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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-24-07

SPONSOR Moore LAST UPDATED \_\_\_\_\_ HB HJM 59

SHORT TITLE Conchas Lake and Border Property Exchange SB \_\_\_\_\_

ANALYST Woods

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Response Received From

Energy, Minerals and Natural Resources Department (EMNRD)  
State Land Office (SLO)

### SUMMARY

Synopsis of Bill

House Joint Memorial 59 requests that the State Land Commissioner enter into negotiations with the U.S. Army Corps of Engineers (Corps) for the exchange of property between the State Land Office (SLO) and the Corps. Specifically, state land from the border area between the United States and Mexico would be exchanged for prime real estate at Conchas Lake owned by the Corps.

There is no appropriation attached to this legislation.

### FISCAL IMPLICATIONS

EMNRD indicates that there are no fiscal implications for the department. The State Parks Division (SPD), however, is presently working with the Corps on a plan to incorporate additional Corps acreage on the south side of Conchas Lake into the existing lease for Conchas Lake State Park. If this land is exchanged and the Conchas Lake south side land is owned by the SLO, it is possi-

ble that a lease payment by SPD to SLO would be required, which is presently the case in other situations in which SLO lands are within state parks. Currently there is no lease payment requirement between the SPD and the Corps. Therefore, if SPD is required to lease from SLO, instead of simply having lands incorporated into its existing agreement with the Corps, it will increase recurring costs to SPD but that increased cost is not known.

### **SIGNIFICANT ISSUES**

SLO states, “The Commissioner is fully willing to enter into such negotiations; however, conversations with the ACE suggest that they are unwilling to dispose of any Conchas Lake property because they *still have a mission there.*” SLO adds that if the SLO acquired property at Conchas Lake, it would be held under the Enabling Act mandate to use such property productively for the benefit of the trust. In order to do so, the SLO could either sell such property to a developer on the condition that it be developed for public recreational purposes, or could lease it under similar requirements to manage the lands for public recreational purposes. Further, although the SLO cannot directly manage recreational property and make the necessary improvements, it can easily rent or sell the lands to another entity for those purposes.

ENMRD notes that the SPD currently manages the north side of Conchas Lake State Park under a long-term agreement with the Corps. At one point, additional lands on the south side of Conchas Lake were included in the SPD-Corps agreement and were managed by SPD, but the Corps took these lands back some years ago at their request. Two years ago, however, the Corps approached SPD with a request that SPD re-assume management of the south side lands, which include a campground and boat ramp. SPD and the Corps have been in negotiations for the past two years on a plan for SPD to re-assume management of the south side. This plan includes a requirement that the Corps upgrade facilities on the south side to SPD’s standards prior to SPD re-assuming management for these lands. The Corps has completed all preliminary work for facility construction and is actively seeking appropriations in Congress for constructing new facilities. It is unknown what impact a land exchange with the SLO will have on this plan and any land improvements that the Corps had planned to make. EMNRD adds that the Corps is required by Congress to have recreation at Conchas Lake; in that regard the land at south side Conchas is critical for the Corps to meet its mission and is not considered in excess of their needs.

### **PERFORMANCE IMPLICATIONS**

EMNRD suggests that if the SLO was to acquire the property at Conchas south side, it is likely that SPD would be asked to assume an operational role for the recreational component of this land. This would require SPD and SLO to enter into an agreement for operations. This would mean that SPD would be operating one park under two operational agreements, one with the SLO on the south side and one with the Corps on the north side.

### **AMENDMENTS**

EMNRD suggests the following: On page 2, line 9: “. . .prime real estate at Conchas lake, but not to include areas on the south side of the lake with the campground, boat ramp, and associated recreational facilities; and”