

## Memo

To: Lobo Development Corporation Board of Directors  
From: Thomas M. Neale, UNM Director of Real Estate  
Date: June 5, 2019  
Re: Proposed Expansion and Building Renovation of the Albuquerque Institute for Mathematics and Science at the UNM Science and Technology Park

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I am requesting approval by the Board of Directors for Lobo Development Corporation (LDC) for the expansion and building renovation of the Albuquerque Institute for Mathematics and Science (AIMS) at 933 Bradbury Drive SE, at the University of New Mexico's Science and Technology Park. The Lobo Development Corporation currently owns the building improvements at 933 Bradbury Drive SE and leases the entire 140,000-square-foot building to the Regents of the University of New Mexico (UNM). The UNM Real Estate Department manages the building on behalf of the Regents.

The Real Estate Department subleases approximately 122,000 square feet to the University of New Mexico Hospitals (UNMH) and 15,000 square feet to AIMS including approximately 3,000 square feet of vacant space. In March 2018, the LDC Board of Directors approved a loan of up to \$1,500,000 to renovate 1009 Bradbury Drive SE for expansion of AIMS. The project was not feasible and the UNM Real Estate Department has analyzed other potential options to consolidate AIMS. The best option for AIMS from an operational and security standpoint is to consolidate within 933 Bradbury. This is also ~~is~~ the best long-term strategy for their presence at the UNM Science and Technology Park. The potential expansion space in 933 Bradbury is currently occupied by and it is their intent to relocate to leased space outside of the Science and Technology Park.

The UNM Real Estate Department is requesting approval of the LDC Board of Directors to construct the tenant improvements for the AIMS expansion space and modify the lease agreement to amortize the cost of the tenant improvements. The proposed budget for the expansion of AIMS is \$1,250,000. The proposed terms include an annual interest rate of 3.0% with principal and interest payments amortized over 15 years with a balloon payment at the end of the 10<sup>th</sup> year. The rent will be adjusted with an increase of \$8,632.27, or \$103,587 per year.

Procurement of the general contractor and project management will be the responsibility of Lobo Development Corporation. Upon completion of the project, AIMS will occupy 31,696 square feet of contiguous space within 933 Bradbury, including 15,000 sf of current space, 2,854 sf of vacant space, and 13,840 sf of expansion space.