

Capital Outlay

Local Highlights, May 2024 LFC Meeting

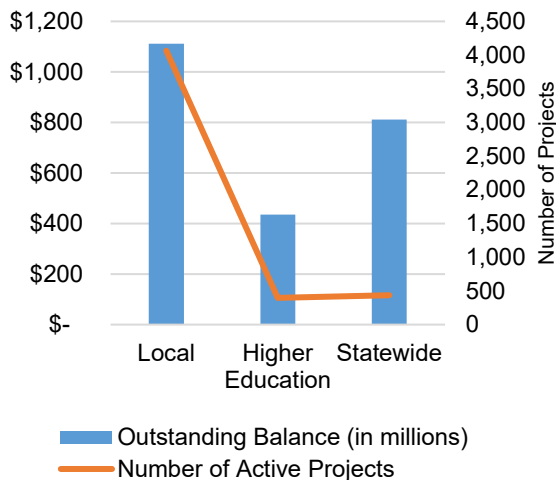


NEW MEXICO
LEGISLATIVE
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COMMITTEE

Featured Communities: Cibola County and City of Gallup

At the end of the third quarter of FY24, local projects accounted for about 4,000 of the roughly 4,600 active capital outlay projects underway across the state. Outstanding balances on those local projects totaled \$1.1 billion.

Chart 1. Most Outstanding Capital Projects in New Mexico are Local



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.

- From 2019 to 2023, local and tribal entities in Cibola County received nearly 70 capital outlay appropriations totaling \$38.2 million. Balances on local and tribal projects in Cibola County totaled an estimated \$25.5 million (67 percent) as of March 2024.
 - Additionally, 10 higher education or statewide projects in Cibola County received appropriations totaling \$9.7 million from 2019 to 2023. Balances on those projects totaled \$4 million (41 percent) as of March 2024.
- From 2019 to 2023, local and tribal entities in McKinley County received more than 300 capital outlay appropriations totaling \$144.2 million. Balances on local and tribal projects totaled an estimated \$95.2 million (66 percent) as of March 2024.
 - Additionally, 13 higher education or statewide projects in McKinley County received appropriations totaling \$16.7 million from 2019 to 2023. Balances on those projects totaled \$7.7 million (46 percent) as of March 2024.

Cibola County

Cibola County itself received six capital outlay appropriations totaling \$5.4 million from 2019 to 2023. Three of those appropriations totaling \$4.3 million were for the public safety complex highlighted in this report.

Table 1. Cibola County ICIP Priorities

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	CR 5 - 'Moquino Road' Bridge & Road Improvements	\$4,098,000	\$2,000,000
1	Zuni Mountain Trails-Quartz Hill	\$1,181,545	\$350,000
1	Sheriff & 1st Responder Vehicles and Equip	\$225,000	\$225,000
1	Substance Abuse Center	\$4,000,000	\$4,000,000
1	Transitional Housing Center	\$660,000	\$660,000
TOTAL		\$10,164,545	\$7,235,000

Source: DFA

- On the county's most recent infrastructure capital outlay plan (ICIP), capital outlay is identified as the primary funding source for three of the top five projects.

- The county's ICIP includes 19 projects with costs totaling \$66.2 million. Its top five projects were all ranked as number one priorities. Another five projects were ranked as number two priorities.

- Among the county's top priorities, the project putting the least emphasis on capital outlay as a funding source is bridge and road improvements to County Road 5, to be funded with Department of Transportation and local funds. County staff report the Transportation Project Fund is a valuable source of support for local road projects and their preferred source for completing those projects.

Table 2. Cibola County Local Capital Outlay by Fiscal Agent, 2019 - 2023

Fiscal Agent	Total Appropriations	% Unexpended as of March 2024
Acequia de San Jose de La Cienega	\$69,000.00	62%
Acoma Pueblo	\$11,864,295.00	88%
Acoma Senior Center	\$177,701.00	90%
Bluewater Acres Domestic WUA	\$200,000.00	100%
Bluewater WSD	\$226,527.00	39%
Cebolletita Acequia	\$425,500.00	35%
Cibola County	\$5,118,764.00	13%
Cubero Ditch	\$80,000.00	100%
Grants	\$5,416,000.00	33%
Laguna Pueblo	\$7,309,900.00	94%
Milan	\$4,387,000.00	58%
Navajo Nation	\$1,910,000.00	87%
San Mateo Ditch	\$750,000.00	70%
San Rafael WSD	\$325,000.00	100%
TOTAL	\$38,259,687.00	67%

Source: BFM/CPMS

- In the 2024 session, Cibola County received two new capital outlay appropriations totaling \$775 thousand. Both projects appear on the ICIP, as number four and seven priorities. The county received:

- ❖ \$425 thousand of a \$500 thousand request for the planning and design phase of a training facility at the public safety complex; and

- ❖ \$350 thousand of a \$565 thousand request for an emergency generator for county administrative offices and the judicial court.

City of Gallup

The City of Gallup received 29 capital outlay appropriations totaling \$24.7 million from 2019 to 2023.

- On the city’s most recent infrastructure capital outlay plan (ICIP), capital outlay is identified as a primary funding source for two of the top five projects. This includes a \$30.5 million cast iron water line replacement project. The city received \$7.5 million for lead pipe replacement in HB2 in 2023.
- The county’s ICIP includes 43 projects with costs totaling \$295 million. Its top five projects were all ranked as number one priorities. Another four projects were ranked as number two priorities.
- Three of the city’s top five priorities list only local funds and local bonds as funding sources. Those projects include improvements to Mentmore climbing rock area, East Green Ave. repavement, and sewer line replacement on portions of Boardman Dr.
- In the 2024 session, the city received six new capital appropriations totaling \$4.4 million. One project to receive funding that is not on the city’s ICIP was requested by a nonprofit..
- Gallup’s largest 2024 capital appropriation was \$3 million for wastewater treatment plant improvements. The project is listed in the ICIP as a number two priority with a total cost of \$15 million. Local funds are identified as the primary funding source on the ICIP.

Table 3. City of Gallup ICIP Priorities

Priority Rank	Project Title	Total Cost	Amount Unfunded
1	Replace Cast Iron Lines	\$30,500,000	\$30,000,000
1	Old Zuni Road Bridge Reconstruction	\$1,070,000	\$1,070,000
1	Mentmore Climbing Rock Area Improvements	\$345,000	\$345,000
1	East Green Ave Repavement	\$230,000	\$230,000
1	Boardman Line Improvements	\$1,508,384	\$1,508,384
TOTAL		\$33,653,384	\$33,153,384

Source: DFA

Table 4. McKinley County Local Capital Outlay by Fiscal Agent, 2019 -2023

Fiscal Agent	Total Appropriations	% Unexpended as of March 2024
Aging and Long-Term Services Department	\$90,000.00	0%
Department of Finance & Administration	\$60,000.00	0%
Department of Transportation	\$12,500,000.00	12%
Gallup	\$24,691,974.00	43%
Gallup-McKinley County Schools	\$375,000.00	0%
Gamerco WSD	\$160,000.00	31%
McKinley County	\$22,846,484.00	68%
Navajo Nation	\$73,441,307.00	82%
Northwest Council of Governments	\$426,000.00	42%
NWNM Solid Waste Authority	\$110,000.00	45%
White Cliffs MDWUA	\$34,500.00	0%
Williams Acres WSD	\$350,000.00	15%
Yah-ta-hey WSD	\$240,000.00	83%
Zuni Pueblo	\$8,860,700.00	74%
TOTAL	\$144,185,965.00	66%

Source: BFM/CPMS

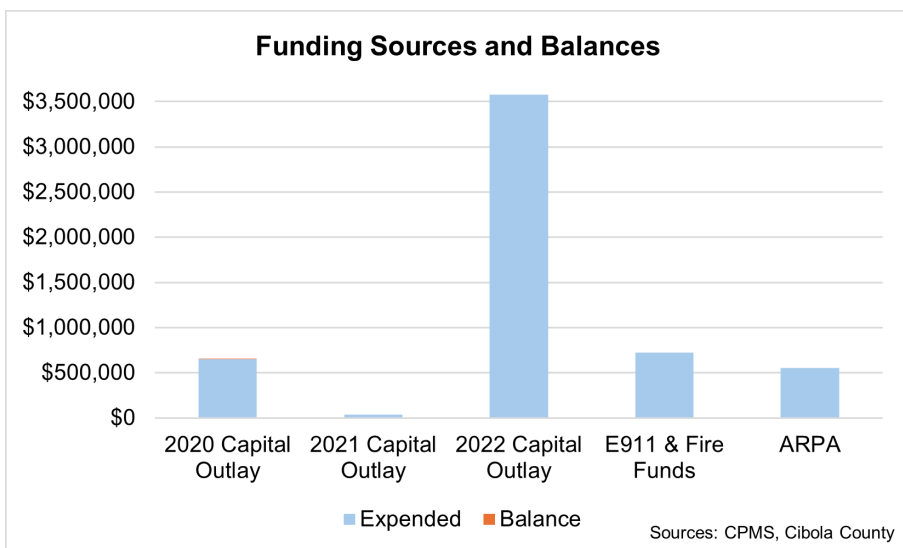
Cibola County



County: Cibola **Total Cost:** \$5.5 million **Cost Per Square Foot:** \$275 **Population:** 26,780

Public Safety Complex

Cibola County recently completed the renovation of a decommissioned armory originally built for the New Mexico Army National Guard in 1991. The National Guard donated the armory to the county in 2019. The county consolidated three of its public safety functions — Sheriff’s Office, Office of Emergency Management, and 911 dispatch — into the 20,000 square foot building to streamline operations, update services, and phase out deficient facilities. The interior renovation included space reconfiguration, power and HVAC system upgrades, and plumbing modifications. In addition to support the county’s daily public safety operations, the complex serves as a regional hub for training, with the county supporting public safety agencies in small communities and neighboring counties. The facility’s proximity to Interstate 40 facilitates swift emergency response. Financing for the \$4.8 million project was secured without tapping into county general funds, with state capital outlay grants totaling \$4.3 million covering most of the project’s cost. The county used roughly \$400 thousand in E911 funds to equip the dispatch center and federal ARPA funds to close the remaining gap for the project.



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

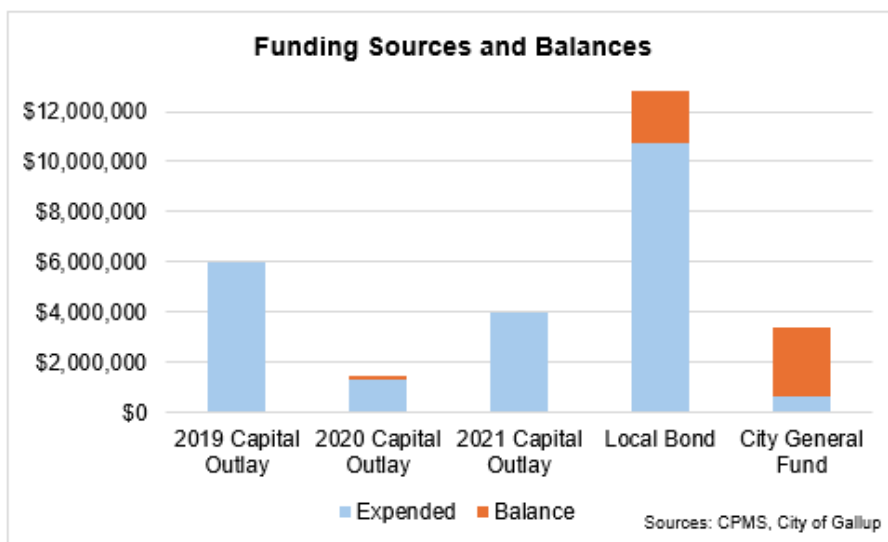
Project Status	Percent Local Cost Share	Debt Taken to Complete	Initial Funding Received	Project Completed
Complete & In Use	23%	No	2020	August 2023



County: McKinley **Total Cost:** \$27.6 million **Cost Per Square Foot:** \$642 **Population:** 20,932

Police Station & Municipal Court

The City of Gallup is building a new 43,000 square-foot public safety building to provide a safer and more modern environment for law enforcement, court staff, and the public. The existing 50-year-old building that houses the police department and municipal court has longstanding mold and structural deficiencies. An addition is separating from the main structure, the roof is failing, and there are so few functioning bathrooms staff have to leave the building to use the restroom during the workday. The new building will have more operational space, double evidence storage capacity, includes modern testing space and equipment for the narcotics unit, and modern interview rooms and holding cells. The police department has about 15 vacancies out of 61 funded positions, according to the police chief; the department hopes the new facility supports recruitment. Construction costs doubled over the city’s original estimate before the project went to construction. A local \$12.8 million bond supported by city gross receipts tax revenue and \$3.4 million from the city’s general fund allowed the project to proceed despite cost increases, with local funds covering more than half of the overall cost.



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	59%	Yes	2019	Expected: June 2024