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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/10

SPONSOR Adair LAST UPDATED _____ HB _____

SHORT TITLE Cultural Affairs Department Land Lease SJR 12

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

Senate Joint Resolution 12 grants approval to the Cultural Affairs Department to lease property adjacent to the Spencer Theater for the Performing Arts in Alto, New Mexico, to the Board of Regents of Eastern New Mexico University for the purpose of developing and managing an additional location in Ruidoso.

FISCAL IMPLICATIONS

According to responding agencies, there is no fiscal impact associated with Senate Joint Resolution 12.

SIGNIFICANT ISSUES

Section 13-6-3 NMSA 1978 requires ratification and approval by the Legislature of any lease of state agency-owned property that is more than twenty-five years in duration and is for a consideration of one hundred thousand dollars (\$100,000) or more.

The Department Cultural Affairs (DCA) holds title to the undeveloped, one hundred and thirty nine acre tract of land located in Alto, New Mexico and further legally identified as a portion of

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the S \hat{A} ¹/₂ N \hat{A} ¹/₂ and a portion of the S \hat{A} ¹/₂ of Section 17, and being a portion of the SE \hat{A} ¹/₄ SE \hat{A} ¹/₄ of Section 18, T10S, R14E, N.M.P.M., as shown by the ALTA/ACSM Land Title Survey thereof filed in the office of the County Clerk and Ex-Officio Recorder of Lincoln County, New Mexico, on February 15, 1996, in Cabinet F, Slide No. 372.

HED reports that the property is located across the road from the Spencer Theater for the Performing Arts. The venue which is open year-round hosts performances in theatre, music and dance and attracts visitors not only from the southeast region of the state, but out of state as well. Eastern New Mexico University Ruidoso desires to lease the property in an effort to develop and manage a branch community college campus that includes a performing arts academy. The academy would train and develop students with the skill sets necessary to work in national-caliber performing arts venues.

OTHER SUBSTANTIVE ISSUES

HED reports the following:

This lease was reviewed by the Higher Education Department capital outlay committee in January 2010. There were several contingencies placed on the project, which included: DCA's ownership of the building, legislative approval for the lease, Eastern New Mexico University's inclusion of Capitan in the taxing district, Eastern New Mexico University submitting a local General Obligation Bond to support 50 percent of the renovation of the building, and no plant and operation and maintenance funding will be supplied for the building until it is run as an instructional facility.

Arts and Entertainment is one of New Mexico's seven targeted career clusters. Career clusters are groups of related industries that share common resources, like raw materials or equipment, and employ workers who have similar interests and abilities. New Mexico's seven strategic market sectors or clusters are the foundation for the future economy, its careers and businesses.

The seven career clusters are:

- Arts and Entertainment
- Business Services
- Communications and Information
- Energy and Environmental Technologies
- Engineering, Construction, Manufacturing and Agribusiness
- Health and Biosciences
- Hospitality and Tourism

By providing educational and training programs in the performing arts area, Eastern New Mexico Ruidoso will be able to partner with and benefit from the proximity to the Spencer Theatre for the Performing Arts in the areas of mentorship, internship and adjunct faculty participation. Due to existing partnerships with area secondary schools, opportunities exist for synergistic partnerships between secondary, post secondary and industry.