of Bill

House Joint Resolution 5, Land Exchange & Purchase of PERA Building, authorizes the Property Control Division (General Services Department) to trade approximately 3.939 acres of land near the southeast corner of St. Francis Drive and St. Michaels Drive in Santa Fe as part of Public Employees Retirement Association building and property acquisition.

Significant Issues

The Property Control Division (PCD) staff indicates PCD has legislative authorization to (1) purchase the PERA building and (2) sell the land. However, specific authorization is needed to include the land in a trade.

Public Employee Retirement Association (PERA) staff notes, the building and land are PERA trust fund assets. HJR 5 provides the proposed exchange is to allow PERA to construct a new building on GSD owned property. PERA has not yet decided to sell the PERA building or property or purchase land to construct a new building.

FISCAL IMPLICATIONS

According to PCD staff, the estimated value of the land is \$1.1 million. If it is included in the State's purchase of the PERA building and property, the amount of bonds required would be reduced by \$1.1 million. The State would avoid paying interest on \$1.1 million of bonds. Gross receipts tax revenue flows into the State Office Building Bonding Fund to retire bonds. Any amount not needed to retire bonds goes into the general fund.

PERA staff reports that if the purchase of the PERA building includes the exchange of the property at the southeast corner of St Michael's Drive and St. Francis Drive, the valuation of the property attributable toward the PERA building and property purchase price shall be negotiated and agreed to by both PERA and PCD.

OTHER SUBSTANTIVE ISSUES

PCD staff explain the property is south of St. Michael's Drive between Galisteo Street and the exit ramp from St. Francis Drive to St. Michael's Drive. The purchase of the 5.5 acre tract was authorized in 1989 as a site for a new Records and Archives building. The decision to combine the Records and Archives building project with the State Library allows this property for other uses. In 1994 the legislature authorized the land sale. Approximately 1.5 acres of the original tract has been sold and the remaining 3.939 acres (estimated value \$1.1 million) has been on the market for about 4 years.

Further PCD staff state the property is an attractive site for a new PERA facility because it is easily accessible with less motor vehicle traffic than the current location. The new facility would have dedicated parking for staff and clientele, would accommodate growth and would be used only by and for PERA administration. The site could also be occupied by the Educational Retirement Association.

WC/ar