Report on the Development Feasibility of the NMHU Gene Torres Golf Course

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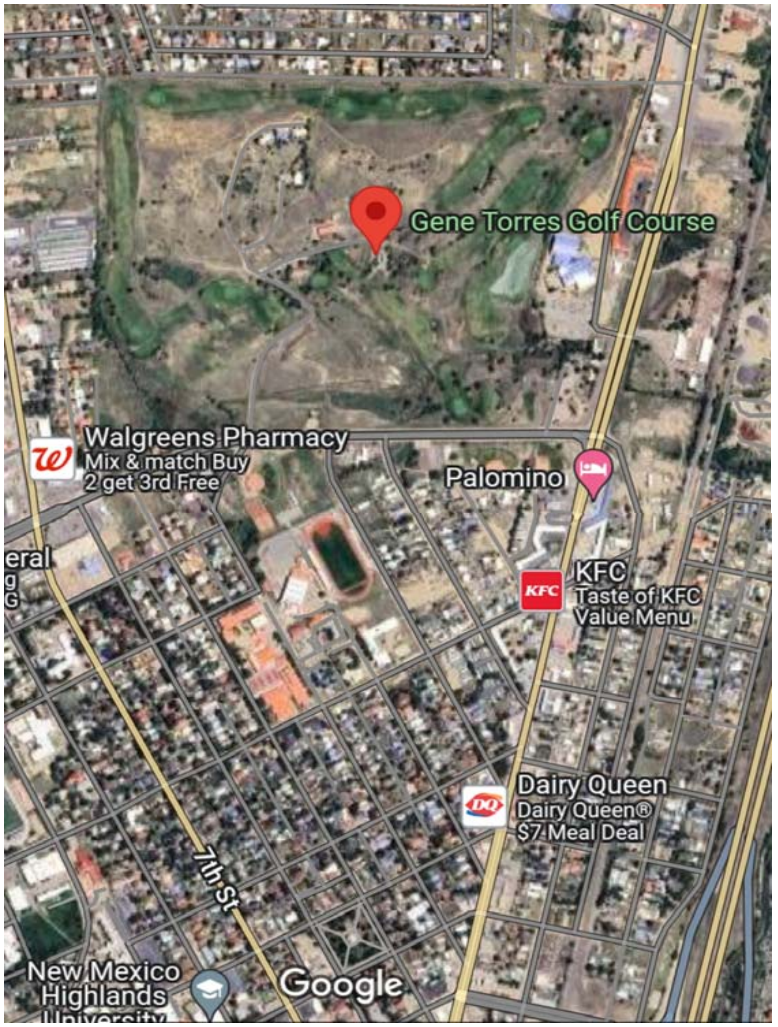
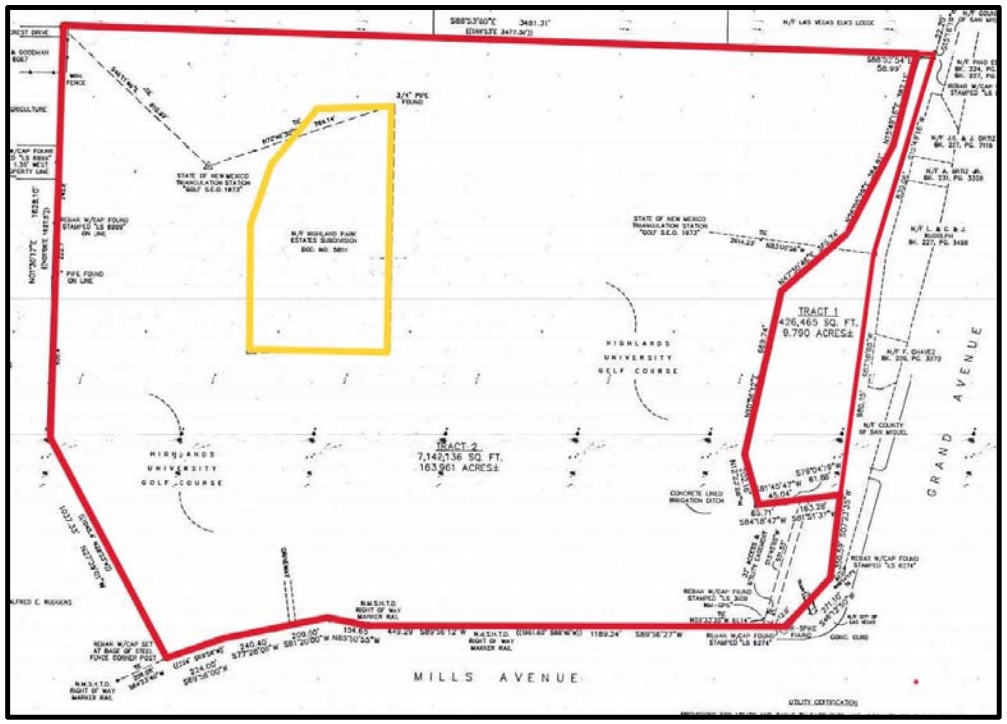
Sage Land Solutions Consultants
Kim Murphy
Harry Relkin
Michael Castillo

Project Scope

- Review RE Documents
- Market Assessment
- Land Use Concept Plan
- Utilities / Water Availability
- Major Infrastructure Plan
- Economic Feasibility Study
- Implementation / Next Steps



Golf Course Real Estate Documents



- City conveys 173 Ac. to NMHU in 1963
- NMHU creates Highlands Park Estates subdivision of 11.4 Ac. with 21 lots in 1969
- NMHU ground leases lots (3) in Highlands Park Estates in 1969, 1985 & 1988
- NMHU creates Restrictive Covenants for Highlands Park Estates in 1988
- Land Division of 173 Ac. for conveyance of 9.8 Ac. to City in 1996 for City Rec. Center
- Quiet title judgement in 2000 declares City deed restrictions not valid

Real Estate Market Potentials

- **Single family homes- 175 homes over 10 years**
  - **100 move-up households**
  - **45 households relocating to Las Vegas & 32 new households**
- **Multifamily Apartments- 60 affordable & 60 market rate units**
- **Commercial Retail- 86.700 square feet**
  - **20,400 square feet of new demand**
  - **66,300 square feet recaptured “leakage”**

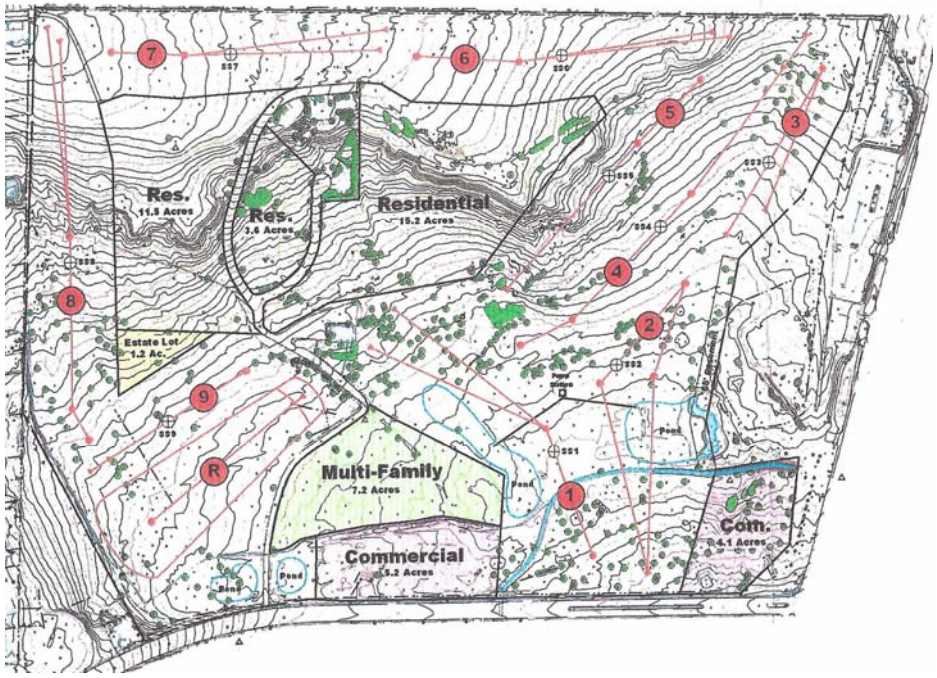
Economic Development Opportunities

NMHU's Golf Course Project presents many opportunities to bring the the University community and the Las Vegas business & civic community together to energize current economic development efforts

- **Promote University-related R&D technology commercialization**
  - **Life Sciences**
  - **Film & Digital Media Arts**
  - **Natural Resources**
- **Enhance student life & well-being**
  - **Job training, internship & employment**
- **Cultivate entrepreneurship & business innovation**

Land Use Concept Plan

Physical Site Characteristics
2005 GolfScapes Plan



Land Use Concept Plan

Development Program

Single Family Detached	40 Ac. / 30 Ac. Net	120 Dwelling Units
Single Family Attached	3.5 Ac.	30 Dwelling Units
Multifamily	4.0 Ac.	100 Dwelling Units
Retail Shops	7.0 Ac.	76,300 Sq. Ft.
Highway Commercial	5.0 Ac.	32,700 Sq. Ft.
Research/Business	5,0 Ac.	TBD
TOTAL	64.5 Ac.	250 DU & 109,000 SF

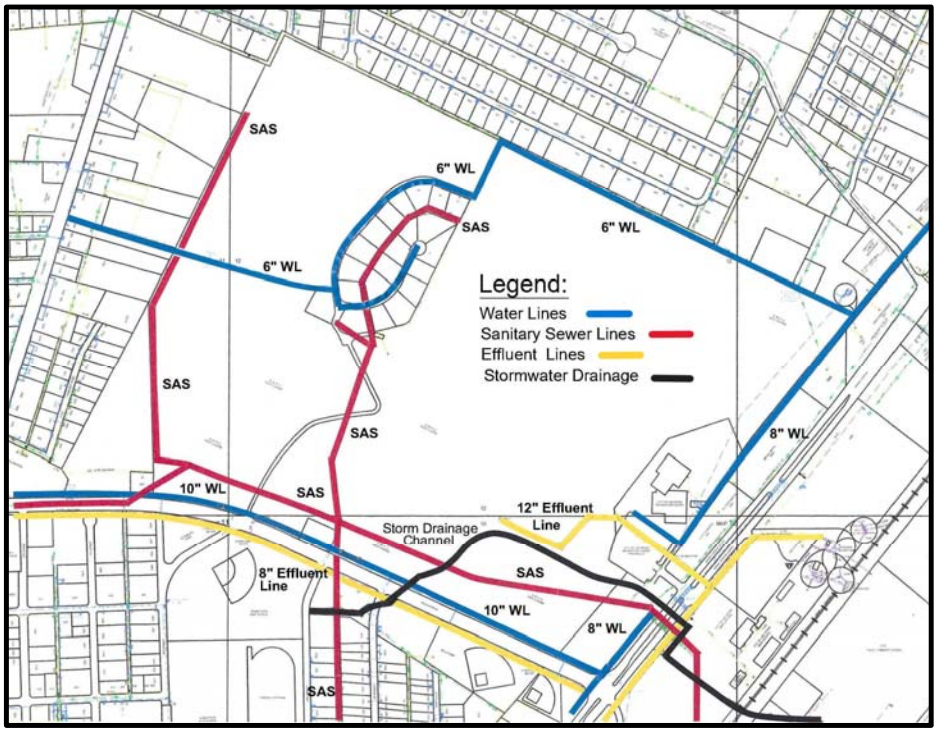
Land Use Concept Plan

Development Plan

- **Single Family on higher ground with Golf Course frontage**
  - **Portions of Highlands Park Estate could remain**
  - **Select pockets of SF Attached can be incorporated**
- **Mixed Commercial on Mills Ave. frontage**
- **New entry road serves Mixed Commercial tracts & creates project identity**
- **Highway-oriented commercial at Mills & Grand Ave.**
- **Research / Business serves NMHU needs & promotes job creation**

Utilities & Water Availability

City of Las Vegas Utility Map



- **Property is well-served with existing utility infrastructure**
- **Major municipal water lines at perimeter of Property**
- **Major trunk sanitary sewer line runs parallel to Mills Ave.**
- **Municipal effluent line provides for Golf Course irrigation**
- **Stormwater channel cuts through SE corner of the Property**

Utilities & Water Availability

NMHU Water Well & Water Demand

NMHU Well- UP-00510

- Adjudicated by State; May 2009
- Permitted Use: Irrigation
- Depth 1,200 Ft.
- **Approved Diversion: 55 Ac. Ft./Yr.**

Water Demand- Proposed Development

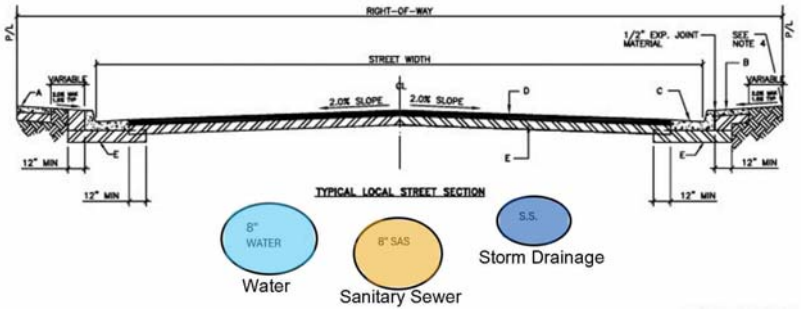
Single Family	150 du	20 Ac. Ft./Yr
Multifamily	100 du	16 Ac. Ft./Yr.
Commercial	109,000 sf	7 Ac. Ft. /Yr.
Total		**43 Ac. Ft./Yr.**

- **Assumes Golf Course irrigated with treated municipal wastewater effluent**

Major Infrastructure
Preliminary Plan & Cost Estimate

Major "Trunk" Infrastructure Cost

Roads	$7,950000
Water Lines	750,000
Sanitary Sewers	600,000
Storm Drainage	2,200,000
Total	**$11,500,000**



Economic Feasibility Analysis

Market Valuation & Tax Revenue

Market Valuation @ Full Buildout

Single Family Detached	$51.6M
Single Family Attached	$9.9M
Multifamily	$43.8M
Commercial Retail	$49,3M
Total	**$154.6M**

Tax Revenue- 25 Year Projection

Revenue by Source	**$84.9M**
Construction GRT	$11.7M
Recurring GRT	$57.2M
Property Tax	$16.1M
Revenue by Jurisdiction	**$84.9M**
City of Las Vegas	$31.0M
San Miguel County	$22.1M
State of New Mexico	$31.9M

Economic Feasibility Analysis

Public Finance Support for Public Improvements

Metropolitan Redevelopment Area

- GRT & Property Tax Increment
- Maximum 75% Above Base
- Maximum 20 Year Bond Term
- Funds Major Public Infrastructure & Other Improvements

Total MRA-TIF Funding $36.9M

Public Improvement District

- Special Levy added to Property Tax
- Average House Levy /Year $1,300
- Annual PID Revenue $295,000
- Funds Public Subdivision Improvements

Total PID Funding $4.1M

Economic Feasibility Analysis

Public Finance Support for Public Improvements

Metropolitan Redevelopment Area- Public Improvements Funding

▶ Major Trunk Infrastructure	$11,500,000
▶ Streetscape Landscaping	$3,500,000
▶ Park / Trails	$2,000,000
▶ Golf Course	$2,500,000
▶ NMHU Research Building (15,000 sf)	$7,500,000
▶ Water Supply & Conservation	$9,900,000
▶ **Total MRA-TIF Funding**	**$36,900,000**

Economic Feasibility Analysis

NMHU Potential Revenue / Income
Major Infrastructure Installed with Public Finance

Use	Acreage	Per Unit	Sales Proceeds	Annual Income
Single Family	43.5	$40,000/Ac.	$1,740,000	Not Applicable
Multifamily	4.0	$8,00/SF	$1,394,000	$104,500
Retail #1	7.0	$10.00/SF	$3,049,000	$228,700
Retail #2	5.0	$12.00/SF	$2,723,000	$204,200
Land Sales Potential			**$8,906,000**	
Ground Lease Potential				**$537,400**

Disposition #1	**Sell Single Family**	**$1,740,000**	**$537,400**
Disposition #2	**Sell SF + Multifamily**	**$3,134,000**	**$432,900**
Disposition #3	**Sell SF + MF + Retail #2**	**$4,117,000**	**$228,700**

Next Steps

Secure Resources & Implementation Tools

- **NMHU Oversight & Management of Development**
  - University Research Park & ED Corp.- Delegated control over development; Accountable to Regents
  - Board of Regents- Final control over land disposition
  - Identify Master Developer & Public-Private Partnership opportunities
- **Public Finance Agreements (City, County & State)**
  - City policy guidance for PID & MRA-TIF
  - Non-binding City & County resolutions to create/fund PID & MRA-TIF
  - State support from HED, ED, SBOF & Governor
- **Other**
- **Continued**

Next Steps

Secure Resources & Implementation Tools

- **Water & Wastewater Service Agreements (City & State)**
  - City commitment to provide water & wastewater service to Golf Course development
  - Lease NMHU well water rights to City for municipal use
  - City agrees to provide consistent, high-quality wastewater effluent to irrigate Golf Course
- **Pursue Economic Development Opportunities**
- **Explore Public-Private Partnerships**