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FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/09
 LAST UPDATED 03/16/09 HB _____

SPONSOR Keller

SHORT TITLE State Fair Asian American Center SJM 39/aSRC

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$1-500	\$1-500	Recurring	Other State Fund (State Fair Fund)

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$1-400	\$1-400	\$1-400	Recurring	Other State Fund (State Fair Fund)

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State Fair Commission (SFC)

SUMMARY

Synopsis of SRC Amendment

The amendment strikes all the language requesting the State Fair Commission to “determine the feasibility of” establishing and maintaining an Asian American Center. The amendment proposes the State Fair Commission to now “facilitate dialogue between all interested parties and

assess issues surrounding” establishing and maintaining an Asian American Center. The amendment also strikes language requesting the fair to “present its findings to the appropriate interim legislative committee no later than November 2009”.

Synopsis of Original Bill

Senate Joint Memorial 39 requests the State Fair Commission determine the feasibility of establishing and maintaining an Asian American Center.

FISCAL IMPLICATIONS

The fiscal impact is unknown. The State Fair Commission is an enterprise agency and must generate its own revenue to cover its operating expenses. The only general fund money appropriated to SFC is for the operation of the African American Performing Arts Center (AAPAC). The budget to operate and maintain AAPAC is over \$400,000. There is no funding budgeted in the SFC FY10 budget for feasibility studies.

SIGNIFICANT ISSUES

The memorial resolves the following:

- Asian Americans in NM comprise nearly thirty thousand residents and contribute greatly to the cultural, economic and intellectual achievements of NM’s society;
- The largest projected population growth by percentage is expected for Asian residents, estimated to increase by nearly four percent per year, until 2016;
- Asian Americans live and work throughout New Mexico and are an integral part of New Mexico’s cultural mix;
- Asian Americans have established strong communities in NM with rich and varied traditions, particularly in Albuquerque near the fairgrounds, where a concentration of Asian restaurants and shops exists;
- The NM state fairgrounds boasts three ethnic complexes, Villa Hispana, Indian Village and the Hoppes African American Pavilion;
- The NM state fairgrounds has five art galleries totaling approximately fifty-five thousand square feet: the creative arts; Hispanic arts; fine arts; school arts; and Indian arts;
- The NM state fairgrounds also hosts the African American performing arts center and exhibit hall;
- An Asian American center would honor, celebrate and teach the significant achievements, sacrifices and contributions of Asian Americans in NM and the United States;
- An Asian American center will contribute to the acclaim of the NM state fairgrounds for its art galleries and ethnic complex;
- An Asian American center will generate additional interest and bring visitors to the NM state fairgrounds.

A copy of this memorial shall be transmitted to the State Fair Commission. SFC is requested to conduct a study to determine the feasibility of establishing and maintaining an Asian American center, which can be used year-round for multiple purposes, and present its finding to the appropriate interim legislative committee no later than November 2009.

ADMINISTRATIVE IMPLICATIONS

Because SFC is an enterprise agency a feasibility study would have to be conducted utilizing their funding. SFC has relied on state funding for the maintenance of its buildings and grounds. A 2006 study¹ indicates nearly \$84 million is needed to enhance and maintain existing facilities on the fairgrounds. There is currently no dedicated revenue stream for maintenance of existing facilities. Since 2005, the agency has received annual pari-mutuel tax revenues in the amount of \$1.2 million; on a \$5.5 million negotiable bond issued by New Mexico Finance Authority.

Funds derived from the bond are used for capital and infrastructure improvements on the fairgrounds. The bonds are scheduled to be paid in full by FY14. In addition to pari-mutuel tax the agency depends on capital outlay funding for continued maintenance; since 2003, nearly \$19 million has been appropriated capital outlay funding.

In late 2008, Governor Richardson announced CH Johnson consulting was hired to develop a master plan for the strategic and physical redevelopment of the fairgrounds. At this time a 22 member taskforce was appointed to aid in the redevelopment of the fairgrounds. The site evaluation and site utilization plan conducted by CH Johnson states, “The fairgrounds have begun to attract some cultural influences with the African American Performing arts Center and the strong Latino tapestry in the weekly market. This cultural base could be built upon and developed into a broader cultural crossroads for Albuquerque and the State of New Mexico.”

JL/mt:svb

¹ Bullock, Smith & Partners, “Long Range Master Plan for Expo New Mexico,” pg. 48.