



# Midtown Tomorrow: Costs for Midtown Redevelopment and Management October 17, 2022



Santa Fe, NM

Midtown Master Plan

Finance Committee

**Revised October 18, 2022**



CITY OF SANTA FE  
**ECONOMIC  
DEVELOPMENT**





# Midtown Finance Committee Series

## Today's Agenda:

- 1. Capital Improvements and Public Infrastructure Needs**
- 2. Sources of Funding for Capital Projects**
- 3. Future Operations and Maintenance of Midtown**

## Series Overview

- 1. October 3- Midtown Today: The Current Financial Status**
- 2. October 17- Midtown Tomorrow: Costs for Midtown Redevelopment and Management**
- 3. October 31- Midtown and the City's Return on Investment (ROI): Public Policy and Community Benefits**



# How Was Infrastructure Incorporated into the Midtown Master Plan?

- Existing water, sanitary sewer, access points to the Midtown Site and existing buildings to be retained informed the Plan's basic street and block structure.
- The electrical system will be rebuilt.
- Parks and plaza locations were developed as part of the plan.





# Infrastructure Assessment by Asset

**Most infrastructure improvements will be made as the roads get built. This includes:**

- **Water**
- **Sanitary sewer**
- **Storm water**
- **Fiber optic cable**

Asset	Owner	Existing Condition
Water	Santa Fe Public Utility	Good, needs realignment in some locations
Sanitary Sewer	Santa Fe Public Utility	Fair, needs some near-term improvements
Streets/Storm Water	City	Fair but incomplete, will be rebuilt including storm water improvements
Plazas and Parks	City	To be built
Fiber Optic	City	Good, easy to update with tech. changes
Electrical	Public Service Company of New Mexico	Fair, will require long-term reconstruction

# Infrastructure Construction Will Happen in Phases As Development Occurs

## Phase 1:

- Reuse of existing building and infrastructure
- Affordable housing

## Phase 2:

- New construction

Phase 2 may be broken into multiple phases

Phase 1



Phase 2



# What Will New Infrastructure Cost and When Would it be Built?

## General Phasing Approach:

- Costs will be phased over time
- Phase 1 infrastructure costs are likely to start in FY 2023-2024
- Phase 1 will likely last for up to five years
- Phase 2 start will depend on market conditions and performance of Phase 1

## Very Preliminary Cost Estimates This is not an infrastructure plan

Figure 1: Preliminary Midtown Infrastructure Costs by Phase

Asset	Phase			Total
	Phase 1	Phase 2	Phase 3	
Water	\$ 585,000	\$ 235,000	N/A	\$ 820,000
Sanitary Sewer	\$ 763,000	\$ 343,000	N/A	\$ 1,106,000
Roads	\$ 17,700,000	\$ 3,519,000	N/A	\$ 21,219,000
Civic Parks and Open Space	N/A	\$ 2,600,000	N/A	\$ 2,600,000
Parking Garage	N/A	N/A	TBD	TBD
Electrical	\$ 350,000	TBD	TBD	\$ 350,000
<b>Total</b>	<b>\$ 19,398,000</b>	<b>\$ 6,697,000</b>	<b>TBD</b>	<b>\$ 26,095,000</b>

Sources: Wilson Engineering, City of Santa Fe, Opticos, Strategic Economics, October 2022



# What Funding/Financing Sources Can be Used to Pay for Infrastructure?

A combination of funding/financing sources will be required.

The City may have to pay some costs upfront and be reimbursed from developer contributions over time.

**Figure 2: Midtown Infrastructure Funding and Financing Sources**

Asset	Funding/Financing Source					
	General Fund	Federal Grants/State Legislative Funding	Bonds	Developer Contributions	Impact Fees	Land Sales
Water		X	X	X		X
Sanitary Sewer		X	X	X		X
Roads	X	X	X	X		X
Civic Parks and Open Space	X	X	X	X	X	X
Parking Garage	X		X	X		X
Electrical		X	X	X		

Source: City of Santa Fe, Strategic Economics, October 2022.



# Who Will Manage Infrastructure Construction?

**Primary street will be built and maintained by the city.**

**Other streets will be built and maintained by private property owners.**

Asset	Entity Responsible for Construction
Water	Public Utility & Developers
Sanitary Sewer	Public Utility & Developers
Streets/Storm Water	Public Works Department & Developers
Plazas and Parks	Public Works & Developers
Electrical	Public Service Company of New Mexico & Developers
Parking Garage	TBD





# How Will Santa Fe Pay for Ongoing Operations and Maintenance of Public Infrastructure?

**Multiple revenue sources could be used to pay for future operations and maintenance.**

Funding Source	Description
Public Improvement District	Special area or district tax
Property Tax Increment	A portion of future property taxes generated by Midtown could be set aside to pay for Midtown operating costs in conjunction with Metropolitan Redevelopment Area
Storm Water Fee	For arroyo on the Midtown site (to be confirmed)
New General Fund Tax Revenues	Over time, Midtown will create additional property and gross receipts tax revenues for the General Fund
Other sources to be explored later	TBD



# Funding and Financing Implementation

**Implementing the Midtown Master Plan could take 10-15 years**

**Funding and Financing will happen incrementally, strategically, and with full public transparency**

- The Economic Development Department will continue to oversee Plan implementation in response to market cycles and funding availability
- The Public Works Department and Public Utility will continue to manage the capital improvement/construction process
- The Governing Body will make all final decisions regarding property disposition, funding and financing, and future development
- If a Metropolitan Redevelopment Agency (MRA) is formed, the MRA could manage the operations and maintenance at Midtown using revenue from various sources as previously discussed



# Next Steps



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