

Capital Outlay

Local Highlights, July 2024 LFC Meeting



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

Featured Entities: Magdalena and New Mexico Institute of Mining and Technology

Socorro County

- From 2019 to 2023, local entities in Socorro County received 30 capital appropriations totaling \$7.9 million. Balances on local projects in Socorro County totaled an estimated \$5.8 million (72 percent) as of April 2024.
 - Additionally, 19 higher education or state agency projects received appropriations totaling \$21.3 million from 2019 to 2023. Balances on those projects totaled \$19.1 million (90 percent) as of April 2024.
- In the 2024 session, local entities in Socorro County received \$4.8 million in capital appropriations, with the largest appropriations going to the city of Socorro for the Finley gym (\$865 thousand) and to Socorro County for Escondida Lake (\$725 thousand). State agencies received \$2.4 million for Socorro County projects and higher education institutions received \$13.8 million.

LOCAL CAPITAL OUTLAY HIGHLIGHTS are a new staff work product for 2024. They are intended to give the committee insight into local capital priorities and the progress of funded projects in each interim meeting location, as well as to provide additional reporting on outcomes of local capital outlay, including barriers to completion and factors that support project success.

Table 1. Socorro County Local Capital Outlay by Fiscal Agent, 2019 – 2023 (in thousands)

Fiscal Agent	Total Appropriations	% Unexpended as of April 2024
Department of Cultural Affairs	\$210.0	100%
La Joya Community Ditch	\$50.0	34%
Magdalena	\$1,630.0	96%
Middle Rio Grande Conservancy District	\$30.0	100%
Navajo Nation	\$2,138.0	60%
Polvadera MDWCA	\$201.8	100%
San Antonio MDWCA	\$130.0	0%
Socorro	\$2,435.6	55%
Socorro County	\$1,110.0	99%
TOTAL	\$7,934.9	72%

Source: BFM/CPMS

Table 2. Socorro County Top ICIP Priorities
(in thousands)

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	Sheriff Department Vehicles	\$220.0	\$220.0
1	Socorro County Courthouse	\$50,000.0	\$50,000.0
1	Transportation Infrastructure Equipment	\$60.0	\$60.0
1	County Judicial Complex	\$6,020.0	\$6,020.0
1	Interoperability Equipment	\$20.0	\$20.0
TOTAL		\$56,320.0	\$56,320.0

Source: DFA

- Socorro County’s ICIP includes 51 projects with costs totaling approximately \$90 million. In the 2024 session, Socorro County received 3 new capital outlay appropriations totaling \$1.3 million. All three projects appear on the county’s ICIP. The county received \$250 thousand of a \$500 thousand request for improvements to the county courthouse windows and doors; \$300 thousand for a detention center courtyard, the full request; and \$725 thousand of a \$500 thousand dollar request to make improvements at the Escondida Lake park.

City of Socorro

- The city of Socorro received nine capital appropriations totaling \$2.4 million from 2019 to 2023. The largest (\$1 million) was for improvements to the Finley gym complex.
- The city has recently assumed responsibility for the Veguita Senior Center from the county, while continuing to operate the Socorro Senior Center. The Veguita Senior Center had been closed for a year after the Non-Metro Area Agency on Aging terminated the county’s contract to operate the center. The Veguita Senior Center has three outstanding capital appropriations with zero expenditures: \$84.6 thousand from 2020, \$89 thousand from 2021, and \$106 thousand from 2023.

Table 3. City of Socorro Top ICIP Priorities
(in thousands)

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	Socorro Police Department Substation Conversion	\$1,000.0	\$1,000.0
1	Highway 60 Turning Lane Improvements	\$5,450.0	\$5,450.0
1	Bike Trails and Lanes	\$100.0	\$100.0
1	Storm Drain System Improvements	\$3,200.0	\$3,200.0
1	Fire Department Vehicle and Equipment Purchase	\$1,425.0	\$1,425.0
TOTAL		\$11,175.0	\$11,175.0

Source: DFA

- Veguita is a community of about 200 people located 30 miles north of Socorro. The Veguita Senior Center officially reopened last week but services will remain limited until additional staff are hired. The Socorro Senior Center continues to offer recreational activities, congregate meals, home-delivered meal services, and transportation services and the city will provide many of these services to Veguita from the Socorro center. The city reports a decrease in senior participation from 60 members per day to 37 at the Socorro Senior Center, primarily due to the pandemic, as many senior citizens remain cautious about contracting COVID-19.

Village of Magdalena

- Magdalena received five capital appropriations totaling \$1.6 million from 2019 to 2023. In the 2024 session, the village received four new appropriations totaling \$695 thousand for projects that did not appear on the village’s ICIP. The village received \$200 thousand for emergency generator equipment; \$85 thousand to replace the deck at the village public library; \$40 thousand to replace and improve the HVAC system at the village public library; and \$370 thousand for the Trujillo well.
- The village has experienced a decline in revenue, from \$796.6 thousand in FY21 to \$660.9 thousand in FY23. Still, the village reports strong gross receipts tax revenue from its dollar stores and gas stations that serve travelers and other businesses.
- Like the city of Socorro, the village took over its local senior center from Socorro County recently.
- Since the 2014 water crisis, the village has focused on improving the resilience of its water system. (See Attachment A.)

Table 4. Village of Magdalena Top ICIP Priorities
(in thousands)

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	Wastewater Improvements & Maintenance	\$5,000.0	\$4,962.5
1	Marshal's Office/Municipal Court	\$565.0	\$565.0
1	Health Clinic Expansion	\$300.0	\$300.0
1	Community Events Complex	\$2,500.0	\$2,500.0
1	Municipal Complex Phase II	\$400.0	\$400.0
TOTAL		\$8,765.0	\$8,727.5

Source: DFA

New Mexico Institute of Mining and Technology

- The New Mexico Institute of Mining and Technology received 12 capital appropriations totaling \$19.4 million from 2019 to 2023.
- In the 2024 session, the university received \$5.3 million in general fund and \$8.5 million in general obligation bond appropriations, making New Mexico Tech the largest recipient of capital outlay dollars in the county. Major appropriations from 2024 were for the Kelly Hall replacement project. (See Attachment B.)

Table 5. New Mexico Institute of Mining and Technology Top ICIP Priorities
(in thousands)

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	PRRC (Kelly Hall) Replacement Phase 2	\$25,119.0	\$8,468.0
1	Mind and Body Center	\$32,499.9	\$32,399.9
2	MSEC Mechanical Upgrade	\$47,759.1	\$47,759.1
3	Campus Wide Storm Water Infrastructure Upgrade	\$3,190.0	\$3,190.0
TOTAL		\$108,568.0	\$91,817.0

*Kelly Hall Phase 2 unfunded amount funded in 2024.

Source: DFA

Village of Magdalena



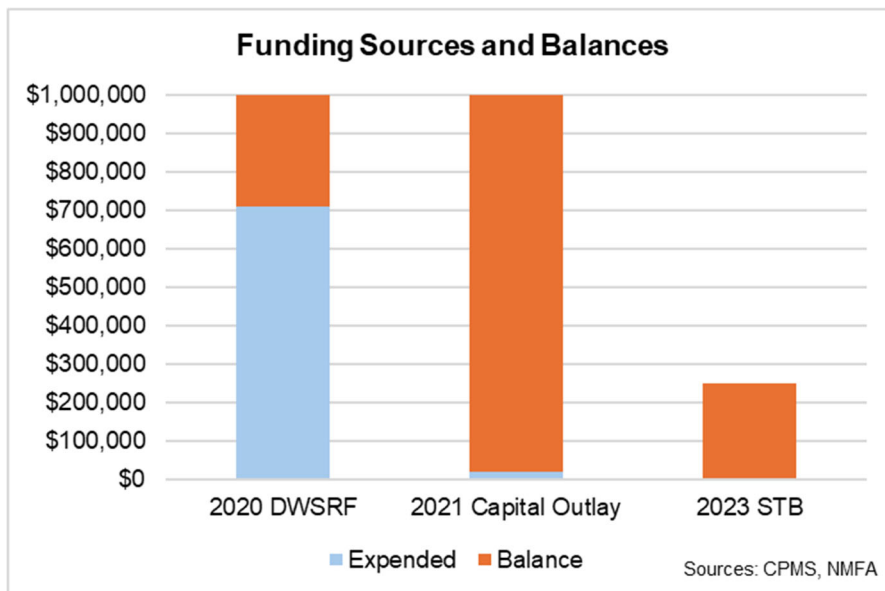
County: Socorro

Projected Total Project Cost: \$2.2 million

Population: 806

Water System Improvements

Magdalena has been making critical improvements to its water systems as part of a broader effort to address the 2014 water crisis, when its only functional well went dry. The village has prioritized constructing or improving three additional wells and associated infrastructure, and implementing well monitoring systems that allow earlier identification of low water levels. Current projects supported with capital outlay include improvements to the Benjamin Well, with a new well pump, enhancements to a well house, a new storage tank, and a booster pump station. The tank will add 100 thousand gallons of storage capacity and the booster station will reduce pressure on aging pipes, which break under pressure when drawing water directly from the well. Cost escalation may prevent the village from completing the projects' intended scope without additional funds, according to village officials. The village also received \$1 million in support from the drinking water state revolving fund to drill a new well and make other system improvements. The funding package has a \$250 thousand loan component, with the remainder provided as a grant. If the village uses the full award, loan repayments over 30 years will total about \$8,700 per year or \$725 per month. Village staff believe all waterlines servicing Magdalena require replacement, a project that could cost an estimated \$15 million.



Planning and Design Complete Prior to State Funding	No
Functional Phase Fully Funded	Yes
Project Fully Funded	Unknown

Project Status	Percent Local Cost Share	Debt Taken to Complete	Initial Funding Received	Project Completed
Projects in Design and Construction	10%	Yes	2020	Expected Completion Date Unknown

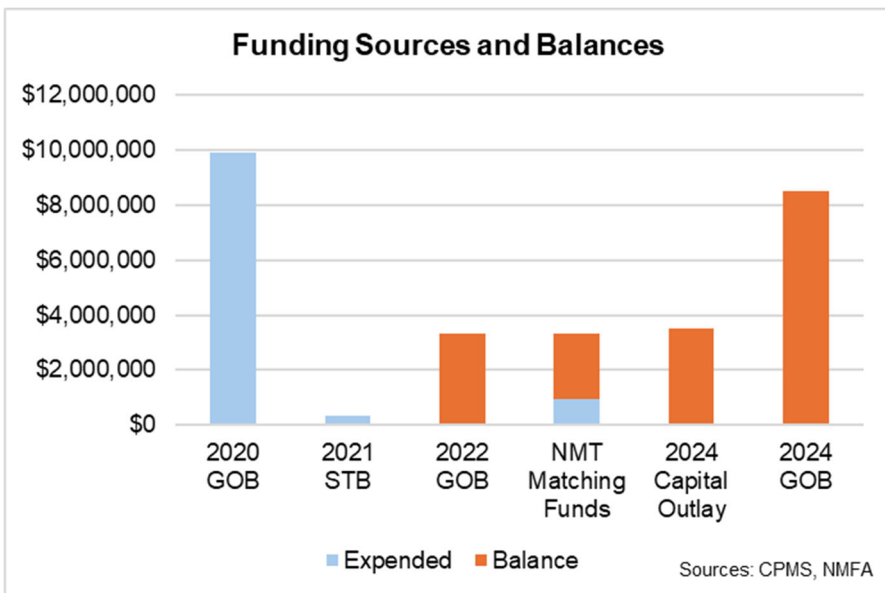
New Mexico Institute of Mining and Technology



County: Socorro Total Cost: \$25.2 million Cost Per Square Foot: \$1,110 Full-Time Enrollment: 1,463

Kelly Hall Addition

The New Mexico Institute of Mining and Technology is constructing a major addition to the Kelly Hall Petroleum Recovery Research Center to improve lab safety and efficiency, replacing the deteriorating 46-year-old building. The project is proceeding in two phases due to cost escalation and the planned square footage was reduced by 5,000 square feet. The project has delayed other capital priorities for the university and necessitated the maintenance of outdated facilities. Phase I, currently in construction, includes various labs, utility work, and offices, while Phase II will add additional labs, office spaces, and restrooms. Phase II received \$8.5 million in general obligations bonds in 2024. As of FY23, the PRRC employs 27 full-time staff, six supported faculty, and 32 students. Research labs at Kelly hall support produced water treatment, materials analysis, and computer mapping of geological formations. LFC staff noted water damage from roof leaks and lack of cooling for many lab spaces during a site visit. Additionally, staff reported high temperatures resulting from lack of cooling and ventilation have damaged or destroyed lab instrumentation. PRRC recently secured a \$52 million carbon sequestration grant. This research is done by faculty housed in Kelly Hall.



Planning and Design Complete Prior to State Funding	No
Functional Phase Fully Funded	Yes
Project Fully Funded	Yes

Project Status	Percent Local Cost Share	Debt Taken to Complete	Initial Funding Received	Project Completed
Construction	18%	No	2020	Expected: August 2025