



AGENDA

REGULAR MEETING OF
THE QUALITY OF LIFE
COMMITTEE
FEBRUARY 15, 2023
5:00 PM
MEETING VIRTUALLY

PROCEDURES FOR QUALITY OF LIFE COMMITTEE MEETING

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

Written Public Comment: Members of the public may submit written comments on legislation by clicking on the comment bubble to the right of the meeting on the public portal at <https://santafe.primegov.com/public/portal> three hours prior to the start of the meeting.

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

Join on Zoom: <https://santafenm-gov.zoom.us/j/81326972967>

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF CONSENT AGENDA**
5. **PRESENTATIONS**
 - a.

City of Santa Fe Street Outreach: Updates, Observations, and Needs (Jason Sharp, Park Ranger, City of Santa Fe Parks and Open Spaces Division: jtsharp@santafenm.gov, (505) 955-2146; Andres Mercado, Battalion Chief, Mobile Integrated Health Office: ajmercado@santafenm.gov, (505) 955-3604)

- b. Best Practice Solutions to Unsheltered Homelessness (Dr. Kathleen Van Voorhis, Director of Community Strategy, Project Moxie: kathleen@goprojectmoxie.com, (760) 670-0205)

6. **ACTION ITEMS: CONSENT**

- a. Approval of Minutes for the February 1, 2023 Quality of Life Committee Meeting (Loretta S. Olguin, Business Operations Manager,: Isolguin@santafenm.gov, (505) 955-6334)

- b. CONSIDERATION OF BILL NO. 2023-9. ADOPTION OF ORDINANCE NO. 2023-____. (Mayor Webber, Councilor Lindell, Councilor Cassutt and Councilor Romero-Wirth)
A Bill Approving a Lease Agreement Between the City Of Santa Fe and Specifica, LLC, for the Lease of City-Owned Building and Improvements Located At 500 Market Street within the Railyard Within the City And County of Santa Fe, New Mexico to Expand Its Biotechnological Company. (Andrea Salazar, Assistant City Attorney, asalazar@santafenm.gov, 505-955-6303)

Committee Review:

Governing Body (Introduced): 01/25/2023
Governing Body (Public Comment): 02/08/2023
Quality of Life: 02/15/2023
Public Works and Utilities: 02/20/2023
Economic Development Advisory Committee: 03/01/2023
Finance Committee: 02/27/2023
Governing Body (Public Hearing): 03/08/2023

- c. CONSIDERATION OF RESOLUTION 2023-____ (Councilor Romero-Wirth, Councilwoman Villarreal, Councilor Chavez, Councilor Rivera,

Councilor Cassutt, Councilor M. Garcia, Mayor Webber)
A Resolution Directing the City Manager to Take Next Steps Based on
Some of the Recommendations of the CHART Report. (Erin McSherry,
City Attorney, ekmcsherry@santafenm.gov, 505-955-6512) **Committee**
Review

Governing Body (Introduced): 02/08/2023

Quality of Life Committee: 02/15/2023

Finance Committee: 02/27/2023

Public Works/Utilities: 03/06/2023

Governing Body: 03/08/2023

7. **MATTERS FROM STAFF**
8. **MATTERS FROM THE COMMITTEE**
9. **MATTERS FROM THE CHAIR**
10. **NEXT MEETING: Wednesday, March 1, 2023**
11. **ADJOURN**

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



SFFD Mobile Integrated Health Office

- Alternative Response Unit (ARU)
- Public Safety Case Management



SOCIAL DETERMINANTS OF HEALTH



In August 2022 the Fire Department integrated a new reporting system.

- These questions were added to the reporting process.
- 14% of all reports indicated an association to homelessness.
- 42% of ARU calls are associated with homelessness.

Was this incident associated with a homeless encampment?:

Yes	No
-----	----

Homelessness was a suspected/confirmed factor in this incident:

Yes	No
Unable to Determine/Unknown	

The image shows a screenshot of a reporting system interface. It features two questions with corresponding answer buttons. The first question is "Was this incident associated with a homeless encampment?:" with "Yes" and "No" buttons. The second question is "Homelessness was a suspected/confirmed factor in this incident:" with "Yes", "No", and "Unable to Determine/Unknown" buttons. A red vertical bar is visible on the left side of the interface.



OUR WORLD IS CONNECTED

FIRE EMS MIH

Data collection and tracking

Longitudinal Care



**Be curious and
understanding**

Meet the people

Learn their stories



Fire Dept. ARU/ MIH connects and refers

Crisis centers:

La Sala.

Mobile Crisis Response Team

Rehab/Detox:

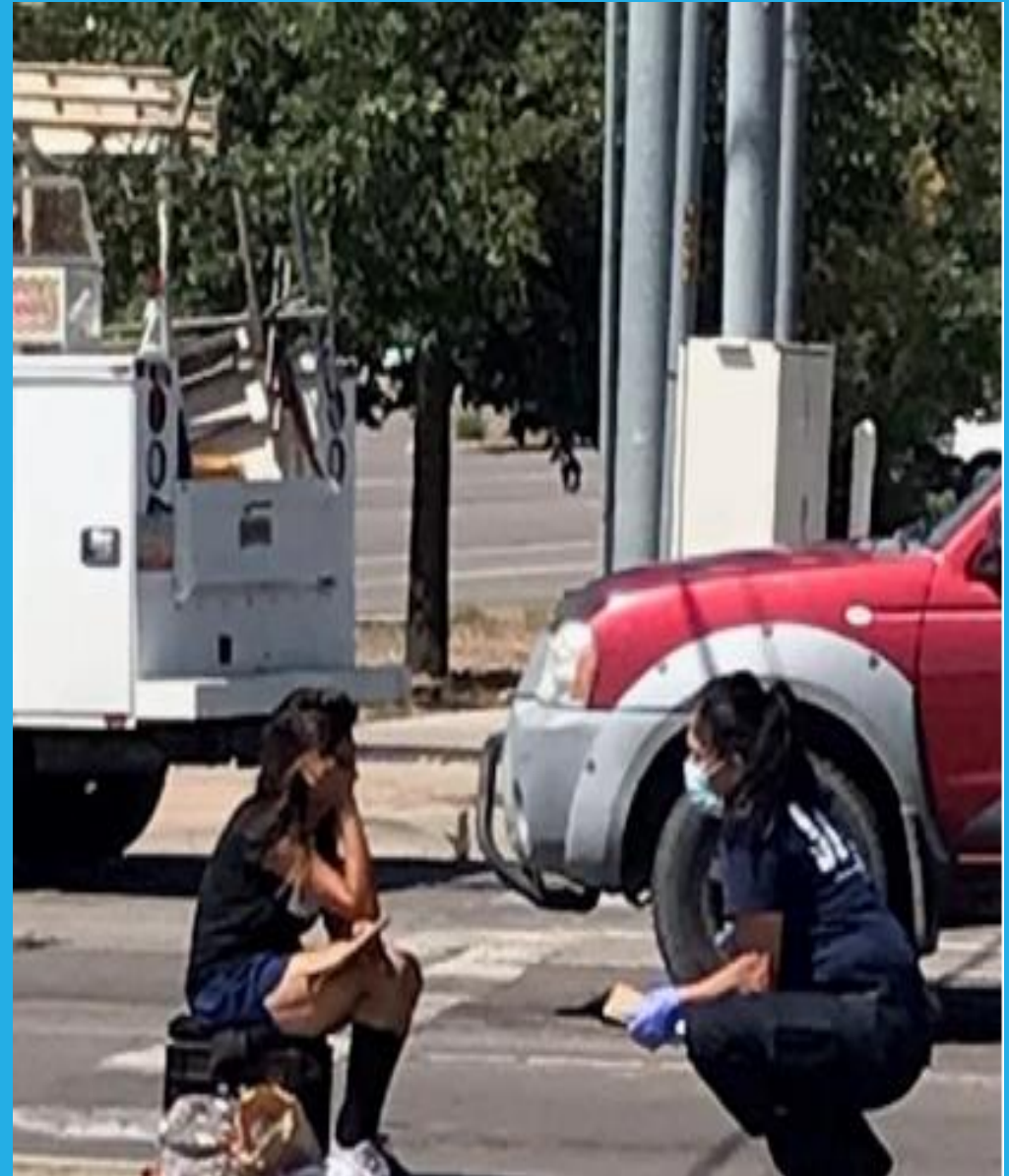
Santa Fe Recovery Center

Mental Health:

SF Community Guidance Center

Housing:

La Luz, Pete's Place, Consuelo's Place, St. Elizabeth's



THE NEEDS

**HOUSING AND SHELTER
OPTIONS**

**SUPPORT FOR COMMUNITY
SERVICES**

CONTINUED SUPPORT FOR ARU



CITY OF SANTA FE RANGERS



What we do

- Identify camps
- Contact, connect to resources, build rapport
- Give advance verbal notification of removal
- Serve 24hr. Notice
- Oversee cleanup
- Proactively patrol areas to ensure camps do not return



Impact on the Watershed

- Alga blooms form when excessive amounts of human and animal waste are introduced to the watershed
- Alga depletes oxygen from water and the waste
- Introduces harmful chemicals, such as of E. coli
- Trash from camps clog storm drains and natural drainages, creating flooding in areas.
- Camps cause the destruction of natural vegetation, which increases sediment load interrupting the natural flow of water



Environmental Impacts

- Water ways act as natural wildlife corridors. The introduction of humans into these areas disrupts how wildlife navigate through our urban environment.
- Homeless cut down trees and collect wood for fires destroying habitat and natural vegetation
- Campfires created for warmth are a high risk for wildfires



Statistics

The Cost of Camps

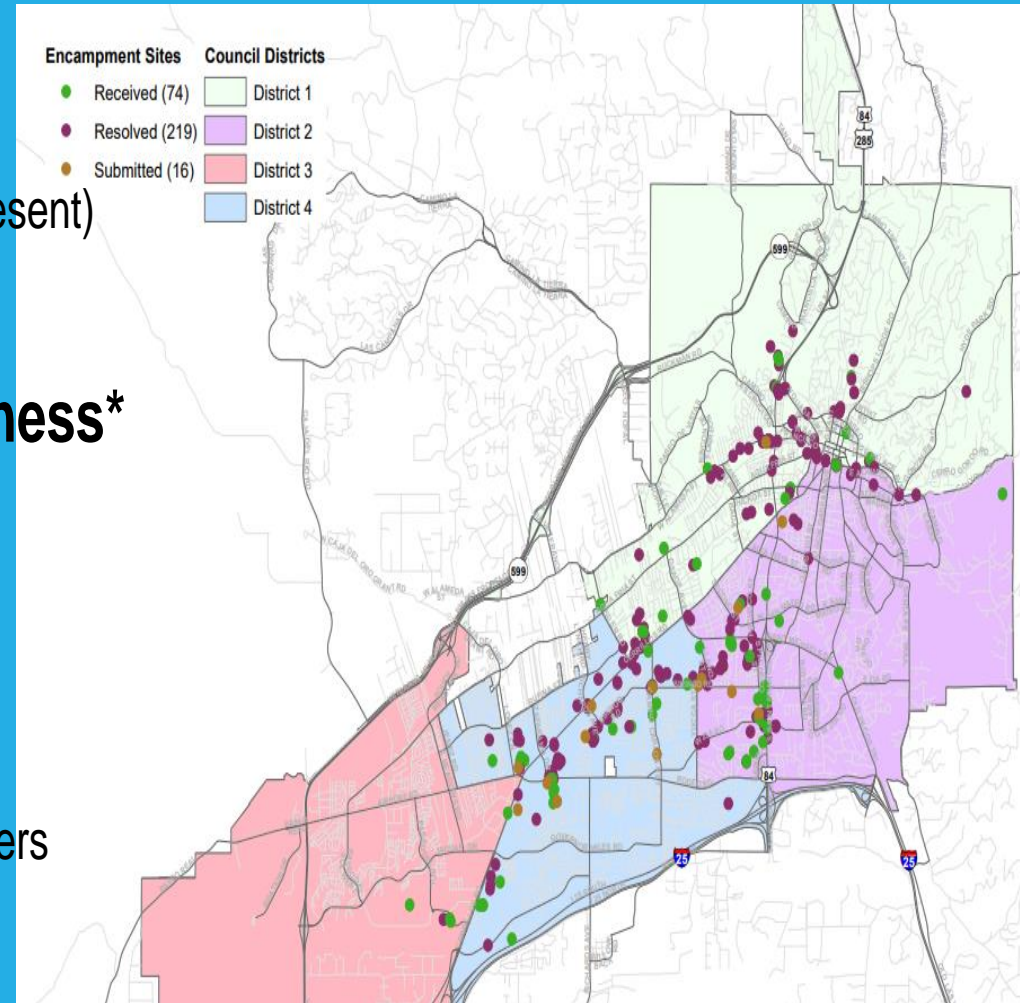
- Average number of interactions per week: **150**
- Number of camps cleared and cleaned: **24** (09/2022-Present)
- Average clean-up cost per camp; **\$2,250.00**

Demographics of Unsheltered Homelessness*

- Local
- Indigenous & Hispanic
- Age <30

Barriers to Shelter

- Permanent or long-term evictions from emergency shelters
- Distrust
- Preference
- Shelter Space
- Limited options



* Interventions for Unsheltered Homelessness & Unsanctioned Camping in the City of Santa Fe. Submitted by Amy Farah Weiss, M.A., 2021

Community Concerns and Solutions

Community Concerns

- Crime
- Feel threatened
- Trash
- Take over of community spaces

What's Want

- Safe place to stay
- Secure place to store belongings
- Low barriers



A Firsthand Perspective

What we would like to see:

- More coordinated outreach
 - More options to recommend to unsheltered individuals
- A controlled campsite where environmental cleanliness and safety is more affordable and less-time consuming
- A place for highest needs individuals to receive 24/7 oversight and help



Impact of housing costs

Housing challenges in Santa Fe are measured by:

- Median house price: \$527,000 (condos/triplex), \$590,000 (single family)
- Those paying too much for housing (no more than one third of income)
— currently over 20,000 Santa Fe households are cost burdened

Santa Fe County needs 17,216 below-market housing opportunities including:

- 6,232 additional rental units for incomes 30K-58K
- 2,290 subsidized senior housing units
- Several hundred housing opportunities for persons experiencing homelessness

Source: *Santa Fe County Housing Plan*



Homelessness in Santa Fe

- August 2022, the New Mexico Coalition to End Homelessness recorded 363 individuals, 49 families, and 18 homeless youth. This is not a count of all unhoused
- Santa Fe has inadequate affordable housing units and supportive services
- Santa Fe needs more accurate data on homelessness



Built For Zero: Communities establish rigorous goals and corresponding benchmarks intended to drive this critical work forward in a measurable and sustainable manner.

We can create a future where homelessness is rare and brief when it occurs, and no one gets left behind. Doing so requires a data-driven system built upon a community-wide commitment to bringing every person home.

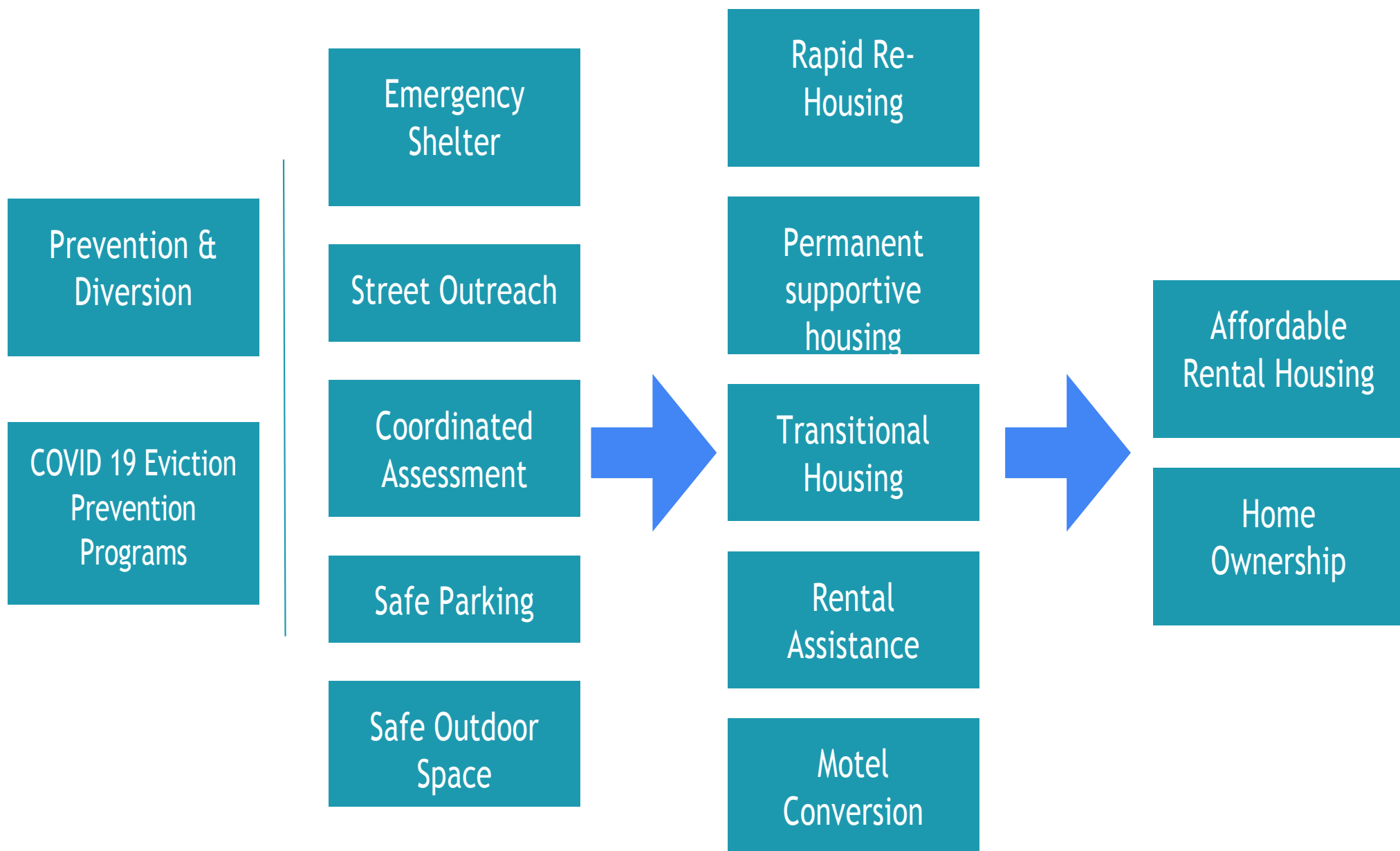


Homeless categories and types of interventions

Homeless Category	Level of Need	Interventions
Situational	Low-med	Rapid rehousing, prevention assistance
Episodic	Low-Med	Rapid Rehousing, Voucher programs, affordable housing units, some services
Chronic	High	Permanent Supportive Housing,



Creating a broad continuum of housing that meets the diverse needs of the community is critical to ensuring everyone has a safe place to call home.



Best Practices

- Prevention
- Diversion
- Non-congregate shelter
- Housing
 - Attainable/Affordable Housing
 - Permanent Supportive Housing (PSH)
 - Senior Housing
- Supportive Services
- Collaboration and coordination



Safe Outdoor Space



- Housing First, resource-rich model
- Built on input from those with lived experience
- Trauma informed
- Individualized shelters
- Electricity
- 24-hour staffing, with at least two staff members or trained volunteers on site at all times
- Bathrooms and handwashing stations
- Laundry
- Meals
- Security through a locked fence w/ coded entry
- Connection to services, including case managers and service providers coming to site, site members providing referrals to residents

Stability is Key

- Not having to constantly move due to sweeps or a general need to change locations
- Having a regular place to return to, with a secure space to store belongings
- Being able to save money
- Autonomy and ownership over their space
- Stability was linked to safety
- Outreach workers could continually find and assist individuals



Denverites worried crime would accompany safe outdoor spaces. Data shows the opposite happened.



Data Analysis: Colorado Sun

“An analysis of Denver Police Department data found that crime reports decreased in the neighborhoods where Safe Outdoor Space sites have operated, even as reported crime increased across Denver.”

“While crime in Denver overall rose over 14.3%, crime around the Safe Space neighborhoods decreased by 2.8%”

“The number of drug and alcohol citations dropped in five of six neighborhoods while SOS sites operated there.”

Good Neighbor Agreement

Good Neighbor Agreements (GNA):

GNAs were co-created with the surrounding community. These were not binding contracts, but a list of expectations for those who were housed and those providing the program. These included expectations such as trash walks, ensuring people maintained a clean environment, quiet hours, and 24-hour staffing.

Good Neighbor Meetings:

After the sites opened, the site managers hosted monthly Good Neighbor Meetings to provide updates from the sites and hear housed neighbor's experiences, concerns, and feedback.



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VIRTUAL MEETING

1. CALL TO ORDER

The meeting of the Quality of Life Committee was called to order by Chair Cassutt at 5:01 pm on Wednesday, February 1, 2023 at City Hall in the Council Chambers, Santa Fe, New Mexico.

2. ROLL CALL

Members Present:

Councilor Amanda Chavez
Councilor Lee Garcia
Councilor Michael Garcia
Councilor Jamie Cassutt
Councilor Renee Villarreal

Members Excused:

None

Others Attending:

None

3. APPROVAL OF AGENDA

MOTION: Councilor Renee Villarreal moved, seconded by Councilor Amanda Chavez, to approve the agenda as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

4. APPROVAL OF CONSENT AGENDA



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MOTION: Councilor Amanda Chavez moved, seconded by Councilor Renee Villarreal, to approve the consent agenda as amended.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

Councilor Villarreal pulled item C for discussion.

5. PRESENTATION

- a. Presentation of the FY23-26 Children and Youth Commission Strategic Plan (Rubina Cohen, Firefly Strategies: rubina@fireflystrategies.com; Christa Hernandez, Youth and Family Services Program Manager: chernandez@santafenm.gov)

6. ACTION ITEMS: CONSENT

- a. Approval of Minutes for the January 18, 2023 Quality of Life Committee Meeting (Loretta S. Olguin, Business Operations Manager: lolguin@santafenm.gov, 505-955-6334)

MOTION: Councilor Amanda Chavez moved, seconded by Councilor Renee Villarreal, to approve the minutes as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None



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- b. Request for Approval of Amendment 11 to the Amended and Restated Railyard Lease and Management Agreement Between the City of Santa Fe and Santa Fe Railyard Community Corporation (Terry Lease, Asset Development Manager: tjlease@santafenm.gov, 505-629-2206)

Committee Review:

Economic Development Advisory Committee: 2/1/2023

Quality of Life Committee: 2/1/2023

Public Works and Utilities Committee: 2/6/2023

Finance Committee: 2/13/2023

Governing Body: 2/22/2023

MOTION: Councilor Amanda Chavez moved, seconded by Councilor Renee Villarreal, to approve the lease amendment as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

- c. Request for Approval of Midyear Budget Amendment Resolutions (BAR's) Utilizing FY22 (Prior Year) Gross Receipts Tax Revenue, Above Budgeted Estimates, to Fund a Package of Priorities that Includes Contracted Services to Alleviate Unsheltered Homelessness, Vehicles and Equipment for Park Rangers, Encampment Cleanup, Salary Adjustments to Improve Recruitment and Retention of Parks Department Employees, and Relocation of City Offices from Railyard Market Station, Totaling \$2,119,290. (Emily K. Oster, Finance Director, ekoster@santafenm.gov, 505-629-3411).

Committee Review:

Finance Committee (Forwarded with No Recommendation): 01/30/2023

Quality of Life: 02/01/2023

Governing Body: 02/08/2023



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MOTION: Councilor Amanda Chavez moved, seconded by Councilor Lee Garcia, to approve the budget adjustment resolution (BAR) as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

- d. CONSIDERATION OF BILL NO. 2023-4. (Councilor Cassutt and Councilwoman Villarreal)
An Ordinance Amending SFCC 1987 to Use Gender-Neutral Language. (Pat Feghali, Assistant City Attorney: pfeghali@santafenm.gov, 505-955-6501)

Committee Review:

Governing Body (Introduced): 01/11/2023
Governing Body (Public Comment): 01/25/2023
Quality of Life Committee: 02/01/2023
Governing Body: 02/22/2023

MOTION: Councilor Amanda Chavez moved, seconded by Councilor Renee Villarreal, to approve the bill as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

- e. CONSIDERATION OF BILL NO. 2023-6. (Mayor Webber)



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An Ordinance Amending Section 2-8.2(A), "Creation of Department" by Removing Language that Prescribes a "Recreation Division" as a Division of the Community Health and Safety Department and "Family and Youth Services" as a Component of the Community Services Department; and by Removing the Term "Safety" from the Name of the "Office of Emergency Management and Safety". (Kyra Ochoa, Community Health and Safety Department Director: krochoa@santafenm.gov)

Committee Review:

Governing Body (Introduced): 01/11/2023
Governing Body (Public Comment): 01/25/2023
Quality of Life Committee: 02/01/2023
Public Works and Utilities Committee: 02/06/2023
Finance Committee: 02/13/2023
Governing Body (Public Hearing): 02/22/2023

MOTION: Councilor Amanda Chavez moved, seconded by Councilor Renee Villarreal, to approve the bill as presented.

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

For: Councilor Amanda Chavez, Councilor Lee Garcia, Councilor Michael Garcia, Councilor Jamie Cassutt, Councilor Renee Villarreal

Against: None

7. **MATTERS FROM STAFF**
8. **MATTERS FROM THE COMMITTEE**
9. **MATTERS FROM THE CHAIR**
10. **NEXT MEETING: February 15 2023**
11. **ADJOURN**



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There being no further business before the Committee the meeting adjourned at 6:18 pm.

Liaison

Chair

15. INTRODUCTION OF LEGISLATION

b. CONSIDERATION OF BILL NO. 2023-9 (Mayor Webber, Councilor Lindell, Councilor Cassutt and Councilor Romero-Wirth)

A Bill Approving a Lease Agreement Between the City Of Santa Fe and Specifica, LLC, for the Lease of City-Owned Building and Improvements Located At 500 Market Street Within the Railyard Within the City And County of Santa Fe, New Mexico to Expand Its Biotechnological Company. (Andrea Salazar, Assistant City Attorney, asalazar@santafenm.gov, 505-955-6303)

Committee Review:

Governing Body (Introduced): 01/25/2023

Governing Body (Public Comment): 02/08/2023

Finance Committee: 02/13/2023

Quality of Life: 02/15/2023

Public Works and Utilities: 02/20/2023

Governing Body (Public Hearing): 03/08/2023

Name: Stefanie Beninato

Comment - 01/25/2023 12:22 PM: (No Vote)

Do they do real time experiments at the location? Are there any biohazards involved in this research? Is this a private third party contractor to LANL?

FISCAL IMPACT REPORT

General Information:

(Check) Bill: X Resolution: _____ Ordinance: _____

Short Title(s): Approval of a Lease Agreement Between the City of Santa Fe and Specifica, LLC

Sponsor(s): Mayor Webber, Councilors Lindell, Cassutt, and Romero-Wirth

Reviewing Department(s): Economic Development

Staff Completing FIR: Terry Lease, Asset Development Manager Date: January 18, 2023 Phone: (505) 629-2206

Reviewed by City Attorney: *Emily M. Kelly* Date: Jan 20, 2023

Reviewed by Finance Director: *Emily K. Oster* Date: Jan 20, 2023
 Emily K. Oster (Jan 20, 2023 10:17 MST)

Summary:

 The ordinance describes the terms of the proposed lease with Specifica, LLC. Specifica is a rapidly growing antibody engineering company that wants to expand its operations to meet the demands of its rapidly growing business. Specifica's laboratory and offices share a wall with the City's offices in Market Station. Specifica enjoys its current location and in order to remain in Santa Fe and to expand, so it is the only location that will accommodate Specifica's expansion in Santa Fe. Specifica will pay market rent for the space as determined by a fair-market-rent appraisal and it will also pay \$500,000 to cover the costs of moving the City offices to another location.

Departments Affected:

 Community Development Department (Economic Development Division, Office of Affordable Housing), Community Health and Safety Department (Community Services Division), and Public Works Department

Consequences of Not Enacting Legislation:

 If Specifica is not granted a lease to expand its facilities in Market Station, it may have to move out of Santa Fe to address its expansion needs.

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

 None known.

Performance and Administrative Implications:

 The Facilities Division will need to remove all furniture from the Market Street Condo and relocate employees to Monica Roybal and a leased property.

Fiscal Implications:

 This lease will result in the need for the City to relocate employees, likely through a lease for offices in another part of the city.

Fiscal Impact

 Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 23	FYE 24	FYE 25	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Benefits*</u>							
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$648,264.99	\$ 196,438.53	\$203,313.89		_____	100	\$1,048,017.41
<u>Total:</u>	\$648,264.99	\$196,438.53	\$203,313.89				\$1,048,017.41

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

Expenditure Narrative:

Facilities Division will be moving all furniture and building out to the two locations that will house employees (Monica Roybal (city owned) and Marcy Street (leased space). These operating amounts (FY23) reflect the expenses for the Marcy Street move, lease and utilities (proposed Marcy Street lease agreement: March through June) and the Monica Roybal building move and utilities. The FY24 and FY25 operating expenses reflect the expected Marcy Street fiscal year lease and utilities expenses. Note: the total cost of operating expenses will be covered by both the expected Specifica lease revenue and the economic impact (GRT) to the general fund from the company's growth FY25 onwards.

Revenue

Revenue Type	FYE 23	FYE24	FYE 25	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$500,000.00	\$56,562.99	\$ 228,514.50	(NR) FY23 (R) FY24 and FY25	100
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	R	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	NR	100
Total	\$ 500,000.00	\$56,562.99	\$228,514.50		

Revenue Narrative:

First-year, fair market rent is \$226,252 and will increase annually by two percent. The FY24 amount reflects what Specifica will pay conservatively, starting in April 2024. Specifica may start its lease payments in January 2024, but the City cannot guarantee that Specifica will have its compliance documents approved and will have started payment. The FY25 amount reflects what Specifica will pay for the entire fiscal year. The \$500,000 is a one-time payment to cover the cost of relocating City offices.



City of Santa Fe, New Mexico

Memorandum



DATE: January 19, 2023

TO: Finance Committee
Economic Development Advisory Committee
Public Works & Utilities Committee
Quality of Life Committee
Governing Body

VIA: Rich Brown, Director, Community and Economic Development Department *RB*

FROM: Terry Lease, Asset Development Manager, Economic Development Department *TJ*

RE: Ordinance Approving a Lease Agreement Between the City of Santa Fe and Specifica, LLC.
for the City-owned Building and Improvements Located at 500 Market Street Within the
Railyard

EXECUTIVE SUMMARY:

The Ordinance, if approved, will provide for the lease of a City-owned building and improvements located at 500 Market Street, within the Railyard, to Specifica, LLC. ("Specifica") to expand its biotechnological operations. The initial term of the lease is five (5) years with four (4) "Option Terms", with the first (1st) such Option Term commencing on the day after the expiration of the initial term of the Lease Agreement and expiring on May 31, 2031, and the other three (3) Option Terms being for five (5) years each ("Lease Agreement"). The total annual first year rent, as determined by a fair-market-rent appraisal is \$226,252.00, to be paid monthly and will increase annually by 2%. The following are important dates within the lease:

- April 30, 2023 - \$500,000 paid to City to cover the cost of moving City Offices
- June 1, 2023 - Commencement Date for the lease, when the City will make the premises available to Specifica and Specifica will pay its security deposit
- January 1, 2024 - Approximate Rent Commencement Date when Specifica receives its occupancy permit upon completion of construction and when rent payments begin. If Specifica does not receive its occupancy permit by April 1, 2024, then the Rent Commencement Date will be April 1, 2024.

BACKGROUND:

According to Specifica's website, Specifica, a Q2 Solutions Company, is a rapidly growing antibody engineering company specializing in the creation of exceptional antibody libraries, using next-generation sequencing for quality control at all steps of construction and validation. Specifica's patented Generation 3 Antibody Library Discovery Platform yields drug-like antibodies directly from selections, minimizing the need for downstream affinity and biophysical engineering. The company recently announced an agreement with the global healthcare company, Sanofi, under which Specifica's patented Generation 3 Antibody Discovery Platform will be transferred to Sanofi and integrated into Sanofi's discovery programs.

Specifica's current laboratory and offices are in the Market Station Condominium Development, adjoining the City's condominium. Specifica has alerted the City that it needs to expand its operations to keep pace with business demands. If Specifica is able to expand in the City, then that expansion will generate additional revenue to the municipality. The City's condominium is currently occupied by City staff from the Economic Development, Community Services, Affordable Housing, and Public Works Departments ("City Offices"). Specifica has offered to compensate the City \$500,000.00 to cover the

costs of moving the City's offices and to lease alternative office space. Because the Specifica laboratory and offices share a wall with the City's offices and it would like to remain in the Railyard, the space occupied by the City's offices is the only location that will accommodate Specifica's expansion in its current location. If this Lease Agreement is not approved, the City risks losing Specifica to another state that can accommodate its expansion.

ACTION REQUESTED:

The Office of Economic Development respectfully requests approval and execution of the attached Ordinance Approving a Lease Agreement Between the City of Santa Fe and Specifica, LLC.

ATTACHMENTS:

A: Ordinance

B: Lease Agreement

C: Fiscal Impact Report

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2023-9

INTRODUCED BY:

Mayor Alan M. Webber

Councilor Signe Lindell

Councilor Jamie Cassutt

Councilor Carol Romero Wirth

A BILL

APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF SANTA FE AND SPECIFICA, LLC, FOR THE LEASE OF CITY-OWNED BUILDING AND IMPROVEMENTS LOCATED AT 500 MARKET STREET WITHIN THE RAILYARD WITHIN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO TO EXPAND ITS BIOTECHNOLOGICAL COMPANY.

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

Section 1. The City of Santa Fe hereby approves a certain lease agreement entered into between the City of Santa Fe and Specifica, LLC, which is attached hereto as **Exhibit A** and made part hereof, for building and improvements located at 500 Market Street, Santa Fe, New Mexico, for an initial term of five (5) years with four (4) "Option Terms", with the first (1st) such Option Term commencing on the day after the expiration of the initial term of the Lease Agreement and expiring on May 31, 2031, and the other three (3) Option Terms of five (5) years each, for an approximate possible total of twenty-three (23) years ("Lease Agreement").

Section 2. This Ordinance shall be effective forty-five days after the date of adoption,

1 unless a referendum is held pursuant to NMSA 1978, Section 3-54-1.

2 **Section 3.** Specific terms of the Lease Agreement:

3 A. **Property to be Leased.** The property to be leased is comprised of 11,108 square feet of
4 Premises and 1,546 square feet of Common Area of 500 Market Street, Suite 200, Santa
5 Fe, NM, 87505. The Total Leasable Square Footage includes the calculation of the
6 Lessees pro-rata share of the central core of the common areas, totaling 11,908 sq. ft. for
7 the purposes of calculating the rent.

8 B. **Lessee.** SPECIFICA LLC, a Delaware limited liability company that is a rapidly
9 growing biotechnology company, c/o Kenneth K. Sharples, CEO.

10 C. **The purpose for the municipality entering into the lease.** The purpose is to support the
11 economic growth of Santa Fe businesses and the utilization of the Railyard according to
12 the City's priorities for that property.

13 D. **Term of the Lease.** Lease Commencement Date is June 1, 2023. The term of the Lease
14 Agreement consists of an "Initial Term" of five (5) years commencing on the
15 Commencement Date, with four (4) "Option Terms", with the first (1st) such Option Term
16 commencing on the day after the expiration of the initial term of the Lease Agreement
17 and expiring on May 31, 2031, and the other three (3) Option Terms being for five (5)
18 years each, unless sooner terminated in accordance with the terms of this Lease
19 Agreement.

20 E. **Base Rent.** Lessee's Monthly Rent is \$18,854.33 for Premises and for Common Area
21 pro-rata share, due on the Rent Commencement Date, and thereafter due in full on the
22 first day of each month during the Term without notice or demand and without deduction
23 or offset for any cause whatsoever; the total annual rent is \$226,252 (\$19/sf/year), based
24 on the August 1, 2022, Market Rent Appraisal conducted by Michael Dry, MAI with
25 Hippauf, Dry & Connelly. The Rent increases annually based on the Rent Schedule

1 included in the Lease Agreement. The “Rent Commencement Date” and the date that
2 monthly Rent is thereafter due in full, is the first day of the month following the date that
3 the Certificate of Occupancy is issued (“CO Date”) for the Premises following the
4 completion of the TI Project (as hereinafter defined), but no later than April 1, 2024.
5 Lessee is required to pay its portion of the Common Area Maintenance fees required
6 under the Condominium Declaration Agreement.

7 **F. Compensation for Displacement of City Offices.** On April 30th, the Lease requires
8 Lessee to pay the City the one-time cost of Five Hundred Thousand Dollars and No Cents
9 (\$500,000.00) to cover the costs of moving the City offices and to lease alternative
10 premises.

11 **G. Use of the Premises.** The Lease limits the use of the Premises to biomedical research,
12 laboratory work, administrative office, and other uses permitted by applicable zoning.

13 **H. Rights Granted.** The Lease provides the Lessee with the Right of First Offer to lease the
14 remaining rentable area in Unit 2 and the Right of First Refusal to purchase the Premises
15 if the City receives an offer or chooses to list the Premises for Sale.

16 **Section 4.** This Ordinance shall be published as required by NMSA 1978, Sections 3-
17 17-3 and 3-54-1.

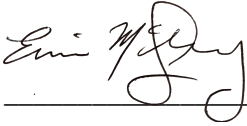
18 **Section 5.** This ordinance shall become effective forty-five (45) days after its adoption,
19 unless a referendum election is held pursuant to NMSA 1978, Section 3-54-1.

20 **Section 6.** The Mayor will execute the lease agreement after the effective date of this
21 ordinance.

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1 APPROVED AS TO FORM:

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4 ERIN K. MCSHERRY, CITY ATTORNEY

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Legislation/2023/Bills/2023-9 Specifica Lease

**LEASE AGREEMENT BETWEEN
THE CITY OF SANTA FE AND SPECIFICA LLC**

This LEASE AGREEMENT (“Lease Agreement”) is made and entered into as of the date of the last signature (“Effective Date”), by and between the CITY OF SANTA FE, a municipal corporation (“City” or “Lessor”) and SPECIFICA LLC, a Delaware limited liability company (“Lessee”), collectively the “Parties”.

WHEREAS, the City is fee simple owner of a 21,474 square foot commercial condominium/office space located in the Market Station Condominium Development (the “Building”) within the historic Santa Fe Railyard, and more specifically located at 500 Market Street, Suite 200, Santa Fe, New Mexico; and

WHEREAS, the City’s condominium commercial space is currently used by the Economic Development, Community Services, Affordable Housing, and Public Works Departments; and

WHEREAS, Lessee is a rapidly growing biotechnology company located in the Market Station Condominium Development, adjoining the City’s condominium (“Lessee’s Existing Premises”), with a need to expand its operations to keep pace with business demands and generate added revenue to the municipality; and

WHEREAS, Lessee has agreed to provide \$500,000.00 to the City to cover the costs of moving the City offices and to lease alternative premises; and

WHEREAS, the City supports the economic growth of Santa Fe businesses; and

WHEREAS, the City may lease real property by an ordinance as provided for in New Mexico Statutes Annotated, 1978, Section 3-54-1; and

WHEREAS, the City desires to lease a portion of 500 Market Street, Suite 200, to Lessee for the purpose of expanding its operations.

WITNESSETH:

In consideration of the Lessee’s promises herein, Lessor hereby gives Lessee a Lease Agreement, revocable and terminable as hereinafter provided, to enter on, make use of, (and develop) the real property of Lessor as follows:

1. PREMISES AND COMMON AREA

Lessor allows Lessee to use, occupy, and develop, subject to the terms and conditions of this Lease Agreement, an exclusive 11,108 square foot portion of 500 Market Street, Suite 200, depicted in yellow as a portion of Unit 2 (the “Premises”), and non-exclusive use of the 1,546 square feet of common area depicted in pink and up to the red line (the “Common

Area”), as shown on **Exhibit A** of this Lease Agreement. The Total Leasable Square Footage shall include Lessee’s pro-rata share for the central core of the building, entrance, staircase, elevator vestibule, and any other common areas. Lessee’s pro-rata share is 800 square feet (51.73 % x 1,546) and the total Leasable Square Footage shall be 11,908 (11,108 +800).

Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises.

2. LEASE TERM

- a. Initial Term. The initial term of this Lease Agreement shall commence at 12:00 a.m. on the date (the “Commencement Date”) on which Lessor delivers possession of the Premises to Lessee vacant, broom-clean and free of personal property. Lessor shall use commercially reasonable efforts to deliver possession of the Premises to Lessee on June 1, 2023. The term of this Lease Agreement shall consist of an "Initial Term" of five (5) years commencing on the Commencement Date, with four (4) "Option Terms" with the first (1st) such Option Term being for the period commencing on the day after the expiration of the initial term of this Lease Agreement and expiring on May 31, 2031, and the other three (3) Option Terms being for five (5) years each, unless sooner terminated in accordance with the terms of this Lease Agreement.
- b. Option Term. Lessee's exercise of any Option Term is contingent upon Lessee not being in default under this Lease beyond any applicable notice and/or cure period as of the date of such exercise and with proper written notice by Lessee to Lessor at least ninety (90) days prior to the expiration of the then-current term of this Lease Agreement. If Lessee is in default under this Lease beyond any applicable notice and/or cure period as of the date of such exercise and/or Lessee fails to provide proper written notice to Lessor at least ninety (90) days prior to the expiration of the then-current term of this Lease Agreement, then Lessee’s exercise of the applicable Option Term shall be at Lessor's sole discretion. All terms, covenants and conditions of this Lease Agreement shall remain in full force and effect during any extension of the term.
- c. Hold Over. In the event Lessee remains in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the Rent due shall be prorated and payable on a monthly basis, and the terms and conditions of the Lease Agreement shall be otherwise applicable. Lessor shall send a letter with thirty (30) days’ notice to terminate any month-to-month hold over period.

3. RENT

- a. Base Rent for Total Leasable Square Footage (Premises and Common Space Pro Rata Share). Lessee shall pay a total **Monthly Rent** of \$18,854.33 for Premises and for Common Area pro-rata share, which is due on the Rent Commencement Date defined below, and thereafter due in full on the first day of each month during the Term without notice or demand and without deduction or offset for any cause whatsoever; the total annual rent is \$226,252.00 (\$19/sf/year), based on the August 1, 2022, Market Rent Appraisal conducted by Michael Dry, MAI with Hippauf, Dry & Connelly. Lessee shall

make payments to; City of Santa Fe, Treasury Division, 200 Lincoln Ave., Room 114, Santa Fe, NM, 87504.

- b. Displacement of City Departments. On April 30th, 2023 (provided, that, as of such date, the Ordinance has been adopted and the period for initiating a referendum with respect thereto has lapsed without such a referendum having been initiated), Lessee shall pay the City the one-time cost of Five Hundred Thousand Dollars and No Cents (\$500,000.00) to cover the costs of moving the City offices and to lease alternative premises.
- c. Common Area Maintenance. Lessee shall pay a portion, equivalent to the portion of Unit 2 it is leasing, of the Common Area Maintenance (“CAM”) fee that is required under the Condominium Declaration Agreement. Lessor will provide the Lessee the CAM statement with an invoice for the amount due. Lessee shall have 30 days, upon receipt of the invoice to pay its portion of the CAM fee.
- d. Rent Commencement Date. The “Rent Commencement Date” and the date that monthly Rent is thereafter due in full, shall be the first day of the month following the date that the Certificate of Occupancy is issued (“CO Date”) for the Premises following the completion of the TI Project (as hereinafter defined). If the Certificate of Occupancy is not received by April 1, 2024, then the Rent Commencement Date shall start on April 1, 2024. If the CO Date does not occur on first day of the month, Lessee shall pay a prorated lease for the amount of time between the CO Date and the Rent Commencement Date. To memorialize the “Rent Commencement Date”, the City Manager is authorized to execute an Amendment to this Lease Agreement listing the Rent Commencement Date and the amended and corrected calendar dates applicable to the Rent Schedule in subsection (h) below, recorded by the City Clerk. The term “Lease Year” shall mean the twelve (12) month period commencing on the Rent Commencement Date (or, if the Rent Commencement Date is not the first day of a calendar month, the period commencing on the Rent Commencement Date and expiring on the last day of the twelfth (12th) full calendar month thereafter) and each twelve (12) month period thereafter.
- e. Penalty for Late Rent Payment. If money payable to Lessor as a condition of this Lease Agreement is not paid in full within five (5) business days after rent is due, then (i) a penalty of 5% of the amount due and unpaid shall be added to the amount due, and the total sum of the then-due rental payment plus penalty shall become immediately due and payable to Lessor and (ii) interest shall accrue at the rate of 10% per annum on the amount due and unpaid, including previously assessed penalties, so long as said amount remains unpaid. The assessment and collection of the 5% penalty and interest is in addition to any other rights of Lessor, if Lessee does not faithfully perform the terms, covenants and conditions of this Lease Agreement.
- f. Increase in Rent. Rent shall be increased annually as set forth in the Rent Schedule in subsection (h) below.
- g. Option Terms. For an Option Term triggered by Lessee, Rent shall be (and shall be increased annually) as set forth in the Rent Schedule in subsection (h) below.
- h. Rent Schedule. In consideration of this Lease Agreement, City and Lessee agree to the following Rent Schedule, understanding that term dates shall be amended based on the actual and mutually agreed to Rent Commencement Date, and that, if an amended Rent Schedule is not filed with the City Clerk, then the rent schedule below shall be binding:

Option Years	Year	Term Dates		Leasable Square Feet	Escalation, Excluding TI	Total Annual Rent	Monthly Rent	Annual Cost per LSF
	1	1/1/2024	12/31/2024	11,908		\$226,252.00	\$18,854.33	\$19.00
	2	1/1/2025	12/31/2025	11,908	2.00%	\$230,777.04	\$19,231.42	\$19.38
	3	1/1/2026	12/31/2026	11,908	2.00%	\$235,392.58	\$19,616.05	\$19.77
	4	1/1/2027	12/31/2027	11,908	2.00%	\$240,100.43	\$20,008.37	\$20.16
	5	1/1/2028	12/31/2028	11,908	2.00%	\$244,902.44	\$20,408.54	\$20.57
*	6	1/1/2029	12/31/2029	11,908	2.00%	\$249,800.49	\$20,816.71	\$20.98
*	7	1/1/2030	12/31/2030	11,908	2.00%	\$254,796.50	\$21,233.04	\$21.40
*	8	1/1/2031	12/31/2031	11,908	2.00%	\$259,892.43	\$21,657.70	\$21.83
*	9	1/1/2032	12/31/2032	11,908	2.00%	\$265,090.28	\$22,090.86	\$22.26
*	10	1/1/2033	12/31/2033	11,908	2.00%	\$270,392.08	\$22,532.67	\$22.71
*	11	1/1/2034	12/31/2034	11,908	2.00%	\$275,799.93	\$22,983.33	\$23.16
*	12	1/1/2035	12/31/2035	11,908	2.00%	\$281,315.92	\$23,442.99	\$23.62
*	13	1/1/2036	12/31/2036	11,908	2.00%	\$286,942.24	\$23,911.85	\$24.10
*	14	1/1/2037	12/31/2037	11,908	2.00%	\$292,681.09	\$24,390.09	\$24.58
*	15	1/1/2038	12/31/2038	11,908	2.00%	\$298,534.71	\$24,877.89	\$25.07
*	16	1/1/2039	12/31/2039	11,908	2.00%	\$304,505.40	\$25,375.45	\$25.57
*	17	1/1/2040	12/31/2040	11,908	2.00%	\$310,595.51	\$25,882.96	\$26.08
*	18	1/1/2041	12/31/2041	11,908	2.00%	\$316,807.42	\$26,400.62	\$26.60
*	19	1/1/2042	12/31/2042	11,908	2.00%	\$323,143.57	\$26,928.63	\$27.14
*	20	1/1/2043	12/31/2043	11,908	2.00%	\$329,606.44	\$27,467.20	\$27.68
*	21	1/1/2044	12/31/2044	11,908	2.00%	\$336,198.57	\$28,016.55	\$28.23
*	22	1/1/2045	12/31/2045	11,908	2.00%	\$342,922.54	\$28,576.88	\$28.80
*	23	1/1/2046	5/31/2046	11,908	2.00%	\$349,780.99	\$29,148.42	\$29.37

*Renewal Term(s)

4. USE OF PREMISES

- a. Conditions of Use. Lessee shall use the Premises solely for biomedical research, laboratory work, administrative office and other uses permitted by applicable zoning; however, Lessee shall not be under any obligation continuously to operate in the Premises.
- b. Improvement of the Premises. Lessee may, with the prior written consent of Lessor (which shall not be unreasonably withheld, conditioned and delayed) and at no cost to Lessor, make improvements to the Premises which are required to comply with the City of Santa Fe Land Use Code, which includes the Historic District Development Rules, and other applicable local, state and federal regulations or that Lessee otherwise desires (including, without limitation, the improvements performed as part of the TI Project);

provided, however, that minor alterations that do not require a building permit shall not require Lessor's consent. Lessor shall make a good faith effort to approve all of Lessee's requests for building permits within thirty (30) days of submittal. At Lessee's request, Lessor shall reasonably cooperate to obtain any necessary condominium consents or approvals. Lessee shall, upon Lessor's request (provided such request is made in writing concurrently with Lessor's consent to the applicable improvements), remove all such improvements made to the Premises at the termination of this Lease Agreement.

- c. Trade Fixtures. All trade fixtures installed by Lessee after the Effective Date of this Lease Agreement shall remain the property of Lessee, who may remove the same upon termination of this Lease Agreement, provided that removal shall be done in such a manner as not to injure or damage the Premises. In the event that Lessee fails to remove said trade fixtures upon termination of this Lease Agreement after receipt of notice from Lessor to do so, Lessor may remove and dispose of the same as it sees fit and Lessee agrees to sell, assign, transfer and set over to Lessor all of Lessee's right, title and interest in and to said trade fixtures and any personal property not removed by Lessee. Lessee further agrees that should Lessor remove said trade fixtures pursuant to this paragraph, that Lessee shall pay Lessor upon demand the cost of such removal, plus the cost of transportation and disposal thereof.
- d. Compliance with Laws. Lessee's use of the Premises shall at all times be in compliance with the City of Santa Fe Municipal Code and other applicable local, state, and federal regulations, including but not limited to compliance with the City of Santa Fe Integrated Pest Management Policy (§ 10-7 SFCC 1987) (the Pest Management Policy).

5. REPAIRS & MAINTENANCE

- a. During the term of this Lease Agreement and any extension or renewal thereof, Lessee shall not cause or permit any waste, damage or injury to the Premises or to any improvements made to the Premises.
- b. During the term of this Lease Agreement and any extension or renewal thereof, Lessee shall, at its sole expense, keep and maintain the Premises in good and clean condition at all times and shall be responsible for the costs of any and all required repairs, replacements, and capital improvements that arise during the Term of this Lease Agreement; however, Lessee shall not be responsible for any repairs, replacements or capital improvements that are the obligation of the unit owners' association and Lessor shall use commercially reasonable efforts to cause the unit owners' association, as applicable, to perform such repairs, replacements or capital improvements.
- c. Repairs and replacements required to be made by the Lessee shall be made promptly as and when necessary and shall be at least equal in quality of materials and workmanship to that originally existing in the Premises.
- d. Lessee shall at all times during the term of this Lease Agreement and any extension or renewal thereof, and in a timely manner, provide a safe Premises by eliminating conditions within the Premises caused by, including and not limited to, snow, ice, debris, mold and standing water (except to the extent that the correction of the applicable condition is the obligation of the unit owners' association or Santa Fe Railyard Community Corporation ("SFRCC")), in which event Lessor shall use

- commercially reasonable efforts to cause the unit owners' association and/or SFRCC, as applicable, to correct the same).
- e. Lessor reserves the right, upon reasonable prior notice to Lessee, to inspect the Premises at any time during the Term of this Lease Agreement to verify Lessee's compliance with this Section 5. In the event Lessee fails to maintain the Premises as required by this Section 5, Lessor may provide a notice as set forth in Section 13 herein and, if such failure is not cured prior to the expiration of the applicable notice and/or cure period, Lessor may terminate this Lease Agreement in accordance with Section 13 herein.
 - f. If Lessee fails to fulfill any duty imposed under this Section 5, Lessor may provide a notice as set forth in Section 13 herein and, if such failure is not cured prior to the expiration of the applicable notice and/or cure period, City may, and is not required to, perform those duties at Lessee's sole cost. Lessee shall promptly cooperate with Lessor if Lessor undertakes to perform such duties. No action by Lessor taken pursuant to this Section 5 shall constitute a waiver of Lessee's obligations. Lessee's obligations under this Section 5 shall survive the expiration or termination of this Lease Agreement.

6. UTILITIES & SERVICES

Lessee, at Lessee's sole cost and expense, agrees to provide the following to the Premises:

- a. All gas and electricity; and
- b. Janitorial supplies and services; and
- c. Pest control services; and
- d. Security;

however, (i) Lessee shall not be responsible for providing water and sanitary sewer service, HVAC service or refuse disposal, (ii) Lessor shall provide water and sanitary sewer service (with Lessee's use thereof being measured by the submeter contemplated by Section 25(a)(ii) below and Lessee reimbursing Lessor for the use measured by such submeter at the rate paid by Lessor to the applicable utility), and (iii) Lessee pursuant to the Condo Declaration Agreement and Lease and Management Agreement shall be provided with HVAC and refuse disposal as provided to Lessor, subject to cost included in CAM.

7. TAXES

Lessee shall pay all taxes levied and assessed, if any, upon any personal property, fixtures and improvements belonging to Lessee and located upon the demised Premises, and all leasehold and possessory interest taxes levied or assessed by any proper taxing authority.

8. SUBLEASE, ASSIGNMENT OR TRANSFER

Lessee shall not sublet, assign or otherwise transfer this Lease Agreement, without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed if the subtenant, assignee or other transferee intends to use the Premises in accordance with Section 4(a) above and which Lessor may withhold for any or no reason if the subtenant, assignee or other transferee does not intend to use the Premises in accordance with Section 4(a) above; provided, however, that Lessor's consent shall not be required in connection with an assignment or subletting:

- (a) to any entity that controls, is controlled by, or is under common control with Lessee, or
- (b) in connection with a merger or consolidation involving Lessee.

In addition, Lessor's consent shall not be required in connection with an assignment or subletting in connection with a sale or transfer of all or substantially all of Lessee's assets, so long as (i) the assignee or subtenant succeeds to all or substantially all of Lessee's assets, (ii) the assignee or subtenant continues using the Premises in the same manner as Lessee used the Premises prior to such assignment or subletting, and (iii) the use of the Premises engaged in by such assignee or subtenant is permitted pursuant to the Lease Preference requirements of the Railyard Master Plan (it being expressly understood and agreed that use of the Premises for biomedical research, laboratory work and/or administrative office complies therewith).

Any such actions taken by Lessee without Lessor's consent (where such consent is required) will make all unapproved sublease, assignment, or transfer (where such consent is required) immediately voidable.

9. INSURANCE

Lessee shall at all times maintain and provide adequate insurance coverage which includes, without limitation, each of the following:

- a. Property Insurance. Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement casualty insurance ("extended coverage" and "additional extended coverage") as may be available for all improvements to the Premises in an amount sufficient to restore and replace existing structures and improvements if lost or damaged by any form of casualty. Lessee shall cause the City of Santa Fe to be named as an additional insured on such policy of insurance.
- b. Commercial General Liability Insurance which shall be written on an occurrence basis and be at least as broad as the latest version of ISO form CG 00 01 with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and advertising injury, and property damage. Such policy shall include Broad Form Contractual Liability coverage and shall be endorsed to include the City, its, directors, officials, officers, employees, agents, and volunteers as additional insureds on all primary and excess policies for ongoing and completed operations performed by, or behalf of Contractor. Such additional insured coverage shall be as broad as that provided by ISO form CG 2010 (ongoing operations) and CG 20 37 (completed operations).
- c. Workers' Compensation Insurance with statutory limits, and **Employer's Liability insurance** with limits of not less than \$1,000,000 per accident or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City, its directors, officials, officers, employees, agents, and volunteers.
- d. Certificates of Insurance. Prior to the Effective Date of this Lease Agreement, and thereafter at any time during the Term of this Lease Agreement that Lessor requests, Lessee shall provide Lessor with certificates of insurance for each policy evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be cancelled for any reason without thirty (30)

days prior written notice to the Lessor (or within seven (7) days of the effective date of the notice of cancellation, if the insurer cancels for non-payment of premium).

10. INDEMNIFICATION

Except to the extent caused by the gross negligence or willful misconduct of Lessor or its employees, agents, representatives or contractors, Lessee shall indemnify, hold harmless and defend Lessor from all losses, damages, claims or judgments, including payment of all reasonable attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from damages occurring on the Premises and Lessee's use of the Premises hereunder, including use of the Premises by Lessee's employees, agents, representatives, contractors, agents, guests, invitees or permitted assigns.

Lessee shall cause any and all agreements that Lessee enters into with any contractor relating to the Premises to contain language indemnifying Lessor as provided in this Section.

11. NEW MEXICO TORT CLAIMS ACT

Lessor's liability in connection with the Lease Agreement is limited by the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et seq. NMSA 1978, as amended. The City and its "public employees", as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense, and do not waive any limitation of liability pursuant to law. No provision of this License modifies or waives any provision of the New Mexico Tort Claims Act.

12. EASEMENTS

Lessor reserves the exclusive right to grant access, utility, or other easements on or through the Premises. Lessor shall notify Lessee in writing prior to Lessor's grant of any easement through the Premises. Lessor shall use commercially reasonable efforts to minimize any disruption to Lessee in the exercise of such right.

13. TERMINATION

- a. Lessor may terminate this Lease Agreement upon Lessee's failure to comply with any provisions contained herein if such failure is not cured prior to the expiration of the applicable period. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:
 - i. the breach;
 - ii. the action required to cure the breach;
 - iii. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured (or, with respect to non-monetary failures that cannot reasonably be cured within the specified period, if Lessee promptly commences and thereafter diligently pursues the cure of such breach, Lessee shall have a sixty (60) day cure period); and
 - iv. that failure to cure such breach on or before the date specified in the notice (or the expiration of such longer period, as applicable) will result in termination of the Lease Agreement.
- b. Lessee may terminate this Lease Agreement at the conclusion of a given term (initial or option term) with written notice to Lessor at least ninety (90) days prior to the termination date.

- c. During a holdover period as provided in Section 2 of this Lease Agreement, Lessor shall provide Lessee with a thirty (30) day notice to terminate any month-to-month hold over period.
- d. At the termination of this Lease Agreement, Lessee shall surrender the Premises in the condition in which they were at the inception of this Lease Agreement, excepting:
 - i. Deterioration caused through reasonable use and ordinary wear and tear;
 - ii. Damage by fire or other casualty; and
 - iii. Alterations, improvements, or conditions that Lessee is required to remove pursuant to Section 4(b) above.

14. NOTICE

Any required notice will be deemed delivered, given, and received when received or refused if (i) personally hand delivered, or (ii) deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor: City of Santa Fe
 Attn. City Manager
 P.O. Box 909
 Santa Fe, NM 87504

To Lessee: Specifica LLC
 Attn. Kenneth K. Sharples
 1607 Alcaldesa Street
 Santa Fe, NM 87501

With a copy to: City of Santa Fe
 Attn. Asset Development Manager
 P.O. Box 909
 Santa Fe, New Mexico 87504

With a copy to: Q Squared Solutions LLC
 Attn. Associate General
 Counsel, Real Estate
 4820 Emperor Boulevard
 Durham, NC 27703

And to: Q Squared Solutions LLC
 Attn. Associate Director, Real Estate
 4820 Emperor Boulevard
 Durham, NC 27703

15. NO WAIVER

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

16. SEVERABILITY

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

17. ENTIRE AGREEMENT

The foregoing constitutes the entire Lease Agreement between the Parties, represents their entire understanding, and defines all of their respective rights, title, and interests as well as all of their duties, responsibilities and obligations. Any and all prior lease agreements and understandings between the Parties related to the Premises, if any, are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the Parties.

18. BINDING EFFECT

This Lease Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors and permitted assigns.

19. LITIGATION EXPENSE

In the event of litigation between the Parties, Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which Lessor shall incur in enforcing this Lease Agreement or in recovering any and all damages caused to the Premises by Lessee, or Lessee's contractors, agents, employees or permitted assigns.

20. HEADINGS

The section headings contained in this Lease Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Lease Agreement.

21. APPLICABLE LAW; VENUE

In any action, suit or legal dispute arising from this Lease Agreement, Lessee agrees that the laws of the State of New Mexico shall govern. The Parties agree that any action or suit arising from this Lease Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

22. AMENDMENT

This Lease Agreement shall not be altered, changed, or modified except by an amendment in writing executed by the Parties hereto.

23. SECURITY DEPOSIT

Lessee shall deposit with the City, upon the Commencement Date, the Security Deposit of \$18,854.33 as security for Lessee's faithful performance of its obligations under this Lease Agreement. If Lessee fails to pay Rent, or otherwise defaults under this Lease Agreement, and in either case such failure continues beyond any applicable notice and/or cure period, City may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due City or to reimburse or compensate City for any liability, expense, loss or damage which City may suffer or incur by reason thereof. If City uses or applies all or any portion of the Security Deposit, Lessee shall within thirty (30) days after written request therefor deposit monies with City sufficient to restore said Security Deposit to the full amount required by this Lease Agreement. City shall not be required to keep the Security Deposit separate from its general accounts. Within 30 days after the expiration or termination

of this Lease Agreement, if City elects to apply the Security Deposit only to unpaid Rent, and otherwise within 60 days after the Premises have been vacated, City shall return that portion of the Security Deposit not used or applied by City. No part of the Security Deposit shall be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease Agreement.

24. RIGHT OF FIRST REFUSAL

During the Initial Term of this Lease Agreement, and any extension or renewal thereof, Lessee shall have the "Right of First Refusal" to purchase the Premises as provided for below:

- a. Lessee's exercise of any "Right of First Refusal" is contingent upon compliance with this Lease Agreement.
- b. The City may choose to list the Premises for sale, subject to the Lessee's Right of First Refusal.
- c. If the City receives a bona fide offer to purchase the Premises from a third party, before the City accepts such an offer, the City will first provide written notice to Lessee of said offer and provide a copy of the document.
- d. Lessee shall have fifteen (15) calendar days from the date of Lessee's receipt of said offer, to notify the City in writing of Tenant's intent to purchase the Premises under the same terms and conditions set forth in the offer.
- e. Lessee may, with the prior written consent of Lessor, which Lessor may withhold for any or no reason, elect to assign Lessee's rights to purchase the Premises to the parent company of Lessee, a subsidiary of Lessee, or other entity wholly owned by Lessee or its parent company.
- f. If Lessee fails to accept said offer in writing within the required fifteen (15) calendar days as provided herein, the City may proceed to sell the Premises to said third party in accordance with the terms of the offer.
- g. Any sale of the Premise requires following the statutory requirements for sale of municipal real property, regardless of the Right of First Refusal.

25. CONSTRUCTION OF TENANT IMPROVEMENTS

- a. Tenant Improvement Project (TI Project).
 - i. The TI Project shall be paid for by Lessee.
 - ii. Prior to construction or installation of improvements or any TI Project, Lessee shall submit drawings and/or other information reasonably acceptable to Lessor describing the TI Project in detail (TI Documents) to Lessor for Lessor's written approval, whose approval shall not be unreasonably withheld, conditioned, or delayed. Lessee has informed Lessor that Lessee intends that the TI Project will include (1) the creation of an opening between the Premises and Lessee's Existing Premises, (2) the installation of an additional electrical line and separate electrical meter for the Premises, (3) the installation of a separate natural gas meter for the Premises, (4) the installation of a water submeter for the Premises, (5) the performance of finishes in the Common Area (including, potentially, the polishing of the concrete floors and/or the installation of sheetrock and/or horizontal boards on the walls) that are of a quality commensurate with the finishes in comparable portions of

Lessee's Existing Premises, and (6) subject to receipt of any necessary condominium consents or approvals, the installation of a generator and HVAC units on the roof of the Building, and Lessor approves, in concept, the foregoing. Within ten (10) business days after submission of the TI Documents to Lessor, Lessor shall provide written approval, rejection or ask for modifications. The TI Documents shall be deemed approved if Lessor fails to respond within ten (10) business days. If the TI Project includes structural modifications, then, whether or not approval is given by Lessor, Lessee shall reimburse on demand all of Lessor's reasonable third-party expenses in connection with retaining a structural engineer in connection with the request for approval.

- iii. Lessee shall construct a wall and door along the red line perimeter designated in attached **Exhibit A**, with City review and approval.
 - iv. Nothing in this agreement that requires Lessor approval, shall be construed as the City as a regulatory authority approving a permit or as a waiver of the regulatory approval process. All regulatory approvals must be obtained through the normal course of construction and building.
- b. Removal of Hazardous Materials – All hazardous materials on the Premises used or stored by Lessee must be removed prior to the expiration or termination of this Lease Agreement, whether or not any improvements performed by Lessee remain on the Premises.

26. SIGNAGE

Lessee, at Lessee's expense, shall have the right to install exterior building signage, directory signage, suite entry signage, parking signage and monument signage. Lessee, at Lessee's expense, shall comply with City of Santa Fe regulations and Condominium Declaration Agreement and obtain permits for any signage requiring the same. At Lessee's request, Lessor shall reasonably cooperate to obtain any necessary condominium consents or approvals, but this cooperation shall not be construed either as a waiver or approval by the City of Santa Fe as a regulatory authority.

27. RIGHT OF FIRST OFFER

During the Initial Term of this Lease Agreement, and any extension or renewal thereof, Lessee shall have the "Right of First Offer" to lease additional space as provided for below:

- a. Lessee shall be granted the on-going rights set forth in this Section 27 with respect to any rentable area owned or controlled by Lessor on the second floor of the Building (the "ROFO Space").
- b. In the event that Lessor intends (i) to lease, license or otherwise permit a third party to occupy the ROFO Space or (ii) to market the ROFO Space for lease, license or other occupancy by a third party, then Lessor shall first notify Lessee in writing (the "ROFO Notice") of the availability of the ROFO Space and Lessor shall set forth in the ROFO Notice: (i) the contemplated increase to Rent due to the ROFO Space, which increase shall be the fair market rental rate that would be agreed upon between a lessor and a lessee entering into a lease for space comparable to such space as to location, configuration, size and use, in comparable buildings, with a comparable

- build-out and a comparable term (the “ROFO FMRR”) and (ii) the date on which Lessor anticipates that the ROFO Space would become available for lease by Lessee. Provided that Lessee notifies Lessor, in writing, within thirty (30) days after Lessee receives the ROFO Notice of Lessee's election to lease the ROFO Space described in the ROFO Notice on the terms and conditions set forth in the ROFO Notice (the “ROFO Lessee Election Notice”), Lessee shall have the right to lease the ROFO Space on the terms and conditions set forth in the ROFO Notice. Upon Lessee’s election to lease the ROFO Space pursuant to a ROFO Lessee Election Notice, Lessee and Lessor shall enter into a Lease Agreement amendment with respect to such ROFO Space.
- c. In the event that Lessee timely delivers a ROFO Lessee Election Notice to Lessor with respect to the ROFO Space, but Lessee asserts in the ROFO Lessee Election Notice that the increase in Rent (as set forth in the ROFO Notice) does not equal the ROFO FMRR, then Lessor and Lessee shall negotiate in good faith to determine the ROFO FMRR for the ROFO Space for a period of thirty (30) days after the date on which Lessor receives the ROFO Lessee Election Notice. If the parties are able to agree on the ROFO FMRR for the ROFO Space during such period, Lessee and Lessor shall enter into a Lease Agreement amendment, subject to all Governing Body requirements for Amendment, with respect to such ROFO Space; however, if the parties are unable to agree on the ROFO FMRR for the ROFO Space during such period, then Lessor shall not lease the ROFO Space for a net economic rent that is less than the net economic rent set forth in the ROFO Notice without re-offering the ROFO Space to Lessee pursuant to this Section 27.
- d. Any lease of the ROFO Space requires following the statutory requirements for the lease of municipal real property, regardless of the Right of First Offer.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement as of this _____ day of _____, 20____.

**LESSOR:
CITY OF SANTA FE**

ALAN WEBBER, MAYOR

ATTEST:

KRISTINE BUSTOS MIHELICIC, CITY CLERK

APPROVED AS TO FORM:

ERIN K. MCSHERRY, CITY ATTORNEY

APPROVED AS TO FINANCE:

EMILY K. OSTER, FINANCE DIRECTOR
Object Org. Code 2122800-460350

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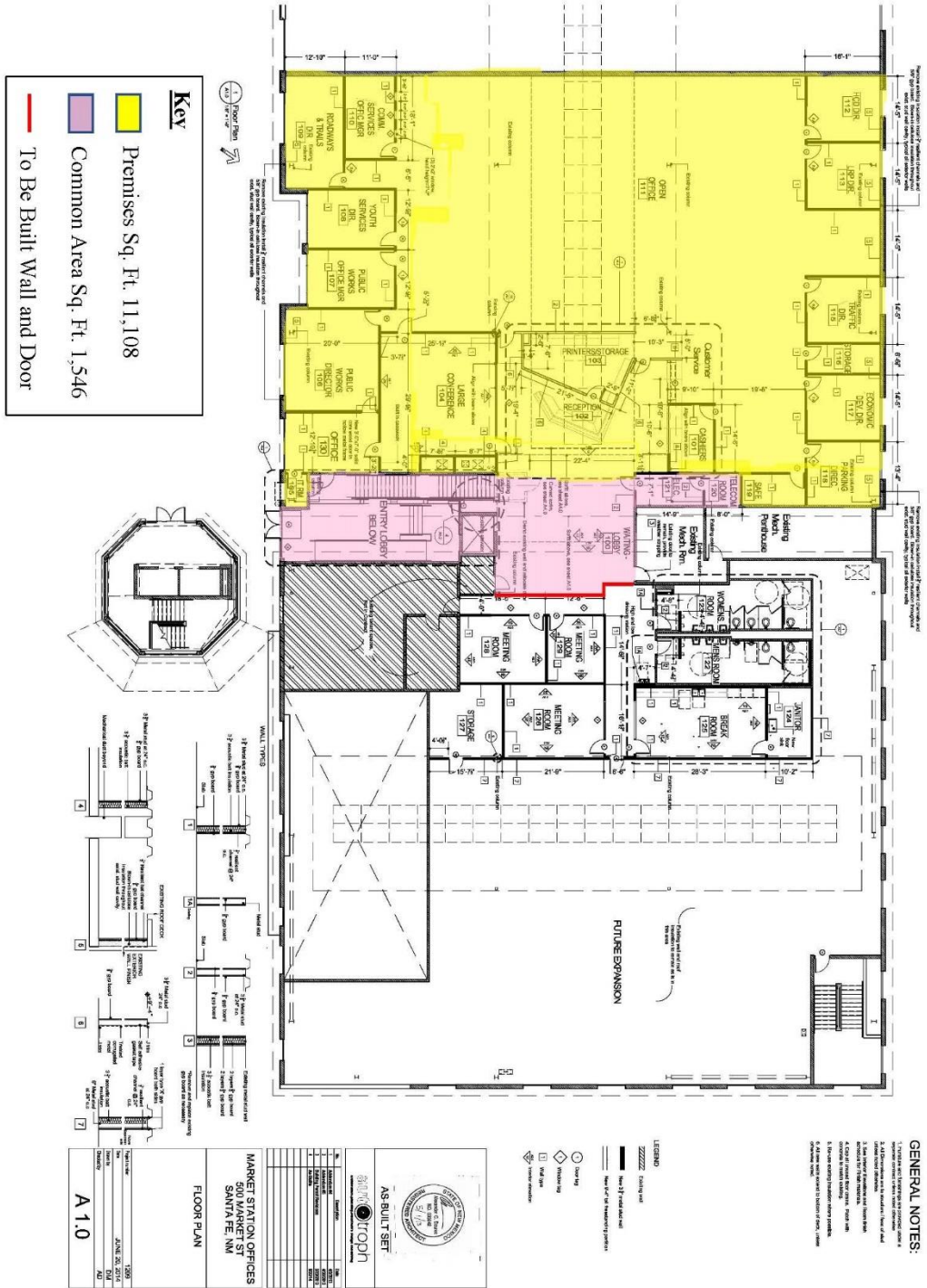
LESSEE: SPECIFICA LLC

KENNETH K. SHARPLES
CHIEF EXECUTIVE OFFICER

DATE: _____

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EXHIBIT A






City of Santa Fe, New Mexico

Memorandum



Date: February 3, 2023

To: City of Santa Fe Governing Body

From: Erin K. McSherry, City Attorney  EM

RE: CHART Next Steps Resolution

EXECUTIVE SUMMARY:

The Resolution directs next steps based on recommendations from the Culture, History, Art, Reconciliation and Truth (“CHART”) Report. In particular, it directs the City Manager to obtain proposals for reconstructing the Soldier’s Monument in a way that highlights its damage and to recommend funding an Office of Equity and Inclusion.

To obtain the proposals for the Obelisk, the City Manager would hire conservators, designers, and/or historians to propose designs mending, redesigning, and reframing the monument in a way that highlights the fact it was broken, by using a contrasting-colored material to fuse the parts together. The design would also incorporate an interactive interface, such as a QR Code, for the public to access more information and contribute their own perspectives. Once the proposals are developed, the Governing Body would approve the proposal that best allows the Plaza’s continued use as a public park.

While the proposals for, conversations about, and reconstruction of the Obelisk are developed, the City would remove the box covering the broken Obelisk, take down the fence surrounding it, and, to the extent permitted in code, install temporary lights to shine into the sky, representing hope. The resolution requires the plaques currently existing to be preserved and that they be accessible to the public (such as through a future museum display or exhibit on the history of Santa Fe).

The Office of Equity and Inclusion would base its work on the CHART Final Report recommendations and survey results; the Culture Connects findings and recommendations; and compliance with federal, state, and local human and civil rights laws. It would have internal and external roles, including creating processes, policies, plans, practices, programs; coordinating trainings on implicit bias, anti-racism, and/or diversity, equity and inclusion; workforce equity; and eliminating community barriers. As one of its first tasks, the OEI would recommend language for four new plaques for the Obelisk: describing a complete history of the Obelisk; making an Indigenous land acknowledgement; restating the Entrada Proclamation dated September 7, 2018; and describing the events that led to the Obelisk’s destruction and a pledge of healing and inclusivity.

BACKGROUND:



City of Santa Fe, New Mexico

Memorandum



The Governing Body adopted Resolution 2021-6 in January of 2021, which described the CHART process. The CHART process resulted in the CHART Report, which the Governing Body received in August of 2022. This resolution provides direction for implementing some of the 53 recommendations in the CHART Report.

ATTACHMENTS:

Resolution
Fiscal Impact Report
CHART Final Report

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2023-__

INTRODUCED BY:

Councilor Carol Romero-Wirth

Mayor Alan Webber	Councilor Amanda Chavez
Councilor Chris Rivera	Councilor Renee Villarreal
Councilor Jamie Cassutt	Councilor Michael Garcia

A RESOLUTION

DIRECTING THE CITY MANAGER TO TAKE NEXT STEPS BASED ON SOME OF THE RECOMMENDATIONS OF THE CHART REPORT.

WHEREAS, the Governing Body recognizes the community’s need to move forward after the emotional events of October 2020, when the obelisk at the center of the Santa Fe Plaza, also known as the “Soldiers’ Monument” or “Obelisk” was damaged and partially torn down; and

WHEREAS, the community also needs to continue the work of cultural and racial reconciliation and to evolve its understanding of its diverse and multicultural histories and perspectives; and

WHEREAS, on January 13, 2021, the Governing Body unanimously approved and co-sponsored the Substitute CHART Resolution, Resolution 2021-6, and subsequently City staff issued a Request for Proposals (“RFP”) that outlined a scope of the work for a contractor to lead the CHART Process; and

WHEREAS, on July 14, 2021, the Governing Body approved a contract with “Artful Life”, the contractor recommended from the responses to the RFP to lead the CHART Process; and

1 **WHEREAS**, beginning in August of 2021, Artful Life engaged in a year-long, grassroots
2 process that invited and facilitated community dialogues, multicultural events, art activations, and
3 a cultural history series that culminated in Artful Life’s delivery of a final, 145-page CHART
4 Report to the Governing Body in August of 2022 (“CHART Report”); and

5 **WHEREAS**, the CHART Report includes 53 recommendations (page 9), including a
6 recommendation that, in relation to the Soldiers’ Monument, the City should immediately begin
7 the process of allocating resources (staff, funds) and implementing a process to:

- 8 ○ Reach a resolution of the two most favored options revealed by the
9 second survey:
 - 10 ▪ Replace what’s left of the monument with something else; and
 - 11 ▪ Restore the monument with its original signage and add
12 language that encourages it to be fully understood and
13 assessed;
- 14 ○ Promote reconciliation as a significant part of the deliberation and
15 decision-making process;

16 (page 97); and

17 **WHEREAS**, the CHART Report (page 123) also recommends the City “fund, create, and
18 staff an office/department specifically dedicated to dismantling systemic barriers to racial, gender,
19 health, socio-economic and other forms of equality” (i.e., an Office of Equity and Inclusion); and

20 **WHEREAS**, “[t]he CHART team also consistently heard about serious challenges that the
21 community of Santa Fe is facing in terms of equity/inequity and quality of life issues”. *See* Chart
22 Report page 118; and

23 **WHEREAS**, the CHART Report (page 123) recommends the City “address
24 racism/discrimination in the mission/purpose statement” of an Office of Equity and Inclusion; and

1 **WHEREAS**, the CHART Report (page 123) identifies that “feedback data from implicit
2 bias trainings provided to City of Santa Fe Division/Department directors by CHART” suggests
3 that “these kinds of in-person trainings (i.e., implicit bias, anti-racism, etc.) should be standard
4 practice and provided on a periodic and sustained basis for city leadership and staff, including the
5 Governing Body”; and

6 **WHEREAS**, the Governing Body believes that an Office of Equity and Inclusion should
7 be both internally and externally facing; and

8 **WHEREAS**, pursuant to the City’s nomination (“Nomination”), submitted to the federal
9 government in 1975, the Santa Fe Plaza is included on the National Registry of Historic Properties
10 and State Registry of Historic Properties; and

11 **WHEREAS**, the Nomination describes 1609 as the year of the founding of Santa Fe, when
12 the Plaza began as a “feature” of the City, and 1846 as the year that, from the Plaza, General Kearny
13 proclaimed the annexation of New Mexico into the United States; and

14 **WHEREAS**, the Nomination describes the condition of the Plaza as “altered”: having
15 decreased from two city blocks to one and now including landscaping, flagstone, walks, benches,
16 and cottonwood trees”, while “[i]n Spanish times”, the Plaza was once twice as large and “an open
17 expanse of packed dirt”; and

18 **WHEREAS**, the Nomination also describes that, after 1846, “[u]pon the arrival of the
19 Anglo-Americans, the Plaza was fenced in and planted with alfalfa, then reduced to its present size,
20 and finally enclosed by buildings on the three sides confronting the Palace”; and

21 **WHEREAS**, the Nomination classifies the Plaza as a “site”, rather than a “structure” or
22 “object” and lists the “present use” of the nominated property as a “park”; and

23 **WHEREAS**, the Nomination describes the significance of the Plaza as “transportation”:
24 beginning in 1821, the trade route to Santa Fe from the United States was opened and “the Plaza
25 provided the final goal for the caravans on their eight- or ten-week journeys” for traders and

1 travelers on the Santa Fe Trail; and

2 **WHEREAS**, although the Soldiers’ Monument is located in the Plaza, the Nomination
3 does not identify the significance categories of “sculpture”, “military”, “politics/government”,
4 “art”, “exploration/settlement”, or “landscape architecture” as its basis; and

5 **WHEREAS**, a 1992 Archeological Report regarding the Plaza describes a rock sundial at
6 the center of the Plaza in the late 1820s, and a report from City files attributed to Dr. Myra Ellen
7 Jenkins (former State Historian) in 1972 states that the sundial had a nine-foot adobe base with the
8 inscription “‘Vita Fugit suit umbra’ (life flees like a shadow)”;

9 **WHEREAS**, the 1992 Archeological Report also describes a pyramid that replaced the
10 sundial, “fifty feet in height”, erected as a “momento” of Mexican independence that came down
11 in 1945 and a bullring that briefly replaced the pyramid; and

12 **WHEREAS**, the Soldiers’ Monument/Obelisk and the fence around it are “objects” under
13 the City’s code, which is the “term used to distinguish from structures those constructions that are
14 *primarily artistic in nature* or are *relatively small in scale and simply constructed*, for example,
15 *sculpture, monuments, boundary markers, statuary* and fountains.” See SFCC 1987, Section 14-
16 12.1 (definition of “object”) (emphasis added); and

17 **WHEREAS**, the Historic District Code provisions that regulate construction, demolition,
18 repair, modification, etc., apply to structures other than “objects”. See SFCC 1987, Section 14-5.2;
19 and

20 **WHEREAS**, the New Mexico Prehistoric and Historic Sites Preservation Act, NMSA
21 1978, Sections 18-8-1 to -8 (“PHSPA”) requires that City funds not be spent on “any program or
22 project that requires the use of any portion of land from a significant prehistoric or historic site
23 unless there is no feasible and prudent alternative to such use, and unless the program or project
24 includes all possible planning to preserve and protect and to minimize harm to the significant
25 prehistoric or historic site resulting from such use.” See Section 18-8-7; and

1 **WHEREAS**, the PHSPA defines “significant prehistoric or historic sites” as “properties
2 listed in the state register of cultural properties or national register of historic places.” NMSA 1978,
3 § 18-8-3(C); and

4 **WHEREAS**, the State’s Historic Preservation Division (“HPD”) regulations
5 implementing the PHSPA define “historic site” as “a historic or prehistoric property, district, site,
6 structure or object listed in the state register of cultural properties or national register of historic
7 places, or property contributing to a historic district, and includes those lands within the boundaries
8 of the property, site or district,” but the definition does not state that objects or structures located
9 within the site are included as part of the site. *See* NMAC 4.10.12.7(E); and

10 **WHEREAS**, HPD regulations define a “use” of a prehistoric or historic site as “an adverse
11 effect” on a significant historic or prehistoric site or lands of that site, including but not limited to
12 “partial or complete physical alteration or destruction; isolation of the site from its historic setting;
13 the introduction of physical, audible, visual or atmospheric elements that substantially impair the
14 historic character or significance of the site or substantially diminish the aesthetic value of the site;
15 or the acquisition or taking of a historic or prehistoric site resulting in or designed to result in such
16 alteration, destruction, isolation or introduction of elements that may alter the site” *See* NMAC
17 4.10.12.7(O); and

18 **WHEREAS**, the HPD definition of “use” further provides that “[o]rdinary maintenance or
19 repair, including code work, which makes no visible alteration to the site and results in no
20 substantially loss of the historic fabric; installation or upgrade of services, such as electricity and
21 water, which makes no visible alteration to the site and results in no substantial loss of the historic
22 fabric; or emergency repair or stabilization of a significant site, shall not be considered a use within
23 the scope of this definition.” *See* NMAC 4.10.12.7 (O); and

24 **WHEREAS**, in ongoing litigation regarding the Soldiers’ Monument, the City’s position
25 has been two-fold:

1 1. The PHSPA is not implicated because there is no program or project that requires the
2 “use” of any portion of or any land from the plaza; and

3 2. The PHSPA is not implicated because the Soldiers’ Monument is not listed in the state
4 register of cultural properties or national register of historic places, and because it was not
5 included in those items that made the Plaza significant for listing in the City’s nomination;
6 and

7 **WHEREAS**, New Mexico courts have concluded that obtaining State Historic
8 Preservation Officer (“SHPO”) approval is not required for compliance with the PHSPA. *See, e.g.,*
9 *Nat’l Trust for Historic Preservation v. City of Albuquerque*, 1994-NMCA-057, ¶ 18 (“The
10 [PHSPA] does not contemplate that the SHPO will issue permits or licenses or must otherwise
11 grant permission to a project before it can be undertaken.”); *id.*, ¶ 19 (“Regulations issued by the
12 SHPO cannot transform [the PHSPA] statutory scheme The SHPO cannot by regulation
13 contradict the Act.”); and

14 **WHEREAS**, none of the recommendations in the CHART Report regarding the Obelisk
15 constitute a use of the Plaza pursuant to the PHSPA; and

16 **WHEREAS**, even though SHPO involvement is not required by law, conversations with
17 State experts could enhance the City’s next steps involving the Soldiers’ Monument.

18 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
19 **CITY OF SANTA FE** that, while engaging in voluntary conversation with the SHPO, the City
20 Manager shall hire conservators, designers, and/or historians to determine specific proposals to
21 mend, redesign, and/or reframe the Obelisk (the “Obelisk Proposals”) as follows:

22 1. Use original pieces to show the lines where the Obelisk fractured, by bonding it together
23 with a modern, contrasting material that delineates the fractured lines caused by the toppling of the
24 Obelisk on October 14, 2020;

25 2. Display an interactive interface, such as a QR Code, where the public may access more

1 information and learn about the varied perspectives about the community’s complex history and
2 contribute their own perspectives; and

3 3. Contemplate updates to the four plaques as described later in this Resolution.

4 **BE IT FURTHER RESOLVED** that the City Manager shall take steps to preserve the
5 plaques currently existing in a professional manner and place them in a location accessible to the
6 public (such as a future museum display or exhibit on the history of Santa Fe).

7 **BE IT FURTHER RESOLVED** that, while the proposals for, conversations about, and
8 reconstruction of the Obelisk is undertaken, the City Manager shall remove the box covering the
9 broken Obelisk, take down the fence surrounding the Obelisk, and, to the extent permitted under
10 the City’s code, install temporary lighting to shine into the sky, representing hope.

11 **BE IT FURTHER RESOLVED** that, upon receiving the Obelisk Proposals and after
12 conversations with the SHPO regarding the Obelisk Proposals, the City Manager shall report back
13 to the Governing Body to obtain approval for the design that is most appropriate for the ongoing
14 use of the Plaza as a community park.

15 **BE IT FURTHER RESOLVED** that the City Manager shall recommend the appropriate
16 budget and placement for an Office of Equity and Inclusion (OEI) in the Mayor’s fiscal year 2024
17 budget and for consideration by the Governing Body.

18 **BE IT FURTHER RESOLVED** that the OEI shall commit to working toward better
19 addressing racial and social disparities and to achieving equity across all populations and
20 indicators.

21 **BE IT FURTHER RESOLVED** that the OEI’s role is to inspire and better equip city
22 government by providing education, training, data, analysis, tools, and other support necessary to
23 achieving its equity goals. Some of the internal and external facing responsibilities the OEI will be
24 tasked with shall include, but not be limited to, are the following:

- 25 1. Create processes, policies, plans, practices, programs, and services that meet the diverse

- 1 needs of those served;
- 2 2. Identify and address barriers within the City’s organizational systems and structures;
- 3 3. Coordinate in-person trainings on implicit bias, anti-racism, and/or diversity, equity and
- 4 inclusion as a standard practice, on a periodic and sustained basis for City leadership and
- 5 staff, including the members of the Governing Body;
- 6 4. Work towards having a workforce broadly reflective of the community;
- 7 5. Provide an equity lens and oversight to other departments' initiatives including, but not
- 8 limited to, requiring equity reports;
- 9 6. Collaborate with community partners in building education and outreach opportunities to
- 10 address the barriers marginalized groups face and to explore the best ways to address those
- 11 barriers;
- 12 7. Work in collaboration with community advocates and organizations to identify community
- 13 needs to inform its work;
- 14 8. Work externally to support immigrant, refugee, and other vulnerable communities to
- 15 promote public safety, quality of life, and human rights; and
- 16 9. Among its first tasks, recommend language for at least four new plaques to surround the
- 17 Obelisk, to demonstrate broader perspectives and a more complete representation of the
- 18 community’s complex multi-cultural history:
 - 19 a. The first plaque shall describe a complete history of the Obelisk as the Soldiers’
 - 20 Monument.
 - 21 b. The second plaque shall contain an Indigenous land acknowledgement.
 - 22 c. The third plaque shall restate the Entrada Proclamation dated September 7, 2018.
 - 23 d. The fourth plaque shall describe the events that lead to the Obelisk’s destruction
 - 24 and pledge a commitment to healing and reconciliation, to better understanding of
 - 25 our diversity; and to a more inclusive representation and telling of our complex

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multi-cultural history and cultural perspectives.

BE IT FURTHER RESOLVED that the OEI shall initially base its work on the CHART Final Report recommendations and survey results; the Culture Connects findings and recommendations; and compliance with federal, state, and local human and civil rights laws.

PASSED, APPROVED, and ADOPTED this _____ day of _____, 2022.

ALAN WEBBER, MAYOR

ATTEST:

KRISTINE MIHELIC, CITY CLERK

APPROVED AS TO FORM:



ERIN K. McSHERRY, CITY ATTORNEY

FISCAL IMPACT REPORT

General Information:

(Check) Bill: _____ Resolution: X

Short Title(s): CHART Report Next Steps

Sponsor(s): Councilors Romero-Wirth, Villarreal, Chavez, and Rivera

Reviewing Department(s): City Attorney's Office; City Manager; Community Development Department (Arts and Culture); Human Resources Department;

Staff Completing FIR: Erin McSherry Date: January 31, 2023 Phone: 505-955-6512

Reviewed by City Attorney:  Date: Feb 3, 2023

Reviewed by Finance Director:  Date: Feb 3, 2023
Emily K. Oster (Feb 3, 2023 18:07 MST)

Summary:

The Resolution outlines next steps based on some of the recommendations in the "CHART" (Culture, History, Art, Reconciliation, and Truth) Report. In particular, it provides direction to the City Manager to identify design proposals for the Soldier's Monument/Obelisk and to fund an Office of Equity and Inclusion.

In relation to the Soldiers' Monument/Obelisk, the Resolution requires, while engaging in conversation with the State Historic Preservation Officer, hiring conservators, designers and/or historians to determine specific proposals to mend, redesign, and/or reframe the Obelisk, also known as the Soldiers' Monument, at the center of the Santa Fe Plaza. The designs would use original pieces of the Obelisk, show the lines of fracture through bonding with a modern, contrasting material to demonstrate the damage caused on October 14, 2020, and would display an interactive interface, such as a QR code, for the public to obtain more information. The designs would also contemplate incorporating four new plaques with text recommended by the Office of Equity and Inclusion.

The Resolution also requires preserving the plaques currently existing and placing them in a location accessible to the public (such as a future museum display or exhibit on the history of Santa Fe).

While the assessments and proposals for the obelisk are developed, the Resolution requires the City to remove the box covering the broken obelisk, take down the fence surrounding it and, if permitted under City code, install temporary lights to shine into the sky, representing hope.

The Resolution also requires the City Manager to recommend the appropriate budget and placement for an Office of Equity and Inclusion in the Mayor's fiscal year 2024 budget. The Office of Equity and Inclusion would initially base its work on the CHART Final Report, recommendations, and survey results; the Culture Connects findings and recommendations; and compliance with federal, state, and local human and civil rights laws and would have at least the following responsibilities:

1. Create processes, policies, plans, practices, programs, and services that meet the diverse needs of those served;
2. Identify and address barriers within the City's organizational systems and structures;
3. Coordinate in-person trainings on implicit bias, anti-racism, and/or diversity, equity and inclusion as a standard practice, on a periodic and sustained basis for City leadership and staff, including the members of the Governing Body;
4. Work towards having a workforce broadly reflective of the community;

5. Provide an equity lens and oversight to other departments' initiatives including, but not limited to, requiring equity reports;
6. Collaborate with community partners in building education and outreach opportunities to address the barriers marginalized groups face and to explore the best ways to address those barriers;
7. Work in collaboration with community advocates and organizations to identify community needs to inform its work;
8. Work externally to support immigrant, refugee, and other vulnerable communities to promote public safety, quality of life, and human rights; and
9. Among its first tasks, recommend language for at least four new plaques to surround the Obelisk, to demonstrate broader perspectives and a more complete representation of the community's complex multi-cultural history.

The Resolution would require that the recommendations for the four plaques address four specified themes: a history of the Obelisk; a land acknowledgement; a restatement of the September 7, 2018 Entrada Proclamation; and a description of the events leading up to the Obelisk's destruction and a pledge to the community to improve.

Departments Affected:

Public Works (Parks Division); City Manager's Office; City Attorney's Office; Community Development Department (Arts and Culture)

Consequences of Not Enacting Legislation:

If the Resolution is not adopted, there will not be a plan for next steps regarding the recommendations included in the CHART Resolution.

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

Pursuant to the Charter Resolution, the Charter Review Commission is reviewing the City's Charter's Human Rights policy statement. The recommendations to that policy statement could relate to duties or authorities of an Office of Equity and Inclusion.

Performance and Administrative Implications:

The Resolution would require the creation of a new administrative unit in the City that will need to be managed and staffed. It also requires several contracts to evaluate the status of the Soldiers' Monument pieces and make recommendations regarding reassembling them in a way that demonstrates the cracks created on October 14, 2020.

Fiscal Implications:

The Resolution requires the City Manager to recommend the appropriate budget and placement for an Office of Equity in the Mayor's fiscal year 2024 budget. It also requires one or more consultation contracts.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 23	FYE 24	FYE 25	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$	\$479,841	\$479,841	—	R	100/TBD	
<u>Capital Outlay</u>	\$	\$	\$	—	—	—	
<u>Contractual/</u>	\$	\$	\$	—	—	—	
<u>Professional Services</u>							
<u>Operating</u>	\$250,000	\$225,000	\$225,000	(Y for FY23)	R	100/TBD	—
Total:	\$250,000	\$704,841	\$704,841				\$1,659,682

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

Expenditure Narrative:

The amount included for FY23 is for the contractual services for conservators, designers and/or historians to determine specific proposals to mend, redesign, and/or reframe the Obelisk. The Arts and Culture Department estimates this expense as \$250,000. The amount required for FY24 and FY25 is for creating and sustaining the Office of Equity and Inclusion. The estimate of \$479,841 for Personnel and Benefits is based on hiring three new employees: a Director of Diversity, Equity and Inclusion, an Administrative Manager, and a Diversity, Equity and Inclusion Coordinator. In addition, the City’s ADA Coordinator, which is a funded position, would be part of the office but is not included as an additional expense here. The estimate of \$225,000 for professional services in FY24 and FY25 is based on the amount spent by the City for a year’s worth of projects similar to the type that the Office of Equity and Inclusion may administer.

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:

