

**MINUTES
of the
FOURTH MEETING
of the
LAND GRANT COMMITTEE**

**October 11-12, 2016
Anton Chico Economic Development Center
Anton Chico**

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

Present

Sen. Jacob R. Candelaria, Chair (10/11)
Rep. Sarah Maestas-Barnes, Vice Chair
(10/11)
Sen. Ted Barela (10/11)
Sen. Lee S. Cotter (10/11)
Rep. Miguel P. Garcia
Sen. Linda M. Lopez (10/11)
Sen. Richard C. Martinez (10/11)
Sen. Gerald Ortiz y Pino
Rep. Debbie A. Rodella (10/11)
Rep. Tomás E. Salazar
Rep. Bob Wooley (10/11)

Absent

Rep. David M. Gallegos
Rep. Jimmie C. Hall
Sen. Sander Rue

Advisory Members

Rep. Eliseo Lee Alcon (10/11)
Sen. Carlos R. Cisneros
Rep. Matthew McQueen (10/11)
Rep. Christine Trujillo

Rep. Paul C. Bandy
Rep. Randal S. Crowder
Rep. D. Wonda Johnson
Rep. Patricia A. Lundstrom

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

Staff

Mark Edwards, Drafter, Legislative Council Service (LCS)
Jeff Eaton, Research and Fiscal Policy Analyst, LCS
Celia Ludi, Staff Attorney, LCS
Shawna Casebier, Staff Attorney, LCS
Michelle Jaschke, Researcher, LCS
Anna Martin, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony 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

Tour of Anton Chico

Mr. Mondragón led the LGC on a tour of a portion of the Anton Chico Land Grant-Merced. The tour included the community of Anton Chico and the neighborhoods of La Loma and Jaramillo.

The tour also included visiting one of the quarries for landscaping rocks located within the land grant-merced; a view of a riverine area that the ACED is developing as a picnic and trail

area for visitors; a stop at the church where Sheriff Pat Garrett was married; and the Anton Chico morada.

Adjournment

There being no further business before the committee, the committee adjourned at 12:43 p.m.