

***Obstacles, Opportunities, and Bold New Ideas
for More Effective Infrastructure Development & Funding.***

***From Attendees at the 2011
New Mexico Infrastructure Finance Conference***

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Along with 485 local government leaders and infrastructure specialists at the 2011 NMIFC

Governor Martinez, members of the Legislature and the New Mexico public have all highlighted the need for more effective development and funding for public-sector infrastructure in New Mexico.

With this in mind, organizers of the 16th Annual 2011 New Mexico Infrastructure Finance Conference held five infrastructure-sector-specific discussion workshops and a general session that examined the following questions:

What are the most significant obstacles and opportunities for better, more integrated/coordinated local infrastructure development and funding?¹

And what bold new ideas do you have to overcome these obstacles and to take advantage of these opportunities?

240 conference attendees, representing local governments, communities and subject matter experts participated in the five workshops, sharing their views and expertise.

485 conference attendees participated in general sessions on integrated planning with Governor Martinez, with Senator Smith, and that brought Planning, Economic Development, Utilities, Transportation, Tribal and Tourism sectors together to compare ideas from the workshops.

Conference attendees requested that workshop discussions be summarized in a white paper that would be made available to the executive, to legislators, to conference attendees and to the public.

This draft summarizes the key areas of consensus that were highlighted across the integrated planning workshops in Economic Development, Utilities, Transportation, Tribal and Tourism.

The five appendices (attached) zero in on specific ideas which originated in each infrastructure sector, and are sector-specific.²

Listed below are the ***ten areas of major consensus*** that conference attendees considered highest priority in bringing about a more collaborative, efficient and effective process for infrastructure development and funding within our local communities across the state:

¹ How to improve ***integration and coordination*** of infrastructure development and funding at the ***local*** level was the focus because there is broad consensus among public sector finance and infrastructure specialists that greater coordination in project planning, project funding, shared use and shared development across local governments and infrastructure sectors is one of the key opportunities for improvement in reducing infrastructure costs, reducing the number of incomplete projects and lowering project cycle times, while also working to increase utility, utilization and value to the public. *In short, to save money without diminishing public value.*

² Economic Development, Transportation, Utilities and Tribal took a vote among workshop participants to determine the level of priority of potential areas of focus. Tourism prioritized its suggested areas of focus via discussion and consensus.

1. *Develop a means to allocate capital outlay funding regionally.*

- Conference attendees expressed the view that local governments are currently in unproductive competition for funding. Regional capital outlay allocation would encourage local governments to work together to plan and prioritize funding for the entire region's greatest needs. Redundant development would be decreased, and project utilization could be expected to increase. Both would reduce costs while maintaining or improving value to the public.
- Regional Councils of Government (COGS) are already in place and could possibly serve as an effective vehicle for expanded regional planning, regional project prioritization and regional capital outlay allocation.
- Transportation and Utilities sectors have systematic regional planning processes in place that are beyond proof of concept and could possibly be replicated across local governments and infrastructure sectors.

2. *Develop and implement an objective, standards-based process for ranking infrastructure project needs and funding priority across local governments and across infrastructure sectors. Make participation in that process a requirement for funding.*

- Conference attendees expressed the view that New Mexico's capital outlay process is often a free for all, in which better political connections lead to greater probability of funding regardless of product need/priority. Legislators naturally feel obligated to "*spread the money around,*" but the downside is an unacceptably high level of incomplete/partly complete projects that cannot proceed due to lack of funds. A *systematic, equitable, transparent and requisite* process that funds *objectively-determined* greatest needs would allow all communities an equal opportunity for capital outlay dollars based on relative need.
- The ICIP process is already in place and could possibly serve as an effective vehicle for an expanded, systematic approach to project prioritization and capital outlay allocation. However, ICIP is currently not a statutory requirement. To serve this purpose, it would need to be a mandated prerequisite for capital outlay funding.
- The standards-based greatest needs ranking model that the Legislature adopted for school facilities funding in 2003 has proven effective, is considered fair by New Mexico school districts, has achieved wide support among legislators, and is now well beyond proof of concept. A similar system could possibly be developed across local governments and infrastructure sectors.

3. Develop a means for smaller communities with limited resources and limited planning knowledge to gain access to specialized planning expertise.

- Conference attendees said that smaller communities in New Mexico lack access to specialized planning expertise, limiting effective planning, and serving as a disadvantage in applying for capital outlay grants that require specialized expertise even to fill out the forms.
- Establishing a *central planning coordination and assistance office*; providing funding assistance to allow circuit rider type planners who could assist multiple communities without being added to municipal payrolls; and/or establishing a mentoring program through New Mexico's college and university network would all work to mitigate the planning gap faced by smaller communities.

4. Develop a single, uniform capital outlay funding application and application process that would be used by all state agencies.

- From the perspective of local governments, funding agencies are insufficiently coordinated in schedules/requirements, causing the application process to be unnecessarily complicated, inefficient, and a significant burden on communities and local governments.
- While there may be reasons for varying standards across funding programs, an aggressive effort to integrate and streamline the overall process *across and between* the various agencies that provide capital outlay assistance, would be extremely popular with local communities.
- Economic Development and Utilities sectors³ have developed a uniform process across funding entities to simplify the application process. *Statutory changes may be necessary to streamline/integrate requirements, to prevent the uniform funding application from becoming nothing more than the sum of all the requirements of the individual agencies.*

5. Develop an effective means for all infrastructure sectors to coordinate/communicate project planning with all other infrastructure sectors.

- Conference attendees said that communities/governments/agencies tend to plan in isolation. Collaborative planning partnerships between governments and/or agencies, are informal, not institutional. We need a means to coordinate all projects regionally; a means to determine during the development process whether projects overlap with other regional projects; a means to mandate shared-use planning, when appropriate; and a means to incorporate a cross-sector approach in the development funding process for each project regardless of sector.

³ A good example would be Environment's *Sustainable Water Infrastructure Management (SWIM)*, with its uniform approach to funding, and for which at least one loan/grant has been awarded each week for the past two years.

- A statewide project database to coordinate projects regionally would establish a central point for information and coordination across infrastructure sectors. There should possibly be a check off on funding forms that ask if the planner has communicated the project to other planners in other infrastructure sectors. A GIS system might also be utilized to provide this capability. A central planning coordination and assistance office may be a cost-effective means to assure that projects are communicated and coordinated regionally across infrastructure sectors. All infrastructure sectors suggested that an inexpensive means to communicate/coordinate projects might be social networking sites like LinkedIn or Facebook.
- New Mexico state government has a GIS system in early development that is currently being used by schools. This system could possibly be expanded to serve as a central location for easy to access project information.

6. *Separate infrastructure projects into two categories with separate funding streams: needs and wants. Needs may require a dedicated funding stream.*

7. *Develop ongoing training for local government staffs with respect to infrastructure development and funding requirements. On line, interactive training via Moodle or other freeware training application may be a cost-effective approach.*

8. *At \$6 billion a year in revenue, Tourism is the largest private sector employer and the second largest private sector industry in New Mexico. Tourism generates over \$760 million a year in taxes and over \$360 million a year in state taxes. Because of the significant impact of tourism within the New Mexico economy overall, require tourism impact review for capital outlay investments across all infrastructure sectors.*

9. *Eliminate the burdensome project approval process for later project phases— approve the whole project and allocate funds by project phase, based on the project achieving defined milestones, via a “just in time” funding mechanism similar to that used for public schools.*

10. *Given aging infrastructure and a high percentage of infrastructure coming due for renewal, prioritize funding to current infrastructure rather than adding new.*

Please see the attached five appendices for additional suggestions from the sector-specific workshops, respectively, in Economic Development, Transportation, Utilities, Tribal and Tourism sectors. Contact information for conference executive committee members is included on the final page.

What are the three greatest obstacles in integrated/coordinated local infrastructure development/funding?

- **1st PRIORITY:** There is not an integrated/coordinated infrastructure development or capital outlay funding process between the state and local communities—criteria and processes are distinct for each funding agency—also, political factors often prevent effective targeting of funds to projects, leading to unacceptably high levels of incomplete projects, and projects of lower priority gaining funding while higher priority projects do not gain funding.
- **2ND PRIORITY:** A lack of staff and/or specialized expertise in smaller municipalities to allow effective coordinated planning at the local level.
- **3RD PRIORITY:** Infrastructure improvement plans usually don't exist; but if they do, they lack implementation plans and clear assignment of responsibilities.

Other obstacles that were identified include:

- Local/city/county long term planning doesn't include school district planning
- Lack of integration at the regional level in planning—no shared use planning
- Lack of collaboration on a consistent basis in local planning
- Lack of effective performance measures for project evaluation
- Collaborative partnerships on project development are informal, not institutional
- There is not an integrated/coordinated/dedicated funding source--lack of money is the critical factor in ineffective project development—no consistency long term
- Antiquated regulations
- Ineffective/inconsistent technical assistance—failure to catch problems early when a solution would be less expensive, insufficient education and outreach to develop consensus among stakeholders
- Playing field not level in terms of community expertise on how to develop/fund project—larger organizations with greater resources have a comparative advantage

What are the three greatest opportunities in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Regional planning organizations should play a formative role in creating/sustaining integration across governmental entities (i.e., the COGs).
- **2ND PRIORITY:** Eliminate competition among communities by allocating resources regionally—the COG structure is already in place to possibly implement this.
- **3RD PRIORITY:** We NEED an integrated/coordinated project development and funding process that is aligned to community needs.

Other opportunities that were identified include:

- The annual ICIP is a required process—what’s the benefit? Do the applications get reviewed? This is a great opportunity that is apparently not fully integrated into the funding decisions by the legislative and executive—insufficient review/use by funders. Also, ICIP isn’t required for capital outlay awards.
- Identify infrastructure needs not wants. Fund the needs
- Expand the review of ICIP/capital improvement plans.
- Implement legislation that requires the use/review of ICIP applications.
- Integrated project development processes have potential for greater revenue generation
- Communities need to become more self-sufficient; ex: common approach to rate analysis for utilities
- GRT capacity, why a voter option? Local leaders would be more willing to access GRT capacity if it wasn’t necessary to go to voters to access those funds—possibly amend the local option GRTs to eliminate the voter requirement, which would increase the option for local communities to more easily “fend for themselves”
- Planning processes are voluntary—communities that don’t plan aren’t penalized in funding allocations, the incentives for planning aren’t tangible, aren’t a requirement for funding
- Effective marketing of project development within the local community isn’t sufficiently robust
- How do you regionalize the effort for funding distributions? For project prioritizations?

- Possibly have a two tier structure for funding—tier 1: communities that are planning and have projects shovel-ready; tier 2: communities that are at an earlier/less mature level of development
- Standardization in processes/deadlines across funders, and across regions
- When funds are distributed equitably, but in increments that are too small to use for project development, the result is incomplete projects. Need better means to prioritize and to fully fund projects of greatest need.
- Taking a look at public/private funding partnerships at the state, local and federal level
- Need to develop a means to prioritize (and fund) projects regionally
- More effective collaboration across legislators' funding priorities and capital outlay allocations.
- The underlying structure of grant funding in New Mexico needs to be objectively prioritized for what New Mexicans need in infrastructure
- Giving consideration to regional rather than individual community projects will force better collaboration across communities and maximize the value of the infrastructure investment.
- Circuit rider project development specialists could be used by and afforded by smaller communities—a means to provide specialized planning expertise to smaller communities that cannot afford full time staff.
- Overcome the unnecessary and burdensome project review/approval process for later project phases—approve the whole project and then phase funding as the project completes rather than force communities to go through disconnected project and funding approval processes at each project phase.
- Regionalization of funding

What bold new ideas do you have for overcoming these obstacles and taking advantage of these opportunities?

- **1ST PRIORITY:** Uniform funding application for ALL funding entities—the lack thereof is unnecessarily complicated and inefficient. Funding should be streamlined by standardizing the funding criteria across agencies, which would facilitate complete project funding and dramatic reduction in uncompleted projects and in excessive project cycle times.
- **2ND PRIORITY:** Prioritizing existing infrastructure rather than adding new—reprioritizing grant making toward effective replacement of aging infrastructure.
- **3RD PRIORITY:** Legislative “cojones”—Obstacles and opportunities come down to whether or not the legislature and/or the governor acts with “cojones” for what must be done. I.e., saying no to funding requests which are not a priority, and allocating funds in a way that leads to a higher level of project completions and a lower level of uncompleted projects sitting idle due to lack of later phase funds. In particular, the feeling was that the legislature should see to de-politicize the infrastructure funding process, which it has already done in capital funding for public schools.

Other bold new ideas that were identified include:

- Make it a statutory requirement that community comprehensive plans are the universal regional plans, and other planning efforts should be required to integrate to comprehensive plans, including those of schools.
- Tackling the regulatory burden on projects—streamlining the process to reduce unnecessary overhead costs
- Phasing out grants for utilities/processes/enterprise funds which are meant to become self-funding—by maintaining the grants, we’re rewarding poor planning. Redirect funds to streets and roads—dedication at the state level, possibly tax severance
- Failure to take into account the full-spectrum operating cost of infrastructure development—especially the land use component
- Local governing bodies need to make a commitment to regional planning
- Replicating best practices like RPO process in transportation planning
- At ICIP level: institutionalized regionalization of planning with funding to flow through regions tied to regional prioritization of projects

- Uniform funding application –there is insufficient streamlining of agency funding criteria—so applying for funding is unnecessarily complex, expensive and time consuming. If this could be streamlined, by standardizing the funding criteria across agencies, it would in and of itself lead to higher levels of full project funding and lower levels of incomplete projects.
- REAP is now back due to popular demand; SWIM is another uniform funding one stop shop
- Broaden consideration for in-kind services for local matching funds, given that the availability of local matching funds is a barrier.
- Develop a white paper from the ideas that are being generated in this forum. Make the white paper an ongoing, dynamic document for use by communities in planning
- Take the selection of capital outlay projects out of the legislative process—create an objective, standards-based process for local infrastructure
- Funds are available for rate structure/asset management under CDBG—but there are few applications

What are the three greatest obstacles in integrated/coordinated local infrastructure development/funding?

- **1st PRIORITY:** Politicized funding process--funds are often not distributed equally, efficiently, or equitably.
- **2nd PRIORITY:** How the ICIP fits (or doesn't fit) in the STIP process. Lack of communication/coordination between STIP and ICIP processes.
- **3rd PRIORITY:** ICIP process not rigorous enough—ICIP for capital outlay needs to be followed by legislators--communities can get funding with or without the ICIP process.

Other obstacles that were identified include:

- Communities and government departments are planning in isolation. We need forums where we can come together and talk about what we are doing both internally, and across governments and infrastructure sectors.
- Need better communication within organizations as well as externally.
- Funding sources tied to economic conditions can cause a problem with project sustainability.
- Project estimates need to be improved so we get the correct funding amount and can make the best use of limited resources.
- We need a consistent, uniform statewide method for capital outlay awards and distribution. DOT does it by districts not state wide. Project work needs to be better coordinated.
- Environment dept has a uniform need form. All agencies should use the same approach.
- MPO process is not sufficiently structured.
- NMDOT has one of the best processes for planning--other agencies should look at DOT's process. Local Governments have opportunity for input through the RPO process.
- Many local governments need better training for how to set local development and funding priorities.
- Establish regional ICIP coordination of projects and funding.
- Establish a statewide database to coordinate all ICIP projects regionally as a way to eliminate inefficiencies, and to establish a central point of information, which would allow coordination across infrastructure sectors—i.e., for example, the opportunity to develop a new jogging and bike path above where a new water pipeline is installed.

- ICIP is a living planning tool, it is used for every project and funding type. If used properly it is a great tool, that identifies all funding on a project.
- Better training/communication with municipal staffs—not everyone fully understands all the requirements within infrastructure development. It's important to know what can and cannot be done with funding, whether a local match is required, etc.
- Smaller communities have a technical assistance barrier—they lack access to specialized planning expertise.

What are the three greatest opportunities in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Publish a reference guide to overcome the technical assistance barrier, provide a common reference of transportation funding sources, deadlines, details.
- **2ND PRIORITY:** Work to improve understanding of funding requirements and barriers that could cause projects to be ineligible for funding.
- **3RD PRIORITY:** Need more communication with RPO—need to make better use of this data. Take better advantage of the information the RPO and MPO have to set priorities.

Other opportunities identified include:

- Transportation funding is different than other funding.
- Coordinate construction timing. Integrating different aspects of a project, trail, water, road, look for opportunities to coordinate efforts. Bring those projects to the RPO/MPO process as projects are being discussed. Possibly have a check off on funding forms that asks if the transportation planner has communicated the project to other infrastructure sector planners.
- Need to know what the total scope of the work is before we can decide what funding can be used for each piece.
- Use a state wide ICIP as a tool to identify those opportunities for local governments and regional areas to coordinate their infrastructure efforts.
- Locals should feed into regions, regions feed into state.
- Take advantage of different planning efforts that may overlap.

- Better networking--internet site for coordinating projects/funding, ideas, blogs, where other areas can see what is going on across the state.
- Develop a single, uniform capital outlay funding application and application process.
- Need a way to ask during the application process, *does this project overlap with another other project or funding?* Have you checked with your water, utility, or other departments. Need to incorporate this cross-sector approach into the process for EACH infrastructure project, regardless of its sector.
- Need a better, more effective means to prioritize infrastructure projects, along with clear criteria from the state on how projects will be evaluated.
- Operations and maintenance, what opportunities are available? How do local governments handle operations and maintenance? Interstate chip seal, had a 5 year plan that alternated before we could establish what would be funded to be rebuilt.
- Cooperative purchase agreements, for purchasing materials, different local governments could do cooperative purchasing, regionally. Local governments should get together to discuss how they can do this. We should look at other states and maybe see if we can use some of their processes that are proven effective.
- Locals can piggy back off DOT contracts to get the best price. Can we coordinate this in advance to allow local governments to do this? Can this be built into the process or done better?
- In NY price agreements/contracts are available to any local government. DOT and NM should look at other states. Schools have a co-op buying process (CES).

What bold new ideas do you have for overcoming these obstacles and taking advantage of these opportunities?

- **1ST PRIORITY:** Gas tax is flawed. As vehicles become more efficient the funding available for transportation goes down. Transition to a vehicles miles tax instead of a gas tax.
- **2ND PRIORITY:** Begin making use of Linked In, Facebook, and other Web 2.0 and social networking resources as a means for statewide communication and collaboration on infrastructure development projects across governments and sectors.
- **3rd PRIORITY:** Make more effective use of the COGS and their resources to improve project integration and collaboration—the COGS as a regional collaboration resource, are already in place and should be used more effectively.

Other bold new ideas that were identified include:

- When the state negotiates a contract, it should be done with a baseline that the state will meet on a purchase, where we could increase or decrease the price based on the need or use.
- Statewide ICIP, across all types of infrastructure—make this process more rigorous and mandate it.
- DOT needs to look at a General Obligation Bond or Severance Tax Bond program.
- Consider reinstating the locomotive fuel tax.
- State needs to figure out what type of tax they will use to fund transportation projects. Index gas tax to inflation. Currently it is flat at 12 cents regardless of amount.
- HM did studies on different revenue sources, need legislature and governor to determine policy and implement.
- It does not look as if the current administration will increase taxes but we may want to look at legislation to allow a local option gas tax.
- Border study. NM is often not included in the planning of major corridors for trade. NM is 34th in trade with Mexico partly due to flawed transportation system. We are on the border and should not be 34th. Need to have NM included as a link in the trade corridor.

What are the three greatest obstacles in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Incomplete/partially complete projects that cannot proceed due to lack of funds.
- **2ND PRIORITY:** Lack of coordination of funding requirements – funding agencies have different/incompatible schedules and requirements.
- **3RD PRIORITY:** Communities have a difficult time coming up with local match money; determining percentage for set aside; allocating/budgeting for match funds.

Other obstacles that were identified include:

- Lack of cross governmental alignment of raising bond money via bond elections
- Aging infrastructure – high percent of infrastructure coming due for renewal
- Purchased Taps/Mutual Domestic – If water systems become annexed, who assumes the loan payment? Legal issues. Federal protection
- Getting coordination to obtain a fully-funded project – Planning periods are long (10-15 years) Long lead times and inability to raise project funds. Lack of dedicated funding.
- Unplanned growth/lack of coordination – absence of coordinated community plan.
- ETZ ordinance requirements – fire code, 6-in. pipe minimum imposed on small communities without the customer base. Uniform standards without sufficient resources to address them.
- Too many water systems in the state – (1505 public water systems) Consolidation. Too many small water systems. Capital cost and operating costs.
- If mergers will be required – state/federal agencies should establish the mechanisms for merged systems; No effective mechanisms to implement regional integration of utilities.
- On the political side – many communities don't have lobbyists; no systematic objective approach; funding decisions often based on politics rather than need/priority.
- Local governments have to submit ICIPs. The funding process is not fair to everyone. Water conservations/asset management plans will disqualify systems. Smaller communities might not qualify if they don't have the ability to complete these plans.
- Unfunded mandates

What are the three greatest opportunities in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Strategic planning/strategic thinking – strategic planning group/office that would provide guidance, assistance. Possibly a state planning office that could be utilized by small/rural communities which cannot afford specialized planning staff.
- **2ND/3RD PRIORITY:** Training local communities in strategic planning processes to make effective planning at the local level self-sustaining. Get the community to decide what they want/need
- **2ND/3RD PRIORITY:** Strengthen master plan development within communities as a way to create program sustainability that can survive leadership changes

Other opportunities that were identified include:

- Consolidate water systems for efficiency in operations
 - Water rights consolidations
 - Leveraged funds – creative ways to match/leverage funds
- Asset management – can existing infrastructure/assets serve multipurpose functions?
- Planning – shortened planning period can better estimate project cost
- Coordinated resources – cities/local governments can learn to become self-sufficient as a means to create sustainability.
- Make long-term plans, through strategic planning, i.e., take a systematic approach to longer term planning
- Community involvement needs to be increased
- Agencies should add value—too often they're a barrier, an added level of bureaucracy only.
- Comprehensive plans should be made more robust (i.e., less a wish list, more a realistic planning document) and more inclusive of ALL the planning in the region.
- Regionalization – common interest; common concern; communicate, communicate.

What bold new ideas do you have for overcoming these obstacles and taking advantage of these opportunities?

- **1st/2nd PRIORITY:** Establish a State Planning Office (Office of Planning and Research, Office of Planning Assistance etc) transportation, housing, health, safety, etc. an office to lay down the planning guidelines for local communities in a uniform manner, and to communicate/coordinate planning across sectors.
- **1st/2nd PRIORITY:** State wide environmental document, that could be used by all regulatory agencies, reducing the cost and redundancy of multiple environmental studies. Environmental clearinghouse. Establish a more uniform process.
- **3rd PRIORITY:** Segregate infrastructure and capital outlay projects into two categories—needs and wants, with separate funding streams. Needs may require a dedicated funding stream. Committee from utilities and other sectors to prioritize capital projects.

Other bold new ideas that were identified include:

- Public meetings need to be more accessible to the working population.
- Universities can help local governments – tapping in to the universities resources
- Amend Sanitary Projects Act to allow more than water and wastewater
- Revisions to the Water and Sanitation Act to streamline the process
- Create, by statute, a regionalization mechanism
- Establish communication among local governments
- Full project funding
- Make ERs affordable

What are the three greatest obstacles in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Lack of capacity to support proper planning in smaller communities, which prevents projects from being sufficiently developed before seeking funding, and limits funds awarded.
- **2nd PRIORITY:** Multiple funding sources with multiple requirements—excessive complexity in seeking funds as a result
- **3RD PRIORITY:** Insufficient master planning due to physical location-remoteness of rural communities

Other obstacle that were identified:

- Resistance to change
- Different realities-Urban vs. Rural
- Zoning and enforcement-overcrowding/haphazard development
- Right of way issues-multiple ownership considerations
- Sovereignty Issues-County Government vs. Tribal Government
- Federal dollars not efficiently deployed
- Obstacles that increase the length of time for completing project-requirements by funding agency
- Corrupt and/or insufficiently trained officials.
- Funding agencies specify certain use residential/commercial – gaps in funding
- No planning expertise within small tribal communities to allow effective preparation of applications for funding awards
- Coordination problems-causes planning paralysis (not a uniform approach)
- State: bureaucracy does not keep up with contractual requirements

What are the three greatest opportunities in integrated/coordinated local infrastructure development/funding?

- **1ST PRIORITY:** Make better use of master planning and land use planning—effective planning will utilize the land for the right functions, leading to more productive uses
- **2ND PRIORITY:** More local control and more local prioritization of needs to fund in community infrastructure, reduce unnecessarily burdensome policies and procedures
- **3rd PRIORITY:** More effective utilization of available technical resources, and more effective communication of what resources are available from agencies providing that service or resource.

Other opportunities that were identified were:

- Look at combining resources/capital outlay to complete a project--more effective integration of funders
- Better prioritization of projects, and of funding awarded to projects
- Shovel-ready as a requirement for funding—which will lead to more credible project budgets, more effective determination of need, and reduction in the level of incomplete projects that are stalled due to lack of funds
- More effective communication from funders on available resources
- Opportunity for bringing agency specialists to assist communities to develop projects
- Not one size fits all--if a tribal entity is capable of managing capital projects they should have the opportunity to do so. Some tribes are more capable than others. Offer more autonomy to those more able; more assistance to those less able.
- A coalition of tribal communities to share best practices would be an excellent means of leveraging learning within tribal communities overall.
- Community leaders can share and collaborate—evaluate the regional impact/importance of projects.
- Get younger people involved-integrate talent pool into the mix--sustain programs with younger members

What bold new ideas do you have for overcoming these obstacles and taking advantage of these opportunities?

- **1ST PRIORITY:** Emergency funds for disaster relief should flow directly from the federal government to tribes, not through the intermediary of the state, which adds overhead costs and reduces the percentage of funds available for disaster victims.
- **2nd PRIORITY:** Strengthen tribal utility authorities as a way to more effectively develop and distribute basic utilities to constituents who lack these basic services.
- **3rd PRIORITY:** Do away with reimbursement for legitimate infrastructure-related expenses, and instead provide balance drawdown facilities as a means to make it easier for tribes to manage project cash flows.

Other bold new ideas that were identified include:

- Allow tribes to pass money on to the next applicant that needs the funds in order to eliminate reversion when a project is delayed.
- Institutions that have outlived their use-fullness should be retired--create competition
- When students are assisted in going to college it should be mandatory that they return to assist in their communities
- Create a working session in which all funders get together and let tribal entities know what they provide
- Eliminate the local match—a major barrier to tribes, which often lack access to local funding sources to provide as a match
- Uniform funding application—the tower of Bable set of deadlines and requirements across state and federal agencies is incredibly inefficient, and makes project funding much more complicated and expensive—standardize funding requirements as a streamlining measure
- Create a timeline for funding deadlines for all funders—a central source for this information
- Grant uniform application--unnecessary burdensome paperwork
- Larger tribes helping smaller tribes with resources
- Tribal-state government to partner together more often/more effectively

What are the greatest obstacles in integrated/coordinated local infrastructure development/funding?

The top three obstacles were identified as:

- There is no coordinated effort to consolidate regional opportunities into a year-round tourism calendar.
- Tourism planning is generally neither included in regional comprehensive plans nor in community strategic plans.
- Lack of sufficient infrastructure support for tourism, especially lack of roads and airports. There is a major need to coordinate how to move NM visitors from the Santa Fe-Albuquerque areas into other parts of New Mexico.

Other obstacles were identified as:

- Lack of communication between communities—inter-community cooperation needs to overcome historical differences that prevent effective partnering.
- Fragile infrastructure—the public (and their policymakers) often don't understand that tourism provides the funding to maintain infrastructure that serves the community.
- Competition for funding for infrastructure between communities and regions.
- Within infrastructure, the tourism sector is an outlier—tourism is often overlooked in infrastructure planning and process management.
- Sewage treatment facilities inadequate in parts of the state—need good sewage treatment facilities to prevent odors in a community as a key prerequisite for tourism development.
- Marketing and perceptual issues—people in the Eastern U.S. don't know New Mexico. They think we may be part of Arizona or the country of Mexico. Geography awareness problem.
- Lack of population centers with sufficient transportation infrastructure—lack of airport access (85 percent of tourists to New Mexico come from within an 800 mile drive radius of the state, with most visitors arriving by car)
- Insufficient state resources dedicated to support tourism—for example, the Tourism Dept's Scenic Byways Coordinator position was recently eliminated.

- Tourism infrastructure often has extreme variance in use/demand during the year—can be way too much demand during festivals, extremely little demand out of season, while overhead costs remain constant.
- Lack of sufficient number of available hotel rooms in Southwest New Mexico for festivals.
- Lack of economic diversity in communities, which in turn affects available funds for tourism marketing. Smaller communities can't compete with other regions/states re: tourism marketing.
- Smaller communities also have fewer resources to develop tourism infrastructure, in everything from convention centers to road maintenance and signage.
- Strategic decision making re: tourism infrastructure is ad-hoc, often only by a small number of stakeholders (i.e., does not include all stakeholders and hence does not achieve popular consensus)
- Branding is inadequate—New Mexico's culture should be more effectively marketed.
- Lack of vision
- Inadequate maintenance/renovation/rebuilding of existing infrastructure
- Inadequate leadership training—strengths of people and communities not utilized effectively
- Lack of community engagement in the tourism sector
- Reactive approach to tourism, rather than effective proactive planning.
- Insufficient buy-in to the value of tourism to the state on the part of policymakers, and a corresponding lack of support.

What are the greatest opportunities in integrated/coordinated local infrastructure development/funding?

The top three opportunities were identified as:

- Opportunity for better education on New Mexico culture and on tourism's contribution—educate key policymakers and others on the significant financial impact that tourism has on the New Mexico economy overall, and on how tourism dollars are spent in our communities.
- Opportunity for coordinated tourism planning across regions and year round, not only for festivals and events. Focus on diversity of activities and on local culture. Increase effectiveness of planning and marketing through branding.

- Take advantage of low-cost/high return activities, such as improved road signage and road maintenance, use social media for coordination and marketing.

Other opportunities were identified as:

- Santa Fe Style is branded well—leverage this to educate about New Mexico on a national and international level.
- State capital outlay should go to *regions* in order for the communities in the region to jointly prioritize their needs.
- At \$6 billion a year in revenue, Tourism is the largest private sector employer and the second largest private sector industry in New Mexico. Tourism generates over \$760 million a year in taxes, and over \$360 million a year in state taxes.
- Tourism dollars spent are multiplied by a factor of 1.8 in New Mexico local spending.
- Investment in tourism marketing yields highly-leveraged returns to the state and could be expanded, given this funding leverage.
- Opportunities for NM community and economic partnerships to create tourism infrastructure and strategy.
- Expanded funding from the private sector may be an opportunity.
- Social media is effective, low cost, and could be utilized more heavily.
- Effective planning should be a required pre-requisite for accessing infrastructure funding.
- Opportunity (and requirement) to differentiate New Mexico from the Grand Canyon and from Mexico via effective marketing.
- It's inexpensive and highly-effective for tourism development to improve road signage and road maintenance, and to provide road access to rural communities.
- Tourism needs to be more proactive in planning for needs, and in integrating with the other infrastructure sectors.
- There's an opportunity to try to use tourism related facilities for other purposes as a way to leverage the value of the investment.
- There's an opportunity to break out of a festival-centric approach. We need to promote areas as well as festivals, to bring people to communities year round
- We need to focus on diversifying the economies of our communities.
- There's an opportunity to expand the tourism sector via a regional approach to seasonal points of interest that get the surrounding communities involved.
- Market the people and the culture.
- Communities need to put aside their differences—a way needs to be developed for communities to work together regionally.
- Better education and better marketing of the value of tourism to all sectors of the NM economy is key to fully take advantage of what tourism can do for New Mexico.

What bold new ideas do you have for overcoming these obstacles and taking advantage of these opportunities?

The top three bold new ideas were identified as:

- At \$6 billion a year in revenue, Tourism is the largest private sector employer and the second largest private sector industry in New Mexico. Tourism generates over \$760 million a year in taxes and over \$360 million a year in state taxes. Tourism dollars spent are multiplied by a factor of 1.8 in New Mexico local spending. *Because of the significant impact of tourism within the New Mexico economy overall, require tourism impact review for capital outlay investments across all infrastructure sectors, which could be handled similarly to fiscal impact review.*
- Market Tourism to New Mexico policymakers and community leaders, and market the merits of visiting our state and its varied and diverse areas of interest to publics in state, out of state and abroad. Develop an education campaign for New Mexico leaders and the local public on the value/importance of tourism to everyone's livelihood. Take better advantage of social networking—it's low cost and effective. Of considerable importance, involve New Mexico's youth in creating the message.
- Develop effective alternatives to air travel—bus, rail. Make areas more inviting to visitors, and more accessible seasonally and/or year round as a means of moving beyond events and festivals as the primary draw. Leverage visitor interest in festivals to all the surrounding beautiful small communities. 85 percent of tourists to New Mexico come from within an 800 mile drive radius of the state. It is inexpensive and highly effective for tourism development to invest in improvements in road signage and road maintenance, and in providing all-weather road access to rural communities.

For further information.....

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