

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

HELD VIRTUALLY

Santa Fe, New Mexico

March 18, 2025

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. via Microsoft Teams. All members and participants were present virtually.

1. ROLL CALL -- QUORUM PRESENT

Members Present:

The Hon. Howie Morales, Lt. Governor [arrived at 9:15]
The Hon. Laura M. Montoya, New Mexico State Treasurer
Mr. Michael S. Sanchez, Secretary, Public Member
Mr. Paul Cassidy, Public Member
Mr. Joseph Lujan, Public Member

Members Excused:

The Hon. Michelle Lujan Grisham, President
Ms. Wendy Trevisani, Public Member

Staff Present:

Ms. Ashley Leach, Director
Mr. Marcos B. Trujillo, Deputy Director

Legal Counsel Present:

Mr. Blaine Moffatt
Ms. Rebecca Guay
Mr. Zachary Shandler

2. APPROVAL OF AGENDA

Member Lujan moved for approval of the agenda. Member Cassidy seconded the motion, which passed unanimously.

3. APPROVAL OF MINUTES: February 18, 2025, Regular Meeting

Member Cassidy moved approval of the February 18, 2025, meeting minutes. Member Lujan seconded the motion, which passed unanimously.

CONSENT AGENDA (Items 4-6)

Submitted by: Willie West, Real Estate Manager, Albuquerque Metropolitan Arroyo Flood Control Authority

4. Albuquerque Metropolitan Arroyo Flood Control Authority – Requests Approval of the Sale of Real Property, known as the Sacate Blanco Arroyo, In Albuquerque, to TA Land Company 1, LLC (\$290,000)

- Contingent upon director's and counsel's receipt and review of (1) a revised and fully executed land purchase agreement and (2) a fully executed quitclaim deed.

Submitted by: Olivia Padilla-Jackson, VP Finance & Operations, Central New Mexico Community College

5. Central New Mexico Community College – Requests Approval of the Second Amendment to the Lease of Real Property, Located at 5600 Eagle Rock Rd In Albuquerque, to the New Mexico Department of Finance and Administration (\$23,672,24/year)

- Contingent upon director's and counsel's receipt of a fully executed contract addendum.

Submitted by: Ross Perschbacher, Superintendent, Logan Municipal Schools

6. Logan Municipal Schools—Requests Approval of the Sale of Real Property in Logan Adjacent to Ute Dam to the Village of Logan (\$105,000)

- Contingent upon director's and counsel's receipt and review of (1) a fully executed purchase agreement and (2) a fully executed quitclaim deed

Treasurer Montoya moved approval of Items 4 through 6, with the contingencies. Member Cassidy seconded the motion, which passed unanimously.

BONDING PROGRAMS

Presenters: Ashley Leach, Director, Board of Finance; Luis Carrasco, Bond Counsel, Rodey Law Firm; Ted Guckenberger, Disclosure Counsel, Kutak Rock

7. Authorizing & Delegating Resolution for State of New Mexico General Obligation Bonds, Series 2025 (Maximum Principal Amount of \$290,618,600)

Mr. Carrasco stated that these bonds are a series of long-term bonds for capital expenditures for (1) certain senior citizen facility improvement, construction and equipment acquisition projects, (2) certain academic public school, tribal and public library resource acquisitions, (3) certain higher education, special schools and tribal schools capital improvements and acquisitions, and (4) certain public safety radio communications systems stabilization and modernization projects.

Mr. Carrasco said this resolution authorizes the issuance and public sale of these bonds, sets the parameters for the final terms of the bonds, including a maximum amount of \$290,618,600, and allows for maturities extending no longer than March 1, 2035, at a maximum true interest cost of 7 percent with a maximum coupon at no higher than 8 percent.

Mr. Carrasco said this resolution is highly similar to resolutions for general obligation bonds the board has approved in years past, but on the advice of the financial advisor, this resolution delegates to the executive officer and the director of the board the ability to determine the refunding provisions for the bonds. The resolution has been amended to incorporate that. He said they anticipate that there will be a five year call on these bonds, meaning that the bonds maturing on or after March 1, 2031, would be callable on March 1, 2030, or any date thereafter.

Mr. Carrasco stated that they are recommending adding “or on such other terms or as provided in the final term certificate” to the end of the first sentence in Section 10.B.

Responding to Member Cassidy, Mr. Carrasco said the total amount of the project doesn’t quite get to the maximum amount specified, which was intentional by the legislature, which approved an additional amount to cover the cost of issuance.

[Lt. Governor Morales joined the meeting.]

Member Cassidy moved for approval of the resolution, with the language added to Section 10.B as stated by Mr. Carrasco. Member Lujan seconded the motion, which passed unanimously.

8. Preliminary Official Statement for State of New Mexico General Obligation Bonds Series 2025

Ms. Leach noted that the legislature is concluding its session this week, and there may be legislative action taken that the board would want to disclose in the Preliminary Official Statement (POS). She will be sharing that with the board members as soon as that is included, which should be toward the end of April.

Mr. Guckenberger reviewed the draft POS.

Member Cassidy moved for approval. Treasurer Montoya seconded the motion, which passed unanimously.

PRIVATE ACTIVITY BONDS

Presenters: Carolyn J. Tobias, Economic Development Manager, Bernalillo County; Alexis Castillo, Assistant Development Manager, CPP Housing; Belinda Lee, CPP Housing; Max Understein, CPP Housing

9. Bernalillo County—Requests a Private Activity Bond Volume Cap Allocation For the St. Anthony Plaza Apartments in Albuquerque (\$33,500,000)

Ms. Tobias stated that the St. Anthony Plaza Apartments are located at 1750 Indian School in Albuquerque and were constructed in 1975. The 160 units are 100 percent Section 8 affordable and will remain 100 percent affordable with this acquisition and rehabilitation. The rehabilitation will include energy efficiencies along with upgrades for the health and wellbeing of the residents, including formaldehyde-free cabinets and counters.

Ms. Tobias commented that they appreciate the Board of Finance's support for housing in general throughout Bernalillo County and are excited about this project in that the rehabilitation with Community Preservation Partners (CPP) is raising the level of the standard of care for these types of housing for the community.

Responding to Member Lujan, Ms. Castillo said most of the units are currently occupied. They have engaged a relocation specialist and plan to start off with seven units and then go throughout each building. They want to make sure they can properly relocate all the residents and then bring them back in with their belongings.

Responding to Treasurer Montoya, Ms. Castillo stated that the buildings are 80 percent occupied. They will start with the building with the largest number of vacancies. Depending on the individual needs of the residents, they will either temporarily move them into a vacant unit or else into a nearby hotel suite with a kitchenette.

Treasurer Montoya asked that they consider fixing up the apartments that are currently vacant and use them first, especially for people with disabilities.

Responding to Member Cassidy, Ms. Castillo said CPP is an affordable housing developer with locations in Virginia and Irvine, California. They have partnered with JL Gray as developer-

only and have worked with them on more than 37 developments throughout their time in New Mexico. This would be their first property as owner and developer.

Member Cassidy moved for approval. Treasurer Montoya seconded the motion, which passed unanimously.

EMERGENCY FUNDING

Presenters: Priscilla Lucero, Southwest New Mexico Council of Governments; Alex Brown, Town Manager, Town of Silver City

10. Town of Silver City—Requests an Emergency Grant for a Funding Shortfall Related to Completion of its Community Recreation Facility (\$1,000,000)

Ms. Lucero said they began a needs assessment for this recreation facility pre-Covid to determine the recreation needs for Silver City and residents of Grant County. The mayor of Silver City wanted to be sure that, although the facility would be in Silver City, it would be open to everyone in the county.

Mr. Brown said they have been working on this project since 2018 and have received town funds and capital outlay funds to work on the design. They consider this project regional because it is designed to serve the constituents of the mining district communities, as well as seniors and veterans. After Silver City received capital outlay funding for the design, they borrowed \$5 million, with \$1 million toward the purchase and the remainder set aside for the construction. They also secured about \$250,000 in private funding from Freeport-McMoRan and \$10.5 million in additional capital outlay. They were initially looking at \$50 million for the project, but due to delays and supply chain issues, they have a shortfall of about \$1 million. Working with the architects and contractor, they feel they will not need any more than \$1 million because everything has been ordered, and they are set to complete the project by early June 2025.

Responding to Member Lujan, Mr. Brown said that they were able to do the project through the design-build process, which allows bringing in the contractor before construction starts, so they can work with the vendors to ensure that they get the best prices available. He said that most change orders were the result of supply chain issues. He said the square footage was reduced from 32,000 square feet to 29,000 square feet to be consistent with the funding they had for the project.

Responding to Member Cassidy, Ms. Leach said they have about \$2.6 million in the Emergency Operating Fund. If approved, this request would utilize \$1 million of that. There are two more board meetings this fiscal year, and while they are not aware of specific emergency

projects coming forward at this point, there is still quite a bit left in the fund for those final two meetings.

Ms. Leach noted that DFA has secured \$6 million in emergency funding in FY26. She thanked Secretary Propst for his support.

Lt. Governor Morales moved for approval. Member Cassidy seconded the motion, which passed unanimously.

PRESENTATIONS

Presenter: Thomas Neale, Director of Real Estate, University of New Mexico

11. South Campus Tax Increment Development District Annual Report

Mr. Neale presented an update on the TIDD.

Member Cassidy asked Mr. Neale if he has done any financial analysis on what the bonding capacity is currently or will be in the future, and approximately how much cash has been accumulated from the increment at this point.

Mr. Neale responded that \$240,000 is sitting in the district coffers right now, and they are confident that it will rapidly increase over the next few years. They are working on projected GRT numbers and can provide them later. He added that the Lobo Crossing shopping center project is expected to bring in the lion's share of new GRT to the district.

Member Cassidy recalled that, when the TIDD was created, there was an intent to provide space for occupancy by the national labs or high-tech support. He asked if there is interest there.

Mr. Neale responded that a centerpiece of their goal is to energize the science and tech park by creating additional space for research and development. They still plan to do that. They partner with several other governmental entities, principally Sandia National Labs, and they are working with them on their future occupancy at the science and tech park. He said there is an exploding demand for research bioscience space in Albuquerque from institutional users and startups. As they get a better handle on potential bonding capacity, they will try to frame what they need to construct at the science and tech park to meet some of those needs.

Mr. Neale commented that the acquisition of Motel 6 on Cesar Chavez has eliminated a major threat on the South Campus. He said the level of criminal activity taking place on that property was shocking. The facility will be torn down within the next 30 days, and the land will

be put back into production or mixed use and commercial. They will avoid any uses that will create a situation like what existed there previously.

Member Sanchez noted that I-25 will be a major factor in terms of access into the area. He asked what the plans are.

Mr. Neale responded that a couple of long-term projects will impact on the I-25 interchanges. He said there is a strong desire on the part of DOT to correct the curve going north toward the Big I intersection. If they shift the road to the east, it will have some impact on their land, but the project will occur much sooner than the reconstruction of the interchanges.

INFORMATIONAL ITEMS

Presenter: Ashley Leach, Director, State Board of Finance

12. General Services Department Capital Buildings Repair Fund Financial Status Report for Month-Ended February 28, 2025

Ms. Leach presented this report.

13. General Services Department Legislative Capital Projects Financial Status Report for Month-Ended February 28, 2025

Ms. Leach presented this report.

14. State Treasurer's Office Investment Report for Month-Ended January 31, 2025

Ms. Leach reported that STO managed \$17.2 billion in assets at the end of January and earned \$57.2 million from investment positions. The portfolio increased by \$12.1 million on a mark-to-market basis.

15. Emergency Balances – March 18, 2025

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$2,581,356.57	\$4,000,000.00
Emergency Water Fund	\$0.00	\$ 109,900.00

Ms. Leach reported these balances.

16. Fiscal Agent and Custodial Bank Fees Report

Ms. Leach presented this report.

**17. Department of Finance & Administration Approved Joint Powers Agreements
for Month-Ended February 28, 2025**

Ms. Leach presented this report.

18. State Board of Finance 2024 Activity Report

Ms. Leach presented this report.

19. State Board of Finance Legislative Update

Ms. Leach presented this update.

ADJOURNMENT: 10:50 a.m.


Michelle Lujan Grisham, President

6/9/2025

Date


Michael S. Sanchez, Secretary

Date

