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FISCAL IMPACT REPORT

SPONSOR Pinto **ORIGINAL DATE** 1-22-07
LAST UPDATED 2/1/07 **HB** _____
SHORT TITLE Making an Appropriation for Red Rock State Park **SB** 112/aSIAC
ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	5,000.0	Non-recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 157

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of SIAC Amendment

Senate Indian and Cultural Affairs Committee amendment to SB112 amends the legislation to reflect the following language:

1. On page 1, line 18, strike "year 2008" and insert in lieu thereof "years 2008 through 2011".
2. On page 1, line 20, after "1990" insert "and for such other capital replacement and improvement needs as may be necessary".
3. On page 1, line 21, strike "2008" and insert in lieu thereof "2011".

Synopsis of Original Bill

Senate Bill 112 – Making an Appropriation for Red Rock State Park – appropriates \$5 million from the general fund to the Energy, Minerals and Natural Resources Department for improvements to Red Rock State Park and to bring it into compliance with the federal Americans with Disabilities

Act of 1990. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

The State Parks Division (SPD) expects to assume ownership and of Red Rock Park in Gallup and re-establish the site as a state park in FY08. Red Rock State Park (RRSP) will entail substantial responsibilities and costs. These costs will be both for recurring park operational funds and for capital infrastructure funds.

The City of Gallup's most recent 5-year capital improvement plan, combined with assessments conducted by SPD staff, suggest that the immediate capital improvement needs at Red Rock are at least \$5,000.0 and probably closer to \$10,000.0. Significant funds are needed to comply with the ADA, maintain and replace critical infrastructure systems, and maintain/improve the facility so that it can continue to attract and support major events and all of the park's diverse uses.

SPD suggests that the appropriation in the bill would therefore address a significant portion of the currently identified capital infrastructure needs, including the most pressing needs. The U.S. Department of Justice has inspected Red Rock with respect to ADA compliance and has directed significant improvements to be made. Compliance will require, for example, reconstruction of restrooms/comfort stations and perhaps a portion of the rodeo arena. ADA compliance required by federal law is at the top of the list of the site's capital needs, but many require less than the \$5,000.0 contemplated in the bill; the detailed planning, design, cost estimates, and project bidding have not yet occurred. It is clear, however, that the ADA compliance costs will be in the millions and that Red Rock can easily absorb \$5,000.0 in capital improvements.

The proposed appropriation is for one year. SPD indicates that typical major capital improvement projects take a minimum of two years to perform from conception through planning/design, state contracting, and construction. In this case, \$5,000.0 worth of improvements at RRSP would most likely be broken into several capital projects, each of which will probably require at least a year or more to complete.

PERFORMANCE IMPLICATIONS

SPD notes that if the appropriation remains a one-year appropriation, it is highly likely that the funds would have to be reappropriated due to the timeframe associated with scoping the project, developing the design, bidding, contracting, then performance of the work. In addition, as drafted, the bill would not permit SPD to expend these funds on other important capital projects at Red Rock if there was an emergency or other critical infrastructure need arose, or if ADA compliance was achieved and a fund balance for the appropriation remained.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicates House Bill 157

BW/csd