



# CITY OF SANTA FE

## Memorandum

**Date:** April 23, 2026

**To:** Governing Body, Public Works and Utilities Committee, Quality of Life Committee, Finance Committee, Economic Development Advisory Committee, and Arts Commission

**From:** Carly Venditti, Metropolitan Redevelopment Agency, Deputy Director *CAV*

**Via:** Brian Moya, Interim City Manager *BM*  
BM

**RE:** A Bill Approving the City of Santa Fe Ground Lease and Development Agreement of certain City-owned property to the Midtown Arts and Design Alliance for a lease term of ten years that may be extended up to fifty years.

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### EXECUTIVE SUMMARY:

If adopted, the bill would approve the ground lease and development agreement of a city-owned building, the Midtown Visual Arts Center, with Midtown Arts and Design Alliance, LLC. NMSA 1978, Section 3-54-1 requires that the City of Santa Fe (“City”) approve the lease of City-owned property with an Ordinance. This bill is created to comply with that statute.

### BACKGROUND:

The City and Midtown Arts and Design Alliance (MADA) (“Developer”) intends to enter into a Ground Lease and Development Agreement to facilitate the renovation and remodel of the city-owned Visual Arts Center and Barracks on the Midtown Site at 1600 St. Michael’s Drive (“Property”). The Property described as the Visual Arts Center and Barracks, are located on parcels K-1a and P-1b, located in the northwest of the Midtown Site; containing approximately 3.37 acres.

As a subsidiary of the Santa Fe Arts Institute (SFAI), the Midtown Arts and Design Alliance has been on the Midtown Site since the close of the Santa Fe University of Art and Design and throughout the community engagement processes that culminated in the Midtown Master Plan (Resolution No. 2022-68) and Community Development Plan (Resolution No. 2023-5), known collectively as the Midtown Redevelopment Plans. The Midtown Redevelopment Plans expressed the will of the community to establish an arts hub including arts and cultural organizations, in addition to cultural organization, activities, and technology that could procure the necessary project team to finance, renovate, lease, and manage the Visual Arts Center and adjacent outdoor spaces.



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The City of Santa Fe and the Office of Economic Development launched a Request for Proposals (RFP # 23/17/P) on December 1, 2022, with proposals due February 2, 2023. MADA was the sole respondent to RFP 23/17/P with a variety of stakeholders, non-profit organizations, and community partners included on the proposed project team. An Exclusive Negotiation Agreement (ENA 2023-0548) was solidified between the City of Santa Fe and Developer as of September 5, 2023, upon the recommendation of the Evaluation Committee. This Exclusive Negotiation Agreement was extended multiple times from December 31, 2024, to April 30, 2025, and finally June 30, 2025. The City of Santa Fe and Developer have been collaborating on this proposed Ground Lease and Development Agreement since August 2025.

### SUMMARY OF DEVELOPMENT AND DISPOSITION AGREEMENT

- A. **Introduction.** The Ground Lease and Development Agreement will set forth the terms and conditions of:
- i. Developer's obligation to renovate and sublease the Visual Arts Center and Barracks facility as defined in the project timeline.
  - ii. Lease terms of the Property and management of the property
  - iii. The timeline, in relation to the Developer's obligations for the City's infrastructure design and implementation.
  - iv. The community benefit requirements that are required of the developer to remain in compliance with the Agreement.

B. **Project Requirements.**

Project Overview: Developer's renovation of the Visual Arts Center will be completed in three separate phases, with the implementation of the Midtown Arts and Design Alliance non-profit organizations entering the site following each phase completion.

- ◆ "Phase 1" consists of the renovation of the Tipton Lecture Hall and The Marion Center for the Photographic Arts including heating, ventilation, and air conditioning (HVAC) systems and configuration necessary for Phase 1 tenants.
- ◆ "Phase 2" will include the renovation of Tishman Hall, inclusive of the Thaw Art History Center; this renovation will encompass plumbing, heating, ventilation, and air conditioning systems (HVAC), stucco repairs, re-roofing, and mold remediation as necessary.
- ◆ "Phase 3" consists of the remediation and renovation of the last remaining Barracks from the Brunn's Army Hospital, this will include new construction and site work.

**Financial Security & Ground Control:** Developer has the right and intends to complete all phases of the project as defined but will not take ground control of each additional Phase until said Phase reaches 100% financing. In addition to Quarterly Construction Reporting requirements, the



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developer must submit an updated Development Budget to the MRA Director with each expansion notice, and an update Operating Budget following the completion of Phase 1.

### C. **Community Benefits.**

Community Development Program requirements. The Project and all other developments at Midtown Site are required to comply with the requirements of the Midtown Community Development Plan including without limitation, by implementing or causing to be implemented the Community Development Plan Requirements as a component of the Project

**Environmental and Energy Design Requirements.** Developer shall comply with Environmental and Energy Design Requirements including LEED Requirements, Photovoltaic requirements, and Stormwater Management as outlined in 10.2.

**Tenant/Use Requirements.** Operation of the project by the Developer is limited to for-rent retail, commercial and office space available for sublease only to tenants comprising local artists, art, design, creativity, culture, multi-media, technology, and arts-related organizations and industries, and Persons whose primary business or mission is complementary, tenants must be deemed “Qualifying Sublease” under section 10.3.2.

**Target Lease Goal.** Developer shall use commercially reasonable efforts to sublease approximately 75% of the available leasable space within the Property (“Target Lease Goal”) to entities and persons whose organization or business is identified per 10.3.1, who are non-profits or who have a non-profit fiscal sponsorship.

**Leasing Requirements.** Developer shall use best faith and commercially reasonable efforts to coordinate with the City’s Office of Economic Development, community organizations and/or civic organizations to market and promote or to otherwise utilize the available and offered services of such organizations, for the purpose of disseminating information regarding available rentable space at the Project.

D. **Default Remedies.** If Developer defaults in its performance of any obligation under the agreement beyond applicable notice and cure periods, in addition to other remedies available to the City, the City will have the right to terminate the Agreement, upon which the city may retake possession of the Property.

E. **Assignment or Transfer.** The Developer may not sell, transfer, convey, or otherwise dispose of this property as bound by the lease voluntarily or involuntarily without the written consent of the City.



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**ATTACHMENTS:**

Bill)

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