



Economic & Rural Development Committee Meeting

July 26, 2017

Economic Development Priorities of the Village of Ruidoso

Mayor Tom Battin, Village of Ruidoso

Good Morning and Welcome to our beautiful community where small business, tourism and recreation serve as our economic drivers. With a permanent population of 8,000 people, we serve up to 40,000 most weekends throughout the year and we are excited and pleased to host the Economic and Rural Development Committee this week.

What sets Ruidoso apart from other communities is the majestic beauty of our mountain town and our commitment to serve everyone that lives, works and visits here. We are truly "Nature's Playground" which represents our Vision to enhance economic vitality and drive economic benefit for everyone in Lincoln County. As a result of great leadership with our Village Council members and Administrative Team/competent employees, much has been accomplished in Ruidoso.

The number one priority for our Village Council has been and continues to be **WATER**. Effective and efficient water management drives our economic sustainability and serves as the guidepost for decision making on many of our Village decisions. In the past four years, we have made much progress in this area including a new liner for the Grindstone Dam, and investing more than \$15 million in infrastructure improvements. During my time as Mayor, we have concentrated on improving our relationships with our neighbors by discussing regional water

planning and with State Agencies while complying with State and Federal regulations that ensure a sustained quality of life through our delivery of services.

Also, the Village has been an active member and driver in the Stronger Economies Together Initiative (SET). The purpose of SET was to strengthen the capacity of communities in rural New Mexico to work together in developing and implementing an economic development blueprint that strategically builds on the current and emerging economic conditions in the region. Most importantly, it strengthens a collaboration between communities creating economic advantages that benefit everyone. To that end, the Regional Tourism Council has been established, with guidance provided by the Chamber of Commerce and Village Tourism Director, along with the Healthcare Committee which has also commenced to advance discussions among various parties interested in wellness

Village of Ruidoso Economic Development Priorities:

- 1. Broadband** – The lack of high speed broadband fiber optic infrastructure has been one of the greatest challenges. Connectivity is critical to rural communities and we are experiencing the difficulty of recruiting new business and supporting our existing business because we lack broadband connectivity that many of our larger communities benefit from. Identified as one of the economic enhancement targets within the Stronger Economies Together Plan, the Village has conducted several stakeholder meetings with the existing local broadband providers in addition to outside parties to enhance capacity and output. We are hopeful that broadband connectivity can be accomplished.
- 2. New Mexico MainStreet for the Midtown District-** After a coordinated partnership undertaken by the Village, Ruidoso Valley Chamber of Commerce and local business owners, the State Department of Economic Development designated Ruidoso as a New Mexico MainStreet Accelerator community in October 2016. Since that time, a board of directors has been selected and the Association has incorporated as a 501(c)3 non-profit organization with the assistance of the Chamber of Commerce. They are now in the process of establishing four committees to implement their vision: Design, Organization, Promotions and Economic Vitality. The Association continues to plan a public forum/meeting in the summer/fall to promote the MainStreet program to the

community at-large and Midtown stakeholders. A Scope of Services Agreement was executed between the Village Council and Ruidoso Midtown Association. This agreement serves to update the financial commitment to the Association and define services to be performed for economic development work within Midtown. Incorporated in these efforts is training in customer relations and services to both business owners and their employees. Among the projects slated include business recruitment and retention plans, expanded Midtown events, enhanced street lighting and aesthetics, gateway and wayfinding signage and augmenting the visitor experience. These efforts, over time, will improve the attractiveness of mid-town activity, pedestrian friendliness and economic vitality for this central shopping, entertainment district.

- 3. Affordable Housing** – The need for high quality workforce that exhibits traditional work habits has been another great challenge in Ruidoso due to our lack of affordable housing. To address this need, the Village has recently adopted an Affordable Housing Plan along with an ordinance that sets in place an Affordable Housing Trust. These efforts revealed that Ruidoso needs 220 residential units, 305 rental units, 40 senior units and 25 transitional housing units to meet the immediate needs of our community. Our next step is to establish a permanent advisory committee to implement the Affordable Housing Plan by analyzing project feasibility and providing technical expertise. Realizing the importance of expanding housing options for the community's full-time workforce, the Village is actively evaluating potential locations for future workforce housing throughout the Village. In addition to fostering private-sector development, the Village has an opportunity through its land bank and affordable housing trust fund to forge partnership development agreements that actively pursue such a project to bring to fruition. In order to sustain a strong economy and thrive economically, housing is a critical component and public private investment will be necessary.
- 4. Tourism- Recreation** – The Village has experienced great economic benefit in the area of tourism. We have learned that many visit our community and enjoy year-round activities and recreation. This year, you could enjoy skiing on the mountain in the morning and golf in the afternoon. From playgrounds and walking trails to tennis courts, a municipal pool with a water slide and lakes you

can fish in, the Village has much to offer our visitors to relax or be active. Most recently, the Village amended their ordinance to allow swimming in Grindstone Lake. Kids and adults are lined up in the cove of the Lake swimming and diving, making for a memorable summer day in Ruidoso. Also, you can hike, bike, and horseback ride in Ruidoso and if that's not your forte, you can play golf or Disc Golf just minutes from Midtown. As an economic boost, Ruidoso has become a destination place for College and High School athletes to train. We enjoy the opportunity of hosting UTEP in August where over 100 student athletes, coaches and staff will stay in the MCM Elegante and utilize our beautiful convention center as their host location. We also have other college and high school cross country and football teams finding their way to Ruidoso to enjoy the cool mountain air as they train and get ready for their upcoming competition. "There is something for everyone in Ruidoso". To add to our efforts of fostering tourism, the Village established "Sister City" relationship with Puerto Penasco, Mexico with the goal to foster economic, business and student exchange programs in the future along with tourism development.

- 5. Quality of Life** – We believe that Ruidoso provides an exceptional small town atmosphere while delivering a Quality Experience. In addition to our efforts and progress previously mentioned, the Village strives to create and maintain a safe place to live, work and visit. We were recently recognized as one of the safest cities in New Mexico and I contribute this success to our exceptional Police and Fire Department who are committed to keeping Ruidoso safe by working in collaboration with our neighbors and leveraging resources. One of the challenges is dealing with the increase of population on any given weekend. Our 8,000 population will swell to 40,000 and we must be prepared to handle a high volume of calls; however, this comes with an increase in the costs of overtime and need for additional personnel. Our public safety employees are also prepared to deal with the opioid addiction that is on the rise. The specialized training and cost of Narcan has also been funded by the Village and our employees are saving lives as a result. Regulatory impacts are also a challenge and Ruidoso seems to be leading the effort in certain areas such as permitting of the wastewater treatment plant with unrealistic restrictions, compliance with safe drinking water standards and repairing damage resulting from declared disasters. To address these challenges, the Village has worked hard to develop good professional relationships with the regulatory agencies and improve communications to

better understand what is expected and communicate the progress made by the Village.

To ensure a quality of life, it is necessary to provide public transportation. The Village Council authorized annual payment of \$28,000 for the current fiscal year to match the \$28,000 appropriated by the City of Ruidoso Downs, the fiscal agent and operator. Both governing bodies have expressed a desire to create an informal Joint Transit Advisory Board to continue coordinating efforts and strategic planning for the system. This crucial transportation link will continue to serve as an economic development and workforce tool as Lincoln County Transit extends service throughout the county in addition to pursuing a future flexible route approach to incorporate selected fixed stops in tourist areas.

Economic Development progress is also demonstrated by catalytic projects, generating jobs for contractors and local residents as well as increased gross receipts tax to support the Village's general fund. Listed below is a **Catalytic Projects Overview**:

- **Midtown Commons Parking Lot & Pedestrian Access** –
 - The Village completed the construction of the Midtown parking area located above Sudderth. The laying of the asphalt, placement of the drainage culvert, construction of the drainage pond, parking lot stripping, roadway markings, signage, split-rail fencing and the construction of the curbing along the perimeter of the parking lot were completed. Additionally, the Village prepared a final construction and landscaping plan with cost estimate for pedestrian ramp and stairway access to the Midtown Commons parking area to Sudderth Drive. The plan incorporates landscaping, public art and gateway signage features that may be utilized as a community development project in conjunction with the Ruidoso Midtown Association as a "MainStreet" design project. A bid is scheduled to be awarded August 8th with construction to commence shortly thereafter.

- **Horton Complex Municipal Offices** – The Village has secured an agreement with the Ruidoso Municipal School District to assume ownership of the Horton Complex (former school) to consolidate and relocate Village offices. Approximately \$3 million is needed to remodel and upgrade this old Middle School building. Other opportunities for partnership at this site involve a

potential satellite judicial center with the District and Magistrate Courts, office for local non-profits and possible entrepreneurial incubator. This is an investment that will return great benefit to our community.

- **Ruidoso River Trail Project** – The Village completed construction of this trail originating at the Eagle Street Bridge and moves towards Country Club Road via Rio Street. This trail includes a MSE wall with gabion baskets, walking path sidewalks, and hand rails. This is Phase II of a three phase trail project. Phase I, which was completed in 2014, begins at Two Rivers Park behind the Chamber and the Village has received notice that our application for Phase III funding has been approved.
- **Main Road Bridge #1** – Grant funding in the amount of \$1 million was secured from the Economic Development Administration for the installation / replacement of a bridge in Upper Canyon. The Village has a match requirement of \$326,000 which comes from the General Fund. Because of the economic activity in Upper Canyon, the Village is committed to working with our stakeholders to determine timing of construction and a relief route that best represents their needs. A meeting with stakeholders occurred February 28th with another public presentation made by Zia Engineers at the March 14th Council meeting. The Village will continue to review alternatives and a tightened construction schedule to accommodate concerns expressed by stakeholders.
- **Bridge Replacement from the 2008 Dolly Flood** – The Village is working with FEMA and NM Department of Homeland Security Emergency Management (NMDHSEM) to replace ten bridges that were washed away in the 2008 Dolly Flood. The engineer’s estimated construction cost of the bridges remaining is \$10,677,493. Because this is a declared National disaster, FEMA will fund 75% of the cost; NM DHSEM 18% and the Village is responsible for 7% of the cost. The Village’s 7% obligation is again a General Fund expense which presents a financial burden and as a result, the Village is seeking funding assistance to ensure completion within the timeline established in the sub-grant agreements. Listed below is the engineer’s estimate for each of the bridges remaining.

- Close Road Bridge \$2,456,845
- Robin Road \$1,439,000
- Sleepy Hollow \$ 961,973
- Main Road #2 \$1,122,000
- McDaniels \$ 686,666
- River Trail \$1,608,000
- Coyote \$1,153,000
- North Loop \$1,250,000

FEMA	\$8,008,120
NMDHSEM	\$1,921,949
VOR	<u>\$ 747,425</u>
	\$10,677,493

- **Water Infrastructure Improvements**– The Village has, twice, secured voter approved General Obligation bonds for a Water Infrastructure Capital Improvement Program. The Village sponsors a public information campaign that presents a specific list of projects to be funded if approved by voters in the regular Municipal Election. This GO Bond funding provides \$3 million for these specific water improvements and since its inception, a \$6 million investment has made a difference in water losses and delivery of water in our community.

- **FEMA/NMDHSEM/VOR Sewer Line Project** - As a result of the 2008 declared disaster (Dolly Flood), the Village sustained significant damage to the main interceptor sewer line that spans from Upper Canyon at the Mescalero boundary to the Regional Waste Water Treatment Plant. This 12 miles of sewer line must be repaired at an estimated cost of \$36,945,264. Final design calls for the project to be completed in three phases: Upper Canyon, Midtown and Ruidoso Downs ending at the Waste Water Treatment Plant. Professional engineering services are being performed by Molzen Corbin to complete final design, and construction. This project has an impact on the Village’s NPDES permit as well as the Return Flow Plan approved by the State Engineer. Funding for this project comes from FEMA (75%), NM Department of Homeland Security Emergency Management (18%) and the Village (7%). Design is currently underway and construction is planned to begin in 2018.

- **Pending Non-Village Capital Projects** – Nob Hill School (\$18 million+); Lincoln County Medical Center (\$25 million+); (\$2 million ENMU).

It's clear that Ruidoso is an active and vibrant community. With all of this said regarding economic progress, I offer the following **Economic Indicators** as strong evidence our success:

- **Strong Investment Ratings** – Village maintains investment ratings of A1 by Moody's; A+ by Standard & Poors.
- **New Business Registrations** – For calendar year **2016**, a total of **93 new businesses** were registered within Village limits, 28 additional registrations in 2017 thus far.
- **Assessed property values** – In the Ruidoso Municipal School District as of 2016, indicate a 5 year average annual growth of 2.63%; the 10 year average **annual growth in property values is 5.20%**.
- **Lodger's Tax** – Revenues have **increased 22%** over the past two years.
- **Lincoln County Unemployment** – as of May was **5.1%**, compared to the statewide average of 6.0% and lower from May 2016's rate of 5.3%.
- **Home Sales** – Total home sales increased to 114 from 91 sales (an **increase of 7.7%** from 1st quarter of 2017 versus the 1st quarter of 2016. The median sale price in the first quarter was **\$172,500**, an increase of 8.8% from last year.
- **Building and Construction Permits**
 - Construction activity has rebounded and continued to hold strong during 2017 in terms of permits. Permits issued and fees collected continue to comprise the majority within the Village limits when compared with the County Memorandum of Understanding permitting area.
 - For **fiscal year 2016-17**, there were **1,004 projects**, and **\$225,038 fees** collected as compared to 841 projects and \$219,188 in fiscal year 2015-16.

In Closing, Ruidoso is a success story in many areas but in order to obtain any success in the area of economic development, you must first be financially stable and strong. The Village of Ruidoso is proud to report that we have ended fiscal year 2017 exceptionally strong, ending in a positive cash balance. We have improved our investment rating and continue to find ways by leveraging our resources to accomplish great things. This along with sound financial practices has allowed the Village to make great strides with economic benefit for everyone in our community.