

# NEW MEXICO HIGHER EDUCATION DEPARTMENT



MICHELLE LUJAN GRISHAM  
GOVERNOR

KATE M. O'NEILL, ED.D.  
CABINET SECRETARY

**Capital Projects Committee Meeting**  
**June 12, 2019**  
**Higher Education Center – Room 159**  
**1950 Siringo Road**  
**Santa Fe, New Mexico 87505**  
**9:30 a.m. to TBD**

## Agenda

### **1. Call Meeting to Order**

Meeting called to order by Dr. Gerald Burke at 9:30 a.m. Committee members present are Chairman Gerald Burke, Gerald Hoehne, Harrison Rommel, Daren Zigich (for Harold Trujillo), and Wesley Billingsley. Quorum present.

### **2. Approval of Agenda**

Chairman Burke asked for comments on the agenda. No comments were made by the committee.

Chairman Burke made a motion to approve the agenda.

Member Hoehne seconded the motion.

Motion passed. (5-0)

### **3. Announcements:**

#### **a. Next Capital Projects Meeting will be held on July 10, 2019**

Chairman Burke announced that there will not be a NMHED Capital Outlay Committee hearing in August due to the summer hearings.

### **4. Approval of Minutes from May 8, 2019 Capital Outlay Committee Meeting**

Chairman Burke asked for comments on the minutes. No comments were made by the committee.

Chairman Burke made a motion to approve the minutes.

Member Rommel seconded the motion.

Motion passed. (5-0)

## Projects to be reviewed

### **5. Central New Mexico Community College - \$7,995,692**

#### **Construction of New CNM Marketplace Facility**

*Presenters: Marvin Martinez, Executive Director, Physical Plant Department, CNM; Clint Elkins, Executive Director, Finance and Business Strategies, CNM*

Mr. Clint Elkins introduced himself and Mr. Marvin Martinez. He then presented the project as outlined in the submittal. He also noted that the third floor of the new facility will be used as a multi-purpose space which will be available for lease to the public.

Chairman Burke asked the following questions on behalf of LFC staff:

- Is the project adding square footage over what the current bookstore is operating with? Mr. Martinez noted that the new facility will provide for a larger bookstore than they currently have.
- What value is 1,859 sq/ft of multipurpose space adding? Mr. Elkins noted that the multipurpose space will provide a space for staff and faculty trainings and faculty days. The space will also be used to generate revenue for the college. In addition the new facility will add a coffee shop and convenience store that students, faculty and the general public can use.

Chairman Burke asked if there will be an area for public parking.

Mr. Martinez and Mr. Elkins stated that there would be public parking available at several lots surrounding the proposed facility location.

Mr. Zigich asked if it was a good idea for higher education institutions to use revenue bonds to build retail space.

Mr. Elkins explained to the committee that this space will be used by the students and when CNM started planning they realized that the current bookstore did not have all of the amenities that are found at other college campuses. Also since this project is being funded using taxable bond there would not be an increase in the debt service rate.

Member Hoehne asked if the current book store houses uniforms and supplies for their nursing and other programs.

Mr. Martinez stated that the new facility will not only house the uniforms and supplies for their programs but it will also have dressing rooms for the students to use so they can try on their uniforms. The new bookstore space will also expand the area for housing the equipment for trades programs and culinary programs.

Member Hoehne asked the following questions on behalf of LFC staff:

- Are there other spaces that could accommodate those needs? Mr. Martinez noted that there are spaces on campus that may be able to accommodate the needs of the institution however they are located in the middle of campus. This defeats the intent of the project which is to develop more community engagement and to provide an easily accessible facility for faculty, students, and the general public.
- Does CNM have a guarantee the vendor will complete the white box space? Mr. Elkins noted that this is within the agreement that is currently being developed between CNM and the chosen vendor.
- Why are utility costs increasing so much? Mr. Martinez noted that the increase is due to the fact that this is a new facility which is being added to the institutions physical plant.

Member Hoehne made a motion to approve the project for submittal to the NMHED Cabinet Secretary contingent upon receipt of final agreement between CNM and the chosen Vendor.

Motion seconded by Chairman Burke.

Motion passed. (5-0)

**6. University of New Mexico – \$1,250,000  
Renovation of Advanced Materials Laboratory**

2044 Galisteo Street, Suite 4, Santa Fe, NM 87505-2100  
Phone: 505-476-8400 Fax: 505-476-8454  
[www.hed.state.nm.us](http://www.hed.state.nm.us)

*Presenters: Thomas M. Neale, Director of Real Estate, UNM; Chris Vallejos, Associate Vice President of Institutional Support Services, UNM; Lisa Marbury, Executive Director, Institutional Support Services, UNM*

Mr. Chris Vallejos introduced himself, Ms. Lisa Marbury, and Mr. Thomas Neale. Mr. Neale presented the project as outlined in the submittal. Mr. Neale also noted that the current lease rate of the facility is \$25 per square foot. After these improvements are complete the lease rate will go to \$45 per square foot. He also informed the committee that the controls are being upgraded from pneumatic to digital which will provide for energy efficiency savings.

Member Hoehne asked the following questions on behalf of LFC staff:

- Will the project displace active research projects? Mr. Neale informed the committee that this project will actually do the opposite. The renovations will enhance the ability to complete more science experiments within the space.

Chairman Burke asked what funds were used to construct the facility.

Mr. Vallejos stated that he thought it was funded with system revenue bonds issued by UNM.

Mr. Zigich noted that the estimated utilities cost on Form 3 is incorrect.

Mr. Neale informed the committee that they did not use the standard calculation provided on the form but instead pulled the current operating expenses and worked with the project engineer to come up with the estimated savings.

Mr. Zigich explained that the issue he is bringing up is related to an error on the projected annual savings which appears to be a typo.

Mr. Neale confirmed the typo.

Member Hoehne asked that a contingency be placed on the project requiring UNM to provide a copy of the executed lease agreement between Sandia National Labs and UNM.

Mr. Neale informed the committee that Sandia National Labs is requiring approvals of the project prior to entering into the lease and this contingency may be an issue.

Member Hoehne asked that the contingency remain in place with the understanding that the project would be submitted to the State Board of Finance and once approved, UNM would provide the executed lease to the NMHED.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance with the following contingencies:

- Correct the typo on Form 3
- Submittal of the executed lease between Sandia National Labs and UNM after approval by the State Board of Finance

Motion seconded by Member Billingsley.

Motion passed. (5-0)

## **7. University of New Mexico Health Science Center – \$2,450,000 Student Health & Counseling (SHAC) Phase 1 Renovation**

2044 Galisteo Street, Suite 4, Santa Fe, NM 87505-2100  
Phone: 505-476-8400 Fax: 505-476-8454  
[www.hed.state.nm.us](http://www.hed.state.nm.us)

*Presenters: Dr. Craig White, Interim Senior Vice President of Finance and Administration, UNM; Chris Vallejos, Associate Vice President of Institutional Support Services, UNM; Lisa Marbury, Executive Director, Institutional Support Services, UNM*

Mr. Chris Vallejos introduced himself and Ms. Lisa Marbury. Ms. Marbury presented the project as outlined in the submittal.

Chairman Burke asked if there are any funds remaining from the 2017 UNM System Revenue Bond Issuance.

Mr. Vallejos informed the committee that this project will utilize the remaining bond balance.

Member Hoehne asked the following questions on behalf of LFC:

- Why is NUSF decreasing for this project?
  - Member Hoehne noted that this is an error in the form calculations
- Wasn't the Honors College recently relocated to Anderson?
  - Ms. Marbury noted that this transition is in progress and will be completed this month.
- Why was the Art Annex space chosen for the Honors College, knowing that space for fine arts is tight?
  - Mr. Vallejos noted that the Art Annex is staying with Fine Arts and no renovation will be done on that facility.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Member Rommel.

Motion passed. (5-0)

**8. University of New Mexico Health Science Center/Hospital – \$430,000  
University Hospital Main Facilities Air Handling Unit 117 Replacement**

*Presenters: Michael "Rocky" Kearney, Director, Planning and Construction, UNM Hospitals*

Mr. Rico Volpato introduced himself and Mr. Michael "Rocky" Kearney. Mr. Kearney then presented the project as outlined in the submittal.

Chairman Burke asked the following questions on behalf of LFC:

- Does UNM/UNMH have plans to make significant renovations/replace the older section of the hospital? Is it a good investment to upgrade the AHU?
  - Mr. Kearney noted that there are plans in the works to build a new tower however there is no intention to demo the old hospital. The new tower will not be in place until 5 years from now. Mr. Volpato also explained that the existing hospital spaces are ancillary space and will continue to be utilized even after the new tower is constructed. There is also a plan to renovate some of the existing operating rooms to assist with the demand.
- What penalties does the hospital incur from the joint commission as a result of the old unit?
  - Mr. Volpato noted that the Joint Commission is the certifying body which provides regulatory control over the hospital for licensing. This body is recognized by the Commission on Medicare and Medicaid and certification allows the hospital to bill

for services provided. The hospital receives more than 60% of its revenue from Medicare and Medicaid.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Member Zigich.

Motion passed. (5-0)

**9. University of New Mexico Health Science Center/Hospital – \$2,348,449.51  
1209 University Pharmacy Renovation/Repurpose & New Coumadin Clinic**

*Presenters: Michael “Rocky” Kearney, Director, Planning and Construction, UNM Hospitals*

Mr. Michael “Rocky” Kearney presented the project as outlined in the submittal.

Member Hoehne asked the following questions on behalf of LFC staff:

- Does UNM/UNMH have plans to make significant renovations/replace these buildings in the future? Is this renovation a good investment?
  - Mr. Volpato noted that this is the long term solution since this is an outpatient pharmacy which allows individuals to pull up to the door and go straight to the pharmacy. The Coumadin clinic patients currently need to park in the parking structure and walk through the hospital. This new location adds a quick access with convenient parking. The new facility will not house these services.

Member Zigich asked why there are no energy savings on this project.

Mr. Kearney noted that the new specialty pharmacy will require increased demand on the system due to the storage of temperature sensitive drugs.

Mr. Zigich asked if the HVAC will be addressed in this project and if so why it is not noted on Form 4.

Mr. Kearney informed the committee that new HVAC equipment will replace existing equipment. He also noted that the costs for the HVAC is included in the cost for Mechanical/Plumbing on the form.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent upon the resubmittal of Form 4 reflecting the HVAC work on the project.

Motion seconded by Member Billingsley.

Motion passed. (5-0)

**10. University of New Mexico Valencia Branch – \$880,000  
Valencia Campus Photovoltaic Solar System Phase III**

*Presenters: Dr. Craig White, Interim Senior Vice President of Finance and Administration; Chris Vallejos, Associate Vice President of Institutional Support Services; Lisa Marbury, Executive Director, Institutional Support Services*

Mr. Chris Vallejos introduced himself, Mr. Rick Goshorn, and Ms. Lisa Marbury. Ms. Marbury presented the project as outlined in the submittal.

Chairman Burke asked how much electricity is being produced by the system.

Mr. Goshorn noted that 55% of the institutions power will be generated by the photovoltaic system. He also informed the committee that the campus is currently working on upgrading all lighting fixtures to LED throughout campus along with a plan for a new lighting control system.

Mr. Zigich asked if this upgrade is being done through an Energy Performance Contract.

Mr. Goshorn informed the committee that the campus is doing these upgrades through the main campus sustainability office. Mr. Vallejos noted that within their sustainability department they review projects throughout the UNM system and determine sustainability upgrades to be addressed. The Valencia branch is part of UNM's energy project portfolio.

Member Hoehne asked the following question on behalf of LFC staff:

- What impact do the revisions to the Renewable Energy Rider (RER) have on the project? Mr. Vallejos informed the committee that this is something that is still being reviewed. He noted that preliminary estimates show that UNM will lose out on approximately \$150K in credits per year.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Member Zigich.

Motion passed. (5-0)

**11. Western New Mexico University – \$1,500,000  
Improvements to Miller Library/McDonald Student Center**

*Presenters: Kevin Matthes, AVP Facilities and Operations, WNMU*

Mr. Kevin Matthes introduced himself and presented the project as outlined in the submittal.

Member Hoehne asked Mr. Matthes to discuss the details related to the funding change for this project.

Mr. Matthes informed the committee that this project was part of the WNMU request for funding through the NMHED summer hearing process. The funding for this project was included as part of the capital outlay bill during the 2019 Legislative session however the project was line item vetoed. The original intent for the 2018 General Obligation Bond was for Harlan Commons Area improvements however because of the line item veto WNMU reprioritized the funding to address this project instead.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance

Motion seconded by Member Rommel.

Motion passed. (5-0)

## 12. New Mexico State University Dona Ana Branch – \$6,000,000

### DACC Gadsden Expansion Phase III

*Presenters: Monica Torres, Interim DACC President; Kelly Brooks, Vice President of Business and Finance, DACC; Heather Watenpaugh, University Architect, NMSU; Alton Looney, Interim AVP of Facilities, NMSU; Robert Herrera, Assistant Director, Project Development and Engineering, NMSU*

Ms. Heather Watenpaugh introduced herself, Mr. Robert Estrada, Mr. Robert Herrera, Ms. Kelley Brooks, and Dr. Monica Torres. Ms. Brooks presented the project as outlined in the submittal.

Member Rommel asked how far along a degree path a student can get at the Gadsden campus.

Dr. Torres noted that the courses offered allow students to attain some of the science pre-requisites as well as the Certified Nursing Assistant (CAN) certificate.

Member Rommel asked what the demand is in the local area for CNA's.

Dr. Torres informed the committee that they don't have the data readily available however they know demand is significant.

Member Rommel noted that he has concerns adding two new labs knowing that the FTE enrollment at the campus is low. He added that the addition of these two labs seems like an excess of space that would require the majority of the existing student population to be in lab courses.

Ms. Brooks informed the committee that the second lab will actually be designed as a hybrid space in order to supplement classroom space and allow for the best use of the facility.

Member Zigich asked why there was no LEED checklist provided for this project. Ms. Watenpaugh noted that the LEED checklist was not attached because the facility being added is below 15,000 GSF.

Member Hoehne asked the following questions on behalf of LFC staff:

- What specific jobs do graduates of Associate of Science degrees lead to in the DACC local area?
  - Ms. Brooks informed the committee that the listing of jobs were provided as part of the response to questions from HED and should be part of the packet. Dr. Torres also mentioned that the jobs can be broken into two categories, health related and engineering technicians. The added space and expanded programs will provide opportunities for students to be prepared for moving on into a competitive program or the workforce.
- Do the other DACC campuses provide the same courses and lab requirements?
  - Dr. Torres explained that Sunland Park does offer a limited number of science courses in their single lab facility. Also in comparison to Gadsden they offer fewer courses overall. The Chaparral campus does not have a science lab. There are distinctions between Sunland Park, Chaparral, and Gadsden and NMSU makes every effort to not duplicate programs among the three.
- What improvement work was done in 2019 on the building?
  - Ms. Brooks noted that there has been minor HVAC rooftop replacements done in 2019. She also noted that major water infrastructure is needed and is included as part of this project submittal.

Member Hoehne asked about declining enrollment and how the new DACC president will be addressing this.

Dr. Torres informed the committee that the decline in enrollment was self-inflicted by NMSU. The philosophy at the campus changed from providing courses to students so they could try out college to more meaningful dual credit programs that lead to degrees and advancement to four year institutions. This change resulted in a 20% decrease in enrollment.

Dr. Torres also noted that the campus is working more closely with the Santa Teresa industrial park and local industry to increase workforce development opportunities. These may include short term training opportunities that may lead to degree needs in the area.

Member Rommel made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Member Hoehne.

Motion passed. (5-0)

### **13. Adjourn**

Meeting adjourned at 11:25 a.m.