

THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

RESOLUTION NO. 2023 - 043

A RESOLUTION AUTHORIZING THE COUNTY MANAGER TO SIGN ALL DOCUMENTS NECESSARY TO EXECUTE A NEW LEASE TO REPLACE LEASE AGREEMENT NO. 29-0217-CSD/MS BETWEEN SANTA FE COUNTY AND YOUTH SHELTERS AND FAMILY SERVICES AND TO AUTHORIZE THE SUBMISSION TO NEW MEXICO STATE BOARD OF FINANCE FOR APPROVAL

WHEREAS, Santa Fe County (County) and Youth Shelters and Family Services (YSFS) entered into Lease Agreement No. 29-0217-CSD/MS (Lease) in May of 2008 for clinical services for indigent individuals requiring medical care and for support of youths in Santa Fe County and throughout the community; and

WHEREAS, the Lease will expire on May 28, 2023; and

WHEREAS, the County and YSFS wish to extend the term of the Lease for four (4) years to May 28, 2027; and

WHEREAS, the two subject County buildings are situated on New Mexico State Land Office (SLO) property; and

WHEREAS, the County leases the SLO property under Ground Lease No. BL-1563 with an effective date of August 27, 2002 and a term of twenty-five (25) years and an expiration date of August 26, 2027; and

WHEREAS, the SLO Ground Lease permits the County to sublease the property subject to the provisions of the Ground Lease.; and

WHEREAS, the County makes the annual rental payment for the SLO Ground Lease on behalf of YSFS; and

WHEREAS, the New Lease increases the annual rental payment paid by YSFS to the County for the SLO Ground Lease by 4% annually in accordance with both Lease No. BL-1563 and Lease Agreement No. 29-0217-CSD/MS; and

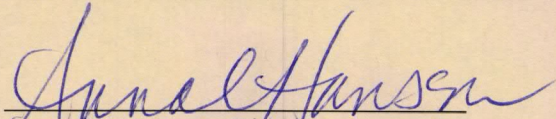
WHEREAS, at the conclusion of the current 5-year term of Lease No. 29-0217-CSD/MS, the annual rental payment which is paid with in-kind services for the next four (4) years shall be determined by a Market Rent Valuation Report conducted by a New Mexico licensed appraiser.

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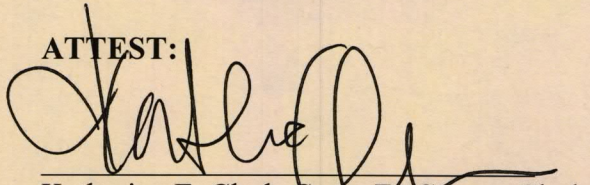
NOW, THEREFORE, BE IT RESOLVED The Board hereby authorizes the County Manager to sign all documents necessary to execute a New Lease between Santa Fe County and Youth Shelters and Family Services for the Lease of office space at 5686-B Agua Fria Street and 5686-A, Agua Fria Street in Santa Fe, New Mexico, and to authorize the submission of the Lease to the New Mexico State Board of Finance for approval.

PASSED, APPROVED AND ADOPTED THIS 9th DAY OF MAY, 2023.

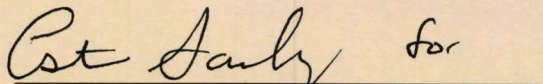
SANTA FE BOARD OF COUNTY COMMISSIONERS


Anna C. Hansen, Chair

ATTEST:


Katharine E. Clark, Santa Fe County Clerk

APPROVED AS TO FORM:



Jeff S. Young, Santa Fe County Attorney

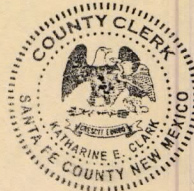
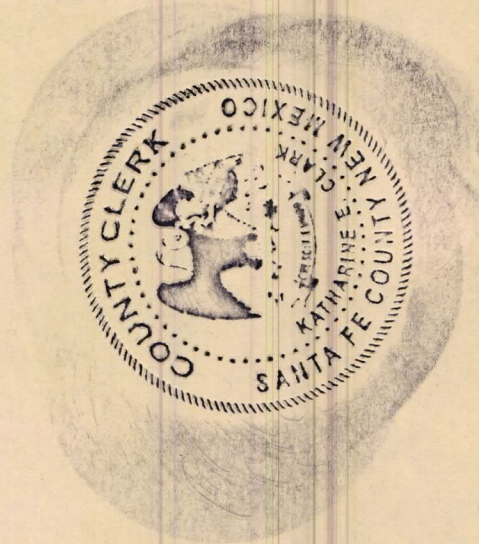
SFC CLERK RECORDED 05/12/2023

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COUNTY OF SANTA FE) BCC RESOLUTIONS
STATE OF NEW MEXICO) ss PAGES: 13

I Hereby Certify That This Instrument Was Filed for
Record On The 12TH Day Of May, 2023 at 02:13:26 PM
And Was Duly Recorded as Instrument # 2012003
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Katharine E. Clark
Deputy  County Clerk, Santa Fe, NM



**SUBLEASE BETWEEN SANTA FE COUNTY AND
YOUTH SHELTERS AND FAMILY SERVICES**

The parties to this sublease ("Sublease") are **Santa Fe County** (the "County"), a political subdivision of the State of New Mexico, and **Youth Shelters and Family Services ("YSFS")**, a New Mexico nonprofit corporation. The purpose of this Sublease is to provide for YSFS' lease of two buildings to continue the operation and administration of the Youth Shelters and Family Services center at 5686-A & 5686-B Agua Fria Street, Santa Fe, NM.

1. **Background.** The County leases real property under Ground Lease BL-1563 from the New Mexico State Land Office ("SLO Ground Lease"). The term of the SLO Ground Lease is August 27, 2002, to August 27, 2027. The SLO Ground Lease permits the County to sublease the property subject to the terms of the SLO Ground Lease.

The subject of this Sublease are two buildings: a 4,280 sf facility and a 5,945 sf facility including a parking area (see Exhibit A). YSFS has been leasing the buildings from the County since 2008 under a lease agreement dated May 28, 2008, and the parties wish to have YSFS continue to provide important clinical services for residents and the community. The Option Terms under the 2008 lease will expire May 28, 2023, and the parties intend this Sublease to replace and supersede the 2008 lease so YSFS may continue to provide its services for a period of time that aligns with the term of the SLO Ground Lease.

2. **Term and Option.** The initial term of this Sublease is four years beginning on the date of approval of this Sublease by the New Mexico State Board of Finance. The term of this Sublease will expire on May 28, 2027, if not earlier terminated. By March 1, 2027, the parties will review this Sublease and determine if the term should be further extended.

3. **Requirements of the SLO Ground Lease for Sublessee.** YSFS states that it has reviewed the SLO Ground Lease and agrees to substantially comply with applicable terms of the SLO Ground Lease.

4. **Rent and Maintenance Charge.**

A. **Initial Term.** From the effective date of this Sublease to May 28, 2027, YSFS shall pay the County annual rent in the amounts stated in Exhibit B for YSFS' sublease of the buildings and parking area (the "Premises").

B. **Maintenance.** YSFS shall pay to the County \$500.00 per month for maintenance of the Premises. The \$500.00 maintenance charge is separate from rent and must be paid in cash. The maintenance charge cannot be paid in services.

C. **Rent.** YSFS shall pay the rent in cash, or in services performed by YSFS. Any services that YSFS wants to be charged against the annual rent due must be valued equivalent to, or in excess of, the annual rent stated on Exhibit B. If the value of YSFS' services falls short of rent due, YSFS shall pay the balance or the "shortfall" in cash.

D. **Quarterly reports and valuation of in-kind services.** YSFS shall submit quarterly written reports to the County by the 25th day of each quarter. The reports must be a written description of the services that YSFS performed during the previous quarter.

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If YSFS wants the value of its services to be charged against the rent that is due to the County, the report must also indicate the value associated with services performed. The parties agree that YSFS's services described in the quarterly report, will be reviewed and valued as described in Exhibit C.

E. **5% increase.** If the term of this Sublease is extended beyond May 28, 2027, the annual rent for the next term will be subject to a 1% to 5% increase, depending on the length of the term.

5. **Use of Premises.** YSFS will use the Premises solely for clinical and administrative purposes related to services for the sick and indigent in Santa Fe County. YSFS shall not create a nuisance upon the Premises and shall use the Premises at all times in compliance with the applicable terms of the SLO Ground Lease and this Sublease.

6. **Utilities.** YSFS shall be responsible for all utilities, including water, sewer, refuse, electricity, gas, telephone and security monitoring. YSFS shall pay for janitorial services for the Youth Shelters and Family Services center.

7. **Insurance.** YSFS shall maintain a policy of general liability throughout the term of this Sublease. All insurance documents must include a provision for a 30-day written notice to the County's Director of Projects and Facilities Management Department, with a copy to the Santa Fe County Manager, if any of YSFS' policies have been changed or cancelled. Santa Fe County and the New Mexico State Land Office must be named as additional insureds. YSFS' insurance will be written on an occurrence form with the following limits.

Personal Injury/ Property Damage:	\$1,050,000.00, each individual
Damage to Rented Premises:	\$100,000.00, each occurrence

YSFS will furnish a Certificate of Insurance. YSFS will furnish to the County copies of any endorsements that are subsequently issued amending coverage or limits.

If the Legislature of the State of New Mexico increases the maximum limits of liability under the Tort Claims Act, the County may notify YSFS to increase the limits of its insurance. Evidence of a policy increasing the limits and complying with all requirements of this section must be provided to the County within 15 days of such notification.

8. **Indemnification.** YSFS shall indemnify the County and the SLO against liability, claims, damages, losses or expenses arising out of bodily injury to person, including death, or damage to property caused by or resulting from YSFS's negligent act(s) or omission(s) involving a third party claims where any claims are made against the County or the SLO, and from YSFS' performance or failure to perform their obligations in accordance with the terms of this Sublease. YSFS is not required to indemnify the County and SLO for negligent or intentional acts or omissions of the County or the SLO.

9. **Repair and Maintenance.** The County will maintain the roof, mechanical and electrical systems, HVAC systems, foundation, building exterior and plumbing of the Premises. YSFS will maintain the interior of the Youth Shelters and Family Services center and provide daily

janitorial services. YSFS will repair any damage caused by YSFS or invitees to the Youth Shelters and Family Services center. All repairs and replacements must be at least equal in quality of materials and workmanship to the condition of the item prior to damage.

10. **Alterations and Improvements.** YSFS shall not make any alterations, improvements, additions or structural changes to the Premises, other than those required for the day-to-day maintenance of the Premises, without the prior written consent of the County, which may be noted in a written agreement.

11. **Hazardous Materials.** YSFS shall not cause nor permit any Hazardous Material (defined below) to be brought upon, kept or used in or about the property.

In the event of YSFS's breach of the foregoing covenant, YSFS accepts and affirms full liability and responsibility for all costs and expenses related to, and indemnifies the County and the SLO from and against any liability or damages related to, (i) any investigation of the property for the presence of Hazardous Materials alleged to have been brought, used or disposed of on the property by YSFS and, (ii) the Hazardous Material clean-up, removal or restoration of the property required by a federal, state or local governmental agency. YSFS's responsibilities and indemnity under this Sublease will survive the expiration or termination of this Sublease.

As used herein, the term "Hazardous Material" means a substance the release of which on the property would necessitate an environmental response action under any federal, state, county or municipal law, whether now in effect or enacted in the future, and includes without limitation asbestos in any form, formaldehyde, transformers or other equipment which contain fluid containing polychlorinated biphenyls, any petroleum product in non-regulated bulk storage containers, radon, or any other chemical, material or substance which is defined or classified as hazardous or toxic or the exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority having jurisdiction.

12. **Assignment or Subletting.** YSFS shall not assign this Sublease or sublet any part of the Premises without the prior written consent of the County and the State Land Office.

13. **County's Access to Property.** The County will have free access to the Premises at all reasonable times for the purpose of examining the Premises and to post such reasonable notice as the County may desire to protect the rights of the County. The County's access will be consistent with YSFS' s privacy obligations to its clients and YSFS' s operation of the Youth Shelters and Family Services center. The County will provide reasonable prior notice to access unless an emergency exists.

14. **Breach.** Any violation of this Sublease shall be a breach of this Sublease. In the event of a non-monetary dispute, the parties agree to resolve the dispute by informal discussion. If that is unsuccessful in resolving the dispute, the parties agree to resolve the dispute through a mutually agreed upon mediator. If mediation is unsuccessful, the sole option will be litigation in the district court of the First Judicial District in Santa Fe County.

A. **Breach by the County.** In the event of a breach by the County, YSFS will notify the County in writing of the breach. If the breach is not cured by the County, or if the dispute is not resolved, Lessee's sole remedy shall be termination of this Sublease.

B. Breach by YSFS. In the event of a default by YSFS, the County will notify YSFS in writing of the breach. If YSFS does not cure the breach, or the dispute is not resolved, the County may terminate this Sublease, enter upon the Premises and retake the Premises. The County will retain for any rent paid by YSFS by the date of termination and YSFS' rights to the Premises shall be forfeited.

15. **Surrender Upon Termination.** At the expiration of the term of this Sublease or upon termination of this Sublease, YSFS shall surrender the Premises, including all approved improvements, to the County in as good a condition as it was in at the beginning of the term of this Sublease, reasonable use and wear excepted.

16. **Notices.** All communication under this Sublease will be in writing, and delivered in person, or mailed by certified or registered mail, postage prepaid at the following addresses.

To the County:

Santa Fe County Real Property Department
Attn: Real Property Supervisor
PO Box 276
100 Catron Street
Santa Fe, NM 87504-0276

To YSFS:

Youth Shelters and Family Services
Attn: Heather Hoffman, Executive Director
P. O. Box 28279
Santa Fe, NM 87592-8279

17. **Waiver Remedies.** No waiver of a default or delay or omission in exercising any right of the County or YSFS will be considered a waiver of any other default. The exercise of, or failure to exercise, any right and remedy of the County or YSFS will not be deemed to be a waiver of any other right or remedy.

18. **Entire Agreement.** This Sublease constitutes the entire agreement between the County and YSFS regarding the YSFS' lease of the Premises. This Sublease supersedes all previous agreements, written or oral, between the County and YSFS on such subject.

19. **Partial Invalidity.** If any term of this Sublease is held to be invalid or unenforceable by a court, the remainder will not be affected each term of this Sublease will be effective and valid.

20. **Sublease Mortgages.** YSFS will not grant a collateral assignment, deed of trust, mortgage or other security interest in its interest in this Sublease, or as to any improvements to any person or entity.

21. **Sale.** The parties acknowledge that the State Land Office retains all rights under the SLO Ground lease, including the right to sell the real property on which the Premises are located.

22. **Fixtures.** YSFS may install such fixtures and equipment as are necessary for the conduct of its business. Upon termination of this Sublease all fixtures shall become the property of the County, except for YSFS's equipment purchased by YSFS that can be removed without damage to the Premises.

23. **Damage or Destruction of Premises.** If any of the buildings belonging to the County that YSFS uses to operate and administer the Youth Shelters and Family Services center, are damaged or destroyed by fire, the elements or other causes, the building structures may be repaired and rebuilt and restored by the County to a condition as good as it or they were prior to such damage or destruction, using the County's insurance. The County may authorize or direct construction of an alternate structure, or may elect to retain insurance proceeds or other funds if it deems reconstruction or construction of a substitute to be impractical or unreasonable. In the event reconstruction or construction of a substitute is deemed impractical or unreasonable by the County, this Sublease will terminate with no further obligation on the part of the County. All warranty items and major structural problems arising from either construction/design or natural causes shall be repaired by the County within 30 days or repairs started within 30 days if it cannot be completed within 30 days of notification by the County that such condition exists. The types of such problems shall include roof leaks, leaks or damage to exterior stucco walls, HVAC failures, major plumbing problems and other problems which are not routine maintenance.

24. **Miscellaneous.** This Sublease is governed by the laws of the State of New Mexico and applicable ordinances or resolutions of Santa Fe County.

A. This Sublease may be amended in writing signed by the parties.

25. **State Board of Finance.** This Sublease will not be effective until approved by the State Board of Finance.

SANTA FE COUNTY

Gregory S. Shaffer
Santa Fe County Manager

Date

Approved as to form:

Jeff Young
Santa Fe County Attorney

Date

YOUTH SHELTERS AND FAMILY SERVICES

Date

Approved:

New Mexico State Land Office

Date

Approved:

New Mexico Board of Finance

Date

EXHIBIT A

A certain tract of land being a portion of Government Lot 9 within Section 1, Township 16 North, Range 8 East, N.M.P.M., County of Santa Fe, New Mexico being more particularly described as follows:

Beginning at the Northeast corner of the Pacheco Grant being an angle point on the West property line of this tract; thence N 32°01'41" W, a distance of 44.84 feet to a point on the south side of Agua Fria Street and the Northwest corner of this tract; thence along the south side of Agua Fria Street N 57°11'30" E, a distance of 586.61 feet to the Northeast corner of this tract; thence leaving Agua Fria Street S 00°48'45" E, a distance of 874.80 feet to the Southeast corner of this tract; thence S 89°57'00" W, a distance of 470.33 feet to a point on the East boundary of the Pacheco Grant and the Southwest corner of this tract; thence along said East boundary N 01°15'00" W, a distance of 519.38 feet to the point and place of beginning.

Containing 7.867 acres, more or less.

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EXHIBIT B
Rent

1. The rent and maintenance charges shall be paid as follows as set forth in paragraph 4.:

A. The \$500.00 monthly maintenance charge must be paid to the County by YSFS, in ready and available funds, every month.

B. The amount of the Ground Lease payment the County must pay to the SLO must be paid to the County by YSFS, annually, in cash, on August 1, as follows:

August 2023-August 2024:	\$21,164.09
August 2024-August 2025:	\$22,010.66
August 2025-August 2026:	\$22,891.08
August 2026-August 2027:	\$23,806.73

The above dollar amounts reflect annual compound increases of four percent (4%) in accordance with the existing Lease.

Should the Lease commence other than on August 1, the Ground Lease payment shall be pro-rated accordingly.

C. The balance of the rent due, after payment in cash of the maintenance charges and ground lease payments shall be \$XXX,XXX.XX (to be determined by pending appraisal) annually for the term of lease and shall be paid with cash or the equivalent in the form of services YSFS provides to sick and/or indigent residents of Santa Fe County which includes target populations served through community-based children's behavioral health services including homeless, runaway and youth in crisis and their families as defined by the New Mexico Children Youth and Families Department (as provided in the attached Service Definitions) that are not otherwise paid for with County money as set forth in Paragraph 2 below.

2. YSFS shall provide the County with a quarterly written reports that contain each of the following: (i) a written description and valuation of the shortfall to YSFS for the difference between the fair market value of the services provided to the sick and indigent residents including the target population after the application of Medicaid and CYFD payments, and or services provided without charge due to insufficient funding sources provided to Santa

Fe County patients ("Monetary Shortfall") existing after the application of payments for services provided on behalf of those patients for that quarter; and (ii) any and all documentation required by the County in order that the County may verify such Monetary Shortfall. The quarterly reports shall be due on the twenty-fifth day of the month following the end of each quarter. The Monetary Shortfall in services shall be equal to at least one fourth of the annual rent then due. In the event the Monetary Shortfall is greater than one- fourth of the rent then due, the excess shall be carried forward and applied against the next quarter's rent. On the anniversary of the Lease, the parties shall determine the amount, if any, of the credit YSFS is entitled to for the next year.

The County will accept the Monetary Shortfall in services provided by YSFS as rental payment so long as:

1. The payment meets the Monetary Shortfall requirements as set forth above.
2. YSFS may, at its option, pay all or part of the annual rent and/or charges in cash in lieu of providing services.
3. The quarterly reports and supporting documentation to be provided by YSFS shall be submitted to:

Director of Community Services Santa Fe
County
102 Grant Avenue
P. O. Box 276
Santa Fe, NM 87504-0276

4. Should the County reject any or all of the Monetary Shortfall analysis, YSFS shall, within thirty (30) days of notice from the County, pay the rent due for the preceding year, in cash.
5. Nothing in this Exhibit B shall require YSFS to disclose information that would violate the privacy rights of clients pursuant to HIPAA or other applicable state or federal law.

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EXHIBIT C

The fair market value of the services provided shall be at least equal to the average of insurance reimbursement rates for residential treatment, counseling and other ancillary services by providers through Access to Recovery, Life Healing Center, Blue Cross Blue Shield, therapists in private practice and Care Connection.

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Search Parcels

Search for an address or locate on map

Parcel Number, Owner Address, UPC

99306477 - REAL - 5686 AGUA FRIA ST, SANTA FE

Parcel Number: 99306477
UPC: 1048096112037000000

See Sketch and Property Description Information

Physical Address:
5686 AGUA FRIA ST
SANTA FE, NM 87507

Owner Name:
STATE OF NEW MEXICO

Owner Mailing Address:
PO BOX 2087
SANTA FE, NM 87504

Tax Code Area: CLN

Legal Description:
S1 T16N R8E STATE 9
Acre: 7.199

Plat Book:
Current Deed:
Previous Deed:

Neighborhood: SW COMM Industrial
Property Class: COMM

Assessed Structures Value: \$3,619,982.00
Land Value: \$735,521.00
Exemption Value: \$1,451,833.00

See Notice of Value on Document Manager

