



Capital Projects Committee Meeting

December 15, 2022

Held via TEAMS

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9:30 a.m. to TBD

Minutes

1. Call Meeting to Order

Meeting called to order by Chairman Burke at 9:32am

2. Roll Call of Committee Members

Member Hoehne called the roll. Chairman Burke present, Member Billingsley present, Member Trujillo present, Member Chavez present, Member Rommel absent

3. Approval of Agenda

Approved

4. Announcements:

- a. Next Capital Projects Committee Meeting will be held on January 11, 2023.
- b. The Capital Projects Division Calendar of Events for 2023 has been posted on the NMHED website.

5. Approval of Minutes from November 7, 2022, Capital Projects Committee Meeting

Approved contingent upon completion and distribution of the minutes due to the new use of transcription service for the November meeting and the need to clean up the record.

Projects to be reviewed

1. New Mexico Junior College – \$1,500,000

Outdoor Track and Field Upgrades

Presenters: Dr. Derek Moore, President, NMJC; Dr. Steve McCleery, President Emeritus, NMJC; Charly Carroll, Vice President for Operations and Special Projects, NMJC; Josh Morgan, Vice President for Finance

Dr. Moore stated that this project is to upgrade their track for \$1.5 million. NMJC was awarded the spring NJCAA Outdoor Track and Field Championships and that is quite an honor, and they appreciate the NJCAA for awarding them the opportunity to host the 2023 National Outdoor Track and Field Championships. In May of next year, the NMJC will host around 700 student athletes from all over the United States. NMJC did host the national championships in 2019. Dr. Moore then turned over the presentation to Dr. Steve McCleery.



Dr. McCleery stated NMJC has been planning this for some time now. The master plan has three phases. In the second phase there was a board member Zeke Williams who was one of the fastest men in the world at that time and was a graduate of Hobbs High School in the early 60's and he was upfront about his desire to put the track team back on the national scene. So, then the board approved this project November 17th of this year. NMJC represents the state of New Mexico as a two-year school, and they have 180 athletes. But they understand that you got to win in the classroom and on the field. Since 1965 NMJC has had 13 national championships and about 21 national runner ups but this part of the state you don't hear about it as much. NMJC played for the national championship for baseball in 2005 but the scoreboard didn't read New Mexico Junior College, it read New Mexico versus Florida, New Mexico 6, Florida 3. So they won the championship for the state of New Mexico and consider it a great honor to represent New Mexico. Darren Clark presented to NMJC the GPA of 180 athletes was 3.27 for the fall semester. They had been 22 academic all americans last year and 46 western junior college academic all americans.

Phase two major renovations were completed but when hosting the 2019 track meet, they were told to add some stuff to be considered for a full-time host, but they are currently hosting every other year. During master plan update in 2019 context was enhanced and maintain existing campus assets, create a resilient campus, create a safe and welcoming campus, enhance campus identity, and encourage collaboration with communities and business partners. They just received a \$50,000 grant from a foundation to help host the national track meet.

Enrollment is rebounding nicely. In 2022 NMJC had 1411 students and they are 84 above that now so continuing to grow. On the noncredit side there are more students wanting noncredit courses such as truck drivers and welders. There is a lot of short-term training going on that is not calculated in FTE. Another anomaly that is occurring is that oil production in 2015, 2016 was at 65 million barrels. Today it is 310 million barrels per month. The production has always been associated with enrollment, as the price per barrel went up, enrollment went down, and when price per barrel went down enrollment went up. Currently the price is up, and production is up so part-time students have left, so it is going to take a while to get back, so we have to look at ways of growing the institution with different models.

There are about 25,000 graduates from high school per year. About half of those go to college. Five thousand high school graduates reside on the east side of the state. On the east side of the state there are 2 universities and 8 community colleges competing for those 2,500 students. The enrollment pathway for the east side is not very good, it's shrinking, so they are looking for different pathways. Growth is happening on the



workforce training side.

The track is used daily by Lee County residents, staff, students and the law academy has 400 plus beds, so the field is used every day. The cross-country team was runner up at the National Cross-Country Championships this fall. The men's team was fifth in the nation and the women's team was runner up in the national marathon competition.

There has always been a process for reducing water consumption, the fields are synthetic turf which has reduced water consumption immensely. The baseball field used to use over 400,000 gallons of water per month during the watering season.

The NMJC said that track is not spectator friendly. The site plan has a runway for warm up, a runway for the javelin and some seating. This also addresses some drainage issues and has a location for the hammer throw. There is a perimeter fence, so it is safe and secure and makes it very user friendly for the athletes. The first track meet is April 1, 2023, which is the Ross Black Invitational track meet. It was guaranteed that this would be finished prior to that date. Then NMJC hosts the track meet on May 18th, 19th, and 20th, 2023.

That is why this is being presented now. They have always funded their projects fully. They don't start a project without knowing that it has been board approved and the money is in place. The company NMJC is looking at is Tarkett and their goal is to divert 100% of their waste from landfills by completely recycling it. In 2021 Tarkett was awarded platinum medal by EcoVadis, the highest level of maturity in sustainability a company can reach. Tarkett ranks in the top 1%.

NMJC uses the New Mexico Higher Education Instruction Manual for Annual Capital Project Funding every time. If you look at the budget, strategic plan and management and refer to the manual for capital projects they always look at those for how they are going to present this. Next is the facilities condition index, their process has been long term planning of replacing facilities, refurbishing facility completely. They have lowered their facilities condition index ever since they did an original 3DI study. NMJC is doing a master plan for athletics. They take safety very seriously and this is a safe field as it has and orthopedic society endorsement, so it is an extremely safe facility.

Member Hoehne stated that when the first phase of this project came forward there was concern and lots of conversations about where the participants were going to be housed, whether there were enough hotels to house them. He would like them to speak to how Hobbs has prepared for this and what kind of conversations they had with Hobbs to make sure they as an institution are preparing the for activity, such as restaurants, hotels etc.



Dr. Moore responded that he attended the Lee County Economic Development Corporation meeting 2 weeks ago. There were several owners of hotels, and he announced this event, and they were willing to support and reserve hotel rooms to accommodate the student athletes. So, their partners are on board and ready to help host this national championship.

Dr. McCleery stated that in 2014 or 2015 they hosted the National Cross-Country meet. It was a nightmare because they didn't have the rooms back then. A group called the Quality-of-Life Initiative that was to build out new hotels and housing since then. In 2019 the number of rooms that they reserved for this event meet or exceed their expectations. There were no room complaints whatsoever. The only complaint was the spectator seating for the area.

Member Hoehne just wanted to make sure that there was tie in with the community to be able to ensure that they were able to support the large amount of people that are coming into town. He also wanted to ensure that the costs are affordable for those families coming in for the competition.

Member Chavez wanted to know if there are any capital outlay projects that are happening on campus and would they be done at that time and not affect the events.

Mr. Morgan stated that there are several capital projects going on right now and they will be bringing projects to the next board meeting in January for Watson Hall renovation and for a vestibule and safety project that is planned to begin in the spring and in March 2023. These projects have been in planning for a while and will not interfere with this project. They have had conversations with the athletic department and the company that would be doing the work and they have assured NMJC that work will begin immediately and be completed before the April timeline.

There were no other questions, so Dr. Burke made a motion to approve the request for 1.5 million for outdoor track and field upgrades. Member Billingsley seconded the motion. There were no objections, and it was deemed approved.



**2. Eastern New Mexico University Roswell – \$3,643,364.88
Sewer Line and Infrastructure Improvements Campus wide**

Presenters: Dr. Shawn Powell, President, ENMU Roswell; Rosie Duran, Vice President of Business Affairs, ENMU Roswell; John Layman, NCA Architects; Robert Calvani, NCA Architects

26:26

Dr. Powell started the presentation. There was a slide presentation. Project being presented has been approved by the community college board and the Board of Regents for ENMU and is also on the facility master plan.

From 2021 to 2022 had an enrollment increase of 13%. At the onset of COVID in March 2020 there was a decrease in enrollment, but the next two falls and the past fall have seen increases. They also are looking at the strategic enrollment management plan that they have implemented starting September 2021.

As for the facility master plan, there are currently 19 projects. Twelve, or 63% of those projects are either in construction, planning is in process as far as architectural or engineering planning, or they are in pre-bid status for planning or construction. The plan in spring 2023 is to revise the facility master plan to reflect current campus status and future needs.

The capital projects shown were all completed from 2019 to 2022 and utilized capital reserves to complete with the exception of the renovation of the automotive welding building. This was supported by the state and was from a GO Bond request from 2018. The campus is on a former Air Force base and the infrastructure needs some things to be addressed and what they have been doing the last few years. In 2019 the state funded an electrical line upgrade out of the general fund so it was 100% state funded and there will be a request for a 2-year extension to ensure the project can be completed. It will be about \$270,000 that they are going to ask for with the extension so they can ensure redundancy in the electrical system. They appreciate the support of the state for the cooling towers, boiler replacement, and server room expansion program. These are projects that are ongoing.

The project to talk about today is the sanitation, sewer piping and restroom renovation in three buildings, the physical education center, the instructional center and the college service center and the total cost is 3.6 million. We have a state allocation and also had state supplemental funding approved for the amount of 500,000. They asked for 500,000 because they were not sure what the construction costs were going to be. It has been out for bid and the numbers listed come from a bid from Bradbury Stamm who will be the general contractor if the project is approved with Rhoads Plumbing, a local vendor, being



a subcontractor for the project. So that will bring the campus matching funds to a little over a million dollars.

As for HED evaluation criteria, they are listed in terms of being related to instructional programs, accommodating enrollment growth, and make use of existing resources. The other ones have to do with increasing degree production, particularly at their early college high school and the instructional center where that's housed and then identifying and addressing educational workforce needs. Another one of the buildings that is involved with this is the college success services center which houses their adult education offices. So it includes both academic planning and programs and it also includes those programs that have to do with adult education. They then asked for any questions that the board may have.

Chairman Burke asked what system their sewer is tied into, the City of Roswell or is the old air base, which system are you tied into?

Dr. Powell responded that the main lines are run by the city, and they have replaced the main PVC lines throughout the air center. However, the lines that go from the buildings out to the main lines are the ones they are going to replace.

Member Hoehne then stated he had a couple of points to share. He stated that there is a supplemental request to support this project and colleagues at LFC and DFA are aware of that and that this request actually did come in higher during the summer hearing evaluation process. Eastern actually went out and received actual bids so the request was adjusted. It was originally 500,000 and it is now 163,000 and change. He also stated that there are several projects ongoing at ENMU Roswell and he appreciated that they broke those down for the committee so they had an understanding of where those are.

Member Hoehne added that he and Dr. Powell had spoken regarding the electrical project and the fact that they were going to request reauthorization. He stated it is a severance tax bond project and he thought the reversion date is June 30th of 2023. He wants to ensure that ENMU works with DFA if that project is to be reauthorized through the state and they go through the correct process.

Member Billingsley advised them to contact their office to make sure they get the proper information.

Dr. Powell stated that he believes that it was general funds, and the initial amount was 1.2 million dollars and he thinks they have spent about 900,000 on the project so far. They are



looking to extend around 270,000 that's remaining to get a better solution for what they have going on at the campus.

Member Billingsley referred to E2851 that was brought up earlier and said it was for electrical improvements and it was 306,000. Dr. Powell agreed. Member Billingsley asked if they were on pace to finish that project by the June 30th, 2023, reversion date? Dr. Powell stated that the panels were being installed currently.

Chairman Burke made a motion to approve the project for \$3,653,354.88. The motion was seconded by Member Trujillo. Member Hoehne then made a clarification on the amount citing it as \$3,643,364.88. No objections, motion approved.

3. New Mexico State University – \$1,791,324

Emergency Fire Alarm System Upgrades – Corbett Center Phase I

Presenters: Dr. Dan E. Arvizu, Chancellor, NMSU; Ruth Johnston, Vice Chancellor and COO, NMSU; Heather Watenpaugh, University Architect, NMSU; Robert Herrera, Executive Director, Project Development and Engineering, NMSU

Dr. Arvizu started by introducing the presenters that will be talking about the next three projects. The presentation was then turned over to Heather Watenpaugh. Corbett Center is the student union building and this project will include providing a single alarm control panel and voice capacity. They will run conduit within existing drop ceilings and providing a new system and running parallel to the existing panel, while they take the old system down. The target dates will be completing design in January of 2023, starting construction in February of 2023 and plan to complete the project a year from now in January of 2024. This project was funded from a system revenue bond that went for approvals in August. The fire alarm upgrades were pushed ahead of other portions of the Corbett Center renovations that include a E sports expansion, HVAC upgrades and isolated areas, and student recommended projects. They have done this in order to keep this very essential building for student life operational. They have had some issues with the alarm system and their fire department has been taking extra measures to keep the building operational all the time. It does house student services, dining services and is necessary that they keep that building up and running. At that time they asked for any questions.

Chairman Burke stated that the enrollment data listed on Form 1A is inaccurate.

Heather Watenpaugh responded that her guess is that they grabbed those numbers from an old project and copied it over and they will make those corrections. Dr. Arvizu also stated they have current numbers and will fix it.



Chairman Burke asked that, as he recalled they have had fire alarm problems with this building for a long time?

Heather Watenpaugh responded that they have had issues since the renovation in 2016. They have been able to keep the building operational. It has been on their long time planning and has really become critical. It has been the focus of the funding for the system revenue bond and for this facility in particular. Now that they have funding, they are expediting the completion of the fire alarm upgrade.

Dr. Arvizu stated that when he gave his university state of the university address, not too long ago, right in the middle of his university address that's being taped and shown out, the alarms went off. Obviously inadvertently, not because it was a fire, but because they have a faulty alarm system. They are committed to get that fixed because it literally makes the building unusable for those kind of events. They have Regent meetings there and everything else, so it's a critical need. They need to get it fixed.

Chairman Burke stated that it also goes off when it's vacant too, at night and so forth.

Heather Watenpaugh stated that it is absolutely unreliable at this point, so they are expediting it and the fire department has been taking extra precautions so that the warnings that go off really are a real fire. They are looking to move this forward as quickly as possible.

Member Hoehne asked what does NMSU have in place in order to ensure the safety of the occupants of that facility during the interim, while this particular alarm system is not adequate or is triggering false alarms?

Robert Herrera responded that what they are going to do is they are going to run this installation in parallel with the current system. It says they are putting a brand new system in place and keeping the old system on board. And the fire department does do spot checks on the system to make sure their alarm techs are readily available to respond to any malfunctions, and as they are working through this, they continue to try to use salvage parts to repair the system and keep it running efficiently until they get this new system on board. But right now, they will be running the installation parallel with the use of the current system.

Member Hoehne stated that the safety of students, faculty, staff and visitors to the campus is most important and especially in a facility that is as highly utilized as the Corbett Center. He then presented a question from Member Chavez as she was having



technical difficulties on her computer. She wanted to know if NMSU could speak to any reauthorization requests for the upcoming legislative session.

Heather Watenpaugh responded they do not have any reauthorizations that are necessary at this time. We do have several gap funding and supplemental requests, but no reauthorizations.

Member Hoehne then made a motion to approve this project.

Member Trujillo seconded the motion.

No objections were made.

Motion approved contingent upon Form 1a being updated with proper enrollment numbers.

4. New Mexico State University – \$570,000

Roadway Resurfacing and Storm Water Erosion Control Campus wide

Presenters: Dr. Dan E. Arvizu, Chancellor, NMSU; Ruth Johnston, Vice Chancellor and COO, NMSU; Heather Watenpaugh, University Architect, NMSU; Robert Herrera, Executive Director, Project Development and Engineering, NMSU

Heather Watenpaugh started this presentation stating that this project is the roadway resurfacing and stormwater erosion control campus wide for \$570,000. For this project, they will be resurfacing several areas of roadway in areas that have been deemed poor or fair to poor. This is part of their 2020 transportation asset Master Plan study. They will be taking care of the existing asphalt service blending and milling the asphalt with the existing road base and resurfacing of two inches of hot mix asphalt. They will also be adding additional striping, bicycle lanes, pedestrian and for vehicle traffic. They were evaluating their roads since 2020 and these are areas that are deemed poor or have heavy traffic. The stormwater erosion control is necessary as part of the roadway system. They will start construction in February of 2023 as they have already completed the study that identifies these roadways and expect to be completed in May of 2023. The funding is from non-reoccurring BRR funding that must be expended by the end of June. They are on track with the approvals today to make that deadline and then asked for any questions.

Chairman Burke commented that Form 1A enrollment is messed up on all three projects so that is a contingency on all of them and asked Member Hoehne when is the submission to the Board of Finance.

Member Hoehne responded that the deadline for project submittals is the 27th and that



he would work closely with NMSU to address any contingencies that they may have with Form 1A being the one noted so far.

Chairman Burke asked if there were any other questions.

Member Hoehne then wanted to state that he wanted to bring up on this particular one that the funding that is being used is part of the \$8 million B R&R appropriation that the higher Education Department requested for higher education institutions. He wanted to highlight the fact that this funding is extremely important as it allows institutions to address these types of needs. He wanted to applaud NMSU for #1 providing the breakout of all of the different projects that they're planning on addressing with the BR&R funding that was provided as part of the distribution, and #2, request that NMSU continue to move on these projects to ensure that we expend all of that funding as we do have requests in for the upcoming legislative session as well.

Chairman Burke asked if there were any other questions and upon hearing none made a motion to approve the request.

Member Billingsley seconded the motion.

There were no objections so this project was approved contingent upon Form 1a being updated with proper enrollment numbers.

5. New Mexico State University – \$700,000

Property Acquisition – John T. Harrington Forestry Research Center

Presenters: Dr. Dan E. Arvizu, Chancellor, NMSU; Dr. Rolando Flores, Dean of College of ACES, NMSU; Leslie Edgar, Associate Dean of College of ACES, NMSU; Scott Eschenbrenner, Special Assistant to the President, NMSU; Heather Watenpaugh, University Architect, NMSU

Scott Eschenbrenner presented this project. They are requesting the approval of the property acquisition for the John T Harrington Forestry Research Center in Mora, New Mexico. They originally started leasing this property back in 1974 from Frank and Delicia Trombley. It was their goal to have some economic development in their small community. This is land that they had that was undeveloped. They partnered with NMSU to create this center to grow seeds and for additional research. NMSU has had a tremendous partnership with this family for many years. The lease currently expires in June of 2029. Our current lease rate is well below market at \$20,000 per year. It has been in coordination with the family wanting to see this collaboration exist for many years. One thing to note is when that lease does expire in 2029, all the improvements will transfer to Mora Tree Farm LLC. Mora Tree Farm LLC is owned by Josephine Meadows and she's the daughter and heir of the Trombley estate. So she's continued the mission of her family.



The purchase price for the real estate was negotiated in August of 2021 for \$650,000. NMSU had a recent appraisal done and that was reviewed and approved by taxation and revenue and the value of that was at \$683,000. The total site acreage is 121 acres. There was a purchase agreement put in place back in March and that was approved at the Board of Regents meeting at that time back in March 14th of 2022. They did have to have one amendment to that purchase agreement that came about in July and basically it was extending the closing date from July 31st, 2022 to December 31st, 2022. They have deposited earnest money in the amount of \$5000. That was done back in April. They have a closing date of December 31st or before, so obviously they are kind of getting down to the wire. NMSU has gotten some signals from the sellers, they've been sticking with them for 18 months, more or less and just understand that this is a long process. But they said if the property didn't close by the end of the month they are probably going to start looking at some other options. They want to make clear and hope that it is understand that this is critical, that we try and get this on the December 20th State Board of Finance meeting for their approval as well.

For some more background on the property, the acreage was mentioned, but there are also groundwater rights. They're transferring with this 108 acre feet of groundwater, that's 108 acre feet of water rights per year. They also have acequia water rights that come with that out of the Acequia del Medio that is 34 acres, and the Alto ditch, which is 18 acres. They are blessed with an abundance of water for the continuing mission of the facility. And finally, I'll just close with our acquisition cost on top of the purchase cost of \$650,000, we've got a total of \$27,500 of additional costs which include escrow funds, appraisal reports, environmental reports, survey, closing costs, and there is a little bit of a credit because they prepaid the lease, the \$20,000 a year lease back in July. So there will be a credit of a little over \$10,000 coming back for that. At this time they are ready for questions.

Chairman Burke commented that it is unusual for state funds to be used to put improvements on a property that is privately owned and as he understands it reading through the project all of the facilities were actually put on this land by money from NMSU.

Scott Eschenbrenner responded that's correct. NMSU drilled the water well and they have done all the improvements since we they have been on the property since 1974.

Chairman Burke stated that there's a couple of trailer houses and stuff on there. There's one other state owned property that has a lots of improvements on it that's not owned by the organization that has it, but it's owned by a public school system, not a private



individual. He wanted to make that clear but said it is water over the dam. He also stated with the fire, there are 12 stations that need improvements but as he looked at it NMSU already owns them. He then asked for questions from the committee.

Member Trujillo wanted to clarify the total ask for the project.

Scott Eschenbrenner responded the total ask is the \$650,000 purchase price plus the \$27,455 in acquisition cost. The \$700,000 was an estimate that they provided earlier, not knowing what their acquisition cost figures were going to be, so they are actually going to be a little bit below that.

Chairman Burke asked if the \$10,000 was going to come off it or not.

Scott Eschenbrenner responded the \$10,000 will come off of the purchase price, that's considered in the acquisition cost.

Member Hoehne stated he has several questions. He asked NMSU to provide an update on the status of the conversations that have been happening between Highlands, UNM and NMSU related to the reforestation center, and then can you also discuss a little bit about how this particular center is going to be important to that reforestation center conversation.

Dr. Arvizu responded there's actually a lot of discussion going on and he was in Santa Fe yesterday and had a conversation about this very project with not just some of their own people, but also some people from Highlands as well. They had a conversation about the overall center and kind of the thinking behind it. But at the highest level, there is an MOU or MOA between 3 universities, New Mexico State, Highlands and UNM, and the Forester that reports into EMNRD.

They have been in conversations now for the better part of probably more than more than a couple of years, but we've got we've got an agreement about what the roles and responsibilities will be as we develop a center and in the context of that there's going to be again a lot of discussion at the legislative session regarding how to fund both from the federal government as well as from the state government. This broader responsibility of the center, which actually has implications not just for the state of New Mexico, but beyond, there's other states as well that we would service if the Charter of that center, especially as it relates to reforestation would be completely executed on. So they are looking at how that thing will get revamped. There have been a lot of discussions about that, and this is a piece of that, but tangential. He then turned it over to Dean Flores so he



can provide a lot more detail about what is being planned and how the center fits into that whole process

Dean Flores stated that they started this process over a year ago, way before the fires produced the big damage in in New Mexico. This is the only place in the southwest and the United States that produces seedlings. This acquisition will strengthen the position of NMSU as a seedlings producer. There is very good communication with the other universities. The New Mexico Reforestation Center is working in a multitude of other alternatives. The challenge for New Mexico and specifically for reforesting these 28% of the land of New Mexico is huge. He thinks they are extremely lucky, through the hard work and dedication of the team that is under associate Dean Edgar, to be able to save the seed bank. There's no other place in the United States that has a seed bank of drought tolerant seeds for the reforesting our forest. They were able to locate funds from foundation from the College, so it is one of their priorities in the agricultural experiment stations to move to move this project forward.

Chairman Burke asked how this would fit into the other two institutions if the Memorandum of Understanding was agreed to and funded.

Dr. Arvizu responded that the arrangement they have is an all-in functional element for the reforestation MOU that they have now all signed and they have agreement that provides a scope of who does what and what the entire process is. That entire process is a seedling production. It's actually all of the growth processes and the operations that go with it. And there's actually tree planting that happens downstream. There's a whole ecosystem of things that need to be put in place. They have talked in great length about whether this is the distributed or whether it's central, there's discussion about that. There are still questions to be answered, but there's going to be a significant initiative and ask both of the federal government and the state government to really populate this in the way it was intended. They only produce a few hundred thousand seedlings a year at least have done that historically. They need a few million, they are orders of magnitude less than what is necessary and that's really never been addressed. Now that we've had fires and national recognition and the president's been essentially briefed on these issues, there's now a much greater momentum on actually funding this the way it should be funded. The state is really trying to put together a very robust plan that allows them to partner again with the federal government because it's also a responsibility that they have, but that we do that in a very responsible and very intentional sort of way. He then asked if Dr. Edgar had some additional commentary as he thinks there's some other things that may be appropriate for the context of this particular purchase.



Dr. Edgar stated they will always have the reforestation center as part of NMSU and part of their AG experiment station. How it complements the New Mexico Reforestation Center is what is currently being discussed. They have capacity growth 300,000 and know they need at least 5,000,000 a year. They are greatly under and do not have the capital facilities to be able to produce at the level needed. Each of the universities have their role, at NMSU our expertise is in the research side. They have tremendous amounts of providence tests already on that site and location. That's why it's important for them to purchase the Mora station. They will continue to move forward with the research side of that and as mentioned are drought tolerant seeds, which is super critical for their enterprise. UNM brings the climate modeling, the climate understanding especially looking at climate change and what Highlands is experts at is the workforce and workforce development. So that pipeline is highly inclusive of each university working closely with EMNRD to make sure we meet the needs of New Mexico. To answer the question specifically, will the New Mexico Reforestation Center be at Mora? They are currently doing feasibility studies at that and have the water capacity where it could be at Mora because they have to make sure they have the capacity to grow those seedlings that are needed. This station is highly critical for NMSU and the Ag Experiment station, and they will always grow seedlings and always do their forestry research at that station.

Chairman Burke stated that this clarified it for him.

Member Hoehne stated that he has been part of these conversations this past year, but he wanted to make sure that the committee understood exactly what this was, what the big picture was and how it all related. He thinks that it's important to know and he was very blunt when he asked this question last year. Do you want to buy it because you want the reforestation center? He then stated that we know that's not the case and he wanted to clarify that that's not his feeling but he wanted to make sure that the committee was aware that there's a lot more going on here than just the purchase of this property. He then wanted to ask questions related to the land itself, to the viability of the soil and the ability for the soil to continue to maintain the seedling growth and do we know how long this piece of land is going to be viable? What is NMSU doing or have they done in order to ensure that because again NMSU are the experts in the agricultural side. NMSY are the experts in providing this information to farmers, ranchers and the ag industry in the state. NMSU obviously has a plan in place to ensure the longevity of the the soil. Can they speak to that and give us an idea of what that looks like for the future?

Dr. Edgar responded that they are highly involved with soil and understanding the soil needs across the state. They received congressional direct spending that expanded their carbon management soil health initiative where they are bringing that to multiple centers



including the Mora Forestry Research Center as one of the four main core areas that we're looking at in that initiative. They also work closely with NMDA to be able to assist them, their scientists assisting them on soil and soil health management. Perhaps the question is more specifically with the damage that occurred during the fires, there were areas that burned hotter than others. They currently have researchers that are looking at that to be able to make recommendations to the state on how to move forward to ensure that there is the capacity to be able to meet the needs of New Mexico. NMSU is currently in conversations with many of the legislative individuals as it's not just about reforestation needs for New Mexico. It's on revegetation, and how can they help provide greater support to the state when there are times of crises. They had over 900,000 acres of the state burned this year just in fires but also know natural disasters will continue not just in fires, but in the monsoon seasons and are continuing to lose capacity in the riparian areas and not just in the forested areas. The majority of water needs for this state come out of the forested areas. They are highly involved with looking at soil, soil health. They continue to look for support at the state level, and at the federal level as well and making sure that they make recommendations back at the national level about what's important for arid and semi-arid lands, such as New Mexico. They would be happy to bring some of their soil scientists to speak directly on the needs.

Member Hoehne then asked about the soil quality at the site being purchased, do they feel, because they have been at that site for some time and it's been producing, it's been providing, and it's been allowing the opportunity to continue the research and the and the development of seedlings, how far into the future will this continue to provide?

Dr. Edgar responded that she feels confident to be able to say the soil and the soil health at that center will be able to meet their needs well into the future. They continue to make sure that in our providence tests, which are for those that you don't know, those are where they actually have trees from across the from across the region as far as Canada to Mexico, that they have the growing of those trees, so they're largely ponderosa Pines and their research is focused on that. They are able to determine as climate and climate shifts what will be the impact on the forests. That research is occurring right there at the Mora Station. To answer the question on soil, because they are so highly driven by soil and soil health, they continue to monitor the state of that soil. And now with them being able to purchase it they will be able to put the resources back into the land that they haven't been able to in the past because of lots of other reasons they don't need to get into today, but because they own it, they will be able to care for that land at a much higher level. She assured committee that that land will serve them well, well into the future.

Member Hoehne stated his last question is related to and he did ask this question when



the submission came in, but he wants to make sure that there is an opportunity to discuss it here, and that it is understood that the AG science centers are going through a comprehensive assessment throughout the state, not just individual AG Science Centers and that's extremely important and he applauds NMSU for moving in that direction because he knows that that has been something that they have definitely needed in order to be able to prioritize need. But as a state, it's also been important, so that way it can be understood the funding and the strategies associated with providing that funding. When it comes to this particular center, NMSU provided a list of facilities that are on that center. They want to understand when taking on a new purchase, also want to understand what is going to be the commitment that is going to be necessary to make this a viable purchase for NMSU, and as a state, what kind of investments are going to be needed in order to ensure that it is meeting that long-term and mission that the institution has for the center. It is known the strategies that NMSU has had with that center and how much work they have been able to do with what they have. But now that NMSU owns it, there's an opportunity to be able to make some very good investments, funding investments into that facility to even expand on what they currently have. Those are not easy answers to have, immediately on the spot like being asked now, but can NMSU speak a little bit to the strategy of what some of those investment needs are going to be for this center? Soil health was something that was just talked about and that's extremely important because you want to ensure the longevity of the center and what it does, but also related to water infrastructure. Is there a need to do additional work for the irrigation canals or for wells? Member Hoehne is glad to see that NMSU will have ownership of the water rights as that's important but kind of understanding what some of that infrastructure build out need is going to be whether it's going to be some immediate or some into the future. It's really important to kind of understand that and if you can speak to it. It is important for him and he is sure to the committee as well.

Dean Flores responded that the college is in a comprehensive plan to make all these science center's viable and sustainable from the point of view of management and the productivity of those science centers. There have been some restructuring or functions that they have undertaken in all these centers to make sure that every piece of land that the college has is productive and not idle, but it's going to be resulting in production or productivity for different areas, such as the case of Corona in which they have wind energy production. The college is strengthening the areas of water management and the areas of forest and for that purpose they are working to achieve three positions more that deal with water and forest, not only in research and extension. This is the general point of view. He then turned it over to Dr. Edgar.

Dr. Edgar stated as read in the briefing documents, they hope over the next five years that



they are able to add two to three additional greenhouses at the site, as well as additional shade houses. And the one thing to be proud of as a state is that they have the capacity to grow trees that have very little loss, better than any other state in the nation. There is very little loss once they plant a seedling and that's because of how they transition them from the greenhouse into shade houses before they're reseeded. Looking at where the New Mexico Reforestation Center is and how the Morris Center may be able to complement those efforts, they are highly mindful of the capacity that they have currently at Mora with water. And so that's hugely important. Is there more capacity at Mora? Absolutely. Could they add more than two to three greenhouses and additional shade houses? Yes. What they were mindful of as a university this year is that they weren't competing with how the New Mexico Reforestation Center would look and although they knew they were in the process of purchasing it and they hope they can because they don't want to lose this property, they know that the master assessment will help put them and prepare them for how they are headed in the future. That master plan not only includes how they will renovate or how they will build new buildings across the AG experiment station system and those 12 science centers, but also how do they look at energy and energy needs and what are some of the other opportunities they can add to other science centers such as the Dean mentioned with their Corona Enterprise and wind energy. And as they get more information and they complete their master plan and they see more of where the New Mexico Reforestation Center will be they will be back and as the Chancellor said, they are looking not just at state funding, but at federal funding. And they know the federal government has to be able to provide support as well. The challenge is they don't have programs necessarily for capital and our need is capital and they know they have to have greenhouses to grow seedlings. They will be communicating with Member Hoehne directly as they look at how to rebuild and what's important for the state because New Mexico State University is here to serve. The research needs that they produce are to benefit New Mexico and the this is a critical area of the state and something, as the Chancellor and Dean have both mentioned, an area that they are hugely focused on an important, not only for the AG experiment station enterprise, but for the university and the state as well.

Member Hoehne then stated that he really appreciated that response it and he wanted to make sure that they had that on record and then he also wanted to make sure what is on record is that he is very appreciative of the communication that he has had with NMSU related to the AG science centers in general, and he knows that will continue with this particular one as well. This was all the comments and questions that he had. He urged NMSU to continue being the good partner that they have been moving forward with this Forestry Research Center, and that NMSU has been very positive about this collaboration and looking forward to seeing it move forward in a way that there is a positive in serving



to the state of New Mexico and the needs of the Southwest as they are already doing.

Chairman Burke asked about the appraisal being in the packet and Scott Eschenbrenner replied that they did provide a copy of the appraisal and a copy of the review that was done by taxation and revenue.

Member Trujillo made a motion to approve the purchase of the land for \$677,455.

Member Hoehne stated that the submission packet as it is submitted is for \$700,000 with \$650,000 of that is actually acquisition costs, while 50,000 was survey. Although there is a more defined purchase price, he would ask that they stick with the amount of \$700,000 for approval to allow for that flexibility. This was his recommendation but would of course defer to the chairman and the members to decide.

Chairman Burke stated that the request is to modify the amount to \$700,00.

Member Trujillo then stated he accepted that and revised his motion to request for \$700,000. He also mentioned that the facility provides large economic benefit to the community, and we also have to deal with the hundreds of thousands of forests that was burned in Mora County and San Miguel and so he can see this facility would help with that.

Member Hoehne then seconded the motion.

Chairman Burke stated that this has to go to the Board of Finance and he thinks it can meet their December deadline.

Member Hoehne stated he did not receive in the packet a request to expedite the project to the Board of Finance for their December hearing for this acquisition. He did receive a request to expedite the Corbett Center, which he did expedite. But he did not expedite this one for the board of finance. The hearing for the board of finance is next week, and he can tell you that it cannot and will not be on that hearing date. For the committee, the expedited project was the Corbett Center project and he did get that on the agenda for next week but the purchase was not expedited.

Scott Eschenbrenner stated that he hopes this doesn't present a challenge for them, but obviously it is what it is. He doesn't know if there's any other chance to try and get it on the agenda, but they are really going to be at the mercy now of the family who's selling it and they've made it pretty clear that they may look at other options. They will go back if



They get a favorable recommendation from HED and say that they have passed the stage and just let them know what a timeline would be to try and get before the State Board of Finance at the next opportunity. But they apologize, this was an oversight on their part and did not realize that they needed to submit a request for expedited review on this. They will try to do their best to mitigate this challenge.

Member Hoehne stated that once you have the approval of the Higher Education Department, he thinks that presenting that to the landowners actually will give them the opportunity to at least show that NMSU has the state support on the purchase. Dr. Johnston posted a comment and Member Hoehne saw that comment in there about switching the projects, but that wouldn't be possible and the reason for that is because the board of finance does have to do their entire thorough review. And because this is a real estate acquisition, it actually also involves review by general counsel out of the Office of the State Auditor. And so that is an extremely time consuming process and he can tell you that there is no opportunity for this to be expedited. He did not ask the question when this project came forward. He is always willing to work with them as he did with the Corbett Center. He did not know that this one needed to be expedited. He apologized for that but NMSU will have the Higher Education Departments support with this purchase.

This project was approved contingent upon Form 1a being updated with proper enrollment numbers

Meeting adjourned at 11:09am by Chairman Burke