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**Capital Projects Committee Meeting**

**June 14, 2023**

**Held via TEAMS**

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**9:30 a.m. to TBD**

**Minutes**

**1. Call Meeting to Order**

Meeting called to order at 9:32 am

**2. Roll Call of Committee Members**

Member Brown called the roll. Chairman Hoehne present, Member Billingsley present, Member Trujillo present, Member Carswell present

**3. Approval of Agenda**

Agenda revised as follows:

- Item 8 amount changed to \$5,774,250
- Item 11 amount changed to \$1,900,000
- Item 12 amount changed to \$4,537,535
- Item 17 amount changed to \$9,800,000

Member Carswell made a motion to approve the agenda as amended, Member Billingsley seconded, roll call vote, unanimous approved as amended.

**4. Announcements:**

**a. Introduction of New Capital Projects Committee Chair**

Chairman Hoehne introduced Luis Campos as the new committee chairman

**b. Next Capital Projects Committee Meeting will be held on July 12, 2023**

Deadline passed, will be reviewing projects soon, Chair Campos will preside

**c. Summer Hearings have been scheduled – Information on [HED website](#)**

**5. Approval of Minutes from May 10, 2023, Capital Projects Committee Meeting**

Chairman Hoehne asked for comments or a motion. Member Trujillo made a motion to approve, and Member Billingsley seconded. A roll call vote was taken, and the minutes were approved.



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**Projects to be reviewed**

**6. Eastern New Mexico University – \$572,894.56**

**Video Board Greyhound Arena**

*Presenters: James Johnston, President/System Chancellor, ENMU; Tony Major, VP Admin & Finance/System CFO, ENMU*

Chancellor Johnston provided a brief overview of the usage of the venue. He then turned it over to Mr. Major who provided details about the new scoreboard. It is also used for graduation as well as other community events. Chair Hoehne stated this has \$500,00 in general fund appropriation. Mr. Campos asked if there could be additional revenue generated. Chancellor Johnston said yes, sell advertising and more attractive events like a recent concert. Mr. Major stated it will be digital versus the current method. Chairman Hoehne asked for a motion. Member Billingsley had a comment, that the institution was aware that these funds would not be available until mid-July. With the new system the budgeting piece could cause a delay until potentially August. Mr. Major stated they are aware but there is a lead time for this item.

Member Billingsley then made a motion to approve this project. Member Trujillo seconded. Roll call vote passed unanimously; project approved.

**7. New Mexico Junior College – \$810,251**

**Baseball Field Stadium Lights**

*Presenters: Dr. Derek Moore, President, NMJC; Dr. Steve McCleery, Consultant, NMJC; Dr. Charley Carroll, VP of Operations & Special Projects, NMJC; Josh Morgan, VP for Finance, NMJC*

President Moore introduced his team then turned it over to Mr. Morgan. The baseball field stadium lighting project will have eight 80-foot poles with LED masts outside the fence. Two poles with lights are to be erected behind the bleachers facing the interior of the field. One pole with lights midway down the first base and third base lines. Four outfield lights positioned equally around the outfield fence. LED lighting will reduce energy and bulb replacement costs. No new square footage will be added.

Chairman Hoehne asked how old the field is? Mr. Morgan stated constructed in 1994. Chairman Hoehne: What future improvements may be made to the field? Mr. Morgan: They have identified the need for a press box as well as a renovation of the visiting team dugout. Chairman Hoehne: What is the capacity for games? Mr. Morgan: Hoping to get more participation by scheduling games in the evening. Member Trujillo: Does this lighting meet the night sky specifications? Mr. Morgan: They would need to speak with the lighting engineer to verify. Mr. Campos: Are the footings taking into account the wind of that area? Mr. Morgan: Stated the lighting engineer has performed the existing lighting on the track. Dr. Carroll: Track lighting is rated for 125 mph wind speed, and this will meet those same standards. Mr. Campos: Are there any participation agreements with the



community to use the field or that they will be sitting in the stands? Mr. Morgan: No current agreements. They will be running camps and opportunities to host some other regional games. Plan to open facilities for such events.

Chairman Hoehne asked for a motion. Member Trujillo made a motion contingent on submission of documentation verifying compliance with any night sky ordinances. Member Carswell seconded. Roll call vote passed unanimously; project approved.

**8. Western New Mexico University – ~~\$5,000,000~~ \$5,774,250**

**Athletic Facilities Renovation (REVISED)**

*Presenters: Dr. Joseph Shepard, University President, WNMU; Kevin Matthes, AVP Facilities and Operations, WNMU; Joseph Holguin, Capital Projects Director, WNMU; Kelley Riddle, Business Affairs VP, WNMU*

Dr. Shepard is not available so this project will be presented by Mr. Holguin along with Mr. Matthes and Ms. Riddle. Due to the challenging construction market, they are only able to renovate the softball facility. They wanted to add funding to the project and bring forth for recertification. The softball facility is complete, and they have their certificate of occupancy. They plan to add bleacher chair backs to the softball and football complex for a more comfortable experience. Also, improvements to the support building for the football field.

Chairman Hoehne thought this work was included in the original submission but was not able to be completed due the cost increases and wanted clarification. Mr. Holguin: A & E was done on the Fox complex, but the work could not be completed. Chairman Hoehne: Funding shows student fees, what are those fees made up of and is there a need to increase student fees in order to generate this funding. Ms. Riddle: student fee is not an increase nor a new fee. This student fee is basically using their debt service fee fund balance carry-over and that is why they noted it as student fees.

Member Carswell: What are the total costs of the components of this project that WNMU has been able to complete so far? Mr. Holguin: Right about the \$5 million dollar mark for the A & E, the softball complex, including testing services and geotechnical. Member Carswell: Fund balance on the debt service, is that planned to have money for things like this or potential cost increases or is the balance there because other projects that you had bonded for or had appropriations for came in at a lower cost? What is the reason for the \$4 million dollar fund balance? Ms. Riddle: That balance comes from the debt service fees from students and the fluctuation within the debt service payment. As those payments drop off due to completed paying or the payment is reduced. The student fee remains consistent.

Mr. Campos: Concerns about finding construction workers in their area and what that



impact does to their overall construction costs and how does that impact this particular project? Mr. Holguin: This is a challenge to the rural areas as many contractors are coming from a minimum of 2 hours away. There are very few GB98s in the area. The contractor they have been using for this project which is Bradbury Stamm has a regional person posted in Deming giving them access to a large company in a short distance. He believes this results in a minimal markup. If that regional office was not there, believes they would see increased costs.

Chairman Hoehne asked for a motion. Member Billingsley then made a motion to approve this project. Member Trujillo seconded. Roll call vote passed unanimously; project approved.

**9. New Mexico School for the Blind and Visually Impaired – \$4,682,864**

**Residential Cottage New Construction**

*Presenters: Patricia Beecher, Superintendent, NMSBVI; Margie Macias, Director of Institutional Support Services, NMSBVI*

Superintendent Beecher introduced Margie Macias and they are requesting to proceed with the construction phase of this project. Cottages are intended to help teach independent living skills to their students and is part of the expanded core curriculum that is directly related to students who are blind or visually impaired. Independent living skills such as budgeting, shopping, cooking, cleaning, taking care of their residences. There are two sets of four individual living areas that surrounds a shared kitchen space and dining area and living area. Design is flexible to allow ability to provide as much support as possible. Also supports their post-secondary program. This project is shovel ready and was originally part of the Sacramento dormitory project approved in 2014 that also included the demolition of the Sacramento dorm. This project was delayed for several reasons. There are 2 dorms, Sacramento and Garrett, and the Garrett dorm was held up to determine what the return on investment would be so they could decide whether they were remodeling or reconstructing. The cottages were designed in 2021, the Garrett dorm is almost complete, so they are ready to begin construction on the cottages.

Chairman Hoehne: Asked for information on other projects that are ongoing at the campus and what other projects they have that they plan to kick off. Superintendent Beecher: Deferred to Ms. Macias, but what they have under construction right now is almost completion of the Garrett dorm, a playground, ready for the Tapia building and two other projects that Ms. Macias can speak to the timeline. Ms. Macias: 38-acre campus, landlocked, difficult to get projects done. Tapia building being priced through CES pricing. Tapia is a historical building. Garrett dorm is past substantial completion date. Should be done this month. Both projects will be grouped together.



Member Carswell: Total cost over \$800 per square foot, not specialized construction. Any committee members have perspective on this. Ms. Macias: Worked with the design team and these are the figures they presented, but they don't present a good picture. In 2021 the MAC was \$4 million. Member Carswell: Did this actually go out to bid or was that price from the designer? Ms. Macias: Went out RFP as multiple residences, knowing they would hold off on some of them, but they would all be together, hoping they could at least build some of them and phase them out but when the costs came in on the proposals, they were too alarming to move forward with anything else other than the Garrett dorm and that was more because of an emergency need. Chairman Hoehne: Finding that costs are higher especially in rural areas, but all areas are higher. Asking projects to be close to 100% design so costs are better known, but costs are much higher than anticipated. Member Carswell: LFC is concerned about escalating costs and what the state will be able to accomplish. They will be looking at what is contributing to these rising costs. Is Alamogordo having issues attracting contractors? Ms. Macias: Send out statewide notices. Advertise throughout the state for the proposals. They have had larger contractors on the campus. Couple of local contractors as well bid but were having issues with staffing. Also, concerns with supply chain issues. Mr. Campos: When dealing with K-12, life/safety requirements increase because you have to get those students out of the building and you add the disability component to that, makes the cost of construction higher than what we might see in higher education where there are adults that can get out of the building, so he is assuming based on code requirements the cost is higher.

Chairman Hoehne asked for a motion. Member Trujillo then made a motion to approve this project. Member Carswell seconded. Roll call vote passed unanimously; project approved.

#### **10. New Mexico School for the Blind and Visually Impaired – \$3,239,446 Superintendents Residence Demolition and New Construction**

*Presenters: Patricia Beecher, Superintendent, NMSBVI; Margie Macias, Director of Institutional Support Services, NMSBVI*

Current Superintendents residence has not been able to be inhabited since 2017. It is about 78 years old and has compromised sewage and roof system, so it needs to be demolished and rebuilt. The purpose of the residence is to allow the Superintendent to have a more intimate understanding of all of the programs that occur on a residential campus. There are programs in the evening in addition to the academic programs during the day. Having the Superintendent living on campus allows them to be directly involved in the activities. This residence needs to be built as ADA accessible in the event that there is a Superintendent that has a disability and also when the Superintendent hosts individuals and students with disabilities. This was part of the project that was put on hold due to the high construction costs and they wanted to prioritize student related



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construction over the Superintendents residence but they feel they are ready to move forward on this project at this time.

Chairman Hoehne: Ask about funding, is this part of a reauthorization? Ms. Macias: It was approved as a reauthorization. Chairman Hoehne: Need to update Form 5, can be a contingency, to reflect the reauthorized legislation. Was the contingency funding approved and is it appropriated already? Ms. Macias: Yes, it is set aside and is part of the \$1.5 million set aside by the board of regents.

Member Carswell: Where is the Superintendent living currently? Superintendent Beecher: She is living in a student cottage on the south end of the campus and spends half the week on that campus and half the week at the campus in Albuquerque. Member Carswell: Can you tell us more about the design of the new building, in particular, what the space needs are in the residence aside from residential use? Ms. Macias: It will be a 3 bedroom, has a study/office with a closet so it could be a 4 bedroom if needed, separate dining area. At graduation the Superintendent hosts a dinner for the students so ensure plenty of space for that. There are 3 bathrooms and a restroom for guests. A closed-in courtyard for the family. Steps away from the Garrett dorm and residential cottages, the area known as the residential zone. There is a 2-car garage. Typical residential home. They did reduce the square footage of the residence, originally it was about 5,000 SF, this is now 3,900. Superintendent Beecher added that they are members of the council of schools and services for the blind, which is a nationwide council and members are Superintendents of schools and meet regularly and that would be an example of people who would come visit the campus. Member Carswell voiced the same concerns about the costs on this project but didn't expand on them again.

Chairman Hoehne: What is the cost of a typical home in Alamogordo of this size and what makes this particular facility unique? This is actually commercial construction, there is a distinction related to building a house off of a college campus versus building one on a college campus. Ms. Macias: The cost is alarming to them as it is over \$3 million dollars. They see the prices are not going to be less. Chairman Hoehne: Process of procurement does not go through the process of a normal home but that of a commercial building, that causes costs to be elevated.

Chairman Hoehne asked for a motion. Member Billingsley then made a motion to approve this project. Member Trujillo seconded. Roll call vote passed unanimously, project approved contingent on the following resubmission of Form 5 correcting the appropriation code and description reflecting the reauthorized project and submission of the page from the legislation showing the reauthorized language. Contingency was added





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via amending the motion and second by the parties.

**11. University of New Mexico – ~~\$1,350,000~~ \$1,900,000**

**Main Kitchen Hood Exhaust Upgrade (REVISION)**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Dr. Douglas Ziedonis, Executive Vice President, UNM Health Sciences Center; Dr. Michael Chicarelli, Chief Operating Officer, UNM Hospital; Enrico Volpato, Executive Director, UNMH Facility Services; Jeremy Jerge, Director, UNMH Planning & Construction*

President Stokes introduced their projects and their team. Mr. Volpato: Three projects today, two are revisions. They are being phased and are being brought back due to the phases. This project serves over 1.3 million meals per year. Multiple phases. This is phase two. Multiple item upgrades included.

Mr. Campos: Are you required to go through the environmental department? Mr. Jerge: Phases are not involved with food preparation at this time so not engaging environmental department. Member Carswell: On the budget revision, is the revised column showing the increase? Chairman Hoehne: That is correct and a conversation with UNM about the forms and adjustments will need to be made.

Chairman Hoehne asked for a motion then advised he would make the motion as he knew there was a contingency. Member Trujillo seconded. Roll call vote passed unanimously, contingent on resubmission of Forms 4 and 5 reflecting the correct Revised dollar amounts.

**12. University of New Mexico – ~~\$1,750,000~~ \$4,537,535**

**Main Chiller Plant Replacement (REVISION)**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Dr. Douglas Ziedonis, Executive Vice President, UNM Health Sciences Center; Dr. Michael Chicarelli, Chief Operating Officer, UNM Hospital; Enrico Volpato, Executive Director, UNMH Facility Services; Jeremy Jerge, Director, UNMH Planning & Construction*

Mr. Volpato: Upgrade and refurbish existing chiller plant and is being phased over 3 years. First phase almost complete, this request is for phase two. At completion will provide redundancy. Member Trujillo: Are the refrigerants climate friendly and what is the efficiency improvements in terms of kw per ton compared to the old systems? Mr. Volpato: In general, the chiller upgrades are going to be a significant improvement over the existing equipment they have. Mr. Jerge: Specific numbers are not available but can be provided. Mr. Campos: Mentioned additional capacity, is that capacity in SF or in terms of the building itself? Mr. Volpato: The additional capacity is within the system for redundancy, so no additional SF or building.



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Chairman Hoehne asked Member Trujillo if he would like his questions as contingencies and Member Trujillo advised he would and asked to make the motion with his contingencies. Member Carswell seconded. Roll call vote passed unanimously, contingent on submittal and verification of the following:

- Documentation supporting implementation of the 2019 energy code
- Documentation supporting the use of climate friendly refrigerants

### **13. University of New Mexico – \$600,000**

#### **OSIS MRI Replacement**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Dr. Douglas Ziedonis, Executive Vice President, UNM Health Sciences Center; Enrico Volpato, Executive Director, UNMH Facility Services; Jeremy Jerge, Director, UNMH Planning & Construction*

Mr. Volpato: This project is to replace their MRI machine. It will be the same size but will require room modifications. This will include demolition of the existing unit and they will be ordering the new MRI in July and anticipate about a 5-month production timeframe once the order is placed. This construction requires them to put in a mobile MRI unit to maintain those services during the construction. Upon receiving the mobile MRI, they will remove the existing one and construction will start in the room. It is estimated for the construction to take about 3 months. They will try to keep the construction as short as possible to minimize the cost of the mobile unit. They plan to order some of the long lead items after approval. The current MRI machine is 17 years old, well beyond its useful life, typical MRI life is 10-15 years. This machine is essential for them. They typically do 4000-4500 scans per year. This scanner is starting to fail more often and requires expensive repair, and it is getting more difficult to find replacement parts and the manufacturer will not be supporting this in the near future. This is a high priority for the organization.

Chairman Hoehne: What is the cost of the new MRI? Mr. Volpato: Referred to Mr. Jerge who stated the cost of the 3T MRI machine is \$3,714,294 and is funded through a separate operational fund for the radiology department.

Chairman Hoehne: What is done with the machine that is removed. Mr. Volpato: Typically, it is exchanged with the new one and they often buy it back at a reduced cost, so a discount is given. Mr. Jerge: In some cases, those machines will be shipped off to a different country, a less fortunate country, and they will try to get any remaining life out of them.

Mr. Campos: Does UNM-H have a list of the life cycles of all the equipment and plan accordingly or does it wait until it hits a timeframe? Mr. Volpato: He also oversees the clinical engineering department, and they manage all the medical equipment in the hospital, so every piece of equipment is identified and tagged and put into a database and





tracked not only for maintenance and regulatory checks but also for its useful life. Every piece of equipment is tracked in that manner. The radiology department has a more extensive plan than that as far as usage and replacement needs. They have a specific budget just for their department to meet those needs. There are usually significant improvements to radiology equipment about every 5-7 years where the quality of the image and the ability of the machine improves significantly. Mr. Campos: How is that tied to the capital projects when you have that life cycle? Do you meet regularly to look at this as this caused renovation to be done to the space, how are they linked? Mr. Volpato: We have a capital committee. There are 3 chairs that sit on that, one is IT, one for construction, and one for capital equipment and they meet monthly. And annually they go out to all the hospital departments and have them present their needs for the year that are based upon what they need to expand their programs, what they need to replace their existing programs. They look 3-5 years ahead. Mr. Campos: We know vendors have long lead times and it would be beneficial to add those sort of vendor notifications in the submission so the committee can understand what things are impacting them. Dr. Chicarelli: That is a great suggestion, and they will definitely add that going forward. The process as described is a process that goes on throughout the organization.

Chairman Hoehne: Asked if there any more questions. There were none so he asked for a motion. Member Trujillo then made a motion to approve this project. Member Billingsley seconded. Roll call vote passed unanimously. Project approved.

#### **14. University of New Mexico – \$800,000**

##### **SHAC – Controls and HX**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Executive Vice President, Fin & Admin, UNM; Lisa Marbury, Vice President, Institutional Support Services, UNM*

Ms. Marbury: Introduced Tabia Murray Allred who has taken a new position within Institutional Support Services and we will be seeing more of her going forward. This project is student health and counseling located in building 73 and is a 42128 GSF facility. It houses student health and counseling offices, exam rooms, labs and also a pharmacy. It will convert the pneumatic HVAC controls which are 55 years old, to digital controls. It will also refurbish the existing air handling units, replace the original heat exchanger and water heater, it will add new motors, variable frequency drives, dampers, actuators, valves and interior cleaning and coding of the air handling units. This will allow the controls to be brought into the campus wide access system. The current heating source and domestic hot water source are original from August 1967. Project budget is \$800,000 and is being funded through our facilities management sustainability surcharge fund.



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Chairman Hoehne asked for any questions from the committee members. There were none so he asked for a motion for approval. Member Trujillo then made a motion to approve this project. Member Carswell seconded. Roll call vote passed unanimously. Project approved.

**15. University of New Mexico – \$2,800,000**

**Mesa Del Sol – HVAC Upgrade**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Executive Vice President, Fin & Admin, UNM; Lisa Marbury, Vice President, Institutional Support Services, UNM*

Ms. Marbury: This is a 26,560 GSF facility located in the east wing of the Aperture Centre at Mesa Del Sol. This is the home of our film and digital arts department, utilizing three floors in this facility. This project will replace the existing HVAC equipment with a new heating and cooling water system with new fan units with reduced sound level, which is important for this project, with duct sound attenuators in critical locations. There is a new boiler, chiller and pumping equipment along with distribution piping. The first floor houses a 100-seat theater for film screenings and instruction and a large flex space with a black box for productions including a lighting grid and a green screen. The second floor has two computer labs, a server room, and equipment checkout room. The third floor contains various project rooms designed for faculty and students to produce creative works for class and research, a sound recording lab and a mixing booth and staff faculty offices and meeting spaces. When this building was built it was not built with the intent of having these types of programs in the building, so the HVAC is extremely loud. When filming this type of noise is a real hindrance. So, they have to turn off the air conditioning unit so they can do the project then it gets really hot. It has been this way for several years and they finally have the funds to replace this and fix this problem. The total budget is \$2.8M and is being funded through internal BR&R sources.

Chairman Hoehne: I see this building is 12 years old and the replacement of the HVAC system is really for the specific to the current use of the facility. What is being done with the old HVAC system? Mr. Notary: The existing system is a variable refrigerant system, the first-generation system LG made. It has been hampered by many problems during its life, including system leaks which poses risks to the occupants and is not reusable.

Member Carswell: Can you remind us of what the total institutional BR&R budget is per year? Ms. Marbury: It is about \$10M per year.

Mr. Campos: Will replacing this system allow for better air improvement within the facility so that if another pandemic were to hit it will function and be able to keep the air clean?



Mr. Notary: Yes, it will. We have a dedicated outside air system that will be provided with additional air filtration, air will not mix from one space to another, so it prevents that mingling of air that was a concern during the pandemic. Mr. Campos: As you're adding your controls, are they an open architectural system or are you working towards a proprietary system within the university? Mr. Notary: We have been using proprietary systems for the past 20 years, two systems on campus, Delta and ALC. They have the technical support within their own ranks with their own staffing to take care of those systems. Mr. Campos: There is no increase in costs due to the proprietary system? Mr. Notary: Quite the opposite, having the ability to do their own has decreased the cost considerably.

Chairman Hoehne asked for any questions from the committee members. There were none so he asked for a motion for approval. Member Trujillo then made a motion to approve this project. Member Billingsley seconded. Roll call vote passed unanimously. Project approved.

#### **16. University of New Mexico – \$700,000**

##### **Domenici Hall – Chiller Replacement**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Executive Vice President, Fin & Admin, UNM; Lisa Marbury, Vice President, Institutional Support Services, UNM*

Ms. Marbury: This project is the Pete and Nancy Domenici Hall building, it is a 95,248 GSF facility and houses various health science department groups, labs, animal holding areas, clinics, offices and two MRI machines. This project replaces the existing 160-ton air cooled chiller with similar right sized chillers to provide a reliable cooling source for the facility. In addition, the project will modify the chilled water system to be more energy efficient. The chiller is 20 years old and has reached the end of its useful service life, a reliable cooling source is critical for the operations. In addition to the energy savings that can be realized by installing new high efficiency chillers and apply the latest industry energy standards. The budget for this project is \$700,000 and is being funded from the facilities management sustainability surcharge fund.

Member Trujillo: Does the chiller meet the 2018 energy code and is it using friendly refrigerants? Mr. Notary: Absolutely it will, it will be specified with those requirements. It is going to be an air-cooled chiller and we can provide the actual specifications if you care to see those.

Chairman Hoehne asked if there were any other questions and there were none. He then deferred to Member Trujillo to see if he wanted to see additional information as a contingency. Member Trujillo made a motion to approve the project contingent on



documentation on the efficiency and the type of refrigerant being used. Member Carswell seconded the motion. Roll call vote passed unanimously. Project approved contingent on submittal and verification of the following:

- Documentation supporting implementation of the 2019 energy code
- Documentation supporting the use of climate friendly refrigerants

**17. University of New Mexico – ~~\$6,800,000~~ \$9,800,000**

**Renovation of Building 151 existing Naval Sciences ROTC facility (REVISION)**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Executive Vice President, Fin & Admin, UNM; Lisa Marbury, Vice President, Institutional Support Services, UNM*

2:12:03

Ms. Marbury: This is for a revision, the original budget was \$6.8M, we added an additional \$3M to this budget from an institutional bond that they just received. This is going to be the new Lobo Welcome Center. It is located at 720 Yale Blvd. and is about 11,090 SF and we have added 2,209 SF. This project first was presented in May 2022 and had some GO Bond funding attached to it which meant they had to spend that funding by, in two weeks, June 30, which we have done. But they knew when they went out for bid, they were going to be short on this project. So, they cut out two of the bid lots in order to get the job done in time with the GO Bond funds. They immediately went to their executive vice president for finance and administration and said they have an issue as they didn't want to phase this project as that would add additional cost. They were able to get the funds from the 2023 institutional bond that was just sold. They added it to this project right away. With the additional funds the project is now at \$9.8M.

Member Carswell: What kind of improvements is the additional funding addressing? Ms. Marbury: There is a lot of landscaping outside but also includes specialized audio/visual, IT, security cameras, access controls, the actual exhibits that the potential students will see and interact with as they go into the welcome center. It also includes finishing the lower level for offices, new lighting, ceilings, and the basement area of this building.

Member Carswell: It looks like \$740/SF cost which seems high for a renovation project, so what are the major cost drivers for this project? Ms. Marbury: We don't like the price per SF either. This is an old historic property that is on the historical register and required special attention, required additional abatement issues so that added to the cost of the remodel. They went through the historical preservation committee and there were certain things that they had to preserve and had to carefully extract. It is an old Adobe with old vigas and windows that had to be retained so that added to the cost of this project.

Mr. Campos: As the welcoming center how does a parent or a visitor know that is the location to go as your front door for new and incoming students? Ms. Marbury: The vice



president of enrollment management who is in charge of bringing in new prospective students onto campus and giving them the tour, that is where they will be located. This is where they will start their tours. It is centrally located on campus, by the president's house, the duck pond, it is one of the major gateways into the campus. So, it is a natural place for the students and new visitors to come and see what the University of New Mexico has to offer them. Mr. Campos: How do you guide alumni to know that this is now the way to go into campus? Ms. Marbury: We are two thirds of the way through a new master plan, and they have been working on changing the perception that there is only one entrance through Central, that there are multiple gateways, multiple entrances. They also want to connect with the hospital on the north and really want to create a seamless divide. Mr. Campos: After the work is complete, do you intend to seek registration under the historical building? Ms. Marbury: There are several people very interested in making sure it gets on the national register.

Chairman Hoehne asked for any questions from the committee members. There were none so he asked for a motion for approval. Member Billingsley then made a motion to approve this project. Member Trujillo seconded. Roll call vote passed unanimously. Project approved.

## **18. University of New Mexico – \$1,465,371**

### **98<sup>th</sup> and Gibson Acquisition**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Executive Vice President, Fin & Admin, UNM; Kate Becker, CEO, UNM Hospitals; Thomas M. Neale, Director of Real Estate, UNM*

Mr. Neale: Started by apologizing that they uploaded the incorrect title commitment and survey in the online portal. He would like to proceed with the presentation on the acquisition recognizing that there would be a contingency to get the correct title commitment and survey.

Chairman Hoehne: Thank you for bringing those items up. I know those are items we planned on discussing during today's presentation. We do understand that the information that we received related to the need as well as some of the other relevant documentation was reviewed. The environmental assessment that was uploaded was the correct assessment? Mr. Neale: That is correct. Chairman Hoehne: I do want to get the opinion of the committee, but I like I had an opportunity to review this in enough detail to be able to understand the need and what this site involves and how this project would be beneficial to UNM. But I want to get the committees perspective on if they want to proceed or prefer to have the project pulled until such time that all that documentation can be provided. He then asked each committee member individually. Member Brown was fine hearing it. Member Trujillo was fine hearing it. Member Carswell thinks we can



hear and trusts that HED will get the documentation on the back end. Member Billingsley was good to hear it as well. He asked Mr. Campos who was fine hearing it as well and if it was approved put a contingency on the approval. He then told Mr. Neale he could proceed.

Mr. Neale: What is being presented is an acquisition of a 6.9-acre site at the southwest corner of 98<sup>th</sup> and Gibson in Albuquerque's southwest mesa. The purpose of the acquisition is for construction of a primary care clinic. For a decade they have been rolling out primary care clinics in areas of greatest need in Albuquerque and this is an area in the extreme southwest portion of the metro area that has explosive growth over the last decade with generally affordable housing and many of the residents seek care and services by the UNM health system. This is again, placing a facility in the area of the greatest need. The purchase price is \$1,465,000 and that equates to \$5.93 per SF. The appraised value was \$1,560,000 which is \$6.30 per SF. The appraisal was submitted to tax and rev and evaluated and approved. The phase one environmental site assessment came back with no identification of any recognized environmental concerns, so the site is clean. There is some uncontrolled fill that occurs occasionally and with approval as we move forward toward closing, we will continue to monitor that, make sure that is cleaned up prior to closing. With me today is Kate Becker, the CEO of UNM hospitals and Mike Chicarelli, the chief operating officer that can answer any specific operational questions in more detail about the need for the services in this particular area.

Chairman Hoehne: Asked Ms. Becker to speak about why this is important and what the strategy is in purchasing this land and building this clinic. Ms. Becker: The original impetus for the hospital focusing on increased primary care access came from 2016 mill levy and the negotiation of the memorandum of understanding (MOU) between the hospital and Bernalillo County. In that MOU the hospital committed to focus on creating increased primary care access for the citizens of Bernalillo County specifically. Our goal was to add a primary care clinic, probably four, over that eight-year period between the last mill levy and this upcoming one which will be in 2024. We have accomplished that in a couple of different ways to this point by opening the new senior health clinic which focuses on the aging population. We are also expanding our lobo care clinic which is access for primary care in same day for our employees and faculty which is helpful as those folks are in Bernalillo County. We wanted to expand the footprint of our traditional clinics so if you've been to our northeast heights or southeast heights or 4<sup>th</sup> street clinic, that's kind of the model for the larger size primary care clinic that we feel like is the best way to provide access for folks. The current clinic, the southwest mesa clinic is pretty small compared to that, it is not the same size as that footprint. What we did probably about a year and half ago was commissioned Brian Sanderoff from Research and Polling to do a survey of the





citizens of Bernalillo County to look at where we should site our next primary care clinic, really find out where the need was in our community and what we learned from that is that the folks in this area drive the furthest to access primary care. They average 40-45 minutes to access primary care whereas the rest of the county it is a much shorter distance, 15-20 minutes. They are the most likely to access urgent care when they need to see a primary care provider and part of the reason for that is they couldn't get into a primary care provider in a timely manner so they are going to urgent care instead which means they are getting access but not continuity of care, not getting that opportunity to establish a relationship with a primary care provider who can make sure that their health and their families health are continuously monitored and making sure we are taking the best care of them. That population in that part of town also already access our services as mentioned so we know they are familiar with us, and they will be seeking services from us. We took the results from Research and Polling, and we met with the county and discussed with them what we are seeing and where we think this should be located. It is in Commissioner Quezada's district so we met with him and county manager Julie Morgas Baca to talk about what we are seeing and the order in which things would happen. We do expect within the next year or two to bring another one of these clinics to you. That one is likely to be further east. The other two areas we found need were martineztown and east mountains. Not sure which of those would be next up on our list but as you think about where folks need access that seems to be kind of where things are lining up. So that is the background and the why for this clinic at this time.

Chairman Hoehne: That is exactly what I wanted to understand. As we look at the purchase of property it is the first step but there has to be long term vision and understanding that is beneficial as committee members and also understanding what the impact is when it comes to health care that this land purchase then turns into. What is the anticipated construction start on this new facility and actual timeline in getting it open and available to patients? Dr. Chicarelli: We have a couple of examples in our current facilities that are really good examples of care platforms. We decided the primary care clinic that works best for us is the north 4<sup>th</sup> street clinic, so the intent is to further design taking that exact footprint and update the codes and have it checked by the architects and then build that exact footprint in this location. So that will save us some time in terms of having the building ready to go and in terms of having it complete it is currently set to be completed in 2025, that is a rough estimate as there are a lot of things in construction that are variable but that is the goal.

Member Carswell: So, you already have a primary care clinic in this area, it is just small? Ms. Becker replied yes. Member Carswell: Do you have an estimate of what sort of expansion this would allow in the number of physicians and patient population you would



be able to serve out of that clinic? Ms. Becker: There are actually three components, there are the number of physicians and then the number of trainees that can be educated at that clinic. One of the things we need organizationally is more capacity on the clinical side for our trainees in the outpatient setting especially in internal medicine, primary care, family medicine so we are working with the chairs of those departments to make sure we can also have residents in this clinic so they can also be helped with that. Mike would know more about the patient numbers based on the 4<sup>th</sup> street clinic capacity. One of the challenges we face there right now is we have a wait list of more than 4,000 people waiting to get into primary care across the county so we know we are going to have a backlog even if we open this clinic, but Mike can speak to the volumes at 4<sup>th</sup> street now which is what we would expect to see here. Dr. Chicarelli: That number is about 15-20 depending on the year so that is an average for that clinic, and we do anticipate adding about 40 FTEs to the clinic on 98<sup>th</sup> street so that is what it would take to open that building. Member Carswell: Clarified that the number is 15-20 thousand patients per year and Dr. Chicarelli confirmed. What are they seeing regarding recruitment and retention ability for primary care providers and what UNM-H specific strategy is around that. Ms. Becker: I think there are a couple of things and Dean Finn spoke over at the Albuquerque Chamber of Commerce as well. As far as recruitment there are three big ways to do it. You do it through recruiting medical students, which we have a lot of programs for both in state pipelines and bringing folks in, you do it through recruiting residents, which is a big piece of the folks that do their residencies here tend to stay here so an average we are retaining a little over 51% of our residents here where they train, and through recruiting new physicians. One of the things that we focused on for creating primary care capacity has been how do we figure out the right balance between physicians and advanced practice providers and support recruitment for both of those. One of the things that has emerged strongly in need is supporting loan repayment forgiveness. That has had a significant impact in helping with recruitment. Folks who can get those loans forgiven are more likely to be recruited and retained. Focus on making sure we have a good working environment for people, so things like a new clinic, a good workspace. So, we are excited about the new hospital tower and the new clinics.

Mr. Campos: How close in terms of miles is the nearest clinic to this one? Dr. Chicarelli said it is the southwest mesa clinic which is probably three and half to four miles from where this clinic will be. He asked Mr. Neale if that sounded right. Mr. Neale: That sounds just about right. Mr. Campos: Is that the average time a commuter takes to get to a clinic or is there a best practice that a person should be within two miles of a clinic? I know you said there was a study and you looked at it, I was just curious if there is some information that says you should place one every 2.5 miles or mile? Ms. Becker: I don't know any specific market information on location compared to households if that helps. We don't



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have enough doctors to be able to place them in as many places as possible so we have to be focused on where we think the greatest need is but we know that primary care we want distributed around the community because people do want that closer to their home, they are willing to travel for specialists or for the hospital but for primary care you do want that convenience of being able to get to them hopefully in a reasonable timeframe. Mr. Campos: If you build this clinic, will it open capacity at other locations? Ms. Becker: It will create increased capacity but the other thing we have been working hard on for the last two years is process improvement in our existing clinics so making sure that we are as efficient as possible and getting the maximum capacity out of the space that we have because we know we want to be able to create access for patients that's the number one need for New Mexico for everybody so it's not just building more physical capacity but making sure we are as efficient as possible in all our spaces.

Member Carswell: Is this clinic replacing the existing southwest mesa clinic or will they both be operating? Ms. Becker: They will both be operating because we know we need significant capacity, and we also need capacity for trainees so we would not be in the position to close a clinic. Member Carswell: You feel confident in your ability to staff both of them sufficiently? Ms. Becker: Yes, and we are happy that both internal medicine and family medicine have been very enthusiastic about having additional spots for residents. As part of the new tower as well we've been working with graduate medical education to increase the number of residents that we support so we have been able to add about twenty new residents a year over last year and this year will be another twenty so we will keep rolling up that number so this will give us the capacity to add even more, and the departments are really enthusiastic about that.

Chairman Hoehne: I had a couple of follow-up questions and one of the Member Carswell asked was what was going to be the status of the southwest mesa clinic once this one was put up, but you answered that question. The other thing I thought was important to capture, and I would like to ask this as a contingency, because as we move to the state board of finance a lot of this line of questioning is going to come up at the state board of finance and I think one of the things we can do to reduce that line of questioning is by having a lot of what was discussed here put into a presentation format so that a lot can be addressed. There were several components that we talked about that are important. What was the strategy used in order to push forward with this particular site and this particular deed, having that listed in a document. Also, looking at the vision for the facility itself. If you are creating a template type UNM facility so that if you go to any one of the locations everyone is familiar with them. A timeline for construction can be put together as well and the data points, how many patients do you currently serve, how many is this going to expand, capacity for patients to have access. What is the population base you are



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going to be addressing in the south valley and what does that demographic look like and what is this clinic going to be providing for? I think this is a great project, you did the homework and good that you have that in place, and this looks like this is going to be great benefit for Bernalillo County but the south valley in general. I think that is important to note. But if you can put those data points together and provide them, that would be the contingency that I would have for this approval, along with replacement of the documentation that was provided in the initial submission. Chairman Hoehne made the motion for approval of the acquisition of the property at 98<sup>th</sup> & Gibson in the amount of \$1,465,371 for submission to the Cabinet Secretary and then on to the state board of finance contingent upon the things we discussed earlier. We can outline those more specifically here and of on the action item sheet you'll have those items outlined. Member Trujillo seconded the motion. Roll call vote passed unanimously. Project approved contingent on submittal and verification of the following:

- Corrected Title Commitment and Survey
- Documentation supporting how decision was made to pursue this location
- Documentation of services provided, demographic of patients currently served, intended population to be served, staffing, and educational opportunities
- Timeline for construction and occupancy

## **19. Adjourn**

*Meeting adjourned 12:22pm*