

PASSIVE VENTILATION STRATEGIES / EARTH-TEMPERED VENTILATION

The relatively constant temperature of the ground at depths exceeding 5' can be harnessed to temper building ventilation air. This strategy requires burying an air intake path, also called an earth tube.

2. PRIMARY ENERGY SOURCES

OVERVIEW OF ENERGY TYPES

For building system energy sources, provide either electrical power to perform mechanical work, such as running chillers, fans, or pumps, or thermal energy to provide heating. All forms of energy, with the exception of nuclear, are derived directly or indirectly from solar energy.

The important distinction between resources is the time frame of renewal. Sustainable resource use requires energy use at a rate equal to or less than the rate at which the resource can be renewed, and only those which renew within this time frame qualify as renewable.

The following are primary energy resources:

1. Fossil fuels – fossilized biomass, hydrocarbons such as oil, gas, and coal
  - Renewal time = millions of years
2. Biomass – organic matter which developed with solar radiation
  - Renewal time = 10s to 100s of years
3. Hydro – gravitational potential energy of water evaporated by the sun and precipitated at elevations higher than sea level
  - Renewal time = months to years
4. Earth source – solar radiation absorbed and stored in the earth: quick renewal time
  - Renewal time = days to months
5. Wind – air masses in motion due to convection, air heated by warm earth and water: quick renewal time, though intermittently available
  - Renewal time = intermittently available

Sustainable building designs should consider the primary energy resource that is impacted by the building operation, and not end these considerations at the property line. For example, electric resistance heating is often considered to be a 100% efficient conversion of electricity to heat. However, when a fossil fuel thermal power plant generates this electricity at a remote site, the overall fuel-to-heat conversion efficiency is much lower, and can be less than 30%.

Sustainability designs must reduce dependence on fossil fuels for obvious reasons, and can do so by using renewable energy sources either on site or through the local utility.

3. ACTIVE MECHANICAL SYSTEMS

Buildings use energy to operate systems which provide space heating and cooling, ventilation air tempering, domestic hot water heating and lighting, as well as to run various types of electrical equipment from computers to refrigerators. The

best way to reduce the overall amount of energy consumed is to first reduce the demand and amount of energy required before installing energy-efficient equipment.

Low energy-use building designs are best achieved by these design steps.

1. First, reduce the building's energy demand by applying passive energy saving features to the building, such as solar heating and shading strategies
2. Second, assess the available renewable energy sources and target prudent use of fossil fuel and electricity
3. Third, apply appropriate energy-efficient heating and cooling systems that are well matched with the identified renewable energy sources
4. Finally, design controls for the system and other primary energy uses to operate efficiently

Reducing energy demand with passive measures is the first and most important step because once the energy demand is reduced passively, active system components can be smaller and more efficient. High efficiency systems and plant equipment yield the lowest ongoing operating costs in a building with low energy demand.

4. WATER USE SYSTEMS

In an integrated water strategy, elements that are the most cost-effective, low maintenance, and easy to incorporate are high performance, low-flow fixtures. These fixtures include dual-flush toilets, low-flow faucets and high-performance, low-flow shower heads. High efficiency HVAC designs will also be assessed.

Once water conservation features are fully optimized, the next step is to identify nonpotable water sources to serve end-uses such as toilets, HVAC systems, etc. The availability and suitability of nonpotable sources will be evaluated.

In addition to the passive and active scenarios listed above it should be noted that re-using the existing structure is the most sustainable option. Energy used to produce new materials is not used when reusing an existing structure, meaning the embodied energy is significantly less in a reused building. The challenges faced in using high efficient mechanical and electrical systems are greater in an existing building due to space and budget constraints. What would be a simple system becomes more complex when adapting new technologies to existing structures. Maintenance costs can be higher using adaptive technologies. This leads to an overall higher Life Cycle costs for systems that have to be adapted and not "off the shelf." Noted in the checklists provided, the 3 points are awarded for building reuse; those additional points are offset by the reduction in energy saving over the lifetime of a project. With all things being equal, Option 1A, 1B, 2A, 2B, and 2C mechanical/electrical systems will be above code in energy efficiency. Looking at only dollars spent for energy, **it's our opinion that Option 3A and 3B will ensure lower utility bills for the county over the lifetime of the project.**

Two checklists have been provided showing the expected LEED credits available for all options. Options 1A, 1B, 2A, 2B, and 2C are expected to earn 55 points at this early juncture which is 5 points over Silver rating. **Option 3A and 3B are expected to earn 63 points which is a Gold rating.** Both are best case

point totals. We expect all options to lose points both in the design phase, value engineering phase, and construction phase. Experience has shown that Options 1A, 1B, 2A, 2B, and 2C will require the purchase of green power to achieve the Silver level mandated.

Water savings are achieved by using climate-adapted vegetation for all Options with no potable water being used for landscaping. In options 1A, 1B, 2A, 2B, and 2C, the potable water reduction of 30% is used; the existing plumbing system does not allow for ultra-low flow fixtures without extensive renovation at a significant cost factor. Option 3A and 3B new building should achieve over 40% potable water use reduction.

Option 2B and 2C parking garages that are underground and need mechanical ventilation do not fall under the sustainability umbrella. The ventilation is mandated by current code to remove CO. However, the use of variable frequency drives and high efficiency motors can help with overall energy usage reduction in both of these options.

By expanding the amount of natural light within a building, atrium designs also contribute significantly to sustainable design. Daylighting strategies reduce operating costs and have been documented to deliver energy savings through improved life cycle costs and reduced emissions. These reductions are due to the reduced amount of lighting power that can be achieved with an atrium. Moreover, daylight vitalizes interior spaces and has been shown to increase user satisfaction and visual comfort leading to improved performance. Our daylighting simulation program shows that the actual amount of daylight that can be molded is restricted to the second level offices. Level one does not achieve the required foot candle level. Skylights introduce daylight at no more than a 45-degree angle; while significant, this does not allow enough foot candle levels in the first floor offices.

## Summary LEED Costs

Soft cost impacts were defined for LEED-related tasks that are above and beyond standard code requirements. Tasks are defined in two categories:

- LEED Design Costs: Those tasks that increase the design team's scope of work during the design and construction stages of a project.
- LEED Documentation Costs: Those tasks associated with documenting and submitting a LEED application to the U.S. Green Building Council.

Soft costs for Silver, Gold, or Platinum are approximately the same.

Addressing LEED Cost Variables:

There is an inherent degree of variability to LEED construction cost impacts. The primary factors creating this variability include the following:

1. There is no correlation between the point value of a LEED credit and its cost. There are many "no cost" and "low cost" LEED credits (such as development density, proximity to public transportation, no water use irrigation systems) that can earn 5-6 points each. At the other extreme, some credits (renewable energy, for example) can cost hundreds of thousands of dollars each—and can earn 7-15 points. The selection of credits used to achieve a LEED rating can therefore result in a wide range of resultant costs.
2. A range of different strategies can often be used to earn the same individual LEED credit. Many of the LEED credit criteria are performance-based rather than prescriptive. This allows design teams flexibility in defining an approach to credit compliance. Different strategies can also result in significantly different cost impacts. An example is credit SS-6.1: Stormwater Management (Rate and Quantity) is a "low cost" scenario; the credit is earned by increasing the amount of site plantings and reducing the amount of site paving. This approach actually reduced construction costs. In one of the "high cost" Gold rating scenarios, a vegetated roof system was installed. The premium for the vegetated roof system was approximately \$250,000. While the vegetated roof has additional benefits and was used to earn an additional LEED credit (SS-7.2, Heat Island Reduction), it still represented a significantly more expensive approach to credit SS-6.1

LEED Silver rating usually is a 1-2% cost of the maximum allowable construction costs (MAC). Based on better quality glazing and more efficient mechanical systems, payback is within 7 to 8 years if the building is operated as intended.

LEED Gold rating is 3-4% cost increase over the MAC. This entails not only the most efficient mechanical systems but other tangibles such as LED lighting or concrete parking in lieu of asphalt.

LEED Platinum rating is 5-15% cost of the MAC. Photovoltaic systems and all of the scenarios required for a Gold rating must be included in the costs. It should be noted that a Gold rating can be achieved without the additional cost impacts if the design and construction team are well-versed LEED architects and builders.

LEED-NC v3.0 Preliminary Project Checklist

<<Project Name>>  
<<Project Location>>

Renovation of Old Judicial Complex - Options 1A, 1B, 2A, 2B, and 2C

Yes	?	No	Points	Category	Prereq	Points	Notes
16	1	9	26	<b>Sustainable Sites</b>	Required	26	
Y				Prereq 1	Construction Activity Pollution Prevention	Required	
1			1	Credit 1	Site Selection	1	
5			5	Credit 2	Development Density & Community Connectivity	5	
		1	1	Credit 3	Brownfield Redevelopment	1	
6			6	Credit 4.1	Alternative Transportation, Public Transportation Access	6	
1			1	Credit 4.2	Alternative Transportation, Bicycle Storage & Changing Rooms	1	
		3	3	Credit 4.3	Alternative Transportation, Low-Emitting and Fuel-Efficient Vehicles	3	
		2	2	Credit 4.4	Alternative Transportation, Parking Capacity	2	
		1	1	Credit 5.1	Site Development, Protect or Restore Habitat	1	
		1	1	Credit 5.2	Site Development, Maximize Open Space	1	
1			1	Credit 6.1	Stormwater Design, Quantity Control	1	
		1	1	Credit 6.2	Stormwater Design, Quality Control	1	
1			1	Credit 7.1	Heat Island Effect, Non-Roof	1	
1			1	Credit 7.2	Heat Island Effect, Roof	1	
1			1	Credit 8	Light Pollution Reduction	1	
6		2	10	<b>Water Efficiency</b>	Required	10	
Y				Prereq 1	Water Use Reduction, 20% Reduction	Required	
4			2 to 4	Credit 1	Water Efficient Landscaping	2 to 4	
		2	2	Credit 2	Innovative Wastewater Technologies	2	
2			2 to 4	Credit 3	Water Use Reduction	2 to 4	
9	4	22	35	<b>Energy &amp; Atmosphere</b>	Required	35	
Y				Prereq 1	Fundamental Commissioning of the Building Energy Systems	Required	
Y				Prereq 2	Minimum Energy Performance	Required	
Y				Prereq 3	Fundamental Refrigerant Management	Required	
4		15	1 to 19	Credit 1	Optimize Energy Performance	1 to 19	
		7	1 to 7	Credit 2	On-Site Renewable Energy	1 to 7	
2			2	Credit 3	Enhanced Commissioning	2	
2			2	Credit 4	Enhanced Refrigerant Management	2	
1	2		3	Credit 5	Measurement & Verification	3	
2			2	Credit 6	Green Power	2	
8	1	5	14	<b>Materials &amp; Resources</b>	Required	14	
Y				Prereq 1	Storage & Collection of Recyclables	Required	
3			1 to 3	Credit 1.1	Building Reuse, Maintain Existing Walls, Floors & Roof	1 to 3	
		1	1	Credit 1.2	Building Reuse, Maintain 50% of Interior Non-Structural Elements	1	
2			1 to 2	Credit 2	Construction Waste Management	1 to 2	
		2	1 to 2	Credit 3	Materials Reuse	1 to 2	
2			1 to 2	Credit 4	Recycled Content	1 to 2	
1		1	1 to 2	Credit 5	Regional Materials	1 to 2	
		1	1	Credit 6	Rapidly Renewable Materials	1	
1			1	Credit 7	Certified Wood	1	
9		6	15	<b>Indoor Environmental Quality</b>	Required	15	
Y				Prereq 1	Minimum IAQ Performance	Required	
Y				Prereq 2	Environmental Tobacco Smoke (ETS) Control	Required	
		1	1	Credit 1	Outdoor Air Delivery Monitoring	1	
		1	1	Credit 2	Increased Ventilation	1	
1			1	Credit 3.1	Construction IAQ Management Plan, During Construction	1	
1			1	Credit 3.2	Construction IAQ Management Plan, Before Occupancy	1	
1			1	Credit 4.1	Low-Emitting Materials, Adhesives & Sealants	1	
1			1	Credit 4.2	Low-Emitting Materials, Paints & Coatings	1	
1			1	Credit 4.3	Low-Emitting Materials, Flooring Systems	1	
1			1	Credit 4.4	Low-Emitting Materials, Composite Wood & Agrifiber Products	1	
		1	1	Credit 5	Indoor Chemical & Pollutant Source Control	1	
1			1	Credit 6.1	Controllability of Systems, Lighting	1	
		1	1	Credit 6.2	Controllability of Systems, Thermal Comfort	1	
1			1	Credit 7.1	Thermal Comfort, Design	1	
1			1	Credit 7.2	Thermal Comfort, Verification	1	
		1	1	Credit 8.1	Daylight & Views, Daylight 75% of Spaces	1	
		1	1	Credit 8.2	Daylight & Views, Views for 90% of Spaces	1	
4			6	<b>Innovation &amp; Design Process</b>	Required	6	
1			1	Credit 1.1	Innovation in Design: Green Cleaning	1	
1			1	Credit 1.2	Innovation in Design: Education Case Study	1	
1			1	Credit 1.3	Innovation in Design: One GC Credit	1	
			1	Credit 1.4	Innovation in Design: Provide Specific Title	1	
			1	Credit 1.5	Innovation in Design: Provide Specific Title	1	
1			1	Credit 2	LEED® Accredited Professional	1	
3	1		4	<b>Regional Priority</b>	Required	4	
1			1	Credit 1.1	Regional Priority: Development Density	1	
1			1	Credit 1.2	Regional Priority: Alternative Transportation	1	
		1	1	Credit 1.3	Regional Priority: Heat Island effect Non-Roof	1	
1			1	Credit 1.4	Regional Priority: Water Efficient Landscaping	1	
55	7	44	110	<b>Project Totals (pre-certification estimates)</b>		110	

Yes ? No Certified 40-49 points Silver 50-59 points Gold 60-79 points Platinum 80-110 points

LEED-NC v3.0 Preliminary Project Checklist

<<Project Name>>  
<<Project Location>>

New Building - Options 3A and 3B

Yes	?	No	Points	Category	Prereq	Points	Notes
19	1	6	26	<b>Sustainable Sites</b>	Required	26	
Y				Prereq 1	Construction Activity Pollution Prevention	Required	
1			1	Credit 1	Site Selection	1	
5			5	Credit 2	Development Density & Community Connectivity	5	
		1	1	Credit 3	Brownfield Redevelopment	1	
6			6	Credit 4.1	Alternative Transportation, Public Transportation Access	6	
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1			1	Credit 7.2	Heat Island Effect, Roof	1	
1			1	Credit 8	Light Pollution Reduction	1	
7		2	10	<b>Water Efficiency</b>	Required	10	
Y				Prereq 1	Water Use Reduction, 20% Reduction	Required	
4			2 to 4	Credit 1	Water Efficient Landscaping	2 to 4	
		2	2	Credit 2	Innovative Wastewater Technologies	2	
3			2 to 4	Credit 3	Water Use Reduction	2 to 4	
12	4	19	35	<b>Energy &amp; Atmosphere</b>	Required	35	
Y				Prereq 1	Fundamental Commissioning of the Building Energy Systems	Required	
Y				Prereq 2	Minimum Energy Performance	Required	
Y				Prereq 3	Fundamental Refrigerant Management	Required	
7		12	1 to 19	Credit 1	Optimize Energy Performance	1 to 19	
		7	1 to 7	Credit 2	On-Site Renewable Energy	1 to 7	
2			2	Credit 3	Enhanced Commissioning	2	
2			2	Credit 4	Enhanced Refrigerant Management	2	
1	2		3	Credit 5	Measurement & Verification	3	
2			2	Credit 6	Green Power	2	
5	1	8	14	<b>Materials &amp; Resources</b>	Required	14	
Y				Prereq 1	Storage & Collection of Recyclables	Required	
		3	1 to 3	Credit 1.1	Building Reuse, Maintain Existing Walls, Floors & Roof	1 to 3	
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2			1 to 2	Credit 2	Construction Waste Management	1 to 2	
		2	1 to 2	Credit 3	Materials Reuse	1 to 2	
2			1 to 2	Credit 4	Recycled Content	1 to 2	
1		1	1 to 2	Credit 5	Regional Materials	1 to 2	
		1	1	Credit 6	Rapidly Renewable Materials	1	
1			1	Credit 7	Certified Wood	1	
12	2	1	15	<b>Indoor Environmental Quality</b>	Required	15	
Y				Prereq 1	Minimum IAQ Performance	Required	
Y				Prereq 2	Environmental Tobacco Smoke (ETS) Control	Required	
1			1	Credit 1	Outdoor Air Delivery Monitoring	1	
1			1	Credit 2	Increased Ventilation	1	
1			1	Credit 3.1	Construction IAQ Management Plan, During Construction	1	
1			1	Credit 3.2	Construction IAQ Management Plan, Before Occupancy	1	
1			1	Credit 4.1	Low-Emitting Materials, Adhesives & Sealants	1	
1			1	Credit 4.2	Low-Emitting Materials, Paints & Coatings	1	
1			1	Credit 4.3	Low-Emitting Materials, Flooring Systems	1	
1			1	Credit 4.4	Low-Emitting Materials, Composite Wood & Agrifiber Products	1	
		1	1	Credit 5	Indoor Chemical & Pollutant Source Control	1	
1			1	Credit 6.1	Controllability of Systems, Lighting	1	
		1	1	Credit 6.2	Controllability of Systems, Thermal Comfort	1	
1			1	Credit 7.1	Thermal Comfort, Design	1	
1			1	Credit 7.2	Thermal Comfort, Verification	1	
		1	1	Credit 8.1	Daylight & Views, Daylight 75% of Spaces	1	
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1			1	Credit 1.2	Innovation in Design: Education Case Study	1	
1			1	Credit 1.3	Innovation in Design: One GC Credit	1	
			1	Credit 1.4	Innovation in Design: One GC Credit	1	
			1	Credit 1.5	Innovation in Design: Provide Specific Title	1	
1			1	Credit 2	LEED® Accredited Professional	1	
3	1		4	<b>Regional Priority</b>	Required	4	
1			1	Credit 1.1	Regional Priority: Development Density	1	
1			1	Credit 1.2	Regional Priority: Alternative Transportation	1	
		1	1	Credit 1.3	Regional Priority: Heat Island effect Non-Roof	1	
1			1	Credit 1.4	Regional Priority: Water Efficient Landscaping	1	
63	9	36	110	<b>Project Totals (pre-certification estimates)</b>		110	

Yes ? No Certified 40-49 points Silver 50-59 points Gold 60-79 points Platinum 80-110 points

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## **V. MARKET ANALYSIS & FINANCE OPTIONS**

- A. Downtown Santa Fe Office/Retail/Housing Market Conditions
- B. Assumptions Used in Calculating Project Costs
- C. Public-Private Partnership Models and Finance Options
- D. Financial Summary
- E. Parking Considerations
- F. Detailed Financial Information
- G. Conceptual Cost Estimates
- H. Construction Cost Comparison and Parking Comparison

The team analyzed the possibilities for mixed-use functions on the site in the existing and expanded building. Assumptions used in calculating project costs and public-private partnership models and finance options were considered. Conceptual costs estimates were prepared for each development option. Redevelopment options are summarized for net annual cost of each option, including detailed redevelopment cost assumptions. Construction cost comparison, projected 15-year operation costs, and parking comparison of each option is included in this section.



## Downtown Santa Fe Market Conditions

The revenue assumptions used in the financial analysis of the redevelopment options are based on current market conditions in downtown Santa Fe. Background information was compiled from multiple sources and integrated into the financial summary and detail sheet contained in the Executive Summary.

### Current Market Rents

Several of the redevelopment options assumes that a portion of the building will be leased to non-county tenants. These users will occupy space built especially for that purpose and space that is intended to accommodate future growth needs of the county. The types of potential tenants that are anticipated include offices, retail, and space for non-profit or other tenants that advance goals for the downtown retail (community based non-profits, artist, or commercial incubator space, for example).

The studies recognize that if the county retains ownership of the site, renovating the existing building or constructing a new building for county administrative use would work well on the site. Offering space identified in the development options for future county expansion for leased office or retail use would be marginal in regards to revenue generated for the county, so schemes with surplus space did not perform well financially (although it would benefit downtown in terms of jobs and potential for business that orient their goods and services to local residents).

Other community-based non-profit, artist, or commercial incubator space (possibly daycare) would not generate substantial revenue to the county, but would provide needed space for business start-ups or services beneficial to the community (non-profits, daycare).

Leon A. Mellow of Colliers International performed an assessment of the current downtown Santa Fe market conditions for office and retail space leases. Mr. Mellow has extensive experience as a broker and as a representative of building owners in the sale and leasing of downtown Santa Fe commercial properties. Mr. Mellow's data was used to estimate the return from leases of office and retail space to private individuals in portions of the renovated and/or expanded complex.

A property Valuation Report was prepared by Branden T. White of CBRE – Valuation & Advisory Services. While the purpose of the Valuation Report was to assess the value of the property if sold, the report contains additional information on the downtown market for office and retail space.

The following is a summary of the findings relative to lease rates in downtown:

- The existing building, given its location in the downtown, is not ideally suited for commercial retail or office use.
- Lease rates for retail vary widely in the downtown with rates the highest along the plaza, along San Francisco Street, and Palace Avenue. These areas have the highest walk-by retail traffic.
- Lease rates for offices are \$22 to \$28 per square foot (triple net) in the downtown. Landlords have to offer many concessions in regards to rent and tenant improvements.
- Retail lease rates are lower than office rates, especially in properties located away from the plaza.

Based on the findings of the market and valuation reports, the following lease rates are used in the analysis of the redevelopment options.

- Market rate office space - \$22 per square foot.
- Market rate retail space - \$14 per square foot (plus utilities).
- Below market leases - \$9 per square foot.

Tenant improvement costs have not been established as they would vary widely based on potential tenant needs.

### Analysis of Potential Occupancy of Leased Space

The site is not considered by either Mr. Mellow or Mr. White to be a prime location for office and retail space. The two real estate experts noted that high vacancies are likely for the market rate space, while discounted space for economic development purposes will be virtually fully leased. Based on the findings of their research, the following occupancy rates are assumed for leased space in the financial analysis.

- Leased space for market rate office and retail space - 60% occupancy on a yearly basis.
- Below market rate space - 95%.

Letters from Mr. Mellow and Mr. White are contained in the Appendix.

## Assumptions Used in Calculating Project Costs

### Costs

Construction costs were taken directly from the cost data for each of the redevelopment options. These include the redevelopment of 102 Grant, which is consistent in all of the downtown options, and the costs of site preparation, renovation, additions, and new construction (building and parking) at the existing judicial complex site. The costs of Option 4, relocation to a new site, include the cost of land as well as site preparation, new construction, and surface parking.

Annual operating cost, including utilities, janitorial, maintenance, insurance, and administration. The following table shows a comparison of selected operating costs in 2012 for downtown and suburban office buildings in Region 6, which is the Southwestern US. Costs are also shown for older and new downtown buildings and new suburban buildings. The costs for all but new suburban buildings range from \$9.22 to \$10.22 per square foot, with new suburban office space at \$8.32. Costs will vary by building materials, interior finishes, and other building details, and the county will have the same costs for janitorial, administration, and related services regardless of location. Note that the table includes selected costs, but because it does not include all costs, the totals are not the sum of the components listed.

For the purpose of the financial analysis, a cost of \$10 per square foot was assumed for all options.

### Summary of Selected Operating Expenses

Line Item	National Median				
	Region 6 (SW) Median		Downtown		Suburban
	Downtown	Suburban	Pre-1965	New	New
Utilities	\$ 1.96	\$ 2.12	\$ 2.32	\$ 2.41	\$ 1.82
Janitorial/Maint.	\$ 2.36	\$ 2.24	\$ 2.60	\$ 2.45	\$ 1.87
Admin	\$ 1.27	\$ 1.29	\$ 1.11	\$ 1.14	\$ 1.17
Net Operating Costs*	\$ 6.56	\$ 6.61	\$ 6.77	\$ 6.93	\$ 5.89
Insurance/Services	\$ 1.29	\$ 1.14	\$ 1.27	\$ 1.32	\$ 0.93
Total Operating Costs	\$ 9.22	\$ 9.26	\$ 9.59	\$ 10.22	\$ 8.32

\*Insurance not included in Net Operating Costs

Source: IREM Office Building Survey, 2012

These estimates assume that the county pays no RE or other property taxes.

### Financial Resources

Several sources of revenue were identified as part of the analysis. These include both one-time infusions of cash and ongoing operating revenues from the project or savings that could be redirected to the project.

The one time infusions of cash include the sale of county properties that would not be needed if county functions are consolidated in the new structure. In addition, the options at the existing site include a private contribution to the construction of a parking structure for 50 spaces. The estimates of value were provided by the CBRE Estimate of Fair Market Value for the existing site. Values for the sale of existing county buildings are rough estimates based on insurance values and Mr. Mellow's knowledge of downtown building sales. All properties would need to be appraised prior to any sale, and these estimates do not represent an appraised value.

The contributions to the project's annual operations include the estimated possible rents received from leased space as described above and annual savings that would result from moving county offices from space that the county is currently leasing, with the savings redirected to the project. These amounts help defray the annual operating costs to the county. There is no guarantee of rental income.

### Financing Assumptions

The financial analysis assumes that the one-time cash infusions will provide the county's contribution to the building cost, reducing the loan amount required. The estimated debt service assumes that the county will finance the project through a Public Project Revolving Loan Fund loan from the New Mexico Finance Authority at the October 2013 pricing of a 15-year loan at 3.049% interest.



## Public-Private Partnership Models

Local governments that are strapped for funds to pay for new or improved public facilities have in recent years begun to consider creative financing options for these facilities. One option is public-private partnerships. Public-Private Partnership (or P3) contracts can take many different forms. Below are a few of the most common models.

**Long-Term Lease Agreement.** This is an agreement where a private company (or consortium of companies) receives the right to collect revenues associated with an existing asset in exchange for an upfront fee to the governmental entity.

**Sale/Leaseback.** A sale-leaseback is a transaction in which the government sells public property and then leases it back from the private buyer.

**Design-Build-Finance-Operate-Maintain.** Variations of this model involve different combinations of services provided by a private entity and include Design-Build, Design-Build-Operate, etc. In this model, a private entity is involved in varying aspects of the financing, design, building, and operation and maintenance of the asset, and is compensated for its investment by receiving the right to collect future revenues associated with asset, such as user fees.

**Availability Payment.** In this model, the governmental entity provides regular payments, based on criteria such as project milestones or performance standards, to private investors, developers, and operators that design, build, finance, operate, and maintain an asset (or perform a subset of these activities). This project is similar to the design, build, finance, operate, and maintain-type contract described above, but uses an availability payment scheme to compensate the private companies.

The suitability of a P3 approach to redevelopment will hinge on the selected option. Renovation and reuse may be more of a challenge for this approach than new construction.

Recent research indicates that governments should be cautious about using P3s. While a package of private investment may relieve a short term cash shortfall, the long term commitments made in exchange can have the following disadvantages:

- Sale of property at a low price that is not advantageous to the public. The government entity may be too anxious to make a deal, losing revenue from an asset for a long period of time or obligating the government to long term lease payments that are higher than the cost of government financing in exchange for a short term infusion of revenue. The sale of Arizona's state capitol is an example of a sale/leaseback that, although it financed a short term budget shortfall, may not have been advantageous to the public in the long term. The state sold several office buildings on the Capitol Complex in 2009 for \$81 million and will pay out \$106 million over the life of the lease. In 2012, with the state's financial standing much improved, Arizona began exploring the possibility of buying back the buildings
- Long term commitment that ties up an asset for decades. This approach is inflexible and does not allow the government entity to adapt over time in response to change.
- Contract clauses, such as compensation and non-compete requirements, which may not serve the public interest. For example, the county may determine that below-market office space for new small businesses or non-profits offers benefits to the public. Such discounted rates may not be built into a public-private agreement, requiring the county to make up the difference thus increasing costs above what they would have been without private sector involvement. In a similar way, the county could turn over management of the on-site parking to a private entity to operate and maintain it in exchange for parking fees. If the county decided that free parking for certain users was advantageous, it could be obligated to make up the difference in lost revenue to the operator.

- Loss of control is also an issue. A private contractor is not accountable to the public and could make decisions that are counter to the values of the county government.

If the county elects to solicit proposals for a public-private venture, the RFP process is the county's opportunity to clearly define the goals of the county regarding financing, acceptable terms, public goals to be accomplished by the project, and other criteria that are important to the county and to downtown Santa Fe. The criteria will depend on the structure of the partnership, but examples of recommended criteria include:

- Length of the term and options for early buy-back by the county.
- Allowable beginning lease rates for county office space and leases to third parties.
- Maximum escalation of lease rates for both the county and third party tenants.
- Maximum escalation of staff, tenant and public parking rates.
- Desired mix of office, retail, and non-profit tenants, if any.
- Desired floor area to be devoted to economic development related businesses and housing, if any.
- Control to be exerted by the county over third-party tenants.
- Desired subsidies for public space or services (i.e. free parking or reduced rents) and clarification of county's responsibility for making up the difference in lost revenue.
- Desired and minimum acceptable standard of maintenance.

**Financial Summary**

**Old Judicial Complex Redevelopment Options**

	Option 1A	Option 1B	Option 2A	Option 2B	Option 2C	Option 3A	Option 3B	Option 4
Proposed Project	Renovate existing building, no additions, no comm svcs., surface pkg	Renovate existing building, no additions, no comm svcs.	Expand existing building, min additions, comm svcs included	Expand existing building, max additions, comm svcs included	Expand existing building, max additions, no comm svcs.	Demolish existing building, new building on site, no comm svcs	Demolish existing building, new building on site, comm svcs included	Sell existing buildings; new building remote site; consolidate County admin and County Commission functions
Other Proposed Uses	Leased Office/Retail	Leased Office/Retail	Leased Office/Retail	Leased Office/Retail	Leased Office/Retail	Leased Office/Retail	Leased Office/Retail/Day Care	None
<b>PROJECT DESCRIPTION</b>								
Existing Need (GSF)	84,090	84,090	84,090	84,090	84,090	84,090	84,090	84,090
Existing Need + Tare	100,908	100,908	100,908	100,908	100,908	100,908	100,908	100,908
Total Provided in this Option - All Facilities	108,788	109,685	109,965	125,236	136,596	101,665	110,073	109,500
- GSF for County Staff	99,824	100,048	99,614	104,227	108,668	98,478	95,515	95,000
- GSF for Growth/Lease	8,964	9,637	10,351	21,009	27,928	3,187	14,558	14,500
<b>Space Provided</b>								
102 Grant (sf)	37,781	37,781	37,781	37,781	37,781	37,781	37,781	0
102 Grant renovated sf	28,345	28,345	28,345	28,345	28,345	28,345	28,345	0
CS Galisteo Building (sf)	11,360	11,360	-	-	11,360	11,360	-	-
<b>Redevelopment of OJC Site</b>								
<i>Gross Square Footage Assumptions</i>								
Gross Interior Square Footage	59,647	60,544	72,184	87,455	87,455	52,524	72,292	109,500
Portal	0	0	2,080	3,900	3,900	2,933	2,933	0
<b>Parking Assumptions</b>								
Target parking spaces	245	246	359	378	329	316	368	394
<b>Spaces Provided</b>	126	243	317	330	330	329	329	425
<b>Parking surplus/deficit</b>	-119	-3	-42	-48	1	13	-39	31
<b>REVENUE ASSUMPTIONS</b>								
<b>Leased Space, New/Renovated Admin Building</b>								
- Space for County Use	50,683	50,907	61,833	66,446	59,527	49,337	57,734	95,000
- Future Growth / Lease	8,964	9,637	10,351	21,009	27,928	3,187	9,558	14,500
- Potential Day Care	0	0	0	0	0	0	5,000	0
- Net leasable to third party tenants	7,619	8,191	8,798	17,858	23,739	2,709	13,124	0
<b>DEVELOPMENT FINANCIAL SUMMARY</b>								
<b>Land Cost</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,581,000
<b>Renovated/New County Building</b>	\$ 10,724,563	\$ 16,440,692	\$ 24,759,779	\$ 29,894,503	\$ 29,894,503	\$ 19,492,529	\$ 23,624,041	\$ 24,894,870
<b>Renovation of 102 Grant</b>	\$ 3,422,659	\$ 3,422,659	\$ 3,422,659	\$ 3,422,659	\$ 3,422,659	\$ 3,422,659	\$ 3,422,659	\$ -
<b>Sort Costs (Integral Moveable equipment, Information Technology, County Admin and Professional Fees)</b>	\$ 2,337,385	\$ 3,281,772	\$ 4,656,228	\$ 5,504,575	\$ 5,504,575	\$ 3,932,374	\$ 4,645,999	\$ 4,300,023
<b>Total, including land, renov of 102 Grant and soft costs</b>	\$ 16,484,607	\$ 23,145,123	\$ 32,838,666	\$ 38,821,737	\$ 38,821,737	\$ 26,847,562	\$ 31,692,699	\$ 31,775,893
<b>Less One-time Payments</b>	\$ 7,800,000	\$ 7,800,000	\$ 10,827,107	\$ 10,975,628	\$ 9,464,748	\$ 8,800,010	\$ 10,310,890	\$ 19,230,880
<b>Loan Amount</b>	\$ 8,684,607	\$ 15,345,123	\$ 22,011,559	\$ 27,846,109	\$ 29,356,989	\$ 18,047,552	\$ 21,381,809	\$ 12,545,013
<b>Ongoing Revenue</b>								
Leased Space	\$ 80,975	\$ 87,055	\$ 93,504	\$ 189,782	\$ 252,284	\$ 28,789	\$ 139,478	\$ -
Savings on Current Operations (HR Building)	\$ 59,400	\$ 59,400	\$ 59,400	\$ 59,400	\$ 59,400	\$ 59,400	\$ 59,400	\$ 59,400
Savings on County leases	\$ 299,183	\$ 299,183	\$ 299,183	\$ 299,183	\$ 299,183	\$ 299,183	\$ 299,183	\$ 299,183
<b>Total Revenue / Savings</b>	\$ 439,558	\$ 445,637	\$ 452,087	\$ 548,365	\$ 610,867	\$ 387,372	\$ 498,061	\$ 358,583
<b>NET COST CALCULATION</b>								
- Operating Revenue (leases/savings)	\$ 439,558	\$ 445,637	\$ 452,087	\$ 548,365	\$ 610,867	\$ 387,372	\$ 498,061	\$ 358,583
- Operating Expenses - 102 Grant	\$ (374,032)	\$ (374,032)	\$ (374,032)	\$ (374,032)	\$ (374,032)	\$ (374,032)	\$ (374,032)	\$ -
- Operating Expenses - CS Galisteo Bldg	\$ (112,464)	\$ (112,464)	\$ -	\$ -	\$ (112,464)	\$ (112,464)	\$ -	\$ -
- Operating Expenses - New/Renovated Admin Building	\$ (590,505)	\$ (599,386)	\$ (714,622)	\$ (865,805)	\$ (865,805)	\$ (504,230)	\$ (694,003)	\$ (912,000)
- Operating Expenses - Parking	\$ (30,870)	\$ (113,238)	\$ (147,722)	\$ (153,780)	\$ (153,780)	\$ (153,314)	\$ (153,314)	\$ (104,125)
Leased Parking	\$ (92,852)	\$ (2,531)	\$ (32,700)	\$ (37,436)	\$ -	\$ -	\$ (30,443)	\$ -
<b>Net Operating Expense</b>	\$ (761,165)	\$ (756,014)	\$ (816,988)	\$ (882,688)	\$ (895,214)	\$ (756,668)	\$ (753,732)	\$ (657,542)
- Debt Service	\$ (832,297)	\$ (1,470,614)	\$ (2,109,498)	\$ (2,668,658)	\$ (2,813,454)	\$ (1,729,604)	\$ (2,049,146)	\$ (1,202,263)
<b>Net Annual Cost</b>	\$ (1,593,463)	\$ (2,226,628)	\$ (2,926,487)	\$ (3,551,346)	\$ (3,708,668)	\$ (2,486,272)	\$ (2,802,877)	\$ (1,859,805)

**Parking Considerations**

Santa Fe County's parking requirements are a major driver in this study, significantly impacting development options and overall project costs.

The planning team, with the assistance of county staff, identified a preliminary parking demand based on the following assumptions:

- Parking is provided for all staff (208 with Community Services/170 without Community Services).
- The staff parking is discounted to 80% of total to account for staff that may be on sick leave, on vacation, or on travel, and assuming some staff use alternative transportation (reduces staff demand to 166 with Community Services/136 without Community Services).
- Parking is provided for fleet vehicles (84 with Community Services/53 without Community Services).
- Parking is provided for the public (40 spaces).
- Parking is provided for sale to a private customer (50 spaces).
- Parking will be required for tenants of leased spaces (8 to 50 spaces).

In any option (1 through 3), the county should scrutinize the preliminary parking demand and examine potential options to reduce the number of required parking spaces. Specifically, the county may elect to consider the following parking requirement reduction options:

- *Examine the total number of required fleet vehicles*  
Once staff is collocated downtown, there may be opportunities to reduce vehicles currently needed because administrative staff must travel to meetings downtown. There may also be more opportunities to share vehicles once all administrative staff are collocated in one or two locations.
- *Examine opportunities to incentivize staff to reduce parking*

Providing stipends in lieu of parking to encourage walking, carpooling, bicycling, or use of public transportation may reduce the parking demand. Paying for bus passes is another opportunity that could be explored.

**PARKING REQUIREMENTS**

	with Comm Svcs	w/o Comm Svcs
Full Staff	208	170
Staff @ 80%	166	136
Fleet	84	53
Public	40	40
Private (Option)	50	50
<b>TOTAL</b>	<b>340</b>	<b>279</b>
*NOTE: Parking quantities do not include spaces for tenant leases.		



# PLAN OPTION 1A COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX					
Remodel				Estimate: Conceptual	
Option #1A-- 118 + 8 HC = 126 Total Parking Spaces					
Location: Santa Fe, New Mexico				Date: 11/5/2013	
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
2050	Asbestos Abatement	1	LS	50000	\$50,000
2070	Selective Demolition	57153	SF	8.75	\$500,089
2230	Site Clearing/Demolition	1	LS	57500	\$57,500
2240	Site Development	1	LS	250000	\$250,000
2300	Earthwork	1	LS	50000	\$50,000
2500	Relocate Transformers	1	LS	50000	\$50,000
2553	Relocate Gas Distribution	1	LS	10000	\$10,000
2560	Relocate COSF Sewer Line	240	LF	55	\$13,200
2813	Irrigation System	1	LS	30000	\$30,000
2900	Landscaping	1	LS	30000	\$30,000
				<b>DIVISION TOTAL</b>	<b>\$1,040,789</b>
<b>DIVISION 3</b>	<b>CONCRETE/ASPHALT PAVING</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
3300	Concrete/Asphalt Parking				
	126 space surface parking	42294	SF	8.94	\$378,108
				<b>DIVISION TOTAL</b>	<b>\$378,108</b>
<b>DIVISION 5</b>	<b>RENOVATIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
	<b>Existing Building Renovation</b>				
5130	renovate existing space	57153	SF	130	\$7,429,890
				<b>DIVISION TOTAL</b>	<b>\$7,429,890</b>
<b>DIVISION 6</b>	<b>ADDITIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
5511	new south two story lobby	1794	SF	180	\$322,920
5521	west one story retail	700	SF	220	\$154,000
				<b>DIVISION TOTAL</b>	<b>\$476,920</b>
				<b>TOTAL COST</b>	<b>\$9,325,707</b>
				<b>15% Estimating/Time Contingency</b>	<b>\$1,398,856</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGR</b>	<b>\$10,724,563</b>
	<b>ADDITIONAL COSTS</b>				
1	Renovate 102 Grant	28345	SF	105	\$2,976,225
				15% Estimating/Time Contingency	\$446,434
2	Integral Moveable Equipment			8.5% of \$12,301,932	\$1,045,664
3	Information Technology			2% of \$12,301,932	\$246,039
4	County Administration			1.5% of \$12,301,932	\$184,529
5	Professional Fees			7% of \$12,301,932	\$861,135
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGR</b>	<b>\$16,484,589</b>



# PLAN OPTION 1B COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX						Estimate: Conceptual
Remodel						
Option #1B -- 235 + 8 HC = 243 Total Parking Spaces						
Location: Santa Fe, New Mexico						Date: 11/5/2013
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
2050	Asbestos Abatement	1	LS	50000	\$50,000	
2070	Selective Demolition	57153	SF	8.75	\$500,089	
2230	Site Clearing/Demolition	1	LS	57500	\$57,500	
2240	Site Development	1	LS	250000	\$250,000	
2300	Earthwork	1	LS	50000	\$50,000	
2500	Relocate Transformers	1	LS	50000	\$50,000	
2553	Relocate Gas Distribution	1	LS	10000	\$10,000	
2560	Relocate COSF Sewer Line	240	LF	55	\$13,200	
2813	Irrigation System	1	LS	30000	\$30,000	
2900	Landscaping	1	LS	30000	\$30,000	
				<b>DIVISION TOTAL</b>		<b>\$1,040,789</b>
<b>DIVISION 3</b>	<b>CONCRETE</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
3300	Cast-in-Place Concrete					
	243 space parking garage	79803	SF	65	\$5,187,195	
				<b>DIVISION TOTAL</b>		<b>\$5,187,195</b>
<b>DIVISION 5</b>	<b>RENOVATIONS</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
	<b>Existing Building Renovation</b>					
5130	renovate existing space	57153	SF	130	\$7,429,890	
				<b>DIVISION TOTAL</b>		<b>\$7,429,890</b>
<b>DIVISION 6</b>	<b>ADDITIONS</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
5511	new south three story lobby	2691	SF	180	\$484,380	
5521	west one story retail	700	SF	220	\$154,000	
				<b>DIVISION TOTAL</b>		<b>\$638,380</b>
				<b>TOTAL COST</b>		<b>\$14,296,254</b>
				<b>15% Estimating/Time Contingency</b>		<b>\$2,144,438</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGR</b>		<b>\$16,440,692</b>
				<b>ADDITIONAL COSTS</b>		
1	Renovate 102 Grant	28345	SF	105	\$2,976,225	\$2,976,225
				15% Estimating/Time Contingency		\$446,434
2	Integral Moveable Equipment			8.5% of \$17,272,479		\$1,468,161
3	Information Technology			2% of \$17,272,479		\$345,450
4	County Administration			1.5% of \$17,272,479		\$259,087
5	Professional Fees			7% of \$17,272,479		\$1,209,074
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGR</b>		<b>\$23,145,123</b>

# PLAN OPTION 2A COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX					
Remodel & Additions				Estimate: Conceptual	
Option #2A -- 305 + 12 HC = 317 Total Parking Spaces					
Location: Santa Fe, New Mexico				Date: 11/5/2013	
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
2050	Asbestos Abatement	1	LS	50000	\$50,000
2060	Partial Building Demolition	1	LS	132250	\$132,250
2070	Selective Demolition	53108	SF	8.75	\$464,695
2230	Site Clearing/Demolition	1	LS	57500	\$57,500
2240	Site Development	1	LS	250000	\$250,000
2300	Earthwork	1	LS	50000	\$50,000
2500	Relocate Transformers	1	LS	50000	\$50,000
2553	Relocate Gas Distribution	1	LS	10000	\$10,000
2560	Relocate COSF Sewer Line	240	LF	55	\$13,200
2813	Irrigation System	1	LS	30000	\$30,000
2900	Landscaping	1	LS	30000	\$30,000
				<b>DIVISION TOTAL</b>	<b>\$1,137,645</b>
<b>DIVISION 3</b>	<b>CONCRETE</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
3300	Cast-in-Place Concrete				
	317 space parking garage	103923	SF	92.5	\$9,612,878
				<b>DIVISION TOTAL</b>	<b>\$9,612,878</b>
<b>DIVISION 5</b>	<b>RENOVATIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
	<b>Existing Building Renovation</b>				
5130	renovate existing space	53108	SF	130	\$6,904,040
				<b>DIVISION TOTAL</b>	<b>\$6,904,040</b>
<b>DIVISION 6</b>	<b>ADDITIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
	<b>New Building Additions</b>				
5210	NE/SE 1st floor	8444	SF	220	\$1,857,680
5310	NE/SE 2nd floor	7155	SF	180	\$1,287,900
5511	new south three story lobby	2691	SF	180	\$484,380
5521	west one story retail	786	SF	220	\$172,920
5530	portals	2080	SF	35	\$72,800
				<b>DIVISION TOTAL</b>	<b>\$3,875,680</b>
				<b>TOTAL COST</b>	<b>\$21,530,243</b>
				<b>15% Estimating/Time Contingency</b>	<b>\$3,229,536</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGR</b>	<b>\$24,759,779</b>
	<b>ADDITIONAL COSTS</b>				
1	Renovate 102 Grant	28345	SF	105	\$2,976,225
				<b>15% Estimating/Time Contingency</b>	<b>\$446,434</b>
2	Integral Moveable Equipment			8.5% of \$24,506,468	\$2,083,050
3	Information Technology			2% of \$24,506,468	\$490,129
4	County Administration			1.5% of \$24,506,468	\$367,597
5	Professional Fees			7% of \$24,506,468	\$1,715,452
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGR</b>	<b>\$32,838,666</b>



# PLAN OPTION 2B COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX					
Remodel & Additions Option #2B-- 318 + 12 HC = 330 Total Parking Spaces				Estimate: Conceptual	
Location: Santa Fe, New Mexico				Date: 11/5/2013	
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
2050	Asbestos Abatement	1	LS	50000	\$50,000
2060	Partial Building Demolition	1	LS	132250	\$132,250
2070	Selective Demolition	53108	SF	8.75	\$464,695
2230	Site Clearing/Demolition	1	LS	57500	\$57,500
2240	Site Development	1	LS	250000	\$250,000
2300	Earthwork	1	LS	50000	\$50,000
2500	Relocate Transformers	1	LS	50000	\$50,000
2553	Relocate Gas Distribution	1	LS	10000	\$10,000
2560	Relocate COSF Sewer Line	240	LF	55	\$13,200
2813	Irrigation System	1	LS	30000	\$30,000
2900	Landscaping	1	LS	30000	\$30,000
				<b>DIVISION TOTAL</b>	<b>\$1,137,645</b>
<b>DIVISION 3</b>	<b>CONCRETE</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
3300	Cast-in-Place Concrete				
	330 space parking garage	118782	SF	92.5	\$10,987,335
				<b>DIVISION TOTAL</b>	<b>\$10,987,335</b>
<b>DIVISION 5</b>	<b>RENOVATIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
	<b>Existing Building Renovation</b>				
5130	renovate existing space	53108	SF	130	\$6,904,040
				<b>DIVISION TOTAL</b>	<b>\$6,904,040</b>
<b>DIVISION 6</b>	<b>ADDITIONS</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
	<b>New Building Additions</b>				
5210	NE/SE 1st floor	15395	SF	220	\$3,386,900
5310	NE/SE 2nd floor	14578	SF	180	\$2,624,040
5511	new south four story lobby	3588	SF	180	\$645,840
5521	west one story retail	786	SF	220	\$172,920
5530	portals	3900	SF	35	\$136,500
				<b>DIVISION TOTAL</b>	<b>\$6,966,200</b>
				<b>TOTAL COST</b>	<b>\$25,995,220</b>
				<b>15% Estimating/Time Contingency</b>	<b>\$3,899,283</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGR</b>	<b>\$29,894,503</b>
	<b>ADDITIONAL COSTS</b>				
1	Renovate 102 Grant	28345	SF	105	\$2,976,225
				<b>15% Estimating/Time Contingency</b>	<b>\$446,434</b>
2	Integral Moveable Equipment			8.5% of \$28,971,445	\$2,462,573
3	Information Technology			2% of \$28,971,445	\$579,429
4	County Administration			1.5% of \$28,971,445	\$434,572
5	Professional Fees			7% of \$28,971,445	\$2,028,001
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGR</b>	<b>\$38,821,737</b>

# PLAN OPTION 2C COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX Remodel & Additions Option #2C-- 318 + 12 HC = 330 Total Parking Spaces Estimate: Conceptual Location: Santa Fe, New Mexico Date: 11/5/2013						
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
2050	Asbestos Abatement	1	LS	50000	\$50,000	
2060	Partial Building Demolition	1	LS	132250	\$132,250	
2070	Selective Demolition	53108	SF	8.75	\$464,695	
2230	Site Clearing/Demolition	1	LS	57500	\$57,500	
2240	Site Development	1	LS	250000	\$250,000	
2300	Earthwork	1	LS	50000	\$50,000	
2500	Relocate Transformers	1	LS	50000	\$50,000	
2553	Relocate Gas Distribution	1	LS	10000	\$10,000	
2560	Relocate COSF Sewer Line	240	LF	55	\$13,200	
2813	Irrigation System	1	LS	30000	\$30,000	
2900	Landscaping	1	LS	30000	\$30,000	
				<b>DIVISION TOTAL</b>	<b>\$1,137,645</b>	
<b>DIVISION 3</b>	<b>CONCRETE</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
3300	Cast-in-Place Concrete					
	330 space parking garage	118782	SF	92.5	\$10,987,335	
				<b>DIVISION TOTAL</b>	<b>\$10,987,335</b>	
<b>DIVISION 5</b>	<b>RENOVATIONS</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
	<b>Existing Building Renovation</b>					
5130	renovate existing space	53108	SF	130	\$6,904,040	
				<b>DIVISION TOTAL</b>	<b>\$6,904,040</b>	
<b>DIVISION 6</b>	<b>ADDITIONS</b>					
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>	
	<b>New Building Additions</b>					
5210	NE/SE 1st floor	15395	SF	220	\$3,386,900	
5310	NE/SE 2nd floor	14578	SF	180	\$2,624,040	
5511	new south four story lobby	3588	SF	180	\$645,840	
5521	west one story retail	786	SF	220	\$172,920	
5530	portals	3900	SF	35	\$136,500	
				<b>DIVISION TOTAL</b>	<b>\$6,966,200</b>	
				<b>TOTAL COST</b>	<b>\$25,995,220</b>	
				<b>15% Estimating/Time Contingency</b>	<b>\$3,899,283</b>	
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGR</b>	<b>\$29,894,503</b>	
	<b>ADDITIONAL COSTS</b>					
1	Renovate 102 Grant	28345	SF	105	\$2,976,225	\$2,976,225
						<b>15% Estimating/Time Contingency</b>
						<b>\$446,434</b>
2	Integral Moveable Equipment					8.5% of \$28,971,445
						<b>\$2,462,573</b>
3	Information Technology					2% of \$28,971,445
						<b>\$579,429</b>
4	County Administration					1.5% of \$28,971,445
						<b>\$434,572</b>
5	Professional Fees					7% of \$28,971,445
						<b>\$2,028,001</b>
						<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGR</b>
						<b>\$38,821,737</b>

# PLAN OPTION 3A COST ESTIMATE

<b>Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX</b>					
<b>New Building</b>				<b>Estimate: Conceptual</b>	
<b>Option #3A-- 317 + 12 HC = 329 Total Parking Spaces</b>					
<b>Location: Santa Fe, New Mexico</b>				<b>Date: 11/5/2013</b>	
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
2050	Asbestos Abatement	1	LS	50000	\$50,000
2060	Total Building Demolition	1	LS	517500	\$517,500
2230	Site Clearing/Demolition	1	LS	57500	\$57,500
2240	Site Development	1	LS	250000	\$250,000
2300	Earthwork	1	LS	50000	\$50,000
2500	Relocate Transformers	1	LS	50000	\$50,000
2553	Relocate Gas Distribution	1	LS	10000	\$10,000
2560	Relocate COSF Sewer Line	240	LS	55	\$13,200
2813	Irrigation System	1	LS	30000	\$30,000
2900	Landscaping	1	LS	30000	\$30,000
				<b>DIVISION TOTAL</b>	<b>\$1,058,200</b>
<b>DIVISION 3</b>	<b>CONCRETE</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
3300	Cast-in-Place Concrete				
	329 space parking garage	107080	SF	61.45	\$6,580,066
				<b>DIVISION TOTAL</b>	<b>\$6,580,066</b>
<b>DIVISION 6</b>	<b>NEW BUILDING</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
5210	New Building	52524	SF	190	\$9,979,560
5530	Portals	2933	SF	35	\$102,655
				<b>DIVISION TOTAL</b>	<b>\$10,082,215</b>
				<b>TOTAL COST</b>	<b>\$17,720,481</b>
				<b>10% ESTIMATING/TIME CONTINGENCY</b>	<b>\$1,772,048</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGRT</b>	<b>\$19,492,529</b>
				<b>ADDITIONAL COSTS</b>	
1	Renovate 102 Grant	28345	SF	105	\$2,976,225
				15% Estimating/Time Contingency	\$446,434
2	Integral Moveable Equipment			8.5% of \$20,696,706	\$1,759,220
3	Information Technology			2% of \$20,696,706	\$413,934
4	County Administration			1.5% of \$20,696,706	\$310,451
5	Professional Fees			7% of \$20,696,706	\$1,448,769
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGRT</b>	<b>\$26,847,562</b>

# PLAN OPTION 3B COST ESTIMATE

Project: SANTA FE COUNTY OLD JUDICIAL COMPLEX					
New Building				Estimate: Conceptual	
Option #3B-- 317 + 12 HC = 329 Total Parking Spaces					
Location: Santa Fe, New Mexico				Date: 11/5/2013	
<b>DIVISION 2</b>	<b>SITE CONSTRUCTION</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
2050	Asbestos Abatement	1	LS	50000	\$50,000
2060	Total Building Demolition	1	LS	517500	\$517,500
2230	Site Clearing/Demolition	1	LS	57500	\$57,500
2240	Site Development	1	LS	250000	\$250,000
2300	Earthwork	1	LS	50000	\$50,000
2500	Relocate Transformers	1	LS	50000	\$50,000
2553	Relocate Gas Distribution	1	LS	10000	\$10,000
2560	Relocate COSF Sewer Line	240	LS	55	\$13,200
2813	Irrigation System	1	LS	30000	\$30,000
2900	Landscaping	1	LS	30000	\$30,000
				<b>DIVISION TOTAL</b>	<b>\$1,058,200</b>
<b>DIVISION 3</b>	<b>CONCRETE</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
3300	Cast-in-Place Concrete				
	329 space parking garage	107080	SF	61.45	\$6,580,066
				<b>DIVISION TOTAL</b>	<b>\$6,580,066</b>
<b>DIVISION 6</b>	<b>NEW BUILDING</b>				
		<b>Quantity</b>	<b>Unit</b>	<b>Unit Price</b>	<b>Extension</b>
5210	New Building	72292	SF	190	\$13,735,480
5530	Portals	2933	SF	35	\$102,655
				<b>DIVISION TOTAL</b>	<b>\$13,838,135</b>
				<b>TOTAL COST</b>	<b>\$21,476,401</b>
				<b>10% ESTIMATING/TIME CONTINGENCY</b>	<b>\$2,147,640</b>
				<b>TOTAL BASE CONSTRUCTION ESTIMATE INCLUDING NMGRT</b>	<b>\$23,624,041</b>
				<b>ADDITIONAL COSTS</b>	
1	Renovate 102 Grant	28345	SF	105	\$2,976,225
				15% Estimating/Time Contingency	\$446,434
2	Integral Moveable Equipment			8.5% of \$24,452,626	\$2,078,473
3	Information Technology			2% of \$24,452,626	\$489,053
4	County Administration			1.5% of \$24,452,626	\$366,789
5	Professional Fees			7% of \$24,452,626	\$1,711,684
				<b>TOTAL DEVELOPMENT COST ESTIMATE INCLUDING NMGRT</b>	<b>\$31,692,699</b>

## LAS SOLERAS

A 500+/- acre master planned community in Santa Fe, NM

September 11, 2013

*VIA EMAIL – david dekker @ studio southwest architects*

Santa Fe County  
Care of: Mr. David Dekker  
Architect – Principal  
Studio Southwest Architects

**Re: 7-10 Acre Parcel off of Interstate 25 & Cerrillos & Beckner Road – Santa Fe, New Mexico (Las Soleras Master Planned Community)**

Dear Mr. Dekker:

**Beckner Road Equities, Inc. agrees to sell to Santa Fe County on the following terms:**

- PROPERTY:** 7 to 10 Acres “Fully Finished” Parcel, Beckner Road (north of Interstate 25 and east of Cerrillos Road), Santa Fe, New Mexico, within the master planned community referred to as Las Soleras. [www.lasoleras.com](http://www.lasoleras.com).
- PROPERTY CONDITION:** The Sale Property is “rough graded” with all utilities available in the Beckner Road adjacent to the Sale Property at capacities required to construct a County administration building (Santa Fe County Assessor’s Office, etc.).
- WATER RIGHTS:** The Seller represents that there are sufficient water rights available to be acquired for the development of the County Administration Building.
- PARKING:** This Sale Property will not require a parking structure (all surface parking).
- CITY OF SF:** The Seller will ensure that the County Administration Building complies with all of the City of Santa Fe ordinances, including the “setbacks” required from Interstate 25.
- ZONING:** The Property was recently annexed and has City of Santa Fe CC-1 Zoning which allows for multi-levels office buildings as a permissive use. There will be no zone change required for the Purchaser’s proposed office building.
- PURCHASE PRICE:** The Purchase Price shall be **\$7.90 per square foot** in whatever amount of acreage needed by Purchaser.  
**7.5 Acres = \$2.581 Million**

# PLAN OPTION 4 COST ESTIMATE

**Option 4** identifies a remote site (see proposal at left) for a new consolidated county administration and county commission building with the required parking on a surface parking lot. This option assumes all county administrative and commission functions are to move from the downtown to this site or another site.

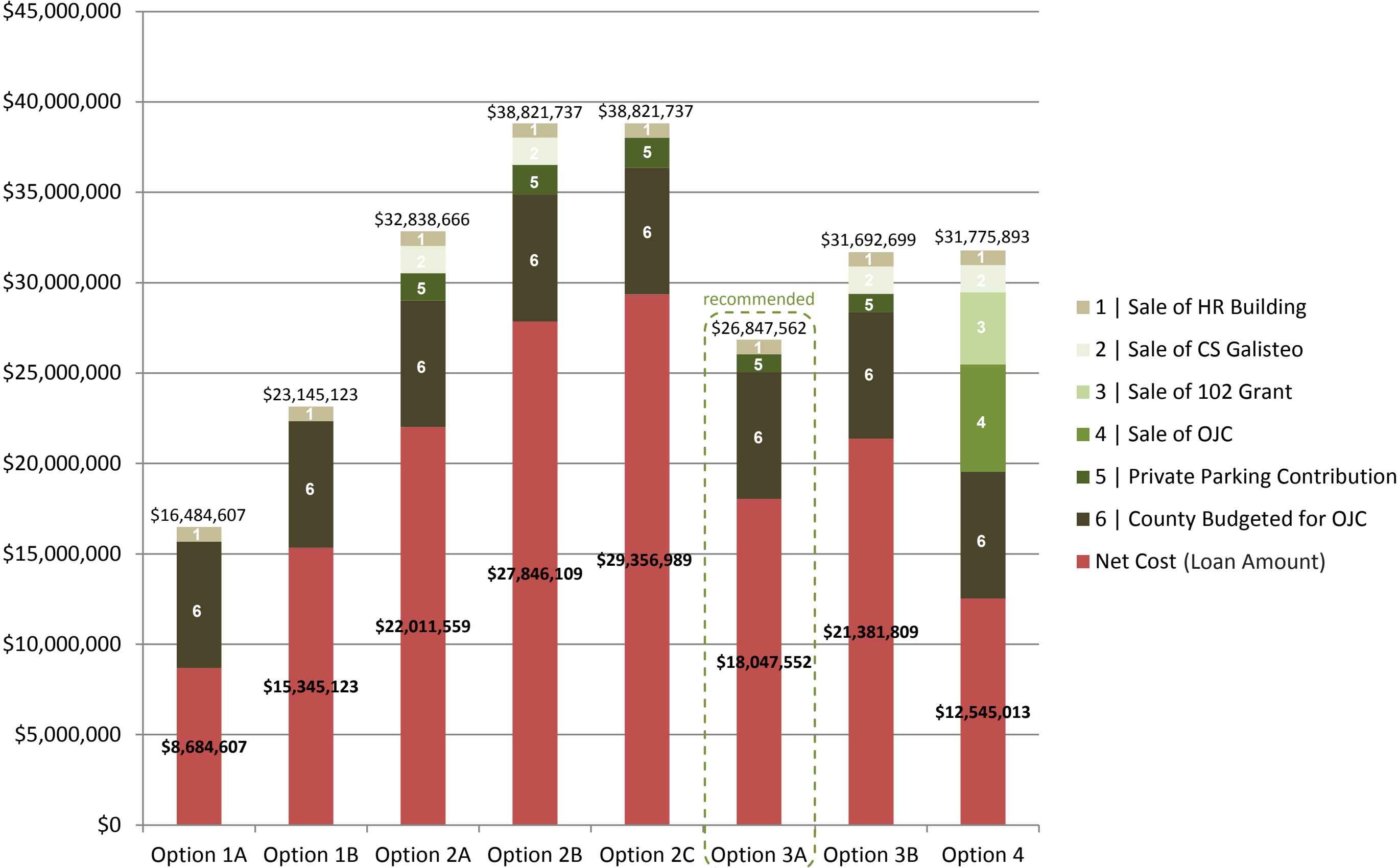
Included in this new building are the following elements and cost:

ELEMENT	COST
95,000sf building	\$200/sf = \$19,000,000
14,500sf space for future growth	\$140/sf = \$2,030,000
Parking 425 spaces @ \$3,000/space	= \$1,275,000
Site Improvements	= \$326,700
Subtotal	= \$22,631,700
Contingency @ 10%	= \$2,263,170
<b>Total Base Construction Estimate including NMGRT</b>	<b>= \$24,894,870</b>
<b>Additional Costs</b>	
Integral moveable Equipment 8.5% of \$22,631,700	= \$1,923,694
Information Technology 2% of \$22,691,700	= \$452,634
County Administration 1.5% of \$22,631,700	= \$339,476
Professional Fees 7% of \$22,631,700	= \$1,584,219
Land Cost	\$2,581,000
<b>Total Development Cost Estimate including NMGRT</b>	<b>= \$31,775,893</b>

This option would include revenue from the sale of three existing county-owned buildings:

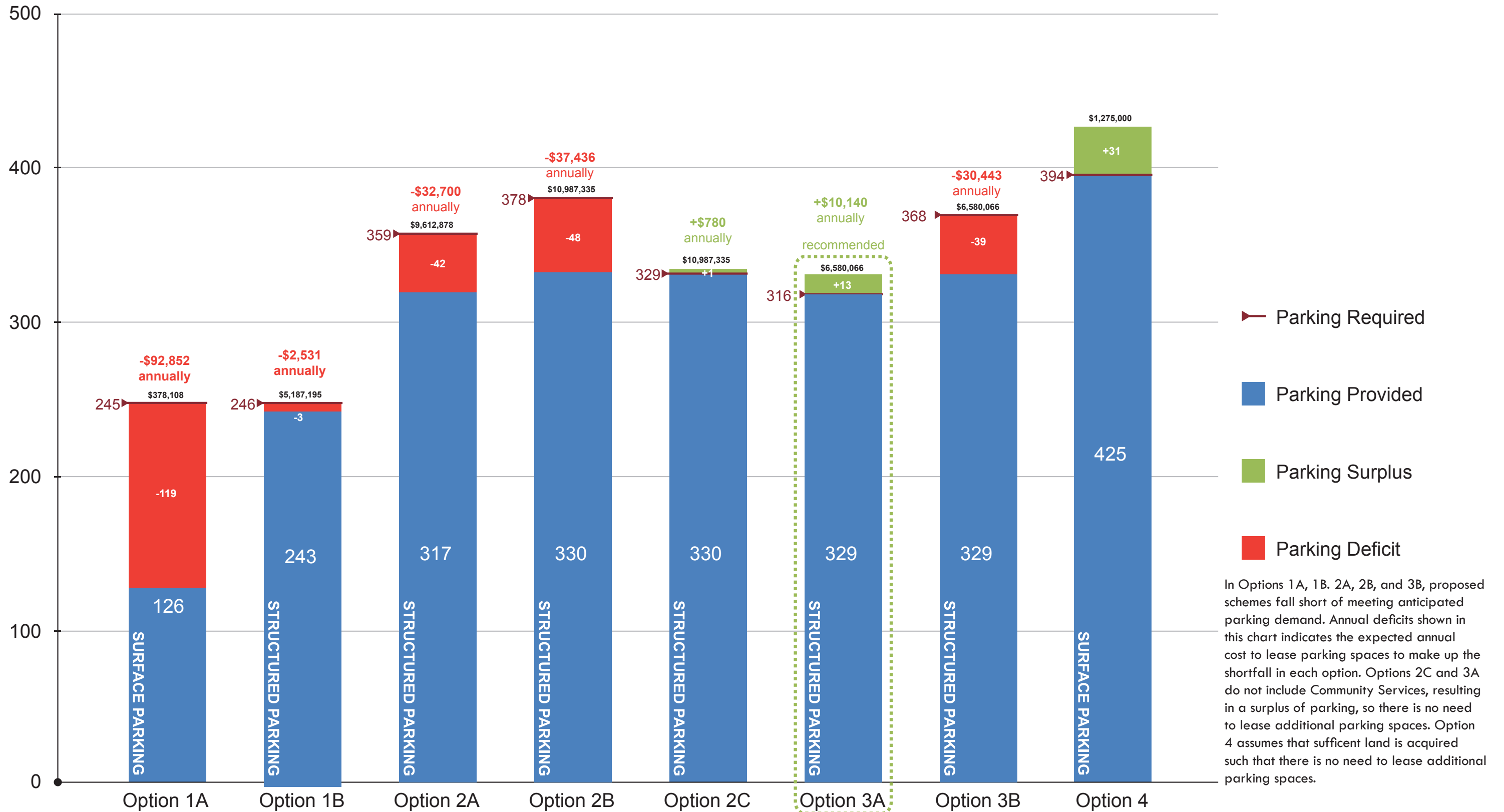
1. Old judicial complex -	\$5,920,000
2. Human resources building -	\$800,000
3. 102 Grant Street -	\$4,000,000
4. Comm. Serv. Galisteo building -	\$1,510,800
<b>Total revenue from sales =</b>	<b>\$12,230,800</b>

# CONSTRUCTION COST COMPARISON





# PARKING COMPARISON



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## **VI. APPENDIX**

- A. Downtown Santa Fe Office/Retail/  
Housing Market Conditions Letter from  
Leon Mellow
- B. Appraisal of Old Santa Fe Judicial  
Complex and Site Summary. See  
separate document for complete report.
- C. Breakdown of Facility Needs for Elected  
Officials and County Departments  
Identified to Occupy the Old Judicial  
Complex.
- D. Breakdown of Facility Needs for Elected  
Officials and County Departments  
Identified to Remain or Backfill Vacated  
Space at 102 Grant Avenue.
- E. Preliminary Geotechnical Investigation  
- Summary. See separate document for  
complete report.
- F. Examples of Studio SW Government and  
Judicial Work Experience.

Downtown Santa Fe Office/Retail/Housing Market Conditions Letter from Leon Mellow

Leon A. Mellow, CCIM  
Managing Director  
Colliers International | Santa Fe

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Santa Fe, NM 87501

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leon.mellow@colliers.com



11 September 2013

Jeff Seres  
Dave Dekker  
Studio Southwest Architects  
PO Box 9308  
Santa Fe, NM 87504

Dear Jeff and Dave:

I have been engaged to analyze the possibilities available to Santa Fe County for the repurposing of the Old Judicial Complex on Grant Street and the following summarizes my conclusions regarding this assignment.

The current building is approximately 56,000 SF with a floor plan that does not lend itself to any use other than its previous use as courtrooms with administrative offices. Due to its location in proximity to downtown Santa Fe, the building could be perceived as valuable for general office or retail use but, unfortunately, this is not the case.

If the building was to be converted to general office use for multiple tenants, it would be a major expense and currently there would be no demand for a large quantity of new office space in Santa Fe (especially in the downtown area). When Thornburg Mortgage closed and vacated downtown office spaces, it deserted over 50,000 SF of space. Much of this space has yet to be refilled and the tenants who have moved into part of the Thornburg space have done so at the expense of creating corresponding vacancies in other office buildings. While a lot of this vacant space is being marketed at \$22 to \$28 per SF lease rates on an NNN basis, these offering rates are not indicative of the true leasing market since landlords are offering large rent and build-out concessions to credit-worthy tenants.

The building will not work as a retail complex even if it was dramatically reconfigured as there is practically no walk by retail traffic in this area and there is no existing or planned retail development on the north or western sides of the building that would create retail traffic in the area. In downtown Santa Fe, the stores directly on the Plaza or on San Francisco Street or Palace Avenue are considered to be prime retail locations. Stores on Marcy Street and Water Street

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Old Judicial Complex  
Repurposing Recommendations  
09/11/13

are considered to be in interior retail locations but their locations are greatly superior to the Grant Street Complex.

As with office lease rates in the downtown area, one cannot establish retail market rent rates because many landlords are giving existing tenants major rent concessions and also entering into lease with new tenants at rates well below the asking amount.

In theory, with no consideration for the cost of converting the existing building or removing it and constructing a new building, the site would work well for residential use. This could be affordable housing, upscale condos or a mixture of both. My concern with this scenario is that when costs are considered and if there is an Affordable Housing component, residential use will not be practical unless the structures are subsidized on an on-going basis.

If the County can vacate office spaces it leases around Santa Fe and move these office functions into the judicial complex building after it is renovated, it appears that this will be the highest and best use of the property. This would save the county lease expenses from the vacated buildings and efficiently consolidate more county functions into one location. If the judicial complex could absorb all of the county's office functions not located at Grant Street and Palace Avenue, then the repurposing of the Grant/Palace building could provide the County with considerable funds from the lease or sale of this prime downtown location.

In meetings with Jeff Seres and his team I have been made aware of some other scenarios for the judicial complex to which I make the following comments:

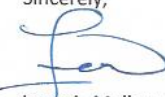
1. Renovating the existing building for county use and constructing a new retail space on the northern perimeter of the existing building. For reasons expressed above regarding retail use, I would strongly advise against this proposal.
2. Renovating the existing building for county use and constructing new affordable housing units on the north side of the existing building. I also

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Old Judicial Complex  
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strongly advise against this because there is not enough room to build enough units to make it cost effective and to have enough units to develop a sense of community amongst the residents. Mixing a large amount of intense office use with a small number of adjacent residential use will create a lose/lose situation for both groups.

3. Renovating the existing building for county use and building a new structure that connects to the Presbyterian Church next door. This new structure would be used by the church to expand its day care program on a non-denominational basis. Without knowing the financial arrangement between the County and the church for such a plan, this could be a win/win situation. The County will have a repurposed part of the property for a much needed social program which county employees and residents can use. The church can expand its outreach to locals by providing additional day care service and, hopefully, as part of this program, would have use of the complex's parking areas.

Please review this report and then call me if you require any further information.

Sincerely,  
  
Leon A. Mellow, CCIM

