

**Minutes of the Special Meeting of
The Board of Regents of the University of New Mexico
September 14, 2021; 9:00 AM
Virtual meeting via Zoom; livestreamed for public viewing**

Members Present

Douglas M. Brown, President
Kim Sanchez Rael, Vice President
Sandra K. Begay, Secretary/Treasurer
Jack L. Fortner
Randy Ko
Robert L. Schwartz

Members Not Present

William H. Payne

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Teresa Costantinidis, SVP for Finance and Administration; Douglas Ziedonis, EVP of UNM Health Sciences and CEO of the UNM Health System; Loretta Martinez, University Counsel; Assata Zerai, VP for Equity and Inclusion; Terry Babbitt, President's Chief of Staff; and others

Presenters

Tom Neale, Director, Real Estate Department

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Douglas M. Brown called the meeting to order at 9:08 AM and confirmed a quorum with 6 members present, virtually via Zoom. Regent William Payne could not attend the meeting.

(There were technical difficulties with the live stream at the beginning of the meeting. The virtual meeting was recorded as per the usual. Subsequent to the meeting, University Counsel Martinez informed the NM Attorney General's Office of the technical difficulties and the intent to post the recording of the meeting on the public website as soon as the recording was made available.)

VOTE TO ADOPT THE AGENDA

The motion to adopt the agenda passed unanimously (1st Fortner; 2nd Schwartz; roll call vote – all members voted yes).

ACTION ITEM: AUTHORIZATION FOR LAND SALE OF 961 BUENA VISTA DRIVE SE TO CNM: CENTRAL NEW MEXICO COMMUNITY COLLEGE AND USE OF SALE PROCEEDS FOR A UNM MASTER CAPITAL PLAN

Teresa Costantinidis introduced the item. The authorization for UNM to sell the property at 961 Buena Vista Dr. to CNM was presented to the Regents a second time (the first time was at the August 19 meeting) with a new twist, to use the sale proceeds to pay for a comprehensive capital master plan for the University with the intention to include in the master planning process consideration of a possible future location for family housing at UNM. As presented in the document provided to the Regents, the estimated market value of the property in its current condition is \$1,090,000, and that's equal to an appraised value of \$4,950,000, less an actual bid of \$3,860,000 for the required removal of improvements before the site may be redeveloped. CNM has offered \$1.5 million for the site "as is" with the intention of constructing a trade and applied technologies facility, so the use of the site is consistent with joint New Mexico higher education institutional missions. Administration is asking for the funds to pay for a comprehensive UNM capital plan that will cover all of UNM, including Albuquerque campuses, Mesa Del Sol, as well as the Branch campuses and the UNM Health

Science campuses. SVP Costantinidis said that others were attending the meeting who were ready to answer questions about any aspects of the proposal.

Regent Brown requested more information on the history of how the valuation was determined and subsequent negotiations with CNM. Tom Neale outlined the history. The UNM Real Estate department assessed the highest and best use of the property and determined that it was to redevelop with a multifamily housing project at a higher density than currently exists. The property currently has a development density of 15 units per acre, and based on conversations with local brokers and the appraiser, the market would develop the vacant site to a much higher density of 25 units per acre. The land value based on 25 units per acre came to \$4,950,000, so less the cost to raze the improvements (\$3,860,000), the final value came to \$1,090,000; however, it was thought that UNM could do better if the market was tested. There were conversations with a local broker about options to list the property, and they brought in one of the largest housing developers to tour the site, Greystar, which has several projects in Albuquerque and is the largest developer in the country. This provided further confirmation that the improvements were at the end of their useful life and the value would be dependent on the ability to achieve greater density through conversations with the city and as dictated by the zoning code. During the process, UNM informed CNM that the site was going to be available, but that \$1,090,000 was not a price UNM wanted to let it go for, so CNM offered \$1,500,000 which Mr. Neale confirmed was a very fair offer given the condition of the property. Additionally, the liability and risk of holding a 200-unit vacant apartment complex was taken into consideration, as outlined in detail in the memo to the Regents.

Regent Brown thanked Mr. Neale and asked if Regents had further questions about that or other aspects of the sale before getting into the strategic master planning aspect. He clarified that he didn't think it was appropriate that Regents try to solve in great detail the master planning effort, because the proposal was new and deserved a little more preparation and background. He asked if Regents had general comments addressing the family student housing need and how that process should ensue.

Regent Begay agreed that further studies on the housing options were necessary because by comparing UNM's availability versus what's out there on the open market, only the surface of that had so far been touched. Regent Begay added that she was excited about putting effort and funds into a master plan because currently there are bits and pieces of a plan across the University, and putting it together as a comprehensive master plan is a grand idea.

Regent Jack Fortner said he was satisfied with the information that he had received and he motioned approval; Regent Rob Schwartz seconded the motion; there was further discussion.

Regent Schwartz commented that he had not heard about the earmarking of the funds until recently, and the Regents had not formally discussed that, adding that he didn't know whether it's the highest need of the University - "I don't like the idea of earmarking funds in that way, having the Regents decide how that money is going to be spent under these circumstances, but I must say I am convinced that this is such an important need that I'm willing to support this in any case, and I appreciate the work that the administration has done on making these arrangements."

The motion to approve the Land Sale of 961 Buena Vista Drive SE to CNM and use the sale proceeds toward development of a UNM Master Capital Plan passed unanimously (1st Fortner; 2nd Schwartz; roll call vote – all members present voted yes).

After the vote, Regent Brown thanked administration for the additional idea of folding this into a master plan - "I think that's very appropriate, but I think we would like to hear a lot more about that...it'll be a very worthwhile and overdue exercise."

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (roll call vote)

Regent Begay motioned to close the meeting; Regent Fortner seconded; all members voted yes. The meeting closed at 9:17 AM.

1. Discussions, and where appropriate determination, of matters subject to attorney-client privilege pertaining to threatened or pending litigation, as permitted by Section 10-15-1(7), NMSA (1978)
2. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1H(5), NMSA (1978)

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED AND IF NECESSARY, FINAL ACTION WITH REGARD TO CERTAIN MATTERS WOULD BE TAKEN IN OPEN SESSION

The meeting re-opened at 9:40 AM; Regent Brown certified that only matters described in the closed session agenda were discussed during executive session and confirmed that there were no items upon which the Board needed to take action in open session.

University Counsel Martinez advised the Regents to redo their vote on the open session action item, since there were technical difficulties with the live stream earlier in the meeting. Following Counsel's advice, the Regents reasserted the previous decision on the open session action item, unanimously approving the sale of the 961 Buena Vista Drive SE property to CNM with use of the sale proceeds for a UNM Master Capital Plan (1st Fortner; 2nd Schwartz).

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn the meeting. Regent Fortner motioned; Regent Schwartz seconded; all were in favor; the meeting adjourned at 9:44 AM.

Approved:

Attest:



Douglas M. Brown, President



Sandra K. Begay, Secretary/Treasurer