



Alamogordo City Commission

NOTICE OF MEETING

Regular Meeting Agenda

June 24, 2025 - 6:30 PM

Donald E. Carroll City Commission Chambers
City Hall, 1376 E. Ninth Street

Susan L. Payne Mayor
Sharon McDonald Mayor Pro-Tem, District 5
Crystal Guthrie District 1
Stephen Burnett District 2
Warren Robinson District 3
Josh Rardin District 4
Mark Tapley District 6

Stephanie Hernandez Acting City Manager
Darrell Mori City Attorney
Rachel Hughs City Clerk

MISSION STATEMENT as Adopted by the City Commission on March 24, 1995.

The City of Alamogordo is a Municipal Corporation that exists solely for the purpose of providing the best possible services to our customers, the citizens of Alamogordo. We are committed to providing these services with honesty, integrity, compassion, fairness, and a commitment to excellence.

We are committed to the long-term financial stability and responsible growth of the City and all decisions will be driven by our commitment to provide the best services possible in a financially sound and responsible manner given the economic realities facing the City.

In accordance with Section 10-15-1.D, NMSA 1978 (2010 Cumulative Supplement), this agenda has been posted on the east bulletin board located in the south of the City Hall and in the glass case located outside the north entrance of the City Hall, distributed to the appropriate news media, and posted on the City website: <http://ci.alamogordo.nm.us> within the required time frame. As a courtesy, the entire Agenda Packet has also been posted on the City of Alamogordo website: <http://ci.alamogordo.nm.us>

The Mayor and City Commission request that all cell phones be turned off or set to vibrate. Members of the audience are requested to step outside the Commission Chambers to respond to or to conduct a phone conversation. The Alamogordo Commission Chambers is wheelchair accessible. Other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 575-439-4100.

CALL TO ORDER & ROLL CALL

Announce the presence of a Quorum.

INVOCATION & PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PRESENTATIONS

1. Presentation by the City of Alamogordo's Utilities - Engineering department to update the public and commissioners on all upcoming projects by providing an informative overview of future plans and developments. (Justen Boyle, Senior Project Manager)

2. Presentation on updates to the Family Fun Center to include: improvements made, investments made into the property, steps that need to be taken, challenges, and projections regarding the opening. (F. Frizzel Jr., Chief Operating Officer for The Inn of the Mountain Gods, Johnny Adams, Rocket City General Manager, and Thora Padilla, Mescalero Apache Tribe President)

PUBLIC COMMENT

Residents must sign up with the City Clerk to address the City Commission. The standard allotted time is 3 minutes, but the Mayor reserves the right to change depending on the number of public comments.

CITY MANAGER'S REPORT

REMARKS AND INQUIRIES BY THE CITY COMMISSION

CONSENT AGENDA (Roll Call Vote Required for an Ordinance or Resolution)

All matters listed under the Consent Agenda are considered to be routine by the City Commission and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

3. Approve the minutes for the Regular Commission meeting on June 10, 2025. (Rachel Hughs, City Clerk)

4. Consider, and act upon, Ordinance 1715 for final publication repealing Ordinance 1557 pertaining to the approval of a Local Economic Development Project for secured financial assistance proposed by PreCheck, INC. (Darrell Mori, City Attorney; Kevin Wilson & Jim Lucero, New Mexico Economic Development Department) **(Roll Call Vote Required)**

5. Consider, and act upon, an emergency funds appropriation of \$6,527.24 through the Capital Outlay Bureau with the Aging & Long-Term Services Department for the purchase and installation of a gas range/griddle for the Senior Center kitchen. (Magdalena Morales, ASC Manager, and Veronica Ortega, Community Services Director)

ITEMS REMOVED FROM CONSENT AGENDA

NEW BUSINESS

6. Consider, and act upon, Ordinance 1716 for first publication to approve a Local Economic Development Project for up to \$1,000,000, Secured Assistance Proposed by White Sands Theater Entertainment Venue. (Troy Stegner, Owner) **(Roll Call Vote Required)**

7. Discuss Water Rate Analysis. (Stephanie Hernandez, Acting City Manager, Evelyn Huff, Finance Director, David Nunnelley, Utilities Director)

8. Approval to Cure a Violation of the Open Meetings Act Pursuant to NMSA 1978, Section 10-15-3(B), by Acknowledging and Reaffirming Actions Taken on March 31, April 1, and April 2, 2025. (Darrell Mori, City Attorney)

9. Information on the cancellation of the city manager recruitment. (Darrell Mori, City Attorney)

ADJOURNMENT

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/17/2025

Report No: 1.

Submitted By: Justen Boyle

Subject: Presentation by the City of Alamogordo's Utilities - Engineering department to update the public and commissioners on all upcoming projects by providing an informative overview of future plans and developments. *(Justen Boyle, Senior Project Manager)*

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation:

Background: The Utilities - Engineering department is dedicated to enhancing community infrastructure and ensuring the efficient delivery of services. Our mission is to address current challenges while planning for sustainable growth and development. This presentation provides a comprehensive update on our strategic initiatives and upcoming projects supporting our community's needs.

CITY OF ALAMOGORDO PROJECTS

JUSTEN BOYLE
SENIOR PROJECT MANAGER

Agenda

DESIGN PHASE

SHOVEL-READY PROJECTS

BIDDING PHASE (ALL PROJECTS FOR THE NEXT 2 TO 3 MONTHS)

CONSTRUCTION PHASE

WARRANTY PHASE

FINAL COMPLETION

DESIGN PHASE

LANDFILL FENCING – UTILITIES DEPARTMENT

Litter fencing is currently being designed as the landfill requires fencing to avoid throwing trash into the desert by high winds.

CONVENIENCE CENTER REHABILITATION – UTILITIES DEPARTMENT

Updating and completing a rehabilitation for this division will provide a better material and trash drop-off location. This is in its beginning phase and should receive the 30% design next month..

DESIGN PHASE

TRAFFIC HEAD REPLACEMENT – PUBLIC WORKS DEPARTMENT

Looking forward into the future, instead of replacing traffic heads. Stakeholders have been communicating on this project to ensure a better and safer Alamogordo. All intersections (city-owned) will be in a 3 to 4-phase project. Not only will this include traffic heads, but the entire intersection will be included. Traffic studies and new traffic heads will be conducted using this design. 10th Street will be the first phase, as a complete 10th Street corridor traffic study will be performed.

RC2201 NATATORIUM – PARKS AND RECREATION DEPARTMENT

The natatorium is currently in its final stage of design. The survey was completed, and the geotechnical report will be worked on as Sprung company works with the architect on final dimensions.

DESIGN PHASE

LIBRARY PATIO- COMMUNITY SERVICES DEPARTMENT

Working with our on-call Architect, this project will be designed to provide a new telehealth on the north side of the library building.

PLAYGROUND DUDLEY SCHOOL- PARKS AND RECREATION DEPARTMENT

The playground is in its final stages of design. As this is at its final stages, dirt and stand-up curbs are being completed at Dudley School so the contractor can come and place the new playground.

ZOO (BATHROOM) – COMMUNITY SERVICES DEPARTMENT

A new bathroom is being designed on the north side of the zoo to accommodate the public during their visit.

DESIGN PHASE

ZOO (BEAR ENCLOSURE) – COMMUNITY SERVICES DEPARTMENT

This design extends the bear enclosure and gives the bears more space to enjoy.

WSRP-003 – UTILITIES DEPARTMENT

(12th, 13th, 14th, and 15th (White Sands – Hawaii))

Starting the week of 6/16/2025, WSRP 003 will begin design to replace waterlines in said streets. Including ADA ramps in locations that are in need and repaving roads.

SEWER REPLACEMENT – UTILITIES DEPARTMENT

(WHITESANDS – N. FLORIDA, 10TH STREET – INDIAN WELLS)

After a Master Plan had been in the works for all sewer lines in the city, this area was the first to be designed to ensure a better sewer system.

DESIGN PHASE

PW2307 BASIN SEDIMENT REMOVAL – PUBLIC WORKS DEPARTMENT

(Marble Basin and Washington Basin)

This design has been at 30% to 60% since 2023 and is now at 60%, moving forward to be completed in the next month.

UW2501 WRF SLUDGE DISPOSAL AREA EXPANSION UTILITIES DEPARTMENT

NMED approved the 60% set of the drawings. This project will have 15 10-acre cells to contain the sludge. We are now 90% completed.

WASTEWATER FACILITY UPGRADE PHASE 3

A kickoff meeting started phase 3 of the wastewater treatment plant. Phase 3 consists of replacing Contact chambers, headworks, and the belt filter press, updating two basins to be fully functioning, and relocating the chlorine injection system.

DESIGN PHASE

WASHINGTON CANAL DESIGN – PUBLIC WORKS DEPARTMENT

Design that will create a concrete channel from Indian Wells to McKinley Channel. This design will be a 4 to 5-phase project starting with the 10th street bridge and intersection (this phase will be combined with the partial Traffic Head Replacement project). This design will include a new basin along Oregon Ave, which will be used for a future sports basin. (Overall, the project is a long-term project with a *GOAL* of five years to complete.)

TRAFFIC TECHNICAL STANDARDS

To ensure all infrastructure has a process and procedure for holding to a standard on Lights, Traffic heads, electrical work, and anything involving traffic signs, the Technical Standards will be updated to include these.

VALLEY VIEW DRIVE IMPROVEMENT

Design is currently at 60% and is under city review.

SHOVEL READY PROJECTS

- ROAD STRIPING CITY WIDE – N. FLORIDA FROM 1ST STREET TO TIERRA BELLA DR. // CUBA FROM 1ST STREET TO INDIAN WELLS // SCENIC DRIVE FROM 1ST STREET TO INDIAN WELLS // 1ST STREET FROM SCENIC DRIVE TO WHITE SANDS BLVD. // S. CANYON RD FROM 1ST STREET TO OCOTILLO RD // OCOTILLO ROAD FROM SCENIC DRIVE TO CASADY CT.
- BALLOON PARK – PARKING LOT // BATHROOM // STAGE AREA
- CANAL DITCH – PUBLIC WORKS BASIN TO CANAL ROAD.
- DESERT LAKES ROAD DRAINAGE – DITCH UPGRADE AND WATERLINE UPGRADE

BIDDING PHASE (ADVERTISEMENT TO NOA)

- WSRP 001 – OREGON PHASE 2 AND 3 – OREGON FROM 10TH STREET TO N. CANYON ROAD // N. CANYON ROAD FROM OREGON TO CUBA AVE. // CHAROLETTE LANE FROM OREGON TO N. CANYON ROAD // MULLEN STREET FROM OREGON AVE TO N. CANYON ROAD // MOUNTAIN VIEW AVE FROM N. CANYON ROAD TO OREGON // REMOVING MOUNTAIN VIEW AVE FROM OREGON AVE TO WASHINGTON AVE INCLUDING THE EXISTING CBC CROSSING OVER WASHINGTON CANAL.

BIDDING PHASE (ADVERTISEMENT TO NOA)

- LA LUZ SOUTH RESERVOIR REHABILITATION
- FIRE STATION 2 (WALKER ROAD)
- UPPER AND LOWER HEIGHTS WSRP 009
- SEWER AND STORM DRAIN REPLACEMENT (SOUTH OF ZOO)
- ZOO DUCK POND UPGRADES
- WSRP 002 – HUBBARD DRIVE FROM DEWEY LANE TO 18TH STREET // VAN COURT // MIRACERROS LANE FROM 18TH STREET TO HUBBARD DRIVE // HAWAII FROM 10TH STREET TO 15TH STREET // ALASKA FROM 10TH TO 12TH STREET // 12TH STREET FROM ALASKA TO HAWAII // 19TH STREET FROM OREGON TO PUERTO RICO // CAUTHEN LANE FROM PUERTO RICO TO ALASKA

BIDDING PHASE (ADVERTISEMENT TO NOA)

- GRANADA HILLS WSRP 007–
GRANADA FROM 15TH STREET TO
STREET / EL DORADO // LOS
ROBLES // DEL PRADO // SERRANO
// STONE CLIFF
- HWY 54/ 70 WSRP 008 -
- WELLS TRANSMISSION LINE – 5
MILES WSRP 010
- LOWER ALAMO TANK, CALLAHAN TANK,
AND LOWER OCOTILLO TANK – FINAL 3
WATER TANKS TO REHAB. ONCE REHAB IS
COMPLETED, ALL TANKS WILL BE ON A
MAINTENANCE UPKEEP EVERY 10 YEARS.

CURRENT CONSTRUCTION PROJECTS

- DESERT LAKES GOLF COURSE IRRIGATION REPLACEMENT
- ZOO IT INFRASTRUCTURE
- ZOO FENCING (SOUTH WALL)
- 10TH STREET CBC REMEDIATION
- MAINSTREET MAKEOVER – GREAT BLOCKS
- OREGON WSRP 001 PHASE 1
- F-4 PROJECT

COMPLETED PROJECTS

PROJECTS COMPLETED	TIME / COST	PROJECT COMPLETED	TIME / COST
MONTE VISTA CEMETERY WALL	3 MONTHS / \$247K	STRIPING	1 MONTH / \$87K
BASIN SEDIMENT REMOVAL	6 MONTHS / \$368K		
HUBBARD BRIDGE	3 MONTHS / \$1.8M		
NY WSRP	6 MONTHS / \$1.8M		
LOWER HEIGHTS	4 MONTHS / \$2.2M		

THANK YOU

ENGINEERING DIVISION

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/17/2025

Report No: 2.

Submitted By:

Subject: Presentation on updates to the Family Fun Center to include: improvements made, investments made into the property, steps that need to be taken, challenges, and projections regarding the opening. (*F. Frizzel Jr., Chief Operating Officer for The Inn of the Mountain Gods, Johnny Adams, Rocket City General Manager, and Thora Padilla, Mescalero Apache Tribe President*)

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation:

Background:



**City of Alamogordo City Commission Meeting
AGENDA REQUEST FORM**

Today's Date: June 16, 2025

Request Date of Meeting: June 24, 2025

Name and Title: Frizzell Frizzell, Jr./ COO

Address: 287 Carrizo Canyon Rd
Mescalero, NM ZIP 88340

Phone Number: 575-464-7335

E-Mail Address: FFrizzelljr@innofthemountain gods.com

Item requested will be for Information only

Brief description of topic to be discussed:

**Please attach one original of any documents pertaining to the topic -
We do not allow handouts at the meeting**

I want to give an update on the Family Fun Center, including improvements
made, investments made into the property, steps still needed to be taken,
challenges, and projections regarding the opening.

Signature: Frizzell Frizzell Digitally signed by Frizzell Frizzell
Date: 2025.06.16 15:47:21 -06'00'
By-KLR

Please return to: Rachel Hughs, CMC, City Clerk
City of Alamogordo
1376 E. 9th Street
Alamogordo, NM 88310

Phone: (575) 439-4100 **Fax:** (575) 439-4396 **E-mail:** rhughs@ci.alamogordo.nm.us

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/17/2025

Report No: 3.

Submitted By: Rachel Hughs

Subject: Approve the minutes for the Regular Commission meeting on June 10, 2025. *(Rachel Hughs, City Clerk)*

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation: Approve the minutes.

Background: This is required by the Open Meetings Act.

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR DRAFT MEETING MINUTES
6:30 PM, DONALD E. CARROLL COMMISSION CHAMBERS
June 10, 2025**

**SUSAN PAYNE, MAYOR
SHARON MCDONALD, MAYOR PRO-TEM
CRYSTAL GUTHRIE, COMMISSIONER
STEPHEN BURNETT, COMMISSIONER
WARREN ROBINSON, COMMISSIONER**

**JOSHUA RARDIN, COMMISSIONER
MARK TAPLEY, COMMISSIONER
STEPHANIE HERNANDEZ, ACTING CITY
MANAGER
DARREL MORI, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER & ROLL CALL

Mayor Pro-Tem McDonald called the meeting to order at 6:31 PM. Roll Call was taken by the City Clerk. Mayor Payne was absent. City Clerk Hughes announced there was a quorum present.

INVOCATION & PLEDGE OF ALLEGIANCE

Invocation was given by Commissioner Robinson, and the Pledge of Allegiance was led by Commissioner Rardin.

APPROVAL OF AGENDA

**Commissioner Burnett moved to approve.
Commissioner Rardin seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.**

PUBLIC COMMENT

Steven Bunt, Jason Baldwin, Grant Dalpes, and Ron Griggs signed up to speak under Item 7.

CITY MANAGER'S REPORT

Acting City Manager Hernandez made the following remarks:

1. About a year ago, we had eleven projects. Of those, four are complete, two are nearing completion, and three will be done by the end of the year. Within the next couple of months, we will have about ten more projects going out to bid at about once a week. Those ten projects include the La Luz Reservoir, Fire Station #2, the water line between the Upper and Lower Heights Tanks, three tank rehabilitations (Lower Alamo, Ocotillo, Calahan), WSRP-002 for 2022, the sewer and storm drain at 10th Street and White Sands Boulevard which will extend to the railroad tracks, the Duck Pond rehabilitation, two water line replacements on each side of the intersection at Highway 54/70, five miles of well transmission, a paint job of the West Side Tank, and lastly the design of a sewer replacement for an area around White Sands Boulevard to Florida Avenue, and 16th Street to Indian Wells. That last area is near the New Mexico School for the Blind and Visually Impaired. We will put out a bid and then go into design.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Mayor Pro-Tem McDonald asked when the Ribbon Cutting Ceremony would be. Acting City Manager Hernandez said the Ribbon Cutting Ceremony for the Lower Heights Tank Completion would be , June 11, 2025, at 2 PM.

Commissioner Guthrie asked for an update on the bridge. Acting City Manager Hernandez said it was scheduled to be completed by July 19th. It is somewhat intersecting with the Oregon Avenue WSRP, so there are two projects in nearly the same spot. Commissioner Guthrie said Senior Project Manager Boyle had said it would not be paved quite yet. Will that part be paved as well? Senior Project Manager Boyle said since they got the tie-in for the intersection of 10th Street and Oregon Avenue, we are going to fill that in and leave it as base course. Once the 10th Street Bridge is completed, we will pave from there to past the intersection, so there will be all-new asphalt from Washington Avenue to Oregon Avenue. That way, we will not need to worry about asphalt from Oregon Avenue to wherever the tie-in is or additional money next year.

Commissioner Rardin said someone posted a picture of our Recreation Center on Facebook where they were signing up their children for swim lessons. We had non-binary on the sign-up regarding the sex of the children. Is there

anything we can do to do away with that? That is nonsense. Acting City Manager Hernandez said we could look at it. I did not know we had that on there. Commissioner Rardin said it says male, female, and non-binary.

Commissioner Guthrie said she has heard concerns about the progression of Oregon Avenue, especially given that it is summertime. The elderly need access to swim, and kids run across the street. There is a lot of construction encompassing that area. What is the plan and timeline of the project? Will people have access to parking lots and crosswalks? Senior Project Manager Boyle said the Oregon project is in Phase 1 of 3. Contractors come up with their own phasing, so I call them sub-phases. Sub-Phase 1 was from Indian Wells to 16th Street. Sub-Phase 2 was from 16th Street to 14th Street, Sub-Phase 3 was from 14th Street to 12th Street, Sub-Phase 4 was from 12th Street to 12th Street, and the final sub-phase was the intersection. We jumped to the final sub-phase to eliminate closing down 10th Street for a longer period. 14th Street is a detour for the CBC Bridge, and we did not want to close that off. They are supposed to be paving sometime this month from Indian Wells to 18th Street. We wanted to still give access to Washington Street in a closer route, so we jumped 14th Street into Sub-Phases 3 and 4. We will do those phases at the same time because of how quickly they are going on the utility part of this. They backfill as they go, getting our proper tests and density checks. The competition date was originally in August, but I had to do a change order for the auditorium pool's waterline, so I had to add thirty days. Sometime in September would be the substantial completion date based on the contract. Commissioner Guthrie said at any given point in time during this project, will there be public access to the Recreation Center in a safe manner? Senior Project Manager Boyle said yes. In any project I have, having a MUTCD plan, which is pedestrian or traffic control, is important. When it comes to houses or public places, you always have to have some kind of access. There will be signs up, barrels, or whatever they do to give people access and proper ways to go. Commissioner Guthrie asked if there was a pre-emptive way to do some kind of photo map once this started to progress so the public knows exactly where to go and park. Acting City Manager Hernandez said we would make sure to let the REC Center know so they can give it to their constituents. We will do whatever we can to get the information out to everyone. Senior Project Manager Boyle said I am trying to keep it to just employees for the pool's north side because it is crossing the road. That will also open up parking spaces on the west side of the Rec Center because 12th Street will still be open to parking. You will still be able to get in from the 12th Street and Cuba Avenue directions.

Commissioner Burnett asked if Oregon Avenue was closed from 10th Street to Indian Wells. Senior Project Manager Boyle said except for 14th Street, yes. Commissioner Burnett said Pizza Mill has been having issues with cars driving in the opposite way. Senior Project Manager Boyle said we Public Works went out there to ensure they had an extra sign out there for the alleys so people did not go down them to Pizza Mill. That intersection should be open sometime near the end of this week. Unfortunately, we had to open the hole there a little bit because there was a leak on the old service line. It has been fixed, and they are cleaning it up. We are making sure everything is safe for people to travel on.

Commissioner Rardin said a citizen spoke to him with concerns about his properties and the water lines near the Girl Scout building area. Could we get signs there so people know how to access those businesses? Senior Project Manager Boyle said Public Works did the signs already. That way, if anyone in the area has a truck coming in, we give them access to drive around the Girl Scout building.

Commissioner Burnett said the Water Rate Study recently came out. When are we going to get that report? Acting City Manager Hernandez said she was going to put on this meeting, but Mayor Payne is not here, and I wanted everyone to be here. I will put it on the upcoming June 24, 2025, meeting. Commissioner Rardin asked if they could get it beforehand. She said yes, I will send it out.

Mayor Pro-Tem McDonald said we are going to have the District Five City Clean-up on Saturday, July 19, 2025, from 7:00 AM to noon. You will be able to bring junk in and drop it into trash barrels. We will also have shredding at the Dudley School on Sixth Street and Maryland Avenue. We are grateful to our sponsors and also the City of Alamogordo for helping us with everything. Last year, we had fifty-five people, and we hope to break that number this year.

CONSENT AGENDA

1. Approve the minutes for the Regular Commission meeting on May 27, 2025. (Rachel Hughs, City Clerk)

2. Approve the statements related to the Executive Closed Sessions held on May 27, 2025. (Rachel Hughs, City Clerk)

3. Consider, and act upon, Ordinance 1712 for final publication to approve a Local Economic Development Project for up to \$1,000,000, Secured Assistance Proposed by Rad Retrocade. (Stephanie Hernandez, Acting City Manager, and Alex Macias, Owner) (Roll Call Vote Required)

4. Consider, and act upon, the Professional Services Contract between the Alamogordo Police Department and the Alamogordo Public Schools for three (3) School Resource Officers. (David Kunihiro, Chief of Police)

5. Consider, and act upon, Resolution No. 2025-14 removing uncollectible and unsecured Utility, Library, and other miscellaneous accounts from the City's Accounts Receivable. (Sue Ashe, Accounting Manager) (Roll Call Vote Required)

6. Consider, and act upon, the Investment Report for the quarter ending March 31, 2025 in accordance with the City of Alamogordo Investment Ordinance. (Sue Ashe, Accounting Manager)

Commissioner Rardin moved to approve.
Commissioner Guthrie seconded the motion.
Motion Passed with a vote of 6 - 0 - 0.

ITEMS REMOVED FROM CONSENT AGENDA

None.

NEW BUSINESS

7. Consider, and act upon, the future operational direction for the City of Alamogordo's municipal Desert Lakes Golf Course. (Belinda Bass, Parks and Recreation Director, and Stephanie Hernandez, Acting City Manager)

Public Comment

1. Steven Bunt said that in past meetings the City has said that the current state of the golf course is that it has a bad irrigation system, bad water, a low budget, low staff, past superintendent problems, etcetera. That all it needed was more money and more time for the course to be in great shape. I play golf out there and see problems I think could be fixed without more money and time. For example, t-markers are often in the worst place possible within t-boxes or sandy or uneven lies. Flag sticks used to be colored depending on where they were on the green. In past meetings, accusations have become personal and heated; I do not intend that. I do not know whose fault it is, but it needs to be addressed. There is a break somewhere in the system, along with a lack of checks and balances on what happens at the golf course. I would be uneasy about turning over control of the entire golf course to that system. I would be more open to the idea of the City taking over if there was a track record showing these small problems were being fixed and don't need more to be budgeted or more staff.

2. Grant Dalpes said he was the current contractor for the Desert Lakes Golf Course. We all want the best thing, but I just have different beliefs about the direction in which it needs to go. I believe going to RFP for a management company is the best way forward for the course and the community. It comes with risks, but is the better option. I have the following reasons. The private sector can employ for roughly twenty percent less than the public sector. There are no employee legacy costs going forward or costs of PERA or insurance or retired insurance going forward. The private sector is more nimble in how it can deal with employees; it can hire, manage, and replace poor performers faster than the City. The continuity of existing services going forward is important. Under the City model, the budget would be giving up food and beverage, which is the largest revenue out there. Asking for ten percent from a vendor would make it difficult for that vendor to make a profit, but under the management model, that ten percent and any profit goes to the bottom line of the golf course. The management concept also gives the City a layer of liability

insulation that G&L Golf currently gives now. Under a management contract, the contractor and City would sit down each year and develop a business plan and a budget. This is where the City would ask for programs to be created that can do other things at the golf course and bring other people into the golf course that do not necessarily utilize the facility now. The management company would then execute those things with their expertise. Most importantly, a golf management company would be in the business of golf and golf only. That is all they do. Their level of expertise cannot be matched by the City. They would have a level of golf-specific resources that cannot be matched by the City. The City does not have specific cost-cutting vendor discounts and national contracts, food and beverage experience, a menu designed for profit increase, or marketing done regularly to increase revenue. They can do all these without damaging the current rate structure. I want what is best for the City, and I believe a management concept is the best way to go. G&L Golf came here thirty-four years ago today. We are a management company, too, and I think we have a pretty good job.

3. Jason Baldwin said Mr. Grant covered the basics of what I wanted to mention, but no matter what happens tonight, you can always come back to the idea of the City running the golf course. A management agreement does come with risks, but it is a better option for the City to try. Desert Lakes first took over on June 10, 1992, and they chose a good management company to run Desert Lakes Golf Course. I do not know of many contractors that have been with the City for thirty-four years and have renewed their contract five or six times. Of the people I have talked to, it is not like anyone does not think the City's plan is good. There is just not a lot of faith that the City will be able to execute it over a long period of time. That is not a disparaging remark towards staff and dedication to the golf course, it is because City staff, the Commission, agendas, mindsets, budgets, and the overarching idea all change. The RFP is key. If you vote to go to a management agreement, I ask for due diligence to ensure the RFP is written correctly. There are a lot of people out there who can help with the process. Choosing the management company is important; you have the option to choose the correct people with local input. The effort that staff put into their proposal is to be commended; they have a good vision for what the Desert Lakes Golf Course could be and what an asset to the community it could be. If you go with the management agreement, I would ask that the effort that the City wants to put into its own effort gets put into the management agreement.

4. Ron Griggs said he attended both town halls and appreciated them because they were good for everybody. I am concerned about the City's ability to manage the entire golf course operation. I am concerned about the numbers that were presented and how reliable they were. I believe that the staff is sincere in their belief that they can manage and improve the golf course and the facility. I believe that when they say they want to put it into a condition that they can host the state championship golf tournaments for the high schools, I think the Commission should have staff's approach evaluated by an outside third party before a decision is made. Having staff as the sole evaluator creates the appearance of a directed decision. I do not want this to come across as negative to those here tonight, but adequately maintaining the golf course has been an ongoing issue for years. Adequacy should sometimes fall directly at the feet of the City Manager or the Commission. The budget for the golf course is often compromised, and you do not provide the revenue for them to be able to accomplish the given task. If staff can adequately manage the whole course, would it not stand to reason they could manage the maintenance of the golf course? It is hard to look at today and believe that is what is happening. Mr. Dalpes has operated out there for over thirty years and has done what he could to make that place better for Alamogordo and its citizens. I think you need to take into consideration what he is saying to you.

Parks and Recreation Director Bass said she would present a set of facts, the gathered data, and then present options. We will show where the money is actually going at the golf course and how it is being spent. I have received emails with concerns about how the fairways and T's look and their condition. Through meetings between city staff and G&L Golf, the golf course superintendent was directed to focus most of his attention on big improvements on the greens. We are getting ready to tear up the fairways, and it would not be fiscally responsible for us to go out and put on a massive reseeding project to then just tear it up while irrigation is put in. The focus has been getting the greens green again. Other feedback has been on private carts and annual passes. The suggestions in our previous presentations are all completely adjustable. We do not get to choose the cost, as that is a Commission decision. We can give ideas, receive feedback, and then modify those ideas, thoughts, and decisions. The highest and lowest budgets of the past five years are not anomalous. They are fairly typical. Some years, we will have a big subsidy, and other years we are close to breaking even. That is why we did a five-year average. Regarding keeping the golf course on-track if we transition to an in-house model, we would have a master plan to keep the city on track. That way, even if the city staff and Commission members change, those master plans are still in place. As far as our plan

for what we want to do, we still want to do them no matter what direction this goes.

Parks and Recreation Director Bass gave her presentation regarding the three options for consideration.

Commissioner Rardin asked if the pond relining and things should be paid from Fund 81 instead of the golf course budget because that is for irrigation, water, and water storage. Acting City Manager Hernandez said yes, and maybe we can get some funding for those types of things. The relining needs to happen on the back nine. We need to look at that. Commissioner Rardin said it made the numbers look skewed. Those numbers may not look as bad. Parks and Recreation Director Bass said our numbers do not show like that because we made estimates, and it is not figured into these costs. This will be a big project, and there are going to be grants and other funding. You cannot count grant funding in a budget until you have it.

Commissioner Rardin said he has heard that the water quality coming from the Wastewater Plant and going into the ponds may be part of the reason the greens and fairways are dying. I have also heard we have wells out there, and we blend the water with fresh water. Do we know how much, when, and at what times we blend? Parks and Recreation Director Bass said we have a well. Two wells are on the course, but one is drinking water, and we cannot touch it. We are capped on how much for the one well we can use. There is a little pond, which then goes to basically all the back nine and dilutes those ponds. We know our water is salty from testing, and our Wastewater Plant is not a desalination plant. A certain amount of salt gets removed with sludge, but a lot of salt stays in suspension and ends up in the ponds. There is a pre-treatment we are trying to do in the ponds, which will be more effective once they are lined. We will add diatoms to the ponds to improve the smell and clear the water. We are applying other things to the course itself to flush out the salt from the roots by binding with it. That salty water has been applied to that course forever. We have been doing soil and water sampling to figure out what we need to do, and those things are now starting to happen. With the new irrigation system with injection pumps, our product will not be leaked out. He said it seems like a lot of these problems have started within the past three to five years. We have used effluent water out there for a long time. My question is about the water quality coming out of the Wastewater Plant. She said she could not speak to that as the Wastewater Plant is outside my purview. Parks and Recreation does not have anything to do with that, and we are stuck with the product we have. Over time, stuff accumulates, and then we have to deal with it. That is why we must do regular water and soil samples to establish where we are and what we need to adjust. He said he felt that we, as the City have control over the quality of water coming out of our plant. She said that it was another department, and she did not. Commissioner Burnett asked if we know the parts per million of the contaminants in the water. She said that was a question for Golf Course Superintendent Bradley, but it is pretty high, like seawater. He asked what it was supposed to be at. She said less than that. He said there was a \$600,000 increase in subsidies this coming year. What are they for? She said that was our part that we had to put in for irrigation. The City had to pay matching funds regarding the grants. He said there was a misconception as to why there is so much more this year.

Commissioner Tapley said that the contract with Mr. Dalpes is up in October. Are you planning to buy golf carts either way? Parks and Recreation Director Bass said it really depends on when the RFP goes out and who we choose. They may come with carts, or we may have to buy carts. We are planning towards that. He said that whether it is run by a management company or the City, you have to buy golf carts. She said we would likely have to. He asked how many she planned to buy. She said with feedback, we will buy however many private carts we have because the building only holds so many carts. I think it is forty-five or fifty. He asked if the income was based on forty golf cart rentals. She said the income and expenses in the original model were based on us purchasing sixty carts. The income for the cart rental portion was based on rounds of play of the five-year average. He said he thought it would have been better to go off forty rather than sixty. She said if you remember, we talked about doing away with golf carts in our original plan. Since then, we have received feedback on that. It would definitely be something we have to change. He said there were four ponds relined about five to six years ago. She said that was the front nine. He said when they were lined, I do not know if they affected the rounds at all. I think everyone played around that. She said you have to think about how that part of the course is set up compared to the back nine. We want to enlarge the little ponds in the back nine, and there will be a lot of dirt moving. We will do one pond at a time. We may just have to close portions of the course at a time. We would not close the whole back nine. Those guys do not want to be accidental targets.

Commissioner Burnett asked if we had a timeline for relining the back ponds. Parks and Recreation Director Bass said we do not. We are looking at grants to find sources. The ponds are a higher priority. I do not want to get the golf course into pristine shape and then drive a bulldozer through it. I want to get the course into good shape, but big things are coming, and I want to get that sooner rather than later. He asked how much larger the ponds would be. She said not gigantic but enough to build our holding capacity. Back when the ponds on the back nine were drained, one of them had maybe sixteen inches of water because it was full to the brim with sludge and sediment. We need to dredge that out and dig a couple extra feet in width to give us more holding capacity. We have the peanut-shaped ponds on the eighteenth that used to have an old concrete spillway between them that failed long ago. I want to get a little width and depth since our freshwater comes in that way, too. Commissioner Tapley asked if the sixteenth was relined as well. She said yes, but that one is not as high a priority. In my opinion, the banks are golf course safe.

Mayor Pro-Tem McDonald said a citizen told her that the amount of water the golf course needs in the summer is seven-hundred thousand gallons up to a million. Once you do everything that needs to be done, would those things satisfy what the course needs? Parks and Recreation Director Bass said yes, that many gallons a day, and we can budge more on that, too. That is what we put out every single day, or at least when the pumps are working, and the lines are hooked up. We may be going a little skinnier on that now due to the irrigation systems going in and the lines being cut right now. Mayor Pro-Tem McDonald asked if that would reduce the number of people needed for maintenance. Parks and Recreation Director Bass said it actually increases it. We currently have a staff of six mowing one hundred and twenty acres and maintaining it. In our proposal, Pro Shop staff and cart staff are outside staff that we want cross-trained. So if they are not doing something in one place, they are in another. Commissioner Burnett asked how many people were needed to staff the maintenance fully. Are you at six right now? Acting City Manager Hernandez said back during COVID, we laid off a lot of seasonal and part-time staff. We would like to get that number back up, given all the money we are putting into the golf course. We want to be able to maintain it at the level it needs. So everyone knows, the golf course falls under quality of life and not essential services. There is a balancing act we have to do every year.

Commissioner Robinson asked for more information on the master plan. Would it be for the next ten years? Parks and Recreation Director Bass said they typically do long-term at ten years with a focus on stuff for the first five to seven. There is public feedback, public meetings, and polling involved with master plans to get input. He asked if golfers could be involved in the master plan. She said absolutely. He asked when we had to have this aligned to keep the golf course moving. Would it be October? Acting City Manager Hernandez said that during ICIP listing, each department determines what their priorities are. They would have to ask for money for master plans, including design and those types of expenses. Right now, we are getting irrigation. We will look at what a master plan costs, but we have been paying somewhere between \$50,000 to \$120,000, depending on the area. He asked so what is the timeframe? Parks and Recreation Director Bass said ideally within the first year. Operations would stay the same for the first year because it is also our data-collecting year. We want to find out where there are gaps in services, what people want to see, and what people do not want.

Commissioner Burnett said if we decide to send an RFP, what will it be? What are your minimum criteria? Parks and Recreation Director Bass said that is something that we need to sit down and flesh out, but we want to make sure that any sins of the past do not pass on to the future. Things in the contract now that are preventing us from doing things will not be in there. We want to ensure we can do what is needed on the course. The contractor has to allow us to do that. Acting City Manager Hernandez said we have to sit down and talk about it. Maybe things like you have to have something with regular citizenship who does not golf getting involved out there. Or advertising things like that. If we go out to RFP, that will be an instance where we bring it to the Commission, and they will need to prove what they are doing to the Commission. The RFP needs to be set up for success while maintaining it as a municipal golf course. As we are still waiting for the Commission's decision, we have not sat down to flesh this out. Parks and Recreation Director Bass said we have ideas. We know some things will not work, while others may. He said that Mr. Dalpes contract is ending in October, so as far as a timeline for us to get something out, would it be sixty days? Acting City Manager Hernandez said that per State procurement, we can only do an eight-year contract. Back during COVID in 2020, former City Manager Cesar extended all contracts because of the three-month shutdown, which was allowable. State procurement stated to us that they will allow us to extend it for one more year from the original expiration because of the condition of the golf course and the projects we have in line, so we can transition to whichever the Commission decides tonight. We will be allowed to extend it through June 2026. I have already spoken to G&L about that, but I did not put it in. We have not done that amendment to the contract yet because the language

will change depending on which way the Commission goes.

Commissioner Rardin said he did not understand the push to open up the golf course. Right now, anyone can use it. Anyone can go out and play golf. So, what is the push to have an event and open it up more to the public? Acting City Manager Hernandez said it was to get more people involved in golfing. There is no question that everybody can go to one of our parks. There are some questions about whether everybody can go to the golf course. I do not know where that perception came from. We need more golfers at the golf course for it to be successful and grow. It is less of a push and more of an advertisement, letting people know and growing the programming. In speaking with Mr. Dalpes, these programs already existed. There was kind of a drop-off, and we are getting back to that. That is just part of growing it into the bigger plan of Alamogordo. He said that a Builder's Tournament tore up the golf course tremendously, and sometimes there is a lot of alcohol involved. So, while it is open to the public, we do not want people out there tearing up the course. She said yes, and we would limit it to certain areas to prevent a free-for-all. We just want to grow the game and get more golfers out there. Parks and Recreation Director Bass said it would be carefully curated and staged for a particular area. We would not just let people run on the greens, which is the part we want to protect. I have received calls from the non-golfing community stating they did not feel welcome out there, did not know they could go out there, or thought it was a country club. That is why we are trying to ensure that everyone knows this is a municipal golf course. People may not come and golf, but they need to know they have the opportunity to do so. The people who golf are passionate about it, but if we want to keep the golf course going and viable, then we need to build up more golfers to go out there and try it. We do that through special events. Maybe they just golf two or three holes to see if they are interested. Commissioner Burnett said he did not understand the perception of people not being welcome out there. Not one time have I ever felt unwelcome, regardless. It does not make sense unless they are not spending time out there. Parks and Recreation Director Bass said right, and that is a perception we are trying to work on. It is basically a public relations thing. Those are things we want to address. We want to tell people to come to the golf course and check it out; that way, people cannot say they do not have the opportunity. Commissioner Rardin asked if a log of the phone calls and emails was kept. She said she does not, but the emails are in the system. Most of my recent emails are from Commissioners. He said he had been here for a long time and had never received a phone call or email from someone saying they were not welcome at the golf course. How many have you actually had? She said a couple of people who texted me but did not come tonight would probably be saying that. There is a perception that golf is an old, rich white people's sport. We know there are plenty of women, youth, minorities, and others out there golfing. I am saying the perception is things that we have been told.

Acting City Manager Hernandez said it is not about what we, the City, want; it is about options. We chose to take this to the public so they can have a voice. That is where the two workshops came in. Whatever the Commission chooses to do, I can promise you the vision does not change, and we will do the best we can to elevate the golf course to where it once was. People have been very passionate about this. At some point, it felt like we were working against Mr. Dalpes and G&L Golf because there was not a lot of communication. I want to make it clear we have to be careful not to get hit with collusion. We were trying to separate Mr. Dalpes or G&L and Jason in case they put in for it. If we get hit with too much input from them, we can get hit with collusion, saying we are showing favoritism. We are trying to shield them and the City, and so it felt like there was some lack of communication, but that was not the intent, and I felt we worked through those issues. I want to thank everyone for their hard work.

Commissioner Guthrie said she moved to extend the contract of G&L Golf until June 2026 while we actively go out for RFP a management agreement. Acting City Manager Hernandez said the contract was already going to be extended, so the Commission does not have to make that motion.

Commissioner Guthrie moved to go out for RFP for a management agreement.

Commissioner Robinson seconded the motion.

Motion Passed with a vote of 6 - 0 - 0.

ADJOURNMENT

Commissioner Burnett moved to adjourn at 7:59 PM.

Commissioner Tapley seconded the motion.

Motion Passed with a vote of 6 - 0 - 0.

ATTEST:

Mayor Susan Payne

City Clerk Rachel Hughs

(Prepared by Dylan Aleshire, Deputy Clerk)

Approved at the Regular Meeting held on June 24, 2025.

DRAFT

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 05/31/2025

Report No: 4.

Submitted By: Ashley Smith

Subject: Consider, and act upon, Ordinance 1715 for final publication repealing Ordinance 1557 pertaining to the approval of a Local Economic Development Project for secured financial assistance proposed by PreCheck, INC. (*Darrell Mori, City Attorney; Kevin Wilson & Jim Lucero, New Mexico Economic Development Department*) **(Roll Call Vote Required)**

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation: City staff recommends approval for final publication.

Background: PreCheck has met all its LEDA obligations.

ORDINANCE NO. 1715

**AN ORDINANCE REPEALING ORDINANCE 1557, PERTAINING TO THE
APPROVAL OF A LOCAL ECONOMIC DEVELOPMENT PROJECT FOR SECURED
FINANCIAL ASSISTANCE PROPOSED BY PRECHECK, INC.,**

WHEREAS, pursuant to the Local Economic Development Act, NMSA 1978 §5-10-1 through 5-10-13, (LEDA), the City adopted Ordinance No. 1557, authorizing the execution of a Project Participation Agreement with PreCheck Inc.

WHEREAS, PreCheck was awarded \$100,000 for economic assistance to go towards the buildout of the entity's facilities, appropriated by the New Mexico Economic Development Department with the City acting as fiscal agent.

WHEREAS, PreCheck has completed all LEDA obligations outlined in the Project Participation Agreement.

BE IT THEREFORE ORDAINED by the City Commission of the City of Alamogordo, New Mexico, that Ordinance 1557 is hereby repealed.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2025.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By: _____
Susan L. Payne, Mayor

ATTEST:

Rachel Hughs, City Clerk

APPROVED AS TO FORM:

Ashley Smith, City Attorney

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/12/2025

Report No: 5.

Submitted By: Britney Ybarra

Subject: Consider, and act upon, an emergency funds appropriation of \$6,527.24 through the Capital Outlay Bureau with the Aging & Long-Term Services Department for the purchase and installation of a gas range/griddle for the Senior Center kitchen. *(Magdalena Morales, ASC Manager, and Veronica Ortega, Community Services Director)*

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

The total amount budgeted is \$6,527.24.

Recommendation: Approve the emergency funding.

Background: The kitchen's current oven/griddle cannot reach the appropriate temperatures. The oven heats too hot or not hot enough, regardless of the set temperature. Kitchen staff are unable to cook efficiently with this griddle.

State of New Mexico
Aging and Long-Term Services Department
Statewide Emergency Funding
Intergovernmental Grant Agreement



APPROPRIATION RECIPIENT:

Grantee: City of Alamogordo, Alamo Senior Center, Stephanie Hernandez
Contact: Magdalena Morales, mmorales@ci.alamogordo.nm.us, 575.439.4150
Facility: Alamo Senior Center
Address: 2201 Puerto Rico Ave., Alamogordo, NM 88310

<u>APPROPRIATION NUMBER:</u>	<u>APPROPRIATION AMOUNT:</u>	<u>APPROPRIATION TERM DATE:</u>
A23H2068-36	\$6,527.24	June 30, 2027

APPROPRIATION LANGUAGE

In Laws 2023 Chapter 199, Section 4, Paragraph 65 - \$3,000,000 was identified for FY2024 through FY2027 for emergency requests to plan, design, renovate, improve, equip, and furnish senior centers, including delivery and installation of building systems and purchase and installation of meals equipment, and to purchase and equip vehicles for senior centers statewide.

CERTIFICATION

I hereby certify that the City of Alamogordo,

1. Will only use the appropriation funds for permissible purposes as described in appropriation language.
2. Will comply with the State Procurement Code and execution of binding written obligations or purchase orders with third-party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the project (if applicable).
3. Ensures that the appropriation funds only benefit entities in accordance with applicable law, including, but not limited to Article IX, Section 14 of the Constitution of the State of New Mexico, "Anti-Donation Clause."
4. Will follow the procedure described in "Appropriation Reimbursement" for reimbursement of appropriated funds.

APPROPRIATION REIMBURSEMENT

The appropriation funds will be disbursed through a reimbursement process. The Appropriation Recipient will submit to the Agency Exhibit A: Request for Payment form along with supporting document(s) that evidence the expenses to be reimbursed. The Agency will review these documents to ensure all reimbursed expenses reflect the intent and purpose of the appropriation language. All expenditures for which the Appropriation Recipient requests reimbursement must occur before the reversion date. The latest date the Appropriation Recipient may submit a Request for Payment for FY27 (July 1, 2026 – June 30, 2027) is June 30th, 2027. With the submission of the final Exhibit A: Request for Payment, the Appropriation Recipient must include the completed Exhibit B: Final Report form to receive the final reimbursement.

Stephanie Hernandez,
Acting City Manager

Grantee Chief Elected Official Signature / Printed Name

Date

AUTHORITY

State Agency on Aging (28-4-1 to 28-4-9 NMSA 1978: successor agency, Aging and Long-Term Services Department (9-23-1 to 9-23-12 NMSA 1978) may enter into grants and contracts as appropriated by law. I hereby approve this certification for the appropriation number.

Project #A23H2068-36 City of Alamogordo, Alamo Senior Center – Garland Oven/Griddle for Alamo Senior Center (\$6,527.24)

Agency Designee signature

Date

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date:

Report No: 6.

Submitted By: Stephanie Hernandez

Subject: Consider, and act upon, Ordinance 1716 for first publication to approve a Local Economic Development Project for up to \$1,000,000, Secured Assistance Proposed by White Sands Theater Entertainment Venue. (*Troy Stegner, Owner*) **(Roll Call Vote Required)**

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation: City staff recommends approval for first publication.

Background:

ORDINANCE NO. 1716

**AN ORDINANCE APPROVING A LOCAL ECONOMIC DEVELOPMENT PROJECT FOR
SECURED FINANCIAL ASSISTANCE**

**PROPOSED BY ZIA COMICS FOR WHITE SANDS THEATER ENTERTAINMENT
VENUE**

WHEREAS, the City Commission of the City of Alamogordo, New Mexico acknowledges local government has an important role in economic development and should provide leadership whenever it has the opportunity.

WHEREAS, the City Commission of the City of Alamogordo, New Mexico recognize that Chapter 02 article 14 sets the standards for economic development in Alamogordo New Mexico.

BE IT THEREFORE ORDAINED by the City Commission of the City of Alamogordo, New Mexico approve the following:

Pursuant to the City of Alamogordo Economic Development Plan, Ordinance No. 983 and NMSA 1978 Section 5-10-1, et seq. (Local Economic Development Act, the "Act"), the proposed economic development project of Moran & Wright Jewelry Care and Metal Care Products ("the Company") is approved for the purposes set forth in NMSA 1978 Section 5-10-1, et seq., and the City of Alamogordo is authorized to enter into a Project Participation Agreement ("the Agreement") with the Company as required by Section 10 of the Act, and in substantially the same form as attached hereto, the terms of which are incorporated herein.

The City Commission finds as follows:

1. The Company is an entity as defined in NMSA 1978, Section 5-10-3(G);
2. Under the Agreement, the Company will provide a substantive contribution for the proposed project as described in NMSA 1978 Section 5-10-10(B)
3. The Agreement complies with the requirements of the Act and Ordinance No. 983;

4. The benefit of the proposed project to the City of Alamogordo is repayment of the financial assistance through the creation of jobs and other benefits arising from employment and economic activity under the project which exceeds the cost to the City of providing to the Company the assistance specified in the agreement, and,
5. The Agreement complies with the requirement of Section 10 of the Act

BE IT FURTHER ORDAINED, that the Mayor of the City of Alamogordo, New Mexico is authorized and directed to do all things necessary to implement this ordinance that is lawfully adopted.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2025.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By: _____
Susan L. Payne, Mayor

ATTEST:

Rachel Hughs, City Clerk

APPROVED AS TO FORM:

Darrell Mori, City Attorney



City of ALAMOGORDO

CITY OF ALAMOGORDO ANALYSIS

The City of Alamogordo Received the LEDA application on April 15th, 2023. Many factors contributed to the delay in bringing this forward, including the City Manager search, and subsequent resignation of the City Manager, the need for a new Natatorium, the Local Economic Development Tax going to voters for Rededication, the Downtown Great Blocks grant, and the Water Sewer Replacement Project.

Zia Comics is requesting 2 million in Local Economic Development Act (LEDA) funding for the renovation of the historic White Sands Theater in downtown Alamogordo. The project proposes to transform the site into a modern, multi-use cultural and entertainment venue, offering movie screenings, esports, community events, and an Otero County Film History Museum. The planned revitalization also includes significant infrastructure work such as roof replacement, HVAC systems, and ADA-compliant upgrades.

THE CITY'S FINDINGS:

- ❖ The White Sands Theater is a historic building deteriorating downtown. The combined investment for the New York WSRP and Great Blocks grant exceeds 5 Million Dollars. With new infrastructure and two LEDA awards already granted in the 900 block (Rad & Inkwell), this project will cross 10th street and help revitalize downtown, while keeping the historic integrity.
- ❖ Letter of support submitted from film producers, and business peers reflect broad community backing (attached):
 - Alamogordo Chambers of Commerce
 - Otero County Film Office
 - Alamogordo Mainstreet
 - Las Cruces International Film Fest
 - Alex Macias-Rad Retrocade Owner
 - Small Business Development Center at NMSU-A
 - 6 Guns Production Services
 - Rory Ross, Actor, Storyteller, and Producer
 - Allison Reyes-Ross, Founder and CEO of Visionrey Entertainment
- ❖ The current Owner has a successful business in Las Cruces and El Paso. He already has two business downtown. Zia Comics and a brewery
- ❖ The investment is protected by using the building as “collateral.” The City will file a mortgage through the court.
 - Should the company default, the building could be used as City Facility, similar to the civic center and Dudley School, providing an additional service to the community.

- ❖ An analysis of payback is below. We believe that after year 5 years, the cost recovery will estimate to 1,223,840, covering the initial investment. The City would still do a 7-year term.

Jobs	Year 1	Year 2	Year 3	Year 4	Year 5	Total Salaries
Manager	45,000	45,000	45,000	45,000	45,000	225,000
Asst. Manager #1	30,000	30,000	30,000	30,000	30,000	150,000
Asst. Manager #2	25,000	25,000	25,000	25,000	25,000	125,000
Employee #1	24,960	24,960	24,960	24,960	24,960	124,800
Employee #2	24,960	24,960	24,960	24,960	24,960	124,800
Employee #3	24,960	24,960	24,960	24,960	24,960	124,800
Employee #4	24,960	24,960	24,960	24,960	24,960	124,800
Employee #5	24,960	24,960	24,960	24,960	24,960	124,800
Employee #6			24,960	24,960	24,960	74,880
Employee #7					24,960	24,960
Total Salaries	\$ 224,800	\$ 224,800	\$ 249,760	\$ 249,760	\$ 274,720	\$ 1,223,840

- ❖ The business qualifies per City Ordinance 02-14-40 as Follows
 - **02-14-040 (a) Economic Development Goals**
 - ✓ (1) To diversify the local economy by the creation of additional jobs in existing business and the development of new business.
 - ✓ (5) To encourage cooperation between the public and private sectors as they assist in the creation of new jobs.
 - ✓ **(8) To help the develop the arts, cultural and entertainment industries within Alamogordo.**
 - **02-14-040 (b) Types of businesses that meet the community's goals.**
 - ✓ (1) Industry that meets all environmental standards both state and federal.
 - ✓ (2) Industry that does not use large amount of water in its production processes. Exceptions may be made in instances where the water is mostly reprocessed rather than discharged.
 - ✓ (3) Industries that pay a wage that will help improve the local per capita income.
 - ✓ (5) Qualifying office/service industries(such as telemarketing or data processing) that provide jobs attractive to high unemployment groups including second incomes for families.
 - ✓ (6) Industry that will help diversify the local labor market and lessen the reliance on federal government employment.
 - **02-14-040 (c) Qualifying Entity.**

- ✓ (3) A business, including a restaurant or lodging establishment, in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph (5) or (9) of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail;
- ✓ (8) a cultural facility

FILM INDUSTRY

- ❖ New Mexico's arts and cultural sector is widely recognized as a vibrant and growing part of the state's economy and identity. In 2023, the state created a new Creative Industries Division within the Economic Development Department to further boost this sector.
- ❖ New Mexico has tax credits for the film industry to attract investment into New Mexico.
- ❖ New Mexico's film production sector has experienced rapid growth in recent years, becoming "one of the state's fastest-growing industries". The state continues to attract major film and TV projects alongside a vibrant independent film scene. According to the NM Governor's press release, Fiscal Year 2023 saw record-breaking production activity with over \$794 million in direct spending by film and television productions (NMED, 2024a).
- ❖ Netflix expanded its Albuquerque studios with new soundstages and facilities in 2023 and the state launched the New Mexico Media Academy to train local film workforce, slated for completion in 2025 (MNP LLP, 2024).
- ❖ These developments underscore a robust and growing ecosystem for both big-budget and independent productions.
- ❖ Cloudcroft in Otero County received a 2024 Creative Industries grant to launch a public mural project (NMEDD, 2024c).
- ❖ Per the Governor's office, FY2023, direct production expenditures (~\$794M) injected hundreds of millions into local businesses and crews and a recent independent analysis found the state's film incentive program produced an average 7.77:1 return on investment, meaning every \$1 of tax credit generates about \$7.77 in statewide economic output

E-SPORTS INDUSTRY

- ❖ E-sports has rapidly evolved into a major industry with significant economic impact. Globally, the e-sports market is valued at \$2.4 billion in 2024, and it is on track to exceed \$4.8 billion by 2030 (Statista, 2024; Newzoo, 2024).

- ❖ In New Mexico, the video game and e-sports industry contributes approximately \$55.1 million in economic output annually and supports around 287 jobs (New Mexico Department of Workforce Solutions, 2023).
- ❖ New Mexico Activities Association now hosts statewide high school e-sports competitions, with dozens of schools competing in games like Rocket League and League of Legends (NMAA, 2024).
- ❖ At the collegiate level, institutions such as NMSU field varsity or club e-sports teams. NMSU recently hosted a statewide invitational that drew more than 1,000 attendees (New Mexico State University, 2024).
- ❖ E-Sports Sectors
 - Competitive Gaming Events: From international championships to regional showdowns, e-sports events draw in-person and online spectators by the millions. These tournaments inject local economies with visitor spending comparable to conventions or sports tournaments (ESports Advocate, 2023).
 - Gaming Lounges and Venues: Gaming lounges provide premium equipment, organize tournaments, and offer a safe space for gamers. A redeveloped White Sands Theater could serve both entertainment and competitive functions.
 - Education and Training Programs: With over 300 U.S. colleges offering e-sports teams or programs (ESA, 2023), the intersection of gaming and education is creating career pathways in game design, broadcasting, and IT. Local schools in New Mexico are also adopting gaming clubs and e-sports teams, increasing access to high-tech training opportunities (Schott & Hall, 2023).
 - Youth Engagement: Municipalities have added youth e-sports leagues through their parks departments (Connected Learning Alliance, 2022).

STAFF RECOMMENDATION

The White Sands Theater Entertainment Venue meets all core objectives of the City's economic development ordinance and LEDA statute. It is financially justifiable, culturally catalytic, and community-supported.

We recommend approval of the LEDA award in the amount of 1,000,000, with the following conditions:

- The City shall secure the award via recorded mortgage and file liens as necessary to protect public investment.
- The project must enter into a Project Participation Agreement outlining job creation benchmarks, milestone deadlines, and default protections.
- The developer must submit periodic progress updates, including construction timelines and community engagement activities.

This is a unique opportunity to *preserve historic infrastructure* while simultaneously launching Alamogordo's first formal investment in its arts and cultural sector.

RESOURCES

- Americans for the Arts. (2023). *Arts and economic prosperity 6: The economic impact of nonprofit arts and culture organizations and their audiences in New Mexico*.
<https://www.americansforthearts.org>
- Connected Learning Alliance. (2022). *Esports in education: Opportunities for inclusion and innovation*.
<https://clalliance.org>
- Entertainment Software Association. (2023). *2023 Essential facts about the U.S. video game industry*.
<https://www.theesa.com/research/2023-essential-facts-about-the-us-video-game-industry/>
- ESports Advocate. (2023). *How cities and governments are investing in esports*.
<https://www.esportsadvocate.com/>
- Greater Raleigh Convention and Visitors Bureau. (2023). *Economic impact of the 2023 LCS Spring Finals*.
<https://www.visitraleigh.com/>
- MNP LLP. (2024). *State of New Mexico film production tax incentive impact analysis*. Prepared for the New Mexico Film Office.
- National Assembly of State Arts Agencies. (2023). *The arts and cultural production satellite account (ACPSA): New Mexico*. <https://nasaa-arts.org>
- New Mexico Activities Association. (2024). *Esports state championship program*.
<https://www.nmact.org/esports/>
- New Mexico Department of Workforce Solutions. (2023). *Creative economy profile: Video game development and digital entertainment*. <https://www.dws.state.nm.us/>
- New Mexico Economic Development Department. (2023a, July). *Creative Industries Division: Program overview*. <https://edd.newmexico.gov/creative-industries>
- New Mexico Economic Development Department. (2023b, August). *FY23 Film Office annual report: State breaks new spending records*. <https://nmfilm.com>
- New Mexico Economic Development Department. (2024a, May). *FY24 Film impact summary: Film and television surpass \$740M despite strike year*. <https://nmfilm.com>
- New Mexico Economic Development Department. (2024b, March). *New Mexico Media Academy update*. <https://edd.newmexico.gov/media-academy>
- New Mexico Economic Development Department. (2024c, February). *Creative Industries grant awards announced: Cloudcroft, Las Cruces among recipients*. <https://edd.newmexico.gov>
- New Mexico State University. (2024). *Esports Invitational overview*. <https://nmsu.edu>
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- Schott, M., & Hall, S. (2023). The educational value of esports: Engagement, equity, and skill development. *Journal of Youth and Digital Culture*, 5(2), 45–61.
- Statista. (2024). *Esports market revenue worldwide 2020–2030*.
<https://www.statista.com/statistics/490522/global-esports-market-revenue/>



1301 North White Sands Boulevard
Alamogordo, New Mexico 88310

Phone: 575.437.6120
Fax: 575.437.6334

Dear City Commissioners,

On behalf of the Alamogordo Chamber of Commerce, I am writing to express our full support for the preservation and revitalization of the White Sands Theatre, a historic landmark located in the heart of downtown Alamogordo.

The White Sands Theatre is not merely a building; it is a cultural cornerstone of our community. For generations, it has served as a gathering place for residents and visitors alike—a venue where memories have been made, stories have been shared, and local culture has thrived. Its Art Deco architecture and long-standing presence make it a symbol of Alamogordo's unique character and a tangible link to our rich history.

Beyond its historical significance, the revitalization of the White Sands Theatre represents a substantial opportunity for economic development and diversification within our downtown corridor. This building can serve as a catalyst for increased foot traffic, support local entrepreneurs, and attract tourism.

Preserving such a structure with LEDA funding reinforces our collective identity as a city that values its past while investing in its future. As we work toward revitalizing our downtown area, projects like the White Sands Theatre are essential components of a broader strategy to create a dynamic and economically resilient Alamogordo.

We urge the City Commission to strongly consider any and all measures to support the restoration of the White Sands Theatre. The Alamogordo Chamber of Commerce stands ready to assist in these efforts and to work collaboratively with all stakeholders.

Thank you for your dedication to our community and for your thoughtful consideration of this vital project.

Sincerely,

Jerrett Perry

Executive Director
Alamogordo Chamber of Commerce



Otero County Film Office

% Alamogordo Chamber of Commerce

1301 N. White Sands Blvd.

Alamogordo, NM 88310

(575) 437-6120

Cell (575) 491-4017

May 23, 2025

Stephanie J. Hernandez, Ph.D

Acting City Manager

City of Alamogordo

1376 E. Ninth Street

Alamogordo, NM 88310

Re: White Sands Theatre Entertainment Venue

Greetings to you and all at the City and community in consideration of this matter and what it could mean to Alamogordo. The initiative to save the White Sands Theatre would not only help to further revitalize Mainstreet but it could bring more new life to downtown with film-fan events and provide a local tourist attraction with historic purpose in the displays planned for the White Sands Museum of Film History wall displays to be housed there.

Recently, a renovated theatre in Mt. Airy, NC, housed local music history within its walls and became a mecca for folk and mountain music tourists while creating new businesses and jobs in the area. Film history displays here would lean well into the following of the NM Film Industry film-tourism visitation. I agree with and totally support all the points of the accompanying fact sheet for this initiative.

Pictures of this theatre will be featured in a new book written and photographed by Benita VanWinkle, Associate Professor of Art at High Point University in High Point, North Carolina. This book is due for release in hardback on American Movie Theatre Day which is April 23, 2026, by its publishers Bauer & Dean.

<https://baueranddean.com/product/americas-hometown-movie-theaters-please-remain-standing/>

Very respectfully,

K. Jan Wafful, Film Liaison

Otero County Film Office

% Alamogordo Chamber of Commerce

1301 N. White Sands Blvd.

Alamogordo, NM 88310

jwafful@gmail.com

575-491-4017 (c)



575-295-8804 | director@alamogordomainstreet.org

To Whom it May Concern,

On behalf of Alamogordo MainStreet, I am writing to express our strong support for the LEDA application submitted by the Sands Theater. This historic venue, located in the heart of downtown Alamogordo directly across from the successful Flickinger Center for the Performing Arts, represents a rare and exciting opportunity to transform a cultural landmark into a dynamic community and economic asset.

The proposed business model—similar to the Alamo Drafthouse in El Paso—introduces an elevated dine-in movie experience that currently does not exist in our community. The Sands Theater's planned use of state-of-the-art digital screens and flexible screen programming will allow for much more than traditional films. From Super Bowl watch parties and video game competitions to private screenings and themed community events, the space offers unmatched versatility and entertainment options that are not available anywhere else in Alamogordo.

This revitalization project comes at a pivotal time for downtown. With major streetscape improvements underway and increasing investment in the district, the return of the Sands Theater as a vibrant entertainment hub will drive foot traffic, attract new businesses, and strengthen the district's nighttime economy. It will also expand our cultural offerings in a way that is inclusive and community-oriented.

Furthermore, the reopening and reimagining of the Sands directly supports Alamogordo MainStreet's long-term goal of securing a New Mexico Arts & Cultural District designation. One of the core requirements of that designation is a strong foundation of cultural venues and programming, and the Sands Theater is uniquely positioned to help us achieve that vision by offering year-round, accessible cultural experiences for residents and visitors alike.

We are excited by the vision, sustainability, and potential community impact of this project. We wholeheartedly support the Sands Theater's LEDA application and urge your favorable consideration.

Respectfully,

Nolan Ojeda
Executive Director
Alamogordo MainStreet





LAS CRUCES, NEW MEXICO | (575) 646-7472 | LASCRUCESFILMFEST.COM | ROSSM@NMSU.EDU

June 1, 2025

To whom it may concern,

As a proponent of independent cinema and creative community hubs, I am reaching out to show my enthusiastic endorsement of the renovation project for the White Sands Theater. This initiative from Zia Comics is not only well-timed; it is also forward-thinking. The vision to transform the theater into a lively, multifunctional space — complete with film festivals, gaming competitions, sports viewing events, and celebrity meet-and-greets — will bring significant cultural value to Alamogordo. Particularly noteworthy is the collaboration with the Otero County film group to establish a Film History Museum, celebrating the region's rich cinematic heritage. Situated in the downtown area, the theater occupies a building that urgently requires renovation. Supporting this endeavor provides a valuable opportunity to reinvest in the city's center and demonstrate that Alamogordo prioritizes restoration, small business growth, creativity, and community-oriented development. This venue promises to be a gathering place for families, students, and creatives to come together, learn, and find inspiration. I strongly encourage your full backing for this project, which will enhance economic activity, preserve cultural heritage, and fulfill Alamogordo's long-standing need for a space where film and contemporary entertainment can flourish side by side. Additionally, as the largest student run film festival in the country, the Las Cruces International Film Festival plans to collaborate with Zia Comics, utilizing the venue as a satellite location to showcase outstanding independent films, while also showcasing local films.

Sincerely,

Ross K Marks

Ross Marks
Founder/Executive Director
Las Cruces International Film Festival
(575) 528-9032

From: [Alex Macias](#)
To: [Stephanie J. Hernandez, Ph.D](#)
Subject: Troy Leda
Date: Tuesday, June 17, 2025 6:18:10 PM

To Whom It May Concern,

I have known Troy Stegner for six years now. He has a neighboring business, Zia Comics, three spaces down from Rad Las Cruces. In this time, Troy has been an excellent and cooperative neighboring business owner. He also owns and organizes El Paso Comic Con which is no easy task. When Troy purchased the comic con, it was failing and he turned it around. He has proven to be a very successful and hardworking business owner.

I believe the idea of a theater in the downtown area would be an excellent addition to a newly renovated area. I have no doubt it would bring even more business to the area.

Troy has been a very supportive business colleague and would be a in my opinion a welcome addition to downtown. If you have any further questions or concerns, please feel free to contact me at 915-373-4216.

Thank You,

Alex Macias
Rad Retrocade

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Small Business Development Center
NMSU Alamogordo
2400 N. Scenic Drive
Alamogordo, NM 88310
575-439-3600, fax: 575-439-3819

Trish Livingston
Director, SBDC at NMSU-Alamogordo

June 2, 2025

Stephanie J. Hernandez, Ph.D.
Acting City Manager Alamogordo, NM
1376 E 9th St #5855, Alamogordo, NM 88310

Re: Letter of Support for the White Sands Theater Revitalization Project

Dear Dr. Hernandez:

As Director of the Small Business Development Center at NMSU - Alamogordo, I'm proud to offer my full support for the White Sands Theater Revitalization Project, led by Zia Comics. This project is exactly the kind of bold, visionary step our community needs - and I believe it will play a major role in transforming not just downtown, but how Alamogordo sees itself.

This isn't just about fixing up an old building. It's about restoring a piece of our city's heart and turning it into something vibrant and creative. The White Sands Theater has the potential to become a true cultural hub - hosting red carpet film premieres, esports tournaments, live shows, movie sing-alongs, weekend kids' cartoons with cereal bars, concerts, and more. An added benefit of this project is its ability to attract tourists who might otherwise pass through on the relief route, increasing local spending and driving job growth.

This project aligns with everything we talk about when we envision a thriving Alamogordo:

- **Economic development** through job creation, increased foot traffic downtown, and higher GRT revenue.
- **Support for local small businesses**, who will benefit directly from vendor opportunities, special events, and cross-promotions.
- **Community collaboration** with local nonprofits, artists, business owners, and even the Otero County Film Group, who plan to curate a film history museum inside the theater.

Zia Comics has already proven their commitment to this region, building businesses in Las Cruces and now in Alamogordo. Their Alamogordo store continues to show promise, even through the challenges of ongoing construction. Their passion is contagious, their vision is clear, and their track record appears to be solid.

I truly believe the White Sands Theater can be a cornerstone in the continued revitalization of New York Avenue. It's the kind of project that gets people talking, brings them downtown, and reminds us all of what's possible. Thank you for considering this meaningful opportunity to strengthen our downtown through LEDA funding.

Trish Livingston
SBDC at NMSU Alamogordo, Center Director
(575) 439-3662 / www.nmsbdc.org

Six Guns Production Services

203 Manzanares Ave E

Socorro, NM 87801



Madam Mayor, Mayor Pro-tem, and Honorable Commissioners,

Six Guns Productions is a full time film production and production services company and as such we are an advocate for independent film and creative community spaces. We are writing to express our support for the White Sands Theater renovation project. This proposal by Zia Comics is not only timely: it is visionary.

The plan to revitalize the theater into a dynamic, multi-use venue, featuring film festivals, gaming tournaments, sports watch parties, and celebrity meet-and-greets, adds unmatched cultural value to Alamogordo. Especially compelling is the partnership with the Otero County film group to host a Film History Museum, honoring the area's rich cinematic past.

These renovations will encourage and all but guarantee the expansion of rural film making into Otero County as a first choice destination for filming and is sure to grow high tech jobs, and generate lasting economic growth in the area.

This theater is located in the heart of downtown, in a building that is in desperate need of repair. Supporting this project is a meaningful opportunity to reinvest in our city's core and show that Alamogordo values restoration, small business development, creativity, and citizen centered growth.

This venue will become a hub where families, students, and creatives can gather, learn, and be inspired. I respectfully urge your full support for this project, which will stimulate economic activity, preserve cultural history, and give Alamogordo something it has long needed: a place where film and modern entertainment thrive together.

Six Guns Productions is already making plans to adjust our film festival and film production slate to include Alamogordo because of the marketing efforts made by Zia Comics to restore this historic property.

Sincerely,

Jim Burleson

Six Guns Production Services

SixGunsProductions@gmail.com

Letter of Support From Rory Ross and Allison Reyes-Ross

As an actor and Head of Business Development for a production company, I am always looking for venues that show independently produced films. These businesses are the heart and soul of the Independent Film industry. Creating a culture that supports this industry is not only beneficial to the Film industry but serves as a creative generator for locals who have an inclination to create their own independent films. Having this type of venue in the community aids the community in developing festivals that support filmmakers, both local and from afar. – **Rory Ross**

Rory Ross Bio:

Rory Ross – Actor | Storyteller | Producer*

Rory Ross is a SAG actor whose dynamic presence and versatility have landed him standout roles across the *Star Wars* universe—most notably as a Mandalorian Covert Commander in *The Mandalorian* Season 3. He also appeared as a Stormtrooper in *Obi-Wan Kenobi* and a Tusken Raider in *The Book of Boba Fett*. A lifelong Star Wars fan, Rory's journey with the franchise began long before he stepped on set—*A New Hope* was a source of strength during a childhood medical crisis, inspiring a deep commitment to stories that offer hope, resilience and courage.

Among his top television credits, Rory portrayed Lee Harvey Oswald in A\&E's and History Channel's *JFK Declassified: Tracking Oswald* and brought real-life adventurer Chris McCandless to life in Travel Channel's *Off The Map*. His range spans drama, action, and docu-style reenactments, along with voice work and motion capture roles that highlight his fluency in both performance and technical artistry.

Rory is also the Head of Business Development at *VisionRey*, an award-winning production company he runs with his wife, director Allison Marie Reyes. Their films have won first place in the 48-Hour Film Project (Los Angeles) and placed Top 15 globally in the *Yes We Cannes* challenge. With accolades in acting, writing, directing, and cinematography, VisionRey is currently developing a slate of vertical content and an upcoming holiday feature film.

From bounty hunters to real-life legends, Rory Ross thrives at the intersection of immersive storytelling and emotional authenticity—on screen and behind the camera.

For Instagram: [Instagram.com/TheRoryRoss](https://www.instagram.com/TheRoryRoss)

Facebook: [facebook.com/TheRoryRoss](https://www.facebook.com/TheRoryRoss)

Allison M. Reyes- Founder and CEO of VISIONREY Entertainment

Allison Marie Reyes is an accomplished producer and actor known for her versatile talent and commitment to storytelling. With a growing body of work in film and television, Allison has established herself as both a creative force behind the camera and a compelling presence on screen. She contributed to the DC superhero film *Blue Beetle*, where her behind-the-scenes work played a part in bringing a fresh and dynamic story to life.

Passionate about representation and authenticity in media, Allison continues to develop and participate in projects that amplify diverse voices. Her dedication to craft and collaboration makes her a rising figure to watch in the entertainment industry.

Allison is also the founder of VISIONREY Entertainment, a production company born from her desire to help others ignite their careers in entertainment. What began with her own journey as a dancer in the parades at Disneyland has grown into a mission to empower others in the industry. As she puts it, “It is my hope that through VISIONREY Entertainment, we can turn dreams from visions... into REYality.”

VISIONREY films have won first place in the 48-Hour Film Project (Los Angeles) and placed Top 15 globally in the *Yes We Cannes* challenge. With accolades in acting, writing, directing, and cinematography, VisionRey is currently developing a slate of vertical content and an upcoming holiday feature film.

[visionrey.com](https://www.visionrey.com)

PROJECT PARTICIPATION AGREEMENT

This Project Participation Agreement (“Agreement”) is entered into on _____, 2025 by and between the **CITY OF ALAMOGORDO**, a New Mexico Municipal Corporation (the “City”), and **Zia Comics** (the “Qualifying Entity”).

Recitals.

- A. The purpose of this Agreement is to allow the Qualifying Entity to expand the scope of its operations. Completion of the Project as hereinafter described pursuant to the terms and conditions hereof is in the best interests of the City and the health, safety, and welfare of the residents and the taxpayers of the City of Alamogordo, and is in accord with the public purposes and provisions of applicable state and local laws.
- B. By Ordinance No. 983, adopted August 13, 1996, the City has adopted an ordinance pursuant to the statutory authority conferred upon municipalities to allow public support of economic projects to foster, promote and enhance local economic development efforts (N.M. Stat. Ann. Section 5-10-1 through Section 5-10-13-1978). The ordinance was adopted as part of the City’s Economic Development Plan.
- C. By Ordinance No. 1373, adopted June 8, 2010 (“Approval Date”), the City has adopted an Ordinance which establishes that the qualifying Entity meets the requirements of the Local Economic Development Act and that the Qualifying Entity has provided information pertaining to its intent to purchase and renovate 3200 North White Sands Blvd, Alamogordo, NM, 88310.
- D. As provided in the Economic Development Plan Ordinance, the City considered an application from the Qualifying Entity, which proposed that the City provide up to \$1,000,000 of City funds (the “LEDA Funds”) to go toward the Qualifying Entity’s acquisition of facility and renovation in the City of Alamogordo (the “Project”) which will result in a minimum of 120 Trained employees, four (4) full-time new Jobs at \$20/Hr., one (1) full-time position at \$15/Hr., and 36 free networking events for the community by December 2028.
- E. Expansion of the Qualifying Entity’s business operations will provide additional jobs and substantially improve the economic conditions in Otero County in accordance with the purposes and goals of the City’s Economic Development Plan.
- F. As a condition precedent to its receipt of public assistance in the form of the Project Loan, the Qualifying Entity is required to execute this Project Participation Agreement.

NOW THEREOF, the Parties Agree as follows:

1. **Authority.** The Local Economic Development Act authorizes the City’s execution of this Agreement, NMSA 1978 §5-10-1 through §5-10-13 (2007) (LEDA), Ordinance No. 983, which established the Alamogordo Economic Development Strategic Plan that promotes economic development projects in the City of Alamogordo; and Ordinance No. 1373, which approved the Project. Qualifying Entity’s execution and performance of this Agreement constitutes a valid and binding obligation of the Qualifying Entity if the Qualifying Entity proceeds with the Project. The Qualifying Entity has full power and authority to execute, deliver and perform, as applicable, this Project Agreement, to make the obligations hereunder, execute and deliver the Promissory Note, and grant the City the security as described hereinafter.
2. **Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or

unless the context clearly requires otherwise, the following terms have the meanings assigned to them:

- a. ***“Economic Development Incentive”*** means the financial assistance provided to the Qualifying Entity by the City of Alamogordo through the Local Economic Development Act.
- b. ***“Eligible Project Costs”*** means the costs and expenditures directly related to the purchase and renovations of 3200 North White Sands Blvd, Alamogordo, NM 88310. Examples of eligible costs include purchasing the building, engineering a new roof or a roof repair, and any roof replacement or repair construction.
- c. ***“Facility”*** shall mean the building and land located at 3200 N White Sands Blvd, Alamogordo, NM 88310.
- d. ***“Training Credit”*** is a performance measurement figure. Training credit is equal to documented training of Alamogordo Current or potential workforce.
- e. ***“Training Period”*** means every twelve (12) months from January 1 through December 31, during which the Qualified Entity is obligated for payback.
- f. ***“New Job”*** shall mean 2,080 hours of paid employment over 365 days.
- g. ***“Job Period”*** means every twelve (12) months from January 1 through December 31, during which the Qualified Entity is obligated to create and maintain New Jobs.
- h. ***“Networking Event”*** means a free event for all business owners or potential business owners to receive information or expand their business network.

3. **Qualifying Entity’s Obligations.** The Qualifying Entity acknowledges that a material inducement for City to accept the Qualifying Entity’s proposal and enter into this Project Agreement was the Qualifying Entity’s representation that it would, within the term of this Project Agreement, expand its services, thereby creating training for the current and new workforce, creating new jobs, and create free community service events, to permit City to recapture its investment in total during the term of this Project Agreement based on the value of each New Job created and maintained. Therefore, in furtherance of that representation, the Qualifying Entity agrees explicitly and covenants that the following performance measures shall be met:

- a. **Facility.** The Qualifying Entity will establish Zia Comics at 1017 New York Ave in Alamogordo, NM 88310 (the “Facility”).
- b. **Renovations.** The Qualifying Entity acknowledges that only permanent modifications to 819 New York Ave qualify for LEDA funds. The Qualifying Entity shall diligently pursue such purchase and construction to completion. If the Qualifying Entity cannot obtain the necessary permits or fails to commence the purchase and repair or replacement to the roof within one- {year of the Approval Date, this Agreement shall terminate and be of no further effect.
- c. **Local Preferences.** The Qualifying Entity shall use its best efforts to contract with local contractors to install the utility infrastructure so the City can receive gross receipts tax revenue from the performance of installation services. During the term of this Agreement, the Qualifying Entity shall make available to the City upon request records verifying the use of local contractors and the making of local purchases. For purposes of this Agreement, a local contractor is a contractor meeting the requirements of section 2-13-180 of the Alamogordo City Code.
- d. **Job Creation/Credit.** The Qualifying Entity will employ at least four full-time new Jobs at \$20/Hr., one full-time position at \$15/Hr. At the facility by December 31, 2028. “Job” means a permanent, full-time employment position (at least 32 hours per week)

offering the employee the full range of benefits offered to other full-time employees of the Qualifying Entity. While failure to meet certain Minimum Job Numbers may result in a Performance Clawback, as provided in Section 8 below, the Qualifying Entity's failure to meet the Job Target will constitute a breach of this Agreement.

- e. **Training Credit.** The Qualifying Entity will train 24 new individuals for employment by outside agencies annually. During year 1 (2024), the number of individuals may be prorated depending on the renovation schedule. While failure to meet certain Minimum Training Numbers may result in a Performance Clawback, as provided in Section 8 below, the Qualifying Entity's failure to meet the Job Target will constitute a breach of this Agreement.
- f. **Community Services.** The Qualifying Entity will engage the community by providing at least 3 networking events monthly or 36 annually. These will be free to all companies and individuals within Alamogordo. While failure to meet community service events will need to be documented, every attempt to do 3 a month or 36 annually will be made.
- g. **Schedule.** A preliminary Project schedule is as follows, but failure to meet these milestones *will not* constitute a breach of this Agreement.

Open Innovation Center for operations.

- h. **Sustainability.** Although the Qualifying Entity intends to have a long-term presence in the City of Alamogordo for the contractual obligations of this Agreement, the Qualifying Entity covenants to continue operating the Project until December 31, 2028.

4. The City Obligations

- a. The City agrees to provide \$1,000,000 of upfront Economic Development Incentives to the Qualifying Entity to purchase 1017 New York Alamogordo, NM 88310, to help offset the cost of repair, interior and exterior renovations including (but not limited to) plumbing, electrical, and roof. The City will disburse the City Contribution only in the manner described in this Agreement. For purposes of this Agreement, LEDA Eligible Expenditures shall mean expenditures including, but not limited to, building and infrastructure, including permanently installed and situated physical assets, and the design, labor, and permitting required to put them in place. Examples include foundation, drainage improvements, electrical wiring, architecture fees, insulation, landscaping, and equipment rentals. This Agreement Shall not be construed as a commitment, issue, or obligation of any specific
- b. funds other than those received by the City from its Municipal Infrastructure Gross Receipts Tax.
The functions and duties assumed by the City include only those described in this
- c. Agreement, and the City is not obligated to act except in accordance with the terms and conditions of this Agreement. The Qualifying Entity acknowledges that the City does not warrant any equipment, materials, or services purchased with the funds. The Qualifying Entity shall be obligated hereunder even if the equipment, materials, or services are defective or fail to conform to the warranties extended by the supplier. The obligations of the Qualifying Entity shall not be affected by any dispute the Qualifying Entity may have with any manufacturer, distributor, contractor, or supplier. The Qualifying Entity will not assert any claim or defense which it may have against any manufacturer, distributor, supplier, or contractor against the City. The City is under no duty to supervise or inspect the installation or construction contemplated by this Agreement. Any inspection or examination by the City is for the sole purpose of protecting the City's security and preserving the City's

rights under this Agreement. No default of the Qualifying Entity will be waived by any inspection by the City. In no event will any inspection by the City be a representation that the installation or construction is free from defective materials or workmanship

5. **Disbursement of Economic Development Incentive.** The City agrees to disburse funds to renovate the building no sooner than 20 days after the final passing of Ordinance 1716. The disbursements will be to Zia Comics upon proper documentation. Upon closing of this agreement, the City will file a mortgage on the property. All expenses incurred for renovation will be submitted quarterly or upon request of the city
6. **Review.** The City will review the expense received to ensure the charges submitted are LEDA-eligible. The City shall keep account of all eligible expenses incurred through the end of the contract period.
7. **Security/Collateral.**
 - a. To secure the qualifying Entity's obligation and liabilities under the Promissory Note, the City Shall retain a mortgage on the property at 1017 New York Alamogordo, NM 88310. The Qualifying Entity agrees to convey to the City a mortgage on the facility, which shall be duly recorded at the Otero County Clerk's Office to protect the City's interests in the event of default. This mortgage shall not terminate until Qualifying Entity's obligations hereunder have been achieved in full. Qualifying Entity may request City to release the mortgage upon satisfying this obligation. Upon such request, City will deliver the satisfaction of the mortgage to the Qualifying Entity within ten (10) business days of receipt by the City of the Qualifying Entity's written request.
8. **Clawbacks.** Notwithstanding any other provision of this Agreement, the Clawback Penalties outlined in this section (together with forfeiture of the security instrument provided to secure the Qualifying Entity's Clawback obligations) shall be one of any remedy available in Law to the City for breach of this Agreement available upon the Qualifying Entity's breach of this Agreement. The Qualifying Entity's financial obligation to repay LEDA funds due to Clawbacks shall not exceed the amount of the LEDA funds received by the Qualifying Entity.
 - a. **Facility Closure Clawback.** If the Qualifying Entity ceases operations in the City on or before December 31, 2030, the Qualifying Entity will repay to the City all LEDA Funds that the Qualifying Entity received from the City as of that date, less credits. The City shall have the right to execute reimbursement from the security to recover those funds, but only thirty (30) days following the written demand for payment to the Qualifying Entity if the Qualifying Entity hasn't repaid the requested LEDA Funds by that date. For purposes of this Agreement, a failure to produce the product for a period of 90 days or more or failure to occupy the facility shall be considered a cessation of operations.
 - b. **Performance Clawback.** The Qualifying Entity intends to create services to the general public in training the current and future workforce and to create specific jobs within the Alamogordo Innovation Center as described in 3(d), 3(e), and 3(f). If the Qualifying Entity does not meet or exceed the criteria set for, then the Qualifying Entity shall be required to pay a Clawback Penalty according to the schedule below.

Determination Date	Amount Clawback
December 31, 2026	\$1,000,000
December 31, 2027	\$747,200
December 31, 2028	\$458,600
December 31, 2029	\$189,500
December 31, 2030	\$0.00

For the purposes of this section: The “Clawback Penalty” is a penalty that the Qualifying Entity will be required to pay the City upon the Qualifying Entity’s failure to meet the requirements on the applicable Determination Date if the Qualifying Entity does not otherwise reach such Minimum targets during the Cure Period. The Clawback Penalty shall equal the amount received less credit for jobs, training, and community service events.

“Cure Period” is the period of 180 days after each Determination Date, during which the Qualifying Entity shall have the opportunity to cure any shortfalls in meeting the Minimum targets. If the Qualifying Entity fails to reach the Minimum Job Number during the Cure Period, the Qualifying Entity shall pay the City a Clawback Penalty determined in accordance with the table set forth above. The sum of any clawback penalties shall not exceed the amount of any LEDA funds dispersed to the Qualifying Entity.

c. **Job Audit.** The Qualifying Entity shall submit annual reports in the form of an affidavit signed by an officer of the Qualifying Entity. Wage & hours worked documentation for new employees, documented training with employment verification from trainees, and documentation of community service events. The Qualifying Entity will provide all of such reports to the City. The City may request a copy of the Qualifying Entity’s quarterly employment reports at any time while this Agreement is in effect, and the Qualifying Entity agrees to provide such documents. The Qualifying Entity acknowledges that this annual reporting will be relied upon by the City to ascertain if the Qualifying Entity complies with this Agreement’s provisions and all subsequent ancillary agreements.

9. **Fees.** Each party shall bear its own costs and expenses in connection with the negotiation, execution, and delivery of this Agreement or any amendment or enforcement of this Agreement.

10. **Annual Performance Review.** To ensure the prudent use of the taxpayer’s funds and as required by the LEDA statute and ordinance, the Project will be subject to an annual performance review conducted by City staff beginning on December 31, 2026, and every year after that until this Agreement terminates. The review will evaluate whether the Project meets the requirements outlined in this Agreement and any subsequent agreements or amendments and shall be made available to the City. At this time, the Qualifying Entity may report any difficulties it has experienced under the terms of this Agreement or the LEDA program and may request any assistance it deems necessary. The City may request the Qualifying Entity to provide data and information to assess the broader economic impact of the Project, but the Qualifying Entity shall not be required to divulge information or documents it considers confidential or proprietary.

If the requirements are not being met, the City may terminate this assistance to the Project by passing a resolution that terminates this Agreement and specifying the disposition of all obligations of the Project. In addition, in accordance with LEDA, the City may enact an ordinance revoking the LEDA Ordinance and terminating any further payments for any or all Projects thereunder. If the City terminates the LEDA Ordinance or this Agreement while the Qualifying Entity complies with the terms and requirements of this Agreement, the City will not have a right to clawback any of the payments already made to the Qualifying Entity.

7. **Termination.** This Agreement shall terminate at the close of business on January 31, 2029, or when otherwise terminated by resolution.
10. **Request for early release of security.** After meeting the LEDA obligation, if the Qualifying Entity achieves and sustains the Minimum targets for 180 consecutive days (6 months) before January 31, 2030, the Qualifying Entity may request that the security be released. Said request shall be made in writing and accompanied by documentation. A request for security release may not be submitted before December 31, 2029. If a request for early security release is granted, this Agreement's reporting and annual performance review requirements remain in full effect through the stated termination date.
11. **Liability.** No party shall be responsible for liability incurred due to the other party's acts or omissions. Nothing herein shall operate or be deemed to alter or expand any liabilities or obligations under the applicable provisions of the New Mexico Tort Claims Act (NMSA 1978 §§ 41-4-1, et seq.) or to waive any immunities, limitations, or required procedures thereunder. Nothing in this Agreement constitutes a waiver of any party's right to seek judicial relief.
12. **Amendments.** This Agreement shall not be altered, changed, or amended except by an instrument in writing executed by all of the Parties hereto.
13. **Governing Law.** The laws of the State of New Mexico shall govern this Agreement.
14. **Miscellaneous.** This Agreement binds and inures to the benefit of the City and the Qualifying Entity and their respective successors and permitted assigns. This Agreement may be executed in any number of counterparts, each of which is an original and all of which constitute one instrument.
15. **Notice.** All notices or other written communications, including requests for disbursement, that are required or permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown below. If notice is mailed, it will be deemed received on the earlier of actual receipt or the third business day following the date of mailing. If a notice is hand-delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is sent by facsimile or electronic mail, it will be deemed received upon printed or written confirmation of the transmission. A party may change its notice address by written notice to the other party to this Agreement.

The initial notice addresses for the parties are as follows:

If to the City:

City of Alamogordo
Office of the City Manager
1376 E Ninth St
Alamogordo, NM 88310

If to the Qualifying Entity:

Troy Stegner, Owner
Zia Comics
125 North Main Street
Las Cruces, NM 88001

DRAFT

Signatures on next Page

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of this _____ day of _____, 2025.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

Stephanie Hernandez, Acting City Manager

Rad Retrocade

By: _____
Alex Macias

ATTEST:

Rachel Hughs, City Clerk

APPROVED AS TO FORM:

Darrell Mori, City Attorney



LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) APPLICATION

ZIA COMICS/WHITE SANDS THEATER

May 7, 2025

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Grant Title - COA LEDA ZIA COMICS

LOCAL ECONOMIC DEVELOPMENT ACT (LED A) APPLICATION

Important Sections from the Grant

WHAT CAN THE MONEY BE USED FOR NMSA 1978 §5-10-2 enacted the Local Economic Development Act because municipalities might need to be able to provide land, buildings, or infrastructure to enhance essential business growth. The money or other public assistance may only be used for projects which will expand or improve a business to enable that business to employ more people. The result must be a tangible and non-removable element of the business. Uses include • Land to build a company on • Additions to an existing building or Construction of a new building • Mechanical upgrades to increase production • Public works improvements essential to the location.

Applicant must submit a business plan with the information requested in the next section.

Grant Application

REQUIRED INFORMATION & FORMAT

COVER PAGE

Troy Stegner
Owner
Zia Comics
125 North Main Street
ziacomics@gmail.com
575-405-0461

May 7, 2025

City Manager's Office
City of Alamogordo
1376 E. 9th Street
Alamogordo, NM 88310

Subject: Application for Local Economic Development Act (LEDA) Funding for Zia Comics
White Sands Theater Renovation

Dear City Manager and Esteemed Committee Members,

I am writing to you on behalf of Zia Comics with great enthusiasm submitting our application for the Local Economic Development Act funding, an initiative that will significantly enhance the cultural and economic landscape of Alamogordo.

White Sands Theater would be a valuable addition to Alamogordo, offering a vibrant entertainment hub that enhances local quality of life and supports economic growth. By providing a modern venue for movies, performances, E-sports tournaments, and community events, the theater would attract residents and visitors alike, stimulating nearby businesses and creating new jobs. It would also serve as a cultural cornerstone giving families, students, and individuals a place to gather, unwind, and experience the arts all while fostering a stronger sense of community in Alamogordo.

The future vision for White Sands Theater in Alamogordo is to evolve into a dynamic cultural and entertainment hub that reflects the spirit and aspirations of the community. Plans include modernizing the theater with state-of-the-art projection and sound systems, expanding seating capacity, and introducing versatile spaces for live performances, film festivals, and community events. By fostering partnerships with local artists, independent film studios, schools, and organizations, the theater aims to become a cornerstone for arts education and cultural exchange. The revitalized venue will not only enhance the local entertainment landscape but also stimulate economic growth by attracting visitors and supporting nearby businesses. White Sands Theater envisions itself as a beacon of creativity and community engagement in Alamogordo.

Zia Comics has been in talks with the Otero County film group about hosting an Otero County Film History Museum on the premises to remind visitors of the rich contributions made to the film industry by the local area.

This project represents a unique opportunity to align Alamogordo's economic development goals with meaningful community impact. White Sands Theater is committed to becoming a long-term partner in the city's growth, and with LEDA support, we will transform a beloved local institution into a vibrant hub for commerce, culture, and connection.
Warmest regards,

Troy Stegner

Owner

Zia Comics

Enclosures: LEDA Grant Application, and Financial Information

CHECKLIST

Please include this checklist at the beginning of your document.

I have read the information page, and my business qualifies as a: (check all that apply)

- ☐ Industry for the manufacturing, processing, or assembling of agricultural or manufactured products
- ☐ Commercial business for storing, warehousing, distributing, or selling productions of agriculture, mining, or industry

☒ A business (including restaurants or lodging) in which all or part includes the supplying of services to the general public.

- ☐ An Indian nation, tribe, pueblo, or tribal corporation
- ☐ Telecommunications sales making most of its sales outside New Mexico
- ☐ Farmer's market
- ☐ A Developer of a metropolitan redevelopment project Cultural facility.
- ☐ Cultural facility
- ☐ None of the above apply (you do not qualify for LEDA funding)

Have you applied for State LEDA? ☐ Yes ☒ No

If yes, what is the status? Not Applicable

Who is your contact at the state?

Not Applicable

May The City contact this individual?

Not Applicable

Please provide the contact information.

☐ Yes ☐ No

Not Applicable

HISTORY AND BACKGROUND INFORMATION

a) Executive summary. Include the business description, how long it has existed, and how many employees it currently has.

Zia Comics first opened their doors in 2012 in a small 1,000 square foot storefront. It began as a response to the lack of local comic book retailers in Las Cruces, New Mexico. It quickly evolved into a vibrant hub for fans of comics, gaming, and pop culture.

Beyond retail, Zia Comics is deeply committed to community engagement. The store hosts weekly game nights, "Paint & Take" miniature painting classes, and free board game sessions every Saturday. It also organizes major regional events such as Las Cruces Comic Con, El Paso Comic Con, Anime El Paso, and El Paso Horrorfest, fostering a strong sense of community among fans and creatives.

In 2023, Zia Comics expanded its presence by opening a second location in Alamogordo, New Mexico, further solidifying its role as a cornerstone of the regional pop culture scene.

b) If this is a new business, please describe any experience with this type of industry.
Zia Comics running pop culture events with celebrity guests has made connections to the movie and TV industry. Zia Comics also has many partners in the mainstream and independent movie industry. Entertainment is what Zia Comics specializes in.

c) Have the owners filed for bankruptcy in the past ten years?
No bankruptcy filings.

d) Does the applicant have any loans in default? If so, please describe.
No loans in default.

e) Does this company have an advisory or governing board?
Not Applicable as Zia Comics does not have an advisory or governing board.

a. If so, please list the current list of officers.
Not Applicable

PROJECT REQUEST AMOUNT

a) Describe the proposed request and the amount requested.

Zia Comics is ready to bring outside the box entertainment to Alamogordo. Some of the things planned are red carpet independent movie premieres, meet & greet with celebrities, an Alamogordo film festival, E-sports tournaments, movie and sports watch parties (i.e. Superbowl), movie sing-alongs and quote-alongs, as well as hosting an Otero County film museum.

To realize this vision in Alamogordo, we are seeking funding of \$2,000,000 under the Local Economic Development Act. These funds will be strategically utilized to create a comprehensive entertainment space that includes:

- **State-of-the-Art LED scalable Video Screen:** The LED video screen will provide crystal clear images as well as allowing for newer digital equipment to interface with it. This will allow us to screen video in any format and to play games from any console type.
- **VIP Balcony Area:** The balcony area will allow for VIP meet & greets, private parties, and more.
- **Infrastructure Enhancements:** Implementing necessary structural work, including HVAC, fire suppression systems, electrical wiring, and putting a new roof on the building.
- **Public Works Improvements:** Making essential public works upgrades to ensure seamless access and a welcoming environment for both residents and visitors to Alamogordo.

The total amount requested will also support the demolition and remodeling required to bring this vision to life, ensuring that White Sands Theater returns to prominence as a historical landmark and a new hub for community entertainment. The White Sands Theater is estimated to create at least 12 new jobs and filling a critical entertainment void. White Sands Theater will boost Alamogordo's economy, increase the Gross Receipts Tax (GRT) contributions, and enrich the city's cultural and social fabric.

b) Describe a timeline for the completion of the project. Include Target close date, construction begin and end dates, and new facility operational date.

Zia Comics is meticulously planning its expansion into Alamogordo, with a clear timeline that ensures both efficiency and attention to detail. Our project timeline is as follows:

- **Preparation and Planning Phase:** Zia Comics has already met with White Sands Construction for estimates on the planned work. A designer has been consulted for efficient use of space. All necessary permits, designs, and contracts will be filed. This phase ensures that once construction begins, there are no delays due to administrative hurdles.
- **Construction Commencement:** We are ready to start renovation as soon as the LEDA application is approved. This marks the beginning of renovating the White Sands Theater.

- **Ongoing Construction Activities:** Contractors have estimated one year to 18 months for full completion of the renovation. This period will see the change of the interior footprint of the building as well as development of our state-of-the-art LED screen, bar fit-outs, and all necessary infrastructure enhancements, including HVAC, fire suppression systems, and public works improvements.
- **Construction Completion:** We estimate completion of all construction activities within 18 months. This milestone will be marked by final inspections and the completion of interior decorations, ensuring White Sands Theater becomes a jewel in the crown of the city.
- **Operational Launch:** Immediately following the completion and approval of construction, White Sands Theater will open its doors to the public. We aim for a seamless transition from construction to operation, welcoming our first guests without delay.

The careful planning and execution of this timeline reflect our commitment to creating a premier entertainment destination in Alamogordo. We are dedicated to making White Sands Theater a vibrant, welcoming space for families and adults alike, promising a unique blend of nostalgia and entertainment for all ages.

c) Describe the payback period.

White Sands Theater's renovation is designed to begin generating positive impacts from the moment our new facilities become operational. With no traditional payback period required, the return on investment is immediate, manifesting through enhanced community engagement, increased economic activity, and the enrichment of Alamogordo's cultural and entertainment landscape. This renovation represents not just a financial investment but a lasting contribution to the vibrancy and vitality of the community.

d) Describe infrastructure needs and detailed scope of work specific to the funding requested above. Include items such as building, building renovations, permanent fixtures, etc.

White Sand Theater's renovation encompasses a comprehensive scope of work, aimed at creating a premier entertainment venue that serves the community's diverse needs. The funding requested is earmarked for several critical infrastructure needs and enhancements to ensure the project's success and sustainability. Key components of our scope of work include:

- **Building Renovations and Additions:** White Sands Theater has been neglected for many years, and it shows on the building's infrastructure. A new roof is required as the current one is in disrepair. The balcony area is currently closed off from the theater. This area will be open to function as a true balcony. The meeting room area on the second floor will be turned into a film museum for the Otero County film group. The footprint of the first floor will be changed to accommodate a ticket window and a much larger concessions area. We plan to use art deco style similar to the Theater's original look.
- **HVAC System Installation:** Currently the theater is equipped with evaporative air coolers. modern, energy-efficient HVAC systems will be installed to ensure a comfortable environment for our guests year-round, aligning with our commitment to sustainability and operational efficiency.

- **Fire Suppression System:** Ensuring the safety of our patrons and staff is paramount. A state-of-the-art fire suppression system will be integrated throughout the venue, meeting all local safety codes and regulations.
- **Permanent Fixtures and Furnishings:** Essential to creating an inviting and functional space, permanent fixtures and furnishings will be carefully selected. This includes seating arrangements that cater to both families and adult patrons, gaming consoles and machines, lighting, and decor that embodies our art deco theme.
- **Public Works Improvements:** To facilitate easy access and enhance the overall guest experience, improvements to surrounding public works will be addressed. This may involve parking lot enhancements, landscaping, and exterior lighting, ensuring a welcoming presence within the community.
- **Structural and Demolition Work:** Preliminary structural work and necessary demolition will pave the way for our renovation and expansion efforts, ensuring that the existing space is optimized and safe for our envisioned upgrades.

Each aspect of this detailed scope of work is designed to collectively elevate White Sands Theater into a landmark destination in Alamogordo, fostering economic growth, job creation, and providing a much-needed entertainment option for the community. Our planned infrastructure enhancements are integral to achieving a venue that not only meets but exceeds the expectations of our future patrons.

DETAILED INFORMATION

a) Describe how this project is beneficial to the city of Alamogordo.

The proposed renovation of White Sands Theater will significantly enhance Alamogordo's entertainment landscape. This expansion is not just the retransformation of physical space; it's a strategic move to enrich the city's cultural and social fabric. Here are the multifaceted benefits:

Economic Growth:	Employment Opportunities:	Cultural Enrichment:	Community Engagement:	Youth Development:
By attracting a larger customer base, including tourists and local residents, the renovation will stimulate increased spending in the area. This economic activity can have a ripple effect, benefiting nearby businesses like	The renovation will create new jobs in various roles, ranging from service staff and technicians to administrative and managerial positions, contributing to local employment growth.	By utilizing the theater for movies, premieres, games, and watch parties as well as hosting the film museum, the theater will become a repository of cultural nostalgia, offering educational	White Sands Theater plans to be a staple in the community assisting with community wide events and collaborating with Alamogordo in multifaceted ways, all with the goal of fostering a sense of community and offering a unique venue for local	The theater will serve as a safe and engaging space for youth, promoting social interaction and offering an alternative to more passive forms of entertainment.

hotels, restaurants, and retail stores.		value alongside entertainment.	gatherings and celebrations.	
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b) Provide a market analysis summarizing the competition and the effect on existing industry and commerce before and after completion.

White Sands Theater's renovation will fill an unserved need for in Alamogordo's local entertainment landscape. The blend of independent movie premieres, celebrity meet & greets, a film museum, watch parties, and gaming tournaments will serve a community currently devoid of similar venues. Our market analysis confirms that Alamogordo lacks comparable entertainment options, particularly venues that cater to outside the box entertainment focused on both families and adults. This absence of direct competitors places White Sands Theater in a unique position to become a cornerstone of local entertainment.

By offering a diverse array of entertainment options, White Sands Theater will create a community hub that meets unaddressed needs. Our presence promises to invigorate Alamogordo's social and economic fabric, introducing an innovative space where memories are made, family's bond, and individuals from all occupations can enjoy a unique entertainment experience. As the first of its kind in the city, White Sands Theater will redefine local leisure, marking a significant step forward in diversifying and enriching the community's recreational offerings.

Below is a table summarizing our some of what we found as part of our market analysis:

Unique Niche:	Complementing Existing Businesses:	Growing Demand:
Unlike conventional theaters, White Sands Theater plans to redefine what a theater/entertainment center is. We will have red carpet meet & greets, independent movie premieres, small concerts, E-sports tournaments, watch parties, and more. We will create a unique experience that appeals to a broad demographic, including families, young adults, and pop culture enthusiasts.	The renovation will enhance, not compete with, existing local businesses. By drawing more visitors, it is expected to indirectly benefit nearby establishments, contributing to the overall vitality of the local economy.	There is a rising trend in E-sports and community based entertainment. Our renovation aligns with this demand, capitalizing on the growing interest in these areas.

c) Operational plan.

Zia Comics's operational strategy for our Alamogordo expansion focuses on optimizing customer experiences through efficient design, diverse entertainment, and a dynamic experiences:

- **Space Design:** Our layout will maximize the lobby/entry area for accessibility and flow, enhancing interaction and enjoyment.
- **Entertainment Offering:** Our partners in the entertainment industry will be used to host many independent movie premieres as well as red carpet meet & greets. E-sports tournaments will be arranged and run by a team of video game experts. Watch parties will be catered by local food establishments.
- **Efficiency and Training:** We'll employ technology for streamlined operations and invest in staff training to elevate service standards, focusing on safety, customer care, and operational excellence.

This approach ensures White Sands Theater not only becomes a key player in Alamogordo's entertainment landscape but will set a new standard for customer satisfaction and operational efficiency.

d) Marketing strategy

Our marketing strategy is multi-pronged, aiming to broaden our reach and deepen our engagement with the community:

- **Social Media Campaigns:** Leveraging platforms like Instagram, Facebook, and TikTok to showcase new additions, events, and promotions.
- **Local Partnerships:** Collaborating with local businesses and community organizations for cross-promotion and event hosting.
- **Themed Events and Tournaments:** Hosting regular gaming tournaments, themed nights, and cultural events to continually attract diverse groups.

e) Organizational chart, current and proposed.

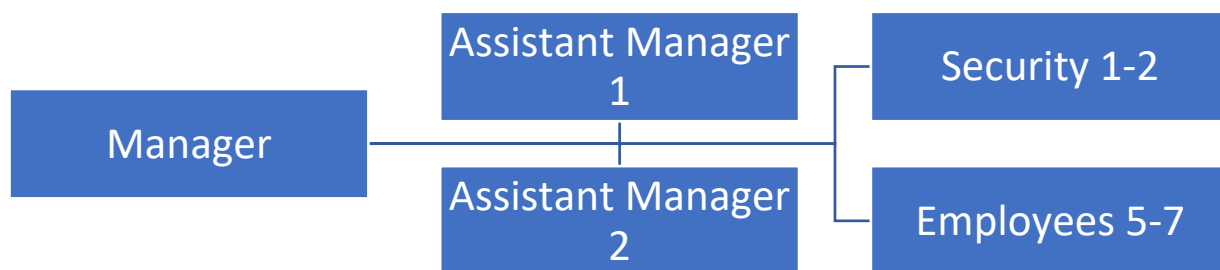
At White Sands Theater, we are laying the groundwork for an organizational structure that prioritizes clarity in roles and responsibilities, ensuring our management practices drive the venue's success and growth effectively. The designed framework reflects our commitment to operational excellence and superior customer service.

- **Manager:** Leading White Sands Theater, the Owner sets strategic directions, oversees all business operations, and ensures the brand's vision is realized in every aspect of the service and experience offered.
- **Assistant Managers (2):** Directly supporting the Manager, the two Assistant Managers share responsibilities for daily operational tasks, staff management, and customer service excellence. This dual role allows for specialized focus areas, possibly dividing responsibilities between gaming operations and theater services to enhance operational efficiency.
- **Security Team (1-2 personnel):** A dedicated team ensures a safe and secure environment for our patrons and staff, addressing any concerns promptly and maintaining a welcoming atmosphere.
- **Employees (5-7):** Ensuring our guests' experiences are enjoyable and seamless, our employees play a key role in the overall satisfaction of our patrons.

Future Considerations: As White Sands Theater grows, particularly with our strategic expansion into Alamogordo, we anticipate the need for additional roles within our organizational structure to maintain the high quality of our offerings and services. This may include expanding our management team and employees to accommodate increased customer volume and further diversify our entertainment options.

In Summary: White Sands Theater's renovation will significantly contribute to Alamogordo's cultural scene and economic vitality. Our organizational structure is a testament to our commitment to clear leadership, effective management, and a team-oriented approach to business operations. By fostering a supportive and efficient workplace, we are setting the stage for not only the success of our business but also the enrichment and growth of the Alamogordo community.

White Sands Theater Organizational Chart



COMPANY FINANCIAL INFORMATION

The city of Alamogordo must prove financial solvency. The applicant must provide or make available the following.

- a) Three years of tax documents, audited financial statements (if required to have them audited), or other means of verifying solvency.
- b) Cash flow, income, and expense projections for the duration of the "payback" period
- c) Provide a schedule of funding commitments. Upon request, the applicant will make available term and commitment letters.
- d) How will this award be secured? Please provide collateral/security to be pledged. The company may have to purchase a financial guarantee bond.

a) Financial Documentation and Solvency Verification:

Since our inception in 2012, Zia Comics has consistently demonstrated financial strength and operational excellence, underpinned by our adherence to transparency and strategic growth. Our track record is marked by:

- **Revenue Growth:** Demonstrated annual increases in revenue, affirming our capability to attract and retain a growing customer base.
- **Profitability:** Continuous profitability with improving margins, reflecting our adept cost management and revenue optimization.
- **Asset Investment:** Substantial investments in our venues, showcasing our commitment to quality and the long-term value of our assets.
- **Debt Management:** Prudent liability and debt management, ensuring financial stability and alignment with our growth projections.

We stand ready to provide additional financial documentation, such as tax filings and, if necessary, audited financial statements, to further attest to our solvency and fiscal responsibility, should the City of Alamogordo require it.

Zia Comics is committed to contributing positively to Alamogordo's economic and cultural fabric, backed by a solid financial foundation and a clear vision for future growth.

b) Cash Flow, Income, and Expense Projections:

Building on Zia Comics strong financial foundation, which includes a gross profit reflective of our operational success and strategic financial management, we project a similarly positive financial trajectory for the Alamogordo expansion.

Inferred Projections for Alamogordo:

- **Market Share & Revenue Potential:** Leveraging our previous year's gross profit as a benchmark and considering Alamogordo's unique demographics and the absence of similar entertainment options, we anticipate our new location to significantly penetrate the market. Adjusting for Alamogordo's smaller population, a conservative estimate suggests a potential gross profit impact of upwards of \$500,000 annually, highlighting the expansion's viability and the strategic opportunity it represents.

- **Operational Efficiency:** Reflecting on our operational expenses, which were meticulously managed to ensure maximum efficiency, we plan to apply similar principles of cost management in Alamogordo. By adjusting for local market conditions and employing proven strategies of operational efficiency, we aim to maintain a lean expense structure while ensuring high-quality service and customer experience.
- **Sustainable Growth:** The projected income from the White Sands Theater renovation, coupled with our commitment to operational excellence, supports Zia Comics broader goals for sustainable growth and community contribution. Our financial planning takes into account the need for adaptability and scalability, ensuring we're well positioned to respond to market demands and growth opportunities.

This enhanced projection integrates specific financial achievements from our operations to provide a solid foundation for our White Sands Theater renovation. It reflects not only our financial acumen but also our strategic approach to growth, emphasizing our potential to contribute positively to Alamogordo's economic and cultural landscape.

c) Schedule of Funding Commitments: The primary financial strategy for White Sands Theater's renovation centers on maximizing the use of the grant from the City of Alamogordo. Our plan minimizes the reliance on Zia Comics internal funds by:

- **Grant Utilization:** The grant will be the cornerstone of our funding, aimed at covering key project costs, aligning with the city's goals for economic development and community enrichment.
- **External Funding:** While our main focus is on grant funding, we're exploring supplementary external financing options to ensure comprehensive coverage of the project's needs. Details will be shared with the city as they are confirmed.

This strategy emphasizes our commitment to financially prudent renovation, prioritizing the grant as our main funding source.

d) Security for the Award: Our financial health, evidenced by robust net income and a solid asset base, positions us to secure the necessary funding for the White Sands Theater renovation. We are open to discussing collateral options and are prepared to discuss the need to secure any awarded funds with appropriate guarantees, reflecting our commitment to the project's success and financial accountability.

In Summary: Zia Comics planned renovation of White Sands Theater is underpinned by a strong financial strategy and proven operational success. Our detailed financial documentation and projections affirm our readiness and fiscal responsibility, promising significant and sustainable benefits to Alamogordo's economic landscape. The strategic investment in White Sands Theater aligns with the city's growth objectives, offering an exciting, financially viable addition to the community.

PAYBACK AND JOB CREATION

a) Outline the number and types of jobs to be created, including titles and wage rate. This project, funded by the hard-earned contributions of our local taxpayers, is designed to directly enrich the Alamogordo community. From creating new jobs to fostering cultural vibrancy, every aspect of our expansion plan is tailored to maximize the positive impact on the community that has graciously funded it.

White Sands Theater's renovation represents a significant investment in the local community, underlined by our commitment to economic and cultural enrichment. This initiative is set to generate upwards of 12 new employment opportunities, directly addressing the local need for job creation and supporting Alamogordo's efforts to reduce its 4.2% unemployment rate (as of October 2022).

Projected Employment Impact:

- **Diverse Opportunities:** We will introduce a range of job roles such as manager, assistant manager, and employee, catering to the dynamic needs of our operation and customer base.
- **Competitive Compensation:** Aligning with the local average weekly wage of \$751, our compensation packages will be designed to attract and retain top talent, contributing positively to the local economy.
- **Growth and Development:** The creation of these roles not only provides immediate employment opportunities but also fosters long-term career growth and skill development within the community.

In Summary: White Sands Theater's renovation is more than an entertainment venture; it's a commitment to Alamogordo's prosperity. By introducing new jobs, offering competitive wages, and enhancing the cultural fabric of the community, we aim to be a pivotal force in the area's ongoing development and vibrancy.

b) Include any benefits.

By actively participating in and sponsoring local community initiatives, we aim to be more than a business; we want to be a cornerstone of community development in Alamogordo.

Economic and Community Impact:

- The renovation is anticipated to significantly increase Gross Receipts Tax (GRT), bolstering the local economy and contributing to Otero County's tax revenues.
- Community-centered programming, such as themed events and other activities that engage the community, White Sands Theater strives to be a cornerstone in the community.
- Establishing partnerships with local businesses for cross-promotions and shared events is something that we have become known for, and we plan to bring the same level of engagement and success we have had in other communities to Otero County.

Enhancing Local Economy:

- We feel White Sands Theater will encourage complementary businesses to enter the local market, such as niche retail stores and themed eateries, all of which align with White Sands Theater's culture.
- By increasing our procurement from local suppliers, we expect to positively impact the local supply chain, contributing to job creation and economic activity in these sectors.
- The expansion is anticipated to significantly increase consumer spending and foot traffic, benefiting local retail stores, eateries, and hotels.

c) Payback should be in the form of job creation. However, a project could qualify if it can prove other benefits to the City of Alamogordo. The applicant must quantify and describe such benefits. These benefits may include:

- To help develop the best possible vocational and skill training within the community's resources to prepare the local populace to enter the workforce.
- Increase in the tax base
- Increase in GRT
- Provide a gap or service that is not available in Alamogordo.
- Under circumstances where the benefit to the community is not clear, an economic impact analysis may be requested by the city

White Sands Theater's renovation will transcend conventional business growth, promising significant benefits to the City of Alamogordo through job creation and a broad spectrum of community enhancements as well as visitors from outside the city. With a deep understanding of the responsibility that accompanies the use of taxpayer funding, we are committed to transparency, accountability, and ensuring our project delivers tangible, positive impacts on the local community.

1. Economic Enrichment through GRT and Tax Base Increase:

Our project is meticulously designed to bolster the local economy by significantly increasing the Gross Receipts Tax (GRT), contributing directly to Otero County's tax revenues and enhancing the community's financial health.

2. Enhancing Family-Friendly Entertainment and Dining:

In addressing a significant void within Alamogordo's current cultural and entertainment scene, White Sands Theater is excited to unveil a unique entertainment experience that the city has yet to see. Central to our mission is the creation of a vibrant and inclusive community space, meticulously designed to be a haven for families seeking quality leisure time during the day.

3. Sustainable Economic and Cultural Prosperity:

Our vision extends beyond mere physical renovation; we aim to lay a foundation for sustainable economic growth and cultural enrichment in Alamogordo. By leveraging local economic tax contributions judiciously, we pledge to deliver a project that harmonizes with the community's long-term aspirations, ensuring White Sands Theater becomes a cornerstone of Alamogordo's vibrant future.

Detailed Community Contributions:

a. **Vocational and Skill Training Enhancement:**

At Zia Comics, we believe in the value of real-world experience as a cornerstone for personal and professional growth. Our team members gain invaluable skills through their roles, equipping them with the knowledge and confidence needed for future career endeavors or further education. This hands-on approach not only benefits our staff but also contributes to preparing Alamogordo's workforce for a diverse range of opportunities.

b. **Tax Base Expansion:**

The White Sands Theater renovation is set to significantly enhance Alamogordo's tax base by generating increased economic activity. This growth translates into higher sales tax collections from our operations and, potentially, enhanced property tax revenues through facility improvements. These contributions will directly support the city's ability to fund public services and infrastructure, illustrating how our development not only marks an investment in our future but also fortifies the financial framework of the community we proudly serve.

c. **Gross Receipts Tax (GRT) Surge:**

White Sands Theater's renovation is poised to significantly bolster Alamogordo's Gross Receipts Tax (GRT), signaling a robust contribution to the economic vibrancy of the city. By drawing in more patrons and expanding our offerings, we anticipate fostering an environment that not only captivates our community but also stimulates increased economic activity. This initiative is a testament to our dedication to fueling Alamogordo's economic vitality and underscores our role as an integral player in the city's ongoing prosperity. Through this renovation we reaffirm its commitment to being a cornerstone of economic growth and community engagement.

d. **Cultivating a Family-Centric Entertainment Experience:**

Zia Comics is keenly attuned to the desires of Alamogordo families for more inclusive, engaging recreational venues. By unveiling a family-centered movie and gaming experience, we are addressing a crucial gap in the city's entertainment landscape. Our initiative promises a welcoming environment where families can enjoy quality time, fostering stronger community bonds and creating lasting memories. This focus on family-friendly entertainment not only diversifies Alamogordo's recreational offerings but also boosts the city's allure as a destination for both residents and visitors, thereby enriching the fabric of our community. Zia Comics is proud to contribute to making Alamogordo a more vibrant place for families to live, play, and grow together.

e. **Comprehensive Economic Impact Analysis:**

Zia Comics is confident in the clear and significant benefits the White Sands Theater renovation brings to the Alamogordo community, from job creation and tax revenue enhancement to enriching the city's recreational landscape. Our proactive approach and detailed planning underscore our commitment to transparency and community engagement. While we believe the advantages of our project are evident, we remain open to further discussions and analyses should city officials or the community seek additional clarification. Our goal is to ensure that the positive impact of our expansion is fully recognized and understood, reinforcing our dedication to Alamogordo's prosperity.

REVIEW & CITY MANAGEMENT RECOMMENDATION

- The project will be evaluated on factors that include but are not limited to financial stability, commitment to the community, cost-benefit analysis, and local needs. Upon completion of the application, City staff will make recommendations to the City Commission. The applicant will be required to present before commissioning.
- An ordinance will need to be approved by City Commission. This will occur at the same time as the item above.
- A project participation agreement will be required upon approval.

CONTACT For any questions, please email shernandez@ci.alamogordo.nm.us or call (575) 439-4203. If you would like to submit a proposal, you may email shernandez@ci.alamogordo.nm.us or send to City Managers Office 1376 E. 9th Street. Alamogordo, NM 88310 Page | 5



**WHITE
SANDS
THEATER**

**ALAMOGORDO
NEW MEXICO**

WHAT ARE THE PLANS FOR WHITE SANDS THEATER?

WHITE SANDS THEATER WILL BE THE PERFECT VENUE TO SHOWCASE LOCAL HERITAGE. IT WILL BE A BEAUTIFULLY RESTORED ART DECO THEATER IN THE HEART OF DOWNTOWN ALAMOGORDO. THE THEATER WILL BE A COMMUNITY FOCUSED ARTS AND ENTERTAINMENT VENUE, BLENDING NOSTALGIA WITH MODERN PROGRAMMING. THERE WILL BE SOMETHING FOR ALL AGES FROM INDEPENDENT MOVIE PREMIERES TO ESPORTS VIDEO GAME TOURNAMENTS TO TV/MOVIE/SPORTS WATCH PARTIES. WHITE SANDS THEATER WILL OFFER SOMETHING FOR EVERYONE.



THEATER AS AN ENTERTAINMENT VENUE

ESPORTS VIDEO GAME TOURNAMENTS ARE VERY HOT AND WHITE SANDS THEATER WILL BE POPULAR DUE TO THE LARGE DIGITAL SCREEN AND EASE OF INTEGRATING INTO ALL GAMING PLATFORMS. IF SPORTS IS YOUR THING, THE THEATER WILL HOST WATCH PARTIES FOR BIG SPORTING EVENTS SUCH AS WORLD SERIES, SUPER BOWL, AND EVEN LOCAL SPORTS. THERE WILL BE INDEPENDENT MOVIE PREMIERES, MEET & GREETES, SING-A-LONG MOVIES, QUOTE-A-LONG MOVIES, AND MORE. THE POSSIBILITIES ARE ENDLESS.



PROJECT SUCCESS

ZIA COMICS HAS GROWN INTO A THRIVING BRAND. THE LAS CRUCES STORE EXPANDED INTO AN 8,000 SQUARE FOOT LOCATION IN 2018. A SECOND ZIA COMICS WAS OPENED IN ALAMOGORDO IN 2023. FATMAN EVENTS IS ANOTHER COMPANY UNDER OUR UMBRELLA. LAS CRUCES COMIC CON, EL PASO HORRORFEST, ANIME EL PASO, AND EL PASO COMIC CON ARE VERY SUCCESSFUL EVENTS RUN UNDER THE FATMAN EVENTS BANNER. EL PASO COMIC CON WAS A FAILING EVENT THAT WAS TAKEN OVER BY FATMAN EVENTS AND IS NOW AN ANNUAL EVENT WITH OVER 20,000 ATTENDEES AND GROWS EACH YEAR. THE OTHER EVENTS WERE STARTED FROM SCRATCH AND HAVE BEEN VERY SUCCESSFUL. THIS BUSINESS EXPERTISE WILL BE USED TO MAKE WHITE SANDS THEATER THE GO TO ENTERTAINMENT VENUE NOT JUST IN ALAMOGORDO, BUT IN THE STATE OF NEW MEXICO.



PROVEN SUCCESS OF REVITALIZING DOWNTOWN

ZIA COMICS WAS ONE OF THE FIRST BUSINESSES TO OPEN AFTER THE LAS CRUCES MAINSTREET PROGRAM RENOVATED DOWNTOWN. ZIA COMICS HAS PLAYED A KEY ROLE IN REVITALIZING THE DOWNTOWN AREA BY HOSTING COMMUNITY EVENTS SUCH AS FREE COMIC BOOK DAY, HALLOWEEN COMICFEST, AND IN STORE SIGNINGS. ZIA COMICS ALSO SUPPORTS MANY OTHER EVENTS THROUGHOUT THE CITY. ZIA COMICS HAS HELPED DRAW CONSISTENT FOOT TRAFFIC, SUPPORT NEIGHBORING SMALL BUSINESSES, AND TRANSFORM DOWNTOWN INTO A LIVELY DESTINATION. BY FOSTERING A SENSE OF BELONGING AND COLLABORATION, ZIA COMICS HAS BECOME A CATALYST FOR CULTURAL AND ECONOMIC RENEWAL IN THE HEART OF THE CITY.



WHY ALAMOGORDO?

ZIA COMICS AND FATMAN EVENTS HAVE PROVEN HIGHLY SUCCESSFUL IN LARGER MARKETS LIKE EL PASO AND LAS CRUCES. ALAMOGORDO IS UNDERSERVED IN THE POP CULTURE ENTERTAINMENT ENVIRONMENT. DESPITE ITS SMALLER POPULATION, THERE IS A CLEAR MARKET GAP FOR A VENUE THAT BLENDS A NOSTALGIC VENUE WITH MODERN DIGITAL ENTERTAINMENT.

WHITE SANDS THEATER WILL BE ABLE TO HOST CONCERTS AND PLAYS, BUT WILL NOT BE DIRECT COMPETITION FOR FLICKINGER. WHITE SANDS THEATER WILL FOCUS MORE ON “OUT OF THE BOX” TYPE ENTERTAINMENT. PROMINENT INDEPENDENT FILM MAKERS ARE INTERESTED IN STARTING A FILM FESTIVAL IN ALAMOGORDO AND THE COLOCATION OF WHITE SANDS THEATER AND THE FLICKINGER CENTER PROVIDES A PERFECT SET UP.



BEYOND THE WALLS OF WHITE SANDS THEATER

BEYOND THE WALLS OF THE BUSINESS ITSELF, WHITE SANDS THEATER WILL BECOME A CULTURAL ANCHOR IN DOWNTOWN ALAMOGORDO BY ORGANIZING LARGE-SCALE EVENTS AND FESTIVALS. WITH THE ABILITY TO COLLABORATE WITH THE CITY TO BLOCK OFF DOWNTOWN STREETS, WE COULD HOST EXPANSIVE EVENTS THAT WILL ATTRACT THE COMMUNITY. THESE EXPERIENCES NOT ONLY BRING THE COMMUNITY TOGETHER BUT ALSO STIMULATE LOCAL COMMERCE AND ELEVATE THE PROFILE OF DOWNTOWN AS A VIBRANT DESTINATION.

WITH ITS PROVEN TRACK RECORD OF COMMUNITY ENGAGEMENT, ECONOMIC IMPACT, AND CROSS-GENERATIONAL APPEAL, WE ARE WELL-POSITIONED TO THRIVE IN ALAMOGORDO AND CONTRIBUTE MEANINGFULLY TO THE CITY'S ONGOING REVITALIZATION.



KEY TAKEAWAYS

ALAMOGORDO WILL HAVE AN ENTERTAINMENT DISTRICT WITH TWO VERY DIFFERENT THEATERS

WHITE SANDS THEATER WILL PROVIDE A POP CULTURE ENTERTAINMENT VENUE WHICH IT IS CURRENTLY LACKING

A FILM FESTIVAL WILL BRING NOT ONLY INCOME TO THE CITY, BUT NOTORIETY AS A PREMIERE LOCATION TO FILM MAKERS

A HISTORIC ALAMOGORDO BUILDING WILL BE RESTORED TO ITS PRIOR BEAUTY PRESERVING CULTURAL HISTORY



JOINT COLLABORATION WITH OTHER DOWNTOWN BUSINESSES

WHITE SANDS THEATER WILL COMPLEMENT OTHER DOWNTOWN BUSINESSES BY OFFERING A DIFFERENT ENTERTAINMENT EXPERIENCE. INCREASED ATTENTION AND FOOT TRAFFIC WILL BENEFIT ALL DOWNTOWN BUSINESSES. THE THEATERS CENTRALIZED LOCATION IS EASY TO REACH ON FOOT, BICYCLE, OR VEHICLE.

MANY EVENTS CAN BE CROSS-PROMOTED TO INCREASE THE VALUE OF DOWNTOWN EVENTS. DINNER, ENTERTAINMENT, AND SHOPPING ARE ALWAYS A GOOD COMBINATION TO INCREASE DOWNTOWN FOOT TRAFFIC. OUR COLLABORATION WILL MAKE ALAMOGORDO A KEY ENTERTAINMENT DESTINATION, BENEFITING BOTH BUSINESSES AND THE LOCAL ECONOMY.



BUDGET 2024-2025

FY25 (as of June 18, 2025)

FUND NO.	FY 2024-2025 FUND DESCRIPTION	UNAUDITED BEGINNING CASH BALANCE	ESTIMATED REVENUES	TRANSFERS IN	TRANSFERS OUT	NET CASH TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE
105	ECONOMIC DEVELOPMENT	7,118,206	1,307,163	0	4,000,880	(4,000,880)	187,366	4,237,123
	Rad Retrocade LEDA					0	1,000,000	(1,000,000)
	Total Revised Fund 91	7,118,206	1,307,163	0	4,000,880	(4,000,880)	1,187,366	3,237,123

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/18/2025

Report No: 7.

Submitted By: Stephanie Hernandez

Subject: Discuss Water Rate Analysis. *(Stephanie Hernandez, Acting City Manager, Evelyn Huff, Finance Director, David Nunnelley, Utilities Director)*

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation:

Background:

CITY OF ALAMOGORDO

MAY 23, 2025

TECHNICAL MEMORANDUM

FOR
FISCAL YEAR 2025
UTILITY REVENUE ANALYSIS

WATER AND WASTEWATER SYSTEM



GovRates
Utility, Financial, Rate, and Management
Consultants for Governments
www.govrates.com



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APPENDIX A:

Adopted Water and Wastewater Rate Resolution

APPENDIX B:

Detailed Fiscal Year 2025 Actual Utility Operating Revenue

EXECUTIVE SUMMARY

May 23, 2025

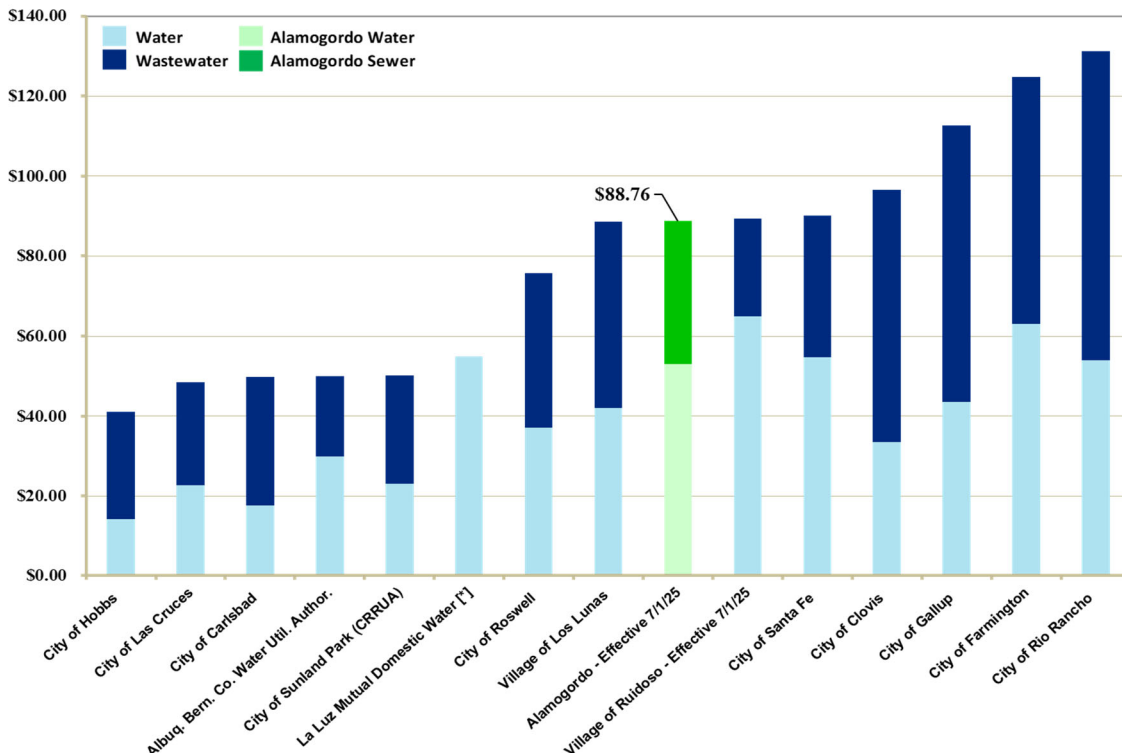
Honorable Mayor and
Members of the City Commission
City of Alamogordo
1376 East Ninth Street
Alamogordo, NM 88310

Subject: Fiscal Year 2025 Utility Revenue Analysis

The City of Alamogordo (the "City") has adopted a multi-year plan to increase the City's water and wastewater rates to keep the utility systems operationally and financially sustainable while addressing infrastructure deficiencies. This plan involved rate structure changes, and it is important to monitor customer responses and revenue collections to ensure that the water and wastewater system (the "System") can continue to meet its revenue requirements and provide safe and dependable utility services. As discussed in this technical memorandum:

GovRates recommends that the City proceed with implementing the adopted Fiscal Year 2026 water and wastewater rates.

Bills under the Fiscal Year 2026 rates are competitive with those of other New Mexico utilities, as shown in the following graph for monthly usage of 6,000 gallons (8.0 ccf), the historical average usage of a single-family residential customer in the System:



[*] La Luz does not have sewer rates – all customers are on septic systems



A rate / bill comparison is not a "report card" on how well a utility is performing. There are many reasons why rates differ among utilities, including the source of water supply and treatment process, capital and renewal/replacement needs, customer demographics, and the time of the last rate review. Each utility has different circumstances. It is important to set the rates at affordable levels that will ensure the sustainability of the utilities, enabling them to accomplish their missions while keeping rates lower over the long term. Most of the utilities in New Mexico are currently reviewing their rates or have already planned rate adjustments. As these other utilities increase their rates, the City's rates will continue to be competitive.

The United States Environmental Protection Agency has historically used a 4.5% of median household income (MHI) metric to measure the affordability of water and wastewater rates. According to the United States Census Bureau, the median household income of Alamogordo is currently \$52,515, or \$4,376 per month. A monthly bill of \$88.76 for 6,000 gallons of water and wastewater service under the Fiscal Year 2026 user rates is about 2% of median household income – much lower than the 4.5% affordability threshold. As such, the Fiscal Year 2026 water and wastewater user rates are considered very affordable by utility industry standards.

A monthly bill of \$88.76 divided by 6,000 gallons equates to about 1.5¢ per gallon of water and wastewater service. This cost per gallon compared with the costs per gallon of other commodities (e.g., bottled water, which is typically over \$1 per gallon) communicates the value of the municipal services.

Key considerations for moving forward:

- Since the new rate structure was only recently implemented, the customer response has not been fully vetted. Annualized overall utility operating revenue based on ten months of actual collections is only about 4% higher than what was assumed in the rate study for Fiscal Year 2025. The annualized water and wastewater user rate revenues of about \$13.5 million are only about 53% of the target revenues of \$25.2 million in Fiscal Year 2029, the last year of the adopted rate plan prior to assumed Consumer Price Index adjustments thereafter. In 2026, the City will have more months of customer statistics under the new rates from which to perform trend analyses and make rate adjustment decisions for Fiscal Years 2027 and beyond. As rates are increased, there may be additional water conservation, or customers may make investments to help reduce their water bills (e.g., low-flow fixtures).

- With the new rate structure, the City made a policy change to allow water shutoffs and termination of billing. Mandatory account transfers were eliminated. Additional customers may choose to discontinue service, and not all of the revenue decreases from customers who have already disconnected are reflected in the year-to-date revenue collections (i.e., revenue was still received for a few months prior to disconnection).
- Since the completion of the rate study in 2024, there has been increased economic uncertainty, and tariffs may increase the operating and capital costs assumed in the study.

GovRates recommends that the City perform an updated, detailed revenue sufficiency analysis prior to implementing any user rate adjustments for Fiscal Year 2027 and beyond. At that time, there will be more months of customer statistics under the new rates, and the City should have a better idea of how tariffs and other economic factors will affect utility costs and the ability to address the infrastructure deficiencies.

The remainder of this technical memorandum provides a summary of our analyses, observations, and findings relative to this revenue analysis. We greatly appreciate the opportunity to be of service to the City and would like to thank the management and staff for their tremendous assistance during the course of this review.

Yours in government service,

GovRates, Inc.



Bryan A. Mantz, CMC, CGFM
President

BACKGROUND AND REVENUE ANALYSIS

BACKGROUND AND REVENUE ANALYSIS

Utility Infrastructure Deficiencies

The City of Alamogordo (the "City") owns a water and wastewater utility system (the "System" or the "Utility") that provides an essential service on a continual basis and that operates in a highly regulated environment. Regulatory agencies for the Utility include the New Mexico Environment Department, the Department of Health, and the Environmental Protection Agency (the "EPA"). As a desert community, the City heavily relies on its water system infrastructure to safely transport water several miles to Utility customers. The Utility has a substantial amount of water and wastewater infrastructure that has reached the end of its useful service life and is in the condition shown in the following pictures. Some of this infrastructure was originally installed in the 1940's.

SAMPLE ALAMOGORDO WATER AND WASTEWATER UTILITY RENEWAL AND REPLACEMENT NEEDS



There could be possible regulatory issues if the City is not proactive in addressing the capital needs. The renewal / replacements needs will not go away, but will be more expensive to address in the future. The regulatory agencies could impose fines or consent orders if infrastructure failures cause environmental harm or jeopardize public health and safety, or if the City does not meet regulatory requirements.

The number of System line breaks has been trending upward. Frequent line breaks affect other areas of the City. The City cannot fix most roads before the underlying line breaks are addressed.

The utility rate study completed in 2024 contained a rate and financial plan to address approximately \$160.4 million of critical capital needs identified through the Fiscal Year 2032. Since the completion of the rate study, there has been increased economic uncertainty, and tariffs may increase the operating and capital costs assumed in the study.

Utility Rate and Financial Plan

On June 25, 2024, pursuant to the recommendations of a utility rate study, the City Commission adopted Resolution No. 2024-31 (the "Rate Resolution") that established a multi-year plan to increase the City's water and wastewater rates to keep the utility systems operationally and financially sustainable. A copy of the Rate Resolution is included as Appendix A of this technical memorandum. A copy of the rate study report is accessible via the following link:

<https://ci.alamogordo.nm.us/DocumentCenter/View/16326/GovRates-Inc-City-of-Alamogordo-Water-and-Wastewater-Utility-Rate-Study---May-6-2024-PDF>

Prior to the adoption of the Rate Resolution, the water and wastewater rates had not been adjusted since 2015, or almost nine years. During this period of no rate increases, the Utility experienced tremendous inflation in operating costs, such as the costs of PVC pipe increasing by over 200%. The rate and financial plan addresses the identified critical capital needs and targets financial metrics to enable the System to secure debt financing at favorable interest rates.

Benefits to Alamogordo Residents of Utility Rate and Financial Plan

For a city to flourish, it must have healthy water and sewer infrastructure. This essential infrastructure creates a livable community and helps attract and retain residents and businesses. Alamogordo has a tremendous amount of water and wastewater infrastructure that has reached the end of its useful service life. Some of this infrastructure dates back to the 1940's. Residents should not have to worry about the quality of the water coming from their tap or whether their sewage will be safely disposed of – they need a utility system that is properly managed and maintained. Maintaining this level of service and quality requires ongoing investment, maintenance, and upgrades.

Benefits to Alamogordo residents of the adopted utility rate and financial plan include:

- Access to debt financing / capital markets. The Utility cannot secure debt financing for critical capital needs without rate adjustments. When the Utility issues bonds, rating agencies want to see a five-year projection of Utility operating and capital needs, and all of the needs should be fully funded with adopted increases. Funding of the capital program on a 100% pay-as-you-go basis would require much higher rate adjustments.
- Access to grant funding. The City often must advance fund capital projects prior to receiving grant reimbursements.
- Maintenance of water quality and treatment standards. The Utility will comply with the latest regulatory requirements, and there will be less risk of fines and consent orders.
- Improved water pressure and fire protection as a result of line replacements.
- Less risk of service interruptions and boil water notices / advisories – fewer line breaks. This is a public health and safety issue. The City can repair roads after line break issues are addressed (improved road conditions). Pipe failures can result in property damage.
- The City can systematically fund the water and sewer portion of the Street Maintenance Program (SMP).
- Improved emergency preparedness. In the event of a natural disaster or other emergency situation, the City would typically have to respond using internal funding in advance of receiving reimbursements from the Federal Emergency Management Agency (FEMA).
- Can accommodate economic development.
- No mandatory account transfers. There will be a decrease in future liens.
- Less complicated rate structure.
- Maintenance of affordable and competitive rates.

Fiscal Year 2025 Utility Revenue Analysis

As of the date of this technical memorandum, ten months of actual revenue collections under the new rate structure are available. A comparison of the actual revenue collections with the rate study projections is shown in the following Exhibit 1. A breakdown of the Utility actual revenues is included as Appendix B of this technical memorandum.

Exhibit 1: Review of Fiscal Year 2025 Operating Revenues

Description	Rate Study	Year-to-Date	Annualized	Difference from Rate Study	
	Assumption	Actual Results [*]	Actual Results	Amount	%
Water and Wastewater User Rate Revenues	\$12,960,574	\$11,231,950	\$13,478,340	\$517,767	4.0%
Other Operating Revenues	576,848	522,340	615,225	38,377	6.7%
Total Revenues	<u>\$13,537,422</u>	<u>\$11,754,290</u>	<u>\$14,093,566</u>	<u>\$556,144</u>	<u>4.1%</u>

[*] As of May 2, 2025.

As shown in the preceding exhibit, the Utility operating revenues may ultimately be about 4% higher than the rate study assumption for Fiscal Year 2025. Since the new rate structure was only recently implemented, the customer response has not been fully vetted. With the new rate structure, the City made a policy change to allow water shutoffs and termination of billing. Mandatory account transfers were eliminated. Additional customers may choose to discontinue service, and not all of the revenue decreases from customers who have already disconnected are reflected in the preceding Exhibit 1 (i.e., revenue was still received for a few months prior to disconnection).

In 2026, the City should have better customer statistics from which to perform trend analyses and make rate adjustment decisions for Fiscal Years 2027 and beyond. As rates are increased, there may be additional water conservation, or customers may make investments to help reduce their water bills (e.g., low-flow fixtures).

The annualized user rate revenues of about \$13.5 million are only about 53% of the target revenues for Fiscal Year 2029. Fiscal Year 2029 is the last year of the adopted rate plan prior to assumed Consumer Price Index adjustments thereafter. This information is shown in the following Exhibit 2.

**Exhibit 2: Fiscal Year 2025 Operating Revenues Vs.
Fiscal Year 2029 Target Revenues Per Rate Study**

Description	Annualized Fiscal Year 2025 Actual Results [*]	Fiscal Year 2029 Target Revenues Per Rate Study	Percent of Fiscal Year 2029 Target Revenues
Water and Wastewater User Rate Revenues	\$13,478,340	\$25,237,999	53%

[*] Based ten months of actual revenue collections.

Operating Expenses

Consistent with historical trends, the actual Fiscal Year 2025 Utility operating expenses are anticipated to be significantly lower than budgeted levels. However, this is primarily due to budgeted employee positions that are unfilled. As of May 2025, between utility operations and utility billing, 58 positions are authorized, but only 34 positions are filled – 24 positions are currently vacant. Only 59% of budgeted positions are currently filled.

Other factors that can cause operating expenses to be lower than budgeted levels include:

- Deferred repairs and maintenance.
- Supply chain delays and timing of purchases (e.g., materials and equipment).
- Fluctuations in commodity costs and timing of purchases (e.g., fuel, chemicals, etc.).
- Changes in customer demand.

Any cash generated from operating cost savings could be applied to the increased capital costs anticipated due to tariffs and other current economic conditions. However, a target unrestricted cash balance equal to at least 365 days of operating expenses is recommended to be maintained. The City should maintain strong financial metrics (e.g., cash and debt service coverage) to mitigate the financial risks associated with operating the utilities, including:

- Cyclicalities of water sales/revenue collection. Most of a utility's costs are fixed and must be paid each month regardless of how much revenue is collected. Major fixed costs include salaries, benefits, and debt service.
- Revenues lower than expected.
- Operating expenses higher than expected or unforeseen operating expenses.
- Bids for capital projects that are higher than planning estimates. Because of supply chain delays, labor shortages, and other factors, some utilities have received bids for projects that have been twice the estimated cost.
- New regulatory requirements that represent unfunded mandates.
- The need to advance fund projects prior to grant reimbursements.
- The need to advance fund emergency response activities prior to FEMA reimbursement.

Strong financial metrics also enable the utilities to have less dependence on debt financing and the associated interest and issuance expenses. Recurring or routine capital needs should ideally be paid on a pay-as-you-go basis.

Historically, there have been significant fluctuations in Utility operating expenses. As the City fills vacant positions and substantially reinvests in its Utility infrastructure, it is anticipated that operating expenses will be closer to budgeted levels.

Rate / Bill Comparisons – Other New Mexico Utilities

In order to provide the City with additional information regarding the rates charged for service, a comparison of the City's Fiscal Year 2026 rates for customers served by a 5/8-inch or 3/4-inch meter (representative of the single-family residential class and a large portion of the commercial class) with charges for similar service by 14 other New Mexico utilities has been made.

It should be noted that a rate / bill comparison is not a "report card" on how well a utility is performing, as there are several factors that have an effect on the level of rates charged. These factors may include, but are not limited to, the following:

- Source of water supply and level of treatment required before the distribution of water to the ultimate customer, including how much of water supply is purchased from other utilities.
- Plant capacity utilization, age and assistance in the funding of such plant capacity by federal grants, impact fees, and other subsidization.
- Overall size of the customer base (economies of scale) served as well as the type of customer served (certain customers may have higher usage requirements which may dampen per unit rates which is common for high commercial or industrialized customer bases for utilities).
- Geographic density of the customer base (utilities with many high-density multifamily customers may have lower unit costs).

- General fund and administrative fee transfers made by municipal and county systems which may account for differences in level of rates charged.
- Bond covenants and funding requirements of the rates.
- Level of capital improvements required to meet regulatory requirements and service area needs, including the construction of growth-related assets in relation to service area expansion.
- Amount of needed renewal and replacements / remaining service life of assets.
- Time of last rate review.

For the utilities included in the rate / bill comparisons on Tables 1 through 3 at the end of this technical memorandum, no analysis has been made of the above-mentioned factors as they relate to the reported water and wastewater rates being charged by the other utilities surveyed for the purposes of this analysis. However, the Fiscal Year 2026 water and wastewater rates of the City produce bills that are comparable with those of neighboring utilities.

Figure 1 at the end of this section shows graphical comparisons of how bills under the Fiscal Year 2026 rates compare with those of other New Mexico utilities for a single-family residential customer with a monthly usage of 6,000 gallons (8.0 CCF) – the historical average monthly usage for a 5/8" or 3/4" meter customer in this class within the Alamogordo service area. As indicated in Figure 1, at the 6,000-gallon usage level, six utilities – the Village of Ruidoso, the City of Santa Fe, the City of Clovis, the City of Gallup, the City of Farmington, and the City of Rio Rancho – will charge more for combined water and wastewater service than what the City would charge under the Fiscal Year 2026 adopted rates. La Luz located a few miles from the City does not have sewer rates – all customers are on septic systems – but La Luz's water rates are higher than the water rates proposed for Alamogordo in Fiscal Year 2026. Moreover, it is important to note that the majority of the surveyed utilities are currently evaluating the sufficiency of their water and wastewater rates or have already scheduled future rate adjustments. As other New Mexico utilities increase their water and wastewater user rates, Alamogordo's user rates will continue to be competitive.

Affordability of Monthly User Rates

The United States Environmental Protection Agency has historically used a 4.5% of median household income (MHI) metric to measure the affordability of water and wastewater rates. This metric allows communities and policymakers to assess the economic impact of utility rates on residents and ensure that essential services remain accessible to all.

According to the United States Census Bureau, the median household income of Alamogordo is currently \$52,515, or \$4,376 per month. A monthly bill of \$88.76 for 6,000 gallons of water and wastewater service under the Fiscal Year 2026 user rates is about 2% of median household income – significantly lower than the 4.5% affordability threshold. As such, the Fiscal Year 2026 water and wastewater user rates are considered very affordable by utility industry standards.

A monthly bill of \$88.76 divided by 6,000 gallons equates to about 1.5¢ per gallon of water and wastewater service. This cost per gallon compared with the costs per gallon of other commodities (e.g., bottled water, which is typically over \$1 per gallon) communicates the value of the municipal services.

Recommendations

As discussed in the executive summary letter of this technical memorandum, GovRates recommends that:

1. The City should proceed with implementing the adopted Fiscal Year 2026 water and wastewater rates.
2. The City should perform an updated, detailed revenue sufficiency analysis prior to implementing any user rate adjustments for Fiscal Year 2027 and beyond. At that time, there will be more months of customer statistics under the new rates, and the City should have a better idea of how tariffs and other economic factors will affect utility costs and the ability to address the infrastructure deficiencies.

ANALYSIS TABLES AND FIGURES

Table 1
City of Alamogordo, New Mexico

Comparison of Typical Monthly Residential Bills for Water Service

Residential Service for a 5/8" or 3/4" Meter [1]										
Line No.	Description	WATER USAGE								
		0	2,000	3,000	5,000	6,000	8,000	10,000	15,000	20,000
		Gallons	Gallons	Gallons	Gallons	Gallons [2]	Gallons	Gallons	Gallons	Gallons
		(0 ccf)	(2.7 ccf)	(4.0 ccf)	(6.7 ccf)	(8.0 ccf)	(10.7 ccf)	(13.4 ccf)	(20.1 ccf)	(26.7 ccf)
1	<u>City of Alamogordo, New Mexico</u> Water Rates - Effective July 1, 2025	\$ 24.21	\$ 33.84	\$ 38.65	\$ 48.27	\$ 53.09	\$ 62.71	\$ 72.34	\$ 96.40	\$ 120.47
	<u>Other New Mexico Utilities:</u>									
2	Albuquerque Bernalillo County Water Utility Authority	\$ 11.21	\$ 17.45	\$ 20.57	\$ 26.81	\$ 29.93	\$ 36.17	\$ 42.41	\$ 58.01	\$ 73.62
3	City of Carlsbad	12.92	12.92	12.92	15.94	17.45	20.47	23.49	31.99	40.49
4	City of Clovis	26.90	29.10	30.20	32.40	33.50	35.70	37.90	43.40	48.90
5	City of Farmington [3]	44.67	50.81	53.88	60.02	63.09	69.99	77.65	96.80	115.95
6	City of Gallup	10.99	20.16	24.74	36.70	43.50	59.51	82.38	139.83	231.01
7	City of Hobbs	6.50	6.50	8.37	12.11	13.98	17.72	21.46	32.31	43.16
8	La Luz Mutual Domestic Water	27.00	27.00	27.00	45.00	55.00	75.00	95.00	150.00	210.00
9	City of Las Cruces [4]	13.60	13.82	13.93	19.85	22.81	28.73	34.65	51.21	70.41
10	Village of Los Lunas	24.99	24.99	29.24	37.74	41.99	50.49	58.99	80.24	101.49
11	City of Rio Rancho	18.57	30.37	36.27	48.07	53.97	66.75	79.53	113.98	148.43
12	City of Roswell	27.00	27.00	27.00	33.80	37.20	44.00	50.80	67.80	84.80
13	Village of Ruidoso - Effective 7/1/25	42.45	42.45	42.45	57.50	65.03	81.33	98.90	177.92	303.36
14	City of Santa Fe	18.42	30.54	36.60	48.72	54.78	82.56	126.00	234.60	343.20
15	City of Sunland Park (CRRUA) [5]	17.83	17.83	17.83	21.39	23.17	26.73	32.08	53.50	77.30
16	Other New Mexico Utilities Average	\$ 21.65	\$ 25.07	\$ 27.21	\$ 35.43	\$ 39.67	\$ 49.65	\$ 61.52	\$ 95.11	\$ 135.15
17	Minimum	6.50	6.50	8.37	12.11	13.98	17.72	21.46	31.99	40.49
18	Maximum	44.67	50.81	53.88	60.02	65.03	82.56	126.00	234.60	343.20

Table 1
City of Alamogordo, New Mexico

Comparison of Typical Monthly Residential Bills for Water Service

Footnotes:

- [1] Unless otherwise noted, amounts reflect bills under single-family residential user rates in effect April 2025 and do not include any taxes, franchise fees, or water restriction surcharges, if any. These bills also reflect rates charged to customers within the municipal borders (e.g., no outside-municipality surcharges, if applied, are included in the bill comparison).
- [2] Reflects historical average usage of a typical single family residential customer with both water and wastewater service.
- [3] The City of Farmington's water monthly fixed charge includes \$28.49 service charge plus \$16.18 renewal and replacement charge. Water volumetric rates include \$0.03 per 1,000 gallons surcharge for funding a water rights acquisition program. The sewer monthly fixed charge includes a \$24.80 service charge and \$13.57 renewal and replacement charge.
- [4] Water volumetric rates include \$0.11 per 1,000 gallons for water rights.
- [5] Service is provided by the Camino Real Regional Utility Authority (CRRUA).

Table 2
City of Alamogordo, New Mexico

Comparison of Typical Monthly Residential Bills for Wastewater Service

Residential Service for a 5/8" or 3/4" Meter [1]										
Line No.	Description	METERED WATER USAGE								
		0	2,000	3,000	5,000	6,000	8,000	10,000	15,000	20,000
		Gallons	Gallons	Gallons	Gallons	Gallons [2]	Gallons	Gallons	Gallons	Gallons
		(0 ccf)	(2.7 ccf)	(4.0 ccf)	(6.7 ccf)	(8.0 ccf)	(10.7 ccf)	(13.4 ccf)	(20.1 ccf)	(26.7 ccf)
	<u>City of Alamogordo, New Mexico</u>									
1	Existing Wastewater Rates - Effective July 1, 2025	\$ 22.10	\$ 26.62	\$ 28.89	\$ 33.41	\$ 35.67	\$ 40.20	\$ 44.72	\$ 56.03	\$ 67.34
	<u>Other New Mexico Utilities:</u>									
2	Albuquerque Bernalillo County Water Utility Authority	\$ 3.64	\$ 9.12	\$ 11.86	\$ 17.34	\$ 20.08	\$ 25.55	\$ 31.03	\$ 44.73	\$ 58.43
3	City of Carlsbad	23.47	23.47	23.47	29.43	32.41	38.37	44.33	60.73	77.13
4	City of Clovis	63.04	63.04	63.04	63.04	63.04	63.04	63.04	63.04	63.04
5	City of Farmington [3]	38.37	46.15	50.04	57.82	61.71	69.49	77.27	96.72	116.17
6	City of Gallup	10.40	29.98	39.77	59.34	69.13	88.71	108.29	157.23	206.17
7	City of Hobbs	8.60	8.60	13.22	22.46	27.08	36.32	45.56	68.66	91.76
	La Luz Mutual Domestic Water	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	City of Las Cruces [4]	8.26	12.26	14.26	21.84	25.63	33.21	40.79	59.74	78.69
9	Village of Los Lunas	31.59	31.59	35.34	42.84	46.59	54.09	61.59	80.34	99.09
10	City of Rio Rancho	14.82	35.62	46.02	66.82	77.22	98.02	118.82	170.82	222.82
11	City of Roswell	26.50	30.50	32.50	36.50	38.50	42.50	46.50	56.50	66.50
12	Village of Ruidoso - Effective 7/1/25	21.66	21.66	21.66	22.98	24.31	26.95	29.60	36.21	42.83
13	City of Santa Fe	7.53	16.81	21.45	30.73	35.37	44.65	53.93	77.13	100.33
14	City of Sunland Park (CRRUA) [5]	27.00	27.00	27.00	27.00	27.00	31.94	41.82	66.52	91.22
15	Other New Mexico Utilities Average	\$ 21.91	\$ 27.37	\$ 30.74	\$ 38.32	\$ 42.16	\$ 50.22	\$ 58.66	\$ 79.87	\$ 101.09
16	Minimum	3.64	8.60	11.86	17.34	20.08	25.55	29.60	36.21	42.83
17	Maximum	63.04	63.04	63.04	66.82	77.22	98.02	118.82	170.82	222.82

Table 2
City of Alamogordo, New Mexico

Comparison of Typical Monthly Residential Bills for Wastewater Service

Footnotes:

- [1] Unless otherwise noted, amounts reflect bills under single-family residential user rates in effect April 2025 and do not include any taxes, franchise fees, or water restriction surcharges, if any. These bills also reflect rates charged to customers within the municipal borders (e.g., no outside-municipality surcharges, if applied, are included in the bill comparison).
- [2] Reflects historical average usage of a typical single family residential customer with both water and wastewater service.
- [3] The City of Farmington's water monthly fixed charge includes \$28.49 service charge plus \$16.18 renewal and replacement charge. Water volumetric rates include \$0.03 per 1,000 gallons surcharge for funding a water rights acquisition program. The sewer monthly fixed charge includes a \$24.80 service charge and \$13.57 renewal and replacement charge.
- [4] Water volumetric rates include \$0.11 per 1,000 gallons for water rights.
- [5] Service is provided by the Camino Real Regional Utility Authority (CRRUA).

Table 3
City of Alamogordo, New Mexico

Comparison of Typical Monthly Residential Bills for Combined Water and Wastewater Service

		Residential Service for a 5/8" or 3/4" Meter [1]								
		COMBINED WATER AND WASTEWATER								
Line No.	Description	0 Gallons (0 ccf)	2,000 Gallons (2.7 ccf)	3,000 Gallons (4.0 ccf)	5,000 Gallons (6.7 ccf)	6,000 Gallons [2] (8.0 ccf)	8,000 Gallons (10.7 ccf)	10,000 Gallons (13.4 ccf)	15,000 Gallons (20.1 ccf)	20,000 Gallons (26.7 ccf)
City of Alamogordo, New Mexico										
1	Existing Combined Rates - Effective July 1, 2025	\$ 46.31	\$ 60.46	\$ 67.53	\$ 81.68	\$ 88.76	\$ 102.91	\$ 117.06	\$ 152.43	\$ 187.81
Other New Mexico Utilities:										
2	Albuquerque Bernalillo County Water Utility Authority	\$ 14.85	\$ 26.57	\$ 32.43	\$ 44.15	\$ 50.01	\$ 61.73	\$ 73.45	\$ 102.74	\$ 132.04
3	City of Carlsbad	36.39	36.39	36.39	45.37	49.86	58.84	67.82	92.72	117.62
4	City of Clovis	89.94	92.14	93.24	95.44	96.54	98.74	100.94	106.44	111.94
5	City of Farmington [3]	83.04	96.96	103.92	117.84	124.80	139.48	154.92	193.52	232.12
6	City of Gallup	21.39	50.13	64.51	96.04	112.63	148.22	190.67	297.06	437.18
7	City of Hobbs	15.10	15.10	21.59	34.57	41.06	54.04	67.02	100.97	134.92
8	La Luz Mutual Domestic Water	27.00	27.00	27.00	45.00	55.00	75.00	95.00	150.00	210.00
9	City of Las Cruces [4]	21.86	26.08	28.19	41.69	48.44	61.94	75.44	110.95	149.10
10	Village of Los Lunas	56.58	56.58	64.58	80.58	88.58	104.58	120.58	160.58	200.58
11	City of Rio Rancho	33.39	65.99	82.29	114.89	131.19	164.77	198.35	284.80	371.25
12	City of Roswell	53.50	57.50	59.50	70.30	75.70	86.50	97.30	124.30	151.30
13	Village of Ruidoso - Effective 7/1/25	64.11	64.11	64.11	80.49	89.33	108.29	128.50	214.14	346.19
14	City of Santa Fe	25.95	47.35	58.05	79.45	90.15	127.21	179.93	311.73	443.53
15	City of Sunland Park (CRRUA) [5]	44.83	44.83	44.83	48.39	50.17	58.67	73.90	120.02	168.52
16	Other New Mexico Utilities Average	\$ 41.99	\$ 50.48	\$ 55.76	\$ 71.01	\$ 78.82	\$ 96.29	\$ 115.99	\$ 169.28	\$ 229.02
17	Minimum	14.85	15.10	21.59	34.57	41.06	54.04	67.02	92.72	111.94
18	Maximum	89.94	96.96	103.92	117.84	131.19	164.77	198.35	311.73	443.53

Table 3
City of Alamogordo, New Mexico

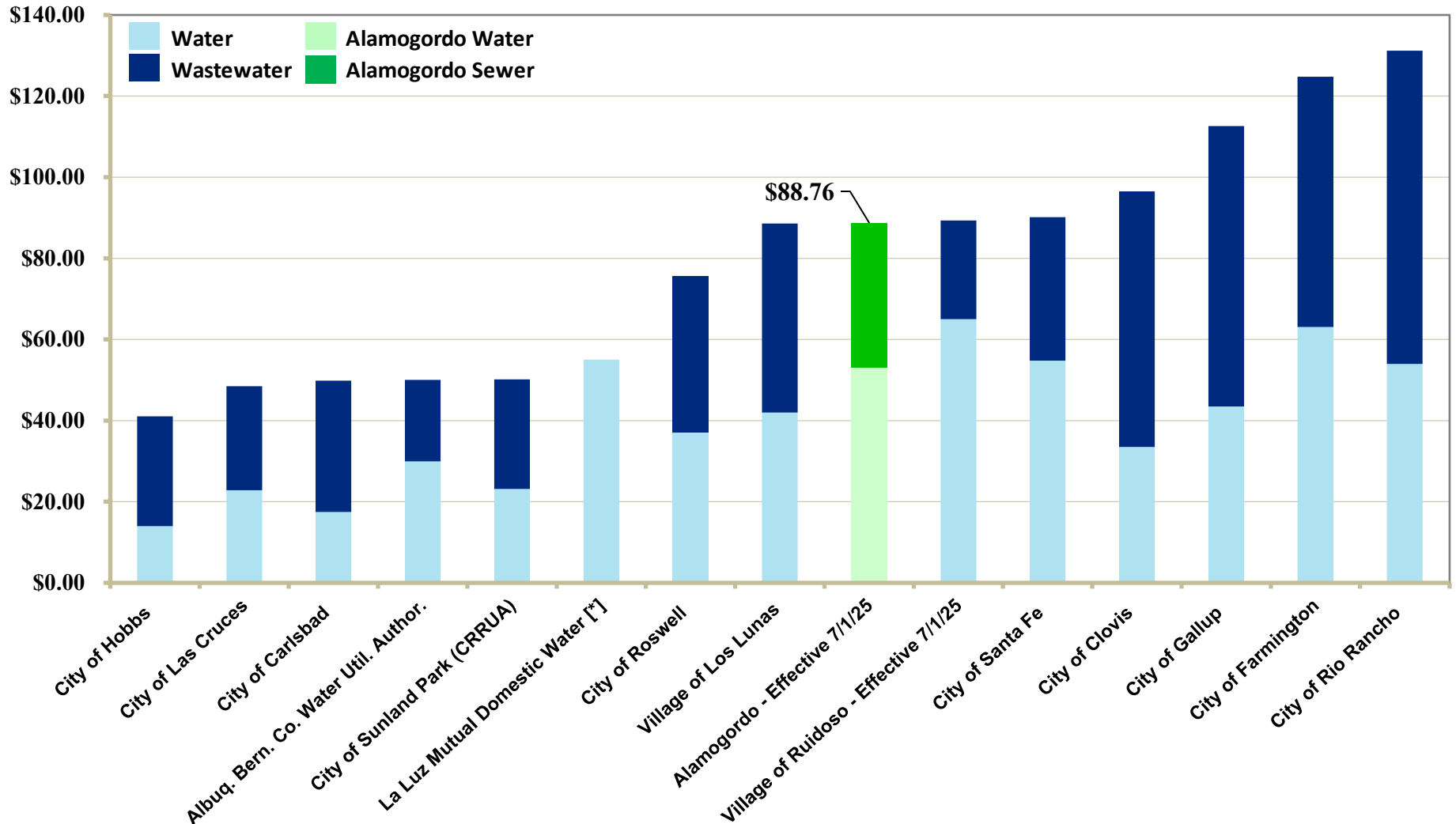
Comparison of Typical Monthly Residential Bills for Combined Water and Wastewater Service

Footnotes:

- [1] Unless otherwise noted, amounts reflect bills under single-family residential user rates in effect April 2025 and do not include any taxes, franchise fees, or water restriction surcharges, if any. These bills also reflect rates charged to customers within the municipal borders (e.g., no outside-municipality surcharges, if applied, are included in the bill comparison).
- [2] Reflects historical average usage of a typical single family residential customer with both water and wastewater service.
- [3] The City of Farmington's water monthly fixed charge includes \$28.49 service charge plus \$16.18 renewal and replacement charge. Water volumetric rates include \$0.03 per 1,000 gallons surcharge for funding a water rights acquisition program. The sewer monthly fixed charge includes a \$24.80 service charge and \$13.57 renewal and replacement charge.
- [4] Water volumetric rates include \$0.11 per 1,000 gallons for water rights.
- [5] Service is provided by the Camino Real Regional Utility Authority (CRRUA).

Rates Effective April 2025

Figure 1
City of Alamogordo, New Mexico
Comparison of Monthly Charges for
Combined Water and Wastewater Service for
Single Family Residential Customers Using 6,000 Gallons (8.0 ccf)



**APPENDIX A:
ADOPTED
WATER AND WASTEWATER
RATE RESOLUTION**

RESOLUTION NO. 2024-31

A RESOLUTION ADOPTING RATES AND FEES FOR WATER, SEWER AND RECLAIMED WATER SERVICE .

WHEREAS, the City Commission of the City of Alamogordo acknowledges that they have a responsibility to ensure the provision of safe, reliable, and sustainable water services to all users in the City of Alamogordo;

WHEREAS, the City of Alamogordo owns and operates a utility system that provides essential water and sewer services to residences and businesses, and that operates 24 hours per day and 365 days per year; and,

WHEREAS, the operational and financial sustainability of the utility system is vital to the public health and safety of the City's residents; and,

WHEREAS, because of its important link to public health and safety, the City's utility system is highly regulated, and the City could face fines or consent orders from regulatory agencies as a result of infrastructure failures or if current regulatory requirements are not met; and,

WHEREAS, as a desert community, the City heavily relies on its water system infrastructure to safely transport water several miles to utility customers; and,

WHEREAS, the current rate structure, established by ordinance 1506, has been in effect since July 2015 and no longer adequately reflects the cost of providing water services, maintaining infrastructure and ensuring regulatory compliance; and,

WHEREAS, the utility system has experienced tremendous inflation in operating costs since the last rate adjustments, such as the costs of PVC pipe increasing over 200%; and,

WHEREAS, many of the City's roads cannot be repaired until line break issues under the roads are addressed, but utility revenues have been insufficient to systematically fund the water and sewer portion of the City's Street Maintenance Program (SMP); and,

WHEREAS, the City has identified critical utility infrastructure capital needs for the next several years which must be funded through the rate and financial plan to ensure the operational and financial sustainability of the utility systems; and,

WHEREAS, there are nationwide issues with filling positions and keeping employees, and the City implemented the results of a pay study to help ensure that the utility has a well-trained, experienced, and sufficient utility staff to effectively operate the utility 24 hours per day and 365 days per year; to maintain the level of service; and to be prepared for emergencies; and,

WHEREAS, the City recently conducted a rate study to determine the rate adjustments needed to fund the critical capital needs and address certain operating deficiencies over the next ten years; and,

WHEREAS, rate adjustments are needed to provide access to capital markets for financing the critical capital needs, and funding the critical needs on a pay-as-you-go basis would require much higher rate adjustments; and,

WHEREAS, securing debt financing requires the City to demonstrate to lenders, bondholders, and credit rating agencies that the City has adopted a multi-year schedule of rates to support the debt; and,

WHEREAS, without rate adjustments, the utility may have issues meeting its existing debt obligations, which could lead to rate covenant default remedies available to lenders (e.g., accelerated payments); and,

WHEREAS, the City staff needs to know the revenue stream to implement the multi-year capital program since projects usually take more than one year to complete and funding must be in place to enable bidding for projects; and,

WHEREAS, the proposed rates are considered affordable by utility industry standards; and,

WHEREAS, the proposed rates are competitive with those charged by neighboring New Mexico local governments; and,

WHEREAS, the proposed rates provide a less complicated rate structure and eliminate mandatory account transfers (decrease in future liens); and,

WHEREAS, the City Commission finds that it is in the best interest of the public to adopt the multi-year schedule of water and sewer service charges as recommended by the rate consultant and as provided for in this Resolution;

THEREFORE BE IT RESOLVED, THAT upon final adoption of ordinance 1700 the rates and fees listed below shall be adopted by resolution:

ANCILLARY CHARGE FOR NONROUTINE SERVICES

The following ancillary charges are intended to defray costs of special, non-routine services provided to users of the city water system: All charges include tax where applicable.

- 1) Late fee per account if payment for water, sewer or residential garbage collection fees, or any combined billing is more than ten (10) calendar days past due:

10% of the bill amount. Late fee percentage does not compound or apply to any subsequent late fees or delinquency charges on the account.

- | | |
|--|------------|
| 2) Same day Service calls (Monday—Friday, 8:00 a.m.—5:00 p.m.) | \$55.00 |
| 3) Non Business Hour Service calls during all other times | \$110.00 |
| 4) Accounting Processing Fee | \$35.00 |
| 5) Property owners who submit statement of property ownership form(s) shall not be charged a transfer fee for the properties listed on the form unless terminated for non-payment. | |
| 6) Meter installation varies based on actual cost which includes parts mark-up. | |
| a. ¾ inch | \$300.00 |
| b. 1 inch | \$350.00 |
| c. 1 ½ inch | \$500.00 |
| d. 2 inch | \$1,400.00 |
| e. 4 inch | \$1,600.00 |
| 7) Administrative fee for all liens filed | \$200.00 |
| 8) Processing fee (active delinquent accounts) | \$35.00 |
| 9) Water Tapping Fees. Tap includes saddle, corporation stop or gate valve | |
| a. 1" Water Tap | \$1,054* |
| b. 1-1/4" Water Tap | \$1,377* |
| c. 1-1/2" Water Tap | \$1,359* |
| d. 2" Water Tap | \$1,525* |
| e. 4" Water Tap | \$7,863* |
| f. 6" Water Tap | \$8,826* |
| g. 8" Water Tap | \$10,393* |
| h. 10" Water Tap | \$13,266* |
| i. 12" Water Tap | \$15,392* |

*or Cost Recovery, whichever is higher

WATER SERVICE

Description	Fiscal Year Ending June 30,				
	2025	2026	2027	2028	2029
<u>Household Customers - Inside City</u>	<i>Monthly Base Charge</i>				
3/4" Meter	19.37	24.21	29.05	34.86	37.30
1" Meter	27.59	34.49	41.39	49.67	53.15
1-1/2" Meter	41.25	51.56	61.87	74.24	79.44
Multi-Family Unit	19.37	24.21	29.05	34.86	37.30
<i>Usage</i>	<i>Usage Charge (Per Hundred Cubic Feet [CCF])</i>				
All Usage Except for Irrigation Accounts	2.88	3.60	4.32	5.18	5.54
Irrigation Account Usage	5.76	7.20	8.64	10.36	11.08
<u>Household Customers - Outside City</u>	<i>Monthly Base Charge</i>				
3/4" Meter	38.74	48.42	58.10	69.72	74.60
1" Meter	55.18	68.98	82.78	99.34	106.30
1-1/2" Meter	82.50	103.12	123.74	148.48	158.88
Multi-Family Unit	38.74	48.42	58.10	69.72	74.60
<i>Usage</i>	<i>Usage Charge (Per Hundred Cubic Feet [CCF])</i>				
All Usage Except for Irrigation Accounts	5.76	7.20	8.64	10.36	11.08
Irrigation Account Usage	11.52	14.40	17.28	20.72	22.16
<u>Non-Household Customers - Inside City</u>	<i>Monthly Base Charge</i>				
3/4" Meter	24.18	30.22	36.26	43.51	46.56
1" Meter	66.82	83.52	100.22	120.26	128.68
1-1/2" Meter	109.39	136.74	164.09	196.91	210.69
2" Meter	140.96	176.19	211.43	253.72	271.48
3" Meter	294.24	367.80	441.36	529.63	566.70
4" Meter	409.98	512.47	614.96	737.95	789.61
6" Meter	716.83	896.04	1,075.25	1,290.30	1,380.62
<i>Usage</i>	<i>Usage Charge (Per Hundred Cubic Feet [CCF])</i>				
All Usage Except for Irrigation Accounts	2.88	3.60	4.32	5.18	5.54
Irrigation Account Usage	5.76	7.20	8.64	10.36	11.08
<u>Non-Household Customers - Outside City</u>	<i>Monthly Base Charge</i>				
3/4" Meter	48.36	60.44	72.52	87.02	93.12
1" Meter	133.64	167.04	200.44	240.52	257.36
1-1/2" Meter	218.78	273.48	328.18	393.82	421.38
2" Meter	281.92	352.38	422.86	507.44	542.96
3" Meter	588.48	735.60	882.72	1,059.26	1,133.40
4" Meter	819.96	1,024.94	1,229.92	1,475.90	1,579.22
6" Meter	1,433.66	1,792.08	2,150.50	2,580.60	2,761.24
<i>Usage</i>	<i>Usage Charge (Per Hundred Cubic Feet [CCF])</i>				
All Usage Except for Irrigation Accounts	5.76	7.20	8.64	10.36	11.08
Irrigation Account Usage	11.52	14.40	17.28	20.72	22.16

SEWER SERVICE

Description	Fiscal Year Ending June 30,				
	2025	2026	2027	2028	2029
<u>Household Customers - Inside City</u>	<u>Monthly Base Charge</u>				
3/4" Meter	\$ 17.68	\$ 22.10	\$ 26.52	\$ 31.82	\$ 34.05
1" Meter	24.90	31.12	37.34	44.81	47.95
1-1/2" Meter	33.15	41.44	49.73	59.68	63.86
Multi-Family Unit	17.68	22.10	26.52	31.82	34.05
	<u>Usage Charge (Per Hundred Cubic Feet [CCF])</u>				
Commodity Rate Per CCF - Applied to 90% of Water Used [2]	\$ 1.50	\$ 1.88	\$ 2.26	\$ 2.71	\$ 2.90
<u>Household Customers - Outside City</u>	<u>Monthly Base Charge</u>				
3/4" Meter	\$ 35.36	\$ 44.20	\$ 53.04	\$ 63.64	\$ 68.10
1" Meter	49.80	62.24	74.68	89.62	95.90
1-1/2" Meter	66.30	82.88	99.46	119.36	127.72
Multi-Family Unit	35.36	44.20	53.04	63.64	68.10
	<u>Usage Charge (Per Hundred Cubic Feet [CCF])</u>				
Commodity Rate Per CCF - Applied to 90% of Water Used [2]	\$ 3.00	\$ 3.76	\$ 4.52	\$ 5.42	\$ 5.80
<u>Non-Household Customers - Inside City</u>	<u>Monthly Base Charge</u>				
3/4" Meter	\$ 17.68	\$ 22.10	\$ 26.52	\$ 31.82	\$ 34.05
1" Meter	24.90	31.12	37.34	44.81	47.95
1-1/2" Meter	33.15	41.44	49.73	59.68	63.86
2" Meter	61.36	76.70	92.04	110.45	118.18
3" Meter	210.21	262.76	315.31	378.37	404.86
4" Meter	272.35	340.44	408.53	490.24	524.56
6" Meter	416.33	520.41	624.49	749.39	801.85
	<u>Usage Charge (Per Hundred Cubic Feet [CCF])</u>				
Commodity Rate Per CCF - Applied to 90% of Water Used	\$ 1.50	\$ 1.88	\$ 2.26	\$ 2.71	\$ 2.90
<u>Non-Household Customers - Outside City</u>	<u>Monthly Base Charge</u>				
3/4" Meter	\$ 35.36	\$ 44.20	\$ 53.04	\$ 63.64	\$ 68.10
1" Meter	49.80	62.24	74.68	89.62	95.90
1-1/2" Meter	66.30	82.88	99.46	119.36	127.72
2" Meter	122.72	153.40	184.08	220.90	236.36
3" Meter	420.42	525.53	630.62	756.74	809.72
4" Meter	544.70	680.88	817.06	980.48	1,049.12
6" Meter	832.66	1,040.82	1,248.98	1,498.78	1,603.70
	<u>Usage Charge (Per Hundred Cubic Feet [CCF])</u>				
Commodity Rate Per CCF - Applied to 90% of Water Used	\$ 3.00	\$ 3.76	\$ 4.52	\$ 5.42	\$ 5.80

RECLAIMED WATER SERVICE

Description	Fiscal Year Ending June 30,				
	2025	2026	2027	2028	2029
<u>All Customers</u>					
Commodity Charge Per CCF - Inside City	\$ 2.88	\$ 3.60	\$ 4.32	\$ 5.18	\$ 5.54
Commodity Charge Per CCF - Outside City	5.76	7.20	8.64	10.36	11.08

Footnotes:

- [1] For all users which are located outside city limits, the rates are two (2) times the monthly customer and commodity charges.
- [2] The existing sewer commodity charge for all household customers is currently billed based on a winter quarterly rate. Under the proposed rates, 90% of all metered water usage shall be billed for sewer usage.

PASSED, APPROVED AND ADOPTED this 25th day of June, 2024.

CITY OF ALAMOGORDO, NEW MEXICO
a New Mexico municipal corporation

By:

Susan L. Payne
Susan L. Payne, Mayor

ATTEST:

Rachel Hughs
Rachel Hughs, City Clerk

APPROVED AS TO FORM:

Ashley Smith
Ashley Smith, City Attorney

**APPENDIX B:
DETAILED FISCAL YEAR 2025
ACTUAL UTILITY
OPERATING REVENUE**

Account	Description	2025 Original Budget	2025 Revised Budget	2025 Actual	2025 Actual as of	Annualized
					May 2, 2025	
Revenue						
081.000.0000.0000.40240.	FEES-BACKFLOW ADMIN	0.00	0.00	0.00	0.00	
081.000.0000.0000.40241.	FEES-BACKFLOW CERT	0.00	0.00	-30.00	0.00	
081.000.0000.0000.40242.	FEES-CONTAINMENT INSP	0.00	0.00	0.00	0.00	
081.000.0000.0000.40243.	FEES-INITIAL INSTALLATION	0.00	0.00	-18,783.00	18,783.00	18,783.00
081.000.0000.0000.40244.	FEES-TESTER FILING	0.00	0.00	0.00	0.00	0.00
081.000.0000.0000.40411.	USER FEES-RELEASE OF LIENS	-7,600.00	-7,600.00	-4,150.00	4,150.00	4,150.00
081.000.0000.0000.40412.	USER FEES-ADMINISTRATION	-24,000.00	-24,000.00	-34,489.65	34,489.65	34,489.65
081.000.0000.0000.40460.	USER FEES-WATER BASE RATES	-3,712,029.00	-3,712,029.00	-3,123,990.31	3,123,990.31	3,748,788.37
081.000.0000.0000.40461.	USER FEES-SEWER BASE RATES	-2,833,024.00	-2,833,024.00	-2,453,416.65	2,453,416.65	2,944,099.98
081.000.0000.0000.40462.	USER FEES-CITY BASE RATES	-45,162.00	-45,162.00	-43,848.11	43,848.11	52,617.73
081.000.0000.0000.40463.	USER FEES-WATER CONSUMPTION	-4,832,958.00	-4,832,958.00	-3,847,878.97	3,847,878.97	4,617,454.76
081.000.0000.0000.40464.	USER FEES-SEWER CONSUMPTION	-1,631,819.00	-1,631,819.00	-1,724,964.15	1,724,964.15	2,069,956.98
081.000.0000.0000.40465.	USER FEES-CITY CONSUMPTION	-56,989.00	-56,989.00	-37,852.18	37,852.18	45,422.62
081.000.0000.0000.40466.	USER FFES-RECLAIMED WATER	-69,958.00	-69,958.00	-76,658.01	76,658.01	91,989.61
081.000.0000.0000.40467.	USER FFES-CONNECTION	-24,429.00	-24,429.00	-11,481.74	11,481.74	13,778.09
081.000.0000.0000.40468.	USER FEES-SERVICE CHARGE	-387,622.00	-387,622.00	-316,854.13	316,854.13	380,224.96
081.000.0000.0000.40469.	USER FEES-APPLICATION	-56,739.00	-56,739.00	-59,435.00	59,435.00	71,322.00
081.000.0000.0000.40470.	USER FEES-CAPITAL SURCHARGE	-203,638.00	-203,638.00	-488.16	488.16	488.16
081.000.0000.0000.40471.	USER FEES-FORECLOSURE	-6,500.00	-6,500.00	0.00	0.00	0.00
081.000.0000.0000.40472.	USER FEES-SEPTAGE DISPOSAL	0.00	0.00	0.00	0.00	0.00
Total Water and Wastewater User Rate Revenues					\$11,231,950.37	\$13,478,340.44
Total Other Operating Revenues					\$522,339.69	\$615,225.47
Total Operating Revenues					\$11,754,290.06	\$14,093,565.91

2025

**CITY OF ALAMOGORDO
FISCAL YEAR 2025
UTILITY REVENUE ANALYSIS**

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/19/2025

Report No: 8.

Submitted By: Darrell Mori

Subject: Approval to Cure a Violation of the Open Meetings Act Pursuant to NMSA 1978, Section 10-15-3(B), by Acknowledging and Reaffirming Actions Taken on March 31, April 1, and April 2, 2025. *(Darrell Mori, City Attorney)*

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation:

Background:

Approval to Cure a Violation of the Open Meetings Act Pursuant to NMSA 1978, Section 10-15-3(B), by Acknowledging and Reaffirming Actions Taken on March 31, April 1, and April 2, 2025. Section 10-15-3(B) reads, "All actions of any public body that are not in compliance with the Open Meetings Act are invalid unless subsequently ratified by the public body in an open meeting held in accordance with the Open Meetings Act."

Violations:

1. Violations NMSA 1978, Section 10-15-1(B) "Public Meetings Subject to the Act", and
2. NMSU 1978 Section 10-15-1 (D) "Notice Requirements" for City Manager Interviews held on March 31, April 1, and April 2, 2025.

Sequence of Events

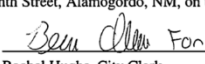
March 25, 2025

The Governing Body, by a 6-0 vote, adjourned into Executive Closed Session in compliance with 10-15-1(H)(2)NMSA (as amended) to discuss: Limited Personnel Matters (City Manager). Commissioner Burnett joined the executive session by phone. The outcome of the executive session was direction from the commission through the Mayor via email on 3/25/2025 at 10:12 p.m. to the Human Resources Director to set up first interviews for the nine that qualified.

March 31, 2025

On March 31, 2025, at 5:18 p.m., the Human Resources Director gave the Deputy City Clerk the City Manager interview dates and times for a quorum notice.

On April 1, 2025, at 8:00 a.m., a Notice of Potential Quorum was posted instead of a Special Meeting notice.

NOTICE OF POTENTIAL QUORUM	
In accordance with Section 10-15-1(H), NMSA 1978 (as amended), notice is hereby given that a quorum of the Governing Body (City Commission) of the City of Alamogordo, New Mexico may attend the following:	
City Manager Interviews in the Human Resources Department at City Hall on Monday, March 31, 2025, Tuesday, April 1, 2025, and Wednesday, April 2, 2025, from approximately 4:00 PM to 7:00 PM.	
Name of Location	Address
Human Resources Department at City Hall	1376 E Ninth Street
This notice is posted because there may be a potential quorum present. No action will be taken.	
I hereby certify that this notice was posted on the bulletin board located in the east/west lobby of the Municipal Building, 1376 E. Ninth Street, Alamogordo, NM, on the 1st day of April 2025.	
 Rachel Hughes, City Clerk	

As a result, the governing body met in person and conducted Zoom interviews with candidates. They met during the following times and days:

- Monday, March 31, 2025 3:30 PM – 7:30 PM
- Tuesday, April 1, 2025 3:30-5:30 PM
- Wednesday, April 2, 2025 4:30-6:30 PM

Three candidates were selected to proceed to the second round based on the first-round interviews. While interviews were scheduled, they were not conducted.

What should have occurred:

- Three special meetings should have been scheduled for the respective dates.
- Public notice for each special meeting should have been published at least three days before, as required.
- During each special meeting, the City Commission should have convened and then adjourned to conduct the interviews in an executive session.

Legal Consequences under OMA

- Civil Enforcement (Injunctions and Lawsuits): New Mexico's Attorney General or the local District Attorney can take enforcement actions to ensure compliance.
- Criminal Penalty: Knowingly violating the Open Meetings Act is a misdemeanor offense in New Mexico. Section 10-15-4 provides that any person who knowingly violates OMA can be found guilty of a misdemeanor and fined up to \$500 for each offense.
- Removal or Recall (Political Consequences): Although not spelled out in the statute, officials who flout OMA may also face political consequences. Violations often erode public trust and can lead to public censure. In some cases, patterns of OMA violations can be grounds for recall petitions or calls for resignation since they indicate a disregard for open government law.

While the City Commission's approval of the proposed cure is a necessary procedural step in acknowledging and addressing the violation, the final determination of whether the violation has been fully cured is dependent upon the New Mexico Department of Justice's acceptance.

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 6/24/2025

Report Date: 06/18/2025

Report No: 9.

Submitted By: Darrell Mori

Subject: Information on the cancellation of the city manager recruitment. (*Darrell Mori, City Attorney*)

Fiscal Impact:

Amount Budgeted:

Fund:

Additional Fiscal Impact:

Recommendation:

Background: On 4/24/2025, the Human Resources Director canceled the city manager recruitment process. This action does not constitute a direct violation of the Open Meetings Act under NMSA 1978, § 10-15-1(B), due to it being an administrative decision rather than one taken by a quorum of the Commission.