



# City of Santa Fe, New Mexico

## memo

DATE: February 3, 2014

TO: City Council

FROM: Marcos A. Tapia   
Finance Director

VIA: Brian K. Snyder, City Manager

SUBJECT: Rent Federal Building

### **Background and Summary:**

At the time the operating budget for fiscal year 2013/2014 was being prepared, it was anticipated that the Montoya Federal Building housed staff would be vacated on or around July 1, 2013. The amount projected that could be saved was approximately \$170,000; this saving was to be used to pay debt service for the Market Station loan from the New Mexico Finance Authority (NMFA).

It is now known that City staff had to remain at the Federal building for just over three months. Staff waited until the final bill and acknowledgement for total due for rent to come in for the Montoya Federal building before a request and accompany BAR was initiated. Total amount required for this BAR is \$167,400; this will complete the agreement for rent due at the Montoya building.

This BAR will transfer back from the Railyard-Market Station Fund to the General Fund for payment of the Rent, funding for the debt service will come once again from the Railyard GRT Fund. See attachment A for historical and current information.

### **Action Requested**

Approval of the attached BAR to fund the final payment of rent at the Montoya Federal building.

Attachment A

January 3, 2014

SUBJECT: Rent Federal Building / Historical information.

**Background and Summary:**

This information is provided at the request of Council at the meeting of January 29, 2014.

The lease of the Montoya Federal Bldg at 120 South Federal Place was in effect on February 27, 2006, the City of Santa Fe has now vacated as of October 31, 2013.

The original term of the lease agreement was from July 1, 2005 to June 30, 2010, but was extended to June 30, 2014 by Supplemental Agreements No. 1, 2 & 3 which were approved by committee process. The last Supplemental Agreement No. 3 extended the lease for a one year period for the current fiscal year at the rate of \$41,846.58 per month for a 12 month period (\$502,158.96). This substantial increase from the original rent of \$33,659.75 (\$403,917 per year) was justified by the federal Gov't by the fact that the City had not been charged for security prior to July 1, 2014 nor had any increases in the rent or utilities in the prior 7 years. The lease with the federal Gov't is a full service agreement which includes rent for the space, janitorial services, utilities, maintenance, and security.

The original date of termination was changed from August 31, 2013 to September 27, 2013 and then again to October 31, 2013 for the fact that the new space for City employees in the Market Station Condominium was not yet complete, there were other unforeseen issues with development of the space and no certificate of occupancy had been issued

The City of Santa Fe will be saving approximately \$152,000 a year by moving to Market Station, the lease requested at the Montoya Federal Bldg less the debt service for the condominium;

Rent:	\$41,846.58 x 12 months =	\$502,158.96
Avg. Debt Service:	\$350,000 per year:	<u>\$350,000.00</u>
	Savings:	\$152,158.96

Invoice: July, August, September and October (4 months x \$41,846.58 = \$167,386)

**ACTION SHEET  
CITY COUNCIL COMMITTEE MEETING OF 01/29/14  
ITEM FROM FINANCE COMMITTEE MEETING OF 01/21/14**

**ISSUE:**

14. Request for Approval of Budget Increase – FY 2013/2014 Rent at Montoya Federal Building. (Marcos Tapia)

**FINANCE COMMITTEE ACTION:**

***MEETING CANCELLED DUE TO LACK OF QUORUM***

**SPECIAL CONDITIONS OR AMENDMENTS**

**STAFF FOLLOW-UP:**

<b>VOTE</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
COUNCILOR BUSHEE			
COUNCILOR CALVERT			
COUNCILOR DIMAS			
COUNCILOR IVES			
CHAIRPERSON DOMINGUEZ			

3-19-12/FCMissue

# City of Santa Fe, New Mexico

# memo

DATE: January 7, 2014

TO: Finance Committee

FROM: Marcos A. Tapia   
Finance Director

SUBJECT: Rent at Federal Building

## Background and Summary:

At the time the operating budget for Fiscal Year 2013/2014 was being prepared, it was anticipated that the staff housed at the Montoya Federal Building would be vacated on or around July 1, 2013. The amount projected that could be saved was approximately \$170,000; this saving was to be used to pay debt service for the Market Station loan from the New Mexico Finance Authority (NMFA).

It is now known that City staff had to remain at the Federal building for just over three months. Staff waited until the final bill and acknowledgement for total due for rent to come in for the Montoya Federal building before a request and accompanied BAR was initiated. Total amount required for this BAR is \$167,400; this will complete the agreement for rent due at the Montoya Federal Building.

This BAR will transfer back from the Railyard-Market Station Fund to the General Fund for payment of the Rent, funding for the debt service will come once again from the Railyard GRT Fund.

## Action Requested:

Approval of the attached BAR to fund the final payment of rent at the Montoya Federal building.

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# City of Santa Fe, New Mexico

## BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION / SECTION / UNIT NAME				DATE	
Finance				12/10/2013	
ITEM DESCRIPTION	BU / LINE ITEM	<--(Finance Dept Use Only)-->		INCREASE	DECREASE
		SUBLEDGER / SUBSIDIARY	DR / (CR)		
Transfer out	22222.700100	5856	dr	167,400	
Transfer in	51856.600100	2120	cr	(167,400)	
Transfer out	52856.700100	1001	dr	167,400	
Transfer in	11001.600100	5856	cr	(167,400)	
Land/Building Rental	12037.562550		dr	167,400	
<b>JUSTIFICATION:</b> <i>(use additional page if needed)</i>				<b>TOTAL</b>	\$ (167,400)
<b>--Attach supporting documentation/memo</b>					

Transfers \$167,400 from the Market Station Fund to the General Fund to pay the rent for the Federal Building for FY 13/14

Cal Probasco	12/10/13	<b>CITY COUNCIL APPROVAL</b>  City Council Approval Required <input type="checkbox"/>  City Council Approval Date <input type="text"/>  Agenda Item #: <input type="text"/>	 Budget Officer <span style="float: right;">12/10/13</span> Date
Prepared By	Date		 Finance Director <span style="float: right;">12/13/13</span> Date
Division Director	Date		City Manager <span style="float: right;">Date</span>
Department Director	Date		

# Memo

**To:** Marcos Tapia, Finance Director 

**From:** Cal Probasco, Budget Director

**Date:** August 19, 2013

**Re:** BAR for Federal Building Rent

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At the time the operating budget was being prepared, the city manager thought that the Federal Building space would be vacated on/about July 1, and our Federal Building-housed staff would be housed at the Market Station facility. The manager opted to use the funds used to pay the rent at the Federal Building to pay the debt service for the Market Station loan from the New Mexico Finance Authority.

It is now known that the City will still be using the Federal Building space for just over 3 more months. Therefore, budget must be established to pay the rent due in the first months of FY 13/14.

As the monthly payments are due, these will be charged to the General Fund in Business Unit 12037, Line Item 562550, Land/Building Rental. The funds needed will be transferred from Railyard-Market Station Fund resources; this fund had received the rent budget proceeds for use in the debt payments for this fiscal year. A related transfer from the Railyard GRT Fund to the Railyard-Market Station Fund is being made to support the debt service for Market Station.