

**MINUTES
of the
FIFTH MEETING
of the
ECONOMIC AND RURAL DEVELOPMENT COMMITTEE**

**October 11-12, 2016
Anton Chico
New Mexico Highlands University, Las Vegas**

The first day of the fifth meeting of the Economic and Rural Development Committee (ERDC), which was held as a joint meeting with the Land Grant Committee (LGC), was called to order by Representative Rick Little, chair of the ERDC, and Representative Sarah Maestas Barnes, vice chair of the LGC, on October 11, 2016 at 10:14 a.m. at the Anton Chico Economic Development Center in Anton Chico.

Present

Rep. Rick Little, Chair
Sen. Jacob R. Candelaria (10/11)
Sen. Ron Griggs (10/11)
Sen. Richard C. Martinez
Sen. Michael Padilla
Sen. John Pinto
Rep. Debbie A. Rodella
Rep. Patricia Roybal Caballero
Rep. Bob Wooley
Rep. John L. Zimmerman

Absent

Sen. Benny Shendo, Jr., Vice Chair
Rep. D. Wonda Johnson
Sen. Pat Woods

Advisory Members

Rep. Eliseo Lee Alcon
Sen. Craig W. Brandt
Sen. Lee S. Cotter
Rep. George Dodge, Jr. (10/11)
Rep. Bealquin Bill Gomez

Rep. Nora Espinoza
Rep. Jimmie C. Hall
Sen. Carroll H. Leavell
Rep. Patricia A. Lundstrom
Sen. Mark Moores
Sen. Mary Kay Papen
Rep. Dennis J. Roch
Rep. Nick L. Salazar
Sen. William E. Sharer

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Shawna Casebier, Staff Attorney, Legislative Council Service (LCS)

Celia Ludi, Staff Attorney, LCS

Jeff Eaton, Fiscal Analyst, LCS

Anna Martin, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Tuesday, October 11 — Anton Chico Economic Development Center, Anton Chico

Introductions

Representatives Maestas Barnes and Little invited the members, staff and audience to introduce themselves. Former Lieutenant Governor Roberto Mondragón, board member of the Anton Chico Land Grant-Merced, introduced Luis Sanchez, father of John Sanchez, the current lieutenant governor; La Loma Clinica Director Lore Pease; and American Legion Post Commander Evaristo Maestas, all of whom welcomed committee members.

Anton Chico Land Grant-Merced: Status, Opportunities and Goals

Stoney Jaramillo, president, Anton Chico Land Grant-Merced, thanked committee members for the opportunity to host the meeting. As background on Anton Chico, Mr. Mondragón introduced the written work of Malcolm Ebright, a historian of New Mexico land grants. Mr. Mondragón noted that New Mexico was originally part of Spain until Mexico gained independence from Spain in 1821. Although 1821 is recognized as the end of Mexico's war of independence, historians mark September 16, 1810 as Mexico's founding day. On that day, Father Miguel Hidalgo y Costilla issued a declaration of independence known as "El Grito de Dolores". For the next 38 years, New Mexico was part of Mexico. On February 2, 1848, the Treaty of Guadalupe Hidalgo concluded a war between the United States and Mexico and transferred much of the American Southwest, including New Mexico, to the United States.

Mr. Mondragón said that the people of the land grants believed that the ownership of the land was protected by the Treaty of Guadalupe Hidalgo, but it was not. Mr. Mondragón then described the original boundaries of the Anton Chico Land Grant-Merced, which stretched from the Bernal mesa on its northwest corner to nearly Santa Rosa on its southeast corner — about 384,000 acres.

Mr. Sanchez described the upper northwest corner of the Anton Chico Land Grant-Merced, where a small community was established at one of the better fords on the Pecos River. This area is referred to as the "El Viandante". It was used by the United States Army when it occupied New Mexico, and it was an access point to Bosque Redondo and Fort Sumner. There

are still stone ruins at the site. Max Sisneros, who lives in the colonias community of Anton Chico, then described the rural and ranching-based aspect of his area.

Responding to a question from a committee member, Mr. Mondragón said that the Anton Chico Land Grant-Merced is current with its compliance under the Audit Act. He said that the land grant is a tier 2 entity and had completed the required "agreed upon procedures", at a cost of around \$2,000 per year.

Arturo Archuleta, staff for the Land Grant Council, spoke about ongoing efforts to engage the U.S. Forest Service regarding former land grant common lands that are now under U.S. Forest Service jurisdiction. He said that a Freedom of Information Act request was recently submitted to the U.S. Forest Service's southwest regional office to aid in determining prior land grant "use agreements" regarding these lands.

In closing, Mr. Mondragón led the committee in the singing "Las Mañanitas" to celebrate Mr. Sanchez's eighty-ninth birthday.

Economic Development Opportunities in Anton Chico: Frontier Community Designation, Quarry Status and Developing Agricultural Cooperative

Nick Maestas, chair, Anton Chico Economic Development (ACED), said the mission of ACED is to stimulate the Anton Chico area economy and develop the use of local resources. He said funding for ACED started with a \$1,000 donation from Mr. Mondragón. Since then, the Singleton Foundation has contributed \$54,000. The ACED facility used to be a school run by the Santa Rosa Consolidated School District. When the district decided to build a new elementary and middle school facility, the Anton Chico Land Grant-Merced exchanged 10 acres of land for the old building. Several local banks and the Plateau Telecommunications company have also contributed toward the improvement of the building.

Mr. Maestas said that ACED had discussions with Martinez & Sons Processing, a meat processing company in Las Vegas, regarding taking over that business, but the business facility is being held by a bank for unpaid debts. He said that ACED is also establishing a cooperative network to create secondary markets for farm products; finding and securing equipment; and organizing the selling of products and natural resources, such as wood and rock. He said ACED currently is seeking assistance to:

- develop a business plan;
- enter the world of e-commerce;
- access the state data centers to help complete grant applications; and
- improve the energy efficiency of the ACED facility.

In the ensuing discussion, Mr. Maestas said that ACED has 30 rooms or spaces that could be used by businesses. The facility includes a kitchen, a gym, two areas that could be used as call centers and a computer laboratory with 40 work stations. It was noted that a feed store located at

ACED is already doing business there. A member recommended that ACED also promote the computer laboratory as a location for "solo work" entrepreneurs.

Speaking about opportunities outside the ACED facility, Mr. Maestas said that a few producers are quarrying the local stone, but many residents are unable to extract and market the stone. With regard to beef production in the area, Mr. Maestas estimated that there may be as many as 75 producers, but he did not have an estimate for the number of cattle in the area. Committee members suggested that ACED look into including coordinated production of flagstone and range-fed meats as part of a comprehensive business plan for Anton Chico. A member noted that legislation to allow hemp production is expected to be debated in the 2017 legislative session, and if successful, legal hemp production could be a lucrative crop for farmers in Anton Chico.

The discussion then turned to growth challenges facing Anton Chico. Mr. Maestas cited the need for adequate housing and local retail shopping, including a particular need for a gas station. Responding to a question about local water rights, Mr. Maestas said that west Pecos acequia water rights had been transferred by the state engineer to the hills across and above the Pecos River for watering elk habitat. He said that this upstream pumping out of the Pecos River is affecting wells used by the land grant. Mr. Maestas said that the community is appealing the state engineer's decision and has raised concerns that:

- 1) notice of the transfer was only published in Santa Fe and Las Vegas, but the notice was not published in Anton Chico and downstream communities; and
- 2) the Anton Chico water rights are very old and possibly senior to the transferred rights.

Committee members then asked about whether, and how, Anton Chico is working with the state and neighboring communities on economic development. Tim Hagaman, regional representative, land grant and acequia liaison, Community, Business and Rural Development Team of the Economic Development Department (EDD), informed committee members that an economic development master plan for the surrounding seven-county region had recently been completed. He said that the land grant had participated in that process. In further explanation, Mr. Sisneros indicated that the land grant's participation in the regional effort had affected the development of ACED itself.

Committee members then entered into a general discussion about the availability of Local Economic Development Act (LEDA) and Job Training Incentive Program (JTIP) funding for projects in smaller communities. A committee member asked if the EDD had developed a list of rural and non-rural projects being considered for funding, and Mark Roper, leader, Community, Business and Rural Development Team, EDD, said he would provide that information to the committee members. Mr. Hagaman noted that LEDA funding is used to cover gaps in overall capital needed for projects. He said that the Ghost Ranch Education and Retreat Center is a good model project. That project had participation from land grants and the U.S. Forest Service, Mr. Hagaman said.

Asked about some of the limits and restrictions in state programs, Mr. Roper said that under JTIP funding guidelines, a "frontier community" is any community with fewer than 15,000 people. He said that a company is eligible for multiple years of JTIP funding; provided that it continues to grow and add new employees. Regarding potential LEDA funding for retail store project investments, Mr. Roper said that the targeting limit for those funds has been lowered to communities with 10,000 or fewer residents.

A member raised a question about what role the cultural and historical context of a community plays in creating an economic development plan for it. Mr. Hagaman said that the EDD's primary mission is economic development, but it is really up to each community to decide what it wants to become. He used Mora's effort to reopen its theater as an example. Mora planners held a collaborative design and planning event so residents could discuss the project directly with the architects and marketers. He said a similar process is under way regarding the theater in Santa Rosa. In each case, community members are deciding as a group whether the end result will be the same as it has always been or something new.

Asked what the next steps would be to follow up on the Martinez meat packing plant, Mr. Roper said that the EDD and the Anton Chico Land Grant-Merced need to look at what the best options are for that facility and then work with the bank. He said that the EDD does not currently have funding to help, but can assist in identifying funding sources and in completing grant applications.

Asked about improving the broader statewide economic environment, Mr. Roper said that with its tax and incentive programs, New Mexico is currently is very competitive with Texas. He felt that staying competitive with neighboring states is important to the New Mexico's long-term economic health. A member asked the EDD to bring data on surrounding states to a future committee meeting.

ERDC Motion

On motion made and seconded, the ERDC approved the minutes from its September 1-2, 2016 meeting without objection.

Attracting Film Production: Opportunities and Requirements

Don Gray, contract locations coordinator, New Mexico Film Office, and Christopher Madrid, director, Economic Development Department of Rio Arriba County, discussed opportunities and requirements for film production in the state. Mr. Gray emphasized the importance of creating a location inventory, establishing one-stop permitting and developing a local vendor listing and network. He said that New Mexico has the third largest photo database in the country, but the state only has one person maintaining that database.

Mr. Gray indicated that a challenge for New Mexico is that it is the only state that does not provide shooting location permits at the state level; rather, permitting is done at the local level. He said that because decisions are made quickly on where to produce a film or where to

shoot a scene, the two critical elements that local communities must have to successfully recruit film productions are:

- 1) responsive community members who are readily available by phone and who quickly return calls. The New Mexico Film Office has had a film liaison program for at least 10 years that works to get local people to be "front" people for the New Mexico Film Office. Mr. Gray said that a film liaison needs to be able to answer questions about the weather, where to eat, lodging, locations to shoot and other services; and
- 2) a good local photo library available online. A film liaison can help build a local photo library. He said that a film director needs to be able to envision the story being told, and often a photo of a unique setting will "sell" a production more readily than beautiful nature photos. For more remote locations, like Anton Chico, Mr. Gray said that a good photo library is essential.

Mr. Madrid explained that few rural counties have the resources or capacity to focus on developing or supporting the film industry locally. He stressed the importance of communities having local economic development practitioners to compliment and augment statewide resources. He noted that, more than ever, rural areas are challenged and economic indicators are still below pre-recession levels. The Rio Arriba County area is losing population, he stated, and the economic base is too narrow, creating considerable economic leakage. He recommended that funding be provided to the EDD for a cooperative program to encourage rural counties to initiate or expand economic development and tourism programs.

A member commented that some very small communities are not benefiting economically from film production even though films are being produced in those communities. Mr. Gray agreed that there are cases when this happens; however, he said some film companies make donations to local communities and neighborhood associations that are impacted by film production. He said film companies typically want to make communities feel that they had a good experience so film companies will be welcomed back in the future. The member asked if the New Mexico Film Office helps people determine what is a fair amount to charge for location shoots. Mr. Gray said that he does not involve himself in negotiations, but can help owners understand the variables involved in pricing a shoot location.

Asked whether the New Mexico Film Office works with the Tourism Department, Mr. Gray said that there is no ongoing collaboration. He said that film producers are often looking for the ordinary life images of a place, some of which are not so pretty and are not congruent with tourism photography. A member asked what a legislator can do to communicate with the legislator's communities about film production opportunities. Mr. Gray responded that most of the local film liaisons come from community groups or organizations that would like to attract the film industry. The film office has a binder of information useful to new liaisons that describes the film industry and culture and the film industry's unique needs. The New Mexico Film Office also has workshops and gatherings across the state to help liaisons network and stay

informed. A member asked the New Mexico Film Office to suggest to the film industry that, in the case of films shooting on land grant lands, it would be appropriate to make a donation to the land grant where the film is being shot.

Development of a Business Plan for the Piedra Lumbre Visitor Center Location

Mr. Archuleta and Leonard Martinez, president of Land Grant Consejo, explained that the U.S. Forest Service had been given authority to dispose of its underused administrative sites several years ago. In response, the Land Grant Council funded a Piedra Lumbre Visitors Center master plan for the development of the former Piedra de Lumbre Wildlife Center, which encompasses 40 acres of U.S. Forest Service land. The master plan includes a public-use component to create an ongoing revenue source to help make the project self-sustainable. Conversations are occurring with the New Mexico congressional delegation as well as with the Northern Rio Grande National Heritage Area, the EDD and other organizations for finding funding for the project. A member asked how the land will be appraised. Mr. Archuleta responded that it would be based on the value of similar land in the area, likely around \$1,000 an acre.

A member asked if there will be a legislative capital outlay appropriation request coming. Mr. Archuleta replied that is possible but uncertain at this time, although a public-private partnership option is being explored. A member inquired as to the possibility of having the business portion of the plan privately managed. Mr. Archuleta replied that that may be possible, but that nothing is certain at this time.

LGC Motion

On a motion by Senator Candelaria, seconded by Representative Miguel P. Garcia, and without any opposition, the LGC voted to send letters to all of the land grants with which the committee is in contact asking to be informed on the land grants' top capital outlay projects and other projects that are driving economic activity.

Senator Candelaria thanked the presenters, attendees and the Anton Chico Land Grant-Merced hosts.

Public Comment

There was no public comment.

Recess

The committees recessed at 4:41 p.m.

Wednesday, October 12 — New Mexico Highlands University, Las Vegas

Reconvene/Introductions

Representative Little reconvened the ERDC at 9:11 a.m. and welcomed members of the committee, staff and guests to the meeting. Committee members and staff introduced themselves.

Welcome and Opening Remarks

Tonita Gurule-Giron, mayor, City of Las Vegas, welcomed the committee and guests to the City of Las Vegas. She related that the City of Las Vegas is working on developing diverse economic activities, including tourism and film, which in turn stimulates other industries, from construction to food services.

Dr. Sam Minner, president, New Mexico Highlands University (NMHU), welcomed the committee and guests to NMHU, and he noted that a strong university is one of the foundations of small communities. Max Baca, vice president of finance and administration, NMHU, also welcomed the committee and thanked the members for their support of NMHU through the special session.

Dr. Carol Linder, interim provost, NMHU, referring to her handout at item (6), highlighted high-impact, high-engagement opportunities at NMHU for students and faculty, including:

- institutionalization of the award-winning Achieving in Research, Math and Science (ARMAS) in the Education Student Center;
- memoranda of understanding establishing partnerships with Diné College and 23 other tribal entities;
- grant funding from New Mexico's Experimental Program to Stimulate Competitive Research (EPSCoR);
- an endowment from the Los Alamos National Laboratory (LANL) Foundation, which supports students in science, technology, engineering and mathematics disciplines;
- international research and classroom opportunities, such as anaconda research expeditions to Venezuela, field ecology and conservation biology field trips to Mexico and geology research trips to Europe; and
- a partnership with Las Vegas-San Miguel Economic Development Corporation (LV-SM EDC), through which LV-SM EDC is housed on the NMHU campus and provides business incubator space for new initiatives that may serve as hosts for interns.

A committee member asked for more information about NMHU's online nursing program. Dr. Linder explained that it is a two-year program that has existed since 2006, and the program currently has 65 students working on their bachelors of science in nursing degrees; the students are already registered nurses, so their clinical education is complete. The program is

growing and is currently hiring a new director.

A committee member asked how NMHU is working with high school students. Dr. Linder responded that NMHU offers dual enrollment to high school students, but not degrees, because NMHU degrees are at the level of bachelor's and higher; Luna Community College also offers dual enrollment and associate's degrees. She noted that the school funding formula had changed, and NMHU now receives only \$10.00 per student per class for dual enrollees. She added that the partnership with Diné College offers students the opportunity to complete classes and degrees remotely, helping students to stay in their communities while they obtain a degree.

A committee member asked how the university can help the state attract employment opportunities for students when they finish their degrees. Dr. Linder replied that NMHU has very well-regarded programs for social workers and teachers, and most of the students from northern New Mexico want to stay in northern New Mexico when they complete their degrees in order to give back to their communities. In addition, NMHU has a business incubator operated jointly with LV-SM EDC, and EPSCoR provides support for research that can be developed into business opportunities.

A committee member asked how NMHU addresses absenteeism of Native American students who miss class due to participation in tribal religious activities. Dr. Linder said that NMHU's policy is to allow work missed during absences to be made up. The university is working to raise awareness among faculty and students of the importance of communication between students and faculty when absences are anticipated.

Dr. Minner averred that the universities and the state must think more holistically about the relationship between academics and the workforce. He noted that there is a need to align educational programs with the jobs that are available at the national laboratories, especially at LANL, and to work to attract more businesses into the state so as to keep the university's graduates working in New Mexico.

Acequias: Updates and Legislative Priorities

Paula Garcia, executive director, New Mexico Acequia Association (NMAA), working through her handout at item (7), noted that small, under-50-acre farms are the majority of farms in New Mexico, and counties with acequias make up about 40 percent of the farms in the state; at the latest count, there are 598 acequias in 20 counties.

Ms. Garcia observed that agriculture is a major contributor to the state's economy. With the demand for locally grown food increasing, acequias play a significant part in crop and livestock production. She highlighted the NMAA policy platform and policy recommendations, including:

- capital outlay reform and investment in infrastructure;
- protection of agricultural water rights and farmland; and

- farming and ranching as a form of workforce and small business development.

Ms. Garcia recounted a pending water rights transfer case that would indirectly affect local agriculture. Noting that agriculture is important to the culture and heritage of New Mexico, and even has a role in the tourist economy, she requested that the committee consider legislation that would require the consideration of the impact on local agriculture when evaluating any proposed transfer of water rights. Ms. Garcia urged the committee not to pass any legislation that would erode the due process rights in current law.

Ms. Garcia additionally discussed some success stories and partnerships, including the Acequia Rehabilitation Initiative, a partnership among the New Mexico Association of Conservation Districts, the NMAA and the Interstate Stream Commission for acequia water conservation projects, and an American Friends Service Committee New Mexico (AFSC NM) Farmer-to-Farmer Training Program that provides hands-on training to new farmers in business planning and farm development.

Harold Trujillo described his experience with his own farm, saying that since 2008 when the drought got bad, he has had to scale back production because there was not enough water. He added that his son produces grass-fed beef, but there are no slaughterhouses to process it locally. A committee member commented that there was discussion during the committee's meeting the previous day about the possibility of the Anton Chico Land Grant-Merced reopening the slaughterhouse in Las Vegas.

A discussion ensued about the existing and needed new supports for farming and ranching to be economically viable. Ms. Garcia noted that when she asks farmers where they go for help, many name conservation agencies and the Cooperative Extension Service (CES) in their county, although the CES is understaffed in many counties. Mr. Trujillo commented that Don Bustos, owner and operator of Santa Cruz Farms, and an AFSC NM director, produces \$100,000 of vegetables a year with a greenhouse and three acres. Ms. Garcia added that the United States Department of Agriculture, especially its Natural Resources Conservation Service; New Mexico State University's Alcalde Sustainable Agriculture Science Center; and the United States Department of Commerce's Economic Development Administration, which funds "food hubs" that allow local farmers to aggregate their production to access larger markets, are also excellent resources.

El Valle Women's Collaborative (EVWC)

Yvonne Sandoval, executive director, EVWC, referring to her handout at item (8), highlighted current and proposed EVWC programs to promote economic development, health and wellness throughout the Pecos River valley, including the following:

- Bueno Para Todos Cooperative, a partnership with the Center for Southwest Culture, just completed a hoop house and has a contract to produce food for the Glorieta Conference Center;

- the Lavender Project plants lavender along acequias to choke out invasive species, support bees and provide a commercially viable crop;
- the Micro-Lending Project provides loans, often used for education and training, for instance, as a midwife, doula and herbalist, so that women may go back to school and contribute to their own communities;
- a proposed mobile services van to provide an array of services, including obstetric and gynecological services, which are especially important now that the hospital in Las Vegas no longer accepts obstetrical patients; and
- Youth Farm to Market, which provides education and training for young people to encourage them to become farmers.

The EVWC is seeking \$100,000 through grants and other funding for three part-time employees to support its various programs. Ms. Sandoval said that the organization is a volunteer nonprofit organization and all projects are operated by volunteers. She, herself, is a non-salaried director; she said the EVWC could get more done if it could pay small salaries to a few people. Responding to a committee member's question, she said that the EVWC has received a grant from the McCune Foundation and other small community foundations; last year, it received less than \$20,000.

Economic Development Opportunities at Fort Bayard

Richard Bauch, mayor, Village of Santa Clara, played a video about Fort Bayard. Referring to his handout at item (9), he reviewed the proposed project for the village to develop a Living Heritage Park on the Fort Bayard National Historic Site. The village engaged Pros Consulting to develop a business plan for the park that would address the best ways to maximize the use of the property. The proposed plan is detailed in the handout, *Fort Bayard Historic District Final Business Plan - Executive Summary*. After transfer of the property from the state to the village, the initial step in development of the park is to make the necessary repairs to some of the buildings so that they could be rented to the U.S. Forest Service. Money from the lease of the buildings would then pay for the next development steps, he said.

Sheila Hudman, clerk and treasurer, Village of Santa Clara, explained that the village is asking for support for a joint resolution that will be introduced by Senator Howie C. Morales in the upcoming legislative session that would transfer the property from the state to the village. The joint resolution would be accompanied by a capital outlay request for \$1.8 million to repair and improve some of the buildings. Ms. Hudman noted that the state would retain the water rights to the property.

In response to a question by a committee member, Mr. Bauch explained that the property is owned by the General Services Department and controlled by the Department of Health, so it is difficult to get anything done to prevent and clean up vandalism and related issues that stem from lack of attentive oversight. The committee discussed the possibility of Fort Bayard becoming a civil war history tourism destination, in addition to being a hub for tourism in the surrounding area.

Rural Redevelopment Tools Through MainStreet

Rich Williams, director, New Mexico MainStreet, EDD, noted that the Village of Santa Clara is one of the state's premier frontier communities. He referred to his handout at item (10) to illustrate the statewide distribution of New Mexico MainStreet programs, projects and initiatives.

Mr. Williams said that the two key tools for supporting economic development in small rural communities are the Main Street Act and the Great Blocks on MainStreet Program. Both programs target reinvestment in communities to catalyze redevelopment; funding is derived from the state and also federally from the United States Department of Agriculture and the Transportation Enhancement Funding through the Federal Highway Administration and from public-private partnerships.

He described MainStreet metropolitan redevelopment areas by reviewing his handout at item (10). He noted that the Main Street Act originally only applied to metropolitan areas of greater than 500,000 in population, but it has since been amended to apply regardless of population; Clovis, for example, used the MainStreet Program in its downtown revitalization project.

Mr. Williams explained that the Great Blocks on MainStreet Program involves several related projects that leverage each other, and he referred to his handout at item (10) to describe the Raton Great Blocks on MainStreet project as an illustration. He stated that the program focuses on a cohesive set of buildings approximately one-fourth of a mile walking distance from each other to create a viable core commercial area. He provided the committee with a brochure, *MainStreet Public Infrastructure Initiatives, FY2018*, that has photographs of Great Blocks on MainStreet projects in Belen, Carrizozo, Farmington, Las Vegas, Raton, Tucumcari, Tularosa and the Pueblo of Zuni.

Updates on the Jobs Council's Job-Creation Plan

Mark Lautman, certified economic developer, Lautman Economic Architecture, LLC, referring to his handout at item (11), *Fact Sheet 2016 Interim Legislative Jobs Council*, reminded the committee that the Jobs Council was created four years ago and since then has had more than 65 meetings with various constituencies to reach clarity and consensus on a job-creation agenda for the state. He then worked through a PowerPoint presentation at item (11) to describe nine program "theaters", which provide a framework for where economic development efforts need to be focused to create economic-base jobs. He noted, however, that two of the program theaters with the highest potential to create jobs are underfunded and four lack formal organization.

Mr. Lautman stressed that economic-base jobs are being lost faster than they are being created. In addition to a need for more planning at the local level and repairing a broken planning framework at the state level, he recommended legislative action to consolidate the economic development statutes and fund the successful economic development programs already enacted.

In response to a question from a committee member about staff augmentation funding for rural communities, Mr. Lautman said that many rural or small developers cannot afford to hire the staff they need; in such a case, the state ought to be able to step in and assist. Asked about the number of economic developers in the state, he said that at the state level there is no planning office that is collecting analytics on economic developers. As to incentives to businesses, he remarked that a bill may be introduced to change the reporting rules when state incentives are taken by private enterprise; this reporting would facilitate an understanding of what motivated a company to move to New Mexico and whether the financial incentive was actually the motivating move. A member raised a concern about incentivizing out-of-state businesses to move here if they then compete with or put other New Mexico companies out of business.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the fifth meeting of the ERDC for the 2016 interim adjourned at 3:29 p.m.