

COOPERATIVE EDUCATIONAL SERVICES  
SPECIAL EXECUTIVE COMMITTEE MEETING  
MINUTES  
August 23, 2016

The Executive Committee meeting of Cooperative Educational Services (CES) was held August 23, 2016 via teleconference

**Call to Order**

The special meeting was called to order at 9:02 p.m. by President T.J. Parks. Notice of the meeting had been sent to all Executive Committee members 10 days previously.

**Roll Call**

The following members were present:

Brenda Vigil – Tularosa	Region VII, Treasurer
D Efren Yturralde – Gadsden	Region VIII
Dwain Haynes - Eunice	Region VI
Joe Guillen – NMSBA	Ex-Officio Member
John Madden – NMSU-Roswell	Ex-Officio Member
Steve Barron - Dora	Region V, Secretary
T.J. Parks – Hobbs	President
Kim Mizell – Bloomfield	Region I

The following members were absent:

Kirk Carpenter – Aztec	Region I
Richard Perea – Santa Rosa	Region III
Greta Roskom – NMCCS	Ex-Officio Member
Stan Rounds – NMCEL	Ex-Officio Member
Marc Space – Grants-Cibola	Region IV
Penny Garcia – ENMU	Region VI
Vernon Jaramillo – Cariño de los Niños	Past President
Darlene Ulibarri – Peñasco	Region II
Paul Aguilar – NMPED	Ex-Officio Member

The following non-members were present:

David Chavez	CES Executive Director
Robin Strauser	CES Deputy Executive Director
Steve Kraemer	Maestas/Ward
Joan Hickman	CES Executive Administrative Assistant

**Quorum**

CES Board Policy states that attendance by one third of the Executive Committee members constitutes a quorum. This was, therefore, a duly convened meeting of the CES Executive Committee.

### **Approval of Agenda**

A motion was made by Brenda Vigil and seconded by Efren Yturalde to approve the agenda. The motion was accepted and passed unanimously.

### **Proposed Purchase of Property at 1451 Innovation Parkway, Albuquerque, NM**

Steve Kraemer, David Chavez and T.J. Parks toured the facility which is located off of Eubank, south of Central. It is located in a master-planned Research Park, about ½ mile from Kirtland Airforce Base and Sandia National Labs. Many area businesses are affiliated with the labs. The Research Park is clean and well maintained.

### **Overview**

Steve Kraemer, of Maestas/Ward Commercial Real Estate provided the following overview:

- Moog, Inc. has a lease that expires January 31, 2018, but is currently looking for a new facility and could sublease their portion of the building.
- Sandia National Labs has a lease that expires August 31, 2017.
- The total number of lease holders is 9. The longest lease is active through 2021.
- Moog, Inc. and Sandia National Labs occupy the western 2/3 of the building.
- A non-binding Letter of Intent has been drafted and includes an offer of \$3 million. The price is to include one acre of vacant land, valued at approximately \$250,000, for CES' future needs.
- There is nothing inherently wrong with the property.
- The building is 8-10 years old.
- The property was previously on the market for 3.2 million dollars. However, it was unattractive to investors due to the 40 % vacancy (10,000 square foot area that was not leased).
- There is ample parking.
- Staff will have individual offices-no cubicles.
- Operating costs are estimated at \$7/square foot.
- There are many restaurants and retail businesses located nearby.
- There is a facility within the Research Park that all tenants of the Research Park, including CES, would have access to for large meetings and training sessions.

### **Timeline**

A Letter of Intent will be delivered to the property owner, NM Union. After negotiations, a purchase agreement will be drawn up and approximately \$50,000 will be put up as earnest money. 60 days would be allowed for Due Diligence/Inspections, but could be extended to 90 days. After Due Diligence, CES would be committed to purchasing the facility. (unless "deal breakers" are discovered during the due diligence phase and/or inspections) CES purchases the building and collects rent for the 6-9 months it could take to sell the current CES property. After the sale of the CES property, Moog will be given 60 days to move out. As time progresses and CES expands, smaller leases can be phased out. Current leases, building plans, and maintenance contracts will be reviewed. Closing could occur 60-90 days after the purchase agreement is approved.

David Chavez will provide "Rent Rolls" to the Executive Committee. He will also send weekly e-mail updates to the Committee.

CES has \$4.7 million in reserves and plans to offer \$3 million. The realtor expects a counter offer of approximately \$3.2 million.

As this would be a cash offer, a Phase One Environmental Study is not required, however, Steve Kraemer recommends one be completed. It would take about 2-3 weeks.

Due Diligence is to include annual and/or monthly maintenance fees, and close inspection of the roof and other areas of the facility that would prove costly to repair. Issues discovered during Due Diligence/Inspections, such as the roof, could be deal breakers if the current owner would not agree to address prior to the purchase.

**The following questions were posed:**

- Is there a monthly/annual fee for maintaining the grounds, etc.? Steve Kraemer will find out.
- Are fees involved in using the building with meeting rooms? Steve will investigate.
- When might the CES property sell? Although the property has yet to be listed, there have been a few interested parties. However, the lack of parking has discouraged potential buyers. Steve Kraemer suggested an asking (high end) price of \$1.1 million.

A motion was made by Dwain Haynes and seconded by Steve Barron to proceed with the process of purchasing the property at 1451 Innovation Parkway, allowing David Chavez to negotiate the purchase price up to \$3.2 million. The motion was accepted and passed unanimously.

**Adjourn**

The meeting adjourned at 9:47 a.m.

Respectfully Submitted,

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Steve Barron, Secretary

Attest:

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T.J. Parks, President