




# City of Santa Fe, New Mexico


# memo

DATE: October 30, 2015

TO: Governing Body

VIA:

  
Matthew S. O'Reilly, P.E.  
Asset Development Director

FROM: Edward J. Vigil, Property Manager  
Asset Development Office 

## ITEM

Request to publish an Ordinance authorizing a Lease Agreement for parking purposes within a portion of the northwest quadrant adjacent to 786 Calle Mejia containing approximately 29,490 square feet by Santa Fe Health Club, LLC (Matthew O'Reilly).

## BACKGROUND

On August 9, 1990, the City of Santa Fe and "Santa Fe Spa, Inc" (the original Lessee) entered into a Lease Agreement for the purpose of providing additional parking on property owned by the city adjacent to the health club located at 786 Calle Mejia. The Lease Agreement was subsequently assigned to the current Lessee, "Santa Fe Health Club, LLC", pursuant to the assignment provisions of the current Lease Agreement.

The current Lease Agreement will expire on October 31, 2015, the Lessee and/or its predecessors in interest having utilized all available renewal options of the current Lease Agreement. The applicant has now submitted a request to enter into a new Lease Agreement for the property.

## APPROVALS

The Public Works Committee and the Finance Committee granted conceptual approvals of this request to enter into a new lease on August 10, 2015 and August 3, 2015 respectively. Both committee approvals were conceptual pending review of an MAI-certified appraisal and a new legal description of the lease premises. The applicant has now delivered to the City the attached MAI-certified real estate appraisal and the legal description prepared by a licensed Professional Surveyor. The Asset Development Office has reviewed the appraisal and found it acceptable.

*Memorandum to the Governing Body*  
*October 30, 2015*  
*Page 2*

**REQUESTED ACTION**

The appraisal establishes a market value of the lease premises of \$120,000. Article 3-54-1 NMSA 1978 requires that any sale or lease of municipal real property where the value of the property is greater than \$25,000 be by ordinance of the municipality. This request is therefore a request to publish the attached ordinance related to the lease of this portion of property.

Exhibits:       A – Bill;  
                  B – Lease Agreement;  
                  C – FIR;  
                  D – Copy of relevant portions of MAI-certified real estate appraisal;  
                  E – Relevant minutes from Public Works and Finance Committee meetings.

**BUSINESS UNIT/LINE ITEM:**  
21117.460150

1 CITY OF SANTA FE, NEW MEXICO

2 BILL NO. 2015-40

3 INTRODUCED BY:

4  
5 Mayor Javier Gonzales

6  
7  
8  
9  
10 AN ORDINANCE

11 AUTHORIZING THE LEASE OF 29,490 SQUARE FEET OF REAL PROPERTY LOCATED  
12 WITHIN A PORTION OF THE NORTHWEST QUADRANT ADJACENT TO 786 CALLE  
13 MEJIA AS SHOWN AND DELINEATED ON A SURVEY ENTITLED, "PARKING LEASE  
14 PARCEL EXHIBIT" PREPARED BY RICK CHATROOP, N.M.P.S. NO. 110011, LYING  
15 WITHIN PROJECTED SECTION 14, T17N, R9E, N.M.P.M., IN THE CITY AND COUNTY  
16 OF SANTA FE, NEW MEXICO.

17  
18 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

19 Section 1. The attached Exhibit A, "Lease Agreement between the City of Santa Fe and  
20 Santa Fe Health Club, LLC", for real property lying and being situated within the City and County of  
21 Santa Fe, New Mexico, is approved subject to the conditions set forth in Section 2 below. The real  
22 property is more particularly described as follows:

23 A portion of the northwest quadrant adjacent to 786 Calle Mejia as shown and delineated on a  
24 survey entitled, "Parking Lease Parcel Exhibit" prepared by Rick Chatroop, N.M.P.S. No. 110011,  
25 lying within projected Section 14, T17N, R9E, N.M.P.M., in the City and County of Santa Fe, New

1 Mexico.

2           **Section 2.**       The lease of the real property is approved subject to the provisions as  
3 provided in Exhibit A.

4           **Section 3.**       The appraised value of the real property is \$120,000.

5           **Section 4.**       The manner of rent payment to Lessor shall be cash. The time of payment of  
6 rent shall be as provided in Exhibit A.

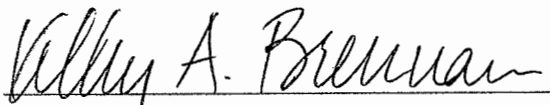
7           **Section 5.**       The annual rent for the real property is \$12,000.

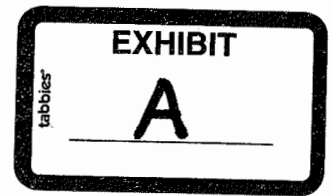
8           **Section 6.**       The Lessee of the real property is Santa Fe Health Club, LLC.

9           **Section 7.**       The purpose of the lease of the real property is for parking purposes for the  
10 Lessee and for the generation of revenue for the municipality.

11           **Section 8.**       This ordinance shall become effective forty-five (45) days after its adoption,  
12 unless a referendum election is held pursuant to Article 3-54-1 NMSA 1978.

13  
14 APPROVED AS TO FORM:

15   
16 \_\_\_\_\_  
17 KELLEY A. BRENNAN, CITY ATTORNEY



**LEASE AGREEMENT  
BETWEEN  
THE CITY OF SANTA FE AND SANTA FE HEALTH CLUB, LLC**

This LEASE AGREEMENT (the Lease Agreement) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the CITY OF SANTA FE, a municipal corporation (Lessor) and SANTA FE HEALTH CLUB LLC, a New Mexico limited liability company (Lessee), (collectively, the Parties and each individually a Party). This Lease Agreement supersedes in its entirety the previous Lease Agreement between the Lessor and the Lessee's predecessors in interest dated August 9, 1990 (the Previous Lease Agreement) assigned and assumed by the Lessee on November 24, 2010 as City of Santa Fe Item #10-1221.

**WITNESSETH:**

Lessor leases to Lessee and Lessee leases from Lessor, the real property of the Lessor as described herein on the terms and conditions as hereinafter provided:

**1. PREMISES**

Subject to the terms and conditions of this Lease Agreement, the Lessor allows the Lessee to use and occupy, subject to all of the terms and conditions hereinafter stated, that certain real property located within a portion of the northwest quadrant of the City of Santa Fe adjacent to 786 Calle Mejia (the Premises). The Premises consists of approximately 29,490 square feet of land as more fully described and shown on **Exhibit A** attached hereto and made a part hereof. Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use, which may be made thereof.

**2. USE OF PREMISES**

Lessor allows the Lessee to use the Premises for the purpose of parking for the employees, patrons, and invitees of the Lessee's adjacent business. No other commercial uses of the Premises are allowed, including but not limited to, the sale or display of merchandise or the installation of advertising signage. Directional and traffic control signage, landscaping, parking area striping, and outdoor lighting related to the allowed use of the premises, properly permitted and installed in conformance with the City of Santa Fe's land development code and adopted building code(s), may be installed within the Premises at the Lessee's expense. Use of the premises shall at all times be in compliance with the City's municipal code.

**3. EFFECTIVE DATE**

The "Effective Date" of this Lease Agreement shall be February 1, 2016.

**4. LEASE TERM**

The "Initial Term" of this Lease Agreement shall be ten (10) years with two (2) "Optional Additional Terms" of five (5) years each for a total "Term" of twenty (20) years, contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor of Lessee's exercise of any Optional Additional Term(s) at least sixty (60) days prior to the expiration of the Initial Term or any Optional Additional Term. In the event Lessee shall remain in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the rental fee shall be prorated and payable on a monthly basis in advance of the

first day of each month, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

**5. RENT**

“Rent” shall be paid as follows:

A. Rent during Initial Term. Lessee shall pay Twelve Thousand dollars (\$12,000.00) as annual Rent, due in monthly installments of One Thousand dollars (\$1,000.00) payable on or before the first day of each month without notice or demand and without deduction or offset for any cause whatsoever. Lessee shall make payments to the Lessor’s cashier’s office, Room 114, 200 Lincoln Ave., Santa Fe, NM. Rent during the Initial Term shall be subject to annual increases in accordance with Section 5.C below.

B. Rent during Optional Additional Term(s). The Rent for any Optional Additional Terms of this Lease Agreement shall be negotiated by the Lessor and the Lessee prior to the commencement of such Optional Additional Term. In no case shall the Rent for any Optional Additional Term be less than the Rent during the last year of the previous term plus two and one-half percent (2.5%). Rent during any Optional Additional Term(s) shall be subject to annual increases in accordance with Section 4.C below.

C. Increases in Rent. At the commencement of the second year and every subsequent year of the Initial Term or any Optional Additional Term of this Lease Agreement, the Rent shall be increased by an amount calculated by multiplying the previous year’s Rent by two and one-half percent (2.5%).

**6. TERMINATION BY LESSOR**

Lessor may terminate this Lease Agreement upon Lessee’s failure to comply with any provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:

A. the breach;

B. the action required to cure the breach;

C. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and

D. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease.

**7. ASSIGNMENT OR SUBLEASE**

Lessee shall not assign, sublease or otherwise transfer this Lease Agreement, without the written consent of the Lessor. Any such actions taken by Lessee shall result in the immediate termination of this Lease Agreement.

**8. LIABILITY INSURANCE**

Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement, public liability insurance covering bodily injury and property damage, in a form and with an insurance company acceptable to Lessor, with limits of coverage not less than as stated in the New Mexico Torts Claims Act for each person injured and for each accident resulting in damage to property, against all claims and lawsuits arising from the Lessee’s use of the Premises. Lessee shall cause the City of Santa Fe to be named as additional insured on such policy of insurance. Prior to this Lease Agreement taking effect and thereafter throughout the term of this

Lease Agreement, Lessee shall provide Lessor with certificates of insurance evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to the Lessor for any reason. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

**9. INDEMNIFICATION**

The Lessee shall indemnify, hold harmless and defend the Lessor from all losses, damages, claims or judgments, including payment of all attorney’s fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Lessee’s use of the premises hereunder, as well as that of any of Lessee’s employees, agents, representatives, guests or invitees.

**10. REPAIR, MAINTENANCE AND REPLACEMENT**

A. No Waste. Lessee shall not cause or permit any waste, damage or injury to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good condition, reasonable wear and tear excepted, and shall be responsible for the cost of all necessary repairs and maintenance that arise during Lessee’s use of the Premises, including but not limited to the cost of repair and/or replacement of the existing asphalt and related appurtenances.

B. Litter Clean-up. Lessee shall, at Lessee’s expense, collect and properly dispose of litter and debris from the Premises on a weekly basis.

C. Pest Management. Lessee use of the Premises shall at all times remain in compliance with the City of Santa Fe’s Integrated Pest Management Policy (§10-7 SFCC 1987) (the Pest Management Policy).

**11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

Lessee shall make no alteration, addition or improvement to the Premises for the uses described in Section 2 herein without the prior written consent of the Lessor. Any alteration, addition or improvement made by Lessee after such consent has been given shall become the property of the Lessor upon termination of this Lease Agreement. Lessor, at its sole discretion, shall have the right to require Lessee, at Lessee’s sole expense, to remove all or a portion of any such alteration, addition or improvement and restore the Premises to the condition existing prior its installation upon the termination of this Lease Agreement.

**12. EASEMENTS**

Lessor reserves the exclusive right to grant access, utility or other easements on, under, over, or through the Premises.

**13. NOTICE**

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

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

To Lessee  
Managing Member  
Santa Fe Health Club, LLC  
786 Calle Mejia, Santa Fe, NM 87501



**14. NO WAIVER**

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

**15. SEVERABILITY**

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

**16. ENTIRE AGREEMENT**

The foregoing constitutes the entire Lease Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interests as well as all of their duties, responsibilities and obligations. Any and all prior Lease Agreements and understandings between the parties are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the parties.

**17. BINDING EFFECT**

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

**18. LITIGATION EXPENSE**

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

**19. RECORDING**

This Lease Agreement shall be recorded in its entirety. Lessee shall bear all costs for recording of the Lease Agreement and any other associated costs.

[REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**LESSOR:**  
CITY OF SANTA FE

\_\_\_\_\_  
JAVIER M. GONZALES, MAYOR

ATTEST:

\_\_\_\_\_  
YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

MDM 11/2/15  
\_\_\_\_\_  
KELLY A. BRENNAN, CITY ATTORNEY

APPROVED:

\_\_\_\_\_  
OSCAR A. RODRIGUEZ, FINANCE DIRECTOR

BUSINESS UNIT/LINE ITEM:  
21117.460150

**LESSEE:**  
SANTA FE HEALTH CLUB, LLC

\_\_\_\_\_  
JOHN MONTOYA, MANAGING MEMBER

ACKNOWLEDGEMENT

STATE OF NEW MEXICO )  
  ) ss.  
COUNTY OF SANTA FE  )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2016, by John Montoya, Managing Member of Santa Fe Health Club, LLC, a New Mexico limited liability company.

\_\_\_\_\_  
NOTARY PUBLIC

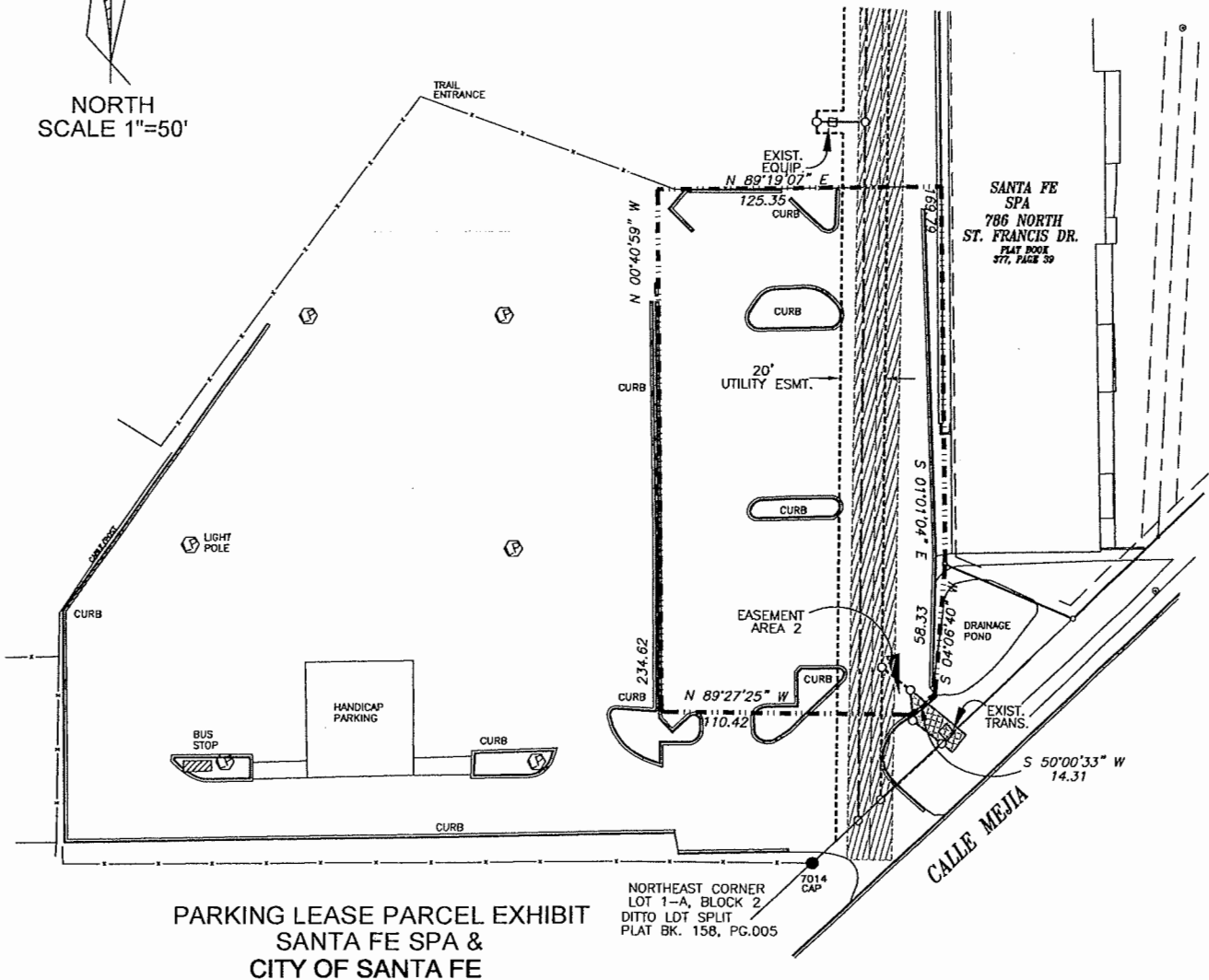
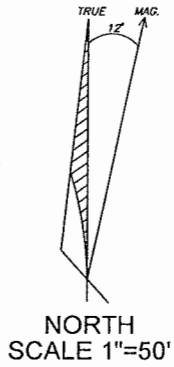
My Commission Expires: \_\_\_\_\_  
(Seal)

LEGEND

- DENOTES POINT FOUND
- DENOTES POINT CALCULATED
- △ AS NOTED
- DENOTES EDGE OF EASEMENT
- DENOTES EASEMENT CENTERLINE
- [Hatched Box] DENOTES EASEMENT ARCHULETA NMPLS#4249 DATED 11-23-81, DRAWING# 81-176
- [Cross-hatched Box] DENOTES EASEMENT LOCKMAN NMPLS#18331 DATED 5-16-12, DRAWING# BHI#2012331.028
- [Dashed Box] DENOTES SPA PARKING LEASE AREA 29,490 SQ.FT.±
- [Hatched Box with Arrow] DENOTES AREAS OF CURRENT AND FORMER PNM EASEMENTS WITHIN SPA PARKING PARCEL AREA 6,319 SQ.FT.±

NOTES

1. PARKING PARCEL LIES WITHIN A PORTION OF NORTHWEST QUADRANT TRACT F AS RECORDED IN PLAT BOOK 169, PGS. 17-26 OFFICE OF THE SANTA FE COUNTY CLERK.
2. SANTA FE SPA PARCEL RECORDED IN PLAT BOOK 777, PG. 39 OFFICE OF THE SANTA FE COUNTY CLERK.



**PARKING LEASE PARCEL EXHIBIT  
SANTA FE SPA &  
CITY OF SANTA FE**

LYING WITHIN PROJECTED SECTION 14, T.17N.,R.9E., N.M.P.M., THE CITY AND COUNTY OF SANTA FE, NEW MEXICO.

**RICK CHATROOP**  
**PROFESSIONAL LAND SURVEYOR**  
 NEW MEXICO REGISTRATION NO. 11011  
 (505) 470-0037 110 WAGON TRAIL RD. CERRILLOS, NM. 87010

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REFERENCE: SANTA FE SPA  
 LOCATION: LYING WITHIN PROJECTED SECTION 14, T.17N.,R.9E., N.M.P.M., CITY AND COUNTY OF SANTA FE

**EXHIBIT**

A

10

### City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill:   X   Resolution: \_\_\_\_\_  
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): An Ordinance Authorizing the Lease of 29,490 Square Feet of Real Property Located within a Portion of the Northwest Quadrant Adjacent to 786 Calle Mejia as shown and Delineated on a Survey Entitled, "PARKING LEASE PARCEL EXHIBIT" Prepared by Rick Chatroop, N.M.P.S. No. 110011, Lying within Projected Section 14, T17N, R9E, N.M.P.M., in the City and County of Santa Fe, New Mexico.

Sponsor(s): Mayor Gonzales

Reviewing Department(s): Asset Development Office & City Attorney's Office

Person Completing FIR: M. O'Reilly Date: 10-30-15 Phone: x 6213

Reviewed by City Attorney: [Signature] Date: 11/2/15  
(Signature)

Reviewed by Finance Director: [Signature] Date: 11-2-2015  
(Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the Bill/Resolution.

The Bill would authorize the lease of 29,490 square feet of city-owned real property.

**Section C. Fiscal Impact**

**Note:** Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

\_\_\_\_\_ Check here if no fiscal impact

Column #: 1	2	3	4	5	6	7	8
Expenditure Classification	FY 14/15	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY 15/16	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____
Total:	\$ _____			\$ _____			

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #: 1	2	3	4	5	6
Type of Revenue	FY 14/15	"R" Costs Recurring or "NR" Non-recurring	FY 15/16	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

<u>Real property lease proceeds</u>	\$ _____	_____	\$ 5,000	<u>R</u> <u>(Revenue)</u>	<u>Economic Dev. Fund</u>
_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
Total:	\$ _____		\$ 5,000 (See Section 3)		

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The Bill would authorize the lease of 29,490 square feet of underutilized city-owned property. The MAI-certified appraisal has established the market value of the property to be \$120,000. The City uses a 10% ground lease yield when leasing property of this size and type. The annual rental rate is therefore \$12,000 (\$120,000 x 10%). Because the effective date of the lease is projected to be February 1, 2016, rent will only be received for 5 months during FY15/16, hence the \$5,000 figure shown in Section 2 for that fiscal year. The Lease contains a standard 2.5% annual escalation resulting in total rental revenue over the 20-year term of \$306,538.

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**Section D. General Narrative**

**1. Conflicts:** Does this proposed Bill/Resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

This Bill does not duplicate/conflict with any City code, approved ordinance or resolution, or other adopted policies or proposed legislation. Upon enactment of this Bill, the lease of this property will be in compliance with 3-54-1 NMSA 1978.

**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this Bill/Resolution? If so, describe.

The City will forgo \$306,538 of revenue if the Bill is not enacted.

**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None.

**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

None.

***Pendleton Appraisal, Ltd.***

*Real Estate Appraisers and Consultants*

**MARKET VALUE ESTIMATE  
Appraisal Report of Real Estate**

**Santa Fe Spa Rear Parking Lot  
Ground Lease Area Owned by City of Santa Fe  
Leased to Santa Fe Health Club, LLC**

**786 North St. Francis Drive  
Santa Fe, New Mexico 87501**

**Prepared for**

**Santa Fe Health Club, LLC  
786 North St. Francis Drive  
Santa Fe, New Mexico 87501  
Attn: Mr. John Montoya**

**Effective Date of Appraisal -- as of September 19, 2015  
Date of Appraisal Inspection**

**Prepared by**

**PENDLETON APPRAISAL, LTD.  
Matthew H. Pendleton, MAI**

# Pendleton Appraisal, Ltd.

Real Estate Appraisers and Consultants

Matthew H. Pendleton, MAI

September 21, 2015

Mr. John Montoya  
Santa Fe Health Club, LLC  
786 North St. Francis Drive  
Santa Fe, New Mexico 87501

Re: Santa Fe Spa Rear Parking Lot

Dear John:

I have estimated the current market value of the referenced property.

The intended use of this appraisal is to assist Santa Fe Health Club, LLC with land value information to be used in negotiations with the City of Santa Fe.

The effective date of this appraisal is September 19, 2015 coinciding with the most recent appraisal inspection.

### Property History

The appraised property is land owned by the City of Santa Fe. Since 1990 the appraised parcel has been subject to a ground lease to Santa Fe Spa for use as their rear parking lot. This ground lease has continued through renewal options commencing every five years.

The square footage of the lease area was modified in the past when the City took back portions of the original lease for a pond and utility easement fronting Calle Mejia and for the driveway off Calle Mejia that serves the Park and Ride lot immediately to the west. The appraised land area according to the 2015 survey is 29,490 square feet.

### Assumptions for Appraisal

The specific assumptions for this appraisal are as follows.

The size of the appraised property has been provided by Rick Chatroop Professional Land Surveyor as being 29,490 square feet in its current form as of this appraisal.

The underlying land has been appraised in raw vacant condition prior to and excluding the ground lessee parking lot improvements.

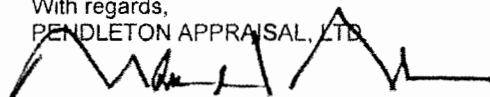
The underlying zoning upon which land value would be based is the existing R1 residential zoning as reflected on the City of Santa Fe Zoning Map.

In conclusion, the estimated land value for the appraised property, under the assumptions and conditions outlined in this appraisal as of September 19, 2015, may be stated as follows.

<b>Final Value Estimate</b>			
Santa Fe Spa Rear Parking Lot			
As Though Vacant R-1 Zoning	29,490 sf		\$120,000

A synopsis of the appraisal is provided on the following Appraisal Summary.

With regards,  
PENDLETON APPRAISAL, LTD.



Matthew H. Pendleton, MAI





# Agenda

FINANCE COMMITTEE MEETING  
CITY COUNCIL CHAMBERS  
AUGUST 3, 2015 – 5:00 P.M.

CITY CLERK'S OFFICE

DATE 7/30/15 TIME 3:52pm

SERVED BY [Signature]

RECEIVED BY [Signature]

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES:

Regular Finance Committee – June 15, 2015  
 Regular Finance Committee – June 29, 2015  
 Regular Finance Committee – July 13, 2015

### CONSENT AGENDA

6. Bid No. 15/30/B – Professional Services Agreement for Gunnison Prairie Dog Live Capture, Holding/Quarantine and Relocation for Parks and Recreation Departments; Eco Solutions, LLC. (Richard Thompson)
7. Request for Approval of Professional Services Agreement – Fire Station No. 5 Reroofing Project; Cooperative Educational Services/Progressive Services, Inc. d/b/a Progressive Roofing. (Jason Kluck)
8. Request for Approval of Procurement Under State Price Agreement – One Dump Truck, One Plow and Spreader Boxes for Streets & Drainage Maintenance Division; Summit Truck Group and MCT Industries, Inc. (David Catanach)
9. Request for Approval of Procurement Under Federal Price Agreement – One Elgin Eagle Street Sweeper for Streets & Drainage Maintenance Division; Summit Truck Group and MCT Industries, Inc. (David Catanach)
- 10. Request for Conceptual Approval of Lease Agreement – Parking Purposes within a Portion of the Northwest Quadrant Adjacent to 786 Calle Mejia Containing Approximately 30,639 Square Feet; Santa Fe Health Club, LLC. (Matthew O'Reilly and Edward Vigil)
11. Request for Approval of Procurement Under State Price Agreements – City-Wide Utility and Telecommunication Services for ITT Department; Qwest d/b/a CenturyLink and Verizon Wireless. (Yodel Catanach and Renee Martinez)

**SUMMARY OF ACTION  
FINANCE COMMITTEE MEETING  
Monday, August 3, 2015**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER AND ROLL CALL	Quorum	1
APPROVAL OF AGENDA	Approved	2
APPROVAL OF CONSENT AGENDA	Approved [amended]	2
CONSENT AGENDA LISTING		2-3
APPROVAL OF MINUTES		
Regular Finance Committee of June 15, 2015	Approved	4
Regular Finance Committee of June 29, 2015	Approved	4
Regular Finance Committee of July 13, 2015	Approved	4
 <u>CONSENT CALENDAR DISCUSSION</u>		
REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – SERVICES FOR WORKFORCE INNOVATION PROGRAM (WIP) FOR DISENGAGED LOCAL YOUTH (RFP #13/12/P); YOUTHWORKS	Approved	4-5
REQUEST FOR APPROVAL OF A RESOLUTION AMENDING THE <i>GOVERNING BODY PROCEDURAL RULES</i> TO REMOVE THE PROVISION ALLOWING THE GOVERNING BODY TO SUSPEND THE RULES AND CONTINUE A REGULAR OR SPECIAL COUNCIL MEETING BEYOND 12:00 A.M.	Denied	5-8
REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT AND PROFESSIONAL SERVICES AGREEMENT – CITY'S ASSET MANAGEMENT PLAN FOR FACILITIES DIVISION; AMERESCO, INC.	Approved [amended]	9-15
*****		
END OF CONSENT CALENDAR DISCUSSION		
*****		



# Agenda

CITY CLERK'S OFFICE

DATE 8/6/15 TIME 11:51am

REMOVED BY [Signature]

REMOVED BY [Signature]

**PUBLIC WORKS/CIP & LAND USE  
COMMITTEE MEETING  
SANTA FE MUNICIPAL AIRPORT - RESTAURANT  
MONDAY, AUGUST 10, 2015  
5:00 P.M.**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF CONSENT AGENDA
5. APPROVAL OF MINUTES FROM JULY 27, 2015 PUBLIC WORKS COMMITTEE MEETING

**CONSENT AGENDA**

6. REQUEST FOR APPROVAL OF FIVE (5) GRANT AGREEMENTS FROM THE STATE OF NEW MEXICO AGING AND LONG-TERM SERVICES DEPARTMENT
  - REQUEST FOR APPROVAL OF ASSOCIATED BUDGET ADJUSTMENT REQUESTS (BARS) FOR SAID PROJECTS **(RON VIALPANDO)**

**Committee Review:**

Finance Committee (Scheduled)	08/17/15
Council (Scheduled)	08/26/15

- 7. REQUEST FOR CONCEPTUAL APPROVAL OF A LEASE AGREEMENT FOR PARKING PURPOSES WITHIN A PORTION OF THE NORTHWEST QUADRANT ADJACENT TO 786 CALLE MEJIA CONTAINING APPROXIMATELY 30,639 SQUARE FEET BY SANTA FE HEALTH CLUB, LLC **(MATTHEW O'REILLY)(EDWARD VIGIL)**

**Committee Review:**

Finance Committee (Scheduled)	08/17/15
Council (Scheduled)	08/26/15

8. REQUEST FOR APPROVAL OF AN ORDINANCE AMENDING SUBSECTION 23-6.2 SFCC 1987 TO PERMIT THE SALE AND CONSUMPTION OF ALCOHOL IN AN AREA OF THE PLAZA ALONG THE NORTH CURBLINE OF PALACE AVENUE, RUNNING IN FRONT OF THE PALACE OF THE GOVERNORS, BETWEEN WASHINGTON STREET AND LINCOLN AVENUE FOR THE CHRISTUS ST. VINCENT 150<sup>TH</sup> ANNIVERSARY GALA ON SEPTEMBER 19, 2015 **(COUNCILOR IVES)(YOLANDA VIGIL)**

**SUMMARY INDEX FOR  
PUBLIC WORKS/CIP & LAND USE COMMITTEE  
August 10, 2015**

<b>ITEM</b>	<b>ACTION</b>	<b>PAGE</b>
1. Call to Order	Convened at 5:00 p.m.	1
2. Roll Call	Quorum Present	1
3. Approval of Agenda	Approved as presented	1
4. Approval of Consent Agenda	Approved as presented	1
5. Approval of Minutes - July 27, 2015	Approved as presented	2
CONSENT AGENDA LISTING	Listed	2
CONSENT AGENDA DISCUSSION		
7. Calle Mejia Parking Lease	Approved	2-3
8. 150 <sup>th</sup> Gala for alcohol on the Plaza	Denied	3-5
9. Procedural Rules Amendment	Postponed	5
PUBLIC HEARING		
10. Airport Terminal Improvements	Discussed	5-9
11. Matters from Staff	None	9
11. Matters from the Committee	Discussion	9
12. Matters from the Chair	None	9
13. Next Meeting:	August 24, 2015	10
14. Adjournment	Adjourned at 7:10 p.m.	10