

## FISCAL IMPACT REPORT

**General Information:**

(Check)      **Bill:**   X                        **Resolution:** \_\_\_\_\_

**Short Title(s):** Approving Ground Lease of City-Owned Buildings at Midtown

**Sponsor(s):** Mayor Michael Garcia, Councilor Jamie Cassut, and Councilor Pilar Faulkner

**Reviewing Department(s):** Metropolitan Redevelopment Agency

**Staff Completing FIR:** Carly Venditti, Metropolitan Redevelopment Agency Deputy Director

**Date:** 4/23/2026      **Phone:** 505-795-0675

**Reviewed by City Attorney:**   
Marcos D. Martinez (Apr 23, 2026 12:49:37 MDT)                      **Date:** 04/23/2026

**Reviewed by Finance Director:**   
ANDREA PHILLIPS (Apr 24, 2026 12:21:19 MDT)                      **Date:** 04/24/2026

**Summary:**

The City of Santa Fe (“City”) and Midtown Arts and Design Alliance (MADA) (“Developer”) entered into an Exclusive Negotiation Agreement on September 5, 2023 in order to negotiate a ground lease and development agreement for the renovation of the Midtown Visual Arts Center and adjacent Barracks. The City and MADA, are now entering into a Ground Lease and Disposition Agreement for the Property. NMSA 1978, Section 3-54-1 requires that the City approve the lease of City-owned property with an Ordinance. This bill is created to comply with that statute.

**Departments Affected:**

Metropolitan Redevelopment Agency (MRA), Public Works Department

**Consequences of Not Enacting Legislation:**

If this legislation is not adopted, the ground lease and development Agreement cannot move forward, and the City would need to identify a new process or Request for Proposal process for renovating the Midtown Visual Arts Center and Barracks.

**Conflict, Duplication, Companionship, or Relationship to Other Legislation:**

The proposed bill is related to Resolution 2022-68, Midtown Master Plan Approval; and Resolution 2023-5 Midtown Community Development Plan Approval.

**Performance and Administrative Implications:**

The lease will engage two parcels; parcels K-1a and P-1b for a total of 3.37-acres, including the following buildings: the Tipton Lecture Hall and the Marion Center for the Photographic Arts, the Tishman Hall, inclusive of the Thaw Art History Center of the Visual Arts Center, and the Barracks.

**Fiscal Implications:**

The developer will pay one dollar (\$1.00) in rent to the City over the course of this ground lease with an initial term of 10 year, with a first extension right of 10 years, followed by the right for three consecutive 10-year terms. Developer shall deposit \$10,000 with the City to be held by the City until the Construction Commencement Date of the Improvements for Phase 1, at which time the City shall disburse the \$10,000 to the Developer. The Developer shall design, finance, develop, construct, operate, and manage the project in accordance with the Final Development Plans and Applicable Rules. The Developer would also be responsible, at is sole cost and expense, for the entitlement, development, construction, and improvement, management, and operation of the project.

---

**Fiscal Impact**

\_\_\_\_\_ Check here if no fiscal impact

**Expenditures**

<b>Expenditure Type</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>Require BAR (Y/N)</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>	<b>3-Year Total Cost</b>
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

**Expenditure Narrative:**

---

---

---

**Revenue**

<b>Revenue Type</b>	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>	<b>Recurring (R) or Non-recurring (NR)</b>	<b>Fund</b>
General Fund	\$ _____	\$ <u>1</u> _____	\$ _____	<u>R</u> _____	<u>WIP Construction</u>
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ <u>1</u> _____	\$ _____		

**Revenue Narrative:**

The developer will pay one dollar (\$1.00) in rent to the City over the course of this ground lease with an initial term of 10 year, with a first extension right of 10 years, followed by the right for three consecutive 10-year terms.

---

---

**Signature:**

**Email:**

**Signature:**

**Email:**