



Agenda

REGULAR MEETING OF
THE GOVERNING BODY
JULY 29, 2009
CITY COUNCIL CHAMBERS

AFTERNOON SESSION – 5:00 P.M.

CITY CLERK'S OFFICE

DATE 7-24-09 TIME 4:15 pm

SERVED BY _____

RECEIVED BY [Signature]

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. SALUTE TO THE NEW MEXICO FLAG
4. INVOCATION
5. ROLL CALL
6. APPROVAL OF AGENDA
7. APPROVAL OF CONSENT CALENDAR
8. APPROVAL OF MINUTES: Special City Council Meeting – July 8, 2009
Regular City Council Meeting – July 8, 2009
9. PRESENTATIONS
 - a) Eleventh Annual FORE Kids Golf Tournament. (5 minutes)
 - b) Proclamation – Fire Chief Chris M. Rivera. (5 minutes)
 - c) Donation of Ambulances to Village of Pecos and Community of Illfield.
(Chief Chris Rivera) (5 minutes)
 - d) Annual Santa Fe County Fair – August 5, 2009 thru August 9, 2009.
(Erica Garcia, County Fair Queen) (5 minutes)
 - e) Presentation of Prescription Trails Program – Anna Hargraves,
Chairperson, State Department of Health. (Fabian Chavez) (5 minutes)
10. CONSENT CALENDAR
 - a) Request for Approval of Change Order No. 1 – Police Department
Renovations – Phase II; Lockwood Construction Company. (Chip
Lilienthal)
 - 1) Request for Approval of Budget Increase – Project Fund.



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- b) Request for Approval of Agreement Between Owner and Architect –Tino Griego/Lafarge Branch Library Renovations (RFP #09/23/P); Terraplen/Integrated Design Architecture. (Chip Lilienthal)
- c) Request for Approval of Amendment No. 2 to Professional Services Agreement – Additional Design Services on the Acequia Trail; Gannett Fleming West, Inc. (Leroy Pacheco)
- d) Request for Approval of Amendment No. 1 to Professional Services Agreement – Design and Construction for Development of a Botanical Garden on City Owned Land; Santa Fe Botanical Garden. (Bob Siqueiros)
- e) Request for Approval of Amendment No. 1 to Maintenance Services Agreement – Maintenance Services at GCCC; Travers Mechanical Services. (Liz Roybal)
- f) Request for Approval of Procurement Under State Price Agreements – Library Books and Periodicals for Library Division; Various Vendors. (Patricia Hodapp)
- g) Request for Approval of 2009/2010 Employee Insurance Benefits Package. (Kristine Kuebli)
- h) Request for Approval of Budget Adjustment for Installation of Traffic Signal Vehicle Loop Detectors and Other Signal Equipment for City Streets Rehabilitation Program. (Rick Devine)
- i) Request for Approval of Professional Services Agreement – Design Services for Santa Fe River Parkway, El Parque Del Rio, St. Francis Drive to Patrick Smith Park (RFP #09/25/P); Surroundings Studio, LLC. (Brian Drypolcher)
- j) Request for Approval of Procurement Under State Price Agreement – Rugby Fields Phase 2 Concession/Restroom Building; ROMTEC. (Mary MacDonald)
- k) Request for Approval of Lease Agreement – Placement of Directional Sign Located at Southwest Corner of Intersection of Rodeo Road and Richards Avenue; Santa Fe Community College. (Edward Vigil)



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- l) Request for Approval of Amendment No. 4 to Professional Services Agreement – City Wide Source of Supply Improvements; Alpha Southwest, Inc. (Michael Gonzales)

- m) Request for Approval of Professional Services Agreements – Affordable Housing Trust Fund Funding Allocations for Fiscal Year 2009. (Melisa Dailey)
 - 1) Santa Fe Community Housing Trust – Down Payment Assistance
 - 2) Santa Fe Community Housing Trust – The Village Sage (CIP)
 - 3) Homewise – Down Payment Assistance
 - 4) Homewise – Energy Conservation Loans
 - 5) Homewise – Old Las Vegas Highway (CIP)
 - 6) St. Elizabeth's Shelter – Rental Housing Upgrades
 - 7) Coalition to End Homelessness/Youth Shelters – Rental Housing
 - 8) Branch Design/EZMO LLC – Cielo Azul (CIP)

- a) Request for Approval of Budget Increase – Affordable Housing Trust Fund.

- n) Request for Approval of Amendment No. 5 to Professional Services Agreement – Advertising Services For Santa Fe Convention and Visitors Bureau; Vaughn Wedeen Creative, Inc. (Keith Toler)

- o) Request for Approval of Amendment No. 4 to Professional Services Agreement – Website Redesign, Redevelopment and Ongoing Maintenance for Santa Fe Convention and Visitors Bureau; Studio X, Inc. (Keith Toler)

- p) Request for Approval of Amendment No. 5 to Professional Services Agreement – Public Relations Services to Santa Fe Convention and Visitors Bureau; Locas, Inc. d/b/a Steve Lewis. (Keith Toler)

- q) Request for Approval of Emergency Sole Source Procurement – Publish 2010 Official Santa Fe Visitor Guide for City of Santa Fe; Bella Media, LLC. (Keith Toler)

- r) Request for Approval of Memorandum of Understanding – Use of Municipal Parking Facilities for County Employees; County of Santa Fe. (Walter Roybal)



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- s) CONSIDERATION OF RESOLUTION NO. 2009-_____.
A Resolution Relating to a Request for Approval of Fourth Quarter Budget Adjustments for Fiscal Year 2008/2009. (Cal Probasco)
 - t) CONSIDERATION OF RESOLUTION NO. 2009-_____. (Councilor Romero, Councilor Bushee and Councilor Calvert)
A Joint Resolution Directing Staff to Study the Feasibility of Combining Efforts to Plan and Design Affordable Housing, to Align Affordable Housing Policies for Consistency in Interpretation and Application, to Identify Areas Where Collaborative Efforts will Result in More Effective and Efficient Housing Programs and Projects for the Benefit of the Working Citizens of the City and County of Santa Fe. (Kathy McCormick)
 - u) CONSIDERATION OF RESOLUTION NO. 2009-_____. (Councilor Dominguez)
A Resolution Directing Staff to Prepare Updated Landscaping Standards Including, but Not Limited to, Weed Barriers, Plant Materials, and Screening Wall Standards for New Roadway Medians and Planting Strips. (Wendy Blackwell)
 - v) Request for Approval of Amendments to City of Santa Fe Purchasing Manual – Procurement Thresholds. (Robert Rodarte)
 - w) CONSIDERATION OF RESOLUTION NO. 2009-_____. (Councilor Dominguez)
A Resolution Directing Staff to Collaborate with the Youth of Our Community to Identify an Alternative, Temporary Location for the Memorial Currently at Cathedral Park Honoring the Four Youth who Recently Were Killed in a Vehicular Accident; and to Collaborate with the Youth, Former Members of the Cuarto Centenario Cathedral Park Monument Committee and Non-Profit Organizations to Identify a Location and Create Policies for a Permanent Memorial to Honor All Santa Fe Youth Who Have Died. (Sevastian Gurule)
11. Request for Approval to Amend the 2009 Meeting Calendar:
- a) Change Second City Council Meeting in August 2009 from Monday, August 24, 2009 to Wednesday, August 26, 2009.



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12. Short Term Rental 18 Month Report. (Jack Hiatt)
 - a) Request for Approval to Publish Notice of Public Hearing on August 26, 2009:

Bill No. 2009-40: An Ordinance Amending Section 14-14-6.2(A)(6) SFCC 1987 Regarding Short Term Rental Units. (Councilor Wurzburger and Councilor Romero) (Jack Hiatt)
 - b) Scheduling of Hearing on Remand of Goodman v. City of Santa Fe.
13. Annual Review of the Code of Ethics, Pursuant to 1-7.11 SFCC 1987. (Councilor Dominguez and Yolanda Y. Vigil)
14. MATTERS FROM THE CITY MANAGER
15. MATTERS FROM THE CITY ATTORNEY

EXECUTIVE SESSION:

- a) Discussion of Contract Regarding the Internet Hotel Intermediaries Lawsuit; Pursuant to §10-15-1 (H) (7) NMSA 1978.
 - b) Discussion of Negotiations Concerning Purchase of College of Santa Fe, Pursuant to §10-15-1 (H) (8) NMSA 1978.
16. Action Regarding the Contract for Internet Hotel Intermediaries. (Frank Katz)
 17. MATTERS FROM THE CITY CLERK
 18. COMMUNICATIONS FROM THE GOVERNING BODY

EVENING SESSION – 7:00 P.M.

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. SALUTE TO THE NEW MEXICO FLAG
- D. INVOCATION



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- E. ROLL CALL
- F. PETITIONS FROM THE FLOOR
- G. APPOINTMENTS
- H. PUBLIC HEARINGS:
 - 1) Request for Approval of Amendment #1 to the Professional Services Agreement for: (Fabian Trujillo)
 - a) Business Incubator Services (RFP# 09/03/P); Santa Fe Business Incubator for: Business Outreach.
 - b) Technical Assistance (RFP# 09/04/P); SCORE.
 - 2) COLLEGE OF SANTA FE:
 - a) CONSIDERATION OF BILL NO. 2009-39: ADOPTION OF ORDINANCE NO. 2009-_____. (Mayor Coss)
An Ordinance Authorizing a Lease of Approximately 61 Acres of Land and Approximately 499,000 Square Feet of Rentable Area Located Within the Buildings, Together With All Improvements, Building Systems Equipment and Personal Property Located at 1600 St. Michael's Drive, Santa Fe New Mexico. (The College of Santa Fe) (David Millican)
 - 1) Request for Approval of Lease Between the City of Santa Fe and Santa Fe Higher Education, LLC.
 - b) Request for Approval of Purchase Agreement for College of Santa Fe Between City of Santa Fe and College of the Christian Brothers of New Mexico d/b/a College of Santa Fe.
 - c) Request for Approval of Memorandum of Agreement Between Bill Richardson, the Governor State of New Mexico and the City of Santa Fe.
 - d) Request for Approval of Memorandum of Understanding Between Santa Fe Community College and the City of Santa Fe.



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- e) CONSIDERATION OF BILL NO. 2009-36: ADOPTION OF ORDINANCE NO. 2009-_____.
An Ordinance Authorizing the Execution and Delivery of a Loan Agreement by and Among the City of Santa Fe and the New Mexico Finance Authority, Evidencing a Special, Limited Obligation of the City to Pay a Principal Amount Not to Exceed \$30,000,000 for the Purpose of Defraying the Cost of Acquiring Land, Buildings and Other Property from The College of Santa Fe; Providing for the Payment of the Loan Agreement from Lease and Installment Payments Made by the Lessee/Purchaser of the Project and Certain Gross Receipts Tax Revenues Distributed to the City; Providing for the Distributions of Gross Receipts Tax Revenues from the Taxation and Revenue Department to be Redirected to the New Mexico Finance Authority or its Assigns Pursuant to an Intercept Agreement for the Payment of Principal and Interest Due on the Loan Agreement; Providing for the Funding of Loan Agreement Reserve Account; Providing for Maximum Net Effective Interest Rate; Providing for a Supplemental Resolution to be Subsequently Adopted Specifying Details of the Loan Agreement, Including the Net Effective Interest Rate; Ratifying Actions Heretofore Taken; Repealing all Action Inconsistent with this Ordinance; Authorizing the Taking of Other Actions in Connection with the Execution and Delivery of the Loan Agreement and Intercept Agreement.
- f) CONSIDERATION OF BILL NO. 2009-35: ADOPTION OF ORDINANCE NO. 2009-_____.
An Ordinance Authorizing the Issuance and Sale of the City of Santa Fe, New Mexico College of Santa Fe Lease/Subordinate Lien Gross Receipts Tax Revenue Bonds, Series 2009 in an Aggregate Principal Amount not to Exceed \$30,000,000 for the Purpose of Defraying the Cost of Acquiring Land, Buildings and Other Property from the College of Santa Fe; Providing that the Bonds will be Payable and Collectible from Lease and Installment Payments from the Lessee/Purchaser of the Project and Certain Gross Receipts Tax Revenues Distributed to the City; Providing for the Disposition of the Receipts Derived from Lease and Installment Payments from the Lessee/Purchaser and the Gross Receipts Tax Revenues; Establishing the Form, Manner of Execution and Other Details of the Bonds; Authorizing the Execution and Delivery of a



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Bond Purchase Agreement, an Official Statement and a Continuing Disclosure Undertaking in Connection with the Bonds; Providing that Certain Terms and Details of the Bonds will be Provided in a Subsequent Resolution of the Council; Ratifying Action Previously Taken in Connection with the Bonds; Repealing all Ordinances in Conflict Herewith.

- 3) Case #AB-2009-05: 604 1/2 Galisteo Appeal. Stefanie Beninato Appeals the April 30, 2009 Board of Adjustment Decision to Deny Case Number V-2009-9 Variance Request From Section 14-7.1(B)(g)(5)(ii)(C) (Minimum Setback Standards for Second Stories) to Allow a Second Story Side Yard Setback Less Than 10 Feet. The Property is Zoned RM1 and Located Within the Don Gasper Historic Overlay District and Historic Downtown Archaeological Review District. (Daniel Esquibel)

- 4) CONSIDERATION OF BILL NO. 2009-29: ADOPTION OF ORDINANCE NO. 2009-_____. (Councilor Wurzburger)
An Ordinance Repealing Sections 14-8.11(G)(3), 14-8.13, 14-8.16 and 14-8.17 SFCC 1987 Regarding Annual Water Budget, Water Rights Transfer Requirements and Water Banking; Creating a New Section 14-8.13 SFCC 1987 Regarding Development Water Budget Requirements, a New Article 25-9 SFCC 1987 Regarding The City Water Budget, a New Article 25-10 SFCC 1987 Regarding The City Water Bank, a New Article 25-11 SFCC 1987 Regarding The Water Rights Transfer Program, and a New Article 25-12 SFCC 1987 Regarding the Water Conservation Credit Program; Making Such Other Related Changes as are Necessary. (Frank Katz)
(Postponed at June 24, 2009 City Council Meeting)

- 5) CONSIDERATION OF BILL NO. 2009-38: ADOPTION OF ORDINANCE NO. 2009-_____. (Councilor Ortiz)
An Ordinance Amending Chapter 14 Land Development Laws and Chapter 26 Affordable Housing SFCC 1987 Relating To Appeals. (Greg Smith)

- 6) CONSIDERATION OF BILL NO. 2009-37: ADOPTION OF ORDINANCE NO. 2009-_____. (Councilor Wurzburger)
An Ordinance Amending Section 14-4.3(l) SFCC 1987 Regarding the Purpose and Requirements of PRC Planned Residential Community Districts. (Jeanne Price) **(Postponed to August 12, 2009 City Council Meeting)**



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I. ADJOURN

Pursuant to the Governing Body Procedural Rules, in the event any agenda items have not been addressed, the meeting should be reconvened at 7:00 p.m., the following day and shall be adjourned not later than 12:00 a.m. Agenda items, not considered prior to 11:30 p.m., shall be considered when the meeting is reconvened or tabled for a subsequent meeting.

NOTE: New Mexico law requires the following administrative procedures be followed when conducting "quasi-judicial" hearings. In a "quasi-judicial" hearing all witnesses must be sworn in, under oath, prior to testimony and will be subject to reasonable cross-examination. Witnesses have the right to have an attorney present at the hearing.

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6520, five (5) days prior to meeting date.

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SANTA FE CITY COUNCIL MEETING
July 29, 2009**

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<u>APPROVAL OF MINUTES:</u>		
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REQUEST FOR APPROVAL OF LEASE BETWEEN THE CITY OF SANTA FE AND SANTA FE HIGHER EDUCATION, LLC	Approved [amended]	32-52
REQUEST FOR APPROVAL OF PURCHASE AGREEMENT FOR COLLEGE OF SANTA FE BETWEEN CITY OF SANTA FE AND COLLEGE OF THE CHRISTIAN BROTHERS OF NEW MEXICO D/B/A COLLEGE OF SANTA FE	Approved [amended]	52-55
REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT BETWEEN BILL RICHARDSON, THE GOVERNOR STATE OF NEW MEXICO AND THE CITY OF SANTA FE	Approved	55
REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN SANTA FE COMMUNITY COLLEGE AND THE CITY OF SANTA FE	Approved	55
CONSIDERATION OF BILL NO. 2009-36: ADOPTION OF ORDINANCE NO. 2009- 35. AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SANTA FE AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000 FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; ETC.	Approved	56-57

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CONSIDERATION OF BILL NO. 2009-35: ADOPTION OF ORDINANCE NO. 2009- 36. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO, COLLEGE OF SANTA FE LEASE/SUBORDINATE LIEN GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; ETC.

Approved

57-58

CASE #AB-2009-05: 604 ½ GALISTEO APPEAL. STEFANIE BENINATO APPEALS THE APRIL 30, 2009 BOARD OF ADJUSTMENT DECISION TO DENY CASE NUMBER V-2009-9 VARIANCE REQUEST FROM SECTION 14-7.1(B)(g)(ii)(C) (MINIMUM SETBACK STANDARDS FOR SECOND STORIES) TO ALLOW A SECOND STORY SIDE YARD SETBACK LESS THAN 10 FEET. THE PROPERTY IS ZONED RM1 AND LOCATED WITHIN THE DON GASPAR HISTORIC OVERLAY DISTRICT AND HISTORIC DOWNTOWN ARCHAEOLOGICAL REVIEW DISTRICT

Postponed to 08/12/2009

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CONSIDERATION OF BILL NO. 2009-29; ADOPTION OF ORDINANCE NO. 2009- ____ . AN ORDINANCE REPEALING SECTIONS 14-8.11(G)(3), 14-8.13, 14-8.16 AND 14-8.17 SFCC 1987, REGARDING ANNUAL WATER BUDGET, WATER RIGHTS TRANSFER REQUIREMENTS AND WATER BANKING; CREATING A NEW SECTION 14-8.13 SFCC 1987, REGARDING DEVELOPMENT WATER BUDGET REQUIREMENTS, A NEW ARTICLE 25-9 SFCC 1987, REGARDING THE CITY WATER BUDGET, A NEW ARTICLE 25-10 SFCC 1987 REGARDING THE CITY WATER BANK, A NEW ARTICLE 25-11 SFCC 1987 REGARDING THE WATER RIGHTS TRANSFER PROGRAM. AND A NEW ARTICLE 25-12 SFCC 1987 REGARDING THE WATER CONSERVATION CREDIT PROGRAM; MAKING SUCH OTHER RELATED CHANGES AS ARE NECESSARY

Postponed to 08/12/2009

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REQUEST FOR APPROVAL OF AMENDMENT #1 TO THE PROFESSIONAL SERVICES AGREEMENT FOR: BUSINESS INCUBATOR SERVICES		
SANTA FE BUSINESS INCUBATOR FOR BUSINESS OUTREACH;	Approved	60-61
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**MINUTES OF THE
REGULAR MEETING OF THE
GOVERNING BODY
Santa Fe, New Mexico
July 29, 2009**

AFTERNOON SESSION

A regular meeting of the Governing Body of the City of Santa Fe, New Mexico, was called to order by Mayor David Coss, on July 29, 2009, at approximately 5:00 p.m., in the City Hall Council Chambers. Following the Pledge of Allegiance, Salute to the New Mexico flag, and the Invocation, roll call indicated the presence of a quorum, as follows:

Members Present

Mayor David Coss
Councilor Rebecca Wurzburger, Mayor Pro-Tem
Councilor Patti J. Bushee
Councilor Christopher Calvert
Councilor Miguel Chavez,
Councilor Carmichael A. Dominguez
Councilor Matthew E. Ortiz
Councilor Rosemary Romero
Councilor Ronald S. Trujillo

Others Attending

Galen Buller, City Manager
Frank Katz, City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

Councilor Trujillo introduced Councilor Tom Hogan from Georgia, his friend, who is a former Santa Fean, and his wife Kim, daughters Gracie and Libbie. He presented them with 400th Anniversary pins.

6. APPROVAL OF AGENDA

MOTION: Councilor Wurzburger moved, seconded by Councilor Bushee, to postpone items #H(3), #H(4), and #H(5) to the next meeting of the Council on August 12, 2009, to move Item #H(1) and H(1)(a) and (b), to be heard after all of Item #H(2), and to approve the agenda as amended.

VOTE: The motion was approved on a voice vote with Councilors Bushee, Calvert, Dominguez, Ortiz, Romero, Trujillo and Wurzburger voting for the motion, none against, and Councilor Chavez absent.

7. APPROVAL OF CONSENT CALENDAR

MOTION: Councilor Wurzburger moved, seconded by Councilor Ortiz , to approve the following Consent Calendar, as amended.

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo and Councilor Wurzburger.

Against: None.

Absent: Councilor Chavez

- a) **REQUEST FOR APPROVAL OF CHANGE ORDER NO. 1 – POLICE DEPARTMENT RENOVATIONS – PHASE II; LOCKWOOD CONSTRUCTION COMPANY. (CHIP LILIENTHAL)**
 - 1) **REQUEST FOR APPROVAL OF BUDGET INCREASE – PROJECT FUND.**
- b) **REQUEST FOR APPROVAL OF AGREEMENT BETWEEN OWNER AND ARCHITECT – TINO GRIEGO/LAFARGE BRANCH LIBRARY RENOVATIONS (RFP #09/23/P); TERRAPLEN/INTEGRATED DESIGN ARCHITECTURE. (CHIP LILIENTHAL)**
- c) **REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – ADDITIONAL DESIGN SERVICES ON THE ACEQUIA TRAIL; GANNETT FLEMING WEST, INC. (LEROY PACHECO)**
- d) **REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – DESIGN AND CONSTRUCTION FOR DEVELOPMENT OF A BOTANICAL GARDEN ON CITY OWNED LAND; SANTA FE BOTANICAL GARDEN. (BOB SIQUEIROS)**
- e) **REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO MAINTENANCE SERVICES AGREEMENT – MAINTENANCE SERVICES AT GCCC; TRAVERS MECHANICAL SERVICES. (LIZ ROYBAL)**
- f) **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENTS – LIBRARY BOOKS AND PERIODICALS FOR LIBRARY DIVISION; VARIOUS VENDORS. (PATRICIA HODAPP)**
- g) ***[Removed for discussion by Councilor Ortiz]***

- h) **REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT FOR INSTALLATION OF TRAFFIC SIGNAL VEHICLE LOOP DETECTORS AND OTHER SIGNAL EQUIPMENT FOR CITY STREETS REHABILITATION PROGRAM. (RICK DEVINE)**
- i) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENT – DESIGN SERVICES FOR SANTA FE RIVER PARKWAY, EL PARQUE DEL RIO, ST. FRANCIS DRIVE TO PATRICK SMITH PARK (RFP #09/25/P); SURROUNDINGS STUDIO, LLC. (BRIAN DRYPOLCHER)**
- j) **REQUEST FOR APPROVAL OF PROCUREMENT UNDER STATE PRICE AGREEMENT – RUGBY FIELDS PHASE 2 CONCESSION/RESTROOM BUILDING; ROMTEC. (MARY MacDONALD)**
- k) **REQUEST FOR APPROVAL OF LEASE AGREEMENT – PLACEMENT OF DIRECTIONAL SIGN LOCATED AT SOUTHWEST CORNER OF INTERSECTION OF RODEO ROAD AND RICHARDS AVENUE; SANTA FE COMMUNITY COLLEGE. (EDWARD VIGIL)**
- l) **REQUEST FOR APPROVAL OF AMENDMENT NO. TO PROFESSIONAL SERVICES AGREEMENT – CITY WIDE SOURCE OF SUPPLY IMPROVEMENTS; ALPHA SOUTHWEST, INC. (MICHAEL GONZALES)**
- m) **REQUEST FOR APPROVAL OF PROFESSIONAL SERVICES AGREEMENTS – AFFORDABLE HOUSING TRUST FUND FUNDING ALLOCATIONS FOR FISCAL YEAR 2009. (MELISA DAILEY)**
 - 1) **SANTA FE COMMUNITY HOUSING TRUST – DOWN PAYMENT ASSISTANCE**
 - 2) **SANTA FE COMMUNITY HOUSING TRUST – THE VILLAGE SAGE (CIP)**
 - 3) **HOMEWISE – DOWN PAYMENT ASSISTANCE**
 - 4) **HOMEWISE – ENERGY CONSERVATION LOANS**
 - 5) **HOMEWISE – OLD LAS VEGAS HIGHWAY (CIP)**
 - 6) **ST. ELIZABETH’S SHELTER – RENTAL HOUSING UPGRADES**
 - 7) **COALITION TO END HOMELESSNESS/YOUTH SHELTERS – RENTAL HOUSING**
 - 8) **BRANCH DESIGN/EZMO LLC – CIELO AZUL (CIP).**
 - a) **REQUEST FOR APPROVAL OF BUDGET INCREASE – AFFORDABLE HOUSING TRUST FUND.**
- n) **REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT – ADVERTISING SERVICES FOR SANTA FE CONVENTION AND VISITORS BUREAU; VAUGHN WEDEEN CREATIVE, INC. (KEITH TOLER)**

- o) REQUEST FOR APPROVAL OF AMENDMENT NO. 4 TO PROFESSIONAL SERVICES AGREEMENT – WEBSITE REDESIGN. REDEVELOPMENT AND ONGOING MAINTENANCE FOR SANTA FE CONVENTION AND VISITORS BUREAU; STUDIO X, INC. (KEITH TOLER)**
- p) REQUEST FOR APPROVAL OF AMENDMENT NO. 5 TO PROFESSIONAL SERVICES AGREEMENT – PUBLIC RELATIONS SERVICES TO SANTA FE CONVENTION AND VISITORS BUREAU; LOCAS, INC. D/B/A STEVE LEWIS. (KEITH TOLER)**
- q) REQUEST FOR APPROVAL OF EMERGENCY SOLE SOURCE PROCUREMENT – PUBLISH 2010 OFFICIAL SANTA FE VISITOR GUIDE FOR CITY OF SANTA FE; BELLA MEDIA, LLC. (KEITH TOLER)**
- r) REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING – USE OF MUNICIPAL PARKING FACILITIES FOR COUNTY EMPLOYEES; COUNTY OF SANTA FE. (WALTER ROYBAL)**
- s) CONSIDERATION OF RESOLUTION NO. 2009- 75. A RESOLUTION RELATING TO A REQUEST FOR APPROVAL OF FOURTH QUARTER BUDGET ADJUSTMENTS FOR FISCAL YEAR 2008/2009. (CAL PROBASCO)**
- t) CONSIDERATION OF RESOLUTION NO. 2009-76 (COUNCILOR ROMERO, COUNCILOR BUSHEE AND COUNCILOR CALVERT). A JOINT RESOLUTION DIRECTING STAFF TO STUDY THE FEASIBILITY OF COMBINING EFFORTS TO PLAN AND DESIGN AFFORDABLE HOUSING, TO ALIGN AFFORDABLE HOUSING POLICIES FOR CONSISTENCY IN INTERPRETATION AND APPLICATION, TO IDENTIFY AREAS WHERE COLLABORATIVE EFFORTS WILL RESULT IN MORE EFFECTIVE AND EFFICIENT HOUSING PROGRAMS AND PROJECTS FOR THE BENEFIT OF THE WORKING CITIZENS OF THE CITY AND COUNTY OF SANTA FE. (KATHY McCORMICK)**
- u) CONSIDERATION OF RESOLUTION NO. 2009- 77 (COUNCILOR DOMINGUEZ). A RESOLUTION DIRECTING STAFF TO PREPARE UPDATED LANDSCAPING STANDARDS INCLUDING, BUT NOT LIMITED TO, WEED BARRIERS, PLANT MATERIALS AND SCREENING WALL STANDARDS FOR NEW ROADWAY MEDIANS AND PLANTING STRIPS. (WENDY BLACKWELL)**
- v) REQUEST FOR APPROVAL OF AMENDMENTS TO CITY OF SANTA FE PURCHASING MANUAL – PROCUREMENT THRESHOLDS. (ROBERT RODARTE)**

- w) **CONSIDERATION OF RESOLUTION NO. 2009-78 (COUNCILOR DOMINGUEZ). A RESOLUTION DIRECTING STAFF TO COLLABORATE WITH THE YOUTH OF OUR COMMUNITY TO IDENTIFY AN ALTERNATIVE, TEMPORARY LOCATION FOR THE MEMORIAL CURRENTLY AT CATHEDRAL PARK HONORING THE FOUR YOUTH WHO RECENTLY WERE KILLED IN A VEHICULAR ACCIDENT; AND TO COLLABORATE WITH THE YOUTH, FORMER MEMBERS OF THE CUARTO CENTENARIO CATHEDRAL PARK MONUMENT COMMITTEE AND NON-PROFIT ORGANIZATIONS TO IDENTIFY A LOCATION AND CREATE POLICIES FOR A PERMANENT MEMORIAL TO HONOR ALL SANTA FE YOUTH WHO HAVE DIED. (SEVASTIAN GURULE)**

**8. APPROVAL OF MINUTES: SPECIAL CITY COUNCIL MEETING – JULY 8, 2009
REGULAR CITY COUNCIL MEETING – JULY 8, 2009**

MOTION: Councilor Wurzbarger moved, seconded by Councilor Dominguez, to approve the minutes of the Special City Council meeting of July 8, 2009, as presented.

VOTE: The motion was approved on a voice vote with Councilors Bushee, Calvert, Dominguez, Ortiz, Romero, Trujillo and Wurzbarger voting for the motion, none against, and Councilor Chavez absent.

MOTION: Councilor Bushee moved, seconded by Councilor Dominguez, to approve the minutes of the Regular City Council meeting of July 8, 2009, as presented.

VOTE: The motion was approved on a voice vote with Councilors Bushee, Calvert, Dominguez, Ortiz, Romero, Trujillo and Wurzbarger voting for the motion, none against, and Councilor Chavez absent.

9. PRESENTATIONS

a) ELEVENTH ANNUAL FORE KIDS GOLF TOURNAMENT

Molly Whitted spoke about the history of the Fore Kids Golf Tournament, which was the idea of then Councilor Peso Chavez, noting this has now expanded into other sports as well. She said over the years, they have raised \$150,000 which has gone back to these kids programs, noting that \$97 of every \$100 raised goes directly to the children in the community. Ms. Whitted presented the City with a check for \$13,540 which was raised this year, introducing her grandson and granddaughter who were holding the check.

Nicholas Volkman spoke on behalf of all the kids who participate in the program, telling the Governing Body how much it means to them, and thanking the City for its support.

Molly Whitted said the Mayor and each one of the Councilors should have received an invitation challenging each one of you to put a four-person team, and attend and participate in the tournament.

Councilor Trujillo said he appreciates the invitation, noting there are a lot of good golfers in the group of kids.

Councilor Dominguez said he looks forward to attending the tournament, noting he attends each year. He said this demonstrates that the business community cares about the kids. Game to get a team.

Mayor Coss and Councilor Wurzbarger thanked Ms. Whitted and Peso Chavez for their ongoing work on this important tournament..

Councilor Bushee asked where Peso Chavez is this evening, and Ms. Whitted said he had to go out of town. Councilor Bushee said they are doing a great job with the program.

b) PROCLAMATION – FIRE CHIEF CHRIS M. RIVERA.

Mayor Coss read a Proclamation into the record declaring July 29, 2009, as Christopher M. Rivera Day in Santa Fe, and presented him with a copy of the proclamation.

Councilor Wurzbarger said she will miss him, and respects work for the City. She said there is a firefighter tradition in his family and one of the daughters should start thinking about this profession.

Councilor Dominguez said he is very proud of him, and he reached a point in his career others never get to. He thanked Chief Rivera's family for allowing the City to benefit from the Chief's passion and experience.

Councilor Calvert thanked him for his dedication and years of service and what it has meant to him as a Councilor and to the people of Santa Fe.

Councilor Romero thanked him for all he has done. She extended best wishes in his next career.

Councilor Trujillo thanked him for what he has done.

Councilor Ortiz this Chief has served admirably with passion. He went to meetings and spoke about the County tax which took courage. He said he has exhibited true leadership since the age of 13. He wished him the best of luck, and he will be missed. Chief Rivera is the best Fire Chief he's seen in Santa Fe.

Councilor Chavez arrived at the meeting

Mayor presented Chief Rivera with a certificate from the Governor of New Mexico, and read a proclamation into the record from Governor Richardson, declaring July 21, 2009, as Christopher M. Rivera Day in New Mexico.

Councilor Bushee said the Rivera family is a family of service and gave back to the community. She said Chief Rivera had a calm, steady leadership, and she always counted on him. She is proud to have served with him.

Sevastian Gurule and Albert Gurule sang a special song for Chief Rivera which was chosen by his family.

Chief Rivera said he is glad he is finally at this place. He thanked his wife and beautiful children, his mother, father, and others for their support.

c) DONATION OF AMBULANCES TO VILLAGE OF PECOS AND COMMUNITY OF ILLFIELD.

Chief Rivera introduced Assistant Fire Chief Chris Lopez, Village of Pecos and Russell Hules, President of the San Miguel County Fire Chiefs and EMS Directors Association who are in attendance to accept these vehicles.

Chief Rivera talked about the tradition of donating equipment. He is proud to be donating these ambulances, instead of sending to auction, and that they will continue to be used to serve the people of these respective communities. He hopes they serve them as well as the units served us. He presented them with the titles and keys to the vehicles.

d) ANNUAL SANTA FE COUNTY FAIR – AUGUST 5, 2009 THROUGH AUGUST 9, 2009. (ERICA GARCIA, COUNTY FAIR QUEEN)

Erica Garcia, Count Fair Queen, said she is here this evening to Invite the Mayor and Council to attend the Santa Fe County Fair, August 5-9, 2009. She said the Four-H kids are working hard to get their projects ready to present at this year's fair. She provided packets of information on the fair.

e) PRESENTATION OF PRESCRIPTION TRAILS PROGRAM – ANNA HARGRAVES, CHAIR, STATE DEPARTMENT OF HEALTH. (FABIAN CHAVEZ)

A copy of a "Facts about the Prescription Trails Program," is incorporated herewith to these minutes as Exhibit "1." Copies of the Walking Trail Guide 2009 can be obtained by contacting Ms. Hargreaves at dpcp@diabetesnm.org.

Fabian Chavez said the Mayor and Council are supportive if any initiative which would improve healthy lifestyles, and this project does that. He said there is now a model and Santa Fe is the second City in the State to establish this program, noting City staff contributed its time, but no dollars.

Anna Hargraves, State Department of Health, reviewed the information on the Program. Please see Exhibit "1" for this presentation. She said people call her or contact her by email for information on the program, and with any questions. The program will be rolled-out to the public on August 8th at Frenchy's Field, 10:00 a.m. to 11:00 a.m. She said Mayor Coss will be speaking, and attending will be Dr. Karen Armitage, Medical Officer, DOH, Fabian Chavez and employees from the City, City Councilors, health care providers and members of the public are expected to be in attendance.

Councilor Romero said she served on the founding board of the Santa Fe Conservation Trust, and its vision was that Santa Fe would be a City of Trails. She said she and her dog Murphy use the Rail Trail, and will be using this program. She thanked her for this great work, and for helping to reach their vision of a City of Trails.

Ms. Hargraves said she hopes this will encourage people to use the City's wonderful parks and trails, and this program is for people who are not currently very active. They chose these trails because they are safe, attractive, wheelchair activity and those with less stamina and then to graduate to other trails. She said they will be adding trails as the program moves forward. She thanked the City for all of its in kind support. .

Councilor Bushee would like the August 8th rollout information to be posted on the City's website. Ms. Hargraves said Jim Gallegos at GIS said he will try to get this on the City website.

Councilor Wurzbarger asked how to get more of the Trail Guides.

Ms. Hargraves said they can contact her at her web address, noting these also will be available at various providers and community centers.

Councilor Chavez said this is a step in the right direction and complimented Ms. Hargraves on the program.

Mayor Coss thanked Ms. Hargraves for her work on the program, and would like her to share this information with the hospitals as well as health care providers.

CONSENT CALENDAR DISCUSSION

10 (g) REQUEST FOR APPROVAL OF 2009/2010 EMPLOYEE INSURANCE BENEFITS PACKAGE. (KRISTINE KUEBLI)

Councilor Ortiz said at Finance Committee questions were asked if this package has gone through the different bargaining unit committees.

Ms. Kuebli said yes. This package establish what the benefit programs will be. They met with various union and management representatives in the Fall and continued through the Spring. These are the existing benefits offered by the City. The only exception is the vision plan and the City has an eyewear

reimbursement program. She said, "The union ratified, AFSCME changed their contract language and ratified that section, so that is the only change at this point."

Councilor Ortiz said then all of these programs that have been put forward to us have all gone to and have received LMC approval from all the bargaining unit.

Ms. Kuebli said, "Not through the LMC, but we've been meeting with the... there's a separate committee, the Benefits Committee, which was formed by resolution. And so they are the exact same benefits program. We're keeping the same dental provider, same dental program, no change in benefits except adding implants. That's the one change that we've added which is an additional benefit. The medical insurance plan is the same. What it did was a fourth tier which benefitted the employees, so families.. You don't have to select family coverage."

Councilor Ortiz asked if all of these changes were approved by the unions.

Ms. Kuebli said the changes were presented to the Benefits Committee through various discussions.

Councilor Ortiz asked to hear from Daniel Trujillo, AFSCME 3999 President, if this is the case.

Daniel Trujillo, President, AFSCME, said they were included in the Benefits Committee, and all of a sudden they then came up with these ideas and they didn't find out until after the fact. So, they haven't been to a Benefits Committee meeting for 4-5 months.

Councilor Ortiz said, because the benefits package affects the bargaining units, and benefits are a condition of collective bargaining, he would like to postpone this matter. He asked Ms. Kuebli how soon she can get approval from the LMCs.

Ms. Kuebli said there is an LMC meeting on Monday. She said the contract language doesn't change and the City provides a health insurance program. She said her suggestion is to reconvene the Benefits Committee which has members from all three unions as well as management employees, and that Committee can come forward to the Governing Body and say they support or don't support it.

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzbarger, to postpone this item to the Council meeting of August 26, 2009, to allow management to get consensus from the union representatives on their employee benefits package.

VOTE: The motion was approved on a voice vote with Councilors Bushee, Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo and Wurzbarger voting for the motion and none against.

END OF CONSENT CALENDAR DISCUSSION

11. REQUEST FOR APPROVAL TO AMEND THE 2009 MEETING CALENDAR:

- a) **CHANGE SECOND CITY COUNCIL MEETING IN AUGUST 2009 FROM MONDAY, AUGUST 24, 2009, TO WEDNESDAY, AUGUST 26, 2009.**

Ms. Vigil said she is requesting to change the second Council meeting in August from Monday, August 24, 2009, to Wednesday, August 26, 2009, which is the normal meeting day. She said the reason for the change is that the New Mexico Municipal League Conference will not be held until the first week in September, and we can hold the regularly scheduled meeting on August 26, 2009.

MOTION: Councilor Ortiz moved, seconded by Councilor Calvert, to approve this request.

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo and Councilor Wurzburger.

Against: None.

Absent: Councilor Chavez.

12. SHORT TERM RENTAL 18 MONTH REPORT. (JACK HIATT)

- a) **REQUEST FOR APPROVAL TO PUBLISH NOTICE OF PUBLIC HEARING ON AUGUST 26, 2009: BILL NO. 2009-40: AN ORDINANCE AMENDING SECTION 14-14-6.2(A)(6) SFCC 1987, REGARDING SHORT TERM RENTAL UNITS (COUNCILOR WURZBURGER AND COUNCILOR ROMERO). (JACK HIATT)**

Frank Katz said there is a report in the packet and a request to publish notice of a public hearing on August 26, 2009. There was litigation about the Short Term Rental ordinance, and the District Court Judge upheld the ordinance, but remanded the setting of the fee for the last year. The Judge felt the fee is higher than is merited. He said we need to schedule a hearing for the remand. He has been informed that claims for a refund for the fees will be filed, and suggested that there could be a hearing on that on August 26th. He said he would like all three matters to be scheduled at the same time, and the Governing Body can discuss what amendments need to be made.

Councilor Ortiz asked if we have to approve 12(a) before we can hear the remand hearing which was Court ordered in 12(b).

Mr. Katz said no, and the remand hearing would be timely at any time, although we do want it to be noticed so the interested parties can appear and make arguments.

Councilor Wurzburger said she is confused by this answer. She said part of the work we did on the amendments were designed to be responsive to the criticism of the City with respect to fees, and this is the subject of these amendments.

Councilor Bushee asked if there anyone who can present this 18-month report, because we need to review what has taken place before having a hearing on future amendments if something arises. She asked Mr. Buller the holdup.

Mr. Buller said he is trying to locate Mr. Hiatt to speak to this issue.

Councilor Romero said the Land Use Subcommittee and the Public Works Committee have reviewed the report, and said it was her understanding that we would be moving forward. She was hoping to give direction sooner rather than later on this, and not postpone this matter.

Mr. Katz said these are separate issue. A fee was paid for the first year about a year ago, and at issue is whether that fee was justified. The Report contains recommendations for amendments to the Ordinance, one of which is to change the fee in the light of our experience and what we think would be needed going forward. The first year was the hardest, requiring the most expense for City staff, and we are expecting recommending a substantial reduction in the fee. In many respects it is all one issue. He said there is a pending bill which needs to be published and we need to wait for that to take action.

Councilor Bushee said she also has questions regarding policy matters, and before we consider a new bill, she wants to see what might arise for other amendments. She thought this review would be the time to raise those and ask those questions.

Councilor Chavez said, in addition, even though the report was in the packet for the Public Works Committee, we really didn't get a full presentation from staff. Secondly, the reason for the report is for the Governing Body as well as the public, and those with short term rentals and the neighbors of those rental units.

Councilor Bushee said she doesn't want to hear the ordinance and changes until we have had this review.

MOTION: Councilor Ortiz moved, seconded by Councilor Romero, to postpone all of Item 12 to the August 12, 2009 meeting, to direct staff to have a formal report with a recommendation on the sequence of events after the formal report is made to the Governing Body, and at that time, we could have the bill on the agenda so if we wanted to publish, we could.

FRIENDLY AMENDMENT: Councilor Ortiz said he would like this item to be placed on the Council agenda for a public hearing on the report, noting it would be necessary to have a public hearing on the bill after it is published.

DISCUSSION ON THE FRIENDLY AMENDMENT: Councilor Bushee would like to advertise information on the review.

Councilor Romero said in the Land Use Subcommittee, they were able to clarify the questions about the ordinance and implementation versus complaints. She said in the report it is very clear that the kinds of complaints received were limited to two. She is concerned about opening this to a public meeting, when they would only be presenting the report and walking through it. She said there is the challenge that people would question the kinds of information which has been brought forward in a very clear and concise way from staff. She said she is okay with a public meeting, but she is concerned that people won't fully understand the issues that are different around complaints and questions which were clarified in the Subcommittee and included in the report. She asked Councilors to look at the report very carefully which outlines these issues which oftentimes aren't understood by the public.

AFTER DISCUSSION, THE AMENDMENT WAS FRIENDLY TO THE SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.

Councilor Chavez asked what that narrow list of complaints are.

Councilor Romero said sometimes people expand issues by putting their own slant on it. She when staff follows-up, people have been able to produce permits or have worked out the issues of parking. She said nothing has come forward in an enforcement perspective around parking. She said questions categorized as complaints were people calling to find out whether the house next door is a permitted short term rental. Staff followed up, and all were permitted with the exception of only one case. The rest are issues around clarity. There haven't been issues about trash.

Councilor Romero said she and Councilor Wurzbarger did a field trip to one short term rental that included issues around the fire inspection. She said the issue could be addressed by placing fire extinguishers more accessibly. She hasn't heard any of the kinds of complaints that other Councilors brought forward.

Mr. Katz is concerned about when the Council wants to schedule the remand hearing on the fees for last year.

Mayor Coss said it would be hard to schedule the hearing until we've had that report

Councilor Ortiz asked if there is a time sensitivity for the remand hearing.

Mr. Katz said no. This is separate from moving forward, because that's dealing with what happened last year. He said there is an excess of fees and we need to figure out how to deal with those funds.

FRIENDLY AMENDMENT: Mayor Coss would like to postpone this item to August 26, 2009, because of all of the items we postponed to the August 12th meeting, saying he hopes staff is attendance to make that presentation. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND, AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

VOTE: The motion, as amended, was approved on a voice vote, with Councilors Bushee, Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo and Wurzbarger voting for the motion and none against.

b) SCHEDULING OF HEARING ON REMAND OF GOODMAN V. CITY OF SANTA FE.

This item was postponed to August 26, 2009.

**13. ANNUAL REVIEW OF THE CODE OF ETHICS, PURSUANT TO 1-7.11 SFCC 1987
(COUNCILOR DOMINGUEZ AND YOLANDA Y. VIGIL)**

MOTION: Councilor Dominguez moved, seconded by Councilor Ortiz, to approve the annual review of the Code of Ethics.

VOTE: The motion was approved on a voice vote, with Councilors Bushee, Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo and Wurzburger voting for the motion and none against.

14. MATTERS FROM THE CITY MANAGER

None.

13. MATTERS FROM THE CITY ATTORNEY

EXECUTIVE SESSION:

- a) **DISCUSSION OF CONTRACT REGARDING THE INTERNET HOTEL INTERMEDIARIES LAWSUIT, PURSUANT TO §10-15-1(H)(7) NMSA 1978.**
- b) **DISCUSSION OF NEGOTIATIONS CONCERNING PURCHASE OF COLLEGE OF SANTA FE, PURSUANT TO §10-15-1(H)(8) NMSA 1978.**

MOTION: Councilor Wurzburger moved, seconded by Councilor Romero, that the Council go into Executive Session for the purpose of discussions on the contract regarding the Internet Hotel intermediaries lawsuit, pursuant to §10-15-1(H)(7), and negotiations concerning the purchase of the College of Santa Fe, pursuant to §10-15-1(H)(8).

VOTE: The motion was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo and Councilor Wurzburger.

Against: None.

The Council went into Executive Session at 6:12 p.m.

MOTION TO COME OUT OF EXECUTIVE SESSION

MOTION: At 7:32 p.m. Councilor Calvert moved, seconded by Councilor Romero, that the City Council come out of Executive Session and stated that the only items which were discussed in executive session were those items which were on the agenda, and no action was taken.

VOTE: The motion was approved unanimously on a voice vote with Councilors Bushee, Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo and Wurzburger voting for the motion and no one voting against.

16. ACTION REGARDING THE CONTRACT FOR INTERNET HOTEL INTERMEDIARIES. (FRANK KATZ)

No action was taken on this agenda item.

Mayor Coss moved Items #17 and #18 to the end of the Agenda

END OF AFTERNOON SESSION AT 7:34 P.M.

EVENING SESSION

A. CALL TO ORDER AND ROLL CALL

The Evening Session was called to order by Mayor David Coss, at approximately 7:35 p.m. Following the Pledge of Allegiance, salute to the New Mexico Flag, and Invocation, Roll Call indicated the presence of a quorum as follows:

Members Present

Mayor David Coss
Councilor Rebecca Wurzbarger, Mayor Pro-Tem
Councilor Patti J. Bushee
Councilor Christopher Calvert
Councilor Miguel Chavez,
Councilor Carmichael A. Dominguez
Councilor Matthew E. Ortiz
Councilor Rosemary Romero
Councilor Ronald S. Trujillo

Others Attending

Galen Buller, City Manager
Frank Katz, City Attorney
Yolanda Y. Vigil, City Clerk
Melessia Helberg, Council Stenographer

Mayor Coss moved Items F, G and H(1) to the end of the agenda

H. PUBLIC HEARINGS

2) COLLEGE OF SANTA FE:

Items #2(a), (b), (c), (d), (e) and (f) were combined for purposes of presentation, discussion and public hearing, but were voted upon separately.

A Memorandum dated July 29, 2009, with attachments for *Items #2(a), (b), (c), (d), (e) and (f)*, to the Mayor and City Council, from Kathy McCormick, Director of HCD, regarding the Laureate Lease Agreement, is incorporated herewith to these minutes as Exhibit "2."

A copy of "Statement to City Council," from Denise Saccone, spokesperson for the Prairie Dog Advocacy Watch Group (PDAWG), is incorporated herewith to these minutes as Exhibit "3."

Mayor Coss introduced and welcomed Speaker Ben Lujan, LFC Chair Representative Luciano "Lucky" Varela, Representative Brian Egolf and State Senator Peter Wirth, Brother Thomas, Brother Ron, Brother Felix and Brother Brian.

Mayor Coss introduced and welcomed Governor Bill Richardson.

Governor Bill Richardson spoke to the Governing Body as follows:

"Members of the City Council, residents of the City of Santa Fe, good evening. Tonight you have the fate of Santa Fe in your hands. I am asking all of you to vote to give this great school a future. And this is sort of new territory for me. As you know, I'm usually the one in charge. This is my first appearance before a City Council anywhere in the State. And I consider this enormously important, for the City of Santa Fe, for the State, for all of us gathered here. We are partners in this effort, and I wanted to be here personally to assure you that I remain steadfast in my commitment to save the College. Saving the College, which has been a goal of many of us here, has been my priority for months.

"As you all know, when the State Senate failed to vote on a bill that would have allowed the State to take over the School, I immediately formed a task force to find a way to keep the College open. Now, the proposals before you here tonight, are a direct result of the hard work, the diligence of that task force that comprised many citizens that are here today and are the product of the visionary leadership of Mayor Coss and Councilor Wurzbarger. Now we all agreed that in front of you is the best shot we have of keeping the ["COSF"], but most importantly, that we had no time to waste. Because our objective is to have the College open in September, viable, strong with students, ready to lead once again.

"Now I want to commend all of you here, all of your Councilors and the Mayor, for the quickness of this vote and for the thoughtfulness of your deliberations. I have followed your deliberations, the questions you've asked – they're good questions. I've been proud to do whatever I could to get us to this point tonight, and I pledge to continue to support you in any way that I can. The presence of the local Legislators here – the Speaker, Representative Varela, the graduate of this school, I think reinforces the fact that the New Mexico Legislature, while not supporting the previous package can, and would support what we're presenting here today.

"In May, I announced that up to \$11 million for the effort, and tonight you have before you, a Memorandum of Understanding reiterating that commitment. \$5 million that will require Legislative approval, and I am confident once again that we'll get it.

"I know that some of you are concerned about how Laureate and the new College of Santa Fe, will serve students from Santa Fe and Northern New Mexico. Laureate has an excellent international reputation. And in my many discussions with them, they have pledged to be a strong community

partner, and so far, I believe they've done so. I also believe that the Santa Fe Community College's ["SFCC"] plan for a higher learning center, is an important step in providing educational opportunities for students in Santa Fe and the region, particularly those students of Northern New Mexico.

"I pledge to continue working with the City, with Laureate, with the Santa Fe Community College, with you, the public schools and other higher education institutions to make sure that the College of Santa Fe benefits all students.

Finally, I know that some of you are concerned about the ecosystem at the College of Santa Fe and safeguarding the beauty of the campus. I pledge to work with all of you to maintain the unique feel and ambiance of the campus. We will work to ensure a bright and safe future for all on campus, including the real counterparts to the school's mascot, the prairie dog. And, the secretary in charge of land is here, Arturo Jaramillo. But, as I stand here, I pledge to keep an open dialogue with the prairie dogs.

"Now, tonight we have an opportunity. We have an opportunity to take a historic institution and turn it into the high crown jewel of higher ed in the state. I believe that a vibrant College of Santa Fe is the heart and soul of this city. I ask you all today to take this important step, not to delay, not to postpone, not to put caveats that will only send signals that somehow this is not a good thing to do. All of us that are in political office, like myself, like yourselves, have to take these political and tough vote. But I think this vote, while always brings some risks, is the right thing to do. Because together, we can ensure that Santa Fe remains home to a world renowned arts institution. That the youth of New Mexico have the educational opportunities that they deserve, and that the College of Santa Fe will continue to be an economic engine of jobs, of creativity, of commitment, of culture for this City and the State. For that, I thank you, and I urge you to support the College of Santa Fe this evening, to keep this great institution strong, dynamic and viable and a part of our City and our State. Thank you."

Mayor Coss thanked the Governor for his remarks and recognized Speaker Ben Lujan for remarks.

Speaker Ben Lujan spoke to the Governing Body as follows:

"Thank you, Mr. Mayor, City Councilors, Brothers and all citizens of Santa Fe. Good evening. It's hard to follow our Governor with his great speech. He always works on behalf of all the citizens of our State. Good evening, and thank you for the opportunity to come before you and to share my thoughts and supports for your efforts this evening. Let me first extend my appreciation to your openness and for your visionary approach to this consideration before you that is important to the City of Santa Fe, central and Northern New Mexico, and for that matter, the entire State School's secondary educational foundation and framework.

"This is a mission to save the College of Santa Fe. The unfortunate closure has given us all an extraordinary opportunity to define a purpose for this property that maximizes our response to proven high quality education, to respond to social, cultural, technical and economic needs. Santa Fe, northern and central New Mexico would benefit. Let us not forget that when we... it's been said and welcome, as we have welcomed in the past, the students from our part of New Mexico and from other parts of the United States. These students bring to Santa Fe housing needs, food purchases, clothing needs, all of these cause employment opportunities. Let us not forget that this is an economic engine, like the Governor pointed out. It provides an unprecedented array of opportunities for new public/private partnerships in education for a full complement of educational programs that would pay huge dividends to maintain the vibrant nature of what makes this region so special.

"As one of the founding fathers, and the prime sponsor of the Santa Fe Community College, 25 years ago, I remember vividly how the efforts were met with similar skepticism. We passed that bill with one vote in the House of Representatives, to create the Santa Fe Community College, so there was a lot of skepticism also, and statements that we had already institutions of higher learning surrounding us. I remember vividly how the efforts were made by our delegations, and we worked so hard with Governor Anaya spearheading that effort.

"Today, it has become a thriving educational institution responding to our needs and providing our community with some extraordinary opportunities. This effort, similarly, provides some extraordinary opportunities if we choose to be courageous to take the necessary steps. I strongly believe that the financial package represents a viable plan that will stabilize the educational institution as contemplated under your plan.

"The MOU being provided before you, between the City and Governor Richardson, is a sound agreement that we, the Santa Fe Legislators, strongly support and commit to carry out its intent. I believe that we can sustain a strong, regionally accredited degree granting institution of higher education and become a strong leader in the creative arts and provide academic excellence for a career-relevant education and assured commitment to institutional performance. We will also work to entice our Community College, Highlands University, Northern New Mexico College and other higher educational institutions to collaborate with Laureate to provide additional educational opportunities to our citizens.

"I stand in strong support of your efforts and I strongly encourage to take this bold step as we did 25 years ago as we created the Santa Fe Community College. When, in 25 years, this community will look back, and our children will look back at what we did in this year of 2009, they will appreciate the action that this City Council and this City government took on behalf of education. I thank you all for your vision and leadership and all your hard work, and we hope tonight is a victorious night for the cities of Santa Fe and the State of New Mexico."

Mayor Coss thanked Speaker Lujan for his remarks. He recognized Representative Lucky Varela for remarks, noting that the work we're doing tonight, began with his work in the Legislature as sponsor of the bill.

Representative Luciano "Lucky" Varela.

"Thank you, Mr. Mayor and Council. Approximately a year ago, the issue of the College of Santa Fe came up. At that time, the Governor, recognizing the importance of saving the College of Santa Fe, requested that we start initiating action to try to save the college through the legislative efforts. He asked me to carry the piece of legislation that would have established the process for saving the College of Santa Fe and expanding the learning for this part of the State of New Mexico. I was fortunate to carry the bill. We had a rough start in the House. In the first committee, the Education Committee passed it by one vote, but it picked up momentum as it went along, and by the time it got to the floor House, we were able to pass it with a substantial margin.

"It went to the Senate Education Committee, and I had a unanimous vote in that Committee to save the College of Santa Fe, not realizing that eventually the issue would die in the Senate Finance Committee. And it didn't die because of a vote, but it was not given the opportunity to be able to have a hearing on it. That was my disappointment, in terms of the legislative process, because, in the House and for the most part of the Senate, if the bill gets to committee, we have the opportunity to have it heard, or to vote it up or down, but it didn't happen there. We also attempted, through the efforts of Senator Wirth, to amend the Appropriations Act, to try to put the funding and also the language to create the College of Santa Fe. When that didn't happen, through the efforts of the Governor, we indicated that the Executive power could still prevail, in terms of continuing the process. When he created the Task Force, the Mayor and Councilor Wurzbarger were members of that task force.

"We came up with a plan to not only save the College in terms of the arts, but also to create something in addition to that, to provide something for our students around Northern New Mexico, or even through any part of the State to add, not only the school for the arts, but also to allow other universities to participate. And we went with that approach through the task force, and I understand that that effort can still be maintained.

"We met with the Santa Fe Community College. We are willing to create this learning center that will provide other courses for our children here in this part of the State, and to provide affordable education for them. And here we are, the capital of the State of New Mexico, we don't have a four year institution in Santa Fe, and why can't we, but it's all up to you. We've done our effort, the Governor has committed funding. We need to take some legislation, if this happens, to provide a General Services Department, through the effort of Secretary Jaramillo, to be able to acquire part of the land.

"But, it's up to this Council, Mr. Mayor, it's up to you to make that decision here tonight, and I hope that we make the right decision. This is a good investment in education and I'm hoping that we will prevail in this particular endeavor, so thank you."

Mayor Coss thanked Representative Varela for his remarks, and introduced Senator Wirth.

Senator Peter Wirth spoke to the Governing Body as follows:

"Thank you Mr. Mayor and members of the Council. It's good to be here. I think this is the first time I've appeared here in this capacity. I've certainly been here as a citizen and lawyer. But, again this is an important enough issue that I wanted to come and just say a few words.

"You know, this is a tough vote. I know you have tough vote here, and it's a continuation of what's been some really tough issues, and Representative Varela hit on them. I was a brand new State Senator, and had to say to the Chairman of Senate Finance Committee, I was about to amend his budget on the floor of the Senate. He was trying to move it at high speed. And let me assure you, they did everything they could to stop that, but I felt it was important enough, out of what Representative Varela had done, the Mayor had done, what we as a Santa Fe delegation had done.

"This issue of the College of Santa Fe and the economic development piece to this, the arts piece to this part of our community was important enough that, and the Governor mentioned taking risks, and it was a risk and you kind of go out there. I went out there, we did it. My colleagues did not agree. We didn't have the votes. And, I think we blew it. We should have dealt with this at the State level, and I wish we had, but we didn't.

"And so now, I served on the task force. We looked at a lot of issues.. The Mayor was there and Councilor Wurzburger was there. And really, as has been stated, the ball's been handed to you. I'm hesitant to stand up here and tell any elected official how to vote, because I know hard it is to sit in those chairs. What I want to say, though, is I'm committed to the Senate piece of this. The Legislative part at this point, there've been some question raised about, well is the State going to come through. There's a \$5 million appropriation in the Capital Outlay Authorization. It's not new money, it's reauthorizing that money. And I just want to stand here and give you my commitment that on the Senate side, I'm going to do everything I can to ensure that we get that done.

"And, so I certainly commend each and every one of you, regardless of how you vote on this. Again, I think this is an important issue for our community, and I certainly want to hear what the folks here in the audience have to say, and my colleagues. So, thank you."

Mayor Coss thanked Senator Wirth, and recognized Representative Egolf.

Representative Brian Egolf spoke to the Governing Body as follows:

"Thank you Mr. Mayor, members of the Council and thanks to everyone in the community for coming out. I see so many familiar faces from the nights that they were camping out in front of the capital. I feel like we're getting the band back together tonight. I'm kind of nostalgic for those cold March nights out on the capital.

"Much has already been said, and I don't want to take up too much of your time, seeing you have a long agenda and a lot of people that want to speak. I just think it's important to reiterate at least one point, and I'd like to make a couple of others. The sentiment you've heard this evening about this being the geographic heart and soul of Santa Fe is very true, not only to the geographic heart, but it has the potential to continue to be, in many ways, the economic heart of our community, the spiritual heart of our community and the artistic heart of our community.

"It's rare, I think, for members of any legislative body to have an opportunity to take a vote that really has tremendous, lasting significance. I think tonight is one of those votes, because 30 years from now, there's going to be a lot of votes that you will have forgotten, but this is going to be the one that you remember. And this is a chance for Santa Fe to get back on, what I would call, the right side of history. The story goes that decades ago we had a choice between a prison and a college. Well, we made the wrong choice. No knock against our good corrections officers, they're hard workers and we like having them here, but the point is that UNM would be a great asset to have here.

"When you look around the country and I know that there's been a lot of talk about how does Santa Fe fit into the national mix of leading cities, creative centers. Every major city, every creative city in America has a four-year institution. And, I don't know how Santa Fe can continue to sell itself, and hold itself out as an economic driver, focused on arts and creativity if we lose the College of Santa Fe. When you look at the list of the alumni who are producers, renowned artists and authors, it's an impressive list. And, to abandon that legacy, I think would be a real shame.

"We, as you just have heard, worked our hearts out in the Legislature, came up a little bit short. But, I will say that every Santa Fean that had a chance to vote on this during the session, voted yes, and it was killed a man from Deming.

"We have a lot of shared constituents. I share constituents with Councilors Calvert, Wurzbarger, Ortiz, Romero, obviously Mr. Mayor, Councilor Bushee and Councilor Trujillo. I know that the constituents that we share that I've heard from, unanimously support saving the college. Now, I know that the proposal we looked at in the Legislature was different from what you're looking at tonight, but when you put the details aside, this is a vote to save the College or not.

"And, I know there's been a lot of questions about what is it going to look like in the future. Is this

going to be an institution that's accessible to our children. And I've got a daughter that's a year and a half. And when I ran, when I started my campaign, I said that I was running, because I want my kids to be able to raise their families in Santa Fe, just like I grew up here. So, that is an issue that's very important to me – is making sure that this is not an ivory tower institution, that this is something that all of our kids have a chance to look at attending.

"If we don't give it a try, we'll never know what would have happened on that issue. We've heard that there is commitment, which I will add my name to that commitment to make sure that this institution... I'll do everything I can to make sure that this institution stays open and community focused, because it is important. That is the stated goal of everybody that has made a statement on this issue. And I'm sure that with the commitment of the Council, the State and the Governor, that will come to pass.

"So, let me ask you. I think it's important to say why I'm here. I want you to vote yes, so I'm asking you to vote yes on this. This is an important issue for our future. And one of the lessons I tried to take to the Legislature is that you can't let the perfect be the enemy of the good, that you are always going to be able to find something that you don't like about every bill, unless it is my bill, you know, I like them all. But, when you go to vote, the only time you're ever going to vote for somebody you agree with 100% of the time is when you pull that lever for yourself. I've had that chance once in my life and you've had it a few.

"So, but we can't let the perfect, we can't let the dream, College of Santa Fe and that vision defeat the College of Santa Fe from continuing to exist. Problems are going to come up, the City and the Legislature will address them together. It's very important, I think, to know that every Legislator from Santa Fe that is in the State is here tonight. Because, this is how important it is to us. So, please keep in mind that this is not just about today or tomorrow, this is about 30 years from now, and I hope that the people who come here 100 years from now, don't talk about the time that Santa Fe couldn't pull together and save a four-year institution. And boy, as much as we like the low prices at Target, we would sure much rather have, at the corner of St. Michaels and Cerrillos, a world class educational institution focused on arts. And as much as folks might like to have another strip mall in Santa Fe, this is not the place to place it. This is the place that has been dedicated for over 150 years to educating our kids to the highest standard. So, let's keep it that way. Please vote yes. Thanks."

Mayor Coss said earlier tonight he said he thinks we have the best Fire Department in the State. I think we have the best Legislative delegation in the State as well.

Mayor Coss thanked Representative Egolf, and introduced and recognized Brother Felix and Brother Brian to speak.

Brother Felix spoke to the Governing Body as follows:

"Mayors, Councilors and patrons, it's been a time since I've been in Santa Fe, since we got here in about 1947. We had a session here which was in 1949-1950. Many of you know me already from St. Michael's High School. That's where I started out in the schools as support of the school in the working area. That's my place that I was in the classroom, but I did support the classroom by keeping the windows and glasses, the doors so they would open and close, along with the vehicles that were used for various activities.

"My privilege is to be here at this time. And from the good talks that we hear, I hope that we may be able to retain an educational institution here in the City of Santa Fe for the education for youngsters. And, as we were founded, the education of the poorer folks that live in Northern New Mexico. It would be my prayer and hope that this on would be carried soon. Of course, we are acquainted with some of the personnel here that work for the City. I would encourage their encouragement, because they've been very encouraging for me. For this little talk, I thank you for the time and opportunity to address you, and may it be all for our very best for education in New Mexico."

Brother Brian spoke to the Governing Body as follows:

"I'm Brother Brian, and I will speak for the education part of the Brothers. We've been working since 1874, with a little time out, probably from 1920 to 1947, when there weren't enough Brothers. And, unfortunately, I have to admit that we're in that condition again. The first time, it was because we lost about 60 brothers to Yellow Fever. This time, we lost it to disco fever, or whatever. So, I'm sad to say that we don't have enough Brothers to do what we used to do. There had been as many as 28 Brothers working there, and it's now down to 3 who are teaching and 2 who are working in non-teaching conditions. So, at this stage, we cannot continue what we started, and we'd be very happy, if you people would take up the staff. Thank you kindly."

Mayor Coss thanked the Brothers and recognized Dr. Sheila Ortego, President of the Santa Fe Community College to address the higher learning centered concept.

Dr. Sheila Ortego, President SFCC, spoke to the Governing Body as follows:

"Good afternoon Mayor, City Council members. I want to echo Senator Wirth's comments that this much be such a difficult decision, and respect that decision that you have to make for your community. I just wanted to share my story and my experience with this project to see if it can help in making that decision.

"I came to this project cautiously, somewhat reluctantly. I am in the middle of building a Health and Science Center as well as a Trades and Advance Technology Center and fulfilling my lifelong dream for expanding occupational training for Santa Fe Community College, and I was very

focused on those activities. They're very big projects. At first, this seemed like a distraction. When I was put on the Governor's task force and I was in the conversations about what we needed to do for our community, I quickly realized that this fits in perfectly with my passion, which is work force development and economic development, and there really could be a no more important issue to discuss and make quality decisions on than this.

"I really became convinced that this partnership with Laureate was a good way to move forward, really the needed way to move forward to help our economy, to make our community be stable. And, at the same time I came to that realization, I kept thinking, except we need affordable, accessible education more than anything else in Santa Fe. That's what we need. And, I wasn't really convinced that the Laureate design answered that question. So, I came to the table and said, maybe it's time for Santa Fe Community College to broaden its mission. Maybe now that we are becoming truly a comprehensive Community College, offering trades and technical training, maybe we need to look at what happens to people after they graduate.

"I was really happy to make the deal with the College of Santa Fe, that allowed our graduates to be able to go on and to be able to afford a four-year degree there. That's kind of disappeared, and I said how do we make that happen. Looking at Laureate, and meeting the folks involved in that, they're a world class institution, but they're also a business, and I really don't think they can afford to make that institution affordable to local Santa Feans. Somebody has to do that, and I felt like it was up to us. And the logical way to do that is to partner with other colleges and universities around the State, invite them and say, look there's room enough in Santa Fe for all of us. Let's work together, let's partner with Laureate, let's partner with each other, and let's offer four-year education for Santa Fe citizens in all of the best areas, in all of the areas that are needed.

"I can't tell you which programs we would bring in. But, for example, Laureate is never going to offer engineering here, and what could be more needed. We've talked to Los Alamos over the years, and they've said there's no pipeline for employees to go to Los Alamos and work and to have the kind of training they need to make the best salaries in the State, which is what I want for Santa Feans. Because, otherwise, you can't afford to live here. So, we need programs like that, and we can easily get them. And it's so exciting for me now, because we have letters of support from virtually every College and University in the State, saying that they want to come here, they want to work with Santa Fe Community College and partner, and make sure that our citizens of Santa Fe have all the best opportunities for the future.

"I sat at the table with Laureate today and became more convinced than ever, that they're willing to work with us. They wrote a letter of support for the Higher Learning Center. The way the Higher Learning Center fits in this whole design, is that it would be housed right next door to Laureate. There's a proposal on the table that the General Services of the State would create an educational complex, bringing in the Higher Education Department. A branch of the State Library would actually house the Santa Fe Community College Higher Learning Center and a downtown campus for Santa Fe Community College, which has been really very needed, and is currently in our

master plan. This really is the ideal location for what Santa Fe Community College is proposing, and it's not something we were trying to do in the next couple of years. But, part of what you have to do is look at an opportunity and say the time is really right to do this.

"So, I just want to say, I feel like this design gives us the whole package. It seems to be in the right place. It saves jobs. It helps build for future jobs and the future strength of the economy, and it answers all of the educational needs that Santa Feans have never had before. So, thank you for your thoughtful deliberations and for your care about our community.

Mayor Coss asked Dr. Ortego if she can stay for questions during the discussion time, and Dr. Ortego said she can.

Public Hearing

Mayor Coss said everyone will have two minutes to speak to this issue. He asked people to avoid repetition of previous points, to refrain from boos, cheers or applause, and to help us move this along as expeditiously as we can.

David McQuarie, 2997 Calle Serrado, said he has requested repeatedly to make this room accessible for all, and the ADA requires it. He said "this" table is supposed to be accessible, and has a sticker of international accessibility which he put on it 8 months ago, but it's not accessible. He said people with disabilities have to use hand microphones, and asked what happens if they can't hold the hand mikes, so it isn't accessible. This is the basis of a challenge for tonight. He said saving the College of Santa Fe right now is highly desirable, but wonders if it's prudent considering the finances of the City. He said the City has reduced the hours of employees to have money, and it has to cut back on other things. He wonders if the City has the money. He said the \$15 million to bring the buildings up to standard, noting that includes ADA, and it would cost \$3-\$5 million to do that, noting this is required of the City because you are the new owners. He asked if this will be prohibitively expensive.

Denise Saccone, 825 Calle Mejia, entered her statement for the record (Exhibit "3"). Please see Exhibit "3" for the specifics of her presentation. She said her statement was made before she heard the Governor's expression support for the ecosystem on the College campus. She said the mascot of the COSF is the prairie dog. She encouraged the City to heed the Governor's words and mitigate the loss of the prairie dog habitat, and to preserve as much as possible. She said last night, Peter Winograd of Governor Richardson's office responded favorably to their suggestion to include a conservation easement in the master plan to protect as much of this existing prairie dog habitat as possible. They look forward to a collaborative effort with the City and the State.

Michael Gross, 1846 Camino de Cruz Blanca, said he has four reasons to ask the City to save the College of Santa Fe. He has lived in Santa Fe since 1971 and they have three daughters, all of which went to public schools K-12. First, they are proud and ardent supports of public education in Santa Fe. Secondly, he played noontime basketball for 30 years with John Weckesser. Third, he has been hearing

about this College of Santa Fe issue on Sunday mornings for 3 years from Stewart Kirk, whose efforts to save the College deserve applause. Lastly, he served on the Santa Fe School Board for six years, and would like to invoke what he thinks is a hallowed name in Santa Fe education, that of Eddie Ortiz, who is now deceased, who was the Superintendent of Santa Fe Schools until he passed away. He said Eddie would have been in the forefront in his effort, and believes he would be standing here and saying, "Do it."

Patricia Falcoff, no address in Santa Fe. She said in view of tonight's speeches and its negotiations with Laureate, it would be a shock for the Council to vote against acquiring this land. She said with the COSF things always come down to the eleventh hour. She wants to speak to the Councilors who are "on the fence." She has watched COSF struggle and heard arguments as to why it should stay open. She said it comes down to the economy and educated young people are good for the economy. She spoke about the importance of the quality of life, the arts, the sense of community and how that will suffer if the COSF closes. She doesn't want to leave Santa Fe where she found her second family. She is now living with three recent COSF graduates. She wants to stay here and continue to teach. She said this Council knows more about this financial deal than anyone else, and asked them to put aside their reservations and think with their hearts about the people who will suffer if you pass on this opportunity. She asked them to vote to save education and the jobs of this COSF community who voted them onto the Council, to vote with the teachers, the students, and the community.

Alicia Shaw, 2215 Rancho Siringo Road, thanked the City for its consideration and the City Staff for its work. She said she was on the COSF Legislative Advocacy Committee, and the City's political process is a lot more accessible to ordinary citizens and more community oriented than with what she experienced at the Legislature. This Council has the unique opportunity to save the oldest institution of higher learning in the State, at no burden to taxpayers' wallets. The COSF is essential to your success as a creative City, and asked what world City doesn't have a four-year college. She just graduated from the COSF, and is working at a community center, teaching video classes. She has a band which is doing well and is going to release a CD. If this goes, she won't stay here and she's sorry about that. It's really hard for young people to live here, noting every month she sees more and more talented professionals and students leave the City because of the loss of the COSF. She said the City has to stop this. She is concerned about what will happen to the COSF property, which will be tied up for five years. She hopes that the City can approve this measure with some legal guarantee that every high level administrator and Board member of the former College is obligated to terminate their relationship with the new COSF within a year. She wants the Council to consider what it would be saying no to, if it doesn't approve this purchase.

Lela Alexander, 248 ½ Rael Road, said the recession is painful, but it won't last forever. She said CNN, Trader Joe's and others started their business in economic downturns. She can understand the reason the arts curriculum has been given a bad rap, she asked the Council look beyond that and realize an Arts based curriculum offers: problem solving skills; creative thinking skills and a broader understanding of the world at large. She not having a four-year college in Santa Fe is like not having a film school in Los Angeles. She said this recession is temporary and the sun will come out again, and we need to plant seeds now. She said let the passage of the COSF bond deal be the courageous action that enabled us to

harvest a bountiful crop for many years ago. She said, "If you wait until the wind and weather are just right, you will never plant or harvest anything.

Miguel Angel Acosta said he is the Co-Director of the Santa Fe Partnership, and serves on the Board of Somos Un Pueblo Unido, and also does youth ministry at Guadalupe Parish. He works with and supports lots of people not represented here tonight. The general sense with those with whom he's spoken is that it probably is a good idea. The concern is that work needs to be done to make this and other initiatives accessible all Santa Feans. He said a lot of conversations and dialogue which happens in Santa Fe avoids reality, and a lot of the things we do really aren't for everybody, and that's okay. However, when something becomes part of the Public Domain, supported by public dollars and there is not a net zero impact on the population, then we do have to look at the direct and indirect impacts, and the positive impacts. He said it goes beyond jobs as janitors and gardeners. We need to start talking and thinking now about what the College of Santa Fe as you envision it could be, and the positive impacts and resources it could present for the entire population of Santa Fe. He said if we don't think about how to make something good like this accessible to everyone, it becomes one more way of dividing the City. He encouraged the Governing Body to support the purchase, the partnerships, but also think of what it could be for all of Santa Fe, and not just what it's been to a part of Santa Fe.

Margaret Josena Campos, 1609 Galisteo, said she has two BA's from the College of Santa Fe, and on advice of the Christian Brothers she was able to go to UNM. She said the culture from the College came about from a group that worked as a team. There were Christian Brothers from Louisiana, or Mexico, or elsewhere. She said culture means the hearts of this campus and this City. She said she feels badly for the students who have had College Presidents who lost the mission statement and didn't know the community. She has questions to Laureate and President Kirk. She said the campus has to stay diverse in its population. She asked the Council to support the purchase, noting Councilor Bushee also has qualms about it.

Steve Thompson, 1119 South Plata Circle, said 14 years ago, through the TPL, he had the opportunity to help the City to negotiate the purchase of the railyard. That transaction was very complex and very central to the future of the City and was full of unknowns. He said he this is at least as complex as the Railyard transaction, but the importance to community has been documented by the other speakers. He said there is risk associated with the purchase. He said while he was with the TPL he had the opportunity to review hundreds of public land acquisitions and projects, and he came to appreciate the difficulty in doing those well. It is never perfect, and there is always risk. He said the question is how the risk is being managed and are the benefits worth those risks. He said the City hoped there was no possibility of touching taxpayer dollars, and the undertaking would be paid fully the College and the other parties to the transaction. He said Mr. Millican and the team have done a commendable job in the amount of time available to negotiate toward that goal, but the risk is still there. There is no absolute guarantee that there won't be a risk to the taxpayers, if Laureate doesn't perform. He believes the risk is worth undertaking and he recommended moving forward.

Dr. Mary Cummings, 159 Calle Ojo Feliz, said she taught psychology for COSF for 20 years, and was Department Chair for part of that time. She said much has been said about the strength of the arts programs which she admires. She wants to speak to the working adults and the evening and weekend program and to the professional studies programs which have made up over ½ of the student enrollment during her tenure. These programs were money makers, including the Albuquerque campus. She is glad to see that Laureate is planning to continue these programs. She likes Dr. Ortego's idea of a consortium. She said there has been an image of the COSF not serving locals and ivory tower, which she disputes. She believes the College can serve local people and continue to do that while bringing in international population. She spoke about cultural creatives, and Santa Fe is perfectly situated to be part of that economic development. She urged the Council to do the right thing and support the COSF and Laureate, and the Higher Education Learning Center.

Dr. Stefanie Beninato, 604 ½ Galisteo, said it take more courage to speak out against the project than to vote for it. She asked the Councilors to think strongly about the risks, whether there will be diversity, consortiums, and State support. She said there are only 5 people out of more than 100 people in the Legislature who are here, which isn't a majority. She said it took more than one person to defeat the COSF. She said we forget how much of the money generated here by art goes out of the State to people, to artists who don't live here, to gallery owners who own galleries in other state. She asked about the quality of life of City workers who will be furloughed and asked if they will get free passes to the COSF. She said the COSF isn't a public institution and isn't free. She said we do have a four year college here: St. John's. She believes the COSF has a wonderful theater, a wonderful moving arts program, but it wasn't very well rounded. She taught history at the COST as an adjunct, at about \$6 per hour. She was pressured to pass students and to curve the grade, with the reason that they paid tuition to be here and you'd better move them along.

Michelle Laflamme-Childs, Residency & Marketing/PR Director, Santa Fe Art Institute, said the institute is in full support as it pertains to the College. She there have been a lot of concerns about how the College serves this community. She said the Art Institute has a world class residency program and visiting artist lecture series and the things you hear about in the news, but it has a very expensive and amazing youth education and outreach program which works with organizations such as Adelante, Emergency Youth Shelters, and others. She said it is important to recognize that the Art Institute is not just an organizations that bring in "high falutin" lectures that a lot of people may not be interested in, but it does a tremendous amount of grass roots community support in the City and works with a lot of high school students – Capital High, Ortiz Middle School and DeVargas Middle School – specifically targeting its programs to schools which are under-served and not recognized. The arts programs aren't designed to teach them to be "practically fantastic" artists, but to have them understand that art is a way to have a voice and youth need to see art as a way to express themselves.

Kris Swedin, 20 Casa del Oro Loop, Chair, Creative Santa Fe, said Creative Santa Fe's mission is to strengthen Santa Fe's creative economy. They have been working this issue since January to save the College of Santa Fe. She commended the City for its hard work to see if it can make this work. She said five years ago, the City unanimously adopted an economic development strategy, and there was a

target industry report which help to set a direction for economic development in Santa Fe. One of the main recommendations in the report was to make education a cause, and we have an opportunity to do that tonight. In addition the recommendations were workforce development and education, entrepreneurship development, sites and infrastructure development and community development. She said the cultural and creative economy is just not the arts, and includes all economic activity created through knowledge-workers, including architects, engineers, scientists, software new media developers, designers, photographers, craftspeople and thinkers of all types. She said the Higher Learning Center envisioned by President Ortego will round out the offering of what your decision could bring to our community. She said they hope the Council supports this.

Devon Ross, 276 Chula Vista, said Laureate will bring a very specialized academic program that closely matches the special qualities of the City and region. She said Laureate can partly base its appeal on our reputation for the arts and creative enterprise, and they can draw on a wealth of local talent and intelligence as it develops and operates its program. He said what Laureate needs from us is very compatible with what we need from Laureate in terms of our creative and cultural economy. He believes, because of that, we can be very influential in forming the future and the nature of could become an exemplary educational institution in the future. He said with regard to Laureate purchasing and selling the property at some future time, he believes it would be helpful if City keeps the right of first refusal so the City would have the opportunity to retain the property for educational purchases.

Tom Aagason, 189 Calle Galisteo, said he is involved with UNESCO, and has observed that the creative economy is growing globally. He said the jobs which exist for our young people today require people to think innovatively and creatively, to be able to solve problems together. He said an arts college fosters this kind of thinking and development. Our opportunity here is to become a world center around the creative economy that is growing so rapidly. He said these students have the opportunity to attend a school which fosters innovation and creativity. This could be one of the largest employers in the City and all of that money will come into this economy which would be a huge bolster. In addition, we're fortunate to have Laureate as a potential partner, because the students have the opportunity to go abroad to any of the 40 universities managed by Laureate around the world. He urged the Council to vote yes, and unanimous would be great.

Sagemaya Dandhi, 1492 Upper Canyon Road, said he spent much time at the Fogelson Library at the COSF and has a deep gratitude, it is a wonderful place. He cannot support the City Council obligating the citizens for \$30,000 for this purchase. He said if this is such a good idea, he has no problem if people want to donate the money. He sees the City falling down on its real responsibility. He asked if the City is buying the property, and Mayor Coss said yes. He said this is taxpayer monies. We bought the Railyard, and people are having to pay taxes to support the Railyard. He believes it is wrong to use taxpayer money to buy this property, and asked if we have asked the State Attorney General or the City Attorney whether this is a legal thing for you to do. It is unethical for you to pick and choose who you want to give money to and ask the rest of the people who pay taxes to subsidize it.

Elena Tercero, 2937 Aspen View, said Dr. Cummings talked about the evening and weekend degree program. Ms. Tercero said she is a graduate of the evening and weekend program, graduating in 2008 with a Masters Degree in Finance. She said she needed something which was cost effective and convenient for her to complete her education, and this is the reason she chose the COSF. She said the time she spent there was worth it 100%. She said she made a lot of great connections, the teachers were wonderful, noting most were adjunct professors. All were working in the fields in which they were teaching. She said you need the abstract knowledge as well as the hands on experience. She said she is here to plead with the Council to approve the deal with Laureate.

Casey Gallegos, 2 Camino Cerrito, Glorieta, student at COSF. She said over the last three years she has worked in the community, and has watched the school dwindle. She is concerned she may not be able to continue her studies with the COSF. She is an artist pursuing the music and film industry, she has found that New Mexico is up and coming in a lot more attractive ways than Hollywood. She said without the COSF, students give up a worldwide film program which has brought some productions to Santa Fe. Without the COSF, that production moves to Albuquerque. This is the State capitol and she would expect some kind of program coming here for the industry.

Bobbie Bissold, artist, educator and activist, 302 Lomita Street, said she has been a student as well as a teacher at the COSF. She is alarmed to hear people saying the COSF is elitist, which has never been the case. She said she has had an opportunity to collaborate with Brent Cleaver at the screen on film programming that he was open to staging at the screen to support a project at the State Capitol building. That was an exhibit about our love of life and our innate ability to love nature. She has the opportunity to work at the Santa Fe Art Institute with Dianne Karp who has always been open to doing projects there beyond the scope. She said the Marion Center is a photography center which is phenomenal. She said it's a great program, and asked the Council to be supportive of the College

Carol Angland, 28 Camino de las Marquez, said she enrolled at the COSF 5 years ago at age 55, which changed her life greatly. She believes we are in trouble in this community if we can't continue to dialogue with young people, and she had the opportunity to that there. She did not find the COSF to be an elitist institution. She said she was learning the language of inclusivity, and she treasured that and hopes it can carry on.

Russell Simon, 608 Rio Grande, said he is here to support the acquisition of COSF. He was born and raised in Santa Fe. He said as a young person, it is easy to leave and tough to stay. He said when economic times are bad it is harder to spend money. However, if he were in the Councilors' position, even in hard times, he would be asking if it is worth the money. He said if you vote against it, you will have to explain to the Community which believes it is worth the money. He hopes they vote for it, and young people get to stay here. He said a City is enriched by young people. He said he attended St. John's College and the College of Santa Fe is not elitist.

Marilyn Mason, 905 Calle Arco, Executive Director, Monte del Sol Charter School, said she is herde to say that they have arts in all of the curriculum at Monte del Sol. She said it might make a

difference that 95-96% of their students go on to college. She said there is an emphasis on the arts in the school. However, our kids graduate and then leave town. She said everyone hears about Santa Fe and the arts, and this is a real tipping point. She said, with Laureate, we have a real opportunity awaiting. She said for economics to be the owner/driver would be said. She said she cares about the legacy we leave to our children, and that we would have a four-year college. She said our education does not fit who we are as a City. This is a wonderful opportunity to "turn that around," and to say let us have a four year school, and let us fit with who we are culturally as a City. She implored the Council to consider this, commenting to her it is a "no brainer." She knows the power of the negative and the naysayers, and the strength that they can have. She urged the Council to vote yes for this new amendment.

James Longmeyer, native Santa Fean, said he attended Gonzales Elementary and then to Santa Fe Preparatory for middle and high school. He said when he graduated from SF Prep, his friends told him he was crazy for staying in Santa Fe and attending the COSF. However, he wanted to make movies, and he didn't want to make it the Hollywood way, but to do it the independent way, the New Mexican way. He said he graduated in May and he is moving to Austin, Texas, because the COSF folded. He said if you want this City to have a future in the arts, which is beyond the "art barons" on Canyon Road, you need to vote yes for this, if not, then vote no. if you want Santa Fe to be a place for young artists, born here or not, the COSF needs to exist.

John O'Connor, Breckenridge, Colorado, said he was a student at the COSF last year, and he drove down today to speak to this issue. He said it was crushing to the students to see the doors close. He said the COSF was a home to him, as it was to others who lived in the dormitory. He said to many, it is a place of exploding creativity and being a true individual and finding out who you truly are. He said he was in a shell, until he came to the COSF where he truly bloomed and became more of family member with those with home attended the school. He urged the Council to vote to allow the students to come home to the College of Santa Fe.

Sia Light, 2585 Camino Chueco, said she grew up in Los Alamos, noting her brother is a plasma physicist. The reason she knows plasma physics is because of her photo history class at the COSF, and not because of her brother. She said we are family and we talk about everything and collect as much information as possible from one another. She said an artist, Walter Chapelle, did a project called meta flora. She said his metaphor was all plasma physics. She said she stopped looking after she found the College of Santa Fe, and had to be convinced to find another school in case she didn't get accepted, but she did, and she wants to go back.

The Public Hearing was closed

- a) **CONSIDERATION OF BILL NO. 2009-39: ADOPTION OF ORDINANCE NO. 2009- 34 (MAYOR COSS). AN ORDINANCE AUTHORIZING A LEASE OF APPROXIMATELY 61 ACRES OF LAND AND APPROXIMATELY 499,000 SQUARE FEET OF RENTABLE AREA LOCATED WITHIN THE BUILDINGS, TOGETHER WITH ALL IMPROVEMENTS, BUILDING SYSTEMS EQUIPMENT AND PERSONAL PROPERTY LOCATED AT 1600 ST. MICHAEL'S DRIVE, SANTA FE, NEW MEXICO (THE COLLEGE OF SANTA FE). (DAVID MILLICAN)**
- 1) **REQUEST FOR APPROVAL OF LEASE BETWEEN THE CITY OF SANTA FE AND SANTA FE HIGHER EDUCATION, LLC.**

MOTION: Councilor Wurzbarger moved, seconded by Councilor Calvert, to adopt Ordinance No. 2009-34, and to approve the lease between the City of Santa Fe and Santa Fe Higher Education, LLC.

DISCUSSION: The Governing Body commented, made suggestions and asked questions as follows:

- Councilor Chavez said he would like to discuss Lease page 1, Section 1.05 "Permitted Use." During the presentation he heard "four year institution," or "four year college," a dozen time. He said we heard about a creative arts school which he doesn't believe is the same as a four-year college, nor a four-year liberal arts college. He read the referenced paragraph and he sees nothing about a four-year college, a four-year institution or a four-year liberal arts institution. He said when we talk about accreditation, that is the accreditation that he was led to believe we would be securing.
- Councilor Chavez said we heard a lot about saving the College. Unfortunately, the College of Santa Fe is not going to be able to continue, so that is gone, sadly as it may be that the 150 year old institution will no longer operate as it once did. He said the question before the Council is what will replace it. He said the lease is the only place where we can discuss how that will transition into the future. He asked if we can be more specific under "Permitted Uses" to either a four-year college or a four-year liberal arts institution. Ms. McCormick said we can add that language to Section 1.05 on page 1 of the lease without compromising the lease.

Councilor Wurzbarger said that is a friendly amendment, or does Councilor Chavez want discussion. Councilor Chavez said he just doesn't want to add the language, because there already is a lot of language in this paragraph. He said, "I want that to be the first statement in the Permitted Use section."

FRIENDLY AMENDMENT: Councilor Wurzbarger suggested as a friendly amendment, "An accredited four-year liberal arts college." Councilor Chavez said it should state that the premises should be used solely for that purpose. Councilor Wurzbarger said that conflicts with a lot else in the Lease, including the permitted use to the theater, the Art Institute. **THE AMENDMENT WAS NOT FRIENDLY TO THE MAKER.**

- Councilor Chavez said that would be the first priority for Laureate, because it is receiving the accreditation, not the Santa Fe Arts Institute. He said Laureate is requesting and will receive that accreditation status. Mayor Coss said this is correct and that is in process.

Councilor Chavez said then to make the amendment friendly, the main focus and the emphasis in Laureate's assuming the duties and responsibilities of the College of Santa Fe as we knew it, is to move forward for accreditation for a four-year liberal arts institution. Ms. McCormick said this is her understanding of what they're seeking. Councilor Chavez said then it should be in the Lease under Permitted Uses. Ms. McCormick said Liberal Arts is one of the Permitted Uses. Councilor Chavez said it is not specific to a four-year Liberal Arts Institution, it just mentions Liberal Arts in passing, as part of a program.

FRIENDLY AMENDMENT: Councilor Wurzbarger said she would defer to the language which meets his objection, or she would be open to hearing a revision, if in Point 1 we said "An accredited Liberal Arts College," and she believes this would meet his intention. Councilor Chavez said that would be okay. It makes the point and puts it at the front. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS FROM THE OTHER COUNCILORS.**

- Councilor Chavez said we heard, and he agrees, that arts are important, but there are other needs in the community dealing with graduate degree courses like an MBA and such degrees. He asked what commitment Laureate is making in that area. Ms. McCormick understands Laureate is planning on offering graduate programs, mostly in the evenings and on weekends, similar to what it does on other campuses, and suggested he might want to ask the Laureate representative.

Councilor Chavez is asking staff because she has been negotiating this with Laureate, and he is trusting that staff worked all this out. He just wanted to pose that question.

- Councilor Chavez asked, along those lines, what other commitments have been made for the in-state tuition. Ms. McCormick said as currently proposed by Laureate, there would be a 20% discount on tuition for New Mexico residents, and a 25% discount for residents of the City of Santa Fe.

Councilor Wurzbarger said at this point, that item is not in the lease, and it is something we've raised in the last two days in Councilor Ortiz's proposed amendments, and that is something we'll need to add in the Lease as a friendly amendment.

- Councilor Bushee asked, for clarification, if the discount just for residents of the City proper of Santa Fe, or does that include Santa Fe County residents. Ms. McCormick said it is for residents of the City or County of Santa Fe.
- Councilor Chavez believes the local population needs the graduate degrees which complements that program, and we need to address this as part of the final lease.

- Councilor Dominguez said he and the other Councilors have questions about accessibility as well as affordability. One of the things that makes the Community College so great is that it is affordable to many students who don't have the means. He asked Dr. Ortego to explain how the Higher Learning Center works. He asked if the Community College Board has looked at this and agreed to it.

Dr. Ortego said the Governing Board has approved the MOU and we were just waiting to see what the City would say about it, and it specifically is on the subject of working on the Higher Learning Center and collaborating with Laureate. She said New Mexico has a Higher Learning Center Act which allows either a community college, a county or public school to establish a Learning Center District. It is put together for communities such as ours which don't have an affordable higher education option. We do have the affordable option through the Associates Degree level at the Community College, but they cannot offer 300 or 400 level programs or beyond. She said they have put together the proposal through the Higher Education Department to say that the Santa Fe Community College would operate a Higher Learning District with the Higher Education Department approval. She said it looks like that has very good chances for approval, with preliminary support from the Governor and the Higher Education Department.

Dr. Ortego said once the approval is received, their governing board would make a recommendation, hopefully, to go ahead with that entity. The SFCC would broker with other colleges and universities in the State. We would do the research and we would say these are the programs which we think are really needed in Santa Fe, for example, things like public administration, or business or engineering. She said SFCC would ask other colleges and universities what they would offer, telling them we would charge an overhead so we could pay the administrative costs. She said they will be operating the Center at the COSF with centralized administration, counseling, admissions, registration, so there is an economy of scale. SFCC operates it as a center, but it contracts with other college and universities. The college or university will send its faculty members to teach at the downtown campus of SFCC and the Higher Learning Center, or work with SFCC to find qualified people who already live in the community. We will then offer the program, and the student will be graduating from the SFCC with an associates degree and going directly into, for example, NMSU, and once they complete the program they will earn a Bachelor's Degree in Engineering from NMSU.

Dr. Ortego said it is all funded by the existing State funding formula and not something which would cost the taxpayers additional money.

- Councilor Dominguez said it sounds like there will be opportunities for people to get an education beyond what Laureate is offering. He asked how the SFCC relationship with Laureate would work in the context with the Higher Learning Center.

Dr. Ortego said they would work closely with Laureate and the City to make sure that we each find our special niche and not duplicate one another's efforts, and they are offering a cost effective

service. She said today they discussed the stellar art facilities and resources at SFCC and the incredibly talented faculty it has in arts, film tech training program, and how we can all work together. She said perhaps we can share adjunct faculty and resources.

Councilor Dominguez asked Dr. Ortego if she feels Laureate is committed to that collaboration and making these things happen. Dr. Ortego said "the devil is in the details," but they are all committed to sit at the table and make it work to everyone's benefit.

- Councilor Dominguez asked about the credits, and if that fits into the mix, and if so, how.

Dr. Ortego said ideally it would be a 2 plus 2 plus 2. The student gets their two years in high school, two years at SFCC and then go on to the university or to Laureate. She said SFCC is talking with Laureate about taking its culinary arts program graduates straight into its program and give them a four-year degree. Or, if Laureate will design its program which requires students to go all four years at Laureate. She said they want to work out these details so students have a seamless education and the most affordable opportunities possible. Councilor Dominguez said it sounds as if the SFCC Board is willing to work on those details.

- Councilor Dominguez asked Mr. Millican if this action impacts the City's ability to bond in the future. Mr. Millican said staff has reviewed all the bonds planned by the City for the foreseeable future, compared that to our bond covenants and selected the instrument where we have \$125-\$140 million in bonding capacity. This would use \$29 million of that and leave significant amount of subordinate lien capacity available, but it wouldn't touch our senior lien capacity which we used to get the lowest interest rates on the projects which are general City projects. He said staff sees no limits, nor negative impact on bond rate.

- Councilor Trujillo said his biggest concern has been accessibility of people in Santa Fe and Santa Fe County to Laureate. He said people have said COSF is elitist, although he has always felt the COSF is inaccessible to some people in the community because of the cost. He asked the cost for tuition per semester to attend Laureate. Larry Hinz, Laureate, said it will still be the COSF, and they don't plan to change the existing tuition scale at all, which is annual tuition of \$26,000 for a full time student. He said there is evening and weekend pricing which is a little different.

- Councilor Trujillo asked how many students from Santa Fe attend the COSF. Mr. Hinz said he doesn't have even a rough estimate of that number.

- Councilor Trujillo said SFCC is an important institution in Santa Fe and it allows everyone in the community to attend college. He said in the 1940, 1950, 1960's COSF had a different mission. He said many people have told him they graduated from COSF, including Representative Varela. He said over the years that mission changed, and it excluded a lot of people, and this is what hears from his constituents and others in the community. He said the COSF is gone, and when Laureate comes in, it will be a brand new institution..

- Councillor Trujillo asked if there is a possibility of expanding the liberal arts accreditation. Mr. Hinz said the accreditation will apply only to the existing programs of the COSF, so Laureate has made a commitment to the Higher Learning Commission, the accrediting body, that Laureate will retain and maintain existing offerings of the COSF. He said beyond that, a university is a living, breathing entity, and he envisions bringing in new programs, offering graduate programs, doctoral programs which the student body wants and needs.

- Councillor Trujillo said Dr. Ortega "hit the nail on the head," in saying Laureate cannot make it affordable for Santa Feans. It costs a lot of money. He attended NMSU for \$4,000 per semester with a wide variety of programs, and that is the type of university he envisioned in this community. He would love for his children to be able to stay in Santa Fe to go to college and earn a degree, but he doesn't know if they will go for a liberal arts degree. He is hoping that if this passes, that we do get UNM, NMSU and Highlands here. He said we need a four-year college for everyone. He said he believes we're in the predicament because we didn't change the curriculum at the COSF. He hopes if this passes, that Laureate works with the SFCC to make this a reality. He said the success of Laureate is important, and an empty lot would be a disservice to the community and the people in his District.

- Councillor Ortiz said he introduced a series of amendments yesterday, and he wants feedback from Laureate. The first amendment is that whatever educational institution which remains on the premises shall be referred to and shall always be named The College of Santa Fe. This is in response to sentiments of the alumnus of the College of Santa Fe. He said also, any degree from the COSF will decrease if the COSF no longer exists in name or in form. He said the Representatives of Laureate said they would agree to keep the name College of Santa Fe for a minimum period of six months after closure of the lease, and any name change will be discussed by some advisory group that's being proposed on another amendment. He asked to hear from the Laureate representative in this regard. If Laureate is unwilling to have it named the College of Santa Fe, he would like an explanation to this Council and the community, and what it would be named.

Mr. Hinz said, "Let me state up front we have no intention of changing the name. We've been asked to commit to something that goes into a 26 year lease. He said saying we will go into this with College of Santa Fe for a period of time while we investigate, research and see how the College of Santa Fe resonates with students, is something we think is fair on our side. We've got no intention of changing the same, but, there has to be a recognition that the College of Santa Fe's name has gone through a difficult period. There is the anecdote of Googling College of Santa Fe. Unfortunately, we're living this. The first three page of Google will be negative articles on the College of Santa Fe. We hope that the College of Santa Fe name continues. We see nothing wrong with it, but like a lot of things, when we go into this, we need to have flexibility to do the right thing for students and to get that college up and running. And so, I've got no ulterior motives, I have no ideas to offer to you right now, other than we have every intent of keeping the name, but if we can't attract students to trust that name and come back, then we can't be handcuffed by

staying with a name for name's sake. For our purposes, and I would hope that you would share this, the major objective in this, to get this win-win situation going, is to get that college back on its feet, to get students there, to get faculty back, and get activity going on that college, and there's certain things that placing restrictions into this that just would make that much more difficult."

- Councilor Ortiz said he can appreciate that. He noted that one of the public raised the issue of the intentions of Laureate with regard to the administration and governance regarding past administrators as board members at the COSF. He raised this issue at the Finance Committee which is akin to, at the federal level, bailing out some of the Wall Street brokerage firms that went "belly up," and then putting the exact same people, those who were a part of, or witness, to the failure, back in charge of the bail-out program. He said what we are being asked to do by the State, the community is to leverage public dollars to allow for the repayment of debt that's accrued by former administrations, by former Board members of the COSF. He said you as the tenant are responsible for that. He said you and your representatives didn't answer questions at the Finance Committee, and answered a little more at Public Works. He said these issues could have been hashed out in committee, but now it's public and you're in front of all of us. He asked his commitment to former administrators/former board members of the COSF at this time.

Mr. Hinz said, "First, I would offer up that Laureate operates 45 universities around the world. We are not a university. There's no Laureate university. So, we are in the management of individual distinct universities that have a responsibility to local communities, to faculty, to students, that are individual. That would be no different here. We are setting up a governance structure that would include nine members. Six of those members would be public service, meaning they're not related to Laureate. Three would be Laureate related appointees. This is something that HLC, the accrediting body dictates independence of governance. So, there is a body tied to our accreditation, that this is not a corporate board, this is not a board that's managed out of Baltimore. This is a local Board that has ties and responsibilities to the institution which is the College of Santa Fe, so that's the governance."

Mr. Hinz continued, "In terms of members of that, this is a new Board. This is for the new College of Santa Fe. It will not include any existing trustee members of the existing College of Santa Fe.

- Councilor Ortiz asked if any of the administration include former members of the College of Santa Fe administration.

Mr. Hinz said, "I can't speak to the employees of the College of Santa Fe. At this point, it's a bit premature for me. I would say that you've brought us to the table because we know how to operate universities. We've proven it. We stand behind our record. We're very proud of it. And so I would expect that you've brought us to the table to make the right decisions, keep the best and the brightest in managing the College going forward. We have a lot of money invested in this. We've got a lot of risk we're taking on. We'll be prudent about who is managing that school and how that school is managed going forward."

- Councilor Ortiz said another amendment he offered which has been discussed some is an amendment that Laureate would agree to offer to reduce tuition for New Mexico residents for at least 20% and for Santa Fe residents at least 30% from the normal tuition charged by Laureate, and asked Mr. Hinz if he agrees with those provisions.

Mr. Hinz said they offered 20% for New Mexico residents and 25% for Santa Fe County residents. He said the explanation behind that is that this is an institution that is losing money, which they understand and accept. He said they also recognize the need to get locals onto campus. However, extending additional scholarships or discounts puts further pressure on their ability to get this College back where it belongs.

Councilor Ortiz said then Laureate stands firm on 20% for New Mexico and 25% for Santa Fe residents and can't go to 30%. Mr. Hinz said this is correct. Councilor Ortiz asked if he introduced and got passed a friendly amendment which was a condition of this lease, if he is saying that Laureate would not enter into the lease agreement. Mr. Hinz said, "Sir, at this point, we've given an offer that we believe is fair and we're willing to stand behind that." Responding to Councilor Ortiz, Mr. Hinz said, "You are asking me to negotiate with you in this forum that 30%... my answer would be, I'm sorry that's been presented to us. We came back with an offer that we thought was fair and equitable and we're willing to stand behind the 25%."

- Councilor Ortiz said another amendment is in regard to scholarships. He said in the promotional packet, you offer two scholarships – one to be awarded by the Mayor and the other by the Governor. He proposes an amendment that "Laureate agrees to offer, award, fund and maintain three full, all expense paid four-year scholarships to be selected by the Mayor and Governing Body to be given to deserving Santa Fe High School graduates and then one full, all expense paid four-year scholarship to be selected by the Governor to be given to a deserving New Mexico High School graduate." Your response was that you would give three scholarships: one selected by the Mayor, one by the Governor and one to be nominated by the Christian Brothers.

Councilor Ortiz said he went to very expensive schools, very expensive schools out of school, very expensive private schools out of state because of the generosity of the financial aid offices in both institutions. He called Lake Forest and asked how much it would cost to endow a scholarship, which is much less than the \$30 million the City is being asked to guarantee. He asked Georgetown, where he attended law school, the cost to endow a full 3-year scholarship and that is well short of the \$30 million. He said it seems that the City is putting up \$30 million and the State \$10 million, for three scholarships to be offered. Councilor Ortiz asked what is the practice in other Laureate run institutions or universities regarding scholarships and financial aid.

Mr. Hinz said there is no one set standard across all the universities and they connect with local communities in different ways and the scholarship is part of that. He said the Mayor, Governor and Christian Brothers have the ability to nominate students in any way they would like, and that is a \$350,000 annual commitment which is a heavy burden when we are looking at a school facing

losses for the next 3-4 years. He would propose to the Council to go at this together in stages, but to burden this school "out of the gate" with heavy discounts, multiple scholarships, puts further strain on Laureate's ability to turn the school around. He appreciates, understands and embraces the goal of getting more local students to the College. He said they have been very "up front" about why they were invited here, and their intention and they are trying to do their best to meet somewhere in the middle that's acceptable.

- Councilor Ortiz said Laureate was not invited here. Laureate is a note holder on the property and holds a debt on the College of Santa Fe property. Laureate is an interested party in seeing this happen because your not is somewhere down the line amongst all of the other people who are owed money by the College of Santa Fe. So, you can't say we asked you to sit at this table, and you're coming in without any kind of vested interest in the property. You have a vested interest.

Mr. Hinz said, "I don't see it that way Councilor. The loan that we made to the school last year while we were doing due diligence is completely independent. We exited in November of last year and we were a creditor to the College. My understanding, when we engaged with the Mayor and the Governor after Bill 577 did not go through, was really to get together to see if a public private partnership could work and be effective here. So I do feel like, and we're very honored to have been invited here, but we're not here because the College owes us money."

- Councilor Ortiz said another amendment he proposed talks about Laureate agreeing "within a year of entering this lease, to cooperate and participate with the public schools here in Santa Fe, to develop a college preparatory program that encourages and promotes Santa Fe High School students to enroll at the College of Santa Fe. You're in agreement with that, right?" Mr. Hinz said, "Absolutely." Councilor Ortiz said that doesn't have a financial cost up front, right? Mr. Hinz said, "It's the right thing to do and we're definitely supportive of that."

Councilor Ortiz said, but it's not the right thing to do to provide tuition discounts for Santa Fe residents who are going to have their taxpayer guarantee the note. Mr. Hinz said, "Again, I've made my comment on that. We're trying to reach out and do the right thing at the beginning of this relationship and feel like we've made an offer here that's fair and equitable."

Councilor Ortiz said he believes Laureate has negotiated fairly and equitably with City Staff, and you have gone over and above what we could expect in these kinds of circumstances, and applauds Laureate for that. He commended staff who was put in an almost impossible spot – Kathy, David and Frank, and Kelley, and Robert who negotiated from almost impossible circumstances to get this deal. He said while he is impressed with the work that's been done, he doesn't know if that that gap has been closed, for him. He will submit his amendments at the end after he hears from the rest of his colleagues. He appreciates Mr. Hinz's candor, and wishes that he had been at the Finance Committee to answer these questions 19-12 days ago and not tonight.

- Councilor Romero said, on the issue of tuition, the scholarships would be selected by a committee composed of representatives from the City Council, Governor's Office and the Christian Brothers or their designee. Mr. Hinz said Laureate is open to that suggestion.
- Councilor Romero asked Dr. Ortega to articulate the SFCC connections which it has made with the Santa Fe public schools, noting some students might have the means to attend college, but may not have the ability. She said the SFCC builds the capacity of students and those connections.

Dr. Ortega said she just learned that dual credit is not providing the opportunities she thought it was for students, so there is a lot more work to do there. She said the idea of dual credit or concurrent enrollment, is that a student can get at least get one year of college out of the way while in High School by taking college classes that double for the high school graduation requirements. She said dual credits and concurrent credit enrollments through SFCC, working with the public schools has exponentially increased over the past few years.

- Councilor Romero said the SFCC also offers recertification for teachers in the public schools, and hopes the SFCC, working with Laureate COSF, would be able to do some of this recertification for teachers. Dr. Ortega said they spoke with Laureate about that and the alternative licensure program, and education programs in which they have a strong interest as well as developmental studies.
- Councilor Bushee asked if all these things we've been discussing are in the lease or are these in some letter of commitment, noting they don't seem to have anything to do with the property. Councilor Ortiz said these would be exhibits to the lease to Laureate.
- Councilor Bushee she has had ongoing concerns, the first is that the \$20 million commitment really is a \$20 million commitment. She said in a worst case scenario, if Laureate were to terminate early in the first few years, she wants it on the record that Laureate and/or any of the parent companies are "on the hook" for \$20 million to the City of Santa Fe, minus whatever improvements, no matter when you exit.

Mr. Hinz said, "That's correct, our commitment is to fund no less than \$20 million. If the documents don't say that, and I can't believe that, the way your staff has been all over that."

Councilor Bushee said she thinks it says it in two different ways in two different places, but it's not really clear to her, because it allows Laureate's group to do the time commitment and timetable. She just wants to be very clear that this is what we're speaking of, in plain, simple terms, you will be "on the hook" for \$20 million to the City of Santa Fe if Laureate exits early or terminates early, minus your improvements.

Mr. Hinz said, "That is correct. It is a \$20 million commitment to fund into the College of Santa Fe period."

- Councilor Bushee said her next concern is that Laureate is interested in a purchase agreement, but is not willing to have any kind of lien or legal commitment put "into this deal," that would maintain this campus in perpetuity as an educational institution or some kind of public use because of concerns down the road. She said she did get new language in executive session that "You are willing to restrict the use to educational purposes for seven years following the purchase of the property. My concern still remains that why would we go through all of this, if in seven years you could flip this and it would turn into this horrible strip mall that everybody is telling us that they are fearful of. "

Mr. Hinz said, "I think what I can offer you, is what's standard in our agreements is access and control to the property underlying the university into infinity. You can imagine Harvard would not be Harvard without Cambridge. And so, that's step number one, is that we do have purchase options in all of our deals where we're leasing property. We will not go into a situation where, for 20 years we've built a great institutions and then get kicked out or have the lease canceled on us. So, that's point number one. Point number two on that is the current College, the current creditors and the City have no restrictions placed upon them, nor do we in other leases on the property underlying the university. Every intent we have is to come in here and operate a school. That's what we do. That's the business that we're in. But, there is a huge impairment in value if you place a lien on a property or you place restrictions like that into infinity."

Mr. Hinz continued, "And so, what we have painfully worked through, and this was a principle of ours from the very beginning. We were clear in our original term sheet in May and we heard the City's concerns. We heard the staff's concerns about this and we tried to work through a situation that mitigates our understanding of what really is a downside risk. He said we spent 90% of our time on both sides worrying about the down side. And that's what the contract really is. It's a divorce contract of what happens if it doesn't go right. And so I just want to make sure that that's put in the context of this conversation, that this is flexibility that if this doesn't go right, and we come in here and spend \$20 million and we spend seven years trying to make a go of this and it just doesn't work. The flexibility of being able to recoup some cash for our shareholders after taking that risk, investing that amount of money is something that not only is in our other deals, but we believe is fair and equitable."

Mr. Hinz continued, "No restriction at all, we understood from your staff, didn't give you the protection that we weren't real estate speculators, that we wouldn't come in here in a year down the road, flip this thing. The seven years is a runway that will exceed the investment of \$20 million. So, if we get the 7 years, the \$20 million will be added on top of, we will have spent 7 years trying to make this thing work. And so, that's where I say that's the downside. This isn't perfect for us. We don't have restrictions in other deals. We understand the concern of the Council, and it's been expressed by the staff very well, and we feel like we've come up with something that's extremely painful for us, and we understand that it's not necessarily the way that the Council might want to go, but hopefully we've met somewhere in the middle that it's acceptably painful, but we're still at the table."

Councilor Bushee said we worry about the down side here for an entire community. Her concern remains to a great extent that we are risking taxpayer money of \$30 million, the State is going to risk \$11 million, and the SFCC is going to invest. Her hope is that everyone will be successful. She is hearing from people that talks about saving the College of Santa Fe. And so, in the end we've done is buy 7 years of time and this then turns into a market real estate venture. She said there are no cost of living increases built into the lease. She asked if it is a bottom line that you have to have a purchase option, and is your intention to purchase the campus, and is that your general pattern, and do you then turn around and sell campuses after you've invested \$20 million.

Mr. Hinz said, "We've never sold an educational asset. We own over 100 campuses around the world. Our business is owning and operating colleges. And so, I don't want to leave any of this... again this is the down side protection that we're both working on. This is not a clause that we're being underhanded about. We're being very straightforward with you. We have every intent of investing heavily, bringing the resources to bear to make this successful. But, what we're asking for is some fairness that other parties, the existing College, the creditors right now who are in line for that property and the City itself, if it takes it, doesn't have restrictions placed upon it. And so, if we do what we're at the table to do, and we've given it every effort and we've invested heavily. We've taken inordinate risk for us as well. We have the same process going on, albeit it in a private setting, these "gutwrenching" thoughts and ideas and debates back and forth and know that we've got to come up with something fair. It's a clause. And to answer your question, we would not be here if there wasn't a purchase option. We just would not take the risk of 26 years down the road, or whatever the timeline would be, that we wouldn't have a controlling clause in the lease. And we do have an expectation, once the school is back on its feet and the model is proven, to purchase the campus. And I would also offer up the \$30 million that's being floated, the rent that we're paying covers that. And so we understand the risk being taken. If we stick around. And if we don't stick around, the City owns the property. And if we don't stick around, we lost \$20 million."

Councilor Bushee said and then we're in the business of operating colleges.

Mr. Hinz said he just wanted to "put the balance of risk, and we're comfortable taking it, because that's the deal, but we are the first line loss here. We potentially, our downside risk, is we walk away having spent \$20 million, lots of effort and have nothing to show for it. And the City, being the secured lender into this, the secured money, has at least the property that's been improved upon, we've moved through a real estate downturn that potentially would have a better value for that down the road."

- Councilor Bushee asked at what time does Laureate anticipate trying to purchase the campus. Mr. Hinz said, "It's difficult to say. A lot of this depends on how quickly the College is turned around. I would expect it's not going to happen before year five, but again, there's no way that I can give you a definitive answer. We have no specific strategy on it."

- Councilor Bushee said the other inequity in this negotiation is that in the purchase price agreement, you would get credits for all your improvements along with any job creation which would be off the appraised price. The City, in the end, has the right of first refusal, but it would be at appraisal price and sure to include all your improvements. And yet, we would have defeated the purpose. She said Laureate will wind up with a campus and it will be more costly for the City in the end. She said people spoke of the Railyard and the risks involved there, but we maintained ownership of the land at the Railyard. The City wanted to stop a very dense development from happening there and we wanted it to be a community asset. It's an arts district, but the City maintained control after a very long public process. She said in this situation, the City is risking its good name, its credit rating and its public dollars in the hopes that you will be really good community members and tenants. She hears mostly good things. She is just concerned that in the long run that remain some sort of public purpose or an educational institution.

- Councilor Bushee said this has always been about preserving the purpose. She was disappointed when the State didn't make a full effort to have a vote on this. She has great hopes for SFCC's efforts and hopefully some of the other four-year institutions will be involved in the State comes through with it's promise. She said if the COSF can remain as a place for our young people to gather, have ideas and is an economic stimulus it is worth trying to save. She isn't sure we've arrived at the best deal, and it presents itself as the only deal which she has to consider this evening. She thanked staff for their work in getting to this place. She still has concerns.

FRIENDLY AMENDMENT: Councilor Chavez asked to add language on page 1, Section 1.5, to the statement that says that this will be a four-year liberal arts institution with arts majors and weekend classes in business and education. Councilor Wurzbarger clarified that after "four year liberal arts college," he wants to add "and weekend classes in business and education." Councilor Chavez said this is correct. Councilor Romero asked if that includes all of the programs they previously brought forward. Councilor Chavez said it may, but he is asking to include it in Section 1. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

- Councilor Calvert said the lease provides that you "restrict the use for educational purposes for 7 years following the purchase of the property." He said you wouldn't exercise that option until Year 5, so that would mean the restriction would be there until year 12 years and 3 years after that with the City's ability to exercise its right of first refusal, which would take us to 2015 to be able to buy it back.

Ms. McCormick said this was her understanding and her interpretation of what she received this morning. However, after the Executive Session she spoke with Mr. Hinz, and they are intending there is that is a full 7 years, it's not an add on after the property is purchased. So, it is 7 years from the signing of the lease, so if they bought it in year 5, there would be 2 years remaining. This is her understanding. McCormick her understanding, and this is the position from Laureate. .

FRIENDLY AMENDMENT: Councilor Calvert would like to add additional language in 9.03 clarifying that community use of the facility that is guaranteeing the lease isn't counted toward our usage of the roadways for purpose of the calculation of proportional contributions. Ms. McCormick said, "We want to add some clarifying language here with regard to the roads, so that it is very clear that those facilities that you're opening for public use, like the screen and the library, the traffic generated for coming to the movies is not included in the City's side of the traffic count." Mr. Hinz said, "We have not discussed that, but that's acceptable to us." Councilor Calvert said it would state something to the effect that the background or incidental traffic that is generated by the community using those community facilities that Laureate has articulated in the lease, would not be counted toward our use of the roads for the proportional fee calculation. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

- Councilor Calvert said the letter from the Higher Learning Commission states in two places that they expected to receive something by Monday, July 27, 2009. Was that date firm, and did we meet that requirement, and what effect does that have on their decision to extend the accreditation. Mr. Millican talked to them about this issue, and they understood the timing issues and are fine with that. The delay in receiving the final agreements may affect their ability to meet their commitment which was to put together its recommendation by July 31, 2009, but it won't impact the process or the outcome. It won't affect the closing or debt sale.
- Councilor Calvert said #14 of the letter states, "a letter from the Mayor of the City of Santa Fe, relative to Laureate/Wengen confirming that the City's intent is that the College remains an art institution." He asked how that factors into the equation. Mr. Millican said his expectation that the friendly amendment proposed about adding the four year accredited liberal arts, will allow the Mayor to make that representation. He thinks that puts it in the lease and makes it quite ease for us to make the representation that both the City and Laureate intend to do that. He said we haven't talked to them specifically about that. The accreditation process is an ongoing process, and they realize that institutions drop programs, add programs, and their job is to make sure the quality of the programs are consistent with their north central counsel. He doesn't believe the lease will be a problem.

Councilor Calvert said he is talking about how long it stays an educational use on that piece of property, and if that would be a problem.

- Councilor Wurzbarger said her impressions from the conversations with the Higher Learning Commission is that they will do an annual review, and their concern is the transmission time when you have a college going under. And then they come back to confirm the accreditation.

Stuart Kirk, President, COSF, said the Higher Learning Commission is concerned about the transition period, and he doesn't believe it is asking the City to assure that the institution remains the same in the long term.

- Councilor Ortiz asked staff to reconcile the explanation in the Memorandum that the termination fund is \$20 million which Laureate says it is going to commit with page 9 of 2A in the pro forma which shows termination cash of \$14.7 million in FY 2010, \$7.7 million in FY 2011 and then \$2.25 million in FY 2012, and then nothing after that for the next fiscal years. Councilor Ortiz asked how does the \$20 million commitment we've heard guarantee the commitment of public funds if Laureate gets out of this endeavor and then they have to pay the City. How does that reconcile with what we're being shown here as termination cash in the three-year period and then it ends.

Mr. Millican said Wengen Alberta is the parent company of Laureate Education International and Laureate Education U.S. The number is the remaining amount of the \$20 million after the first year's losses, so \$5.3 million in operating losses are expected in the first year. Councilor Ortiz asked where we see that on the spreadsheet. Mr. Millican said this comes from the pro forma income statement that shows revenues minus expenditures operating losses. This was to show how much cash the City would have on hand not spent from the debt issue and from other assistance it's receiving from the State, and how much would be available from the Laureate parent guarantee. At the end of the first year, the City has \$11.2 million on hand and Laureate would have spent \$5.3 million of the \$20 million, so the total the City would have if Laureate canceled at the end of the first year would be almost \$25 million it could use to retire the debt.

Councilor Ortiz said that isn't in the lease, but is included in the letter from the parent company to the Mayor. Mr. Millican said this is a corporate commitment letter which is tied into the early termination payment term of the lease and the default term, or to early termination. In the opinion of the attorneys, the letter is an actionable document which would allow us to file a suit to collect the money if it was not voluntarily paid. The action would occur against both Laureate and Wengen.

- Councilor Bushee asked if the \$350,000 for scholarships would be counted as a loss. Mr. Millican said it would not produce revenue, so it could affect the bottom loan. Councilor Bushee said then, in essence, the City is paying for the scholarships and discounts. Mr. Millican said the City pays for them if things go bad. Councilor Ortiz said the City pays if Laureate decides to purchase because they get credit for anything they spend. Mr. Millican said there is no credit for operating expenses and would get a credit only for those things they invested which are going to affect the appraisal. The appraisal will be based on the property with the existing improvements. He said the guess is that the current sale price is very close to the value of the campus, based on the condition assessments.
- Councilor Ortiz said the termination cash drops for three years, and there is no more termination cash beginning in FY 2013. Mr. Millican said this is correct, and it is only in the 5th year that you start to see break even and turnaround.

Councilor Ortiz said his question is, starting in 2013, if Laureate were to terminate in FY 2013, what is the amount of termination cash that the City would be expected to get. Mr. Millican said if

they have completely invested their \$20 million, there would be no cash available to the City. Councilor Ortiz said then, if they terminate the lease from Year 4, to Year 7, the City would have no access to the termination cash because the assumption is they would have spent the \$20 million. Mr. Millican said this is an accurate analysis of where the real risk period is. After they spend the \$20 million, if the college isn't working, then that is the time they would have to make a decision about whether to stay or go. Mr. Millican said they could continue to incur losses for 3 more years or not be able to operate the program, but still not be able to convert it to another use.

- Mr. Millican said the numbers in the spreadsheet are taken from the Laureate pro forma.

Councilor Ortiz said there was talk about having 4,000 students and hundreds of employees. Responding to Councilor Ortiz, Mr. Millican said he believes this is a reasonable scenario. The best case scenario is that they reach high enrollment relatively early, but they will be bound by the amount of facilities it has to accommodate 4,000 students. In "this" particular model, they will start with 52 employees, 102 students, 76 part time students, and in the 7th year, there will be 224 employees, an average enrollment of 1,674, with a year-end enrollment of full time students of 2,400. He said they wouldn't hit 4,000 students until 10 years out.

Councilor Ortiz said then the projected \$5.3 million is in the first fiscal year, and asked how much of that is capital improvements and how much is operating. Mr. Millican said in year one there is relatively little capital expenditures. Councilor Ortiz said we are purchasing the property for \$19.5 million, and bond out for the additional \$10 million, and hopefully the Legislature will come through with \$11 million. Mr. Millican said over half of the State grant will be used to pay for the balance of the deferred maintenance. The land sales would create reserves for underground utility costs and for the possibility of rent default by Laureate, so there would be a full year of rent in reserve in the event there was a default.

- Councilor Ortiz asked whose responsibility is if there is any other deferred maintenance over and above the \$15 million. Mr. Millican said any above \$15 million that relates to the buildings, belongs to Laureate. *We've set aside a reserve of \$1.1 million for the underground infrastructure for repairs.* He said there is a sharing formula for that infrastructure reserve which provides that once Laureate hits an 800 student enrollment, then Laureate begins to bear a proportionate share of the costs relative to the actual enrollment, compared to the 800. He said at 1,000 students, 20% of the cost would go to Laureate. He said this is predicated on full time students, because we think the big load will become the load from residences and the whole program. At the end of 5 years, all of the underground infrastructure responsibility transfers to Laureate. \$1.6 million was set aside for electrical underground repairs, and once this is spent, the amounts above that are shared 50-50 between the City and Laureate.

Mr. Millican said this is set out in Section 6.02, lease page 12, packet page 21, Utility Repair and Maintenance Obligations..

Councilor Ortiz said at the end of Section 6.02 on page 13, is language "NEED TO REVIEW CITY'S ACCOUNTING POLICIES AND PROCEDURES." Mr. Millican said this has been a discussion with Laureate who is not familiar with government accounting rules, and they wanted to be sure it was clear that the amount of money in these reserves was set aside and not available for other City purposes. He described the process of encumbering those funds in the special revenue fund so those won't be available. He said that was clarified and this question will be removed.

- Councilor Ortiz asked the source of funding for any deferred maintenance issues on the property which is not the subject of the lease, but we're trying to purchase from the COSF. Mr. Millican said funding sources have not been identified, and there are three potential options the Council will consider in the future: renovate and rent, or remediate and demolish, or close them off until the time comes when we have to make that decision. There is a parcel of land which we had identified for potential use by COSF, noting there is discussion of a lot line adjustment on that property.
- Councilor Ortiz asked the provision in the lease for partition, further subdivision or lot splits on the leased property – can the tenant partition or subdivide any of the premises. Kelley Brennan said there is no provision which expressly discusses this. She thinks we have sublease agreements, but they cannot divide the leased property.
- Councilor Ortiz said then these restrictions being offered – that the campus will be utilized for education purpose for at least the first seven years; that beyond the first seven years no tenant will face usage restrictions – that is subject to the whole property and not to the ability to parcel out parcels. He said a bank is being built on a piece of property sold by the COSF. He asked if Laureate could do an option to purchase anything except the whole of the property, not parcel it out just chunks of it. Ms. Brennan said, "Under this agreement, the entire lease premises."
- Councilor Trujillo asked what happens if Laureate purchases the property after Year 7, and decides to leave, what happens to the district which is created. Mr. Millican said as he understands it, the Community College District would survive. Councilor Trujillo asked how that would happen if Laureate owns the property. Mr. Millican said the land on which the Education District facilities is located, is land that is not in the leased premises, and it is actually land which is now secured by the Laureate debt which it would release as part of this transaction. All of that land would be owned by the State or owned directly by the Community College, and Laureate could not sell that land.

Councilor Trujillo asked if the State could sell the land. Mr. Millican said the State and the District have to work out the details of the District's occupancy of State land. Councilor Trujillo said, then the land on which the institution would be located would be part of the State's land and not Laureate's, and Mr. Millican said this is correct.

- Councilor Dominguez asked about the amendments regarding scholarships – have those been introduced. Councilor Ortiz said no..

FRIENDLY AMENDMENT: Councilor Ortiz would like to amend the Lease to provide that Laureate agrees to offer and honor the reduced tuition for New Mexico residents of at least 20% and at least 30% for residents of Santa Fe County, from the normal tuition charged by Laureate. Councilor Bushee said that is considered an operating expense. **THE AMENDMENT NOT FRIENDLY TO THE MAKER BECAUSE OF POSITION THAT LAUREATE HAS TAKEN PUBLICLY ON THIS AMENDMENT**

- Councilor Ortiz said, with no disrespect to Laureate, this is public money that is bringing this to the table, and the difference is \$1300. He said if the stated objective is that we want to have a local, educational institution that encourages Santa Fe students to stay here to attend the College, then there has to be an incentive, a tuition break. He does not think that 30% will break Laureate's bank and believes it is reasonable. He said this could have remedied if the State would have taken this over, but it didn't. So this is a reasonable compromise.

MOTION TO AMEND: Councilor Ortiz moved, seconded by Councilor Trujillo, to amend the lease to add a new Paragraph 1 Exhibit J, to provide that Laureate agrees to offer and honor the reduced tuition for New Mexico residents of at least 20% and at least 30% for residents of Santa Fe County, from the normal tuition charged by Laureate.

DISCUSSION ON THE MOTION TO AMEND: Mayor Coss said this would come out of operating expenses and in a sense we would be working against ourselves. He said last week Laureate offered 20% for New Mexico residents, and in response to Councilor Ortiz's suggestion yesterday, it went to 25% for Santa Fe residents. He said going to 30% works against us and is taking unfair advantage of the situation with Laureate.

Councilor Ortiz asked if offering a scholarship could be considered as working against ourselves and the capital provisions, because he heard something different, and he wants that clarified before we vote on the amendment.

Mr. Millican said any discounts, including the 20% discount that has been discussed, were not included in the original pro forma, so those will reduce revenue rates, but we don't know how many people it reduces revenue. He said anytime you reduce revenues relative to the pro forma you will increase the operating gap in the first 3 ½ years. The simple answer is yes, you will have less money in the parent guarantee if you have less revenue coming into Laureate.

VOTE ON MOTION TO AMEND: The motion to amend failed to pass on the following Roll Call Vote:

For: Councilor Ortiz and Councilor Trujillo,

Against: Councilor Chavez, Councilor Dominguez, Councilor Romero, Councilor Wurzburger, Councilor Bushee and Councilor Calvert.

Explaining his vote: Councilor Trujillo said it is amazing. We want to make a college for our community, but we're voting no on scholarships, and that's the way this whole thing has been played out. This College is for the Community, for the people of Santa Fe. That's all he's been hearing, and now we're voting no. He said I'm voting yes.

FRIENDLY AMENDMENT: Councilor Ortiz would like to amend the motion that the City accepts Laureate's provision that they agree to offer and honor reduced tuition for New Mexico residents of at least 20% and for Santa Fe residents at least 25%, from the normal tuition. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

Councilor Romero asked for clarification on the friendly amendment with regard to the residency requirements, because there's nothing at the end of this statement indicating that it would be contingent upon the same residential requirements as other institutions. She wants that clear.

FRIENDLY AMENDMENT: Councilor Ortiz would like to amend the motion to provide that Laureate agrees within a year of entering this lease to cooperate and participate with the Santa Fe Public Schools to develop a college preparatory program that encourages and promotes Santa Fe High students to enroll at the College of Santa Fe. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

- Councilor Ortiz said the provision we were given for the governance structure for the College of Santa Fe is that there be a Board of Directors with 9 total members, and that 6 of those members be public service members appointed by Laureate, 2 serving from the local Santa Fe community and that will field recommendations from the City and others on filling the local seats, and then 3 Laureate related members with the local community committee of that Board of 3-4 members of the local community responsible for fostering a mutually beneficial relationship with the Santa Fe community and working with the local advisory group. And then it talks about a local advisory group, 4 appointed by the City and 3 appointed by the Board of Directors, responsible for working with the local community committee on relationship matters between the COSF and the Santa Fe community.

FRIENDLY AMENDMENT: Councilor Ortiz would like to amend this provision to provide "from the City" instead of "from the City and others." **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS..**

- Councilor Ortiz said he was told the annual tuition is \$26,000 annually.

Mr. Hinz said there is an additional charge of \$1900 to \$2600 for room and board, depending on the dormitory, or whether the unit is a single or double. Mr. Hinz said the College is short on

beds, and if issuing a scholarship comes with a bed, there is a real cost to the College which would require additional construction.

Councilor Ortiz asked if a College which is expecting 500 full time and 50 part time students in the next academic year is short of dormitory beds. Mr. Hinz said no. This is a commitment in perpetuity, so if we're successful by year 3-4, we will be out of beds and we will need to construct new ones.

- Responding to Councilor Ortiz, Mr. Hinz said every year there will be 3 new students on scholarship, which is 12 students at any one time if the students take 4 years to graduate. Councilor Ortiz said this is better than he thought.

FRIENDLY AMENDMENT: Councilor Ortiz would like to amend the motion to provide that the College of Santa Fe will award annually 3 full tuition, four year scholarships, to be selected: one by the Mayor and City Council, one by the Governor's Office and one by the Christian Brothers. **THE AMENDMENT WAS FRIENDLY TO THE MAKER AND SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.**

- Councilor Dominguez would like to be sure that the City's scholarship is awarded to a student in financial need, and not just someone who is deserving. Councilor Ortiz said once the lease is executed, the City should adopt a Resolution setting out the conditions for scholarship selection. He noted that this is part of the mission of St. John Baptist de La Salle's mission.
- Councilor Ortiz said another issue is the naming issue and the ability of Laureate after six months to change the name. Councilor Romero said she googled and the first name that comes up is College of Santa Fe Albuquerque, second employment at the College of Santa Fe, third is critical issues facing the College of Santa Fe, fourth then becomes St. John's College, fifth is the College of Santa Fe best College and sixth is the Santa Fe Community College and then it starts to go further into the "woods."

Councilor Ortiz said the contract for this Governing Body is not just about mitigating loss and preparing for the worst case scenario, essentially we are preparing for a "pre-nuptial agreement" in the event we get "divorced," noting this is different from the entities with which Laureate normally works. It is as much as about setting our priorities and the goals we have as a community, and articulating those to the extent we can, within the Agreement itself. The College of Santa Fe name, a 150 year institution has sentimental and even practical value of the degree for people. He does not believe the name is a detriment, but he does think the name is certainly something on which we need to have some consideration. He hopes this isn't a sticking point for Laureate.

-FRIENDLY AMENDMENT: Councilor Ortiz proposed to amend the motion to provide that whatever institution which remains on the premises shall be referred to and shall always be named the College of Santa Fe. **THE AMENDMENT WAS NOT FRIENDLY TO THE MAKER BECAUSE OF PREVIOUS DISCUSSIONS WITH LAUREATE.**

MOTION: Councilor Ortiz moved, seconded by Councilor Trujillo, to amend the motion to provide that whatever institution which remains on the premises shall be referred to and shall always be named the College of Santa Fe.

DISCUSSION ON THE MOTION TO AMEND: Councilor Wurzbarger asked if this will imply that the name must only be the "College of Santa Fe," or would there be flexibility to call it, for example, the College of Creativity in Santa Fe. Councilor Ortiz said there would be flexibility to add other words. He said it depends on Laureate's response. He said to talk about the COSF and to hear people come and talk about the COSF to say save the College of Santa Fe and then in 6 months Laureate would choose to name it something else because in the end it is a corporation, and it has its business model to answer to, noting it is privately held and there are no shareholders.

Mr. Hinz said, "We share your desire, we share the community's desire to keep "College of Santa Fe" name attached to this. It's in our best interest and we recognize the emotional impact tied to that. I would offer up, if appropriate, I will take this back. I am not empowered to give on that point at this moment. I understand and can take that back to our senior management and come back to you with a response."

Mayor Coss expressed appreciation to Mr. Hinz for his willingness to do this because it is an important name to us.

THE MAKER AND SECOND WITHDREW THEIR MOTION AND SECOND AND THE AMENDMENT WAS ACCEPTED AS FRIENDLY BY THE MAKER.

DISCUSSION ON THE FRIENDLY AMENDMENT: Councilor Calvert asked how this amendment will work, practically, on a vote this evening. He said if we approve it with this amendment, but he comes back and says Laureate can't accept it, where does that leave us. Councilor Wurzbarger said this is true with any condition which is imposed.

Mayor Coss said if it becomes a condition in this lease, and Mr. Hinz will take it back to Laureate. He said since we're both trying to make this work, if they brought us good information that it doesn't work because of the name, and propose another name, he believes we would want to consider that.

THE AMENDMENT WAS ACCEPTED AS FRIENDLY BY THE SECOND AND THERE WERE NO OBJECTIONS BY THE OTHER COUNCILORS.

VOTE: The motion, as amended, was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzburger.

Against: None.

b) REQUEST FOR APPROVAL OF PURCHASE AGREEMENT FOR COLLEGE OF SANTA FE BETWEEN CITY OF SANTA FE AND COLLEGE OF THE CHRISTIAN BROTHERS OF NEW MEXICO D/B/A COLLEGE OF SANTA FE.

MOTION: Councilor Wurzburger moved, seconded by Councilor Romero, to approve the Purchase Agreement for the College of Santa Fe between the City of Santa Fe and the College of the Christian Brothers of New Mexico d/b/a College of Santa Fe.

DISCUSSION: The Governing Body commented, made suggestions and asked questions as follows:

- Councilor Ortiz referred to packet page 8, purchase agreement page 6, in 5.1(F) Affiliation Agreement. He said part of the pre-closing conditions that have been put out is that the "seller shall have entered into a termination of that certain Affiliation Agreement, dated June 16, 1999, by and between the seller and the Santa Fe Art Institute to be effective on closing on terms and conditions acceptable to the purchaser in its sole discretion." The City is the purchaser and the COSF is the seller, and they have some affiliation with the Santa Fe Art Institution. He asked what that is, and what terms and conditions are acceptable to the City in its sole discretion.

Mark Sheridan, attorney for the City, said there is a lease of property between the COSF and the Art Institute. There is an addition to the lease of that property, an Affiliation Agreement between the COSF and the Art Institute. These are two separate agreements, entered into by the same parties on the same date and concern the same subject matter. So, as a matter of law, they would wind up being construed as a single agreement. The Affiliation Agreement speaks to certain relationships between the College and the Art Institute, but gives certain rights to the Art Institute certain rights relating to the use and occupancy of the property, such as parking spaces, access to the cafeteria or the physical fitness facilities. He said the College will be run by Laureate, so the Santa Fe Art Institute is going to negotiate a new Affiliation Agreement with Laureate relating to matters that affect affiliation. The City will take an assignment of the least of the property that currently is occupied by the Art Institute, and Laureate will terminate the Affiliation Agreement, and the termination will be a Notice of Termination of that Agreement, which the COSF and the Art Institute will agree to.

- Councilor Ortiz said when the City purchased the Railyard, it purchased and acquired certain long standing tenants who because the City's tenants, and in negotiating themselves new term leases with the Railyard Corporation, the City was stuck in the middle and became central to the negotiations between the party and the new entity which was to run it. He asked if there is the potential for a similar situation here with regard to the Santa Fe Art Institute.

Mr. Sheridan said the Santa Fe Art Institute is located property that is not going to be included in the lease to Laureate. The property on which the Art Institute is located, will be acquired by the City in the purchase of the property and the City will take ownership of that property, subject to the lease with the Santa Fe Art Institute – the COSF will assign its lease to the City and the City will become the landlord of the SF Art Institute, and the SF Art Institute will have that lease subject to the assignment of it to the City. The SF Art Institute was built on property within the College campus where donations were made for the construction of those buildings, and occupy the property under a 99 year lease at \$1 per year. The lease will be assigned to the City, and the City will own the property and the SF Art Institute will be the lessee.

Councilor Ortiz said the SF Art Institute is included as a shaded area in Exhibit B(1) to the lease we just approved, and asked how this corresponds with the representation that the City become the landlords and SF Art Institute becomes the tenant. Mr. Sheridan said he hasn't been involved in the negotiation of the lease from the City to Laureate Education, but it is his clear understanding that the property on which the SF Art Institute is located is not included in the lease from the City to Laureate.

Ms. McCormick said this is not the intention and this needs to be removed. The intention was always to have that lease assigned to the City of Santa Fe.

Ms. Brennan pointed out that the City just approved the lease which is incorrect. She said Laureate has always said it would be happy to take the SF Art Institute.

- Councilor Ortiz asked what we do now. Ms. McCormick said Ms. DePietro said the shaded areas are not part of the lease. Councilor Ortiz believes the shaded areas are part of the lease. Ms. McCormick said Ms. Brennan has advised that the map of properties will prevail.

MOTION TO RECONSIDER: Councilor Chavez moved, seconded by Councilor Romero to reconsider the previous vote to adopt Ordinance No. 2009-34, and to approve the lease between the City of Santa Fe and Santa Fe Higher Education, LLC, to clarify this item.

VOTE: The motion was approved on a voice vote with Councilors Bushee, Calvert, Chavez, Dominguez, Ortiz, Romero, Trujillo and Wurzbarger voting for the motion and none against.

MOTION: Councilor moved, seconded by Councilor, to exclude Building 28, the Santa Fe Art Institute, from the Lease, and to adopt Ordinance No. 2009-34, as amended, and to approve the lease between the City of Santa Fe and Santa Fe Higher Education, LLC.

DISCUSSION: Councilor Ortiz said his daughter has gained a lot from the kid programs at the SF Art Institute, and it's a wonderful place, and thanked them for all they do. Councilor Bushee agreed, saying it has to remain in the public domain and be supported.

VOTE: The motion was approved on a roll call vote as follows:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger

Against: None

VOTE ON THE MAIN MOTION AS AMENDED: The motion was approved on a roll call vote as follows:

For: Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger

Against: Councilor Bushee

Explaining his vote: Councilor Trujillo said with this \$30 million we're investing in this College, he hope it succeeds. He said we gave up 7 police officers, crime is up in Santa Fe and we can't even build a teen center, noting he has been waiting for that since he got on the Council. He said issues such as this are really important and we're saving the College, but he doesn't believe it will be accessible to a lot of students in Santa Fe. But, because of the commitment Dr. Ortego has made, and because of her word, he is not voting no. He said if we can show with solidarity that this going to happen and our local kids are going to get educated at a good price for top quality, he is going to vote yes.

Explaining her vote: Councilor Bushee said she is voting no on the Purchase Agreement, because it did not satisfy her future requirements that this always remain a public entity, and it is a risk she doesn't want to take..

Explaining his vote: Councilor Dominguez said he has studied the achievement gap which is real in this community, although that isn't Laureate's responsibility, it is the responsibility of the community. He said if we don't do this, the achievement gap will continue to widen and this is our opportunity to start to close that achievement gap, so he is going to vote yes.

Explaining his vote: Councilor Ortiz said he is voting in favor of this for two reasons. First, he doesn't [inaudible] on his word, and second the good work of the SF Art Institute and the work that the artists in that community have built, despite the problems that happened with the COSF and every bit of turmoil which has been caused by however the school has been run. The SF Art Institute has created for the community an asset that is worth purchasing, and so for that reason he votes yes.

c) REQUEST FOR APPROVAL OF MEMORANDUM OF AGREEMENT BETWEEN BILL RICHARDSON, THE GOVERNOR STATE OF NEW MEXICO AND THE CITY OF SANTA FE.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to approve the Memorandum of Agreement between Bill Richardson, the Governor, State of New Mexico and the City of Santa Fe as presented.

DISCUSSION: Mayor Coss noted a language change was presented by Dr. Winograd, which was a citation of the law that's been fixed.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

Explaining his vote: Councilor Ortiz thanked the local delegation for coming forward, and said the Mayor is correct, we have the best delegation in the State, and voted yes.

d) REQUEST FOR APPROVAL OF MEMORANDUM OF UNDERSTANDING BETWEEN SANTA FE COMMUNITY COLLEGE AND THE CITY OF SANTA FE.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Trujillo, to approve the Memorandum of Understanding between the Santa Fe Community College and the City of Santa Fe as presented.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

- e) **CONSIDERATION OF BILL NO. 2009-36: ADOPTION OF ORDINANCE NO. 2009- 35. AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BY AND AMONG THE CITY OF SANTA FE AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL, LIMITED OBLIGATION OF THE CITY TO PAY A PRINCIPAL AMOUNT NOT TO EXCEED \$30,000 FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; PROVIDING FOR THE PAYMENT OF THE LOAN AGREEMENT FROM LEASE AND INSTALLMENT PAYMENTS MADE BY THE LESSEE/ PURCHASER OF THE PROJECT AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISTRIBUTION OF GROSS RECEIPTS TAX REVENUES FROM THE TAXATION AND REVENUE DEPARTMENT TO BE REDIRECTED TO THE NEW MEXICO FINANCE AUTHORITY OR ITS ASSIGNS, PURSUANT TO AN INTERCEPT AGREEMENT FOR THE PAYMENT OF PRINCIPAL AND INTEREST DUE ON THE LOAN AGREEMENT; PROVIDING FOR THE FUNDING OF LOAN AGREEMENT RESERVE ACCOUNT; PROVIDING FOR MAXIMUM NET EFFECTIVE INTEREST RATE; PROVIDING FOR A SUPPLEMENTAL RESOLUTION TO BE SUBSEQUENTLY ADOPTED SPECIFYING DETAILS OF THE LOAN AGREEMENT, INCLUDING THE NET EFFECTIVE INTEREST RATE; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND INTERCEPT AGREEMENT; AND DECLARING AN EMERGENCY**

Mayor Coss asked if we need to adopt both (e) and (f).

Mr. Millican said a good way to think of both of these is that they are "belt and suspenders," so you need to adopt both. He said we expect that a NMFA loan will be significantly more economical than a direct issue. He said NMFA staff is willing to recommend that the issuance and administrative fees be waived, which is at least \$400,000, in terms of cost to the City. The second thing they can do is not require that the debt include a debt service reserve, which gives us more flexibility in the rent reserve and we would not have to go into bond default to use that reserve in the event there are rent difficulties with Laureate. He said the NMFA Board has offered to hold special meetings to meet whatever schedule we need in order to comply with our closing requirements, and have been uniformly support of the City's effort in this.

Mayor Coss welcomed Mr. Jared Applewhite with NMFA.

Councilor Calvert asked Mr. Millican if he will come back in a month with a bond for approval.

Mr. Millican said he didn't make a presentation on that tonight. One of the things they were trying to do with NMFA was to get a rate lock and a fixed rate, but according to their own policy they can't do that. He looked at the cost to lock in a rate, which involves the purchase of a future activated interest rate swap, and the cost would be \$700,000. He said interest rates are dropping, and we have better rates now than two weeks ago, so we expect a stable market to allow us to get excellent rates at the end of the month and in September when NMFA sells its final debt issue, and we don't consider that a significant risk. He expects to be back to the Council on August 26, 2009, with that sale.

MOTION: Councilor Bushee moved, seconded by Councilor Romero, to adopt Ordinance No. 2009-35.

DISCUSSION: Mr. Millican said Bond Counsel Dwayne Brown wanted to point out that this is taxable debt, and we don't normally issue taxable debt. However, because Laureate is a private corporation, the tax rates will be taxable and are built into the rate payment.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

- f) **CONSIDERATION OF BILL NO. 2009-35: ADOPTION OF ORDINANCE NO. 2009- 36. AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF SANTA FE, NEW MEXICO, COLLEGE OF SANTA FE LEASE/SUBORDINATE LIEN GROSS RECEIPTS TAX REVENUE BONDS, SERIES 2009 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING LAND, BUILDINGS AND OTHER PROPERTY FROM THE COLLEGE OF SANTA FE; PROVIDING THAT THE BONDS WILL BE PAYABLE AND COLLECTIBLE FROM LEASE AND INSTALLMENT PAYMENTS FROM THE LESSEE/PURCHASER OF THE PROJECT AND CERTAIN GROSS RECEIPTS TAX REVENUES DISTRIBUTED TO THE CITY; PROVIDING FOR THE DISPOSITION OF THE RECEIPTS DERIVED FROM LEASE AND INSTALLMENT PAYMENTS FROM THE LESSEE/PURCHASER AND THE GROSS RECEIPTS TAX REVENUES; ESTABLISHING THE FORM, MANNER OF EXECUTION AND OTHER DETAILS OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND A CONTINUING DISCLOSURE UNDERTAKING IN CONNECTION WITH THE BONDS; PROVIDING THAT CERTAIN TERMS AND DETAILS OF THE BONDS WILL BE PROVIDED IN A SUBSEQUENT RESOLUTION OF THE COUNCIL; RATIFYING ACTION PREVIOUSLY TAKEN**

IN CONNECTION WITH THE BONDS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH; AND DECLARING AN EMERGENCY.

MOTION: Councilor Wurzbarger moved, seconded by Councilor Romero, to adopt Ordinance No. 2009-36.

VOTE: The motion was approved on the following roll call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

- 3) **CASE #AB-2009-05: 604 ½ GALISTEO APPEAL. STEFANIE BENINATO APPEALS THE APRIL 30, 2009 BOARD OF ADJUSTMENT DECISION TO DENY CASE NUMBER V-2009-9 VARIANCE REQUEST FROM SECTION 14-7.1(B)(g)(ii)(C) (MINIMUM SETBACK STANDARDS FOR SECOND STORIES) TO ALLOW A SECOND STORY SIDE YARD SETBACK LESS THAN 10 FEET. THE PROPERTY IS ZONED RM1 AND LOCATED WITHIN THE DON GASPAR HISTORIC OVERLAY DISTRICT AND HISTORIC DOWNTOWN ARCHAEOLOGICAL REVIEW DISTRICT. (DANIEL ESQUIBEL)**

This item was postponed to the meeting of August 12, 2009.

- 4) **CONSIDERATION OF BILL NO. 2009-29; ADOPTION OF ORDINANCE NO. 2009-____ (COUNCILOR WURZBURGER). AN ORDINANCE REPEALING SECTIONS 14-8.11(G)(3), 14-8.13, 14-8.16 AND 14-8.17 SFCC 1987, REGARDING ANNUAL WATER BUDGET, WATER RIGHTS TRANSFER REQUIREMENTS AND WATER BANKING; CREATING A NEW SECTION 14-8.13 SFCC 1987, REGARDING DEVELOPMENT WATER BUDGET REQUIREMENTS, A NEW ARTICLE 25-9 SFCC 1987, REGARDING THE CITY WATER BUDGET, A NEW ARTICLE 25-10 SFCC 1987 REGARDING THE CITY WATER BANK, A NEW ARTICLE 25-11 SFCC 1987 REGARDING THE WATER RIGHTS TRANSFER PROGRAM. AND A NEW ARTICLE 25-12 SFCC 1987 REGARDING THE WATER CONSERVATION CREDIT PROGRAM; MAKING SUCH OTHER RELATED CHANGES AS ARE NECESSARY. (FRANK KATZ) (Postponed at June 24, 2009 City Council Meeting)**

This item was postponed to the meeting of August 12, 2009.

- 5) **CONSIDERATION OF BILL NO. 2009-238; ADOPTION OF ORDINANCE NO. 2009-____ (COUNCILOR ORTIZ). AN ORDINANCE AMENDING CHAPTER 14 LAND DEVELOPMENT LAWS AND CHAPTER 26 AFFORDABLE HOUSING SFCC 1987 RELATING TO APPEALS. (GREG SMITH)**

This item was postponed to the meeting of August 12, 2009.

- 6) **CONSIDERATION OF BILL NO. 2009-37: ADOPTION OF ORDINANCE NO. 2009-____ (COUNCILOR WURZBURGER). AN ORDINANCE AMENDING SECTION 14-4.3(I) SFCC 1987 REGARDING THE PURPOSE AND REQUIREMENTS OF PRC PLANNED RESIDENTIAL COMMUNITY DISTRICTS. (JEANNE PRICE). (Postponed to August 12, 2009 City Council meeting)**

This item was postponed to the meeting of August 12, 2009.

F. PETITIONS FROM THE FLOOR

There were no petitions from the floor.

G. APPOINTMENTS

Sister Cities Committee

Mayor Coss made the following appointments to the Sister Cities Committee:

Rudy R. Fernandez – to fill unexpired term ending 10/2010;
Ling Tong, Alternate – to fill unexpired term ending 10/2011;
Shizuko Toshiko Kobayashi, Alternate – to fill unexpired term ending 10/2010; and
Carol Robertson Lopez, Alternate – to fill unexpired term ending 10/2009.

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzbarger, to approve these appointments.

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo and Councilor Wurzbarger.

Against: None.

Parks and Open Space Advisory Committee

Mayor Coss made the following appointments to the Parks and Open Space Advisory Committee:

Oralynn Guerrerortiz – Reappointment – term ending 06/2013;
Patrick Torres – Reappointment – term ending 06/2013; and
Marge VerneKlasen – Reappointment – term ending 06/2013.

MOTION: Councilor Calvert moved, seconded by Councilor Trujillo, to approve these appointments.

VOTE: The motion was approved on the following Roll Call vote:

For: Councilor Bushee, Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo and Councilor Wurzbarger.

Against: None.

Business Capitol District/Design Review Committee

Mayor Coss said he is going to hold making this appointment to have some discussion with Councilor Bushee.

H. PUBLIC HEARINGS

- 1) **REQUEST FOR APPROVAL OF AMENDMENT #1 TO THE PROFESSIONAL SERVICES AGREEMENT FOR:**
 - a) **BUSINESS INCUBATOR SERVICES (RFP #09/03/P); SANTA FE BUSINESS INCUBATOR FOR BUSINESS OUTREACH;**
 - b) **TECHNICAL ASSISTANCE (rfp #09/04/P); SCORE.****(FABIAN TRUJILLO)**

Public Hearing

There was no one speaking for or against this request.

The Public Hearing was closed

MOTION: Councilor Ortiz moved, seconded by Councilor Romero, to approve the request for Item #H(1)(a).

VOTE: The motion was approved on the following roll call vote:

For: Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

Absent: Councilor Bushee.

MOTION: Councilor Romero moved, seconded by Councilor Ortiz, to approve the request for Item #H(1)(b).

VOTE: The motion was approved on the following roll call vote:

For: Councilor Calvert, Councilor Chavez, Councilor Dominguez, Councilor Ortiz, Councilor Romero, Councilor Trujillo, and Councilor Wurzbarger.

Against: None.

Absent: Councilor Bushee.

17. MATTERS FROM THE CITY CLERK

There were no matters from the City Clerk

18. COMMUNICATIONS FROM THE GOVERNING BODY

A copy of "Bills and Resolutions scheduled for introduction by members of the Governing Body," for the Council meeting of July 29, 2009, is incorporated herewith to these minutes as Exhibit "4."

Councilor Calvert

Councilor Calvert introduced two Resolutions as follows:

1. A Resolution adopting new program guidelines and authoring rebates for the installation/ retrofit of efficient water conservation technologies. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "5."

2. A Resolution adopting standard formulas by water use category for calculating development water budget. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "6."

Councilor Dominguez

Councilor Dominguez introduced two Resolutions as follows:

1. A Resolution to improve the graffiti crisis in the City, which should go to Public Safety on August 18th. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "7." He noted that Councilor Ortiz is a cosponsor, and Councilor Calvert asked to cosponsor as well.
2. A Resolution is intended to improve peoples' quality of life by providing more park space for people, which will go to the Capital Improvements Advisory Committee on August 13th. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "8."

Councilor Ortiz

Councilor Ortiz introduced the following, noting he will email the legislation to the City Clerk and the other Councilors:

1. A Resolution asking the State Legislature to sponsor legislation which will allow more public/private financing relationships, which will go to Finance and back to the Council. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "9."
2. An ordinance which talks about water service connections for governmental entities which aren't subject to City land use approvals, and requires for new or existing developments which want water service from the City as a matter of contract, these local county/state/federal/Tribes/ or entities on federal trust land, must agree as a condition of receiving water, to go through and receive City land use approvals. The ordinance needs to go to the Planning Commission, Public Works, Public Utilities and Finance. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "10."

Mayor Coss would like to cosponsor the Resolution.

Councilor Trujillo

Councilor Trujillo said it is nice to see progress on Franklin Miles Park.

Councilor Trujillo said their son, Hunter, turned 11 last Wednesday and wished him a Happy Birthday.

Councilor Trujillo asked if a Resolution is needed to use the County Commission's lot for the forfeiture ordinance.

Mr. Katz said the Police Department can start seizing vehicles anytime. We have the authority to do it, and nothing further needs to be done.

Councilor Romero

Councilor Romero introduced a Resolution authorizing the Santa Fe Municipal Watershed Management Plan, which will go to Public Utilities on August 5th, Finance on August 17th and Council on August 26th. A copy of the Resolution is incorporated herewith to these minutes as Exhibit "11."

Councilor Bushee

Councilor Bushee wants to cosponsored the graffiti bill.

Responding to Councilor Bushee, Mr. Buller said staff is working on a response to the adopt-a-median issue.

Councilor Bushee asked when the fees for forfeiture bill will be at Council.

Mr. Katz said he doesn't know they need to go anywhere, noting the Ordinance directed the Police Department to set the fees and that is what they're doing. If the Council wants to weigh in, they can do so. He believes the fees have been set.

Councilor Bushee would like those to go to the Finance Committee to let the people know what the fees are now. Mr. Buller will check with the Chief tomorrow in this regard. Councilor Bushee would like a Memorandum on the fees. Mr. Buller said that has been prepared, and he will send that to the Councilors. Councilor Bushee would like the Memorandum to include the follow-up of the scheduling of the lot and when it will be in effect.

Councilor Chavez

Councilor Chavez had no communications.

Mayor Coss

Mayor said tomorrow is the Alcohol Abuse Workshop 1-5 p.m., County Commission Chambers. He thanked the staff for their work. He thanked the Council saying we did tonight's work really quickly, and each executive session, including tonight, made it better each step of the way.

I. ADJOURN

The was no further business to come before the Governing Body, and upon completion of the Agenda, the meeting was adjourned at approximately 11:50 p.m.

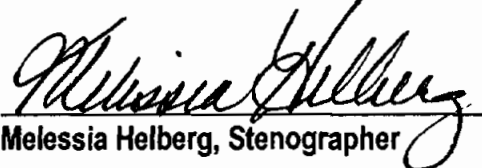
Approved by:

Mayor David Coss

ATTESTED TO:

Yolanda Y. Vigil, City Clerk

Respectfully submitted:


Melessia Helberg, Stenographer