SANTA FE RAILYARD COMMUNITY CORPORATION
Board of Directors' Meeting
Tuesday, July 11th, 2017, 6:00 – 7:00pm
Community Room, Santa Fe Railyard Park, Santa Fe, NM

Attending: Board Members: Steve Robinson (President), Lleta Scoggins (Treasurer), Ellen Bradbury (Secretary), Chris Calvert, Gilbert Delgado, Dave Dunmar, Bob Dunn, Ron Pacheco, Jenny Parks, Rosemary Romero, Devon Ross, Patrick Varela and Dave Vlaming

Also Attending: SFRCC: Richard Czoski (Executive Director), Scott Harrison (Office Manager – taking minutes) and Anita Martinez (Accountant)

Public: None

Call to Order: The meeting was called to order at approximately 6:00pm by Steve Robinson.

Approval of Agenda: The agenda was unanimously approved, motion by Chris Calvert, 2nd by Rosemary Romero.

Approval of Meeting Minutes: The Board meeting minutes of 6/6/17 were unanimously approved, motion by Chris Calvert, 2nd by Dave Vlaming.

Public Comments:

- None

Executive Session

Chris Calvert made a motion to enter Executive Session at 6:01pm, 2nd by Devon Ross.

The Board of Directors did meet in closed Executive Session, pursuant to exceptions to the Open Meetings Act, and nothing was discussed except possible disposition of real property, potential litigation review, and personnel matters, and no final action was taken during the Executive Session. No minutes were taken.

Ron Pacheco made a motion to return to regular session at 6:15pm, 2nd by Lleta Scoggins.

Return to Regular Session

Dave Vlaming made a motion to approve the assignment of the ground lease for 1219 Cerrillos, LLC to Thoma Family Investments, 2nd by Chris Calvert. The Board unanimously approved the motion.

New Business:

- SITE Santa Fe Banners
  - The City will limit the duration to 30 days.
  - Installing banners on any City light poles will require City Council approval.
    - The banner proposal will likely go before City Council in August, 2017.
  - SFRCC will wait to review a proposal from SITE Santa Fe to place the banners on the Railyard property.
- CSF Management LLC Update
  - Devon provided a brief history of CSF Management LLC

- CSF Management was created as a subsidiary of SFRCC in 2009/10 to implement specific scope of work requested by the City of Santa Fe (administering the Laureate lease, property management, etc.).
- The Board of Managers for the LLC was drawn from the SFRCC Board.
- The effort lasted approximately 18 months.
- CSF Management has continued to meet annually, SFRCC has kept the entity on its books and the entity maintains a small cash reserve.

– Devon introduced a new proposal CSF Management is considering with respect to the Santa Fe University of Art and Design (SFUAD) property.
  - After the last annual Board of Managers meeting in June, the CSF Management Board met again to discuss the possibility of approaching the City of Santa Fe to see if the entity could assist in putting a process together for the future development of the asset, once the Laureate lease terminates in May of 2018.
  - CSF Management brought the issue before the Board for a general discussion.

– Discussion
  - Bob Dunn stated that he would like to see this Board to be part of the future of the SFUAD campus.
  - Rosemary recommended consulting City Asset Manager Matt O'Reilly. The Asset Manager position had not been created when CSF Management first worked with the City on the SFUAD campus and Laureate lease 2009/10.
  - Ron expressed the concern that despite any efforts to keep SFRCC and CSF Management separate entities, CSF Management will be linked to SFRCC. He does not want to jeopardize SFRCC's efforts with respect to the Railyard. And in 2009, the City approached SFRCC for assistance, but the City has not yet approached SFRCC with respect to this new development with the SFUAD property.
  - Lleta stated that, on the positive side, CSF Management has the expertise for such an initiative. However, her concern is that she does not want CSF Management's efforts to compromise in any way SFRCC's efforts with respect to the Railyard project. SFRCC's priority is to finish the Railyard. In her opinion. CSF Management would need to draw in people from other areas. The initiative would require leadership, funding and significant commitment. She would prefer that the entity and initiative be completely separate and independent from SFRCC.
  - Chris stated that since the Railyard is nearing completion, this could potentially be an initiative that the Board and staff could transition into. He stated that this Board is positioned to carry out a community plan for the property, should that process take place, and he recommended keeping the options open.
  - Richard stated that he has spoken with the City Manager and Matt O'Reilly about the status of the property. They have stated that there is a significant amount of interest from numerous and various parties and organizations. Richard also stated that his expertise with respect to a project of this nature is in executing, not in planning.
  - Steve stated that his focus for the next two years on the Railyard. He cautioned that it may be premature for such an initiative. He recommended that CSF Management keep in touch with the City to see if there is a planning process or a sale being undertaken and to update the SFRCC Board on what the City is considering with respect to the property. But he would find it difficult to support anything that put in jeopardy what SFRCC has accomplished during the past 15 years.

- Devon stated that CSF Management will meet again to discuss the feedback from the Board meeting and how to proceed. He invited any Board members who are interested to attend that meeting.

Financial Report:

DRAFT MAY 2017 FINANCIALS

- Lleta Scoggins presented the draft May, 2017 Financials.
  - SFRCC's current cash position is approximately $350K.
- Current Assets
  - #1320 (Rent/CAM – Deferred Receivable)
    - This amount has decreased from $51,099 to $26,380 from May 31, 2016 to May 31, 2017 as a result of El Museo and Warehouse 21 paying down their 2010-11 receivables.
- Current Liabilities
  - #2012 (NMFA Debt Service Payable)
    - The monthly deferral accrual increased from $42,893 in May, 2016 to $63,287 in May, 2017 to reflect the increase in rent owed to the City in 2017/18.
  - #2822 (NMFA Loan Deferral)
    - The increase reflects the FY 2015/16 $400K deferral.
    - This amount does not reflect the FY 2016/17 deferral which will increase in June's financials.
- There were no significant variances in Budget to Actual
- Cash Report
  - Income
    - Rental income is approximately $35K above plan, Other Tenant Related income is approximately $9K above plan and Management Fees are approximately $7K above plan YTD.
    - Total Income is approximately $59K above plan YTD.
  - Total Expenses are approximately $39K below plan YTD.
  - Net Operating Income is approximately $98K above plan YTD.
  - SFRCC's cash position at the end of FY 2016/17 will reflect a balance of approximately $250K to carry forward into fiscal year 2017/18.
- As of June 30, 2017 there were no outstanding receivables.
- City of Santa Fe Capital Budget approval
  - SFRCC has requested a Professional Service Agreement with the City for $240K for capital projects that can be accomplished through the Fall of 2017 including 21 parking spaces on Parcel B-1 and waste enclosure modifications.
- SFRCC has been not received parking numbers from the City Parking Division beyond January, 2017.
  - For the months where no parking numbers were received, SFRCC will forecast approximately the same amounts as the 2016 actuals.
- Lease Reappraisals
  - The next reappraisal is La Puerta I effective July, 2019; however, the rent will be adjusted to market if the building sells in 2017.

- Audit Committee
    - Richard and SFRCC's CPA Eun Hong will appear before the City Audit Committee tomorrow to address a list of questions.
    - Richard is confident that the questions can be answered by explaining SFRCC's organization, mission and agreement with the City under the Lease and Management agreement.

The draft May, 2017 Financials were accepted.

Executive Director's Report:

COMPLETION OF RAILYARD PROJECTS

- Construction Schedule
    - SFRCC and its tenants will be managing approximately $25 million of construction under development.
- NMDOT Crossings
    - The City, NMDOT and SFRCC are clarifying design requirements for expanding the Alcaldesa pedestrian crossing.
- RyCo Bankruptcy
    - The bowling equipment was removed last weekend by the manufacturer as a result of a sale of the equipment by the Trustee.
- Dave Dunmar asked about the status of the St. Francis Underpass.
    - Richard will follow up and provide an update for the Board at the next Board meeting.

Next Board Meeting: Tuesday, August 8th, 2017, 5:00-7:00pm - Location: TBD

Being no further requests for business, Dave Vlaming motioned to adjourn, 2nd by Rosemary Romero and the meeting was adjourned at 6:56pm.

Respectfully submitted,
Scott Harrison, Office Manager