



AGENDA

SPECIAL MEETING OF
THE GOVERNING BODY
JANUARY 28, 2021
4:00 PM
ATTEND VIRTUALLY

SPECIAL PROCEDURES FOR SPECIAL GOVERNING BODY MEETING

Attendance: In response to the State's declaration of a Public Health Emergency, the Mayor's Proclamation of Emergency, and the ban on public gatherings of more than five (5) people, the Special Governing Body meeting will be conducted virtually.

Viewing: Members of the public may view the meeting through the Government Channel on Comcast Channel 28 and Comcast HD928 or may stream the meeting live on the City of Santa Fe's YouTube channel at <https://www.youtube.com/user/cityofsantafe>. The YouTube live stream can be accessed at this address from most smartphones, tablets, or computers.

The video recording of this and all past meetings of the Governing Body will also remain available for viewing at any time on the City's YouTube channel at <https://www.youtube.com/user/cityofsantafe>. Staff is available to help members of the public access pre-recorded Governing Body meetings on-line at any time during normal business hours. Please call 955-6521 for assistance.

Agenda: The agenda for the meeting will be posted at <https://www.santafenm.gov>.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **SALUTE TO THE NEW MEXICO FLAG**
4. **INVOCATION**
5. **ROLL CALL**
6. **APPROVAL OF AGENDA**
7. **DISCUSSION/ACTION ITEMS**
 - a. Approval to mutually terminate the Exclusive Negotiation Agreement ("ENA") between KDC/Cienda ("Team Midtown") and the City of Santa Fe regarding the Midtown Property, Formerly Known as the College of Santa Fe and Formerly Operated as the Santa Fe University of Art and Design.



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(Richard Brown, Director – Community and Economic Development, rdbrown@sanafenm.gov. 955-6625).

8. **ADJOURN**

Pursuant to the Governing Body Procedural Rules, in the event any agenda items have not been considered prior to 11:30 p.m. and the Governing Body does not vote to extend the meeting, such items shall be postponed to a subsequent meeting, provided that the date, time and place of such meeting is specified at the time of postponement.

NOTE: New Mexico law requires the following administrative procedures be followed when conducting “quasi-judicial” hearings. In a “quasi-judicial” hearing all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross-examination. Witnesses have the right to have an attorney present at the hearing.

Persons with disabilities in need of accommodations, contact the City Clerk’s office at 955-6521, five (5) working days prior to meeting date.

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RECEIVED AT THE CITY CLERK’S OFFICE

DATE: January 25, 2021

TIME: 4:40 PM

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Governing Body

January 28, 2021

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| 2. Pledge of Allegiance | Led by Councilor Romero-Wirth | 1 |
| 3. Salute to the State Flag | Led by Councilor Cassutt-Sanchez | 1 |
| 4. Invocation | Led by Councilor Garcia | 1 |
| 5. Roll Call | Quorum Present | 1-2 |
| 6. Approval of Agenda | Approved as presented | 2 |
| 7. Discussion/Action Items | | |
| a) Mutual Termination of ENA | Approved as proposed | 2-15 |
| 8. Adjournment | Adjourned at 6:22 pm | 15 |

**Minutes of the
Special Meeting of the Governing Body
Thursday, January 28, 2021
Virtual Meeting**

1. CALL TO ORDER

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor Alan Webber, on Wednesday, January 27, 2021, at approximately 5:03 p.m., at the Council Chambers at City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico as a virtual meeting.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Councilor Romero-Wirth.

3. SALUTE TO THE NEW MEXICO FLAG

The Salute to the New Mexico Flag was led by Councilor Cassutt-Sanchez.

4. INVOCATION

The Invocation was led by Councilor Garcia.
The Governing Body observed a moment of silence for those who have recently died and their grieving families and those suffering from COVID or other diseases. We wish them well.

5. ROLL CALL

Roll call indicated the presence of a quorum remotely, as follows:

Members Present Remotely
Mayor Alan Webber
Councilor Roman "Tiger" Abeyta
Councilor Jamie Cassutt-Sanchez
Councilor Michael J. Garcia
Councilor Signe Lindell
Councilor Christopher M. Rivera
Councilor Carol Romero-Wirth
Councilor JoAnne Vigil Coppler

Councilor Renee D. Villarreal

Members Excused

Other Participants Attending Remotely

Jarel LaPan Hill, City Manager

Erin McSherry, City Attorney

Kristine Bustos-Mihelcic, City Clerk

Andrea Salazar, Assistant City Attorney

Rich Brown, Community & Economic Development Director

Daniel Hernandez, Consultant

6. APPROVAL OF AGENDA

MOTION: Councilor Garcia moved, seconded by Councilor Lindell, to approve the agenda as published.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Webber, Councilor Abeyta, Councilor Cassutt-Sanchez, Councilor Garcia, Councilor Lindell, Councilor Rivera, Councilor Romero-Wirth, Councilor Vigil Coppler, and Councilor Villarreal.

Against: None.

7. DISCUSSION/ACTION ITEMS

- a. Approval to Mutually Terminate the Exclusive Negotiation Agreement (“ENA”) between KDC/Cienda (“Team Midtown”) and the City of Santa Fe Regarding the Midtown Property, Formerly Known as the College of Santa Fe and Formerly Operated as the Santa Fe University of Art and Design. (Richard Brown, Director – Community and Economic Development, rbrown@santafenm.gov, 955-6625)

Director Brown, Director of Community and Economic Development introduced Andrea Salazar, with the legal team and Daniel Hernandez, Midtown Project Manager.

Director Brown presented a report on the contract for the Midtown property. He said in response to the City’s solicitation for development, business ideas, interest, and proposals for the redevelopment of Midtown they received highly qualified responses. The responses included seven master developers. This is our request for what they call the RFEI, the Request for Expression of Interest. After evaluating the seven respondents and interviewing three finalists, the Midtown Evaluation Solicitation Committee recommended a finalist, “Team Midtown”, led by Katy C. Cienda.

On May 4, 2020, the Governing Body approved entering into an Exclusive Negotiation Agreement, (an “ENA”). The agreement grants exclusive rights for the developer to undertake a series of industry standards, real estate studies, and site assessments.

On December 20, City department leaders and the KCA Katy Cienda team held a joint three-day workshop, a charrette, to identify challenges and opportunities for moving forward with planning and development of the Midtown site. Director Brown explained a charrette is a French word defined as, “*A meeting in which all stakeholders in a project attempt to resolve conflicts and amass solutions.*”

After the charrette, key points were addressed including infrastructure, public finance, master planning, entitlements, and existing buildings. COVID-19 drastically changed our economic conditions at which degraded significant development investment. Commercial office opportunities extended time for entitlement approvals and financial risks that the developer had determined made the project feasible based on their risk analysis.

Because of these significant risks, the developer issued a letter of withdrawal from the Exclusive Negotiating Agreement. While both parties can submit a termination, their vote today is to approve or disapprove our choice to also terminate the agreement.

Part of the next steps is to reconvene our RFEI Evaluation Proposal Committee to consider how to move forward with other categories of the proposals. They will return to the Governing Body on February 24 with a new recommendation. Starting on February 10, they will submit biweekly, public, Midtown development updates. And on February 24 with the Evaluation Committee give a full presentation. Thereafter at the end of every month they will do a full presentation on the updates.

Mr. Hernandez will address some of the issues they plan to work on based on what they learned from the charrette. Last week they had a very lively debate, but they are open for any questions.

Mayor Webber explained the conversation was important. After the executive session, the Governing Body members discussed the need for more public transparency on issues and this provides that opportunity. Mayor Webber addressed Mr. Hernandez and said he could add more or respond as questions came up.

Mr. Hernandez replied he had nothing to add but was available to respond to any questions about the process to this point.

Ms. Salazar added she would also stand for questions.

completely, and you lose a lot of public trust. The site then becomes untenable from other developers' perspectives.

The value of the exclusive negotiation agreement period was it allows ideas to unfold. Both parties can discuss the specific challenges and people can then walk away from the exclusive negotiation. That is valuable because of the learning opportunity. The City can take the reins, which is what everyone is doing tonight, to look at what is learned and how to reenter the process even stronger.

They plan bi-weekly presentations and will return mid-February to the Council and tackle the big issues more confidently. Again, it happens, and the good thing is both parties are about to part amicably and have learned from each other.

Mayor Webber said Councilor Villarreal raised a good point; they have a strong group of local teammates. They have expressed interest not only with this Master Developer but other teams as well. He knew that Mr. Hernandez, Director Brown and others have had conversations with some of the strong local advocates. He asked Mr. Hernandez to talk about the residual goodwill and optimism of the local partners who are committed and engaged deeply with Midtown.

Mr. Hernandez said to help the public understand, one reason Team Midtown was a finalist was because most of their team were local partners. If not directly in Santa Fe, they were in New Mexico. They provided a contextual knowledge and experience as Councilor Villarreal mentioned.

Mr. Hernandez said they want to protect the integrity of the process. He and Director Brown followed up with those who participated in the charrette. They have since spoken to many of them as well. The message of those who participated was that they are totally committed. They wanted us to know they are committed to continuing with the redevelopment of the site. They have expressed interest in working with the City, however possible, and asked to be kept informed.

Councilor Romero-Wirth suggested Mr. Hernandez speak to why the RFEI process and its strengths and how it works. She thought that would be helpful for the public to understand the history of where they have been and where they are going. That also addresses concerns around transparency and the benefits of the process and why it was selected.

Mr. Hernandez explained when he started working with the administration, he heard a lot that people were calling who wanted to do something with the site. Everyone he spoke to within City Hall and the Mayors administration were strongly committed to the public's understanding of the process. They did not want to do anything behind closed doors. They wanted a process in which people could submit in a public way, their proposals, or ideas for the redevelopment.

MOTION: Councilor Romero-Wirth moved, seconded by Councilor Lindell, to approve the mutual termination of the Exclusive Negotiation Agreement as proposed.

Discussion on the Motion:

Councilor Garcia said the situation is that the pandemic impacted what a year ago was the hope to have positive discussions that would impact our community on what appeared not be a prosperous development of the Midtown property. That unfortunately was not the case. The challenge now is how to pivot and look at the property as the gem that it is. The silver lining is that the property is still there. The challenge is how to provide the community an opportunity to own this space that is rightfully theirs.

He said KDC Cienda could bring forth their termination without a mutual termination of the contract. He asked what the justification was for the City to also terminate versus just KDC Cienda terminating on their behalf.

Director Brown explained it was a mutual termination for a couple of reasons. They understand that COVID and the economy crashed the plan to move forward with the ENA. Both KDC and the City worked together in good faith to move our development discovery process forward. The RFEI was still a live document, and when they saw the unforeseen circumstances, and KDC Cienda wanted to terminate the agreement, they agreed. He had asked the leader from KDC Cienda to mutually terminate the agreement. Even though the agreement provided opportunity after six months to terminate each other.

Councilor Garcia asked if they were looking at potentially terminating the agreement prior to receiving the letter from KDC Cienda.

Director Brown explained they were acting in good faith. It was our duty to keep the process moving forward. That was why they instituted the charrette, so they were not coming to the Governing Body to say let's terminate now. But when KDC told us it was unsustainable to succeed, they knew they were going to terminate. That's when he asked KDC if they could do this mutually, as a good faith partner. It also allows us to then talk to other partners where they don't feel they are by merge choice type of organization.

Councilor Garcia asked Ms. McSherry if they would give up any legal rights if they should move forward with a mutual termination and let KDC Cienda terminate.

Ms. McSherry said no, the City would not lose anything terminating one way versus two ways, all else being the same. She thought it would be helpful if she read the section of the Negotiation Agreement, 6.3, on page 14, *"If after six months from the effective date of this agreement, either party concludes in its sole discretion that A) the project is not feasible, or B) that the negotiations are unlikely to result in the execution of a mutually agreeable DDA,"* (Disposition and

Development Agreement that was contemplated as a potential opportunity at the end of this agreement but not absolute) *“then such party may terminate this agreement by delivering written notice thereof to the other party. The parties shall work in good faith to find solutions and strategies that avoid a termination pursuant to this clause.”*

She thought when Mr. Brown spoke about receiving the letter from the developer, it outlined the reasons they initially submitted a plan, and the circumstances had changed. The City recognizes that part B was applicable for us at that point and after the charrette with the developer. Negotiations at this point were unlikely to result in a mutually agreeable DDA. Spending more months to come to that conclusion would not help anyone.

Councilor Garcia said he just wanted to be sure that the City was not giving up legal rights. This property means a lot to the community and many of them saw a great future. He knows that is still the case, would encourage them as a body, to be sure to move forward in a transparent manner. In a way that brings all the community members to the table in a process that allows everyone to have a voice in what transpires. We are in a digital age and must ensure the process moves forward equitably. Not everyone has access to Zoom or a computer, etc. and we must be sure everyone is able to participate in the process.

Councilor Cassutt-Sanchez said it was disappointing, but she understood lessons were learned. She said KDC mentioned challenges in the letter. One was that the RFEI indicated there would be more financial risk sharing between the City and the Master Developer. KDC felt in the ENA all of that had been pushed onto the Master Developer. Although they signed the ENA, she wondered what changed between the RFEI and the ENA that KDC would say that.

Director Brown said a lot of it had to do with more things that came to light in the discovery process. KDC suddenly realized they needed more than \$30 million for a subsidy. He asked Mr. Hernandez or Ms. Salazar to address that.

Mr. Hernandez said usually during the ENA and feasibility analysis period, the public and private entities identify potential gaps in the development process. The public generally brings the public finance structures to the table but there was a gap in what the public could bring. What the private could contribute exacerbated that gap. It only got bigger because of the economic conditions of the times.

The risk conditions were beyond what everyone was comfortable moving forward with. It has pushed us into figuring out what public finance structures we can pursue. We can bring those to the table in a clearer and more viable way. But at the time the gaps and the risk were just too big to move forward under the proposal submitted in the RFEI.

Ms. Salazar added that both the RFEI and the ENA clearly disclosed the entitlement process and all the steps, including zoning, planning, due diligence - everything- was laid out as being on the Developer. Unless they asked the City for public financing options. Between the RFEI and ENA, that has not changed. What did change was KDC's evaluation of the feasibility of moving forward under that construct. She wanted to clarify that the agreements and the framework have not changed, KDC's evaluation of whether they could move forward has.

Ms. McSherry agreed. She added that the RFEI expressly stated some of the options for public financing. The ENA contemplated they would have to be established as the process went on. They were not precluded; they weren't expressly included. It was anticipated it would be part of the financial planning as that moved forward. She thought because the circumstances changed, the developers decided that wasn't sufficient.

Councilor Cassutt-Sanchez thought they had learned a lot of lessons. She was grateful there will be regular presentations. She said they need to ensure the information is public and should err on the side of an overabundance of information. They should give people so much information that they don't want to hear it anymore. That would be a good goal.

She said this is still an incredible opportunity. Sometimes the path to success takes a couple of unexpected turns, but she was hopeful and eager to keep working with the Governing Body and the team and City Staff. Staff has put in countless hours and the charrette took a lot of Staff time. She thanked everyone of the staff for working numerous hours. They will make sure those hours are not wasted.

Councilor Villarreal also thanked City Staff for diligently working through the process and thought it was beneficial. Her disappointment was realizing there are a lot of nuances to the types of groups they work with. She didn't support KDC because she felt their past experiences were not congruent with the community and cultural context, they ~~wor~~ere working in. That remains even with conversations she had after KDC was selected. She didn't feel their vision was what the City envisioned.

This gives us an opportunity to clearly look at our challenges and opportunities on the campus. She expressed complete faith in the City working groups who would continue the work. Also, this is an opportunity for a stronger more intentional community engagement process that is more transparent. That is important. The city will have an opportunity to continue working with local partners who have a better understanding of the local context and local needs. She has supported local partners from the beginning. She hopes that they will continue to be interested in the process and in partnering with us.

She asked clarification from Director Brown on the data collected and research conducted by KDC. She wanted to be sure that can be transferred to the City amicably. Or if they have the data, that it can be utilized in moving forward. She wanted to be sure nothing proprietary was kept by KDC that the City was unaware of.

Director Brown explained the data could be described as their work product was the discovery process, but the charrette was where they received a lot of data. The charrette was put together because of the open sharing and was where the City could collect what the challenges and opportunities were. They all have that information, and it helps inform us on how they need to move forward.

He explained they have enough data from the 9 or so development special tactic teams that Mr. Hernandez has been working on. They don't expect any analysis work because KDC didn't share or submit anything the City wanted. They have what they believe was needed with the charrette data.

Councilor Villarreal said that was good. She wanted to be sure nothing was left that KDC could jump back in the game. She agreed the charrette was very helpful but wanted to know the City has what was needed to move forward. She said she was sure they will get more information and decide how to approach the next steps.

Councilor Vigil Coppler followed up on Councilor Villarreal's question. She asked if sharing the data produced by KDC could be a condition of approval.

Director Brown replied KDC did not share data in the beginning, so they don't know what data they have. He thought that data was information they gave their bankers to get financing. There was no data on zoning, infrastructure, housing trends, transportation, etc. The only thing that might be called "data" would be their meetings to find funding and those were never shared. They don't expect to get that.

Councilor Vigil Coppler said her thoughts were more along the lines of inspections, the conditions of the buildings and if they were habitable. She relates this to extensive inspections when buying a property. She assumed KDC did that because of their reason to terminate. That would be valuable for the City to have. She would ask for that to be a condition of the City's approval to terminate.

Director Brown said it could be a condition but KDC has a right to terminate. They may just so "no." But her point was good about inspections. He asked Mr. Hernandez to talk about some of the discovery process. He explained it was speculation that KDC did a formal inspection of contaminants. That was brought up in a discovery and there was no formal report or collected data. And the City is about to do their own Environmental Assessment to ensure they have that information. The last one was done in 2009.

Ms. McSherry explained that the existing contract is still in place to date and any obligations that existed are still there. They required submission of any due diligence reports obtained but that already existed. As she understands, they did not do many formal reports. They have the hundred-day report where they estimated the amount of financing believed to be needed for the improvements required. She knew of no formal due diligence reports. They should have received them if there were and if they exist, should still receive them.

Director Brown said to that point they collected data on the production studio. They will keep that. There are trade secrets blacked out, but they have the data on the production studios.

Councilor Vigil Coppler said she asked because of when you want to get out of a real estate contract in New Mexico. If inspections are involved, it is a contingency and you must produce the report. She prefers proof because the City could learn a lot from the money KDC spent. She said if they didn't spend money producing data then what did they spent \$300,000 on. That was one of the reasons they are terminating and if there are any others, it was related to the structures. KDC could have seen the structures when they first visited the property. They should go after any in-depth analysis of the structures because it is valuable information.

Councilor Vigil Coppler said secondly, she wanted to ask how soon KDC would receive one-third of the \$25,000 they are due.

Ms. McSherry responded as soon as we terminate, we can start processing that. Councilor Vigil Coppler said in real estate people don't get their earnest money back until they produce documentation that was needed to get out of an agreement.

Councilor Vigil Coppler asked if there was a contract with Daniel Hernandez and what will happen to him in the future.

Director Brown explained that Mr. Hernandez is under contract, but he couldn't recall the end date. Mr. Hernandez prior to the termination was leading the development, infrastructure, and access groups. He is also working with the public engagement group and spearheading the reports. He has convened nine groups to work on the reports of what they have learned. He will continue to do that and to work with him as the project manager. Mr. Hernandez has a lot to do and will ensure they have biweekly reports, and they have more public engagement.

Ms. Salazar explained that Mr. Hernandez's contract is tied currently to the entire RFP process. He is our project manager for the entire process, regardless of which Master Development Team or negotiations they have.

She also wanted to add that the City wasn't in a sale or disposition of the property. It was an exclusive negotiation agreement and based on that there was no earnest

money or sale. The due diligence reports and all the information provided was related to our ENA on moving forward in good faith. They never got to the disposition phase. It was never to a point that you could relate it to a real estate agreement.

Councilor Vigil Coppler understood. They were in some kind of agreement and because it was such a low amount of money that made it easier to get out of. It was disappointing, but she sees this as a new opportunity, and they have more information than when they started. She was looking forward to solving the issue of what to do with the property. She hopes the work continues because this is something that is good for Santa Fe and its uses will be good for those living here. It could possibly solve some of the housing issues.

She said she will continue to be interested in that component. She wanted to have more public meetings on this and fewer executive sessions. The City needs to be a lot more transparent than when they started. She mentioned to someone that she didn't know the details and how things were going when they first embarked on the project. She doesn't want that kind of process in the future, and it doesn't work for the public.

Councilor Vigil Coppler stated the fact that they are in a termination of the agreement may be expected by some, but it was major for the public. They haven't been involved because our discussions were held in executive session. That isn't the process she wanted. The public should know what they are doing with the property. She said she appreciated all the work by Director Brown and Mr. Hernandez and the City Attorney's Office.

Councilor Garcia said, to answer Councilor Vigil Coppler's question, the contract with Mr. Hernandez is set to expire on June 30, 2022.

Mayor Webber was glad Mr. Hernandez was present. The public and several Council members have expressed their disappointment with this developer. But also, as previously mentioned, other opportunities have been presented.

He addressed Mr. Hernandez and noted he has been through complex urban development projects in different cities around the country. He asked how unusual it was for things not to go "as planned" and how often there are bumps in the road. Mayor Webber said in his experience in urban development, this was not unusual. In fact, often things need to be reconsidered and alternative options evaluated. The City should not be too self-critical that this didn't result with this Master Developer.

Mr. Hernandez agreed. He has seen projects where the city was further into a contract with the developer. Momentum is built around the person who does the work and then they find that the project isn't feasible. Then things unravel

Secondly, they didn't want to do the standard RFPs, Request for Proposals. Proposals meaning, "I know exactly what I want to do there and here is my proposal." They wanted people's interests and ideas and called it an RFEI, a Request for Expression of Interest. They wanted participants to understand the City anticipated working with their *ideas* through a long process that would include the public to refine and build on that idea.

That enabled us, as part of the evaluation process, to evaluate the participant's interest and their ideas. The RFEI process was basically the same as for an RFP from a procurement process. The RFEI just clarified they were only accepting interests and evaluating their ideas and whether they were consistent with what the City heard from the public in 2018. They didn't want any backroom deals and here is what the City expects, and the process used for evaluation.

Mr. Hernandez said the public had expressed they wanted someone with experience and local knowledge and context with the financial capacity to implement a project such as this. The evaluation criteria were included in the RFEI, so everyone knew whether applicants met the criteria.

Councilor Romero-Wirth stated that the process mirrored the RFP process. That was helpful because people are familiar with that process. She asked Mr. Hernandez to walk through the details of that.

Mr. Hernandez explained they wanted to be sure it was competitive. The standards around the RFP process are that you are submitting against what everyone else has submitted. There were some levels of transparency they could have and some that were regulated. Part of the agreement a public entity with a competitive edge makes with the private entity is maintaining some things as confidential. They promised to keep that confidential until a final selection was made. That was the reason for the misunderstanding that the RFEI would be different. But they were following the regulated process for procurement. That was why the confidentiality was so important.

The proposals were evaluated like the RFP process and they select someone to negotiate a contract, in this case through the ENA. The idea was that the contract would result in a sale and redevelopment of the property. It was a lengthier process than the RFP with the intent to use the process to engage the public. This is a public process to create a master plan over the ENA period, but feasibility just did not pan out as anticipated.

Councilor Romero-Wirth noted they were not at a point of negotiating the contract. This was just an opportunity for the developer to look exclusively at the site in greater depth and evaluate whether their vision was feasible.

Mr. Hernandez agreed. He thought the public perceived that there was already a contract, but there was not.

Councilor Romero-Wirth confirmed if they had completed the process and it worked out, they might be discussing the next step of negotiating a contract.

Mr. Hernandez said that was the part that would have become the public process; the phasing, number of units, what type of commercial developments, etc.

Councilor Garcia asked if the City was handcuffed to continue the RFEI process. Ms. Salazar responded to get out of the exclusive ENA they can revert to the RFEI process. They will evaluate several options and bring those back to the Governing Body. They are potentially, the termination of the RFEI process, the termination of the master developer section of the RFEI or maintaining the process and go to the next selected master developer. We will present our recommendations to the Governing Body in the next couple of weeks. Also, they will present the work of the charrette and the teams evaluating the best way to move forward which is currently happening.

Councilor Garcia said it sounds like we are not handcuffed, and we can say it didn't work out and we are closing out the RFEI process. He said there are critical needs in the City, such as housing. We can begin to look at the property and how to laterally develop it to provide housing opportunities. Then we can look at other opportunities within the property. He said he continues to advocate moving City Hall to the property. He suggested they look at that to develop around those two spaces.

Councilor Garcia said he wanted the public to know what to look for. This process was time-consuming, about a 1 1/2 years in the making. We need to really start to look at the property because there are dire needs in the community. He noted that Councilor Lindell was always reminding them that we are spending \$7,000 each day on the property, and we need to use it.

Councilor Vigil Coppler said she appreciated Councilor Romero-Wirth taking them through the RFEI process. She wanted to reiterate along the way points were made administratively to discuss things in private. She wanted decisions where there was some latitude made in public. The public felt left out of the information presented. We should learn from that and be more transparent.

She said Ms. Salazar touched on her second question, yes, we have options. She said we were presented with decisions in three parts in our executive session, and the decisions were reasonable. But she wanted to be sure the Governing Body decides which of those options to take.

Staff makes recommendations, but she wanted the pros and cons of each recommendation. Then they could make decisions on the information. All of that can be made public and constituents can weigh in on what they feel is the best

avenue to take. She said she didn't know about the others, but she has received emails of what her constituents want.

Councilor Vigil Coppler noted that Ms. Salazar said they would present in a couple of weeks. She asked if that was reasonable and planned on a City Council meeting currently scheduled.

Ms. Salazar explained the intent was to present what they have learned in the February 24 meeting.

Councilor Romero-Wirth asked Mr. Hernandez, since he has experience in the development of properties like this, to set expectations about how long this would usually take under the best of circumstances.

Mr. Hernandez replied in a city the size of Santa Fe it can take 2-3 years to enter into a DDA for something to get in the ground. He said we will recommend ways to move forward and address concerns they heard this evening. Are there ways of getting housing on the site in early phases; a way to move the project forward.

Currently they have charged the teams to look at incremental ways to develop the site versus thinking about it as a master developer site. They will look at those as options. We want the city to understand the pros and cons of each strategy so we can start to chip away at 2 to 3 years strategy and get an early start.

Mr. Hernandez said a master developer plan can take anywhere from one to three years to get something in the ground. Now they will look at this incremental strategy.

Councilor Romero-Wirth thought part of the problem was understanding the acronyms and definitions of the words. Even once you have that in place, construction can take a while and can start and stop. She wanted everyone to be patient because this is an important piece of property for the community. We want to do this right and definitely want to start phasing in.

She wanted to set expectations because they have debt service on this, and the poor economy, etc.

Councilor Villarreal asked for clarification. She said a point was brought up by a community member on the infrastructure issues and disrepair of buildings. She understands some of the repair and deferred maintenance was before the City took over and still under the University's control.

Mr. Hernandez responded there were pre-existing conditions when the City took the site. That is part of considering the strategy for the demolition and decommissioning of buildings. The strategy will be presented in February of what

to do with the existing buildings. Some buildings will clearly be demolished but could potentially be used on a temporary basis. Some will be permanent.

Councilor Villarreal added that the City has simultaneously put in a lot of money to ensure the safety of the buildings and structures.

Mr. Hernandez said early on they decided to protect and secure the buildings from injury and damage since they would not be used.

Director Brown added they followed a strict risk and insurance policy even before the ENA to ensure a building to be decommissioned is not unsafe for others. Councilor Villarreal recalled Stanencheck was invited to join the charrette with the team and had shared information. She asked if he could remind them of what was shared.

Mr. Hernandez said they did site assessments with the developer. They collected all the reporting and data procured through third parties as well as our own analysis. But as far as engineering, Stancheck was not charged to generate formal, professionally licensed, etc., reports.

Councilor Romero-Wirth said following up on the point, the City has invested money and some of the infrastructure needs are considerable. We have asked the legislature for funds for the site. The need isn't any less important today than the action they will take tonight. It may be more important in getting the site ready. The City has invested money and will have to put a lot more in getting it to a place they can move forward.

Mayor Webber said her point is well taken. Of the several issues raised by the Master Developer and their own team, was that the site was not shovel ready. The risk-reward changed dramatically with COVID. He wasn't sure the academic institution that leased the space kept up the maintenance, upkeep, and infrastructure they were supposed to have done. We believe it was and will continue to be a beautiful, core geographic center of Santa Fe. We need to treat it as such, but we also need to make it shovel ready. Whether that is done all at once or as a suite of projects remains to be seen.

The team will assess those options and regardless of the route there needs to be infrastructure investment on the site. It would be to the advantage of the state legislature and potentially the residents of the Santa Fe to decide put infrastructure dollars into the site. Governor Richardson was instrumental in the purchase of the site years ago and even then, it was a gem.

Now we are asking that the state continue to help us do the preparatory work to be ready when the projects come. The request, and the opportunity and need are still there. The hope is to get assistance from capital improvements from the state. There were no other questions or comments.

VOTE: The motion was approved on the following Roll Call vote:

For: Mayor Webber, Councilor Abeyta, Councilor Cassutt-Sanchez, Councilor Garcia, Councilor Lindell, Councilor Rivera, Councilor Romero-Wirth, Councilor Vigil Coppler, and Councilor Villarreal.

Against: None.

Mayor Webber thanked his colleagues for a thorough, informative discussion. This is the first of many public discussions to share the information they have learned with the community and do more outreach, engagement and listening.

He asked members who get emails that raise questions or advocate for different uses to share them with Director Brown or Mr. Hernandez. Those could be useful and are good voices to listen to and we can all benefit. He will pass any information he gets on to the team as well, so they benefit from the input as they do their work.

8. ADJOURN

Having completed the agenda and with no further business to come before the Governing Body, the meeting was adjourned at 6:22 p.m.

Approved as amended on January 27, 2021 by:



Mayor Alan Webber

ATTESTED TO:



Kristine Mihelcic (Feb 19, 2021 13:14 MST)

Kristine Bustos Mihelcic, City Clerk

Respectfully submitted by:



Carl G. Boaz, Council Stenographer