



Aubrey Dunn, State Land Commissioner
State of New Mexico

FOR IMMEDIATE RELEASE

June 28, 2018

Contact:

Kris McNeil, Assistant Commissioner

(505) 827-3650 (O)

(505) 470-8829 (C)

kmcneil@slo.state.nm.us

State Land Commissioner Announces New Lessee for Garrett's Desert Inn

SANTA FE, NM – State Land Commissioner Aubrey Dunn today announced 311 Old Santa Fe, LLC, has been chosen to lease and redevelop the iconic Garrett's Desert Inn in historic downtown Santa Fe.

New Mexico-based 311 Old Santa Fe, LLC was among three qualifying bidders, and its proposal earned the highest marks across the board from the selection committee. The company will pay an annual base rent of \$300,000 with a one-time bonus of \$311,000. The term of the lease is 20 years with two optional 20-year renewal periods. As the sole beneficiary, the University of New Mexico is expected to earn approximately \$12,032,091 during the course of the initial 20-year lease period.

"I'm pleased to announce 311 Old Santa Fe, LLC as the successful bidder for this property, which is a tremendous asset for the community," Commissioner Dunn said. "As a company that operates hotels in Santa Fe and elsewhere I'm confident that they will ensure that this unique property remains an important presence in the city's historic downtown area."

Commissioner Dunn said that 311's winning bid was the best offer received through both rounds of bidding and will dramatically increase revenue for the beneficiary, the University of New Mexico (UNM).

"While we weren't thrilled to have to go out to bid a second time on this project, the end result is actually very positive for this agency and UNM," Commissioner Dunn said. "This new lease will see UNM's distributions increase nearly ten-fold."

The inn's exterior façade will remain largely the same, though a few cosmetic changes are planned "in order to preserve the rich history of the property and surrounding area." The facility's interior, however, will be "gutted and remodeled." A new name is also in the cards. 311 Old Santa Fe LLC says its vision for the property is to create a "boutique" hotel.

The 2.7-acre property was acquired in September of 2016 when Commissioner Dunn and the State Land Office brokered a land exchange with Cochiti Pueblo. In exchange for the property, located at 311 Old

Santa Fe Trail, Commissioner Dunn returned more than 9,000 acres of Cochiti ancestral lands, formerly the Dixon Apple Orchard. The pueblo purchased the 62-year-old inn from the Catron Family Trust and transferred the hotel's ownership to the SLO.

Oil, gas, and mineral production, ranching and farming, and commercial development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair. In fiscal year 2017, the State Land Office collected \$664 million from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas, and mineral royalties.