



Michael J. Garcia, Mayor

Date: February 20, 2026

To: Brian J. Moya, Interim City Manager

Via: Andrea K. Phillips, Deputy City Manager AK
ANDREA PHILLIPS

From: Terry Lease, Manager, Asset Development TL
TL

Nina A. Nguyen, Project Manager, Asset Development NAN

Subject: Amendment #1 to Lease Agreement Between The City of Santa Fe and Santa Fe Health Club, LLC

ITEM AND ISSUE:

Asset Development respectfully requests your review and approval of Amendment #1 to Lease Agreement between the City of Santa Fe (“City” or “Lessor”) and Santa Fe Health Club, LLC (“Lessee”) to extend the lease term and increase rent; (Terry Lease, tjlease@santafenm.gov, (505) 629-2206, Nina A. Nguyen, nanguyen@santafenm.gov, (505) 819-1870)

BACKGROUND AND SUMMARY:

Lessee leases 29,490 square feet of land that is adjacent to 786 Calle Mejia for use as a parking lot under Lease Agreement #16-0116. The original term ends February 28, 2026, and this Amendment approves the first 5-year Option Term. The new termination date of the Lease Agreement shall be February 28, 2031. Rent has increased to \$15,361.01 per year with an escalation of 2.5% per year.

PRIOR APPROVALS AND SUPPORTING INFORMATION:

FUNDING SOURCE:

\$\$\$\$\$ SOURCE/REVENUE: Expense Revenue

Munis Org Name/Number: 2122800

Munis Object Name/Number: 460150

Budget Officer / Designee: Andy Hopkins **Date:** February 23, 2026

Budget Officer Comment/Exceptions: _____

City Council

Alma G. Castro, District 1
Patricia Feghali, District 1

Elizabeth “Liz” Barrett, District 2
Paul C. Bustamante, District 2

Lee Garcia, Mayor Pro Tem, District 3
Pilar F.H. Faulkner, District 3

Jamie Cassutt, District 4
Amanda Chavez, District 4

PROCUREMENT METHOD:

The procurement method used was NMSA 1978, Section 13-1-98, Exempt
Real Property is exempt from Procurement

Chief Procurement Officer (CPO) / Designee: N/A - Exempt Date: _____

CPO Comment/Exceptions: _____

ASSOCIATED APPROVALS:

IT Components included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Vehicles included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Construction to City Facilities, Furniture, and/or Fixtures included? Yes | No

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this an externally funded purchase? Yes | No

If yes, what is the issuing agency: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

Is this a Capital Asset or Project? Yes | No

Project Ledger Number: _____

Approval: _____ Title: _____ Date: _____

Comment/Exceptions: _____

ATTACHMENTS:

- Amendment #1
- Lease Agreement
- Certificate of Insurance
- Real Property Determination

**CITY OF SANTA FE AMENDMENT #1
TO LEASE AGREEMENT BETWEEN THE CITY OF SANTA FE AND
SANTA FE HEALTH CLUB, LLC (ITEM #16-0116)**

This Amendment #1 to the City of Santa Fe “LEASE AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE HEALTH CLUB, LLC” dated March 1, 2016 (“Lease Agreement”) is made and entered into as of the date of the last signature (“Effective Date”), by and between the CITY OF SANTA FE, a charter municipality organized under the laws of New Mexico (“City” or “Lessor”) and SANTA FE HEALTH CLUB, LLC, a New Mexico limited liability company (“Lessee”).

WHEREAS, Lessee has leased a parking lot, in support of Lessee’s fitness business, from the City since March 1, 2016 under the terms of the Lease Agreement (Item #16-0116); and

WHEREAS, the Lease Agreement provides for two option terms of 5-years each, provided that Lessee is in compliance of the terms of this Lease Agreement and that Lessee has provided prior written notice to City at least 60-days prior to the expiration of the Initial Term; and

WHEREAS, Lessee is in compliance with the terms of the Lease Agreement and has provided the required prior written notice.

AMENDMENT:

Pursuant to Section 16 of the Lease Agreement, and for the good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Santa Fe Health Club, LLC, agree that the Agreement is amended as follows:

1. The first 5-year Option Term as provided for in Section 4 (LEASE TERM) is hereby approved. The new termination date of the Lease Agreement shall be February 28, 2031.
2. Add the following sentence to the end of Section 5 (RENT), C (Increase in Rent):
 - D. Rent Schedule. In consideration of this Lease Agreement, City and Lessee agree to the Rent Schedule attached as **Exhibit B**.
3. Attach Exhibit B below as the last page of the Lease Agreement:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Option Years	Year	Term Dates		LSF	Total Annual Rent	Escalation, Excluding TI	Monthly Rent	Annual Cost per LSF
	1	3/1/2016	2/28/2017	29,490	\$12,000.00		\$1,000.00	\$0.41
	2	3/1/2017	2/28/2018	29,490	\$12,300.00	2.50%	\$1,025.00	\$0.42
	3	3/1/2018	2/28/2019	29,490	\$12,607.50	2.50%	\$1,050.63	\$0.43
	4	3/1/2019	2/29/2020	29,490	\$12,922.69	2.50%	\$1,076.89	\$0.44
	5	3/1/2020	2/28/2021	29,490	\$13,245.75	2.50%	\$1,103.81	\$0.45
	6	3/1/2021	2/28/2022	29,490	\$13,576.90	2.50%	\$1,131.41	\$0.46
	7	3/1/2022	2/28/2023	29,490	\$13,916.32	2.50%	\$1,159.69	\$0.47
	8	3/1/2023	2/29/2024	29,490	\$14,264.23	2.50%	\$1,188.69	\$0.48
	9	3/1/2024	2/28/2025	29,490	\$14,620.83	2.50%	\$1,218.40	\$0.50
	10	3/1/2025	2/28/2026	29,490	\$14,986.36	2.50%	\$1,248.86	\$0.51
*	11	3/1/2026	2/28/2027	29,490	\$15,361.01	2.50%	\$1,280.08	\$0.52
*	12	3/1/2027	2/29/2028	29,490	\$15,745.04	2.50%	\$1,312.09	\$0.53
*	13	3/1/2028	2/28/2029	29,490	\$16,138.67	2.50%	\$1,344.89	\$0.55
*	14	3/1/2029	2/28/2030	29,490	\$16,542.13	2.50%	\$1,378.51	\$0.56
*	15	3/1/2030	2/28/2031	29,490	\$16,955.69	2.50%	\$1,412.97	\$0.57
*	16	3/1/2031	2/29/2032	29,490	\$17,379.58	2.50%	\$1,448.30	\$0.59
*	17	3/1/2032	2/28/2033	29,490	\$17,814.07	2.50%	\$1,484.51	\$0.60
*	18	3/1/2033	2/28/2034	29,490	\$18,259.42	2.50%	\$1,521.62	\$0.62
*	19	3/1/2034	2/28/2035	29,490	\$18,715.90	2.50%	\$1,559.66	\$0.63
*	20	3/1/2035	2/29/2036	29,490	\$19,183.80	2.50%	\$1,598.65	\$0.65

Except as specifically provided in this Amendment #1, the Agreement shall remain in full force and effect, in accordance with its term.

[REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Amendment #1 as of the dates set out below,

LESSOR: CITY OF SANTA FE

LESSEE: SANTA FE HEALTH CLUB, LLC

MICHAEL J. GARCIA, MAYOR

DATE: _____

John Montoya

John Montoya (Feb 9, 2026 23:01:37 MST)

JOHN MONTOYA, MANAGING MEMBER

DATE: **Feb 9, 2026**

ATTEST:

GERALYN F. CARDENAS, INTERIM CITY CLERK

APPROVED AS TO FORM:

Ruby Crews

Ruby Crews (Feb 10, 2026 11:08:34 MST)
RUBY A. CREWS, ASSISTANT CITY ATTORNEY

APPROVED AS TO FINANCE:

ANDREA K. PHILLIPS, INTERIM FINANCE DIRECTOR
Object Org. Code 2122800-460150



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/18/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER K&K Insurance Group, Inc. P.O. Box 2338 Fort Wayne, IN 46801-2338	CONTACT NAME: Mass Merchandising	
	PHONE (A/C, No., Ext): 1-800-506-4856	FAX (A/C, No): 1-260-459-5590
E-MAIL ADDRESS: info@fitnessinsurance-kk.com		
PRODUCER CUSTOMER ID:		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED: 4319447 CP# 161 Fit Inc DBA: Santa Fe Spa 786 Calle Mejia Santa Fe, NM 87501 A Member of the Sports, Leisure & Entertainment RPG	INSURER A: Markel Insurance Company	38970
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 2000717196 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	X		M1MAS0000000500900	10/30/25 12:01 AM	10/30/26 12:01 AM	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea Occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$5,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 PROFESSIONAL LIABILITY \$2,000,000 LEGAL LIAB TO PARTICIPANTS \$2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> RETENTION			M1MAS0000000500900	10/30/25 12:01 AM	10/30/26 12:01 AM	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) EACH OCCURRENCE AGGREGATE
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/ EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below <input type="checkbox"/> Y <input type="checkbox"/> N		N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT
	MEDICAL PAYMENTS FOR PARTICIPANTS						PRIMARY MEDICAL EXCESS MEDICAL

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Facility #1: 786 Calle Mejia, Santa Fe, NM 87501 On-site & Off-site coverage
 Liability is not provided for independent contractors
 The certificate holder is added as an additional insured, but only for liability caused, in whole or in part, by the acts or omissions of the named insured.
 Sexual Abuse or Sexual Molestation Liability - \$1,000,000 Each Occurrence (included above)/ \$1,000,000 Aggregate (included above)
 This certificate is effective 02/19/2026

CERTIFICATE HOLDER City of Santa Fe PO Box 909 Santa Fe, NM 87504 Owner/Manager/Lessor of Premises	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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Coverage is only extended to U.S. events and activities.

** NOTICE TO TEXAS INSURED: The Insurer for the purchasing group may not be subject to all the insurance laws and regulations of the State of Texas.

ACORD 25 (2016/03)

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City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909
www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1
Alma G. Castro, District 1
Michael J. Garcia, District 2
Carol Romero-Wirth, District 2
Lee Garcia, District 3
Pilar F.H. Faulkner, District 3
Jamie Cassutt, District 4
Amanda Chavez, District 4

Dear City Staff,

In accordance with State Statute and City Ordinances, this document serves as a blanket services determination and is valid until June 30, 2026, for the types of general, professional, and construction services that are clearly one of the types pre-established and approved by the State Purchasing Agent and City CPO.

Please continue to obtain determinations for services that do not clearly and fully fit within the types listed below. For mixed or hybrid services, unclear scopes of work, and design-build projects, specific determinations will be required. In these cases, please email purchasing_det@santafenm.gov to obtain the necessary CPO determinations for your procurement needs.

Should you have any questions or require clarification on a particular service, feel free to contact CPD.

The following are General Services:

- Air/bus, vehicle charter/rental service
- Animal/k9 boarding - basic
- Auctioneers
- Audio-visual equipment setup and routine maintenance for events and presentations (including projectors, microphones, and speakers)
- Automotive mechanical services – all - including vehicle inspection, diagnostics, repair labor, parts replacement, and routine maintenance (e.g., oil changes, brake service, tune-ups, etc.)
- Banking Services (routine, transaction-based)
- Boiler testing/water treatment service
- Bookkeeping service (routine, transaction-based)
- Biohazard clean-up and disinfection services for crime scenes, homicides, suicides, unattended deaths, car accidents, deadly car crashes and cleanup of police units, along with any other biohazard situations. Building alarm systems, service and repair
- Check collection service
- Clothing, textile fabrication repair service

General Services (continued):

- Commercial laundry service, dry cleaning, etc.
- Communications systems installation, servicing, and repair
- Conference and trade show coordination
- Debt collection service
- Delivery/courier service
- Document storage, duplication, retrieval, review, and destruction service
- Drug testing and screening (standard tests)
- Engraving service
- Equipment installation, preventive maintenance, inspection, calibration, and repair
- Equipment rental services
- Exams administration and scoring service
- Executive recruitment
- Firefighting/suppression service
- Food preparation, vending, and catering services
- Health screening, basic diagnostic (wellness, blood pressure monitoring, blood draw, etc.)
- Herbicide application service
- Household goods packing, storage, transportation service
- HVAC system maintenance service - Includes filter changes, inspections, cleaning, minor repairs, and system diagnostics.
- Information Technology - Hosting only
- Information Technology Help Desk Services
- Information Technology Services requiring software or equipment
- Information Technology Software and Hardware Support Services
- Interpretive services: written/oral/sign language
- Inventory service
- Janitorial service, carpet cleaning, window washing
- Laboratory testing and analysis (standard tests only)
- Land clearing/debris removal service
- Landscaping—tree planting, grooming service, lawn mowing, etc. (but not landscape architects)
- Language translation service
- Linen rental service

General Services (continued):

- Marine equipment inspection, certification, and repair
- Medical equipment rental or repair service (wheelchairs, walkers, etc.), including measurements, adjustments, and modifications to meet patient needs
- Metal/pipe/wiring detection service
- Office furnishings installation, refurbishment, and repair service
- Package inspection and crating
- Painting service
- Paper shredding
- Parking lot sweeping/snow removal service
- Pest/weed control service
- Photographic/micrographic processing and delivery, includes aerial and ground photography (if analysis is included, then personal service)
- Printing/duplicating service
- Process serving
- **Property management (rent collection, property maintenance, etc.)**
- Recycling/disposal/litter pickup service
- Retreat and workshop planning, conduct, coordination, etc.
- Security/armored car services
- Shop welding/metal fabrication service
- Software as a Service
- Steam cleaning, high pressure washing, parts cleaning service
- Studio photography service (does not include portrait painting)
- Telephone interview service (conduct of survey using prescribed survey instrument)
- Towing service
- Traffic control services – including certified flaggers, barricade setup/removal, temporary signage, and traffic control plans (not involving permanent installations or design engineering)
- Training – when offered as a regular course by an institution (such as a college or university)
- Travel service — air, surface, water
- Videotaping and recording service
- Warehouse dry/cold storage rental service
- Weather information service

The following are Professional Services:

- Accountants (certified public accountants and registered public accountants)
- Actuaries
- Analysts of processes, programs, fiscal impact, and compliance
- Appraisers
- Archeologists
- Architects
- Artwork, original (services creating the artwork)
- Audio/video media productions (design, development, and/or oversight of)
- Auditors
- Broadband
- Business process re-engineering
- Counselors
- Consultants (including IT Consultants)
- Curriculum/Examination development
- Data Backup Services
- Data Storage and Management Services
- Design
- Economists
- Engineers
- Environmental monitoring: noise level, safety, hazardous gas detection, radiation monitoring service, etc.
- Financial Advisors
- Grant writing
- Graphic designers (creative or original in nature)
- Hearing officer services
- Independent Verification and Validation
- Information Technology Hosting when it includes Maintenance and Support
- Information Technology Maintenance
- Information Technology Management
- Information Technology Programming
- Information Technology Risk Assessment

Professional Services (Continued):

- Insurance Adjusters/Brokers
- Investigators (personnel-related, etc.)
- Investment advisors and management
- Labor negotiators
- Landscape Architects
- Lawyers
- Lobbyists
- Managed Network Services
- Management and system analysts
- Management consultants
- Marketing consultants (including identifying market opportunities, conduct of marketing programs, planning, promotion, market research surveys, etc.)
- Medical arts practitioners
- Medical – doctors, immunizations, etc.
- Mental health support – Therapists, Counselors, etc.
- Network Cybersecurity Services
- Network Installation
- Physicals
- Planners
- Policy Advisors
- Polygraph services
- Product Development Services
- Program/Project Managers
- Psychologists
- Public relations advisors/Publicists
- Publication development (creation of audio/video productions, brochures, pamphlets, maps, signs, posters, annual reports, etc.)
- Researchers
- Scientists (Bio/Chem/Env/Geo/Hydro/Mech, etc.)
- Social and Human Services - Includes case management, outreach, crisis intervention, supportive housing assistance, and other services intended to support vulnerable or at-risk populations. Services may be delivered by licensed or trained professionals in coordination with public or nonprofit systems.

Professional Services (Continued):

- Speech writers
- Statisticians
- Surveyors
- Trade developers
- Training – when it is specifically designed for an agency as opposed to established courses (such as out of the box training offered to all at a training company, university, or college)
- Veterinarian services
- Web design and development

The following are Construction Services:

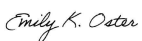
- Bid-Build (Standard)
- Construction Managers
- New Construction (including buildings, roads, bridges, utilities)
- Remodeling and Renovations (interior and exterior work)
- Demolition (including site clearance)
- Excavation and Earthwork
- Electrical Work (installation, repair, upgrades)
- Permanent installation or upgrades of audio-visual systems (including wiring and structural modifications)
- Plumbing (installation, repair, maintenance)
- Masonry and Concrete Work
- Roofing (installation, repair, maintenance)
- Structural Repair and Reinforcement
- Stucco installation, repair, and finishing
- Painting and Finishing (for construction purposes)
- Mechanical Work (HVAC systems, etc.)
- Site Preparation and Land Grading
- Utility Installation and Repair (water, sewer, gas lines)

Travis Dutton-Leyda, Chief Procurement Officer




Date: 06/30/2025

Emily Oster, Finance Director



Date: 06/30/2025

Signature: Terry Lease
Terry Lease (Feb 20, 2026 15:26:13 MST)
Email: tjlease@santafenm.gov

Signature: 
ANDREA PHILLIPS (Feb 23, 2026 10:22:12 MST)
Email: akphillips@santafenm.gov