

**NEW MEXICO STATE UNIVERSITY
REGENTS REAL ESTATE COMMITTEE MEETING**

February 27, 2020 – 2:00 pm

Hadley Hall – Room 130

Call in information: 1-800-346-2923 Code #201548

Members of the Real Estate Committee

Tom Hutchinson, Co-Chair
Dina Chacón-Reitzel, Co-Chair
Ammu Devasthali
Dan Arvizu
Rolando Flores – Absent
Christopher Dulany
Laura Conniff
Mickey Clute
Joe Lujan – By Phone
Andrew Burke, Ex Officio
Evan Conner, ASNMSU – Ex Officio

Staff

John Floros, President
Ruth A. Johnston, Vice Chancellor & Strategic Chief
Financial Officer
Scott Eschenbrenner, Special Assistant to the President
Scott Field, General Counsel, NMSU
Alton Looney, Interim Associate VP Facilities, NMSU
Heather Watenpaugh, University Architect - Absent
Adam Cavotta, Chief of Staff Board of Regents
Carolyn Aragon, Executive Administrative Assistant
John Gratton – President of NMSU Carlsbad

Guest

Debra Hicks

AGENDA

1. CALL TO ORDER

The meeting was called to order at 2:04 PM by Regent Dina Chacón-Reitzel.

2. APPROVAL OF AGENDA

Motion to approve the agenda as presented entered by Mr. Clute. Motion seconded. Motion passed.

3. COMMENTS FROM THE CHAIR

Regent Chacón-Reitzel thanked everyone for attending the meeting and recognized President Gratton as attending the meeting on this occasion to present a proposal for campus housing at NMSU Carlsbad.

**4. NMSU CARLSBAD – CAMPUS HOUSING – President John Gratton
Informational Item**

Presentation regarding the feasibility of NMSU Carlsbad initiating a campus housing project was presented by President Gratton, noting that there has been an increase in the labor market recently in the area and this has created a high demand for housing. Dr. Gratton noted that there are students from part of the state, such as Albuquerque, that are interested in enrolling in Nursing programs at NMSU Carlsbad because it is ranked third in the state with a 100% pass rate, but the housing costs are a barrier to students who want to relocate. There are also three new programs of study related to oil and gas that are projected to be large enrollment programs. NMSU Carlsbad is currently working with the Permian Strategic Partnership to map out program capacity and future directions of the program with estimates of 24 students per year projected to be enrolled in the program. The need, however, was estimated to be closer to 300 per year. Dr. Gratton noted that there were not many students that enrolled from outside of Eddy County, there were 42 and mostly taking online classes and not traveling to Carlsbad. Some also commute for nearby cities of Roswell and Hobbs. In addition to students, recruiting faculty has been a challenge due to a lack of affordable housing in Carlsbad with up to four recruits turning down faculty positions as a result of housing costs. President Gratton noted that he is seeking approval to do a feasibility study to look at housing on the NMSU Carlsbad campus. Initial concepts are for about 120 beds, including dining services.

Chancellor Arvizu noted that there is need for careful consideration because the entire NMSU system square footage is monitored and such decisions need to be well founded in existing needs. In this case, it appears there is potential for funding opportunities from industry, depending on the nature of the proposal. There were some housing studies provided for the region and Dr. Gratton noted there was some evidence of local support for such a project.

Regent Hicks asked about the three new programs. Dr. Gratton noted that they are the Natural Gas Compression Program, Instrumentation and Control, and Petroleum Technology. Regent Hicks asked if there was any discussion about a Bond as a source of funding for the project. Dr. Gratton noted that he didn't consider the timing was right for a General Obligation Bond because recent bonds have been issued in the area. Carlsbad has reserves that were being considered for the project. Ms. Conniff asked what the enrollment is at NMSU Carlsbad and Dr. Gratton responded that it was about 1,900 – 2,000.

Vice Chancellor Johnston noted that a feasibility study is essential and that it should be performed by a professional contracted firm in addition to a pro forma that forecasts 10 – 20 years in the future. Vice Chancellor Johnston asked how much the estimated project cost would be and Dr. Gratton noted a 14-million-dollar estimate. It was noted that parking for the proposed new units was also part of the project scope. Vice Chancellor Johnston also noted that dining needs to be considered in the feasibility study as well. It was noted that housing at community colleges is a broader trend and only a few community colleges in New Mexico have housing or plans to build housing.

For faculty and staff housing, Regent Hicks noted the emphasis on this being short term housing as the goal would be to find more permanent housing for them going forward. It was also noted the public schools in the area have similar recruitment challenges for teachers based on housing availability and prices.

Chancellor Arvizu asked about the appetite from the investor community, noting the global and potentially volatile nature of oil prices. Some discussion of exploration potential, politics, and diversification of the energy industry were noted as factors to consider.

There was some additional conversation regarding comparable rental price points in the region, including regional competitors and variable price structures. In addition to construction costs, it was noted that operating costs need to be considered in light of the tighter and more highly compensated local labor market.

Additional discussion about Nursing program capacity was noted as being related to the 8:1 ratio required for the program accreditation for clinicals. The challenge to build capacity is finding qualified nursing faculty.

Mr. Clute noted there were separate issues for funding the construction and funding the operation of the building, noting that with demand for the building from industry would require more rapid action than what the state funding process might provide.

Chancellor Arvizu asked if there were any Economic Opportunity Zones near the location and the response was no. Vice Chancellor Johnston noted that in her experience with Private-Public Partnerships, the facilities tend to be on the outskirts of the campus. Further, Johnston asked if there would be a residence life program to go along with the project? Other universities use ambassadors for such programs, which are not regular residential life staffers but are people that can be in the faculties for when students require services.

Vice President Burke noted that additional approvals will be required for the project from HED, but not for the design phase. There would be a need to go out to the voters to use the operating levy for the purpose of construction.

5. **KRWG TOWER LEASE – DEMING NM** – Scott Eschenbrenner
Action Item

10-year lease renewal to co-locate on County of Luna Tower at no charge to NMSU

Mr. Eschenbrenner noted that the lease has been in place since 1983 and since it has a 10-year lease it comes to the board for approval. Mr. Eschenbrenner asked for the committee to recommend approval to the Board of Regents for their April 3, 2020 meeting. Mr. Dulany moved to recommend that the board of regents approve the lease with a second from Mr. Clute. Motion passed.

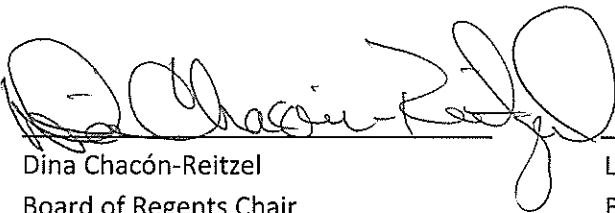
6. **FUTURE MEETING DATES**

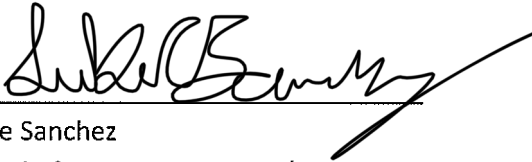
4/2/20 10:00 am to 12:00 pm
6/25/20 10:00 am to 12:00 pm

7. **ADJOURNMENT**

Meeting adjourned at 2:58 PM.

Meeting Minutes Approved on April 21, 2020 by the New Mexico State University Board of Regents.


Dina Chacón-Reitzel
Board of Regents Chair


Luke Sanchez
Board of Regents Secretary/Treasurer