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City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 10 Ordinance/Resolution# 13-119

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of February 19, 2013
 (Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION AUTHORIZING THE FORMER CITY OFFICE CENTER, LOCATED AT 575 S. ALAMEDA, LAS CRUCES, NM TO BE USED BY AN APPROPRIATE MEDICAL PROVIDER TO BECOME A COMMUNITY HEALTH CENTER, UNDER THE NEW MEXICO CONSTITUTION, ARTICLE IX, SECTION 14, PART A, FOR THE PURPOSES OF EXPANDING PRIMARY CARE MEDICAL SERVICES TO SERVE SICK AND INDIGENT PERSONS WHO MAY BE ELIGIBLE BY 2015 FOR COVERAGE UNDER THE AFFORDABLE CARE ACT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A LANDLORD LETTER OF CONSENT WHICH MAY BE REQUIRED TO BE SIGNED BY THE APPROPRIATE APPLICANT THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THIS RESOLUTION.

PURPOSE(S) OF ACTION:

To allow City-owned property to be used by a medical provider for primary care services.

COUNCIL DISTRICT: 4		
<u>Drafter/Staff Contact:</u> D. Eric Martin	<u>Department/Section:</u> Public Works/Facilities Management	<u>Phone:</u> 541-2616
<u>City Manager Signature:</u> 		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

In 2010, the City of Las Cruces finished construction of its new City Hall, as part of a long-term plan to consolidate administrative services, and to create a "one stop" point of service for citizens. Staff was able to move into the new building by early summer 2010. Once that process was complete, the former City Office Center, located at 575 S. Alameda Blvd., became vacant.

Funded by the City through a federal grant, the former City Office Center was constructed in the late 1940's and opened in 1950; and served as the original Memorial General Hospital for this area. In the early 1970's, the City and County of Dona Ana jointly built a new hospital located on South Telshor Blvd., which is currently known as Memorial Medical Center. The previous hospital became vacant, and the City, in the mid-1970's, converted it into an office center.

The 50,000 square foot facility consists of two floors with a basement. Much of the original hospital floor-plan and layout are still in place. Based on an environmental assessment, the primary hazard in certain locations throughout the building is asbestos.

In July 2012, La Clinica de Familia, Inc., discussed with staff the availability of the City Office Center to support its mission to obtain a building containing +/- 50,000 square feet to serve potentially 13,000 Las Cruces residents. Services to be provided may include; but, not be limited to: medical exam rooms, dental operatories, counseling offices, and conference rooms for group medical visits, patient education, and group counseling. It has indicated that they are pursuing funding options to remodel the building, address environmental issues, and outfit it to serve their mission.

The City, at the present time, has no plans to reuse the former City Office Center for other public purposes and would like to remove it from the building inventory. This will help reduce the ultimate long-term cost of securing and maintaining the site. This building appears to meet the needs of the above entity and City staff supports the concept of using the property for public medical services for the City's residents.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Constitution of the State of New Mexico, Article IX, Section 14.
3. Exhibit "B", Parcel Map.
4. Attachment "A", Former City Office Center Floor Plans.
5. Attachment "B", Health Services & Resources Admin. (HRSA) Federal Interest Info.
6. Attachment "C", HRSA – Sample Landlord Letter of Consent.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
	<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)	
	<input type="checkbox"/>	Proposed funding is from fund balance in the Fund.	
Does this action create any revenue? N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: in the amount of \$ _____ for FY _____.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will authorize the former City Office Center, located at 575 S. Alameda, Las Cruces, NM, to be used by an appropriate medical provider to become a Community Health Center, under the New Mexico Constitution, Article IX, Section 14, Part A.
2. Vote "No"; this will not authorize the Resolution.
3. Vote to "Amend"; the Resolution and provide staff with further direction.
4. Vote to "Table"; the Resolution and provide staff with further direction.

REFERENCE INFORMATION:

The resolution(s) and/or ordinances(s) listed below are only for reference and are not included as attachments or exhibits:

N/A

RESOLUTION NO. 13-119

A RESOLUTION AUTHORIZING THE FORMER CITY OFFICE CENTER, LOCATED AT 575 S. ALAMEDA, LAS CRUCES, NM TO BE USED BY AN APPROPRIATE MEDICAL PROVIDER TO BECOME A COMMUNITY HEALTH CENTER, UNDER THE NEW MEXICO CONSTITUTION, ARTICLE IX, SECTION 14, PART A, FOR THE PURPOSES OF EXPANDING PRIMARY CARE MEDICAL SERVICES TO SERVE SICK AND INDIGENT PERSONS WHO MAY BE ELIGIBLE BY 2015 FOR COVERAGE UNDER THE AFFORDABLE CARE ACT AND AUTHORIZING THE CITY MANAGER TO EXECUTE A LANDLORD LETTER OF CONSENT WHICH MAY BE REQUIRED TO BE SIGNED BY THE APPROPRIATE APPLICANT THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THIS RESOLUTION.

The City Council is informed that:

WHEREAS, the building located at 575 S. Alameda Blvd., was constructed in the late 1940's with funding provided to the City of Las Cruces through a federal grant to open the original Memorial General Hospital in 1950; and

WHEREAS, in the early 1970's the City and Dona Ana County jointly built Memorial Medical Center which is located on South Telshor Blvd.; and

WHEREAS, in the mid-1970's the vacant hospital was converted into an office building now known as the former City Office Center; and

WHEREAS, in 2010, the City of Las Cruces finished construction of the new City Hall, located at 700 N. Main St., as part of a long-term plan to create a "one stop" point of service for citizens, and vacated the former City Office Center; and

WHEREAS, at the present time, the City of Las Cruces has no plans to reuse the 50,000 square foot facility and would like to remove it from the inventory to reduce the long-term cost of securing and maintaining the site; and

WHEREAS, City Council finds the use of the former City Office Center to become a community health center for the purposes of expanding primary care medical services to serve sick and indigent persons who also may be eligible for coverage under the Affordable Care Act, is in the best interest of the City.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las

Cruces:

(I)

THAT the City Council authorizes the City Manager to execute a Landlord Letter of Consent which may be required to be signed by the appropriate applicant that complies with the terms and conditions of this Resolution.

(II)

THAT the former City Office Center, located at 575 S. Alameda, Las Cruces, NM, as shown within Exhibit "B" attached hereto, may be used by an appropriate medical provider to become a community health center, under the New Mexico Constitution, Article IX, Section 14, Part A, attached hereto as Exhibit "A", for the purpose of expanding primary care medical services to serve sick and indigent persons.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2013.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

VOTE:

Mayor Miyagishima:

Councillor Silva:

Councillor Smith:

Councillor Pedroza:

Councillor Small:

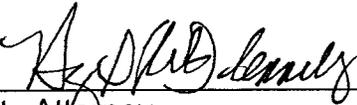
Councillor Sorg:

Councillor Thomas:

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

State of New Mexico Constitution
Article IX, Section 14

Sec. 14. [Aid to private enterprise; veterans' scholarship programs; student loans; job opportunities; affordable housing.] (2009)

Neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation or in aid of any private enterprise for the construction of any railroad except as provided in Subsections A through G of this section.

A. Nothing in this section prohibits the state or any county or municipality from making provision for the care and maintenance of sick and indigent persons.

B. Nothing in this section prohibits the state from establishing a veterans' scholarship program for Vietnam conflict veterans who are post-secondary students at educational institutions under the exclusive control of the state by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "Vietnam conflict veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces from New Mexico or who has lived in New Mexico for ten years or more and who has been awarded a Vietnam campaign medal for service in the armed forces of this country in Vietnam during the period from August 5, 1964 to the official termination date of the Vietnam conflict as designated by executive order of the president of the United States.

C. The state may establish by law a program of loans to students of the healing arts, as defined by law, for residents of the state who, in return for the payment of educational expenses, contract with the state to practice their profession for a period of years after graduation within areas of the state designated by law.

D. Nothing in this section prohibits the state or a county or municipality from creating new job opportunities by providing land, buildings or infrastructure for facilities to support new or expanding businesses if this assistance is granted pursuant to general implementing legislation that is approved by a majority vote of those elected to each house of the legislature. The implementing legislation shall include adequate safeguards to protect public money or other resources used for the purposes authorized in this subsection. The implementing legislation shall further provide that:

- (1) each specific county or municipal project providing assistance pursuant to this subsection need not be approved by the legislature but shall be approved by the county or municipality pursuant to procedures provided in the implementing legislation; and
- (2) each specific state project providing assistance pursuant to this subsection shall be approved by law.

E. Nothing in this section prohibits the state, or the instrumentality of the state designated by the legislature as the state's housing authority, or a county or a municipality from:

- (1) donating or otherwise providing or paying a portion of the costs of land for the construction on it of affordable housing;
- (2) donating or otherwise providing or paying a portion of the costs of construction or renovation of affordable housing or the costs of conversion or renovation of buildings into affordable housing; or
- (3) providing or paying the costs of financing or infrastructure necessary to support affordable housing projects.

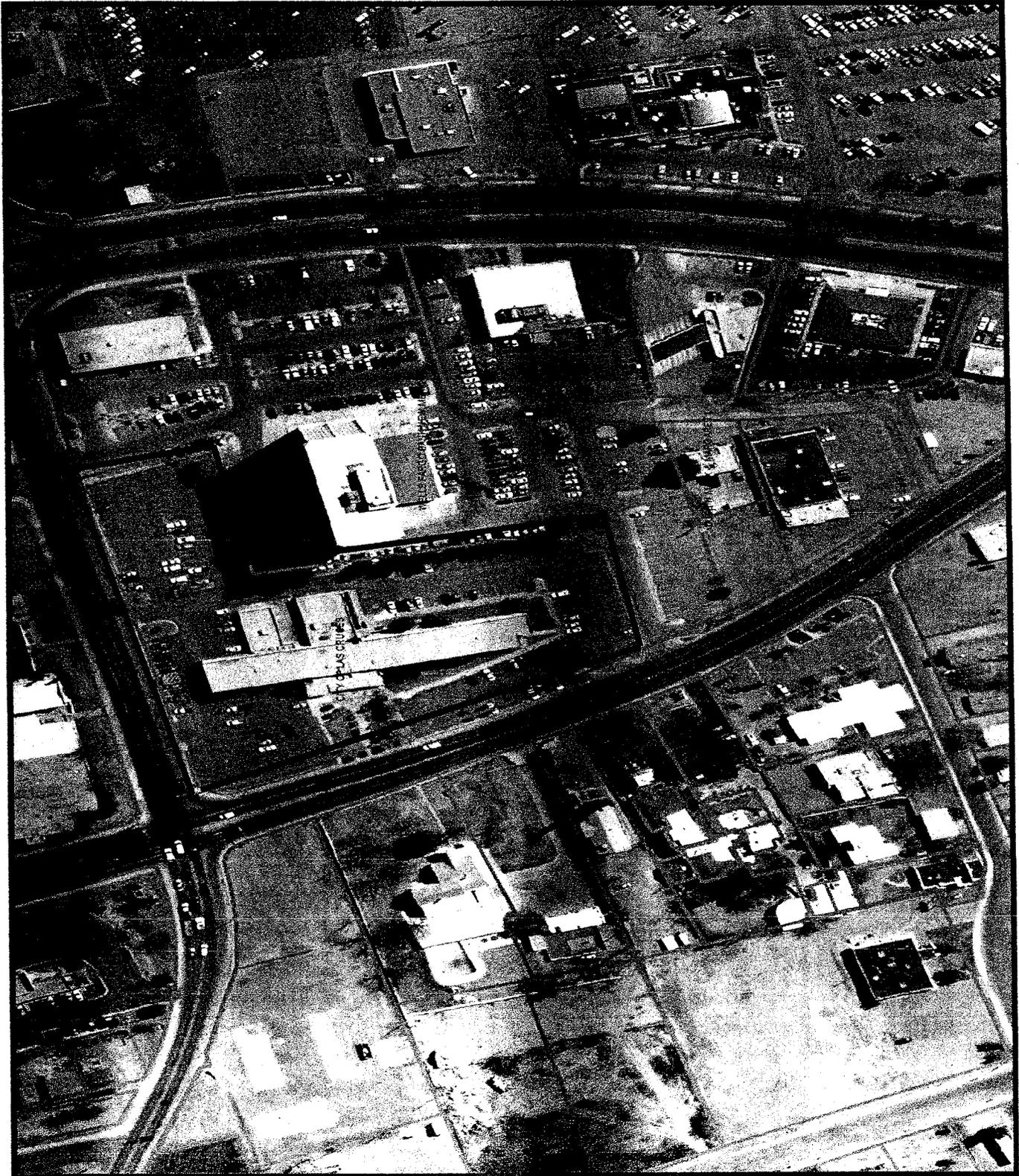
F. The provisions of Subsection E of this section are not self-executing. Before the described assistance may be provided, enabling legislation shall be enacted by a majority vote of the members elected to each house of the legislature. This enabling legislation shall:

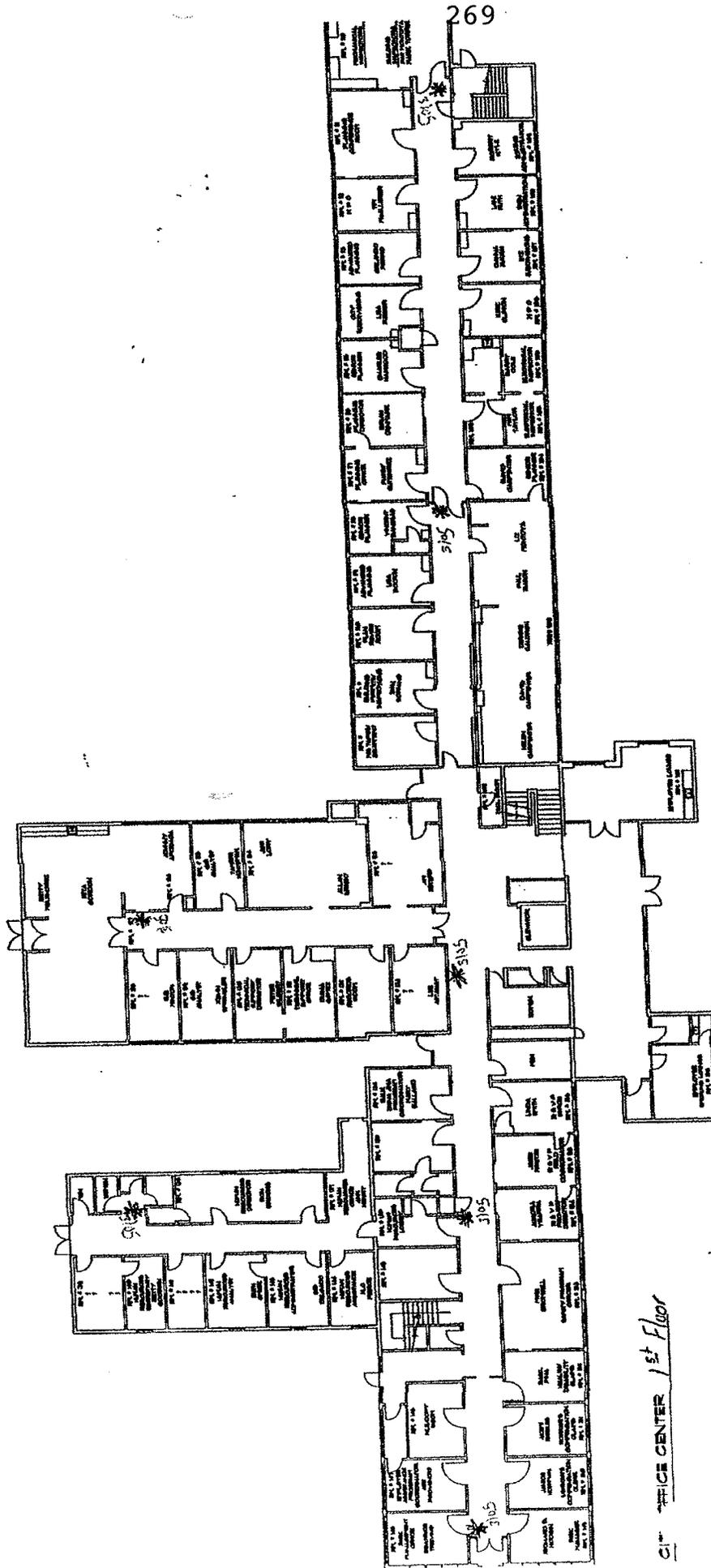
- (1) define "affordable housing";
- (2) establish eligibility criteria for the recipients of land, buildings and infrastructure;
- (3) contain provisions to ensure the successful completion of affordable housing projects supported by assistance authorized pursuant to Subsection E of this section;
- (4) require a county or municipality providing assistance pursuant to Subsection E of this section to give prior formal approval by ordinance for a specific affordable housing assistance grant and include in the ordinance the conditions of the grant;
- (5) require prior approval by law of an affordable housing assistance grant by the state; and
- (6) require the governing body of the instrumentality of the state, designated by the legislature as the state's housing authority, to give prior approval, by resolution, for affordable housing grants that are to be given by the instrumentality.

G. Nothing in this section prohibits the state from establishing a veterans' scholarship program, for military war veterans who are post-secondary students at educational institutions under the exclusive control of the state and who have exhausted all educational benefits offered by the United States department of defense or the United States department of veterans affairs, by exempting such veterans from the payment of tuition. For the purposes of this subsection, a "military war veteran" is any person who has been honorably discharged from the armed forces of the United States, who was a resident of New Mexico at the original time of entry into the armed forces or who has lived in New Mexico for ten years or more and who has been awarded a southwest Asia service medal, global war on terror service medal, Iraq campaign medal, Afghanistan campaign medal or any other medal issued for service in the armed forces of this country in support of any United States military campaign or armed conflict as defined by congress or by presidential executive order or any other campaign medal issued for service after August 1, 1990 in the armed forces of the United States during periods of armed conflict as defined by congress or by executive order. (As amended November 1, 1971, November 5, 1974, November 8, 1994, November 5, 2002, November 7, 2006 and November 2, 2010.)

VICINITY MAP

EXHIBIT "B"





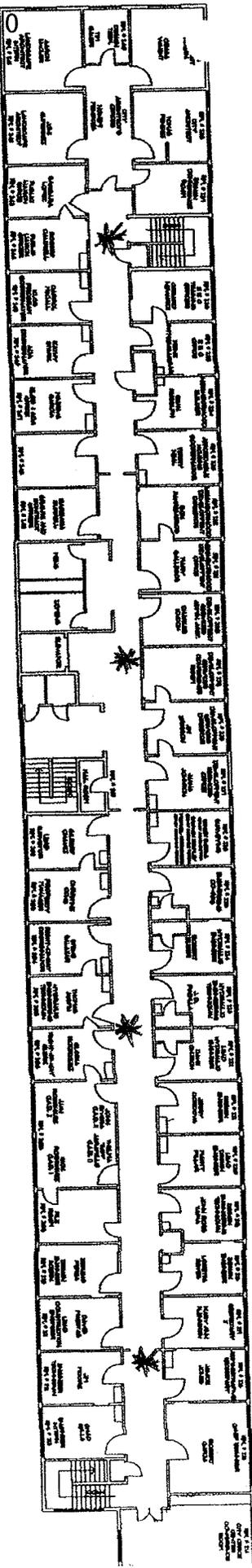
CITY OFFICE CENTER 1st Floor

City Office Center
1st Floor

CITY OFFICE CENTER

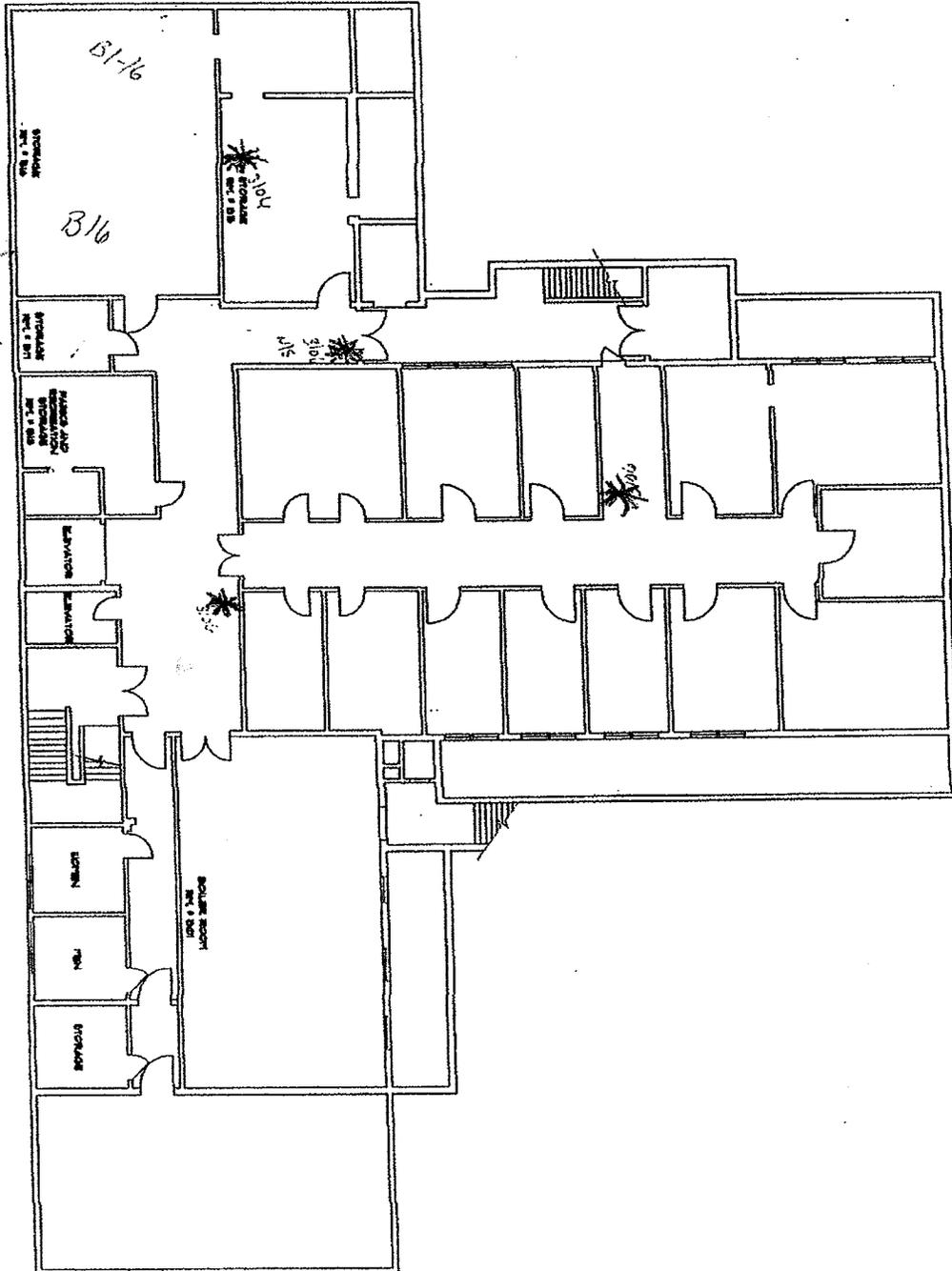
270

*City Office Center
2nd Floor*



CITY OFFICE CENTER

Basement



Federal Interest

Real Property

The Federal Government retains a reversionary interest in real property constructed, acquired, or improved with federal funds. The federal interest is based on the total allowable project costs (federal), excluding movable equipment and supplies, after completion of the project. In addition:

- For alteration and renovation (A&R) projects, federal interest exists for the useful life attributable to the A&R funded under this award. Each SBHCC A&R project having a total allowable project cost (federal and non-federal) of more than \$500,000, excluding movable equipment, is required to file a Notice of Federal Interest (NFI) against the property title. The level of federal interest declines with physical depreciation or replacement of the of the alteration/renovation/repair made to the asset; and
- For all SBHCC construction projects, regardless of award amount, applicants are required to file a NFI.

SBHCC applicants that are not required to file a NFI, acknowledge with the receipt of the Notice of Award that the federal interest exists irrespective of the filing of the NFI and, for projects less than \$500,000, the award recipient shall maintain adequate documentation to track and protect the federal interest. Adequate documentation will include communications between the lessor and the lessee related to protecting such interest, in accordance with the standard award terms and conditions. Such documentation should be available for subsequent review by HRSA.

The NFI requires HRSA's Associate Administrator of the Office of Federal Assistance Management to provide prior written approval in order for the property owner to mortgage, sell, transfer, or use the property for a purpose inconsistent with the award. A notarized NFI must be filed against the property deed prior to construction in the appropriate public records office of the jurisdiction in which the property is located and once filed, a copy must be provided to the appropriate HRSA Grants Management Specialist. (See Appendix B for a sample NFI.)

Equipment

Applicants must provide a detailed equipment list to identify items to be purchased with federal funds as part of the SBHCC project. The list must include non-expendable items with a useful life of more than one year and a unit cost of \$5,000 or more (or equal to the applicant's capitalization threshold), *and* items with a useful life of more than one year and a unit cost of less than \$5,000. Any equipment purchased through the SBHCC project should be pertinent to SBHC operations and serve an identified patient group. Please note that equipment must be maintained, tracked, and disposed of in accordance with 45 CFR Parts 74.34, 74.35, 92.32, or 92.33 (as appropriate).

Leasehold Improvements

While leasehold improvements are allowed under the SBHCC funding opportunity, please note:

- Lessors/Property Owner must agree in writing to the proposed A&R projects, and acknowledge federal interest in the project, and agree to file a Notice of Federal Interest against the property title in the local jurisdiction before the project begins, if required.

(Owner)
(Location/Address)

Landlord Letter of Consent

(Insert owner), is/(are) the owner(s) of the property located at (insert facility name and address). The property is currently leased by (insert recipient/lessee). (Insert owner) currently has/will have a lease agreement with (insert recipient/lessee), for a period of ____ years that will expire on (insert date).

(Insert owner) is/(are) in full agreement of the proposed improvements to the aforementioned leased property as part of the Health Resources and Services Administration (HRSA) (insert name of funding opportunity) funding opportunity, and grant permission to (insert recipient/lessee) to undertake proposed improvements.

(Insert owner) also acknowledge that there will be a Federal interest in the property as a result of the proposed improvements and that (insert owner) agrees to file a Notice of Federal Interest prior to work commencing, if required by HRSA.

Landlord/Corporation Signature: _____

Typed Name: _____

Title: _____

Date: _____