

PLAN IMPLEMENTATION | 6.0

IMPLEMENTATION OVERVIEW

The economic and programmatic success of the Village at the Galisteo Basin Preserve will demand precise execution, energetic marketing, and favorable timing.

As with any real estate initiative – especially one that challenges the paradigm of land development in the American West – a careful balance will need to be struck between the vision statement and development practice that will attract buyers and create economic value, and the need to maintain flexibility to weather the inevitable ebbs and flows of the real estate market.

With these responsibilities in mind, Commonweal Conservancy’s approach to development implementation, marketing, and governance is guided by the lessons and experience of other successful conservation developments in the country.

Development implementation will require the following practice:

Strategic Partnering – By working closely with design consultants, investors, nonprofit partners, lenders, and builders who share our vision and passion for developing environmentally responsible, socially cohesive new communities, the development process can foster a sense of shared authorship and joint ownership. Additionally, homebuyers, people employed in the Village, and visitors to the community can play a “co-creation” role – helping to manifest the stewardship objectives of the project and advance the community’s social welfare purposes.

Phased Development – A phased approach to infrastructure development and community facilities construction will allow the Village to take form as a place with a vital, clearly identifiable center. Although cash flows from lot sales may not be sufficient to underwrite many of the “place-making” retail or institutional program elements (e.g., mercantile, café, post office), Commonweal is committed to developing a number of these facilities during the initial phase of construction to make real the mixed-use development goals of the project.

Market Strategy – Given the unusual planning objectives and stringent development requirements associated with the Village, Commonweal’s marketing plan anticipates a great deal of outreach to builders, developers, homebuyers, lenders, and real estate sales professionals. Rather than market the Village as simply a housing choice for Santa Feans, the project will be presented as a lifestyle opportunity for people who are interested in living responsibly in community and in close relationship to nature.

Stewardship and Regeneration – To fulfill the open space protection and land restoration goals of the Preserve, a comprehensive financing program and land management plan will need to be clearly articulated and responsibly implemented. Accordingly, in addition to an open space endowment, Commonweal proposes to secure a fee of one percent from the sales price of every property transaction to underwrite the stewardship and recreational programming responsibilities associated with the Preserve open space lands. The stewardship funds will be used for habitat restoration, cultural resource protection, and trail management purposes.

Governance and Evolution – The stability and functionality of the community will depend in large part on the quality of governance that guides decision-making and manages dispute resolution activities. Accordingly, the CC&Rs and the development review process will be sufficiently detailed and appropriately flexible to allow the community to evolve and grow as its needs and priorities require.

Strategic Partnering

In addition to our work with existing partners (i.e., Charter School 37, Earth Works Institute, Santa Fe Conservation Trust, Homewise, Santa Fe Housing Trust, Regenesis, PMS), Commonweal Conservancy will identify Santa Fe organizations, businesses, and individuals whose skills, experience, and values are closely aligned with the goals and purposes of the project. Special emphasis will be placed on groups and individuals who can help advise and achieve the water and energy conservation, economic development, and transportation goals of the project.

Throughout the master planning phase of the project, Commonweal has engaged residents and community leaders in Eldorado, Lamy, Galisteo, and surrounding areas in dialogue and debate. Strategic alliances with neighboring communities will ensure that the economic development, transportation, education, recreational, and cultural benefits that are generated from the Galisteo Basin Preserve will be broadly shared with residents of surrounding communities.

To advance the marketing objectives of the project, Commonweal will forge partnerships with organizations and businesses whose commitment to community-building and environmental protection can yield co-branding or joint-marketing value for the participants. This may involve a collaboration with suppliers of environmentally responsible building materials/systems (e.g., Bioshield, Fujiclean, Seimens Photovoltaic) or with other sustainable development-aspiring companies (e.g., Patagonia, Interface, Toyota, Comcast).

The financing program for the Village development anticipates participation from the socially responsible investment (SRI) community. By investing in the Preserve, these financial partners will help reduce some of the financial risk that is inherent in real estate development initiatives – by agreeing to accept lower-than-market rates of return and/or by accepting longer payback time frames.

Phased Development

In most traditional real estate development initiatives, community-serving retail and commercial facilities are only developed after a project has matured to a point of nearly full build-out. While the financial challenges associated with developing a café and mercantile are substantial, Commonweal is committed to developing the “bone structure” of a Village Center to ensure that the Village has “a there there” during the initial phases of development.

To ensure that the founding commercial and institutional facilities contribute good and sustaining value to the community, these buildings be designed and constructed in a manner that accommodates a flexible, adaptive development program (e.g., a sales center that can be redeveloped as a professional office; a café that can be redeveloped as a bar, small restaurant, or bookstore).

Phasing will also have significance for infrastructure development and the absorption rate for residential lots. Specifically, the initial phase of development (65 to 125 homes) will be planned for the efficient and cost effective development of roads, utilities, water delivery, and wastewater management systems. As presently conceived, the Village will be developed as a series of connected neighborhoods in areas located around the Village Center. By this approach, infrastructure can be tightly concentrated and cost-effectively developed.

To ensure that the market’s absorption of the initial lot offering is strong, the range of lot sizes and product types is likely to be artificially narrow (i.e., weighted toward single-family detached homes). As the community begins to take form, and the project’s reputation among builders and real estate sales professionals is positively anchored, the range of residential products can be increased and the proportion of attached loft/live-work/row house/compound homes can be expanded. In turn, the ratio of inclusive housing units to market rate units can be increased.

In the first phase of development, the recreational resources of the Village will include a minimum of ten miles of hiking, biking, and equestrian trails, as well as the Village plaza. In the second and third phases of development, a series of public gathering spaces and pocket parks will be developed, as well as an additional 20 miles of trails.

The development of community-serving facilities will manifest in the second through fourth phases of plat approval and construction. During this period, the Village center will be enhanced by new institutional facilities (e.g., post office, fire station, elementary school, reverential compound), commercial-serving projects (e.g., fractional share townhouses, professional offices, entertainment venues), and health-care and special needs-serving establishments (e.g., assisted living facilities).

Market Strategy

The financial and programmatic success of the Village will require a thoughtfully conceived and precisely executed marketing strategy. The marketing plan for the project is designed to cultivate 300 to 400 qualified buyers during the plan approval phase of the development. If the master plan and first phase subdivision are timely approved by Santa Fe County, Commonweal will coordinate a lottery to allow interested buyers to purchase the initial lot offering.

The marketing program for the Village will involve the following activities:

Communications

- Articulate and codify the definition of a “community preserve” to educate potential buyers as to the unique qualities and values that distinguish the Galisteo Basin Preserve.
- Develop the key messages and create a “compelling story” that makes clear the opportunities and benefits associated with living in the Preserve.
- Map the conservation lands of the Preserve to specifically communicate the extent and significance of these lands for future residents.

Media and Outreach

- Use a non-traditional media mix to generate awareness and begin educating the markets about the Preserve.
- Establish a store front and information center in downtown Santa Fe to educate people outside the market about the concept of the Preserve and generate visits to the site.
- Use signage, public relations, targeted community presentations, and other vertical marketing techniques to introduce the concept of “Community Preserve Living” to the local market.

On-Site Experiences

- Invite people to experience the site in ways that are not sales-oriented to begin to familiarize the public with the Preserve.
- Use the property for educational tours and events including hikes, runs, rides, lecture programs, and concerts.

**Stewardship +
Regeneration**

The Preserve area that will adjoin the Village development includes more than 12,000 acres of spectacularly scenic, historically significant, and highly productive wildlife habitat. To ensure that the Preserve lands are carefully and effectively managed in perpetuity, Commonwealth proposes to implement a two-part financing strategy to underwrite a comprehensive stewardship program for the project. These financing elements will include:

A Preserve Endowment - From the net proceeds of sales, Commonwealth will contribute a portion of its earnings to underwrite the long-term maintenance of the Preserve open space resources and the regional trail system.

Real Estate Transfer Fee - Mirroring the practice of other successful conservation development initiatives in the U. S., Commonwealth plans to impose a one percent transfer fee on all property sales within the Village in perpetuity. By this mechanism, the annual stewardship budget for arroyo restoration, habitat enhancement, trail building, and cultural resource management, among other conservation and regeneration-related activities, should exceed \$400,000 per year after the tenth year of the Village's development.

Conservation Stewardship Organization - As presently envisioned, Commonwealth anticipates establishing an independent nonprofit organization to oversee the day-to-day management and operations of the Preserve open space. This "conservation stewardship organization" (CSO), will manage the Preserve to: (i) minimize soil erosion; (ii) improve the hydrological capabilities of the property; (iii) enhance the quality and diversity of wildlife habitat; and (iv) protect the recreation and scenic values of the property.

Governance + Community Evolution

The Village governance and regulatory system is designed to balance stewardship responsibilities with judicious enforcement authority. It is designed to support Commonwealth's effective management of the Village development, as well as guide the decision-making of a successor nonprofit organization and/or a homeowners association.

As presently conceived, the Village will be governed by a collection of managing organizations, with discrete and separate authority. These entities will include:

Governance Entities - Governance will require the creation of the following entities authorized to administer private governance processes and empowered by a series of documents described below:

- The Property Owners Association (POA)
- The Mixed Use Owners Association (MUOA)
- The Design Review Committee (DRC)
- The Galisteo Basin Preserve Institute (The Institute)

Community Documents - The documents that define and guide these entities will also bind all present and future owners within the Village and provide for perpetual support and maintenance of the Village governance entities and processes. The documents shall include, but not be limited to:

- The Galisteo Basin Preserve Community Operating Principles: Conditions, Covenants and Restrictions
- Community Operating Agreement – Residential Rules and Regulations
- Property Owners Association – Rules and Regulations
- The Village Center Mixed Use Owners Association – Rules and Regulations
- The Community Design Guidelines
- The Articles of Incorporation and By-Laws for the Property Owners Association, Mixed Use Association, and Galisteo Basin Preserve Institute.

The Conditions, Covenants and Restrictions, the Community Operating Agreement, and the Mixed Use Owner's Association documents shall be recorded at time of final plat approval.

Enforceable architectural and landscape Design Guidelines shall be applied to all development within the Village, as an extension of the Community Operating Agreement. These documents will not be recorded, however, so that they may be updated and revised to reflect the lessons learned from the Village development process. (See Design Guidelines, pages 5.18-5.27.)

Common Area Management - Common areas will be maintained by both a master Property Owners Association and/or sub associations, specific to higher density products. Homeowners associations will be responsible for the maintenance and preservation of common open space areas.

The Preserve Management - As noted above, the Galisteo Basin Preserve CSO will be responsible for the stewardship, maintenance, and operation of the Preserve open space lands. Day-to-day operations may be supplemented and enhanced through relationships or contracts with a combination of conservation and stewardship entities (e.g., land trusts, volunteer organizations and/or a collaboration with Santa Fe County's open space division).

Community Operating Principles

The following provides a simplified outline of the key sections, chapters and topics to be addressed in the Galisteo Basin Preserve Community Operating Principles:

- Statement of Purpose
- Declaration
- Overview of the Community
- Vision for the Village
- The Neighborhood Association
- The Commercial Association
- The Institute
- Community Life
 - Part I: The Neighborhood Association
 - Neighborhood Association Operation
 - Election Procedure; Board Meetings
 - Neighborhood Meeting and Voting
 - Records
 - Use of Professional Management
 - Part II: Neighbors
 - Use of the Parcel
 - Safety and Appearance
 - Pets; Rules and Regulations
 - Role of the Chancellor
 - Enforcement
 - Initiation of Litigation by the Neighborhood Association
- Physical Surroundings
 - Part I: The Village Commons and Preserve Lands
 - Use of the Village Commons
 - Maintenance and Capital Improvements
 - Roads, Utilities and Drainage
 - Purchase or Conveyance of the Neighborhood Commons
 - Dedication and Condemnation
 - Association Insurance and Reconstruction
 - Part II: Private Domains Relationship between Parcels
 - Owner Insurance
- Design Guidelines
 - Part I: The Village Design Guidelines
 - The Village Design Review Committee
 - Part II: Review Process
 - Quick View: The Village Design Review Committee

- Finance
 - Part I: The Neighborhood Association Budget
 - Accounting
 - Budget
 - Reserves and Deferred Maintenance
 - Unanticipated or Extraordinary Expenses
 - Capital Improvements
 - Zone Expenses
 - Contracts for Maintenance
 - Part II: Assessments on Parcels
 - Allocation of Assessments
 - Transfer Fees
 - Collection of Assessments
 - Notice to Purchasers
- The Future
 - Additional Neighborhood Association Powers
 - Amendment
 - Duration
 - Definitions