



AGENDA

ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
SEPTEMBER 08, 2021 AT
11:00 AM
ATTEND VIRTUALLY

SPECIAL PROCEDURES FOR ECONOMIC DEVELOPMENT ADVISORY COMMITTEE 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 in excess of those permitted in the current Public Health Order, and the need to incorporate technology and practices to re-institute in-person meetings consistent with the limitations established by the Order, the Economic Development Advisory Committee meeting will be conducted virtually.

Viewing: Members of the public may join the Zoom meeting by internet or phone, as follows:

Internet: To join the Zoom meeting on the internet using a computer, laptop, smartphone, or tablet, use the following link: <https://santafenm.gov.zoom.us/j/84879987151?pwd=U0lLcjEraFh0N05BSjZjYzAraEREdz09>
Passcode: 000009

Attendees should use the "Raise Hand" function to be recognized by the Chair to speak at the appropriate time.

Phone: To join the Zoom meeting using a phone, use the following phone numbers and Webinar ID: **US: 1 (346) 248-7799 - Webinar ID: 910 2307 0113 - Passcode: 000009**
Phone attendees should press *9 to use the "Raise Hand" function to be recognized by the Chair to speak at the appropriate time.

The agenda and packet for the meeting will be posted at <https://santafe.primegov.com/public/portal>.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**



AGENDA

ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
SEPTEMBER 08, 2021 AT
11:00 AM
ATTEND VIRTUALLY

4. **APPROVAL OF CONSENT AGENDA**

5. **APPROVAL OF MINUTES**

a. August 11, 2021

6. **PUBLIC COMMENT**

7. **ACTION ITEMS: DISCUSSION**

- a. **Request to Publish Notice of Public Hearing on September 29, 2021.**
An Ordinance Amending the Land Development Code, Chapter 14 FCC 1987, to Address Zoning Issues Related to Cannabis; Amending Table 14-6.1-1, Table of Permitted Uses, to Clarify Zoning Districts for Various Types of Cannabis Establishments, and to Adopt Operating Times, Density Limitations, and a Minimum Distance Between Cannabis Retail Establishments and Schools or Daycare Centers; Amending Subsection 14-6.2(H), Agricultural Uses, to Address Cannabis Production; Adding a New Subsection 14-6.2(I) to Adopt Use-Specific Standards for Cannabis Establishments, Including Operating Times, Density Limitations, and a Minimum Distance Between Cannabis Retail Establishments and Schools or Daycare Centers; Amending Subsection 14-6.3(B)(2) to Prohibit Commercial Cannabis Establishments as Accessory Uses or Structures on Residentially Zoned Property; Amending Subsection 14-6.3(D)(2) to Prohibit the Conduct of a Cannabis Establishment as a Home Occupation; Amending Section 14-12.1 to Add Definitions for Various Types of Cannabis Establishments; Establishing an Effective Date; and Making Such Other Changes as are Necessary to Carry Out the Purpose of this Ordinance. (Andrea Salazar, Assistant City Attorney: asalazar@santafenm.gov, 955-6303 and Noah Berke, Current Planning Manager: nlberke@santafenm.gov, 955-6647)

Committee Review:

Planning Commission: 08/19/21

Planning Commission: 09/02/21

Public Works and Utilities Committee: 09/07/21

Economic Development Advisory Committee: 09/08/21

Governing Body (Request to Publish): 09/08/21



AGENDA

ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE
SEPTEMBER 08, 2021 AT
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Quality of Life Committee: 09/15/21
Finance Committee: 09/20/21
Governing Body (Public Hearing): 09/29/21

- b. Request approval for Resolution for Public Notice of Sale, Las Estrellas land parcel (Terry Lease, Asset Development Manager, tjlease@santafenm.gov; Andrea Salazar, Assistant City Attorney, asalazar@santafenm.gov, 505-955-6303; Rich Brown, Director, Community & Economic Development, rbrown@santafenm.gov, 505-955-6625)

8. PRESENTATION

- a. Business Licensing (New and Renewals) Update (Celeste Valentine, Business Licensing Specialist, cmvalentine@santafenm.gov; 505-955-6551)

9. MATTERS FROM STAFF

10. MATTERS FROM THE COMMITTEE

11. MATTERS FROM THE CHAIR

12. NEXT MEETING:

13. ADJOURN

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
TUESDAY, AUGUST 11, 2021, 11:00 AM
ATTENDED VIRTUALLY**

1. CALL TO ORDER

The meeting of the Economic Development Advisory Committee was called to order by Councilor JoAnn Vigil Coppler, Chair, at 11:00 am on Tuesday, August 11, 2021 and was attended virtually.

2. ROLL CALL

BOARD MEMBERS PRESENT

Councilor JoAnn Vigil Coppler, Chair
Kate Kennedy
Ryan Cordova
Megan McGarrity
Melessia Coleman
John Fines (telephonically)
Ryan Gallagher
Johanna Nelson
(Vacancy)

BOARD MEMBERS ABSENT

Robert Lurcott

OTHERS PRESENT

Janice Krish, Committee Liaison, Economic Development
Liz Camacho, Economic Development
Randy Randall, Executive Director, Santa Fe Tourism
Manuel Montoya, Associate Professor, International Management Department
Of Organizational Studies
Alice Loy, Director, Creative Startups
Daniel Hernandez, Project Director, Midtown
Nancy Lewis, STIR Labs Project
Terry Lease, Asset Manger, City of Santa Fe
Patrick Duran, STIR Labs Project
Jon Mertz, STIR Labs Project
Myriah Tomas, STIR Labs Project
Wellington Spetic, STIR Labs Project
Elizabeth Martin, Stenographer

3. APPROVAL OF AGENDA

MOTION A motion was made by Mr. Cordova, seconded by Ms. McGarrity, to approve the agenda as presented.

VOTE The motion passed on a roll call vote as follows:

Chair Vigil Coppler, yes; Ms. Kennedy, yes; Mr. Cordova, yes; Ms. McGarrity, yes; Ms. Coleman, yes; Mr. Gallagher, yes; Ms. Nelson, yes.

4. APPROVAL OF CONSENT AGENDA

None.

5. APPROVAL OF MINUTES JULY 14, 2021

MOTION A motion was made by Ms. McGarrity, seconded by Ms. Coleman, to approve the minutes as presented.

VOTE The motion passed on a roll call vote as follows:

Chair Vigil Coppler, yes; Ms. Kennedy, yes; Mr. Cordova, yes; Ms. McGarrity, yes; Ms. Coleman, yes; Mr. Gallagher, yes; Ms. Nelson, yes.

6. ACTION ITEMS: CONSENT

None.

7. ACTION ITEMS: DISCUSSION

None.

8. PRESENTATION

A. STIR LABS UNM SUMMARY REPORT

Mr. Montoya stated that STIR Labs is a national applied research program funded by the National Science Foundation that connects governments and academic teams to co-develop and apply research that offers solutions to the critical issues that communities face. For this initial phase we choose to focus on retaining youth and talent.

Mr. Montoya introduced and acknowledged his team including Nancy Lewis, Patrick Duran, Jon Mertz, Liz Camacho, Myrriah Tomas and Wellington Spetic.

Mr. Montoya presented a Power Point presentation.

Ms. McGarrity commented that one of the compelling discoveries you made aligns closely with what we are working on at the Santa Fe Community College, student access. There is an opportunity to use this to invite students into the STEM disciplines.

Ms. Coleman asked if there was any discussion about young people who don't want to go into STEM. What about outreach to them. We don't hear those conversations much.

Mr. Montoya said that is important. STEM can become a monolith and leave things out. Process, skill and procedure all have technologies. That was part of our discussion. We need to be more connected and desegregate skilled labor.

Ms. Nelson asked what is the next step.

Mr. Montoya said this was a set up for things we wanted to do. Next is thinking about how this honest discussion helps us engage and connect youth. We will build off this discussion.

Ms. Lewis said she put the links to the information in the chat. There is some follow up funding for next year. She will also put that link in the chat.

Chair Vigil Coppler said that this presentation is an attachment to our materials on PrimeGov. Would anyone like it emailed to them.

Ms. Kennedy, Ms. Coleman and Mr. Gallagher asked to have the presentation emailed to them.

Chair Vigil Coppler thanked Mr. Montoya for his presentation and said she looked forward to what happens next.

B. CREATIVE STARTUPS ACCELERATOR IMPACT REPORT

Ms. Loy presented a Power Point presentation. The presentation is included in the packet for this meeting on PrimeGov.

Chair Vigil Coppler thanked Ms. Loy for her presentation.

C. MIDTOWN PUBLIC ENGAGEMENT UPDATE

Mr. Hernandez presented a Power Point presentation that is included in the packet for this meeting on PrimeGov.

Ms. McGarrity asked if there was anything new to report around the land swap or demolition.

Mr. Hernandez stated that there is no news on the land swap. Legal is working on it. On the demolition, the contract for the building assessment is moving forward so we will have those results soon.

Ms. McGarrity asked if they are still working to get a brown field designation for the property.

Mr. Hernandez said it does not need it. There is just one small area on the property and the State has funding for that. The amount of clean up that is required is dependent on the usage of that area.

9. PUBLIC COMMENT

None.

10. MATTERS FROM STAFF

Ms. Krish stated that they are working on building capacity in the Economic Development Department. We are actively looking to fill our two vacancies.

Ms. Camacho reported that they did fill the position of Asset Manager. Terry Lease is our new employee in that position.

Mr. Lease introduced himself and described his experience.

Ms. Camacho reported that they had sent in three applications from funding through the State Mainstreet Program. Two were approved. One will be used for Airport Road and the other for Siler Road.

11. MATTERS FROM THE COMMITTEE

Ms. McGarrity reported that the Santa Fe Community College has two free workforce training programs. The first one is an Environment Technician Program. It is five weeks long and the student will have a certification at the end of the class. The second one is 3D Printing Boot Camp. The student will also come away with a certification in this program. She will put the links to these programs in the chat.

12. MATTERS FROM THE CHAIR

Chair Vigil Coppler thanked the members for attending.

**13. NEXT MEETING
WEDNESDAY, SEPTEMBER 8, 2021**

14. ADJOURN

There being no further business before the Committee the meeting adjourned at 12:04 pm.

Councilor JoAnn Vigil Coppler, Chair

Elizabeth Martin, Stenographer



City of Santa Fe, New Mexico

Memorandum



Date: August 13, 2021

To: Planning Commission, Finance Committee, Quality of Life Committee, Public Works and Utilities Committee, and Governing Body

From: Noah L. Berke, AICP, Current Planning Division Manager NLB

Via: Jason M. Kluck, Interim Planning and Land Use Department Director JMK

RE: Proposed Legislation to Address Zoning Issues Related to Cannabis Legislation

EXECUTIVE SUMMARY:

This Bill would amend the Land Development Code by adding a new category of specific uses, “Commercial Cannabis Establishments,” in the Santa Fe City Code (“SFCC” 14-6.1-1 (Table of Permitted Uses). The Bill further clarifies in which zoning districts the various types of Commercial Cannabis Establishments would be permitted and adopts minimum distances between cannabis retail establishments and schools or daycares. The Bill includes proposed changes to Subsection 14-6.2(H) (agricultural uses), 14-6.3(D)(2) (home occupations), 14-12.1 (definitions), and adds a new subsection 14-6.2(I) to adopt use specific standards for cannabis establishments including density limitations and operating times. The goal of this proposed legislation is to promote the cannabis economy while protecting public health, safety, and the general welfare of the residents and visitors to the City of Santa Fe.

Commercial Cannabis Establishments:

With the proposed amendments, a new “Commercial Cannabis Establishments” category of specific uses would be created within SFCC Section 14-6.1-1 (table of permitted uses), which stipulates specific definitions and uses in zoning districts as “permitted use”, “special use permit”, “accessory use”, and “prohibited use”. The Commercial Cannabis Establishments use would be divided into four classes for Production:

Cannabis Producer, Extra Small (up to 2500 sq. ft. canopy) is a business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for an extra small cannabis producer may not exceed twenty-five hundred (2,500) square feet at any one time.

- **Permitted indoors: I-1, I-2**
- **Permitted indoors or outdoors with Special Use Permit: C-4, BIP**



City of Santa Fe, New Mexico

Memorandum



Cannabis Producer, Small (2,500-10,000 sq. ft. canopy) is a business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for a small cannabis producer may not exceed five thousand (5,000) square feet at any one time.

- **Permitted indoors: I-1, I-2**
- **Permitted indoors or outdoors with Special Use Permit: C-4, BIP**

Cannabis Producer, Medium (10,000-22,000 sq. ft. canopy indoors or up to 1 acre outdoors) is a business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for a medium cannabis producer may not exceed twenty-two thousand (22,000) square feet at any one time, or one (1) acre, if growing will occur outdoors.

- **Permitted indoors: I-1, I-2**
- **Permitted indoors or outdoors with Special Use Permit: C-4, BIP**

Cannabis Producer, Large (over 22,000 sq. ft. canopy) is a business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. The cannabis canopy area for a large cannabis producer may exceed twenty-two thousand (22,000) square feet.

- **Permitted indoors or outdoors with Special Use Permit: I-1, I-2.**

The Commercial Cannabis Establishments would include the following two categories for Manufacturing:

Cannabis Manufacturing, Heavy is a use that involves compounding, blending, extracting, infusing, packaging, or otherwise preparing a cannabis product using volatile solvents, e.g., butane, heptane, hexane, or propane.

- **Permitted in indoors in I-1, I-2, and BIP**

Cannabis Manufacturing, Light is a use that involves compounding, blending, extracting, infusing, packaging, or otherwise preparing a cannabis product using mechanical methods, nonvolatile solvents, or no solvents.

- **Permitted in C-2, BCD, I-1, I-2, and BIP**

The Commercial Cannabis Establishments category would include two categories for Cannabis research and testing laboratories:



City of Santa Fe, New Mexico

Memorandum



Cannabis Research Laboratory is a facility that produces or possesses cannabis or cannabis products for the purpose of studying cannabis cultivation, characteristics, or uses, provided that a cannabis research laboratory that conducts heavy cannabis manufacturing activities shall be classified as “cannabis manufacturing, heavy.”

- **Permitted in C-2, BCD, I-1, I-2, and BIP**

Cannabis Testing Laboratory is a facility where cannabis products are sampled, collected, and tested, provided that a cannabis testing laboratory that conducts heavy cannabis manufacturing activities shall be classified as “cannabis manufacturing, heavy.”

- **Permitted in C-2, BCD, I-1, I-2, and BIP**

The Commercial Cannabis Establishments would include one category for Cannabis Retail:

Commercial Cannabis Retailer is a business conducted by a person that is licensed to sell cannabis products directly to consumers who are twenty-one years of age or older.

- **Permitted in C-2, BCD, I-1, I-2, BIP, SC-1, SC-2, SC-3, and MU (limited to hours of operation from 7:00 AM to 10:00 PM in MU districts only)**

The commercial cannabis Retailer use would only be permitted if not located within three hundred (300) feet of an existing school or daycare center; subject to density limitations set forth in Subsection 14-6.2(I) and would be limited to hours of operation from 7:00 AM to 12:00 AM (midnight).

The final permitted use added to the Commercial Cannabis Establishments would be “Cannabis Consumption Area”, defined as an area where cannabis products may be served and consumed by smoking, vaping, or ingesting, provided that alcohol cannot be sold or consumed in a cannabis consumption area and entry is limited to patrons 21 years of age or older. The State of New Mexico is currently working on a framework for regulating cannabis consumption areas and legislation will be further drafted and presented to the Planning Commission and Governing Body after the State’s framework is completed.

BACKGROUND:

In the 2021 Special Session, the New Mexico Legislature adopted the Cannabis Regulation Act (House Bill 2), which legalized recreational cannabis use by adults twenty-one (21) years old and over. The Act, which took effect on June 29, 2021, allows local jurisdictions to adopt zoning and land use regulations but limits the extent of local regulatory authority. This memorandum sets forth the Policy Subcommittee’s preliminary recommendations for cannabis land use regulations. The Policy



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Subcommittee requests input from the full Planning Commission on these recommendations. Following input from the Planning Commission, the Policy Subcommittee will work with Staff to incorporate the recommendations into draft amendments to the Land Development Code, as set forth in Chapter 14 of the Santa Fe City Code. The resulting legislation will require review at public hearings before the Planning Commission and Governing Body prior to adoption.

The State has clearly outlined that local jurisdictions cannot:

- Prevent anyone properly licensed from transporting cannabis products on public roads;
- Completely prohibit the operation of a cannabis licensee;
- Prohibit or limit signage identifying a business as a cannabis establishment if it's attached to or located on the business premises;
- Require a cannabis establishment or a cannabis consumption area be located more than 300 feet from a school or daycare center that existed when the cannabis establishment or consumption area was licensed;
- Require an existing cannabis licensee to relocate to a new premises; or
- Prohibit an adult New Mexican from producing homegrown cannabis.

Local jurisdictions can adopt rules that reasonably limit conditions like density of cannabis establishments and operating times.

The Cannabis Regulation Act defines new types of recreational cannabis establishments, including the following:

- Cannabis Retailer (commercial sales of cannabis);
- Cannabis Producer (growing or farming of cannabis);
- Cannabis Producer Microbusiness (produces cannabis at a single premise with no more than 200 mature plants at one time);
- Cannabis Manufacturer (turns uncultivated cannabis into oils, edibles, and products); and
- Cannabis Research and/or Testing Laboratories;
- Cannabis Consumption Areas (place where cannabis is smoked, vaporized, or ingested);
- Integrated Cannabis Microbusiness (may include combination of producer microbusiness, manufacture and retail at a single location selling only their own products); and
- Vertically Integrated Cannabis Establishment (may include combination of retail, producer, and manufacturer).

The proposed City ordinance would mirror the existing definitions set forth by the State of New Mexico. The City ordinance would also adopt further restrictions regarding density, classifications, and hours of operation.



City of Santa Fe, New Mexico

Memorandum



On July, 14, 2021, the Governing Body heard a presentation from Staff which outlined how the Land Use Department would classify cannabis establishments under the current zoning and land use codes. Staff also made formal cannabis recommendations moving forward. As contemplated in Chapter 14, the Planning Commission is making the recommendations for changes to the Chapter, beginning with the recommendations from its policy subcommittee.

The Policy Subcommittee conducted several meetings to formalize answers to the broad land use policy questions that Staff posed to the Governing Body on July 14, 2021. Subcommittee members have also worked to research the legislative limitations, best practices, and experiences of other places, and have noted their appreciation of staff for assistance with this research. The Subcommittee's primary focus has been to make recommendations regarding appropriate time, place, and manner restrictions for the following types of cannabis establishments: commercial retail, production (growing), testing and research laboratories, manufacturing facilities, and vertically integrated cannabis establishments. The Policy Subcommittee's recommendations are aimed at promoting the cannabis economy while protecting public health, safety, and the general welfare.

Planning and Land Use Department Review of Proposed Legislation:

Under SFCC Section 14-3.3, the Planning and Land Use Department is required to review proposed amendments to the text of Chapter 14 to ensure compliance with the following criteria:

1. compliance with law;
2. consistency with the general plan;
3. consistency with other policies adopted by the Governing Body;
4. consistency with the purpose and intent of Chapter 14 and of the section being amended;
5. consideration of how the amendment relates to other provisions of the Santa Fe City Code and the avoidance of unintended consequences; and
6. consistency with any approved neighborhood conservation overlay districts.

The Planning and Land Use Department, in consultation with the City Attorney's Office, has reviewed and crafted the proposed legislation to ensure that all of the above criteria are met.

ACTION REQUESTED:

The Planning and Land Use Department requests that the Planning Commission and council committees consider the proposed legislation and make a positive recommendation to the Governing Body and that the Governing Body adopt the proposed legislation.

ATTACHMENTS:

1. Bill
2. Policy Subcommittee Memo on Recommendations
3. Fiscal Impact Report

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2021-__

AN ORDINANCE

AMENDING THE LAND DEVELOPMENT CODE, CHAPTER 14 SFCC 1987, TO ADDRESS ZONING ISSUES RELATED TO CANNABIS; AMENDING TABLE 14-6.1-1, TABLE OF PERMITTED USES, TO CLARIFY ZONING DISTRICTS FOR VARIOUS TYPES OF CANNABIS ESTABLISHMENTS, AND TO ADOPT OPERATING TIMES, DENSITY LIMITATIONS, AND A MINIMUM DISTANCE BETWEEN CANNABIS RETAIL ESTABLISHMENTS AND SCHOOLS OR DAYCARE CENTERS; AMENDING SUBSECTION 14-6.2(H), AGRICULTURAL USES, TO ADDRESS CANNABIS PRODUCTION; ADDING A NEW SUBSECTION 14-6.2(I) TO ADOPT USE-SPECIFIC STANDARDS FOR CANNABIS ESTABLISHMENTS, INCLUDING OPERATING TIMES, DENSITY LIMITATIONS, AND A MINIMUM DISTANCE BETWEEN CANNABIS RETAIL ESTABLISHMENTS AND SCHOOLS OR DAYCARE CENTERS; AMENDING SUBSECTION 14-6.3(B)(2) TO PROHIBIT COMMERCIAL CANNABIS ESTABLISHMENTS AS ACCESSORY USES OR STRUCTURES ON RESIDENTIALLY ZONED PROPERTY; AMENDING SUBSECTION 14-6.3(D)(2) TO PROHIBIT THE CONDUCT OF A CANNABIS ESTABLISHMENT AS A HOME OCCUPATION;

underscoring = new
~~bracketed~~ = delete

1 AMENDING SECTION 14-12.1 TO ADD DEFINITIONS FOR VARIOUS TYPES OF
2 CANNABIS ESTABLISHMENTS; ESTABLISHING AN EFFECTIVE DATE; AND
3 MAKING SUCH OTHER CHANGES AS ARE NECESSARY TO CARRY OUT THE
4 PURPOSE OF THIS ORDINANCE.

5

6 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

7 Section 1. Table 16-1.1-1 of the Land Development Code (being Ord. No. 2011-
8 37, § 8, as amended) is amended to read:

9 Table 14-6.1-1

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CATEGORY Specific Use	RR	R-1	R-7	R-7	RC-5, R-10	MHP	RAC	AC**	C-1	C-2	C-4	HZ	BCD	I-1	I-2	BIP	SC-1	SC-2	SC-3	MU ***	Use-Specific Regs 14-6.2
RESIDENTIAL																					
Group Living																					
Continuing care community	S	S	S	S	S	S	S		P	S	P	P	P			S				P	(A)(1)
Group Residential Care Facility	S	S	S	S	S	S	S		P	S	P	P	P			S				P	
Group Residential Care Facility, Limited	P	P	P	P	P	P	P		P	S	P	P	P			S				P	
Group Residential Care Facility, Correctional			S		S	S	S		P*	P*	P*	P*	S			S				S	

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Boarding, dormitory, monastery	S	S	S	S	S	P		P		P	S	P	S	P			S			S	
Household Living																					
Dwelling, multiple- family	P ¹	P	P		P	P	P	P		P	P ⁶	P	P	P			P ⁶	P ₆	P ₆	P	(A)(5), (A)(6)
Dwelling, single-family	P	P	P	P	P	P	P	P		P	P ⁶	P	P	P						P	(A)(5)
Manufactured homes	P	P	P	P	P	P	P	P		P	P ⁶	P	P	P						P	(A)(4)
Mobile home, permanent installation	S	S	S	S	S	S		S		S		S	S								(A)(2)
Mobile home park								P ⁹													(A)(3); See 14-6.4(B)
Short-Term Rental Unit	Prohibited except as set forth in Section 14-6.2(A)(5)(a)									P	P	P	P						P	P	(A)(5), (A)(6)

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PUBLIC, INSTITUTIONAL AND CIVIC																						
Emergency Services																						
Police and fire stations	S	S	S	S	S	S	S	S			P	P	P	P	P	P	P	P	P	P		
Police substations (6 or fewer staff)	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	P	P	P	
Preschool, Daycare for Infants or Children																						
Small (6 or fewer)	P	P	P	P	P	P	P	P			P	P	P	P	P	P		P	P	P	P	P
Large (More than 6)	S	S	S	S	S	S	S	S			P	P	P	P	P	S		P	P	P	P	S
Electrical Facilities (See 14-6.2(F) for Planning Commission Review Requirements)																						
Distribution facilities	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	P	P	P	(F), (G)
Substation	P	P	P	P	P	P	P	P			P	P	P	P	P	P	P	P	P	P	P	(F)

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Switching station	P	P								P	P	P		P	P	P	P	P	P	P	P	(F)
Transmission lines	P	P	P	P	P	P	P	P		P	P	P	P	P	P	P	P	P	P	P	P	(F)
Educational																						
Elementary and secondary schools, public and private	S	S	S		S	S		S		P*	P*	P*	S	P*	S		P*	S	S	S	P*	
Colleges and universities, residential	S	S	S		S	S		S		S	S	S	S	P			S				S	(B)(2)
Colleges and universities, nonresidential										P	P	P	P	P	P		P	P	P	P	P	
Museums		S	S		S	S		P ₀ ¹		P	P	P		P	P		P	P	P	P	P	
Vocational or trade schools, nonindustrial								P ₀ ¹		P	P	P		P	P		P	P	P	P	P	

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Hospitals										S	S		P/ S ⁶	P			P					(B)(3)
Hospital heliport													P									(B)(3)(b)
Human Services																						
Adult day care	S	S	S	S	S	S		S		P	P	P	P	P			P	P	P	P	P	
Foster homes licensed by the appropriate state agencies	P	P	P					P		P		P	P	P							P	
Human service establishments												P*			P*	P*			P*	P*	P*	(B)(4)
Sheltered care facilities	S	S	S		S	S		S		S	S	S	S	P							S	(B)(5)
Parks and Open Space																						
Cemeteries, mausoleums and columbariums	S	S	S							S	S		S	P								(B)(1)

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Public parks, playgrounds, playfields	P	P	P		P	P		P		P	P	P	P	P	P	P	P	P	P	P	
Religious Assembly																					
All	S	S	S		S	S		S		P	P	P	P	P	P		P	P	P	P	P
Utilities																					
All (includes natural gas regulator station, telephone exchange, water or sewage pumping station or water storage facility)	S	S	S		S	S		S		S	P	S	S	P	P	P				S	(B)(6)
COMMERCIAL																					
Animal Sales and Service																					
Veterinary establishments, pet grooming	S									P*	P*	P*		P	P	P		P*	P*	P*	

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Kennel	S									P*	P*	P*		P	P	P	P*							
Arts Activities																								
Arts and crafts studios, galleries and shops; gift shops for the sale of arts and crafts									P ¹⁰	P	P	P	P		P	P			P	P	P	P ²		
Arts and crafts schools									P ¹⁰	P	P	P	P		P	P			P	P	P	P	P ²	
Dance studios									P ¹⁰	P	P	P			P	P			P	P	P	P	P ²	
Photographers' studios									P ¹⁰	P	P	P			P	P			P	P	P	P	P ²	
Assembly																								
Private clubs and lodges	S	S	S		S	S		S	S	P*	P*	P*	P*	P*	P*			P*	P*	P*	P*	P*		
<u>Commercial Cannabis Establishments</u>																								

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Bar, cocktail lounge, nightclub, no outdoor entertainment								S ³ , ₁₀	S ³		P*				P	P	P		P*	P*	P*	P ²
Bar, cocktail lounge, nightclub, with outdoor entertainment								S ³ , ₁₀	S ³		P*				P*	P*	P*		P*	P*	P*	P* ₂
Restaurant - full service, with or without incidental alcohol service								S ³ , ₁₀	S ³		P				P	P	P	S	P	P	P	P
Restaurant with bar, cocktail lounge or nightclub comprising more than 25% of total serving area.								S ³ , ₁₀	S* ₃		P*				P*	P	P		P*	P*	P*	P* ₂
Restaurant - Fast service/take-out, no drive-through/drive-up								S ³ , ₁₀		P ₄	P		P ₄		P	P	P	S	P	P	P	P

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Restaurant - with drive-through/ drive-up											P*				P*	P*	P*	S	P*	P*	P*	P* ₂	
Commissary kitchen										P*													
Medical																							
Apothecary shops or pharmacies										P	P		P	P	P				P	P	P	P ²	
Medical and dental offices or clinics								S ¹⁰	S	P	P	P	P	P	P			P	P	P	P	P ²	
Offices, Business and Professional																							
Business and professional offices excluding medical and dental and financial services								S ¹⁰	S	P	P	P	P	P	P	P	P	P	P	P	P	P ²	
Public Accommodation																							

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Bed and breakfast houses and inns											P			P	P		P			P		
Conference and extended stay lodging facilities											P			P	P		P					
Hotels, motels, residential suite hotels											P			P	P					P		
Vacation time share projects											P			P	P							(C)(7)
Public Transportation																						
Transit transfer facilities											S		S	P	P	P	S	S	P	P	S	
Recreation and Entertainment																						
Commercial recreational uses and structures; theaters, bowling alleys, pool-rooms, driving ranges, etc.											P			P	P	P		P	P	P	S ₂	

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Exercise, spas or gym facilities											P				P	P	P		P	P	P	P ²		
Nonprofit theaters for production of live shows								P* ₁₀	S		P				P	P	P	P	P	P	P	P	P ²	
Retail Sales and Services																								
Antique stores								P ¹ ₀	P		P				P	P			P	P	P	P ²		
Art supply stores								P ¹ ₀	P		P				P	P			P	P	P	P ²		
Bookshops								P ¹ ₀	P		P				P	P			P	P	P	P ²		
Cabinet shops, custom								P ¹ ₀	P		P	P			P	P	P	P						
Department and discount stores											P				P	P				P	P	P ²		
Flea markets											P				P	P							(C) (3)	

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Florist shops								P ¹ ₀	P		P		P	P	P			P	P	P	P ²	
Funeral homes or mortuaries										P	P			P	P							
Furniture stores											P			P	P	P			P	P	P ²	
Neighborhood grocery stores and laundromats	S	S	S		S	S		S		S	P	S	S								P ²	(C)(4)
Office equipment sales and service; retail sale of office supplies											P			P	P	P			P	P	P ²	
Retail establishments not listed elsewhere											P			P	P	P		P	P	P	P ²	

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Retail and service uses that are intended to serve the primary uses and that do not exceed 5,000 square feet														P	P	P	P					P ²		
Retail sales accessory to any permitted use, provided that such commercial uses shall not occupy more than ten percent of the total floor area of all buildings occupied by the principal use																	A						S ²	
Sign shops											P	P		P	P	P							P ²	
Service Establishments																								
Barber shops and beauty salons										P	P	P		P	P			P	P	P			P ²	

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Personal care facilities for the elderly						S		S		P	P	P	P	P	P		P	P	P	P	P ²	(C)(7)	
Personal service establishments including cleaning and laundry, appliance repair and similar services											P			P	P			P	P			P ²	
Tailoring and dressmaking shops								P	P	P	P	P		P	P		P	P	P	P		P ²	
Sexually Oriented Businesses																							
All																P	P						(C)(1)
Storage																							
Individual storage areas within a completely enclosed building											S			P	P	P	P	P	P	P			(D)(2)
Mini-storage units											S			P	P	P		P	P	P			(D)(3)

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Telecommunication																						
Telecommunications Facilities	Permitted as set forth in Section 14-6.2(E) (for facilities in public rights of way see Article 27-2 SFCC 1987)																					
Vehicles and equipment																						
Commercial parking lots and garages																						See 14-8.6(B)(6)
Service and repair establishments including filling stations and repair garages																						
Tire recapping and retreading																						
Industrial																						

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Outdoor Storage																				
Outdoor storage lots and yards, except wrecking yards, junkyards or yards used in whole or in part for scrap or salvage operations or for processing, storage, display, or sales of any scrap, salvage or second-hand building materials, junk automobiles or second-hand automobile parts																				
														P	P	A				
Warehouse and Freight Movement																				
Wholesaling and distribution operations - 3,000 square feet or less of storage																				
											P				P	P	P			

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Wholesaling and distribution operations - over 3,000 square feet of storage																P	P								
AGRICULTURAL USES																									
Animal production																									(H)
Commercial stable	S																								(H)
Urban Farm Ground Level, less than 10,000 sq ft.	A	A	A	A	A	A				P	P	P				P	P			P	P	P			(I)
Urban Farm Ground Level, 10,000 sq ft. - 1 acre	S	S	S	S	S	S				P	P	P				P	P			P	P	P			(I)
Urban Farm Ground Level, greater than 1 acre	S	S	S	S	S	S				S	S	S				P	P			S	S	S			(I)

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Urban Farm Roof Level, Open Air, 1000 sq ft. or less	S	S	S	S	S	S				S	S	S			S	S		S	S	S		(I)
Urban Farm Roof Level, Open Air, greater than 1000 sq ft., less than 5000 sq ft.										S	S	S			S	S		S	S	S		(I)
Aquaculture, less than 750 sq ft.										S	S	S			S	S		S	S	S		(I)
Aquaponics, less than 750 sq ft.										S	S	S			S	S		S	S	S		(I)
Aquaponics, greater than 750 sq. ft										S	S	S			S	S		S	S	S		(I)
Hydroponics, any size										S	S	S			S	S		S	S	S		(I)
Composting															S	S						
ACCESSORY USES																						

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Accessory structures of a permanent, temporary or portable nature such as coverings not constructed of solid building materials, including inflatable covers over swimming pools and tennis courts and such other accessory structures which exceed 30 inches in height from the average ground elevation.	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A		
Children's play areas and play equipment	A	A	A	A	A	A	A	A		A	A	A	A	A	A	A	A	A	A	A	A	
Accessory dwelling units	A	A	A	A	A	A	A	A		A	A	A	A	A	A	A					A	14-6.3 (C)(1)

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Greenhouses, noncommercial	A	A	A	A	A	A	A	A		A	A	A	A	A	A	A	A				A		
Home occupations	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	14-6.3 (C)(2)
Hospital heliport													A ₈										
Other uses and structures customarily accessory and clearly incidental and subordinate to permitted permissible uses and structures	A	A	A	A	A	A	A	A		A	A	A	A	A	A	A	A					A	
Private barbecue pits, private swimming pools	A	A	A	A	A	A	A	A		A	A	A	A	A	A		A					A	
Private daycare for infants and children	A	A	A	A	A	A	A	A		A	A	A	A	A	A		A	A	A	A	A	A	
Private garages	A	A	A	A	A	A	A	A		A	A	A	A	A	A	A	A	A	A	A	A	A	

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Residential use ancillary to an approved use		A	A	A	A	A	A	A		A	A	A	A	A	A		A	A	A	A	A	14-6.3(B)(5), (B)(6) and (B)(7)
Utility sheds, located within the rear yard only	A	A	A	A	A	A		A		A		A	A									A
Apothecaries, pharmacies, or laboratories accessory to a clinic								A	A	A	A	A	A	A	A		A	A	A	A	A	

* Special use permit required if located within 200 feet of [residentially-zoned property](#) unless a *qualifying project* located within the Midtown LINC Overlay District; otherwise permitted. (Ord. No. 2013-16 § 29; Ord. No. 2016-39 [§ 3](#))

**Uses listed are in addition to those permitted in the underlying district. No more than 3,000 square feet of [gross floor area](#) may be devoted to [nonresidential](#) uses.

***See [Section 14-7.3\(B\)\(1\)](#) for additional MU district regulations including minimum percentage of residential use. (Ord. No. 2013-16 § 22)

1. In the RR district, multiple- [family](#) dwellings are limited to four per [lot](#).

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2. Hours of operation limited to 7 a.m. to 10 p.m.
3. Amplified live entertainment or amplified music for dancing prohibited after 10 p.m.
4. Not to exceed 1,000 square feet <i>gross floor area</i> , sales of alcohol prohibited.
5. Hospital is a permitted use in the Las Soleras Hospital District; requires special use <i>permit</i> in the Christus St. Vincent Hospital District.
6. See Section 14-6.2(A)(7) for additional regulations for <i>principal dwelling units</i> in the C-2, BIP and SC districts.
7. See Section 14-6.3 for additional <i>accessory</i> use regulations; see Section 14-6.4 (Temporary Uses or Structures)
8. In the Las Soleras Hospital District a heliport serving a hospital is a permitted use.
9. See Section 14-7.2(I) for standards for pre-existing mobile home parks and Section 14-6.2(A)(3)(a) for prohibition of new mobile home parks in MHP districts.
10. See Section 14-7.2(H) 3,000 square foot limit applies to specified uses in RAC district. (Ord. No. 2014-31 § 11)

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

1 **Section 2. Subsection 14-6.2(H) of the Land Development Code (being Ord. No.**
2 **2016-42, § 2, as amended) is amended to read:**

3 (H) **Agricultural Uses**

4 (1) Agricultural uses for noncommercial purposes that are *accessory* uses to
5 a permitted *principal* use are permitted in all zoning districts but shall not create a public
6 nuisance, subject to Subsection 10-9 SFCC 1987, Nuisance Abatement Ordinance, and shall meet
7 all other applicable *city* codes.

8 (2) Agricultural uses for commercial purposes are permitted as set forth in
9 Table 14-6.1-1; however, the following commercial agricultural uses are specifically prohibited:

- 10 (a) animal production;
- 11 (b) slaughterhouses and slaughtering of livestock; and
- 12 (c) any other use prohibited by 5-7.1 SFCC 1987.

13 (3) Applicability. No agricultural activity shall be conducted, or *farm*
14 *structure* erected, except in compliance with the provisions of this Subsection 14-6.2(H), and
15 shall not supersede the rights of home owners associations (HOAs) or any existing covenants,
16 conditions and restrictions of HOAs or other neighborhood associations. The provisions of this
17 subsection shall apply to all agricultural activities, whether such activity is a primary use or an
18 accessory use, except for:

- 19 (a) Gardens for the personal noncommercial use of residents as
20 accessory uses to *residential* uses.
- 21 (b) Community gardens located on city-owned property and
22 regulated by written policies and procedures of the City of Santa Fe.
- 23 (c) Community gardens for noncommercial purposes permitted as
24 an accessory use.
- 25 (d) The growing of cannabis for personal use, as permitted by the

1 Lynn and Erin Compassionate Use Act, NMSA 1978, Sections 26-2B-1 to -10 NMSA 1978; and
2 the Cannabis Regulation Act, NMSA 1978, Sections 26-2C-1 to -42.

3 4) Approval Procedures.

4 (a) Agricultural uses are allowed as an accessory use; with a special
5 use permit; or permitted by right, all as shown in Table 14-6.1-1.

6 (b) Except as otherwise provided in this Subsection 14-6.2(H), the
7 procedural and other requirements for *home occupations*, special use permits and development
8 plans apply to agricultural uses and *structures*. No commercial cannabis activity, including
9 cannabis production, may be conducted as a *home occupation*.

10 (c) Agricultural uses and *structures* shall comply with all other
11 applicable provisions of SFCC 1987, including Chapter VII relating to building and housing, and
12 Chapter XII relating to fire prevention and protection.

13 (d) The governing body may adopt by resolution guidelines for the
14 development and operation of agricultural uses, which shall guide the *land use director* in the
15 administration of this Subsection 14-6.2(H).

16 (5) Development Standards.

17 (a) Except as otherwise provided in this Subsection 14-
18 6.2(H), *structures* associated with agricultural uses are subject to the development standards
19 established for the underlying and overlay zoning districts within which the property is located.

20 (b) Agricultural *home occupations* shall comply with
21 Subsection 14-6.3(D)(2).

22 (6) *Urban Farm, Ground Level*.

23 (a) The principal activity to be performed on a *ground level urban*
24 *farm* shall be the cultivation of agricultural crops.

25 (b) *Ground level urban farms* are permitted as provided in Table 14-

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(7) *Urban Farm, Roof Level*

(a) The principal activity to be performed on a *roof level urban farm* shall be the cultivation of agricultural crops.

(b) *Roof level urban farms* are permitted as provided in Table 14-6.1-1.

(8) *Aquaculture, Aquaponics and Hydroponics.*

(a) *Aquaculture, aquaponics and hydroponics* are permitted as provided in Table 14-6.1-1.

(b) Operations must comply with applicable Federal and State regulations for water use and discharge, and for the possession, propagation, culture, sale and disposition of living marine organisms.

(9) *Farm Stands.*

(a) An urban farm may include a *farm stand*. *Farm stands* located in zoning districts which otherwise prohibit retail sales shall be limited to sales of agricultural products that are grown on the premises, shall not be larger than 48 square feet, and shall be erected only during business operating hours and during the farming season.

(b) Operation of a *farm stand* requires a *home occupation* permit or other type of business license issued by the City of Santa Fe Business Licensing Division.

(10) *Cannabis Producer*

(a) *Cannabis Producers* are permitted as provided in Table 14-6.1-1.

(b) *Cannabis Producers* must comply with applicable State regulations and licensure, in addition to applicable provisions of the SFCC 1987.

~~(11)~~ Screening and Buffering.

1 (a) Any composting, loading or disposal areas within or adjacent to
 2 a *residential* or *commercial* zoning district shall be screened from view by a wall, fence, berm or
 3 vegetative screen, or combination thereof. Any fencing shall be constructed of opaque materials
 4 and shall comply with the standards and requirements applicable to fences in the zoning district
 5 where the property is located.

6 (b) Any material or equipment stored outdoors within
 7 a *residential* or *commercial* zoning district shall be surrounded by a wall or fence or vegetative
 8 screen not less than six (6) feet high, as may be necessary, to screen such material or equipment
 9 from view from any public street or public open space.

10 ([11]12) Maintenance and Operation. Urban farms, and cannabis
 11 producers shall be used and maintained in such a manner in which at no time shall they constitute
 12 a nuisance or hazard to the surrounding neighborhood.

13 ([12]13) Soil Safety. All urban farms and cannabis producers using
 14 conditioned soil will be required to comply with the New Mexico Soil and Water Conservation
 15 Act, Sections 73-20-25 through 73-20-48 NMSA 1978.

16 ([13]14) *Composting.*

17 (a) *Composting* is accessory to an urban farm, cannabis producer
 18 and shall be used only onsite where any *ground level urban farm*~~[or]~~, *roof level urban farm* and
 19 cannabis producer is permitted. Composting shall occupy no more than ten (10) percent of
 20 the *farm area*, and cooked food, raw animal matter, animal waste, and human waste shall not be
 21 used in the creation of compost.

22 (b) *Composting* as a principal use requires approval of a special use
 23 permit in *industrial* zoning districts, and is prohibited in other zoning districts.

24 (c) Maximum Height:

25 (i) Maximum height of composting structures or bins shall

1 not exceed the maximum height permitted for fences and walls in the zoning district where the
2 property is located.

3 (ii) On a *roof level urban farm*, any *composting* must be
4 contained within a fully enclosed inflammable bin that does not have direct contact with
5 flammable materials.

6 (d) *Setbacks*:

7 (i) Subject to Subsection 14-6.3(B)(2) *Accessory Uses*,
8 compost bins, accessory structures and windrows shall comply with the
9 applicable *setback* requirements in all zoned districts.

10 (ii) Compost bins, structures and windrows located in a
11 required yard or street frontage in all *residential* and *commercial* zoned districts must be
12 screened from street view, and *setback* a minimum of ten (10) feet from the property line.

13 (~~14~~15) *Water*.

14 (a) Urban farms and *cannabis producers* are allowed to use the
15 following water resources:

16 (i) Captured rainwater on-site meeting the requirements of
17 the New Mexico State Engineer's Office (OSE) and Subsection 14-8.4(E).

18 (ii) Passive water harvesting designed to infiltrate water,
19 control runoff and erosion.

20 (iii) *Gray water* or treated effluent from permitted on-site
21 sources adhering to the requirements of Section 20-7-3 NMAC and Subsection 14-8.4(E)(2)
22 consistent with its adjudicated, licensed, or permitted use.

23 (iv) Well water from existing on-site wells, provided that
24 such wells are permitted by the OSE for agricultural use, are metered, and tested annually by a
25 laboratory certified by the New Mexico environment department to ensure that the well is

1 bacteria-free and that the levels of arsenic, fluoride, nitrate, and uranium are compliant with EPA
 2 primary drinking water standards (maximum contamination levels, or MCLs), and such lab
 3 reports shall be sent to the *land use director*.

4 (v) Municipal water system.

5 (vi) Stormwater infiltration where or permitted by the OSE.

6 (b) Any constructed water catchment systems shall meet all
 7 permitting requirements of the City of Santa Fe's planning and land use department.

8 (c) Water supplied through the municipal water system shall be
 9 charged at the rate applicable to the meter size, and shall comply with all applicable requirements
 10 of Section 14-8.13 of the land use development code.

11 (i) Separate meters shall be required for irrigation
 12 in *commercial* and *industrial* zoned areas unless the total farm area on the lot is less than five
 13 hundred (500) square feet, and meter data denoting monthly and annual water use shall be sent
 14 to the *land use director* for monitoring purposes.;

15 (ii) Water efficient irrigation systems are required to be
 16 installed and used when water from the municipal water system is used for irrigation.

17 (d) Irrigation systems shall comply with Subsection 14-8.4(E)(4),
 18 including installation of an approved backflow prevention device.

19 (e) Watering times shall comply with the outdoor conservation
 20 regulations pursuant to Subsection 25-2.7 SFCC 1987.

21 (f) The use of other water efficient technologies and water
 22 management best practices, such as use of ollas or other water-holding materials, are allowed.

23 The *land use director* shall provide all urban farms with city-authored water efficient irrigation
 24 guidelines and low-water use landscape literature, such as landscape irrigation design standards.

25 (~~15~~16) Abandonment.

1 (a) If an agricultural use ceases for any reason for three hundred
2 sixty-five (365) consecutive days without the prior written approval of the *land use director*, the
3 use shall be deemed to be abandoned.

4 (b) Any property used for agricultural purposes pursuant to this
5 section shall be cleared and restored to the state in which it existed prior to commencement of
6 the agricultural use. The property owner shall remove from the property all *farm*
7 *structures* within ninety (90) days after the date the agricultural use is discontinued. Site clearing
8 shall consist of:

9 (i) Physical removal of all *farm structures*, farm equipment
10 and machinery; and

11 (ii) Disposal of all *composting* and agricultural waste in
12 accordance with local and state waste disposal regulations; and

13 (iii) Stabilization of the site's vegetation as necessary to
14 minimize erosion and invasive species encroachment. The *land use director* may allow the owner
15 to leave landscaping in order to minimize erosion and disruption to vegetation.

16 (c) If the applicant fails to remove *farm structures*, farm equipment,
17 and farm machinery in accordance with the requirements of this Subsection 14-6.2(H)(~~15~~16)
18 within ninety (90) days of the date the agricultural use is discontinued, the *land use director* shall
19 proceed with enforcement actions as provided for in Section 14-11.

20 **Section 3. [NEW MATERIAL] A New Subsection 14-6.2(I) of the Land**
21 **Development Code is ordained to read:**

22 **(I) *Cannabis Establishments***

23 (1) Applicable law. *Cannabis establishments* are subject to applicable
24 sections of the Land Development Code, as set forth in Chapter 14 of the SFCC 1987; other
25 applicable city ordinances, as set forth in the SFCC 1987; and applicable state laws and regulations.

1 Applicable provisions include, but are not limited to, the Lynn and Erin Compassionate Use Act,
 2 Sections 26-2B-1 to -10 NMSA 1978; the Cannabis Regulation Act, Sections 26-2C-1 to -42
 3 NMSA 1978; the Dee Johnson Clean Indoor Air Act, Sections 24-16-1 to -20 NMSA 1978; the
 4 Santa Fe Smoke Free Ordinance, Section 10-6 SFCC 1987; the Nuisance Abatement Ordinance,
 5 Section 10-9 SFCC 1987; and the Business License Ordinance, Section 18-1 SFCC 1987.

6 (2) Enforcement. A person who fails to adhere to the provisions of Chapter
 7 14 of the SFCC shall be subject to the enforcement provisions set forth in Sections 1.3 and 14-11
 8 SFCC 1987 and all other legal remedies and enforcement actions available under the law.

9 (3) Permitted Uses. *Cannabis establishments* are permitted only as set forth
 10 in Table 14-6.1-1 and this subsection. A *vertically integrated cannabis establishment* or *integrated*
 11 *cannabis* is permitted only if all of the uses encompassed by the license are permitted in the zoning
 12 district.

13 (3) Minimum Distance from Schools. A new *cannabis establishment* is not a
 14 permitted use if the new *cannabis establishment* would be located within a three hundred (300) foot
 15 radius of an existing preschool, daycare center, elementary school, or secondary school. The radius
 16 shall be measured from the subject property boundaries.

17 (4) Retail Establishments.

18 (a) Density limitation. A new *commercial cannabis retailer* is not a
 19 permitted use if the new *commercial cannabis retailer* would be located within a [redacted] hundred
 20 [redacted] foot radius of an existing *commercial cannabis retailer*. The radius shall be measured from
 21 the subject property boundaries.

22 (b) Operating hours. The hours of operation for a *commercial*
 23 *cannabis retailer* are limited to 7:00 a.m. to 12:00 a.m. (midnight).

24 (5) Odors and Ventilation. All *cannabis establishments* must comply with
 25 applicable state and *city* laws and regulations concerning odors and ventilation, including building

1 and fire codes. Cannabis producers and cannabis manufacturers must use industry standard
 2 techniques to minimize odorous, toxic, or noxious matter, such as activated carbon filtration and
 3 regular maintenance of HVAC systems. Cannabis producers, cannabis manufacturers, and cannabis
 4 consumption areas must have an odor control plan approved by the City.

5 (6) Safety and Security. All *cannabis establishments* must comply with state
 6 law and regulations concerning safety and security, in addition to applicable provisions of the SFCC
 7 1987.

8 * **Editor’s Note: the current subsection (I) shall be re-lettered as subsection (J).**

9 **Section 4. Subsection 14-6.3(B)(2) of the Land Development Code (being Ord.**
 10 **No. 2011-37, § 8, as amended) is amended to read:**

11 (B) Permitted Accessory Uses and Structures

12 (2) RR, R1-R-6, R-7, R-7(I), R-8, R-9, RC-5, RC-8, R-10, R-21, R-29, RAC,
 13 C-1, C-4, and HZ Districts (Ord. No. 2014-31 § 14)

14 (a) The following *accessory* uses and *structures* are permitted in the
 15 RR, R1-R-6, R-7, R-7(I), R-8, R-9, RC-5, RC-8, R-10, R-21, R-29, RAC, C-1, C-4 and HZ districts:
 16 (Ord. No. 2013-16 § 31)

17 (i) *home occupations*, as provided for in Subsection 14-
 18 6.3(D)(2);

19 (ii) noncommercial *greenhouses* and plant nurseries;

20 (iii) private *garages*;

21 (iv) *utility sheds*, located within the *rear yard* only;

22 (v) children's play areas and play equipment;

23 (vi) private barbeque pits and private swimming pools;

24 (vii) *accessory dwelling units* as regulated in Subsection 14-
 25 6.3(D)(1);

1 (viii) other uses and *structures* customarily *accessory* and
2 clearly incidental and subordinate to permitted or permissible uses and *structures*; and

3 (ix) *accessory structures* of a permanent, temporary or
4 portable nature such as coverings not constructed of solid building materials, including inflatable
5 covers over swimming pools and tennis courts, and such other *accessory structures* that exceed
6 thirty (30) inches in height from the average ground elevation.

7 (b) All *accessory* uses and *structures* allowed under Subsection 14-
8 6.3(B)(2)(a) shall: (Ord. No. 2013-16 § 32)

9 (i) not involve the conduct of *business* on the *premises*,
10 except *home occupations*;

11 (ii) be located on the same *lot* as the permitted *principal* use
12 or *structure* or on a contiguous *lot* in the same ownership; and

13 (iii) not be likely to attract visitors in larger numbers than
14 would normally be expected in a *single-family residential* neighborhood.

15 (c) The following activities are prohibited within *residentially zoned*
16 *districts*:

17 (i) Storage or parking, either continuous or intermittent, of
18 commercial or industrial vehicles, except for those vehicles that are authorized by a special
19 use *permit* or other permitted *non-residential* use.

20 A. Commercial or industrial vehicles include:

21 1. vehicles requiring a commercial driver's
22 license to operate;

23 2. tour buses or school buses;

24 3. concrete mixer trucks or concrete
25 pumper trucks;

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tractors)

equipment;

related to an active construction *permit*); or

manufacturer for *business* purposes.

- 4. towing vehicles;
- 5. earthmoving or *grading* equipment;
- 6. trailers or tractors (except lawn trailers or
- 7. motorized construction or agricultural
- 8. cranes;
- 9. roll-off trash containers (except as
- 10. any other vehicles designed by the

B. Commercial or industrial vehicles do not include:

- 1. *recreational vehicles* or trailers related to *recreational vehicles* that are used for personal purposes; or
- 2. passenger vehicles, pickup trucks or small trailers that may be used for *business* purposes related to a registered *home occupation business*.

(ii) Outdoor storage of construction materials, except in connection with active construction activities on the *premises*;

(iii) Storage of *mobile homes* or commercial shipping containers;

(iv) Vehicles, tents or other *structures* that do not comply with this chapter or other applicable codes, used as dwellings;

(v) Storage of PODS[®] or similar style moving/shipping containers for more than thirty (30) days;

1 (vi) Storage or parking within any portion of a *street*
 2 *yard* other than a driveway of a noncommercial vehicle used for storage of goods, materials or
 3 equipment other than those items considered to be a part of the vehicle or essential for its immediate
 4 use; [~~and~~]

5 (vii) Use of any vehicle as a receptacle for the storage of litter
 6 or refuse as provide by Subsections 10-1.13 and 10-1.14 SFCC 1987[-]; and

7 (viii) Use of any *structure* or conduct of any *business* or *home*
 8 *occupation for any cannabis establishment or commercial cannabis activity.*

9 **Section 5. Subsection 14-6.3(D)(2) of the Land Development Code (being**
 10 **Ord. No. 2011-37, § 8, as amended) is amended to read:**

11 (D) Standards for Specific Accessory Uses

12 (2) Home occupations

13 (a) Purposes

14 The purposes of the this Subsection 14-6.3(D)(2) are to increase the
 15 economic vitality of Santa Fe; provide increased worker independence, self-sufficiency and
 16 motivation; decrease traffic congestion through the enhancement of community; increase the
 17 safety of the neighborhoods by promoting neighborhood activity; integrate the ideas of working
 18 and residing in the same environment; protect the stability and character of the neighborhood;
 19 and encourage neighborhood participation in the determination of a successful balance between
 20 neighborhood residents and home-based *businesses*.

21 (b) Standards

22 *Home occupations* are permitted on all *property*,
 23 including *residential* or *mixed-use residential/commercial* if the standards provided in this
 24 paragraph are met.

25 (c) General Standards

1 (i) The *home occupation* shall involve the primary sale of
2 goods or services in connection with the *home occupation* , including: 1) goods that are prepared,
3 produced or grown on the *premises* ; 2) services that are developed on the *premises* and provided
4 on or off the *premises* ; 3) the sale of goods that are not produced on the *premises* and that are
5 only distributed off the *premises* ; or 4) repair services that take place solely within the home.

6 (ii) The *home occupation* shall be located on the same *lot* as
7 the permitted *principal* use or *structure* or on a contiguous *lot* in the same ownership.

8 (iii) The *home occupation* shall be conducted by
9 the *business* owner who resides continuously for a substantial period of time at the *premises* in
10 which the *home occupation* is conducted. Continuous residence is determined by the land use
11 director by review of relevant factors. The address listed on a driver's license, voter registration
12 or tax return may not be sufficient to establish continuous residence.

13 (iv) Not more than two persons, other than members of
14 the *family* who reside on the *premises*, shall be regularly engaged in the *home occupation*.

15 (v) Except for on-street parking, as set forth in this section,
16 a *home occupation* shall be completely contained within the *property* lines of the lot on which
17 the *home occupation* is located. A *home occupation* shall be in compliance with the performance
18 standards set forth in Section 10-4 SFCC (General Environmental Standards); not produce any
19 offensive noise, vibration, smoke, dust, odors, heat, gas, glare or electrical interference; or
20 otherwise create a risk to health, safety or *property* of residents and occupants of adjacent and
21 neighboring *properties* . The storage of firearms, ammunition, fireworks or similar explosives
22 for sale or service is prohibited. Mechanical or electrical equipment that is incidental to the *home*
23 *occupation* may be used if it does not create visible or audible interference in radio, computer or
24 television receivers or cause fluctuation in voltage of the premises or neighboring premises.

1 Depending upon the nature of the *home occupation* , the land use director may require proof of
2 compliance with these restrictions prior to issuance of a *business* registration.

3 (vi) *Employees* , customers, clients or deliveries shall not
4 enter the *premises* between the hours of 7:00 p.m. and 8:00 a.m. weekdays and 7:00 p.m. and
5 10:00 a.m. weekends. Depending on the nature of the *home occupation* , the *land use*
6 *director* may reduce the hours of operation. Deliveries are limited to vehicles that do not exceed
7 eleven (11) feet in height and twenty (20) feet in length.

8 (vii) No *cannabis establishment* or *commercial cannabis*
9 *activity* may be conducted as a *home occupation*.

10 (d) Structural Standards

11 (i) Not more than twenty-five percent of the *gross floor*
12 *area* of the *dwelling unit* , including *accessory buildings* , shall be used to conduct a *home*
13 *occupation* . In determining the *gross floor area* of an *accessory dwelling unit* , no more than one
14 thousand (1,000) square feet shall be used.

15 (ii) Nothing incidental to the conduct of a *home*
16 *occupation* shall be constructed, installed, placed, parked or stored on a residentially zoned *lot* on
17 which a *home occupation* is being conducted if it is visible from any adjacent or
18 neighboring *property* and if it is not in keeping with the *residential* character of the
19 neighborhoods surrounding the *lot* , except for *signs* and parking set forth in item (iii) below. A
20 person who conducts a *home occupation* and applies for a construction *permit* shall demonstrate
21 to the *land use director* that the proposed construction does not violate any section of this
22 Subsection 14-6.3(D)(2).

23 (iii) No more than one *sign* is permitted, and the area of
24 the *sign* shall not exceed one square foot.

25 (e) Parking Standards

1 (i) Depending on the nature of the *home occupation*, the
2 following parking spaces shall be provided on the *lot* : 1) if there are no *employees* who reside
3 off the *premises* and customers or clients do not come to the *premises*, only parking for
4 the *dwelling unit* is required; 2) if there are no *employees* who reside off the premises and
5 customers or clients come to the *premises* , at least one parking space shall be provided on the
6 lot for every four hundred (400) square feet of the *gross floor area* of the *premises* used for
7 the *home occupation*, in addition to that required for the *dwelling unit*; 3) if there are
8 any *employees* who reside off the *premises* and customers or clients do not come to the *premises*,
9 at least one parking space shall be provided on the *lot* for every *employee* simultaneously
10 working, in addition to that required for the *dwelling unit*; 4) if there are *employees* who reside
11 off the *premises* and customers or clients come to the *premises*, at least one parking space shall
12 be provided on the *lot* for every *employee* simultaneously working and at least one parking space
13 shall be provided on the *lot* for every four hundred (400) square feet of the *gross floor area* of
14 such *premises* used for the *home occupation* in addition to that required for the *dwelling unit*;

15 (ii) No more than one vehicle relating to a *home*
16 *occupation* may be parked at any one time on the *streets* adjacent or proximate to the *lot* on
17 which the *home occupation* is being conducted; however, in light of the character of the
18 surrounding neighborhood, the *land use director* may prohibit any vehicles used in connection
19 with a *home occupation* from parking on the *street*. This item regulates parked vehicles not
20 associated with the *residential* use of the *dwelling unit*.

21 (f) Other Requirements; Inspections

22 (i) The *home occupation* shall comply with all other
23 applicable codes, including without limitation the currently adopted fire and building codes, the
24 federal American disabilities act and the *city's* wastewater requirements. Depending on the

1 location of the *home occupation*, private covenants enforceable by those governed by the
2 covenants may apply.

3 (ii) Inspections by the *city* are required prior to issuance of
4 the *business* registration for the *home occupation* only for those *home occupations* in which the
5 following occur: 1) *employees* reside off the *premises* come to the *premises*; 2) customers or
6 clients come to the *premises*; or 3) goods for sale are prepared, produced, grown or stored on
7 the *premises*. The *city* reserves the right to inspect all *home occupations* for code compliance at
8 such times as the *city* receives a complaint or has reason to believe the *city's* codes may be
9 violated.

10 (g) Notice; Registration; Violations; Complaints; Variances;
11 Appeals

12 (i) A person proposing to conduct a *home occupation* that
13 will have more than one *employee* who will reside off the *premises* or that will have customers
14 or clients coming to the *premises*, shall as part of the *application* be required to give notice, by
15 first class mail with mailing certificate, of the *home occupation application* to all residents
16 and *property owners* within one hundred fifty (150) feet of the *premises* and nearby
17 neighborhood associations. The notice shall include the nature of the *home occupation*, the
18 number of *employees*, whether customers or clients will be involved, the willingness of
19 the *applicant* to meet with the neighboring residents and *property owners* and that the
20 neighboring resident and *property owner* may review the *application* at the *city* offices. The
21 neighboring residents and *property owners* have fifteen days from the date the notice was mailed
22 to review the *application*. The *land use director* shall collect and evaluate this public comment
23 that shall be used in determining whether the *home occupation* shall be approved and what
24 restrictions, if any, shall be placed on it.

1 (ii) Each person who engages in a *home occupation* shall
 2 register the *home occupation* with the *city* on forms designated by the *city*, shall provide such
 3 information as required by the forms to verify compliance with the regulations, and shall renew
 4 such registration each year.

5 (iii) A person shall not conduct a *home occupation* in
 6 violation of this section. In addition to any other remedies available, the *city* may revoke
 7 the *business* registration for the *home occupation* or the *certificate of occupancy* for
 8 any *building* in which a *home occupation* is being conducted in violation of this section. A person
 9 who fails to comply with the provisions of this section is subject to a penalty as provided
 10 in Article 14-11.

11 (iv) A *person* who is aggrieved by an approved *home*
 12 *occupation business* may file a complaint with the *city*. Within thirty calendar days of
 13 the *city's* receipt of the complaint, the *city* shall investigate the complaint and issue a written
 14 decision as to whether the *home occupation* against which the complaint was filed violates or
 15 complies with this section. If a violation is found, the *land use director* shall determine the
 16 actions that have been or should be taken to address the violation. Complaints shall be kept on
 17 file and be open to the public. When investigating complaints, the *land use director* shall review
 18 the file for prior complaints.

19 **Section 5. Section 14-12.1 of the Land Development Code (being Ord. No. 2011-**
 20 **37, § 15, as amended) is amended to add the following definitions:**

21 **CANNABIS CANOPY AREA**

22 The surface area utilized to produce mature plants calculated in square feet and measured
 23 using the outside boundaries of any area that includes mature marijuana plants including all of the
 24 space within the boundaries. Square footage of canopy space is measured horizontally starting from
 25 the outermost point of the furthest mature flowering plant in a designated growing space and

1 continuing around the outside of all mature flowering plants located within the designated growing
2 space.

3 CANNABIS CONSUMPTION AREA

4 An area where cannabis products may be served and consumed by smoking, vaping, or
5 ingesting, provided that alcohol cannot be sold or consumed in a cannabis consumption area.

6 CANNABIS ESTABLISHMENT

7 A broad term that includes a cannabis testing laboratory, a cannabis manufacturer, a
8 cannabis producer, a cannabis retailer, a cannabis research laboratory, a vertically integrated
9 cannabis establishment, or an integrated cannabis producer.

10 CANNABIS MANUFACTURING, LIGHT

11 A use that involves compounding, blending, extracting, infusing, packaging, or otherwise
12 preparing a cannabis product using nonvolatile solvents, alcohol, or carbon dioxide, or no solvents.

13 CANNABIS MANUFACTURING, HEAVY

14 A use that involves compounding, blending, extracting, infusing, packaging, or otherwise
15 preparing a cannabis product using volatile solvents or other methods that fall outside the scope of
16 light cannabis manufacturing.

17 CANNABIS PRODUCER, LARGE

18 A business conducted by a person licensed to cultivate cannabis, including the planting,
19 growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the producer
20 may not possess more than ten thousand (10,000) total mature cannabis plants at any one time.

21 CANNABIS PRODUCER, MEDIUM

22 A business conducted by a person licensed to cultivate cannabis, including the planting,
23 growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the producer
24 may not possess more than three thousand (3000) total mature cannabis plants at any one time.

25 CANNABIS PRODUCT

1 A product that is or that contains cannabis or cannabis extracts, including edible or topical
2 products that may also contain other ingredients.

3 CANNABIS RESEARCH LABORATORY

4 A facility that produces or possesses cannabis or cannabis products for the purpose of
5 studying cannabis cultivation, characteristics, or uses.

6 CANNABIS TESTING LABORATORY

7 A facility where cannabis products are sampled, collected, and tested.

8 COMMERCIAL CANNABIS ACTIVITY

9 Cultivating, producing, possessing, manufacturing, storing, testing, researching, labeling,
10 selling, purchasing for resale, or consigning cannabis products (but excluding personal growing
11 and use, medical cannabis program activities, and cannabis training and education programs).

12 COMMERCIAL CANNABIS RETAILER

13 A business conducted by a person that is licensed to sell cannabis products directly to
14 consumers who are twenty-one years of age or older.

15 VERTICALLY INTEGRATED CANNABIS ESTABLISHMENT

16 A business conducted by a person that is authorized to act as all or any combination of the
17 following: a cannabis courier, a cannabis manufacturer, a cannabis producer or a cannabis retailer.

18 **Section 6. Effective Date.** This ordinance shall take effect immediately upon
19 adoption.

20 APPROVED AS TO FORM:

21

22

23 ERIN K. McSHERRY, CITY ATTORNEY

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Legislation/2021/Bills/Cannabis Zoning



City of Santa Fe New Mexico

Memorandum



Date: August 13, 2021, for the August 19, 2021 Meeting of the Planning Commission

To: Planning Commission

From: The Policy Subcommittee of the Planning Commission

CC: Jason Kluck, Interim Planning and Land Use Department Director
Noah Berke, Current Planning Division Manager

RE: Policy Subcommittee Cannabis Recommendations

ITEM & ISSUE:

In the 2021 Special Session, the New Mexico Legislature adopted the Cannabis Regulation Act (House Bill 2), which legalized recreational cannabis use by adults twenty-one (21) years old and over. The Act, which took effect on June 29, 2021, allows local jurisdictions to adopt zoning and land use regulations but limits the extent of local regulatory authority. This memorandum sets forth the Policy Subcommittee's preliminary recommendations for cannabis land use regulations. The Policy Subcommittee requests input from the full Planning Commission on these recommendations. Following input from the Planning Commission, the Policy Subcommittee will work with Staff to incorporate the recommendations into draft amendments to the Land Development Code, as set forth in Chapter 14 of the Santa Fe City Code. The resulting legislation will require review at public hearings before the Planning Commission and Governing Body before adoption.

The State has clearly outlined that local jurisdictions cannot:

- Prevent anyone properly licensed from transporting cannabis products on public roads;
- Completely prohibit the operation of a cannabis licensee;
- Prohibit or limit signage identifying a business as a cannabis establishment if it's attached to or located on the business premises;
- Require a cannabis establishment or a cannabis consumption area be located more than 300 feet from a school or daycare center that existed when the cannabis establishment or consumption area was licensed;
- Require an existing cannabis licensee to relocate to a new premises; or
- Prohibit an adult New Mexican from producing homegrown cannabis.

Local jurisdictions can adopt rules that reasonably limit conditions like density of cannabis establishments and operating times.

The Policy Subcommittee has conducted several meetings to formalize answers to the broad land use policy questions that Staff posed to the Governing Body on July 14, 2021. Subcommittee members have also worked to research the legislative limitations, best practices, and experiences of other places, and have appreciated the assistance of staff in this research. The Subcommittee's primary focus has been to make recommendations regarding appropriate time, place, and manner restrictions for the following types of cannabis establishments: commercial retail, production (growing), testing and research laboratories, manufacturing facilities, and vertically integrated cannabis establishments. The Policy Subcommittee's recommendations are aimed at promoting the cannabis economy while protecting public health, safety, and the general welfare.

During this process, the Policy Subcommittee has expressed concern that the City's desired timeline assigned to the promulgation of the policy related to the cannabis legislation has impeded the Subcommittee's completion of a thorough and effective set of recommendations. The Subcommittee notes the complexity of this industry and its impacts (both positive and negative) on the community need further examination. It would be beneficial to seek more community feedback prior to making any final recommendations.

Although the Policy Subcommittee has submitted a limited series of general recommendations, it is the intent of the Subcommittee to continue working on producing more impactful and substantive recommendations to address several gaps and "unknowns" in the current recommendation submission. Regulatory requirements for cannabis consumption areas have not been addressed in this work because of additional time available before that licensing is implemented and because of time pressures to complete the regulations for the other uses. The Subcommittee recommends that cannabis consumption areas be an immediate priority after the current ordinance is adopted, so that thoughtful and complete work can be done before that licensing begins. The Subcommittee intends to address consumption in a separate set of recommendations (estimated start date mid-to-late September). The Policy Subcommittee recognizes that additional recommendations and legislation will likely be required in the future to address unresolved issues and make any desired adjustments to the City's regulatory framework.

UPDATE:

The Policy Subcommittee met on August 12, 2021 to work on definitions, density, and permitted uses. The Policy Subcommittee recommends the following:

- Regarding density for retail: 400 feet to replace 100 to 600 feet.
- Regarding production: micro and all other facilities fall under the subcategories Extra Small, Small, Medium, and Large. It is important that the state's definition of Micro-business remain in the drafted legislation under definitions and a statement be included before subcategory definitions (XS, S, M, L) and the zoning table. "Micro-business and all other production facilities shall fall under the subcategories, Extra Small, Small, Medium, and Large as defined based on indoor/outdoor canopy size."

RECOMMENDATIONS:

The Policy Subcommittee proposes the following recommendations in response to the questions posed by Staff.

- Should the density of cannabis establishments be limited, in all or part of the City?

Yes. The Policy Subcommittee recommends the adoption of a minimum distance between commercial retail establishments, as measured from the property lines of a parcel, to avoid the potential negative consequences that might result from concentrating retail establishments, and recommends a uniform minimum distance across the city to promote equitable requirements in all areas of town and ease of enforcement. Staff has provided maps that illustrate buffer zones of various sizes, ranging from 100 feet to 600 feet. The Policy Subcommittee anticipates making a recommendation for a buffer of between 300 and 600 feet, following input from the public and the full Planning Commission. The Policy Subcommittee is also exploring whether density limitations might be appropriate for other types of cannabis establishments, including production (growing) and manufacturing establishments.

The Policy Subcommittee recommends that density be uniform throughout the entire city, meaning that no district shall be at a higher or lesser density than any other district. Consistency in regards to density is a critical part of the intent of the New Mexico state law to ensuring equity.

- Should the City adopt operating times for cannabis establishments?

Yes. The Policy Subcommittee recommends limiting commercial retail establishments to operating hours of 7 AM – 12 AM (midnight). This would be consistent with what Santa Fe County has adopted.

- Should cannabis uses be located a minimum distance from schools, daycare centers, religious institutions, and/or residential neighborhoods?

Yes. Cannabis establishments should be located no closer than 300 feet from a school or daycare center. The Policy Subcommittee does not recommend a minimum distance from religious institutions or residentially zoned districts. The Policy Subcommittee notes that existing provisions in Chapter 14 require up to an 8 foot wall and a 15 foot landscape buffer between commercial uses and residentially zoned districts, which appear sufficient to address potential residential concerns about noise and odor. To further protect residential neighborhoods, the Policy Subcommittee also recommends prohibiting home occupations that involve commercial cannabis activities, which would be consistent with what Santa Fe County has adopted.

- Should a special use permit be required to operate a cannabis establishment in certain areas?

Yes. At a minimum, the Policy Subcommittee recommends that a Special Use Permit should be required for all outdoor commercial growing operations; all large growing operations

(22,000 sq. ft. of canopy or more); and all growing operations in C-2 and BIP districts.

- Should the City adopt regulations to allow recreational cannabis consumption areas?

Yes, but not as part of the initial legislation currently under way. The Policy Subcommittee recommends that consumption areas should be prohibited until the City has had an opportunity to conduct further study and obtain additional input from the community and stakeholders. The State of New Mexico has not drafted regulations for consumption areas and therefore the Policy Subcommittee is not in a position to offer guidance until such regulations are promulgated at the State level. The Policy Subcommittee anticipates that additional legislation on this topic will be drafted and proposed in the near future.

- Should the Table of Permitted Uses be revised to clarify or amend the zoning districts in which the various types of cannabis establishments may be located? E.g., should certain zoning districts be reserved for uses other than cannabis establishments to prevent unintended consequences, such as a proliferation of cannabis establishments that could drive other businesses out or cause rent and property prices to go up?

Yes. For clarity, the Policy Subcommittee recommends that various types of cannabis establishments should be added to the Table of Permitted Uses. The Policy Subcommittee recommends basing the permitted zoning districts on the existing categories, with the following recommended changes:

Retail cannabis should be allowed in zones where other retail is allowed, subject to the density and proximity to school/daycare limitations described above. Permitted districts include the C-2, BCD, industrial districts, shopping center districts, and mixed use districts.

Cannabis manufacturing uses should be divided into two categories. Methods of manufacturing that involve volatile solvents pose a greater risk to public safety should be restricted to industrial zoning districts. Research and testing laboratories that use volatile solvents should likewise be treated as heavy manufacturing. Methods of manufacturing that pose a lower risk to public safety should be allowed in the zoning districts that currently allow laboratory, light manufacturing, and assembly uses, which includes the C-2, BCD, and industrial zoning districts.

Regarding cannabis production (growing), the Policy Subcommittee notes that facility size appears to be critical to managing this industry in other cities and states, and that other jurisdictions have regulated facility size based on a calculation of the total area of the canopy of mature plants present at the facility at any one time. The Policy Subcommittee recommends ongoing study of this issue and intends to retain this as a policy priority in the near future. At this time, the Policy Subcommittee recommends creating four different sub categories that all producers, including Micro-businesses, will fall under and requiring special use permits for most growing operations, as follows:

~~Regarding cannabis production (growing), the Policy Subcommittee notes that facility size appears to be critical to managing this industry in other cities and states, and that other jurisdictions have regulated facility size based on a calculation of the total area of the canopy~~

~~of mature plants present at the facility at any one time. The Policy Subcommittee recommends ongoing study of this issue and intends to retain this as a policy priority in the near future. At this time, the Policy Subcommittee recommends creating five different categories of producers and requiring special use permits for most growing operations, as follows:~~

~~**Cannabis Producer Microbusiness (up to 200 mature plants)**~~

- ~~• Permitted indoors: I-1, I-2~~
- ~~• Permitted indoors or outdoors with Special Use Permit: C-4, BIP~~

Cannabis Producer, Extra Small (up to 2500 sq. ft. canopy)

- Permitted indoors: I-1, I-2
- Permitted indoors or outdoors with Special Use Permit: C-4, BIP

Cannabis Producer, Small (2,500-10,000 sq. ft. canopy)

- Permitted indoors: I-1, I-2
- Permitted indoors or outdoors with Special Use Permit: C-4, BIP

Cannabis Producer, Medium (10,000-22,000 sq. ft. canopy indoors or up to 1 acre outdoors)

- Permitted indoors: I-1, I-2
- Permitted indoors or outdoors with Special Use Permit: C-4, BIP

Cannabis Producer, Large (over 22,000 sq. ft. canopy)

- Permitted indoors or outdoors with Special Use Permit: I-1, I-2.

Finally, House Bill 2 creates a type of establishment called a “vertically integrated cannabis establishment” that allows a person licensed by the State to act as all or any combination of the following: a cannabis courier, a cannabis manufacturer, a cannabis producer, or a cannabis retailer. The Policy Subcommittee recommends that a licensee seeking to run one a vertically integrated cannabis establishments must be located in a zoning district that allows all of the contemplated uses.

- Are Chapter 14 amendments needed to address issues related to safety and security, or odors and ventilation?

Regarding safety and security, House Bill 2 requires the Cannabis Control Division of the New Mexico Regulation and Licensing Department to adopt regulations to address security requirements, and comprehensive draft regulations have been published for comment. The Policy Subcommittee intends to review the regulations when they have been promulgated and made available to the public to ensure they are appropriate for the City of Santa Fe. The Policy Subcommittee intends to propose additional legislation if any gaps are identified.

Regarding odor and ventilation, the Policy Subcommittee notes that existing building and fire codes and the City’s nuisance ordinance likely address most of the concerns about preventing nuisance odors and ensuring safe, well-ventilated operations. The Policy Subcommittee recommends adding some general language to Chapter 14 to further address these issues, based on provisions that have been adopted by the City of Albuquerque and the County of Santa Fe. The City of Albuquerque requires cannabis establishments to have

an odor control plan approved by the City. The County of Santa Fe requires certain cannabis producers and manufacturers to use industry standards to minimize odorous, toxic, or noxious matter.

- What should the process be for conducting stakeholder outreach and community conversations, prior to the adoption of new land use regulations for cannabis?

The Policy Subcommittee understands that the Governing Body solicited public input on cannabis at the Governing Body meeting held August 2, 2021. Public input is invited at the Planning Commission meeting scheduled for August 5, and notice of this opportunity has been posted on the City’s Facebook page. In addition, public hearings are legally required as part of the approval of any legislative language. The Policy Subcommittee recommends that the City continue to issue media releases to alert the public to additional opportunities to provide input at upcoming Planning Commission and Governing Body meetings. Additional public input will also be sought for the regulations for cannabis consumption areas.

The Policy Subcommittee regrets that there is not more time available for more stakeholder outreach outside of public meetings and recommends that this be improved as part of the Subcommittee’s process for all future work.

- Should the definitions in Chapter 14 be amended to include new definitions for various types of cannabis establishments?

Yes. The definitions should be consistent with State and County definitions, as customized to describe various types of land uses.

APPENDIX: PROPOSED NEW DEFINITIONS FOR § 14-12.1 (WORKING DRAFT)

CANNABIS CANOPY AREA

~~The measurement in square feet of the boundaries of all area(s) that will contain mature cannabis plants. If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation. The surface area utilized to produce mature plants calculated in square feet and measured using the outside boundaries of any area that includes mature marijuana plants including all of the space within the boundaries. Square footage of canopy space is measured horizontally starting from the outermost point of the furthest mature flowering plant in a designated growing space and continuing around the outside of all mature flowering plants located within the designated growing space.~~

CANNABIS CONSUMPTION AREA

An area where cannabis products may be served and consumed by smoking, vaping, or ingesting, provided that alcohol cannot be sold or consumed in a cannabis consumption area and entry is limited to patrons 21 years of age or older.

CANNABIS ESTABLISHMENT

A broad term that includes a cannabis testing laboratory, a cannabis manufacturer, a cannabis producer, a cannabis retailer, a cannabis research laboratory, a vertically integrated cannabis establishment, a

cannabis producer microbusiness, or an integrated cannabis microbusiness.

CANNABIS MANUFACTURING, LIGHT

A use that involves compounding, blending, extracting, infusing, packaging, or otherwise preparing a cannabis product using mechanical methods, nonvolatile solvents, or no solvents.

CANNABIS MANUFACTURING, HEAVY

A use that involves compounding, blending, extracting, infusing, packaging, or otherwise preparing a cannabis product using volatile solvents, e.g., butane, heptane, hexane, or propane.

CANNABIS PRODUCER, EXTRA SMALL

A business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for an extra small cannabis producer may not exceed twenty-five hundred (2,500) square feet at any one time.

CANNABIS PRODUCER, LARGE

A business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. The cannabis canopy area for a large cannabis producer may exceed twenty-two thousand (22,000) square feet.

CANNABIS PRODUCER, MEDIUM

A business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for a medium cannabis producer may not exceed twenty-two thousand (22,000) square feet at any one time, or one (1) acre, if growing will occur outdoors.

CANNABIS PRODUCER, SMALL

A business conducted by a person licensed to cultivate cannabis, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the cannabis canopy area for a small cannabis producer may not exceed five thousand (5,000) square feet at any one time.

CANNABIS PRODUCER MICROBUSINESS

A small business conducted by a person licensed to cultivate cannabis at a single location, including the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, provided that the person may not possess more than two hundred (200) total mature cannabis plants at any one time.

CANNABIS PRODUCT

A product that is or that contains cannabis or cannabis extracts, including edible or topical products that may also contain other ingredients.

CANNABIS RESEARCH LABORATORY

A facility that produces or possesses cannabis or cannabis products for the purpose of studying cannabis cultivation, characteristics, or uses, provided that a cannabis research laboratory that conducts heavy cannabis manufacturing activities shall be classified as “cannabis manufacturing, heavy.”

CANNABIS TESTING LABORATORY

A facility where cannabis products are sampled, collected, and tested, provided that a cannabis testing laboratory that conducts heavy cannabis manufacturing activities shall be classified as “cannabis manufacturing, heavy.”

COMMERCIAL CANNABIS ACTIVITY

Cultivating, producing, possessing, manufacturing, storing, testing, researching, labeling, selling, purchasing for resale, or consigning cannabis products (but excluding personal growing and use, medical cannabis program activities, and cannabis training and education programs).

COMMERCIAL CANNABIS RETAILER

A business conducted by a person that is licensed to sell cannabis products directly to consumers who are twenty-one years of age or older.

INTEGRATED CANNABIS MICROBUSINESS

A small business conducted by a person that is authorized to act as all or any combination of the following: a cannabis courier, a cannabis producer at a single location (and possessing no more than two hundred (200) total mature cannabis plants at any one time), a cannabis manufacturer at a single location, or a cannabis retailer at a single location selling only products that they have manufactured.

VERTICALLY INTEGRATED CANNABIS ESTABLISHMENT

A business conducted by a person that is authorized to act as all or any combination of the following: a cannabis courier, a cannabis manufacturer, a cannabis producer or a cannabis retailer.

FISCAL IMPACT REPORT

General Information:

(Check) Bill: X Resolution: _____

Short Title(s): Cannabis Zoning

Sponsor(s): N/A

Reviewing Department(s): Community Development/Planning and Land Use, Finance

Staff Completing FIR: Jason Kluck, Bradley Fluetsch, CFA Date: 8/11/2021 Phone: 231-8753

Reviewed by City Attorney: _____ Date: _____

Reviewed by Finance Director: _____ Date: _____

Summary:

This Bill amends the Land Development Code by adding a new specific use category of Commercial Cannabis Establishments in the Santa Fe City Code (“SFCC” 14-6.1-1 (Table of Permitted Uses). The Bill further clarifies what zoning districts various types of Commercial Cannabis Establishments are permitted in, as well as adopts minimum distances between cannabis retail establishments and schools or daycares. The Bill includes proposed changes to Subsection 14-6.2(H) (agricultural uses), 14-6.3(D)(2) (home occupations), 14-12.1 (definitions), and adds a new subsection 14-6.2(I) to adopt use-specific standards for cannabis establishments including density limitations, and operating times. The goal of the Bill is to promote the cannabis economy while protecting public health, safety, and the general welfare of the City of Santa Fe.

Departments Affected:

Community Development – Planning and Land Use, City Attorney

Consequences of Not Enacting Legislation:

Current zoning regulations do not adequately address the needs and complexities of this new use and emerging industry. Without legislation allowing implementation of land development regulations that guide and support the commercial cannabis industry, a negative impact may result regarding issues such as lost or delayed economic opportunity, impeded facilitation and clarity of needed local approvals and lack of appropriate local control of time, place and manner criteria.

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

This legislation is necessary due to the State’s legalization of recreational cannabis during the 2021 Special Legislative Session.

Performance and Administrative Implications:

Once the Bill has been adopted, there will be more new businesses starting than usual and there will be an increased work load on staff and that is anticipated to subside after the initial wave of permit applications has been filed.

Fiscal Implications:

The fiscal implication is negligible and would be consistent with adding any new business to our community, in this case it is an entire industry being added and it will bring a number of new businesses in a short time frame. Sale of recreational cannabis would be legal without this Bill, which is intended to define various limitations on the location and density of Commercial Cannabis Establishments.

Fiscal Impact

Check here if no fiscal impact

Expenditures

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

* This includes all staff time associated with executing the job functions of the proposed legislation.

Expenditure Narrative:

There is no expense narrative, this is normal course business that would be done for any new business.

Revenue

Revenue Type	FYE	FYE	FYE	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

There is no expected revenue.

EXHIBIT A
to
Special Warranty Deed

"TRACT NPR1"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR1", CONTAINING 179.5337 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 AND PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND SITUATE IN THE CITY AND COUNTY OF SANTA FE NEW MEXICO, AS SHOWN ON "LOT SPLIT NORTH PART REMAINDER TRACT FOR SANTA FE ESTATES," PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON DECEMBER 19, 2016, HAVING PROJECT No. 170911-12 SFE LS AND RECORDED ON FEBRUARY 21, 2018, IN PLAT BOOK 830, PAGES 2-3, AS INST. # 1850508, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR3"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR3," CONTAINING 17.1781 ACRES MORE OR LESS AND REING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7," PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR4"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR4", CONTAINING 3.4258 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION I2 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR5"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR5", CONTAINING 1.715 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION I2 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11,

2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR6"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR6", CONTAINING 0.8608 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR7"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR7", CONTAINING 24.2737 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT 2"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 2", CONTAINING 2.050 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "LOT LINE ADJUSTMENT FOR SANTA FE ESTATES INC.," PREPARED BY JAMES J. MEDRANO, NMPS, 5217, ON MARCH 1, 1995, HAVING PROJECT No. L – 436, AND RECORDED ON NOVEMBER 29, 1995, IN PLAT BOOK 321, PAGE 039, AS INST. #926-330, RECORDS OF SANTA FE COUNTY, NEW MEXICO. (Less and excepting therefrom those lands as contained in Warranty Deed to the State Highway Department for Right of Way recorded on May 8, 2000, in Book 1764, Page 299, as Inst. #1115-728, Records of Santa Fe County, New Mexico).

"TRACT 6A"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 6A", CONTAINING 19.736 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "LOT SPLIT OF THE SOUTHWEST PART REMAINDER TRACT, LAS ESTRELLAS SUBDIVISION, TRACT 5C, TRACT RD, TRACT 5E & TRACT 6A", PREPARED BY DEAN SHRADER, NMPS, 12451, AND

RECORDED ON OCTOBER 4, 2007, IN PLAT BOOK 665, PAGES 47-48, AS INST. #1501993, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT 8B-1A"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 8B-1A", CONTAINING 1.85 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "DIVISION PLAT OF TRACT 8B-1", PREPARED BY EDWARD M. TRUJILLO, NMPS, 12352, AND RECORDED ON MAY 1, 2015, IN PLAT BOOK 787, PAGE 023, AS INST. #1763362, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

FISCAL IMPACT REPORT

General Information:

(Check) Bill: _____ Resolution: X

Short Title(s): GB Approval for Sale of Public Land - Las Estrellas/Santa Fe Estates Master Plan

Sponsor(s): Councilor Joanne Vigil Coppler

Reviewing Department(s): Community and Economic Development

Staff Completing FIR: Rich Brown Date: 8/30//21 Phone: 955-6625

Reviewed by City Attorney: _____ Date: _____

Reviewed by Finance Director: _____ Date: _____

Summary:

The proposed Resolution will provide an approval process to announce a public notice of sale for the Las Estrellas/Santa Fe Estates parcel. To accomplish the master planned development of Las Estrellas, it is desirable to align the Governing Body's goals with prospective offerors. The City will prioritize the most monetarily beneficial sale that will provide a local preference for the purchaser, lender, and builder who will build out the land pursuant to the Las Estrellas Master Plan and honor the conditions, covenants, and restrictions of both the master and residential associations.

Departments Affected:

Community and Economic Development and the City Attorney's Office.

Consequences of Not Enacting Legislation:

If this Resolution is not enacted the City may still sell the property but without the direction for a local preference.

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

None identified.

Performance and Administrative Implications:

N/A.

Fiscal Implications:

A new appraisal will need to be obtain and cost for advertising the sale of the property, but placing Las Estrellas on the market will remove an asset that the City cannot develop and bring in monetary amounts that were owed to the City by the Santa Fe Estates Developers. To insure a successful offering marketing expenditures will also be required.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 21	FYE 22	FYE 23	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
Personnel and Benefits*	\$ _____	\$ _____	\$ _____	_____	_____	_____	
Capital Outlay	\$ _____	\$ _____	\$ _____	_____	_____	_____	
Contractual/	\$6,000	\$27,000	\$ _____		_____	2122800	
Professional Services		_____				_____	
Operating	\$ _____	\$ _____	\$ _____		_____		\$ _____
Total:	\$6,000.00	\$27,000	\$ _____				\$33,000.00

* This includes all staff time associated with executing the job functions of the proposed legislation.

Expenditure Narrative:

The cost of a new appraisal is necessary to place the land on the market and advertising costs to place online, in the paper, and around circulate the sale. To insure a successful offering marketing expenditures will also be required.

Revenue

Revenue Type	FYE	FYE	FYE	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

Commented [SA1]: You will need to insert the cost of appraisal and advertising

Commented [SA2]: Insert potential revenue

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2021-__

INTRODUCED BY:

Councilor JoAnne Vigil Coppler

A RESOLUTION

ESTABLISHING A LOCAL PREFERENCE FOR THE DEVELOPMENT OF LAS ESTRELLAS; AND ESTABLISHING MINIMUM CRITERIA FOR SUBMITTED BIDS TO DEVELOP THE PROPERTY.

WHEREAS, on December 17, 2019, the City of Santa Fe (“City”) and Santa Fe Estates Incorporated, a New Mexico corporation (“Santa Fe Estates”) terminated a 90 year old agreement between the parties. The City conducted an extensive due diligence process before obtaining the property; and

WHEREAS, during the due diligence process the City found that under the agreement Santa Fe Estates owed the City approximately \$3,016,171; and

WHEREAS, in order to pay back the City for its debt Santa Fe Estates agreed to give the City full ownership of the remaining 248.03 of Santa Fe Estates land, the assignment of the rights of declarant under the master and residential covenant conditions and restrictions, and 30 acre feet of water to be deposited in the water bank; and

WHEREAS, the appraised value of the total 248.03 acres of land is \$4,532,340.00, this

1 consists of nine tracts of land known as: Tract NPR1, Tract NPR3, Tract NPR4, Tract NPR5, Tract
2 NPR6, Tract NPR7, Tract 2, Tract 6A, Tract 8B-1A; and

3 **WHEREAS**, the nine tracts of land are all subject to the Las Estrellas Master Plan.

4 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
5 **CITY OF SANTA FE** that the City will prioritize the most monetarily beneficial sale that will
6 provide a local preference for the purchaser, lender, and builder who will build out the land pursuant
7 to the Las Estrellas Master Plan and honor the conditions, covenants, and restrictions of both the
8 master and residential associations.

9 **BE IT FURTHER RESOLVED** that the City will grant a local preference that will be
10 consistent with state law for the purchaser, builder, title company and mortgage lender, if they hold
11 a City of Santa Fe or Santa Fe County business license and have held that business license for more
12 than 5 years;

13 **BE IT FURTHER RESOLVED** that the minimum criteria for bidding on the land shall
14 be:

- 15 1. a minimum bid of the appraised price, or higher;
- 16 2. proof of financial ability to pay for the land;
- 17 3. proof of financial viability to develop the land in accordance with the Master Plan;
- 18 4. an agreement to follow the Las Estrellas Master Plan, covenant, conditions and
19 restrictions including those of the homeowners association, and development
20 guidelines; and
- 21 5. an agreement to dedicate all open spaces and rights of way in accordance with the
22 Master Plan.

23 **BE IT FURTHER RESOLVED**, the City Manager will select a review committee
24 composed of staff to evaluate the offers and make a decision to present to the Governing
25 Body.

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PASSED, APPROVED, and ADOPTED this _____ day of _____, 2021.

ALAN WEBBER, MAYOR

ATTEST:

KRISTIN MIHELICIC, CITY CLERK

APPROVED AS TO FORM:

ERIN K. McSHERRY, CITY ATTORNEY

1 *Legislation/2021/Resolutions/Las Estrellas Local Preference*



City of Santa Fe New Mexico

Memorandum



DATE: September 1, 2021

TO: ECONOMIC DEVELOPMENT ADISORY
COMMITTEE
QUALITY OF LIFE COMMITTEE
PUBLIC WORKS COMMITTEE
AND GOVERNING BODY

SEPTEMBER 8TH 2021
SEPTEMBER 15TH 2021
SEPTEMBER 27TH 2021
OCTOBER 13TH 2021

VIA: Richard Brown
RICH BROWN, DIRECTOR,
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

FROM: _____
TERRY LEASE, ASSET DEVELOPMENT MANAGER

RE: A RESOLUTION ESTABLISHING A LOCAL PREFERENCE FOR THE DEVELOPMENT OF LAS ESTRELLAS; AND ESTABLISHING MINIMUM CRITERIA FOR SUBMITTED BIDS TO DEVELOP THE PROPERTY.

ITEM & ISSUE

To accomplish the master planned development of Las Estrellas, it is desirable to align the Governing Body's goals with prospective offerors. The City will prioritize the most monetarily beneficial sale that will provide a local preference for the purchaser, lender, and builder who will build out the land pursuant to the Las Estrellas Master Plan and honor the conditions, covenants, and restrictions of both the master and residential associations. The attached resolution provides for the minimum criteria for bidding on the land.

BACKGROUND AND SUMMARY

On December 17, 2019, the City of Santa Fe (“City”) and Santa Fe Estates Incorporated, a New Mexico corporation (“Santa Fe Estates”) terminated a 90-year old agreement between the parties. The City conducted an extensive due diligence process before obtaining the property. During the due diligence process, the City found that under the agreement Santa Fe Estates owed the City approximately \$3,016,171. In order to pay back its debt, Santa Fe Estates agreed to: i) give the City full ownership of the remaining 248.03 of Santa Fe Estates land, ii) assign the rights of declarant under the master and residential covenant conditions and restrictions, and iii) provide for 30 acre feet of water to be deposited in the City’s water bank.

The appraised value of the total 248.03 acres of land was \$4,532,340.00; this consists of nine tracts of land known as: Tract NPR1, Tract NPR3, Tract NPR4, Tract NPR5, Tract NPR6, Tract NPR7, Tract 2, Tract 6A, Tract 8B-1A. Because the effective date of appraisal is more than 12 months old, the property will be re-appraised.

ACTION REQUESTED:

Staff recommends approval of the resolution attached hereto.

ATTACHMENTS:

Resolution (4 pages)

Fiscal Impact Report (3 pages)

Special Warranty Deed (4 pages)

Assignment & Delegation of Declarant Rights & Status (3 pages)

Surveys (2 pages)

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2021-__

INTRODUCED BY:

Councilor JoAnne Vigil Coppler

A RESOLUTION

ESTABLISHING A LOCAL PREFERENCE FOR THE DEVELOPMENT OF LAS ESTRELLAS; AND ESTABLISHING MINIMUM CRITERIA FOR SUBMITTED BIDS TO DEVELOP THE PROPERTY.

WHEREAS, on December 17, 2019, the City of Santa Fe ("City") and Santa Fe Estates Incorporated, a New Mexico corporation ("Santa Fe Estates") terminated a 90 year old agreement between the parties. The City conducted an extensive due diligence process before obtaining the property; and

WHEREAS, during the due diligence process the City found that under the agreement Santa Fe Estates owed the City approximately \$3,016,171; and

WHEREAS, in order to pay back the City for its debt Santa Fe Estates agreed to give the City full ownership of the remaining 248.03 of Santa Fe Estates land, the assignment of the rights of declarant under the master and residential covenant conditions and restrictions, and 30 acre feet of water to be deposited in the water bank; and

WHEREAS, the appraised value of the total 248.03 acres of land is \$4,532,340.00, this

1 consists of nine tracts of land known as: Tract NPR1, Tract NPR3, Tract NPR4, Tract NPR5, Tract
2 NPR6, Tract NPR7, Tract 2, Tract 6A, Tract 8B-1A; and

3 **WHEREAS**, the nine tracts of land are all subject to the Las Estrellas Master Plan.

4 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
5 **CITY OF SANTA FE** that the City will prioritize the most monetarily beneficial sale that will
6 provide a local preference for the purchaser, lender, and builder who will build out the land pursuant
7 to the Las Estrellas Master Plan and honor the conditions, covenants, and restrictions of both the
8 master and residential associations.

9 **BE IT FURTHER RESOLVED** that the City will grant a local preference that will be
10 consistent with state law for the purchaser, builder, title company and mortgage lender, if they hold
11 a City of Santa Fe or Santa Fe County business license and have held that business license for more
12 than 5 years;

13 **BE IT FURTHER RESOLVED** that the minimum criteria for bidding on the land shall
14 be:

- 15 1. a minimum bid of the appraised price, or higher;
- 16 2. proof of financial ability to pay for the land;
- 17 3. proof of financial viability to develop the land in accordance with the Master Plan;
- 18 4. an agreement to follow the Las Estrellas Master Plan, covenant, conditions and
19 restrictions including those of the homeowners association, and development
20 guidelines; and
- 21 5. an agreement to dedicate all open spaces and rights of way in accordance with the
22 Master Plan.

23 **BE IT FURTHER RESOLVED**, the City Manager will select a review committee
24 composed of staff to evaluate the offers and make a decision to present to the Governing
25 Body.

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PASSED, APPROVED, and ADOPTED this ____ day of _____, 2021.

ALAN WEBBER, MAYOR

ATTEST:

KRISTIN MIHELICIC, CITY CLERK

APPROVED AS TO FORM:

ERIN K. McSHERRY, CITY ATTORNEY

1 *Legislation/2021/Resolutions/Las Estrellas Local Preference*

10338.1

4

6

AMENDED

FIR No. 3308

FISCAL IMPACT REPORT

General Information:

(Check) Bill: _____ Resolution: X

Short Title(s): GB Approval for Sale of Public Land - Las Estrellas/Santa Fe Estates Master Plan

Sponsor(s): Councilor Joanne Vigil Coppler

Reviewing Department(s): Community and Economic Development

Staff Completing FIR: Rich Brown Date: 8/30//21 Phone: 955-6625

Reviewed by City Attorney: _____ Date: _____

Reviewed by Finance Director: _____ Date: _____

Summary:

The proposed Resolution will provide an approval process to announce a public notice of sale for the Las Estrellas/Santa Fe Estates parcel. It is notable that this resolution does not set a minimum threshold to trigger a public presentation, which means that any sale of any real property would need to be presented to Governing Body in a public presentation. This could also create a likelihood that staff will seek a private sale without a public announcement to avoid this requirement when timing is an issue. The resolution does not prohibit executive session, which would be necessary should issues of sales/marketing strategy, personal confidentiality, ongoing personal litigations, etc., need to be discussed in Executive Session before a public offering notice is produced. Note: Current practice is that all land and property assets subject to public offering for sale are submitted to the Governing Body for proposal review during Executive Session, then a public notice is placed both on the website and as ads within the newspaper. Then, to sell a piece of real property valued at more than \$25,000, an ordinance and purchase agreement are brought to the Governing Body for a public hearing as required by statute and the sale is also subject to a referendum period. Our current Resolution-mandated process requires staff to make at least two public presentations prior to any public notice of sale of real property; one to obtain permission to announce the real property for sale and one for the sale process required by statute.

Departments Affected:

Community and Economic Development and the City Attorney's Office.

Consequences of Not Enacting Legislation:

If this Resolution is not enacted, the City will continue to meet all legal requirements for selling real property.

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

None identified.

Performance and Administrative Implications:

No staff overtime would be incurred as it relates to any unintended consequences of the new land sales preview and/or presentation format. With large parcels, this new process could delay the go-to-market option by up to six months or more; depending on any amendments, changes, market data requests, etc. Some of this process could be done internally, but the potential added cycles of gaining majority approval may not match the timing of the market interest.

Fiscal Implications:

Potential fiscal implications could include the cost of appraisals that have up to a one-year shelf life. A new appraisal could be required if the City does not sell the real property within the year shelf life. If approvals take any longer than appraisal life span, additional funding would be needed to meet that demand. To insure a successful offering marketing expenditures will also be required.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 21	FYE 22	FYE 23	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$6,000	\$27,000	\$ _____			2122800	
<u>Professional Services</u>	_____	_____				_____	
<u>Operating</u>	\$ _____	\$ _____	\$ _____				\$ _____
Total:	\$6,000.00	\$27,000	\$ _____				\$33,000.00

* This

includes all staff time associated with executing the job functions of the proposed legislation.

Expenditure Narrative:

No additional staff overtime expense would be incurred. However, with large parcels such as the Las Estrellas/Santa Fe Estates parcel, there could an additional expense for new appraisals (an estimate above) if there is a delay in the go-to-market by up to one year or more. This additional appraisal cost would be dependent on any amendments, changes, market data requests, etc. Some of this process could be done internally, but the potential added cycles of gaining majority approval may not match the market interest. To insure a successful offering marketing expenditures will also be required.

Revenue

Revenue Type	FYE __	FYE __	FYE __	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____

Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____	_____	_____

Revenue Narrative:

EXHIBIT A
to
Special Warranty Deed

e-Recorded 1927650 09/11/20 SFC

"TRACT NPR1"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR1", CONTAINING 179.5337 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 AND PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND SITUATE IN THE CITY AND COUNTY OF SANTA FE NEW MEXICO, AS SHOWN ON "LOT SPLIT NORTH PART REMAINDER TRACT FOR SANTA FE ESTATES," PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON DECEMBER 19, 2016, HAVING PROJECT No. 170911-12 SFE LS AND RECORDED ON FEBRUARY 21, 2018, IN PLAT BOOK 830, PAGES 2-3, AS INST. # 1850508, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR3"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR3," CONTAINING 17.1781 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7," PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR4"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR4", CONTAINING 3.4258 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR5"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR5", CONTAINING 1.715 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11,

2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR6"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR6", CONTAINING 0.8608 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT NPR7"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT NPR7", CONTAINING 24.2737 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "BOUNDARY SURVEY OF RESIDUAL PARCELS WITHIN THE "NORTH PART REMAINDER TRACT OF THE SANTA FE ESTATES SUBDIVISION, BEING TRACT NPR3, TRACT NPR4, TRACT NPR5, TRACT NPR6 AND TRACT NPR7", PREPARED BY JAMES B. SANCHEZ, NMPS, 12655, ON JULY 30, 2018, HAVING PROJECT No. 170911 – 12 SFE RES AND RECORDED ON SEPTEMBER 11, 2020, IN PLAT BOOK 867, PAGES 1-2, AS INST. #1927579, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT 2"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 2", CONTAINING 2.050 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "LOT LINE ADJUSTMENT FOR SANTA FE ESTATES INC.," PREPARED BY JAMES J. MEDRANO, NMPS, 5217, ON MARCH 1, 1995, HAVING PROJECT No. L – 436, AND RECORDED ON NOVEMBER 29, 1995, IN PLAT BOOK 321, PAGE 039, AS INST. #926-330, RECORDS OF SANTA FE COUNTY, NEW MEXICO. (Less and excepting therefrom those lands as contained in Warranty Deed to the State Highway Department for Right of Way recorded on May 8, 2000, in Book 1764, Page 299, as Inst. #1115-728, Records of Santa Fe County, New Mexico).

"TRACT 6A"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 6A", CONTAINING 19.736 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 11 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "LOT SPLIT OF THE SOUTHWEST PART REMAINDER TRACT, LAS ESTRELLAS SUBDIVISION, TRACT 5C, TRACT RD, TRACT 5E & TRACT 6A", PREPARED BY DEAN SHRADER, NMPS, 12451, AND

RECORDED ON OCTOBER 4, 2007, IN PLAT BOOK 665, PAGES 47-48, AS INST. #1501993, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

"TRACT 8B-1A"

A CERTAIN PARCEL OF LAND KNOWN AS "TRACT 8B-1A", CONTAINING 1.85 ACRES MORE OR LESS AND BEING SITUATE WITHIN PROJECTED SECTION 12 OF TOWNSHIP 17 NORTH, RANGE 09 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, AND WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO, AS SHOWN ON "DIVISION PLAT OF TRACT 8B-1", PREPARED BY EDWARD M. TRUJILLO, NMPS, 12352, AND RECORDED ON MAY 1, 2015, IN PLAT BOOK 787, PAGE 023, AS INST. #1763362, RECORDS OF SANTA FE COUNTY, NEW MEXICO.

e-Recorded 1927650 09/11/20 SFC

COUNTY OF SANTA FE } ASSIGNMENT OF RIGHTS
 STATE OF NEW MEXICO } ss PAGES: 3

I Heroby Certify That This Instrument Was e-Recorded for
 Record On The 11TH Day Of September, A.D., 2020 at 03:09:49 PM
 And Was Duty Recorded as Instrument # 1927648
 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
 Geraldine Salazar
 Deputy - DLROMERO County Clerk, Santa Fe, NM



**ASSIGNMENT & DELEGATION OF
 DECLARANT RIGHTS & STATUS**

This Assignment and Delegation of Declarant Rights and Status (this "Agreement") is entered into as of September 10, 2020, by and between Santa Fe Estates, Incorporated, a New Mexico corporation ("Santa Fe Estates"), and The City of Santa Fe, a New Mexico municipal corporation (the "City").

RECITALS

THE PARTIES HERETO enter into this Agreement on the basis of the following facts, understandings, and intentions:

A. On January 25, 1930, Santa Fe Estates' predecessor-in-interest and the City entered into an agreement to develop certain real estate (the "Property").

B. Over time, Santa Fe Estates developed the Property, and, as part of the development of the Property, Santa Fe Estates recorded the Santa Fe Estates Residential Tracts Declaration of Covenants, Conditions and Restrictions, filed for record on November 6, 2003 in Book 2702, pages 831–858, Instrument No. 1299,815, as amended by the First Amendment to Santa Fe Estates Residential Tracts Declaration of Covenants, Conditions and Restrictions, filed for record on June 17, 2004 as Instrument No. 1333332, as further amended by the Second Amendment to Las Estrellas Residential Tracts Declaration of Covenants, Conditions and Restrictions filed for record on June 20, 2017 as Instrument No. 1828853, all in the records of Santa Fe County, New Mexico, (collectively, the "Declaration"), under which Santa Fe Estates retained the rights and duties of "Declarant".

C. Santa Fe Estates and the City have mutually agreed to terminate the development agreement, and, by this Agreement, Santa Fe Estates desires to assign and delegate to the City, and the City desires to accept from Santa Fe Estates, all Santa Fe Estates rights and duties as Declarant under the Declaration.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Pursuant to Section 1.7 of the Declaration, Santa Fe Estates hereby assigns without recourse and delegates to the City all of Santa Fe Estates' rights and duties as Declarant under the Declaration from and after the date hereof, and the City hereby accepts such assignment and delegation and assumes performance of all rights and duties first arising or accruing under the Declaration on or after the date of this Agreement. This Agreement shall be binding on the parties hereto and shall inure to the benefit of their respective successors and assigns. Upon the written request of the other, each party hereto shall execute and deliver such other documents and instruments as may be reasonably necessary to fully assign, transfer, and vest in the City or its successors and assigns all of Santa Fe Estates' rights and duties as Declarant under the Declaration. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

[Signatures and acknowledgments on following pages.]

DECLARANT ASSIGNMENT

~1~

RESIDENTIAL COVENANTS

e-Recorded 1927648 09/11/20 SFC

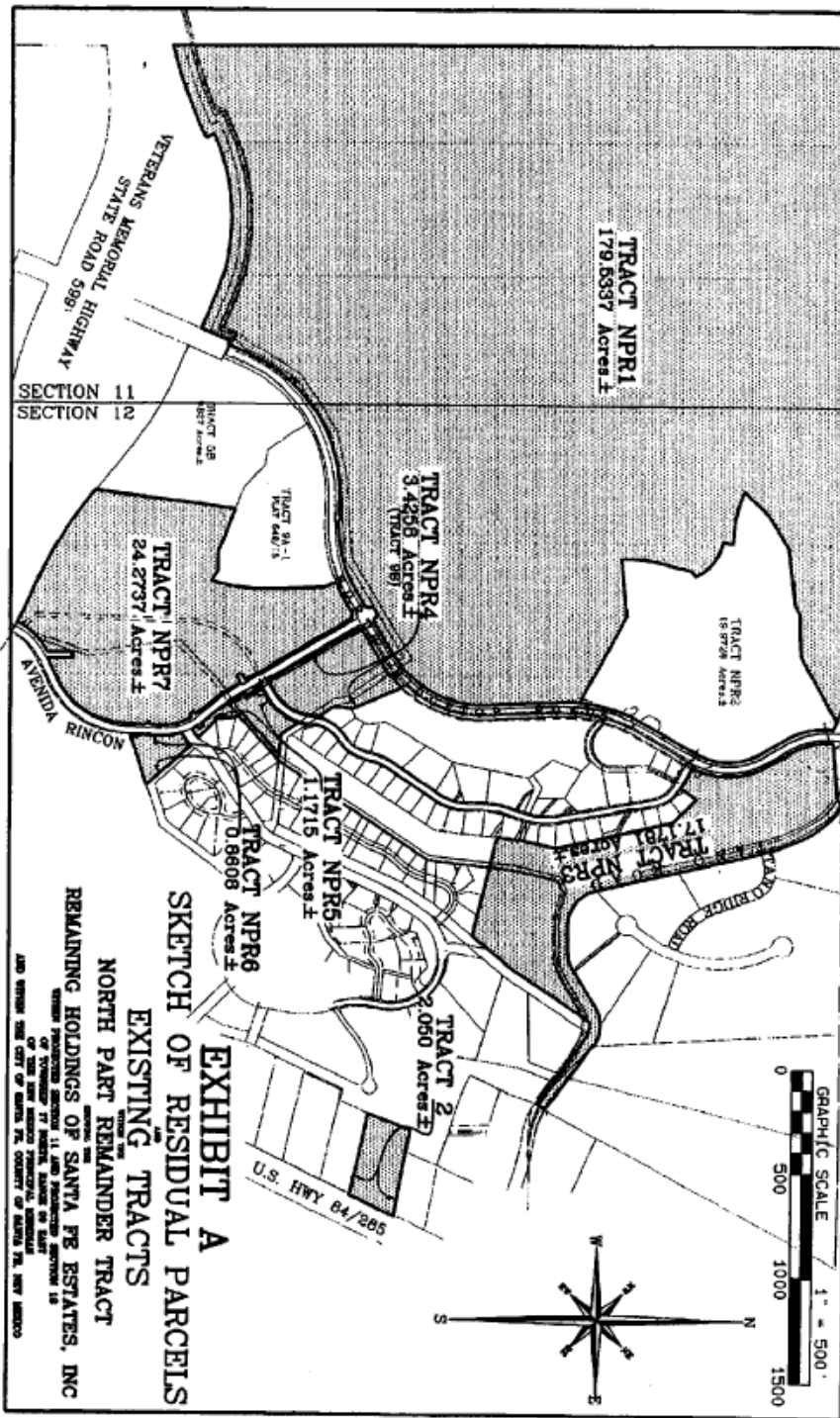


Exhibit B
Page B4 of B5

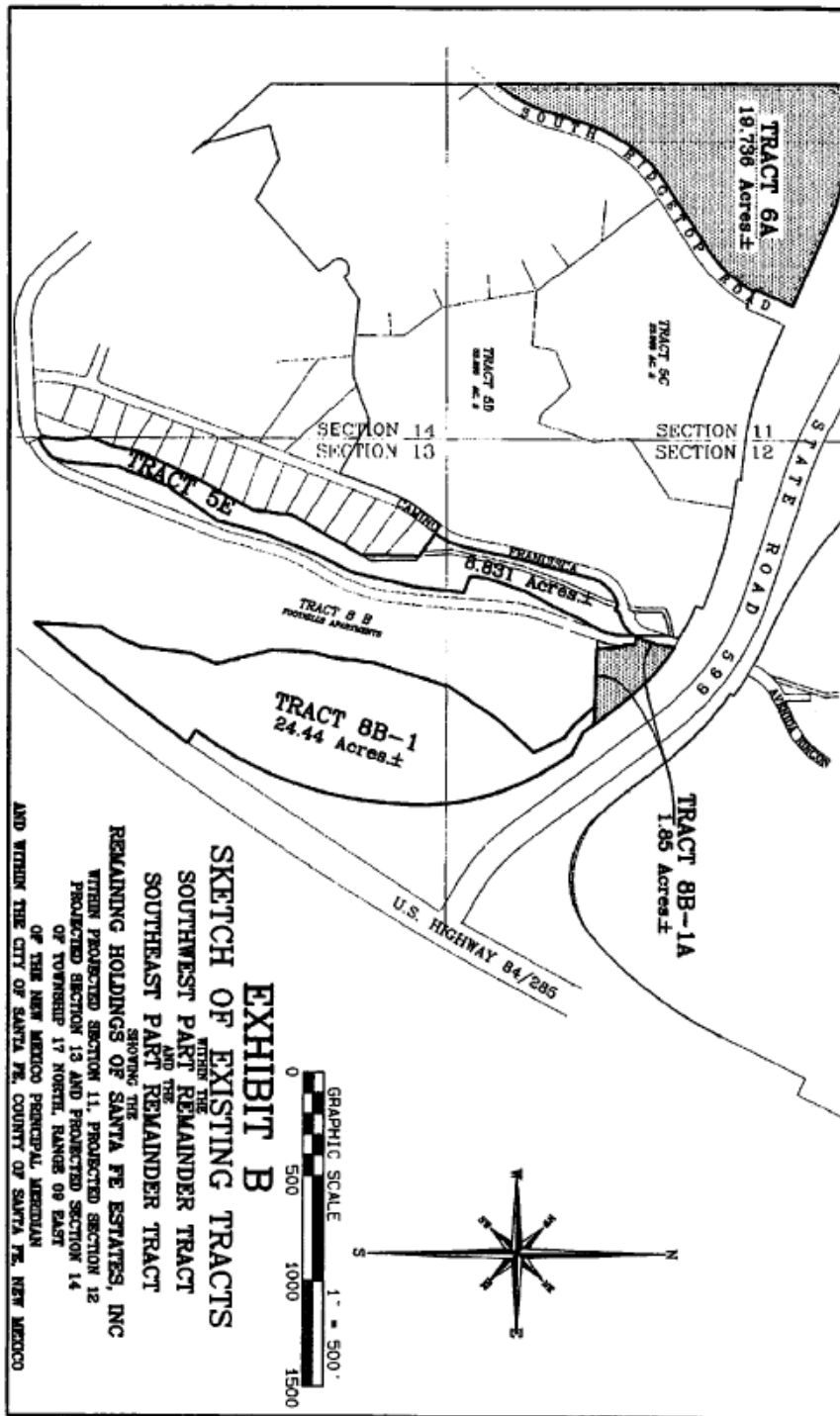


Exhibit B
 Page 85 of 85

I Hereby Certify That This Instrument Was e-Recorded for
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Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

Deputy - DLROMERO



ASSIGNMENT & DELEGATION OF DECLARANT RIGHTS & STATUS

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RECITALS

THE PARTIES HERETO enter into this Agreement on the basis of the following facts, understandings, and intentions:

A. On January 25, 1930, Santa Fe Estates' predecessor-in-interest and the City entered into an agreement to develop certain real estate (the "Property").

B. Over time, Santa Fe Estates developed the Property, and, as part of the development of the Property, Santa Fe Estates recorded the Santa Fe Estates Residential Tracts Declaration of Covenants, Conditions and Restrictions, filed for record on November 6, 2003 in Book 2702, pages 831-858, Instrument No. 1299,815, as amended by the First Amendment to Santa Fe Estates Residential Tracts Declaration of Covenants, Conditions and Restrictions, filed for record on June 17, 2004 as Instrument No. 1333332, as further amended by the Second Amendment to Las Estrellas Residential Tracts Declaration of Covenants, Conditions and Restrictions filed for record on June 20, 2017 as Instrument No. 1828853, all in the records of Santa Fe County, New Mexico, (collectively, the "Declaration"), under which Santa Fe Estates retained the rights and duties of "Declarant".

C. Santa Fe Estates and the City have mutually agreed to terminate the development agreement, and, by this Agreement, Santa Fe Estates desires to assign and delegate to the City, and the City desires to accept from Santa Fe Estates, all Santa Fe Estates rights and duties as Declarant under the Declaration.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Pursuant to Section 1.7 of the Declaration, Santa Fe Estates hereby assigns without recourse and delegates to the City all of Santa Fe Estates' rights and duties as Declarant under the Declaration from and after the date hereof, and the City hereby accepts such assignment and delegation and assumes performance of all rights and duties first arising or accruing under the Declaration on or after the date of this Agreement. This Agreement shall be binding on the parties hereto and shall inure to the benefit of their respective successors and assigns. Upon the written request of the other, each party hereto shall execute and deliver such other documents and instruments as may be reasonably necessary to fully assign, transfer, and vest in the City or its successors and assigns all of Santa Fe Estates' rights and duties as Declarant under the Declaration. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

[Signatures and acknowledgments on following pages.]



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Geraldine Salazar
County Clerk, Santa Fe, NM

Deputy - DLROMERO

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C. Santa Fe Estates and the City have mutually agreed to terminate the development agreement, and, by this Agreement, Santa Fe Estates desires to assign and delegate to the City, and the City desires to accept from Santa Fe Estates, all Santa Fe Estates rights and duties as Declarant under the Declaration.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Pursuant to Section 1.8 of the Declaration, Santa Fe Estates hereby assigns without recourse and delegates to the City all of Santa Fe Estates' rights and duties as Declarant under the Declaration from and after the date hereof, and the City hereby accepts such assignment and delegation and assumes performance of all rights and duties first arising or accruing under the Declaration on or after the date of this Agreement. This Agreement shall be binding on the parties hereto and shall inure to the benefit of their respective successors and assigns. Upon the written request of the other, each party hereto shall execute and deliver such other documents and instruments as may be reasonably necessary to fully assign, transfer, and vest in the City or its successors and assigns all of Santa Fe Estates' rights and duties as Declarant under the Declaration. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

[Signatures and acknowledgments on following pages.]

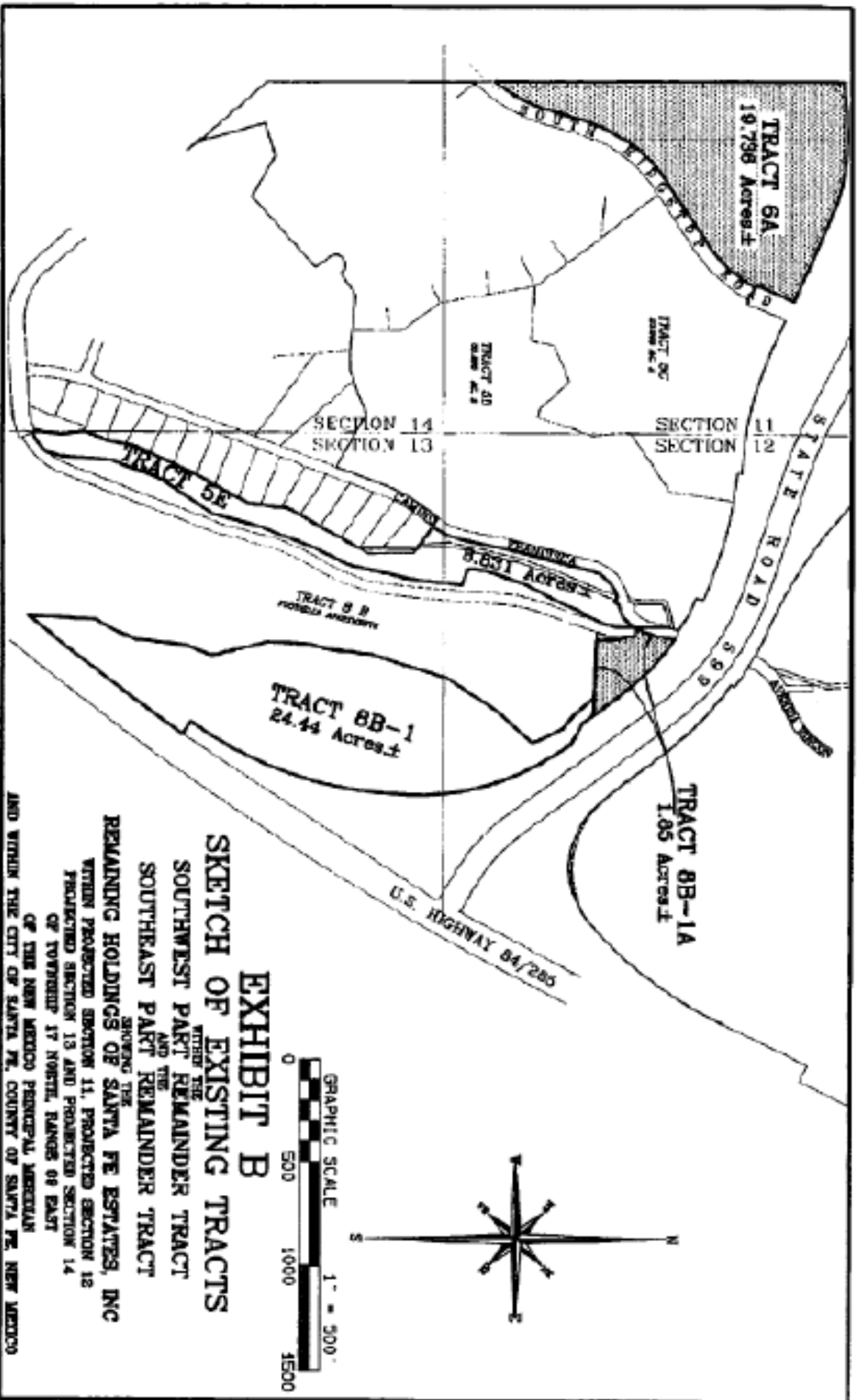


EXHIBIT B

SKETCH OF EXISTING TRACTS

WITHIN THE
SOUTHWEST PART, REMAINDER TRACT
AND THE
SOUTHEAST PART, REMAINDER TRACT

SHOWING THE
REMAINING HOLDINGS OF SANTA FE ESTATES, INC

WITHIN PROJECTED SECTION 11, PROJECTED SECTION 12
PROJECTED SECTION 13 AND PROJECTED SECTION 14
OF TOWNSHIP 17 NORTH, RANGES 08 EAST
OF THE NEW MEXICO PRINCIPAL MERIDIAN
AND WITHIN THE CITY OF SANTA FE, COUNTY OF SANTA FE, NEW MEXICO