

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, December 18, 2014

Zia Room – Library

1:30 p.m.

AGENDA

- | | |
|---|-----------------|
| A. Welcome | Pat Chappelle |
| B. Adoption of Agenda | Pat Chappelle |
| C. Approval of Minutes of November 21, 2014 | Pat Chappelle |
| D. President's Report | Steve McCleery |
| E. New Business | |
| 1. Monthly Expenditures Report | Dan Hardin |
| 2. Monthly Revenue Report | Dan Hardin |
| 3. Oil and Gas Revenue Report | Dan Hardin |
| 4. Schedule of Investments | Dan Hardin |
| 5. Consideration of Board Election Resolution | Steve McCleery |
| 6. Consideration of MOU | Steve McCleery |
| 7. Personnel Consideration - Professor of Nursing | Dennis Atherton |
| 8. Personnel Consideration - Professor of Biology | Dennis Atherton |
| 9. Consideration of Retirement Resolution | Steve McCleery |
| F. Public Comments | Pat Chappelle |
| G. Announcement of Next Meeting | Pat Chappelle |
| H. Closure of Open Meeting | Pat Chappelle |
| I. Adjournment | Pat Chappelle |

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

NOVEMBER 21, 2014

MINUTES

The New Mexico Junior College Board met on Friday, November 21, 2014, beginning at 1:30 p.m. in the Zia Room of Pannell Library. The following members were present: Ms. Patricia Chappelle, Madam Chair; Mr. Ron Black, Secretary; Mr. Travis Glenn; Mr. Manny Gomez, Mrs. Mary Lou Vinson, Mr. Zeak Williams; and Mr. Hector Baeza.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Jaycie Chesser, News-Sun.

Upon a motion by Mrs. Vinson, seconded by Mr. Gomez, the agenda was unanimously adopted.

Upon a motion by Mr. Williams, seconded by Mr. Glenn, the Board unanimously approved the minutes of October 31, 2014.

Under President's Report, August Fons provided correspondence from the New Mexico Law Enforcement Academy with the New Mexico Department of Public Safety. Correspondence stated the Southeastern New Mexico Law Enforcement Academy met the statutory and code requirements for renewal of certification with all standards being met and/or exceeded. August Fons complimented Ms. Angela Byrd on her leadership of the program.

Under New Business, Dan Hardin presented the October financial reports. Upon a motion by Mr. Black, seconded by Mr. Williams, the Board unanimously approved the Expenditure Report for October, 2014. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed. Mr. Hardin further pointed out a correction has been made to Interest Earned from \$1,254 to \$1,277 to the Schedule of Investments Report.

Bill Morrill & Dennis Kelley recommended Mr. Orlynn W. Eaton for the Public Safety Officer position at a twelve month salary of \$56,200. Upon a motion by Mrs. Vinson, seconded by Mr. Gomez, the Board unanimously approved the employment of Mr. Orlynn W. Eaton, effective December 1, 2014.

Charley Carroll recommended Mr. Royce Neil Sudduth for the General Maintenance Foreman position at a 12 month salary of \$53,973. Upon a motion by Mr. Gomez, seconded by Mr. Black, the Board unanimously approved the employment of Mr. Royce Neil Sudduth, effective December 1, 2014.

Ms. Chappelle called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, December 18, 2014 beginning at 1:30 pm.

Mr. Black moved the board go into closed session for the discussion of limited personnel matters under the provisions of section 10-15-1-H (2) of New Mexico Statutes Annotated 1978. Mr. Glenn seconded the motion. The roll call vote was as follows: Mr. Baeza – yes; Mr. Williams – yes; Mr. Black – yes; Mrs. Vinson – yes; Mr. Glenn – yes; Mr. Gomez – yes and Ms. Chappelle - yes.

Upon re-convening in open meeting, Ms. Chappelle stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

Upon a motion by Mr. Black, seconded by Mrs. Vinson, the board meeting adjourned at 2:45 p.m.

Pat Chappelle, Chair

Ron Black, Secretary

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
November 2014

42% of Year Completed

Fund	2013-14			2014-15			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	9,106,822	3,551,678	39%	9,731,091	897,022	3,733,580	38%
Academic Support	2,259,588	970,007	43%	2,273,743	163,588	978,783	43%
Student Services	1,823,694	693,150	38%	1,840,687	134,029	747,384	41%
Institutional Support	3,337,419	1,610,614	48%	3,528,284	290,276	1,759,172	50%
Operation & Maintenance of Plant	3,288,327	1,435,630	44%	3,541,829	237,762	1,590,194	45%
Subtotal - Instruction & General	19,815,850	8,261,079	42%	20,915,634	1,722,677	8,809,113	42%
Student Activities	0	0	0%	0	0		0%
Research	0	0	0%	0	0		0%
Public Service	0	0	0%	0	0		0%
Internal Service Departments	84,909	204,725	241%	87,145	81,101	273,122	313%
Student Aid	568,551	425,686	75%	593,551	36,988	458,361	77%
Auxiliary Enterprises	1,799,060	843,261	47%	1,800,693	118,170	834,071	46%
Athletics	1,019,727	584,410	57%	1,029,348	84,881	586,900	57%
Total Current Unrestricted Fund	23,288,097	10,319,161	44%	24,426,371	2,043,817	10,961,567	45%
CURRENT RESTRICTED FUND							
Grants	1,280,443	382,735	30%	1,157,859	125,386	544,950	47%
Student Aid	5,033,468	2,487,201	49%	5,033,468	41,254	1,960,234	39%
Total Current Restricted Fund	6,313,911	2,869,936	45%	6,191,327	166,640	2,505,184	40%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	15,096,621	5,200,862	34%	13,644,389	95,213	2,231,211	16%
Projects from State GOB Funds	3,324,582	2,714,359	82%	2,811,681	366,617	2,498,550	89%
Projects from State STB Funds	1,487,000	1,023,485	69%	425,000		0	0%
Projects from General Fund	275,374	22,105	8%	153,179	1,924	8,715	6%
Projects from Private Funds	0	0	0%	0		0	0%
Projects from State ER&R	671,725	296,516	44%	494,616	32,577	242,272	49%
Projects from State BR&R	1,003,998	510,545	51%	774,549	2,384	260,003	34%
Subtotal - Capital and BR&R	21,859,300	9,767,872	45%	18,303,414	498,715	5,240,751	29%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	21,859,300	9,767,872	45%	18,303,414	498,715	5,240,751	29%
GRAND TOTAL EXPENDITURES	51,461,308	22,956,969	45%	48,921,112	2,709,172	18,707,502	38%

NEW MEXICO JUNIOR COLLEGE

Revenue Report

November 2014

42% of Year Completed

Fund	2013-14			2014-15			
	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Tuition and Fees	3,684,200	2,489,531	68%	3,684,200	434,344	2,454,758	67%
State Appropriations	5,933,300	2,454,750	41%	5,933,300	498,489	2,555,043	43%
Advalorem Taxes - Oil and Gas	6,455,000	3,810,868	59%	6,455,000	1,171,629	3,799,134	59%
Advalorem Taxes - Property	5,455,000	0	0%	5,455,000		0	0%
Interest Income	5,000	761	15%	5,000	52	727	15%
Other Revenues	356,361	127,808	36%	356,361	33,103	234,786	66%
Subtotal - Instruction & General	21,888,861	8,883,718	41%	21,888,861	2,137,617	9,044,448	41%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	24,000	5,160	22%	24,000	2,433	4,907	20%
Auxiliary Enterprises	2,213,000	1,257,922	57%	2,213,000	57,992	1,395,530	63%
Athletics	330,900	137,525	42%	330,900	41,327	205,260	62%
Total Current Unrestricted	24,456,761	10,284,325	42%	24,456,761	2,239,369	10,650,145	44%
CURRENT RESTRICTED FUND							
Grants	1,179,460	329,761	28%	1,179,460	128,300	561,651	48%
Student Aid	5,033,468	2,278,155	45%	5,033,468	11,562	1,709,914	34%
Total Current Restricted	6,212,928	2,607,916	42%	6,212,928	139,862	2,271,565	37%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	0	0	0%	0	398,117	706,119	0%
Projects from State STB Funds	427,000	109,855	26%	427,000	0	0	0%
Projects from General Fund	0	0	0%	0	0	0	0%
Projects from Private Funds	0	0	0%	0	0	0	0%
Interest Income (LGIP)	30,000	5,071	17%	30,000	1,331	5,476	18%
Total Plant Funds	457,000	114,926	25%	457,000	399,448	711,595	156%
GRAND TOTAL REVENUES	31,126,689	13,007,167	42%	31,126,689	2,778,679	13,633,305	44%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

November 2014

42% of Year Completed

		OIL		GAS		COMBINED		
Sales	Month of Distribution	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2011-12 Original Budget	Variance Over (Under) Budget
Actual	July	\$75.60	5,043,401	\$5.99	15,571,479	1,232,271	465,000	767,271
Actual	August	\$80.78	4,888,347	\$5.46	15,838,690	1,090,531	465,000	625,531
Accrual	September					465,000	465,000	0
Accrual	October					465,000	465,000	0
Accrual	November					465,000	465,000	0
Accrual	December						465,000	(465,000)
Accrual	January						465,000	(465,000)
Accrual	February						465,000	(465,000)
Accrual	March						465,000	(465,000)
Accrual	April						465,000	(465,000)
Accrual	May						465,000	(465,000)
Accrual	June						465,000	(465,000)
Y.T.D. Production Tax Revenue						3,717,802	5,580,000	(1,862,198)
Y.T.D. Equipment Tax Revenue						81,332	1,500,000	(1,418,668)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>3,799,134</u>	<u>7,080,000</u>	<u>(3,280,866)</u>

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE
Schedule of Investments
November 2014

42% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	9,589,592	7102-1348	0.104%	1,331
Plus deposits	0			
Less withdrawals	0			
Total LGIP investments	<u><u>9,589,592</u></u>			<u><u>5,476</u></u>

Capital Projects	11/30/2014
Vehicles	15,112.94
Technology Upgrade	39,216.31
JASI	44,432.96
WHM South Gallery	266,594.43
Baseball Field	30,162.95
Rodeo Arena	0.00
Original Entrance Landscaping	7,250.00
Luminis Software	2,993.00
Landscaping	181,978.42
Campus Signage	2,801.67
Roof Replacement	27,382.26
Dorm/Apartment Refurbish	326,624.72
Campus Construction	397,821.90
Oil & Gas Training	245,674.97
Maintenance Equipment	3,452.01
Public Sector	19,227.00
Campus Security	84,211.20
Track/Arena Area Enhancement	15,396.78
Lumens Software-Distance Learnig	5,000.00
Copier Replacement	19,005.00
Non-Recurring Compensation	152,169.10
Athletics	150,451.47
Student Life Programming	13,446.63
Warehouse/Cont Ed Remodel	1,640.92
Succession Plan	108,152.25
Energy Technology Equipment	300,000.00
WHM Exhibits	116,098.78
Mansur Hall Upgrades	61,944.06
Senior Warm Water Wellness Ctr	1,500,000.00
Paradigms Users Fees	0.00
Track Upgrades	27,824.44
Driving Range Upgrades	200,000.00
Lockheed Martin Nuclear Training	350,000.00
Cosmetology Remodel	700,000.00
Equine Program	15,108.75
Entertainment Technology	1,300,215.30
Cafeteria Upgrade	44,194.92
Channel 19 Upgrade	25,000.00
FERPA & Title IX	9,459.00
Professional Development HS	14,036.29
Equestrian Center	3,000,000.00
Bob Moran Upgrades	657,933.30
Campus/Hospital Fencing	200,000.00
Turf Replacement	200,000.00
Watson Hall Theater	265,455.52
Infrastructure Upgrade	1,473,937.50
Cadet Supplement	21,807.54
Workforce Training Contingency	5,794.60
TOTAL	<u><u>12,649,008.89</u></u>

**NEW MEXICO JUNIOR COLLEGE DISTRICT ELECTION
MARCH 3, 2015**

December 19, 2014	21-13-18.1	Board must file Resolution calling election with County Clerk <i>(3rd Friday in December)</i>
January 8th or 15th 2015	1-22-4C	Publication of Resolution <i>(Not less than 50 day preceding election)</i>
January 14, 2015	21 -13-18.2A	Filing day for candidates 9:00 A.M. to 5:00 P.M. with County Clerk. <i>(48 days preceding election)</i>
January 27, 2015	1-22-9	Deadline for withdrawal of candidacy before 5:00 P.M. <i>(35 days preceding election)</i>
January 27, 2015	21-13-18.2D	Filing day for write-in candidates before 5:00 P.M. <i>(35 days preceding election)</i>
February 1, 2015	1-22-10B	Ballots to be printed. <i>(30 days preceding election)</i>
February 3, 2015	1-4-8	Close voter registration <i>(28 days preceding election)</i>
February 6th through February 27th 2015	1-22-19B	Absentee voting in the County Clerk's Office. <i>(25th day preceding election until Friday immediately prior to the date of election)</i>
February 19th & 26th, 2015	1-22-11	Publish election proclamation. <i>(once each week for 2 successive weeks, last day within 7 days, but not later than 2 days preceding date of election)</i>
February 27, 2015	1-11-11	Voting machines delivered. <i>(At least 3 days before polls are required to opened)</i>
March 03, 2015		ELECTION DAY
March 5th or 6th, 2015	1-22-15	Canvass election. <i>(within 3 days after date of election)</i>
March 09, 2015	1-4-8	Books re-open. <i>(Monday following election)</i>
March 12th or 19th, 2015	1-22-15	Publish election results. <i>(Once in a newspaper of general circulation in the school district)</i>

TO ELECT THREE (3) BOARD MEMBERS

**DISTRICT 1 – (6 YEAR TERM)
DISTRICT 3 – (6 YEAR TERM)
DISTRICT 6 – (6 YEAR TERM)**

RESOLUTION

NEW MEXICO JUNIOR COLLEGE BOARD ELECTION TO BE HELD IN
THREE OF THE SEVEN VOTING DISTRICTS
LEA COUNTY, NEW MEXICO
TUESDAY, MARCH 3, 2015
7:00 A.M. TO 7:00 P.M.

PUBLIC NOTICE IS HEREBY GIVEN that a New Mexico Junior College Board election shall be held in three of the seven voting districts, Lea County, New Mexico, on Tuesday, the 3rd day of March, 2015 at which time there shall be submitted for vote to the qualified, registered elector of the District, the following matter:

The term of office for three board positions on the New Mexico Junior College Board shall expire on March 31, 2015. It is necessary that an election take place to fill these positions. The term of office for Districts 1, 3, and 6 Board Members is six years.

The polls for said election will be opened at 7:00 a.m. on the day of said election and will be closed at 7:00 p.m. Precincts shall be consolidated for this election. The polling place for the consolidated precincts (such polling place being located within the consolidated precinct) is as follows:

ELECTION PRECINCTS		
DISTRICT NO.	CONSOLIDATED	POLLING PLACES
I	Lea County Precincts 2,3,10,13,18,21 and 26	Lea County Clerk's Office 100 North Main Lovington, NM 88260
III	Lea County Precincts 20,22,23,27 and a portion of 28	Lea County Clerk's Office 100 North Main Lovington, NM 88260
VI	Lea County Precincts 35,51,52,54,55 and a portion of 53	Lea County Clerk's Office 100 North Main Lovington, NM 88260

A map of the district is available for inspection at the President's Office, New Mexico Junior College or in the office of the County Clerk.

Each voter shall cast his or her ballot in the precinct and district for which he or she resides and is currently registered and for the candidate of that district.

Residents of the New Mexico Junior College District living in the above district who are qualified electors of the State of New Mexico, shall be eligible to become a candidate to serve as a member of the New Mexico Junior College Board and shall file a declaration of candidacy on the form prescribed by law for the district in which they reside with the County Clerk of Lea

County, Lea County Courthouse, Lovington, New Mexico on the 48th day before the election, January 14, 2015, commencing at 9:00 a.m. and ending at 5:00 p.m. on the same day.

No ballot on the Board Member election shall be received by any polling place board unless the person offering to vote is a registered, qualified elector of the District.

Residents of the New Mexico Junior College District who are qualified electors of the State of New Mexico and residents of the district for which they desire to become write-in candidate as a member of the New Mexico Junior College Board shall file a declaration of intent to be a write-in candidate on the form prescribed by law with the County Clerk of Lea County, Lea County Courthouse, Lovington, New Mexico, before 5:00 p.m. on the 35th day before the election, January 27, 2015.

The registration books of Lea County shall be closed by the County Clerk at 5:00 p.m. on Tuesday, February 3, 2015. Any person otherwise eligible to vote as a qualified elector and not currently registered, may register prior to such time at the city clerk's office or in the office of the County Clerk.

Absentee voting shall be at the Office of the County Clerk, Lea County Courthouse, Lovington, New Mexico during the regular hours and days of business beginning at 8:00 a.m. on Friday, February 6, 2015, and ending at 5:00 p.m. on Friday, February 27, 2015. Absentee ballots can be obtained from the Office of the County Clerk, Lea County, New Mexico.

Any information concerning absentee ballots, polling places, or any other matters relating to the election can be obtained from the Office of the County Clerk, Lea County, New Mexico.

IN TESTIMONY WHEREOF, the New Mexico Junior College Board of the New Mexico Junior College District, Lea County, New Mexico has caused this notice to be published as required by law and dated this 18th day of December, 2014.

CHAIRMAN

ATTEST:

SECRETARY

RESOLUCIÓN

ELECCIONES PARA LA MESA DIRECTIVA DEL NEW MEXICO JUNIOR COLLEGE SE LLEVARÁN A CABO EN TRES DE LOS SIETE DISTRITOS ELECTORALES
CONDADO DE LEA, NUEVO MÉXICO
MARTES, 3 DE MARZO DE 2015
7:00 A.M. A 7:00 P.M.

CON LA PRESENTE SE DESEA ANUNCIAR al público que las elecciones para puestos en la mesa directiva del New Mexico Junior College van a celebrarse en tres de los siete distritos electorales, condado de Lea, Nuevo México, el martes 3 de marzo de 2015, cual día se presentarán a electores registrados con el distrito la siguiente cuestión:

El período de servicio para los tres puestos de la mesa directiva del New Mexico Junior College terminará el día 31 de marzo de 2015. Es necesario llevar a cabo una elección para llenar los vacantes. El período de servicio para miembros de la mesa directiva para los distritos 1, 3 y 6 es de 6 años de duración

Las urnas para dicha elección estarán disponibles a partir de las 7 de la mañana y cerrarán a las 7 de la tarde. Los distritos electorales formarán grupos para esta elección. La ubicación para el centro de elecciones (dentro de los designados distritos electorales) se organizará como sigue:

DISTRITOS ELECTORALES		
DISTRITO	AGRUPADOS	URNAS
I	Distritos del condado de Lea 2,3,10,13,18,21 y 26	Secretaría del Condado 100 North Main Lovington, NM 88260
III	Distritos del condado de Lea 20,22,23,27 y una porción del 28	Secretaría del Condado 100 North Main Lovington, NM 88260
VI	Distritos del condado de Lea 35,51,52,54,55 y una porción del 53	Secretaría del Condado 100 North Main Lovington, NM 88260

A map of the district is available for inspection at the President's Office, New Mexico Junior College or in the office of the County Clerk.

Una gráfica con el mapa de los distritos está disponible para su observación en la despacho del presidente, New Mexico Junior College, o en la Secretaría del condado.

Cada elector con registro electoral vigente debe presentar su boleta en el distrito y centro electoral designado según su domicilio.

Residentes del distrito de New Mexico Junior College que vivan en los distritos supracitados y que sean electores cualificados del estado de Nuevo México pueden calificar para postularse como miembros de la mesa directiva del New Mexico Junior College y deben hacer constar su deseo de postularse como candidatos para el puesto empleando el formulario delineado por la ley para el distrito donde residan, llevando el formulario a la Secretaría del condado de Lea, Lea County Courthouse, Lovington, Nuevo México, precisamente 48 días antes de las elecciones, a saber, el 14 de enero 2015 a partir de las 9 de la mañana y finalizando a las 5 de la tarde de dicha fecha.

A menos que la persona que presente una boleta para las elecciones de la mesa directiva sea un elector cualificado de dicho distrito su boleta no se aceptará.

Quienes residan en el distrito del New Mexico Junior College que además cualifiquen como electores del estado de Nuevo México y residan dentro del distrito para el cual desean postularse como candidatos no registrados para puestos en la mesa directiva del New Mexico Junior deben hacer constar su deseo de postularse como candidatos no registrados en el formulario delineado por la ley en la secretaría del condado de Lea, Lea County Courthouse, Lovington, New Mexico, antes de las 5:00 p.m., precisamente 35 días antes de la fecha de elección a saber el 27 de enero de 2015.

La directora de la secretaría del condado local va a cerrar los libros de inscripción a las 5:00 p.m. el día martes 3 de febrero 2015. Cualquier persona cualificada para votar como elector cualificado y que aún no se ha inscrito para ello puede inscribirse antes de esta fecha y hora en la Secretaría del condado con la secretaría de municipio.

Boletas para votos por correo pueden recibirse en la dirección de la Secretaría del Condado, Lea County Courthouse, Lovington, New México, durante horas hábiles y días hábiles a partir de las 8 de la mañana el día viernes 6 de febrero de 2015 hasta las 5 de la tarde del día viernes 27 de febrero de 2015. Puede obtener boletas para los votos por correo de la dirección de la secretaría del condado local Nuevo México.

Información adicional tocante a votación por correo, centros de elección y urnas, y cualquier otra cuestión en lo relativa a estas elecciones puede obtenerse del despacho de la Secretaría del condado de Lea, Nuevo México.

En fe de lo cual la mesa directiva del New Mexico Junior College, del distrito del New Mexico Junior College, condado de Lea, Nuevo México propuso este aviso se publicará tal como lo exige la ley, en la fecha del 18 de diciembre de 2014.

PRESIDENTE

DOY FE:

SECRETARIA

MEMORANDUM OF UNDERSTANDING
BETWEEN LEA COUNTY AND NEW MEXICO JUNIOR COLLEGE
FOR THE CONSTRUCTION, OPERATION AND JOINT USE
OF AN INDOOR EQUESTRIAN FACILITY

This Memorandum of Understanding (“MOU”) is made by and between Lea County, New Mexico (“County”) and New Mexico Junior College (“NMJC”) effective as of the date that this MOU is approved by the State Board of Finance as required by NMSA §13-6-2 and §13-6-2.1 (“Effective Date”).

RECITALS

A. The residents of the County have expressed a desire for a large venue indoor equestrian facility, which could attract national equestrian events. The Lea County Commission appointed an advisory committee to review the need for such a Facility (“Advisory Committee”) and engaged the firms of Dekker/Perich/Sabatini and Market & Feasibility Advisors (“Study Team”) to prepare the feasibility study for such a facility. The Feasibility Study is attached as Exhibit A.

B. The County, in consultation with its Advisory Committee and Study Team, determined that any indoor equestrian facility to be constructed should be a climate-controlled indoor area with a recommended seating capacity of 1,800 persons (“Facility”). The actual seating capacity and other features and amenities will be determined during the design phase of the Facility.

C. The Facility has been identified as a priority project in the County’s current Master Plan, and as a top ten project in the 2014-2018 County Infrastructure Capital Improvement Plan (“ICIP”) and the County’s 2015-2018 ICIP.

D. The NMJC Board has listed an indoor equestrian facility as a high priority project in the Board-approved master plan. The Facility will satisfy NMJC’s need and desire for an indoor equestrian facility that will allow NMJC to expand its equine instructional programming, with the goal of creating a world class equine instruction program and a competitive rodeo program, which would not be possible without such a Facility.

E. NMJC has explored the feasibility of constructing a large venue, indoor equine facility on its own and submitted such a project to the Higher Education Department for consideration for funding under the 2010 General Obligation Bond. However, the project was excluded from funding by the Legislature.

F. Therefore, they have proposed to jointly construct and operate a Facility for the benefit of both the County and NMJC. NMJC is willing to contribute the approximately 12.36 acres of land owned by NMJC described on Exhibit B (“NMJC Land”) for a Facility and convey the NMJC Land to the County for this purpose. The NMJC Land is located in the vicinity recommended by the Study Team as the optimal location for the Facility. The NMJC Land has an appraised value of Two Hundred Fifteen Thousand Five Hundred Dollars (\$215,500.00). NMJC is also willing to contribute Three Million Dollars (\$3,000,000.00) to the County to be used as partial funding for construction of the Facility, as well as allow the Facility to be

connected to NMJC's on-campus heating and cooling plant and pay the utility costs for heating and cooling the Facility. In return for these contributions, the County has agreed to grant NMJC a beneficial interest in the Facility that will allow NMJC to utilize the Facility for NMJC equine instruction classes and activities, NMJC rodeo practice, and NMJC equine and rodeo events ("NMJC's Beneficial Uses").

G. The County is willing (i) accept the conveyance of the NMJC Land for the purposes described herein, (ii) to contribute the balance of the funds required to design and construct the Facility above the \$3,000,000.00 contributed by NMJC and (iii) to construct, own, operate, maintain and repair the Facility and provide for NMJC's Beneficial Uses of the Facility. The Facility would be constructed, owned, operated and maintained by the County for the benefit of both NMJC and the County, on the terms and conditions set forth below in this MOU.

H. The County and NMJC have determined that this joint participation in the construction, operation and use of the Facility will be a benefit for and in the best interests of the parties, the students of NMJC and the residents and businesses of Lea County.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Land. Within ninety (90) days after approval of this MOU by the State Board of Finance, NMJC shall quitclaim the NMJC Land to the County, using the form of Quitclaim Deed attached as Exhibit C. The Quitclaim Deed contains a condition that the NMJC Land be used only for an indoor equestrian facility and a reversionary clause, which requires the County to transfer the NMJC Land back to NMJC if a building permit for the Facility has not been issued and construction commenced within twenty-four (24) months after the Quitclaim Deed is recorded. The Facility will be located on the NMJC Land and designed so that the Facility will have the potential to be a world-class equine complex and maximize the synergy between the County, NMJC, the Facility and NMJC's equine facilities located on the NMJC campus.

2. Facility Design and Construction. The Facility will be constructed on the NMJC Land, in accordance with design and construction documents approved by the County and NMJC. The County shall, at its cost, engage and procure the services of an architect ("Architect") to design the Facility and prepare construction documents for the construction of the Facility. The parties anticipate that the Facility will include the amenities and features listed on Exhibit D. The actual amenities, features and size of the Facility will be determined in the Schematic Design Phase of the Architect's services and subject to approval by the County and NMJC. Once the Schematic Design Documents have been approved by the County and NMJC, the County shall cause the Architect to prepare Design Development Documents for approval by the County and NMJC. Based on the approved Design Development Documents, the County shall cause the Architect to prepare Construction Documents for approval by the County and NMJC, subject to the following limitation. NMJC's approval of the Construction Documents shall be limited to confirming that the Construction Documents (i) conform to the design and details reflected in the Schematic Design Documents and Design Development Documents approved by NMJC and (ii) properly provide for connection to NMJC's heating and cooling plant, in order to furnish adequate heating

and cooling of the approved Facility. The County shall, at its cost, engage and procure the services of a construction contractor and cause the Facility to be constructed in accordance with the Construction Documents approved by the County and NMJC. During the design and construction of the Facility, the County shall provide regular updates on the progress of the project to NMJC staff and Board, and respond to NMJC's reasonable requests for information regarding the project. Subject to the requirement that construction commence no later than 24 months after the Quitclaim Deed is recorded, the parties anticipate that the construction of the Facility will commence and proceed expeditiously during fiscal year 2015-2016 and be completed prior to the end of fiscal year 2015-2016. The parties propose that the Substantial Completion Date of the Facility be no later than June 30, 2016, subject to any approved extension of such date permitted by the construction contract for the Facility.

3. Capital Funding. In addition to the conveyance of the NMJC Land, NMJC agrees to contribute Three Million Dollars (\$3,000,000.00) to the County as partial funding for the cost to construct the Facility, to be deposited in the County's General Fund under a capital development account established for the Facility. It shall be a condition of NMJC's obligation to contribute the \$3,000,000.00 that the County shall have obtained the funding required to complete the construction of the Facility in accordance with the final design approved by the County and NMJC, obtained a construction permit for the Facility and commenced construction of the Facility. If the foregoing conditions are satisfied, then commencing the month in which construction of the Facility is commenced, NMJC shall transfer to the County Two Hundred Fifty Thousand Dollars (\$250,000.00) per month for twelve (12) consecutive months, for a total cash capital contribution of \$3,000,000.00. The funding received by the County from NMJC shall be expended to pay a portion of the costs to construct the Facility. The County shall provide all funding required in addition to the \$3,000,000.00 from NMJC to complete the design and construction of the Facility. If upon completion of the Facility, there are any surplus funds in the capital development account established for the construction of the Facility, such surplus funds shall be distributed to the parties in the proportion to the contributions made by them.

4. Facility Operations and Maintenance. The County will hold legal title to the Facility and endeavor to attract regional, national and world-class equine events, shows and programs to the Facility. Commencing on the date that the Facility is substantially complete, the County shall staff and equip the Facility and operate, maintain and repair the Facility so as to keep the Facility in good operating condition. NMJC shall pay the utility charges for heating and cooling the Facility through NMJC's on-campus heating and cooling plant and maintain that heating and cooling plant in good working order. All other costs to own, staff, equip, operate, maintain and repair the Facility shall be paid by the County.

a. The County hereby grants a beneficial interest in the Facility to NMJC and agrees to provide for NMJC's Beneficial Uses of the Facility under the following terms and conditions:

i. NMJC shall have access to the Facility on week days as needed or required for NMJC's equine instructional classes and activities.

ii. In addition, NMJC shall have weekend access to the Facility for NMJC's equine events and NMJC-sponsored rodeos, as scheduled cooperatively by the County and NMJC. The County and NMJC shall develop a schedule annually for the County's and NMJC's equine events and rodeos held at the Facility ("Facility Schedule"), which may be amended as necessary by mutual agreement.

b. For each County-sponsored event or rodeo on the Facility Schedule, the schedule shall note any NMJC facilities which the County requests that NMJC provide (on-campus stalls, existing NMJC arena and public parking areas). The County and NMJC agree to enter into a separate access agreement for such requested NMJC facilities, to the extent such facilities are not committed to NMJC's week-day instructional activities or required for previously scheduled NMJC events, rodeos or other NMJC programs or activities. Such access agreements shall include a reasonable, market rate rental for temporary use of NMJC's facilities, as agreed by the parties, to be included in the fees charged by the County to any for-profit or non-profit entity renting or utilizing the Facility. Fees collected by the County for the use of NMJC facilities shall be distributed to NMJC. If requested by the County, NMJC agrees to work with the County to establish annually the rental rates to be charged for the use of NMJC facilities so that this information may be included in the County's informational materials and form rental agreements.

c. The County shall seek to make available temporary and part-time employment opportunities for the Facility, which are not filled with existing County employees, to NMJC students. Qualified NMJC students may apply for such employment. Employment decisions shall be made in the sole discretion of the County. Nothing in this Section 4(c) shall be interpreted to require the County to hire NMJC students not suited, in the opinion of the County, for a particular position.

d. The parties anticipate that the County will realize revenue from its operation and use of the Facility, which over time may or may not cover the costs of operating the Facility. Except for rentals collected for the use of NMJC's facilities as provided in Section 4(b) above, which shall be paid to NMJC, revenues realized by the County each fiscal year from the operation of the Facility, including without limitation any Facility rentals, user fees, parking fees and forfeited deposits, shall be applied by the County as follows:

i. first to the direct costs incurred by the County during the fiscal year to staff, equip, operate, maintain and repair the Facility and to advertise and promote the Facility;

ii. next to the direct costs incurred by NMJC to heat and cool the Facility and the direct costs incurred by NMJC in connection with the stalls, arena and parking areas made available for County-sponsored events at the Facility, including maintenance and repair costs reasonably allocable to the County's use of these facilities; and

iii. if in any fiscal year there are realized revenues in excess of the foregoing direct costs incurred by the County and NMJC for the operation of the Facility, that excess will be distributed to the parties in the ratio of their respective operational costs incurred for that fiscal year, unless the parties otherwise agree in writing. The parties agree to meet to review the need for any such distribution within sixty (60) days of the end of each fiscal year during the life of this MOU.

5. Cooperative Endeavors. The County and NMJC agree to work cooperatively to further the following:

a. improve the NMJC equine instructional program to world class status;

b. improve NMJC rodeo program to be competitive nationally;

c. utilize the Facility to further economic development in Lea County and otherwise benefit the residents of Lea County; and

d. promote the Facility for shows, activities and programs that will attract visitors to Lea County.

6. Communications Between Parties; Modifications. The Chief Financial Officers for the County and NMJC, the County Manager, the NMJC President, a County Commission member and a NMJC Board member shall meet at least annually to review the operation, use and performance of the Facility in order to maintain good communications and optimize the use and operation of the Facility for the benefit of both parties. At such meetings, either party may make recommendations for changes to operations, including any modification to this MOU. However, any substantive modifications or amendments to this MOU shall not be effective until approved by the parties and the State Board of Finance.

7. Insurance. Each party shall maintain general liability insurance in accordance with the requirements of the New Mexico Tort Claims Act. NMJC shall maintain property insurance for any personal property owned or leased by NMJC that may be located at the Facility. The County shall maintain property insurance for the Facility, at full replacement value, and property insurance for any personal property owned or leased by the County that may be located at the Facility.

a. The parties agree that in the event of any casualty damage to the Facility, the proceeds from the County's property insurance for the damage to the Facility shall be used to repair or replace the Facility, as it existed prior to such damage, subject to the following limitation. If County decides, due to extensive damage or destruction to the Facility, not to repair or rebuild the Facility, then (i) the County shall demolish the Facility, (ii) the insurance proceeds, less the costs of demolition, shall be distributed to the County and NMJC in proportion to the cash capital contributions made by the them for the initial construction of the Facility and (iii) upon completion of the demolition, the County shall transfer the NMJC Land back to NMJC by a statutory form quitclaim deed. Upon recordation of such deed, this MOU shall automatically terminate.

b. Each party waives any claim it might have against the other party for any damage to or theft, destruction, loss, or loss of use of any real or personal property, to the extent the same is insured under any property insurance policy of the types described in this Section 7 that cover the Facility or a party's personal property, regardless of whether the negligence of the other party caused the loss. Each party shall cause its insurance carrier to endorse all applicable property insurance policies waiving the carrier's rights of recovery under subrogation or otherwise against the other party.

8. Dispute Resolution. In the event of any disagreement or dispute between the parties concerning the Facility, including use of the Facility by each party or the application or interpretation of this MOU, the NMJC President and the County Manager, or their designees, shall meet and endeavor to resolve the dispute. If the parties choose to engage the services of a third party mediator, the mediator shall be jointly selected and the costs of mediation shared equally by the parties. Any mediation session shall be held within thirty (30) days of selection of the mediator.

a. If the disagreement or dispute is not resolved by the parties at such meeting or any subsequent meeting that may be scheduled by the parties for such purpose, then the sole and exclusive means for resolving the disagreement or dispute shall be by binding arbitration, before a single arbitrator, that is conducted in Lea County, New Mexico pursuant to the provisions of the New Mexico Uniform Arbitration Act. In the event the parties are unable to agree on the arbitrator, the arbitrator shall be selected by the senior presiding judge of the District Court of the Fifth Judicial District, Lea County, New Mexico.

b. It is the parties' intent that the arbitration procedures utilized for resolution of their disputes provide the most prompt and expeditious decision as possible. The parties agree, therefore, to the imposition of expedited procedures by the arbitrator in each matter submitted to arbitration. Any decision or award rendered by the arbitrator shall be final and conclusive upon the parties, and a judgment thereon may be entered in any court having jurisdiction. The arbitration decision shall allocate costs of the arbitration and may include an award of attorney fees to the prevailing party.

9. Termination of MOU. During the first five years of the MOU, the MOU may be terminated only by the mutual written agreement of the parties. After the first five years, this MOU may be terminated as follows:

a. The County may terminate the agreement with a least one fiscal year's prior written notice. Unless the parties otherwise agree in writing, any termination notice given by the County to NMJC in any fiscal year (July 1 through June 30) shall be effective as of the last day of the following fiscal year, in order to allow NMJC sufficient time to adjust its educational programming. If this MOU is terminated, then the County shall pay to NMJC an amount to recapture NMJC's \$3,215,500.00 capital contribution (land and cash), based on a straight line, 240 month amortization from the Effective Date. For example, if this MOU is terminated 124 months after the Effective Date, then the

County will pay to NMJC a sum computed as \$3,215,500.00 multiplied by (240-124)/240 or \$1,554,158.00. No payment will be due to NMJC if this MOU is terminated more than 240 months after the Effective Date or if it is terminated by NMJC.

b. NMJC may terminate this MOU with at least one fiscal year's prior written notice to the County. Unless the parties otherwise agree in writing, any termination notice given by NMJC to the County in any fiscal year shall be effective as of the last day of the following fiscal year, in order to allow the County sufficient time to budget for its take-over of the responsibility for heating and cooling of the Facility. If NMJC terminates this MOU no payment will be due to the NMJC from the County to recapture any of NMJC's capital contributions for the Facility.

c. In the event of any termination of this MOU in accordance with this Section 9, the County shall retain ownership of the NMJC Land and the Facility. Upon the effective date of any such termination, NMJC shall deliver to the County a statutory form quitclaim deed to the County terminating all interests that NMJC may have in the Facility, including its reversionary interests under Section 1 above. Unless the parties otherwise agree in writing, the County shall disconnect the Facility from NMJC's on-campus heating and cooling plant and install a replacement heating and cooling system for the Facility on or before the effective date of any termination of this MOU, subject to NMJC's obligation to contribute to the cost of such replacement heating and cooling system as follows. If this MOU is terminated by NMJC within 240 months after the Effective Date, then NMJC shall reimburse the County for the direct cost to purchase and install a replacement heating and cooling system to reasonably replace the heating and cooling previously provided to the Facility by NMJC. NMJC may pay such reimbursement in five (5) equal annual installments, with the first annual installment due ninety (90) days after receipt of a request for reimbursement from the County. If this MOU is terminated by the County, by the mutual agreement of the parties or more than 240 months after the Effective Date, NMJC will not be obligated to contribute to the cost of installing a replacement heating and cooling system.

10. Merger; Amendment. This MOU constitutes the entire agreement and understanding of the parties with respect to the subject matter herein. This MOU may be amended and modified only by a written amendment duly executed by both parties and, if the amendment is substantive, approved by the State Board of Finance. Any such amendment shall be effective on the date approved by the State Board of Finance.
11. Binding Agreement; No Assignment Without Consent. This MOU shall be binding upon and inure to the benefit of the parties and their respective authorized successors and assigns. Nothing in this MOU shall create or be deemed to create any third party beneficiary rights in any person not a party to this MOU. No party may assign its rights, or delegate its obligations under this MOU without the prior written consent of the other party, which consent shall not be unreasonably delayed or denied. Any prohibited assignment shall be void.

12. Miscellaneous.

a. This MOU is made under and shall be governed by the laws of the State of New Mexico, without regard to any conflicts of law principles that would require the application of the law of any other jurisdiction.

b. If any one or more of the provisions contained in this MOU shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions hereof, and the MOU shall be constructed as if such invalid, illegal or unenforceable provision had never been a part hereof.

c. The section and paragraph headings in this MOU are for convenience only and shall not be interpreted to limit or define the terms of this MOU.

13. Notices. All notices which may be or are required to be given, served, or sent by a party to the other party pursuant to this MOU shall be in writing and shall be hand delivered, sent by overnight courier or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile addressed as follows:

If to County:

Mr. Mike Gallagher
County Manager
100 N. Main
Lovington, NM 88260
Fax: (575) 396-2093

If to NMJC:

Mr. Dan Hardin
Vice President for Finance
1 Thunderbird Circle
Hobbs, NM 88240
Fax: (575)-492-2768

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have set their hands and seals by their duly authorized officers, agents or representatives.

NMJC

COUNTY

BOARD OF NEW MEXICO JUNIOR COLLEGE

LEA COUNTY COMMISSION

By: _____
Pat Chappelle, Board Chairman

By: _____
Gregory H. Fulfer, Commission Chairman

By: _____
Ron Black, Secretary

By: _____
Ron R. Black, Vice Chairman

By: _____
Travis Glenn, Member

By: _____
Michael S. Whitehead, Member

By: _____
Manny Gomez, Member

By: _____
Dale G. Dunlap, Member

By: _____
Hector Baeza, Member

By: _____
James H. Britton, Member

By: _____
Zeak Williams, Member

Date: _____

By: _____
May Lou Vinson, Member

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
New Mexico Junior College Attorney

By: _____
Lea County Attorney

Date: _____

Date: _____

EXHIBIT A

Feasibility Study
(see attached)

EXHIBIT B

Description of NMJC Land

PARCEL B- NMJC 12.36 ACRES DESCRIPTION

A tract of land located in the south 1/2 of Section 7, Township 18 South, Range 38 East, N.M.P.M., City of Hobbs, Lea County, being more particularly described as follows:

Commencing at the southwest corner of Section 7, thence N89°31'40"E 629.99 feet to a found brass cap and N00°31'00"W 90.00 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348" and N89°27'22"E 986.73 to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348" for a Point of Beginning; thence N00°32'38"W 146.23 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N61°16'13"W 76.77 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N00°32'38"W 221.85 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N89°27'22"E 713.08 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N00°32'38"W 280.05 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N89°27'22"E 342.33 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N52°51'32"E 67.60 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S00°32'38"E 330.66 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S89°27'22"W 32.00 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S00°32'38"E 395.31 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S89°27'22"W 1010.71 feet to the Point of Beginning.

Said tract containing 12.36 acres, more or less.

EXHIBIT C

Form of Quitclaim Deed with Reversionary Clause
(see attached)

QUITCLAIM DEED

NEW MEXICO JUNIOR COLLEGE, a New Mexico state educational institution (“Grantor”) hereby quitclaims to LEA COUNTY, NEW MEXICO, a political subdivision of the State of New Mexico (“Grantee”), the real estate in Lea County, New Mexico described on Exhibit A attached hereto (“Property”) on the express conditions subsequent that (i) the Property shall be used solely for the construction, use and operation of an equine facility consisting of an indoor climate controlled arena and related amenities (“Facility”) and (ii) Grantee obtain a building permit and commence construction of the Facility within twenty-four (24) months after the date of this Quitclaim Deed. Upon any violation or non-satisfaction of the foregoing conditions subsequent, Grantor shall have a right of re-entry and may elect to terminate Grantee’s ownership of the Property at any time by written notice to Grantee. Upon receipt of any such notice Grantee shall promptly quitclaim its interest in the Property to Grantor.

Witness the undersigned's hand and seal this ____ day of _____, 2014.

NEW MEXICO JUNIOR COLLEGE , by its governing Board

By: _____
Pat Chappelle, Board Chairman

By: _____
Ron Black, Secretary

By: _____
Travis Glenn, Member

By: _____
Manny Gomez, Member

By: _____
Hector Baeza, Member

By: _____
Zeak Williams, Member

By: _____
May Lou Vinson, Member

ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF LEA

This Quitclaim Deed was acknowledged before me this _____ day of _____, 2014 by the members of the Board of New Mexico Junior College.

My Commission Expires: _____

EXHIBIT A TO QUITCLAIM DEED

The following real estate in Lea County, New Mexico:

PARCEL B- NMJC 12.36 ACRES DESCRIPTION

A tract of land located in the south 1/2 of Section 7, Township 18 South, Range 38 East, N.M.P.M., City of Hobbs, Lea County, being more particularly described as follows:

Commencing at the southwest corner of Section 7, thence N89°31'40"E 629.99 feet to a found brass cap and N00°31'00"W 90.00 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348" and N89°27'22"E 986.73 to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348" for a Point of Beginning; thence N00°32'38"W 146.23 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N61°16'13"W 76.77 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N00°32'38"W 221.85 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N89°27'22"E 713.08 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N00°32'38"W 280.05 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N89°27'22"E 342.33 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence N52°51'32"E 67.60 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S00°32'38"E 330.66 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S89°27'22"W 32.00 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S00°32'38"E 395.31 feet to a set 5/8" rebar with red plastic cap marked "HICKS NMPS 12348"; thence S89°27'22"W 1010.71 feet to the Point of Beginning.

Said tract containing 12.36 acres, more or less.

EXHIBIT D

Design Criteria

A 1,800 seating capacity indoor, climate controlled arena with the following amenities:

Planned Amenities:

Arena floor with compacted dirt base and show-quality dirt and sand footing

Judges Box

Announcer Stand

Concession Area

Show office/Multipurpose room

Restrooms

Spectator seating (bleachers)

Optional Amenities under Consideration:

Professional offices for staff

RV spaces with hook-ups

Notwithstanding the foregoing, the final design of the Facility, including amenities, features and size of the Facility and seating capacity of the Facility, will be determined by the County and NMJC during the design phase of the Facility, in accordance with this MOU, and may vary from the Design Criteria.



Market & Feasibility Advisors



Final Report
Proposed Equestrian Facility Market Study

Submitted to:
Lea County Equestrian Committee

Submitted by:
Market & Feasibility Advisors

Thursday, July 11, 2013

MFA Project Number: 545

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Executive Summary

Introduction & Study Background

DPS and MFA (“the Study Team”) were retained by Lea County to conduct a feasibility study for a proposed equestrian center. Currently, Lea County has an indoor event center in Hobbs that is not suitable for equestrian events, and a fairgrounds with a 6,200-seat outdoor arena in Lovington. Stakeholders believe that the lack of a climate-controlled facility, and only one outdoor arena at the fairgrounds with no warm-up ring has restricted the number of potential equestrian events that Lea County could potentially host.

A group of area residents approached the County Commission during the summer to request consideration for an indoor arena and an equestrian action committee was formed. Representatives from the Study Team met with them in Hobbs on December 5, 2012 and several times thereafter. Some were contacted individually via telephone. In addition, MFA spoke to over 60 persons, equestrian organizations and facility managers. A list of persons contacted is contained in the Appendix of this report.

Several past studies have looked at the adding a new arena on the fairgrounds in addition to a new arena on the New Mexico Junior College (“NMJC”) campus. NMJC wants to develop and to enhance its equestrian program. Originally the College looked at constructing an indoor facility on its campus similar to the facility in Clovis (Curry County Events Center), however, budget cuts precluded further work or progress on the facility. In addition, an outside study was conducted in 2010 to expand the existing Lea County Fairgrounds.

As discussed in the Lea County Recreational Master Plan that DPS and MFA jointly produced in late 2012, in the absence of scenic attractions and natural beauty, Lea County needs to develop attractions that serve the local resident community and attract outside visitors. Lea County is a young county with large family households. Since the equestrian industry, including recreational riders, is declining throughout the U.S., having an indoor facility that provides both residents a place to practice/ride during unfavorable weather conditions is an asset. Simply put, if there is no place to ride, the next generation’s interest of horse and rodeo enthusiasts won’t develop and the industry will decline.

Organization of the Report

This report is organized into the following subsections:

- An analysis of the Resident and Visitor Market Infrastructure to support the facility, including regional demographics and visitor-serving infrastructure
- An evaluation of 18 comparable and competitive facilities in New Mexico and West Texas.
- Site selection characteristics of the two sites under consideration at the Lea County Fairgrounds and NMJC campus
- Market support projections, including the estimated number of potential users, events, event days, spectators, stall and RV requirements
- A financial analysis based on these market support projections

Findings and Conclusions

Lea County's strategic position in southeastern New Mexico allows it to draw from neighboring counties and Western portions of Texas. For example, the Zia Park Casino attracts an estimated 1.8 million people, 65 percent of whom are from West Texas.

Competitive Market

There are four climate-controlled indoor arenas that host equestrian events within 110-mile radius of the Hobbs/Lovington area. These facilities – Andrews County Expo Center, Midland County Horseshoe Arena, Mallet Event Center and the new indoor arena at the Roosevelt County Fairgrounds in Portales, have been built since 2006. Slightly farther away at 120 miles, the new Curry County Events Center (2009), which is run by Global Spectrum, has been successful in attracting large events like the High Plains Junior Rodeo Association ("HPJRA") finals by paying them to host their event in Clovis.

In summary, the market for equestrian events within a 120-mile radius of the Hobbs/Lovington area is competitive. Lea County is also unique given that it has a special events center (the Lea County Event Center) and an equestrian facility at the fairgrounds (the Jake McClure Arena at the Lea County Fairgrounds) at a distance from one another, as opposed to facilities like the Curry County Event Center in Clovis and the new Mallet Event Center in Levelland, Texas, that combine these different types of events in one multi-purpose facility. Given that the Lea County Event Center has already been attracting several hundred non-equestrian events annually, it is important that the proposed facility not compete directly within it.

Site Selection

Lea County is considering two sites for the proposed facility at the NMJC campus in Hobbs and the Lea County Fairgrounds in Lovington. MFA outlined the strengths and weaknesses in the text and concludes that you have two very good sites with solid arguments for each and few weaknesses at each. Either would be good but we recommend the NMJC site but just by a nose.

The basis for this choice is what we see as the greater possibility for economic impact at that site and since equestrian arenas can seldom generate enough revenue to cover their operating costs, the cost savings possible by locating an arena in conjunction with a college/university by providing student labor, covering utility costs under a master agreement, etc tips the choice.

Market Support Projections

MFA spoke to over 60 persons/organizations during the course of this analysis. Some of the central findings of this research can be summarized as follows:

1. There is strong demand, particularly among roping promoters/organizations, who would use the facility repeatedly for multiple events throughout the year.
2. Many equestrian groups are very sensitive to cost, with some such as the New Mexico Rodeo Association (NMRA) and the Working Ranch Cowboys Association using venues for free in Abiquiu and at the Eastern New Mexico Fairgrounds, respectively. The NM Mounted Cowboy Shooters Association said they would only use the facility if it were available for \$300/day. Many of the local equestrian groups such as the Lea County Horseman's Association are paying approximately \$150/day.
3. The facility would have little potential to host horse show organizations like the NMQHA since the closest organization is the Southwest Quarter Horse Association, which has used the Dona Ana County fairgrounds in Las Cruces since 2003 and whose members are based there. The next closest organization is the Remuda Quarter Horse Association in Odessa. The NM Hunter

Jumper Association has the majority of its members in the Greater Albuquerque area, and other breed associations like the NM Palomino Exhibitors Association are small and also headquartered primarily in the northern part of the state.

4. Larger regional groups such as the AJRA stated they would only use the facility for their finals event if the county were willing to pay them to host it in Lea County. In the past, cities such as Sweetwater and San Angelo have paid them as much as \$25,000 to hold their finals there. Other groups like the New Mexico High School Rodeo Association go out to bid every year. It would appear that the new Curry County Events Center (2009) has been particularly successful in attracting these groups.

The study team believes that the proposed indoor venue has the potential to attract 31 to 38 equestrian events annually. This number is consistent with non-multi-purpose venues that focus almost exclusively on the equestrian market.

Financial Analysis

Based on our survey of equestrian organizations and their affordability, MFA estimates that it would cost an average of \$575,000 annually to operate the facility over a ten-year period. In terms of revenue, the facility is projected to generate income ranging from \$276,600 in Year One, doubling to \$546,300 by Year Ten. In terms of net income, the proposed equestrian arena is projected to generate a deficit of between \$388,000 in Year One and \$90,900 by Year Ten. This does not include funding to draw special events to the facility which can cost upwards of \$25,000 plus the cost of operating the facility for the event without a charge or a minimal one.

This is common for equestrian facilities, in fact, WestWorld in Scottsdale, Arizona, has drawn an annual deficit averaging over \$1.5 million in the last four years, which is exclusive of debt service. Should the County decide to proceed with the facility, it should be viewed as an asset to the community and economic driver, versus an income generator. Communities view facilities like this as a kind of specialty convention center built primarily for its economic impact and benefit to the community.

There is an economic dimension to successful coordination of events at this facility with the events at the Event Center, the Western Heritage Museum, Zia Park Casino, and NMJC that will benefit all. Together, with the nearby hotels the form a kind of event/entertainment district for the County.

The equestrian center will help fuel local economic development activities (hotels, restaurants, retail, and other businesses). Another economic dimension is that the facility can also be utilized to grow the equine industry opportunity in Lea County and provide more diversification for the local economy.

While the facility should be operated to generate substantial revenue, facility pricing should be rational and affordable for local groups seeking to use the facility, and its economic development/impact role should be considered in operations as well.

Facility Recommendations

The study team recommends the development of an indoor, climate-controlled arena with a dirt footing mix of approximately 150 x 300 feet, with a seating capacity of 1,800. The arena should have provisions for a judges' box and show office.

A great customer service experience will set this facility above its competition and help the facility enhance the growth potential of all things equestrian in Lea County. For the facility this means good connections to the existing NMJC existing equestrian and event facilities – successful layout on the NMJC Campus in conjunction to existing NMJC facilities is critical, parking suitable for the larger vehicles often used by equestrian fans and participants, state of the art scoreboards, quality seating, Well-designed and located concession stands for the larger events, good quality audio/sound systems, good quality lighting (perhaps making the leap to LED), wiring for WiFi, and other technological innovations

appropriate for a public assembly building developed in these times. A preference has been expressed for the seating type and configuration used in the Clovis facility.

A smaller, adjacent, covered warm-up arena of approximately 240 x 120 feet can be utilized as staging and warm-up arenas for larger events. It can stand alone for non-profit groups and smaller equestrian events that cannot afford to rent the indoor arena, and MFA expects it will not be directly competitive with the Jake McClure arena at the Lea County Fairgrounds..

- Other recommended amenities include the following:
- A total of 200 stalls (10 x 10 foot, which is the industry standard) in barns that include a small office, toilets, shower facilities and wash racks close to the warm-up areas;
- On-site office space of approximately 3,500 gross square feet for permanent personnel (administration, safety, security) as well as show managers;
- A concession area that should be equipped to provide a variety of food opportunities to maximize the food and beverage revenues; and coordinator to begin marketing the facility and make it operational
- A small classroom/multi-purpose room that can seat up 100 people be used in conjunction with shows, awards, etc.
- A total of 75+ RV sites with water and power hook ups
- Sufficient toilets that can accommodate up to several thousand persons per day during larger events such as rodeos. In some instances, the County might have to rent portable facilities to accommodate these larger events.

Resident & Visitor Market and Available Facilities/Infrastructure

Introduction

Located in the southeastern corner of New Mexico, Lea County is situated near the Texas state line approximately 325 miles southeast of Albuquerque. Based on data provided by the University of New Mexico Bureau of Business and Economic Analysis for July 1, 2000 through July 2010, approximately 69 percent of the state's 2.1 million residents (1.4 million) reside in the northern half of the state, and the remaining 31 percent (approximately 640,000) reside in the southern portion of the state where Lea County is located.

Lea County is bounded on the north by Roosevelt County, on the west by Chaves and Eddy Counties, on the east by Andrews, Gaines and Yoakum Counties in Texas, and on the south by Loving County in Texas. Other neighboring counties in Texas include Winkler County (southeast) and Cochran County (northeast). As shown in Table 1, Lea County and its additional 9 neighboring counties have an estimated one quarter of a million residents based on 2010 Census data.

Lea, NM	64,698
Roosevelt, NM	20,050
Chaves, NM	65,779
Eddy, NM	53,890
Andrews, TX	14,786
Gaines, TX	17,526
Yoakum, TX	7,879
Loving, TX	82
Winkler, TX	7,110
Cochran, TX	3,127
Total	254,927
<i>Sources: UNM Bureau of Business and Economic Research and U.S. Census Bureau (2010)</i>	

Current & Comparative Population

Before the recent oil boom, between 1990 and 2000, data from the University of New Mexico Bureau of Business and Economic Research ("BBER") shows that Lea County was only one of four counties in the state that experienced negative population growth over that period. While the state population increased by 20.1 percent over that period, the population of Lea County declined by a modest-.5 percent.

However, as one of the state's leading producers of oil and natural gas, its resident base has expanded substantially in recent years. Between 2000 and 2010, the county's population growth was the third highest in the state at 14.2 percent. Over that period, population growth was only exceeded by Roosevelt County (33.2 percent) and Dona Ana County (15.2 percent). The BBER places Lea County's July 1, 2010 population at nearly 65,000 residents, making it the ninth most populated county among the state's 33 counties.

Table 2 compares demographic characteristics for Lea County to New Mexico and the U.S. as a whole. As shown, the population between 2010 and 2011 in Lea County grew faster than the state and U.S. Lea County is a young county with large family households (approximately 2.88 persons per household). Approximately 29.5 percent of Lea County's population is under age 18 (compared to 24.9 percent for the state average and 23.7 percent for the U.S.). Conversely, persons over the age of 65 are considerably lower in Lea County (10.8 percent) than New Mexico (13.6 percent) and the U.S. (13.3 percent).

	Lea County	New Mexico	USA
Population, 2011 Estimate	65,423	2,078,674	311,587,816
% Population change, April 1, 2010 to July 1, 2011	1.10%	0.90%	0.90%
Population, 2010	64,727	2,059,179	308,745,538
% Persons under 5 years, 2011	9.20%	7.00%	6.50%
% Persons under 18 years, 2011	29.50%	24.90%	23.70%
% Persons 65+, 2011	10.80%	13.60%	13.30%
% Females, 2011	48.80%	50.50%	50.80%
% White persons, 2011	91.70%	83.40%	78.10%
% Black persons, 2011	4.50%	2.50%	13.10%
% American Indian and Alaska Native persons, 2011	1.80%	10.10%	1.20%
% Asian persons, 2011	0.60%	1.60%	5.00%
% Native Hawaiian and Other Pacific Islanders, 2011	0.10%	0.20%	0.20%
% Persons reporting two or more races, 2011	1.30%	2.30%	2.30%
% Persons of Hispanic or Latino Heritage, 2011	52.10%	46.70%	16.70%
% White persons not Hispanic, 2011	42.00%	40.20%	63.40%
% Foreign born persons, 2007-2011	13.70%	9.80%	12.80%
Households 2007-2011	21,238	762,002	20.30%
Persons per Household, 2007-2011	2.88	2.62	2.6
Median Household Income, 2007-2011	\$46,781	\$44,631	\$52,762
% Persons below poverty level, 2007-2011	16.70%	19.00%	14.30%

Source: U.S. Census Bureau, 2012

What is important about Table 2 is that it underscores the fact that Lea County is a young county with large, family households. Having an equestrian facility that would serve the needs of local and regional riders, in face of declining ridership throughout the U.S., would also continue the tradition of horsemanship and the Western heritage of the county by exposing children to rodeos and other types of equestrian events..

Projected Population

With the exception of Sandoval County, Lea County is projected to experience the highest percentage of population growth between 2010 and 2040. Over this period, the population is projected to increase by 71 percent, compared to 100 percent for Sandoval County.

This is significant and underscores the need for Lea County to provide more attractions to serve both the visitor and resident markets. Situated at an average elevation of 4,000 feet above sea level, Lea County is characterized most often by its flat topography. Therefore, the County needs to build attractions that attract visitors.

Table XX.: Projected Population of New Mexico Counties, 2010-2040

As of July 1...								
County	2010	2015	2020	2025	2030	2035	2040	% Chg.
NEW MEXICO	2,065,826	2,208,450	2,351,724	2,487,227	2,613,332	2,727,118	2,827,692	36.9%
Bernalillo	664,636	721,153	780,244	835,325	886,564	932,091	970,371	46.0%
Catron	3,725	3,825	3,909	3,976	4,000	4,005	4,012	7.7%
Chaves	65,783	68,538	71,632	74,867	77,949	80,724	83,263	26.6%
Cibola	27,213	28,236	29,133	29,909	30,630	31,361	32,090	17.9%
Colfax	13,752	13,710	13,631	13,506	13,296	12,998	12,642	-8.1%
Curry	48,941	51,001	52,900	54,778	56,707	58,611	60,395	23.4%
De Baca	2,022	1,987	1,950	1,909	1,879	1,840	1,803	-10.8%
Dona Ana	210,536	226,855	243,164	258,887	273,513	286,818	299,088	42.1%
Eddy	53,829	55,832	57,908	59,945	61,836	63,595	65,258	21.2%
Grant	29,371	29,417	29,457	29,433	29,310	29,166	29,102	-0.9%
Guadalupe	4,687	4,742	4,765	4,779	4,776	4,773	4,760	1.6%
Harding	695	693	684	670	647	625	607	-12.7%
Hidalgo	4,894	4,857	4,818	4,764	4,671	4,546	4,403	-10.0%
Lea	64,727	71,465	78,407	85,773	93,712	102,090	110,661	71.0%
Lincoln	20,497	21,104	21,577	21,875	21,979	21,959	21,888	6.8%
Los Alamos	18,026	18,058	18,063	18,016	17,880	17,603	17,210	-4.5%
Luna	25,095	26,478	28,024	29,694	31,465	33,399	35,595	41.8%
McKinley	71,802	72,691	73,483	73,946	73,805	72,988	71,580	-0.3%
Mora	4,881	4,865	4,826	4,753	4,665	4,548	4,423	-9.4%
Otero	64,275	65,542	66,367	66,825	67,047	67,064	66,841	4.0%
Quay	9,041	8,954	8,891	8,840	8,804	8,788	8,805	-2.6%
Rio Arriba	40,371	40,780	41,026	41,058	40,872	40,509	40,008	-0.9%
Roosevelt	20,040	21,657	23,178	24,522	25,721	26,836	27,912	39.3%
Sandoval	132,434	154,048	176,276	198,950	221,644	243,897	265,607	100.6%
San Juan	130,170	138,487	146,388	154,065	161,593	168,850	175,678	35.0%
San Miguel	29,393	29,315	29,157	28,785	28,176	27,413	26,594	-9.5%
Santa Fe	144,532	154,756	164,006	171,905	178,124	182,410	184,832	27.9%
Sierra	11,988	12,020	12,048	12,100	12,218	12,421	12,737	6.2%
Socorro	17,866	17,998	18,008	17,879	17,621	17,274	16,857	-5.6%
Taos	32,937	35,012	36,769	38,183	39,221	39,850	40,062	21.6%
Torrance	16,383	16,927	17,589	18,266	18,865	19,344	19,801	20.9%
Union	4,549	4,803	5,066	5,318	5,553	5,773	5,977	31.4%
Valencia	76,735	82,644	88,380	93,726	98,589	102,949	106,830	39.2%

Source: Bureau of Business and Economic Research, University of New Mexico, and MFA.

Current Facilities & Visitor Serving Infrastructure in Lea County

Lea County is unique in the presence of both a 4,500 seat Event Center, the Lea County Event Center, in Hobbs, and a Fairground (Lea County Fairgrounds) in Lovington. These are facilities that are more commonly co-located in an events complex.

Lea County Fairgrounds and Rodeo Complex, Lovington



The Fairgrounds is a well-known center of activity throughout the region. Situated on approximately 57 acres, attendance at the Lea County Fair has been increasing. In past years attendance has been approximately 60,000 to 70,000. The Lea County Fair and Rodeo is reportedly the largest county fair in the state.¹ The PRCA rodeo during the fair is one of their largest events.

The outdoor Jake McClure Arena is a 360'x200' arena² with a covered seating capacity of 6,200. The grand

stand seating surrounds a dirt arena with multiple access points for livestock. Livestock pens are located to the north and east of the arena, and an elevated press box and three (3) steel stairs provide circulation between the grand stand seating. The Arena was originally built and located on the east side of town for steer tripping events. This explains its large size compared to a regulation size rodeo arena, which tend to be in the 150'x300' range.

The venue does not have a warm-up ring but a small, outdoor warm up arena (45'x110'). The lack of a second arena limits its use for many groups.

The facility rents for \$150/day to non-profit groups and \$300/day to commercial groups. The rate is less for groups that put on a series of events. The venue has a total of 80 stalls³ and a total of 47 RV spaces. The arena is also open for public use free of charge all day Tuesdays and Thursdays except during winter hours. An estimated 10 to 20 people practice per day during that period.

According to a report issued to MFA in early November 2012, there have been 74 events and 128 event days held at the fairgrounds between January 2012 through early November 2012. A total of 22 of these events and 34 event days were held at the arena. The Arena is booked almost every weekend from February to October with rodeo and equestrian events, notably barrel racing and roping. However, from early November through early February the arena is essentially empty. Several equestrian groups noted that they will trailer their horses to the Andrews County Expo Center to practice during this period.

In discussions with local equestrian groups, it is MFA's understanding that an estimated 90 percent of utilization is from local groups. The Lea County Horseman's Association ("LCHA") and Lea County Barrel Racers Association ("LCBRA") account for about 60 percent of total utilization throughout the year. However, the arena has hosted state-level events such as the New Mexico Junior High School Rodeo

¹ <http://www.edclc.org/files/Lovington%20Fact%20Book.pdf>

² The actual dimensions of the arena are 200' ft. (from east alley gate to roping chute) X 300ft (from bucking chutes to south wall)

³ NOTE: This excludes 39 stalls that are available for use at the Sheriff's Posse Arena, as well as an additional 39 on the back side of this arena. A total of 48 portable stalls are also available for use, bringing the grand total to 119.

finals this past June, which is a 3-day event.

Lea County Event Center

Hobbs is the home of the Lea County Event Center, which is one of the largest conference/convention center in the state of New Mexico with 27,000 square feet and 4,500 seats. It is situated in the center of the city/county's commercial and entertainment corridor, surrounded by developments like Zia Park Casino & Horse Racing, NMJC, museums, hotels, big box retailers and national chain restaurants. When the Lea County Events Center was built (early 1990's) an agreement was made which prohibits holding the County Fair at the Event Center.



The Center is a 4,500-seat multi-purpose arena (6,000 with floor seating) of approximately 27,000 square feet, which is located in approximately 17 miles from the Lea County Fairgrounds. The Event Center hosts meetings and banquets, community events, concerts, exhibition and trade shows,

motocross, and monster truck shows. According to management, an estimated 80 percent of event days consist of meetings and banquets, which will utilize the banquet rooms. The arena is utilized approximately 45 Saturdays per year with some events such as consumer shows using three days (typically Friday-Sunday). In previous years, the facility also hosted an indoor soccer league.



Management estimates the Event Center hosts an average of 50 events per month. Last year the facility hosted a total of 376 events, generating 478 event days and total attendance of 63,005. The Tuff Hedeman Championship Bull Riding event in January is always a sellout. The Center also plans to do 6 concerts this year.

Eunice Rodeo Arena

The Lea County city of Eunice has built a city-owned and operated outdoor rodeo arena with bleachers. The seating capacity is unknown. The facility does not have any stalls, but chutes are attached and pens are located at the east end. A roping promoter from Jal hosts an event there every weekend beginning in March through October. The venue will also host an occasional small circus or other type of special event. The arena is available free of charge during daylight hours, and there is a \$25/hour per hour charge after daylight hours.

Visitor Market

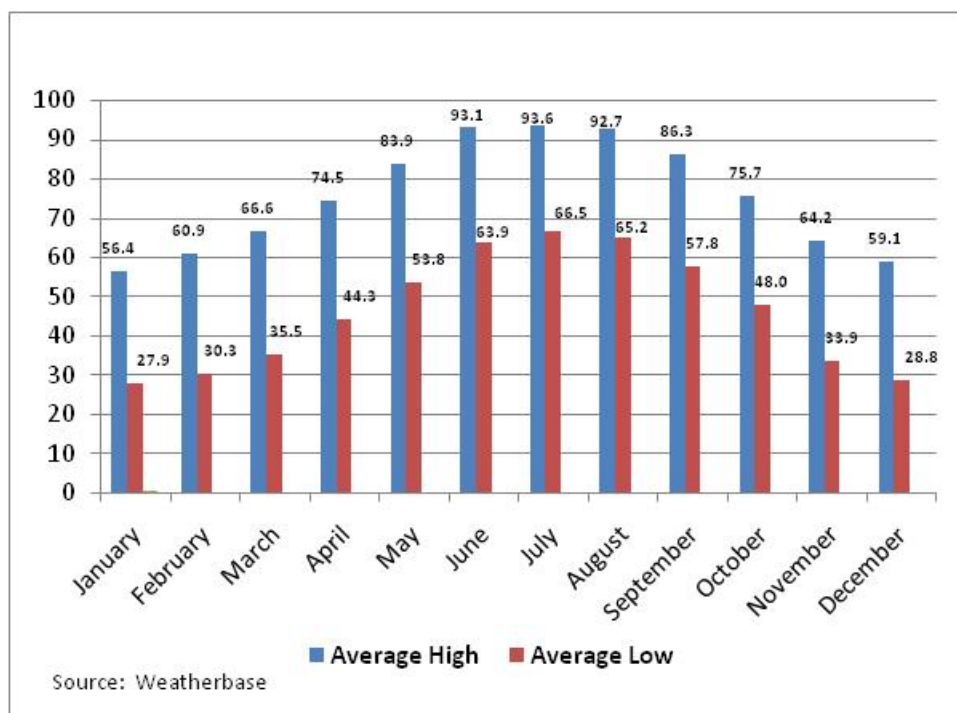
Lea County is not proximate to any of the major population centers in New Mexico. Access from these areas is primarily via regional highways. Estimated drive times and driving distances⁴ are shown in Table 4.

Table 4.: Est. Drive Times and Distances		
City, State	Time (hrs.)	Distance
Andrews, TX	1.0	55
Carlsbad, NM	1.1	70
Odessa, TX	1.5	90
Midland, TX	1.8	100
Lubbock, TX	2.0	110
Roswell, NM	2.1	120
Portales, NM	2.2	110
Clovis, NM	2.5	130
San Angelo, TX	3.3	200
Amarillo, TX	3.6	230
Albuquerque, NM	5.3	320
Gallup, NM	7.3	455
<i>Source: MapQuest</i>		

Annual Climate

Lea County enjoys a moderate four-season climate. Frequent rain showers and thunderstorms from June through September account for over half the annual precipitation. The average annual precipitation is 12.3 inches, and the area typically has 46 days of annual rain.

⁴ For purposes of analysis, MFA used the center of Hobbs to calculate these distances.



Winds of 15 mph or more occur from February through May. Winter brings subfreezing temperatures at night but becomes considerable warmer during the day. Winter and its subzero temperatures are only for a short duration of the year, nevertheless they preclude any type of outdoor riding or competitive events.

Regional Access

Lea County is served by three major east-west U.S. highways, a major north-south state highway, as well as numerous other well maintained state roads and thoroughfares. It is located on the four-lane U.S. Highway 62/180, which is a primary feeder to the interstate system. U.S. Highway 62 starts in El Paso, Texas, and through New Mexico, it continues past Carlsbad Caverns National Park into the city of Carlsbad, then east to Hobbs. The highway then crosses back into Texas at the Texas/New Mexico border east of Hobbs. US 62/180 is concurrent with Montana Avenue in East Central El Paso. Continuing through Carlsbad, New Mexico, US 180 and US 62 travels toward Texas running through Hobbs, New Mexico, and exiting New Mexico just east of Hobbs

Interstate access is within 90 miles and includes Interstates 10, 20, and 27.

Air Service

Lea County Regional Airport is located approximately four miles west of the city's central business district, adjacent to the south side of U.S. Highway 62/180. This regional airport serves as a commercial service airport serving Hobbs, Lea County, and the surrounding region. The designated air carrier is New Mexico Airlines, which provides air service to Hobbs, Albuquerque, Alamogordo, Clovis, Carlsbad, and Roswell.

United Airlines has twice daily service from Houston, one of their two largest hubs, offering connections to many other cities.

There are four other smaller public use airports in the county, including Zip Franklin Memorial Airport in Lovington, Jal Airport in Jal, and Tatum Airport in Tatum.

The closest international airport to the Lea County area is located in the Midland/Odessa area, about 90 to 100 miles southeast of Hobbs/Lovington, and is serviced by Southwest, American Eagle, and United Airlines. Additionally, Lubbock International Airport, 110 miles northeast from Hobbs, is served by Southwest, Delta, American Eagle, American, and United Express Airlines.

Visitor Serving Infrastructure

The city of Hobbs reports to have 1,300 hotel rooms.⁵ Recent data from Smith Travel Research (“STR:”) puts this number closer to 1,400, as shown in Table 5. Lovington has only three properties and 104 rooms, representing 9 percent of the total. STR data also indicates that year end 2011 average annual occupancy was 64.6 percent.

Name of Establishment	City & State	Zip Code	Aff Date	Open Date	Rooms
La Posada Motel	Hobbs, NM	88240	Jun 1950	Jun 1950	36
Hampton Inn Suites Hobbs	Hobbs, NM	88240	Jan 2004	Jan 2004	67
Lamplighter Motel	Hobbs, NM	88240	Jun 1934	Jun 1934	50
Holiday Inn Express Hobbs	Hobbs, NM	88240	Dec 1996	Dec 1996	65
Lea County Inn	Hobbs, NM	88240	Jan 2003	Jan 2003	45
Fairfield Inn & Suites Hobbs	Hobbs, NM	88240	Jul 2008	Jul 2008	94
Sleep Inn & Suites Hobbs	Hobbs, NM	88240	Sep 2008	Sep 2008	67
Holiday Inn Express & Suites Hobbs	Hobbs, NM	88240		U/C	80
Comfort Suites Hobbs	Hobbs, NM	88240	Sep 2008	Sep 2008	75
La Quinta Inns & Suites Hobbs	Hobbs, NM	88240	Jun 2008	Jun 2008	68
Country Inn & Suites Hobbs	Hobbs, NM	88240	Dec 2008	Dec 2008	64
Hobbs Inn	Hobbs, NM	88240	Oct 2006	Jan 1983	61
Desert Hills Motel	Hobbs, NM	88240	May 1976	May 1976	25
Hobbs Family Inn	Hobbs, NM	88240	Jul 2006	Jun 1965	71
Americas Best Value Inn Hobbs	Hobbs, NM	88240	Jun 2006	Jun 1953	69
Relax Inn	Hobbs, NM	88240	May 1994	Jun 1990	80
Best Western Executive Inn	Hobbs, NM	88240	Oct 2002	Jun 1984	62
Sands Motel	Hobbs, NM	88240	Jun 1990	Jun 1990	40
Brentwood Inn	Hobbs, NM	88240	May 2006	Jun 1996	54
Days Inn Hobbs	Hobbs, NM	88240	Jan 1993	Jun 1982	58
Econo Lodge Hobbs	Hobbs, NM	88240	Jun 1996	Jan 1991	37
Lovington Inn	Lovington, NM	88260	Jan 1999		62
Mack’s Motel	Lovington, NM	88260			20
Desert Aire Motel	Lovington, NM	88260			22
			Total Properties:	24	1372

Source: Smith Travel Research (October 29, 2012)

Since 2006, more than a half dozen new hotels, each with 70 to 125 rooms, have vastly expanded the Greater Hobbs Area’s capacity to lodge visitors. MFA understands that Zia Park Casino had plans for a 200-room property which were put on hold due to recent economic concerns.

Planned/Announced Hotel Developments

The following recent additions to the existing hotel supply have been announced:

- Holiday Inn Express, which was supposed to be done in December
- Marriott branded extended stay on Joe Harvey, which should start construction soonr

⁵ <http://www.villageprofile.com/newmexico/leacounty/11/topic.html>

- A Wyndham brand hotel
- Another hotel brand has recently purchased a piece of land
- Another 2 hotel brands are currently looking at land, but have not made any commitments yet.

Lea County Attractions

Lea County has a rich Western heritage, having produced several National Rodeo Champions, starting with Jake McClure starting back in 1930.

Zia Park Casino attracts an estimated 1,800,000 visitors per year. Management reports that weekend traffic draws heavily from the Midland-Odessa-Lubbock areas. An estimated 65 percent of visitors are from Texas, and the remaining 35 percent are locals. The casino features live horse racing September through December.

Hobbs is known as the soaring capital of the world, and is the headquarters of the Soaring Society of America, which attracts hobbyist and competitive flyers from all throughout the world. Other attractions in Hobbs include the Harry McAdams State Park, the newly constructed Lea County Western Heritage Museum, the Lea County Athletic Hall of Fame and Western Heritage Center.

The newly refurbished Lea County Museum is located in Lovington,

Summary and Proposed Implications for the Lea County Equestrian Center

Lea County is the second fastest growing region of New Mexico. Between 2010 and 2040, the region is expected to experience a 70 percent increase in population. The county is characterized by younger households compared to New Mexico and the U.S.

The county's location in the far southeastern corner of the state, may pose challenges in attracting other equestrian groups since it is not as centrally located as Albuquerque, but it will also be able to draw groups from regions like West Texas.

Lea County is unique in the presence of both a 4,500 seat Event Center, the Lea County Event Center, in Hobbs and a Fairgrounds (Lea County Fairgrounds) with a rodeo arena in Lovington. These are facilities that are more commonly co-located in an events complex that serves as both a special event and equestrian complex. Though the Jake McClure arena at the Lea County Fairgrounds serves the needs of local community groups, the fact that it is located outdoors and does not have a second warm up arena makes it difficult for the venue to attract year-round regional events.

Evaluation of Competitive and Comparable Facilities

Introduction

MFA has profiled a total of 18 competitive equestrian centers, fairgrounds with equestrian facilities, and/or multi-purpose facilities with arenas that host equestrian events. These facilities, ranked in order by distance from Hobbs,⁶ their current operator, and the year the opened, appear in Table 6.

Name	City, State	Operator	Year Open	Distance from Hobbs¹
Andrews County Expo Center	Andrews, TX	Andrews County	2006	55
Horse Council Arena (Eddy County Fairgrounds)	Artesia, NM	Artesia Horse Council	1970s	80
Midland County Horseshoe Arena	Midland, TX	Dooley Management	2006	100
Mallet Event Center & Arena	Levelland, TX	Hockley County	2012	100
Roosevelt County Fairgrounds	Portales, NM	County	2011	110
Eastern New Mexico Fairgrounds - Bob Crosby Arena	Roswell, NM	Non-profit	1950's	115
Curry County Event Center	Clovis, NM	Global Spectrum	2009	120
Nolan County Coliseum	Sweetwater, TX	County	1959	180
1st Community Credit Union Spur Arena	San Angelo, TX	San Angelo Stock Show and Rodeo Association	2002	200
Quay County Fairgrounds	Tumcumcari, NM	Quay County	n/a	210
Expo Center of Taylor County	Abilene, TX	Taylor County	1973	230
Rockin' Horse Ranch	Moriarty, NM	Private	1990	285
Southern New Mexico Fairgrounds	Las Cruces, NM	Dona Ana County Parks & Rec	n/a	290
Expo New Mexico - Indoor Horse Arena	Albuquerque, NM	State	n/a	315
Santa Fe Trails Event Center	Las Vegas, NM	Private	2001	320
Bernalillo County Sheriff's Posse Arena	Albuquerque, NM	Non-profit	1989	325
Young County Arena	Graham, TX	Young County and Graham City	2006	330
McGee Park	Farmington, NM	San Juan County	2006	490

Sources: Individual Facilities, MapQuest and MFA

¹ NOTE: Mileage is rounded and is based on MapQuest distances from the center of Hobbs.

⁶ Based on MapQuest distances from the center of Hobbs.

What is interesting about Table 6 is that one-half of these facilities were have been built since 2000. This includes the closest facility to the Lea County area, which is the Andrews Expo Center. Owned and operated by Andrews County, the facility will be six years old in March 2013. Of the three facilities that fall within a 100-mile radius of Hobbs, three of them – Andrews County Expo Center (Andrews, TX), Midland County Horseshoe Arena (Midland, TX), and the Mallet Event Center (Levelland, TX) – have opened since 2006. Similar to Lea County, the county locations of these centers have experienced oil booms in recent years and sought to capitalize on the economic boom by building new event and equestrian centers.

Types of Facilities at Selected Equestrian and Multi-purpose Facilities

The facilities and amenities at the 18 equestrian centers that MFA has profiled appear in Table 7. A total of 9 of them, or one-half, contain climate-controlled indoor arenas. Only four of them do not have an indoor arena, and these four are located at fairgrounds. The average seating capacity of these selected facilities is approximately 1,900 seats. With the exception of the Bernalillo County Sheriff's Posse Arena in Albuquerque, all of them have an outdoor arena as well.

The majority of these facilities typically have an average of 100 to 200 stalls. Expo New Mexico quotes over 2,200 stalls since they will use the ones at the racetrack when it is not racing season. The average number of RV hook ups was approximately 100, though most managers did not distinguish between full hook ups, partial ones and/or temporary hook ups that can be brought in for special events.

Event Mixes at Selected Equestrian and Multi-purpose Facilities

In terms of the mix of the type of events at these selected facilities, MFA reviewed recent event calendars and, in the event that they were not available, spoke to management to obtain estimates. In summary, these selected facilities averaged 62 events annually. However, it should be noted that this average includes all events at multi-purpose facilities that have multiple event venues such as the Mallet Event Center or Expo New Mexico. Multi-use facilities like the Midland County Horseshoe Arena, Mallet Event Center & Arena, Expo Center of Taylor County and Expo New Mexico average 100 to 200 events annually.

Conversely, standalone equestrian arenas such as the Andrews County Expo Center (which is really geared toward equestrian events), the Horse Council Arena at the Eddy County Fairgrounds, etc., tend to average closer to 30 to 50 events annually.

In terms of event mix (Table 8), MFA has broken down event categories into 9 types of events, the definitions of which are as follows:

- **Rodeo/Action.** This is by far the most popular type of equestrian activity among those selected facilities and includes rodeos and “cowboy action sports” such as roping, barrel racing, reining, and cutting. An average of 60 percent of all events at the selected facilities consisted of rodeo/action events. At standalone equestrian facilities the number was closer to 80 to 90 percent of the total.
- **Horse Shows.** A less popular category throughout these selected facilities, these shows include breed organizations (AQHA), Hunter Jumper shows, dressage, etc. and horse clinics. The only facility in New Mexico and Texas that hosts more horse shows than rodeo/action events is Expo New Mexico. It primarily hosts Dressage, Hunter Jumper and Arabian shows.
- **Livestock Shows.** This includes livestock shows, sales, auctions and clinics. This category averaged 5 percent of all events.
- **Dog Shows.** Dog shows comprise a very small segment of shows at most facilities. The

Bernalillo County Sheriff's Posse Arena in Albuquerque is the only one that hosts several dog shows per year.

Table XX. : Arenas and Amenities at Competitive Equestrian and Multi-Purpose Facilities								
Name	City, State	Year Open	Indoor Arena	Climate	Seating	Outdoor Arena	Number of Stalls	RV Spaces
Andrews County Expo Center	Andrews, TX	2006	300'x150'	Heat & A/C	1,800	160'x120'	195	35
Horse Council Arena (Eddy County Fairgrounds)	Artesia, NM	1970s	Indoor/covered/east side open	None	750	200'x300'	75	24
Midland County Horseshoe Arena	Midland, TX	2006	280'x125'	Heat & A/C	3,500	Yes	170/200	25
Mallet Event Center & Arena	Levelland, TX	2012	300'x150'	Heat & A/C	1,933	Indoor warm up	178	50
Roosevelt County Fairgrounds	Portales, NM	2011	200'x275'	Heat & A/C	600	Yes	100	12
Eastern New Mexico Fairgrounds - Bob Crosby Arena	Roswell, NM	1950's	None	None	4-5,000	300'x150'	12	100
Curry County Event Center	Clovis, NM	2009	350'x200'	Heat & A/C	3,300	Several	200	70
Nolan County Coliseum	Sweetwater, TX	1959	100'x230'	Heat & A/C	3,000	2 @ 200'x300'	300	125
1st Community Credit Union Spur Arena	San Angelo, TX	2002	155'x330'	Heat & A/C	956	106'x120'	262/140	90
Quay County Fairgrounds	Tumcumcari, NM	n/a	None	None	500	149'x327'	75	0
Expo Center of Taylor County ¹	Abilene, TX	1973	110'x240'	Heat & A/C	1800	150'x300'	750	450
Rockin' Horse Ranch	Moriarty, NM	1990	95'x196'	None	n/a	150'x300'	90	12
Southern New Mexico Fairgrounds	Las Cruces, NM	n/a	Covered	None	Bleachers	Yes	28	n/a
Expo New Mexico - Indoor Horse Arena ²	Albuquerque, NM	n/a	117' x 246'	Heat	1,800	125'x264'	2,247	200+
Santa Fe Trails Event Center	Las Vegas, NM	2001	140'x275'	None	750	180'x350'	120	10
Bernalillo County Sheriff's Posse Arena	Albuquerque, NM	1989	120'x275'	None	1,750	None	60	36
Young County Arena	Graham, TX	2006	150'x250'	Heat	2,500	120'x250'	250	40
McGee Park	Farmington, NM	2006	128'x220'	Heat & A/C	1,250	200'X100'	100	574

Sources: Individual Facilities and MFA

¹ Pertains to the Horse Arena. The Coliseum is climate-controlled and 107'x245'.

² Also has the Tingley Coliseum that is 112'x250', climate-controlled, and seats over 9,000. The number of stalls includes the racetrack when it is not in season.

Table 8: Annual Events at Competitive Equestrian and Multi-Purpose Facilities

Name	City, State	Total Annual Events	Rodeo/Action	Horse Shows	Livestock	Dog Shows	Consumer Shows	Entertainment	Social	Other
Andrews County Expo Center	Andrews, TX	52 ^e			5% ^e	5% ^e		5% ^e	5% ^e	
Horse Council Arena (Eddy County Fairgrounds)	Artesia, NM	30	90%					10%		
Midland County Horseshoe Arena*	Midland, TX	149	15%	4%	3%	3%	7%	13%	54%	
Mallet Event Center & Arena*	Levelland, TX	96	17%	1%	12%		2%		68%	
Roosevelt County Fairgrounds	Portales, NM	45 ^e	80% ^e	10% ^e	5% ^e		5% ^e			
Eastern New Mexico Fairgrounds - Bob Crosby Arena	Roswell, NM	12	100%							4% [^]
Curry County Event Center*	Clovis, NM	49	49%	2%	6%		4%	12%	24%	3%
Nolan County Coliseum*	Sweetwater, TX	25	92%	4%						4%
1st Community Credit Union Spur Arena	San Angelo, TX	28	32%	14%	11%		4%	7%	32%	2%
Quay County Fairgrounds ¹	Tumcumcari, NM	n/a ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expo Center of Taylor County ²	Abilene, TX	127	28%	4%	6%		7%	5%	39%	12%
Rockin' Horse Ranch	Moriarty, NM	32	91%	6%						3%
Southern New Mexico Fairgrounds	Las Cruces, NM	n/a								
Expo New Mexico - Indoor Horse Arena ³	Albuquerque, NM	20/200	15% ³	85% ³						
Santa Fe Trails Event Center	Las Vegas, NM	20	83%			7%				
Bernalillo County Sheriff's Posse Arena ⁴	Albuquerque, NM	9	80%			20%				
Young County Arena	Graham, TX	59	56%	8%	2%	2%	2%	7%	20%	3%
McGee Park	Farmington, NM	77	61%		1%	1%	5%	9%	1%	21%

Sources: Individual facilities, event calendars, management and MFA

^e" = estimate

* NOTE: includes total events in these multi-purpose facilities

¹ Number of events at Quay County Fairgrounds varies from year to year. Events are mostly Rodeos and Roping Events that are all 4-H programs. The county Operates the Arena from May to August. The rest of the year Mesalands Community College uses the facility.

² Schedule is April-July, 2012

³ Numbers for Expo New Mexico pertain to horse shows (20) though the entire facility does about 200 events.

⁴ Based on their event schedule for August-December, 2012

- **Consumer Shows.** These events are typically gated/ticketed events open to the public such as gun shows, gem shows, arts and crafts fairs, etc. What surprised the study team is how few of these shows (an average of 4 percent) are actually held at the selected venues in New Mexico and Texas, even at multi-purpose venues. This includes events held at the Lea County Event Center.
- **Entertainment.** This includes spectator events such as monster truck shows, concerts, arena cross, circuses, and other forms of live entertainment. These events comprised an average of 9 percent of total events at these selected facilities.
- **Social.** These types of events include meetings, parties, graduations, weddings, banquets, and educational testing. These types of events are particularly popular at multi-purpose event centers like the Mallet Event Center (68 percent). As noted in the previous section, nearly 80 percent of the Lea County Event Center's events are social.
- **Other.** This category refers to all other types of events, including sports, demonstrations, and any other category that does not conveniently hit into the afore-mentioned ones.

Hotel Infrastructure at Selected Equestrian and Multi-purpose Facilities

Table 9 lists the number of hotels/motels within a 10-mile radius of the address of selected competitive facilities. It should be noted that these hotels/motels: (a) include only those listed by STR and may not include private, independently-owned venues or bed and breakfast facilities; and (b) are based on the 10-mile zip code of the facility's address.

Based on the information in Table 9, the average number of hotel/motels within a 10-mile radius of these competitive facilities is approximately 19, with an average over 1,300 rooms. This compares favorably to the current existing infrastructure in the Hobbs/Lovington area (Table 5), which has 24 hotels/motels and 1,372 rooms.

Table 9.: Hotel Infrastructure at Selected Facilities		
Name	10-Mile Radius	
	# Hotels	# Rooms
Andrews County Expo Center	3	166
Horse Council Arena (Eddy County Fairgrounds)	6	264
Midland County Horseshoe Arena	38	3,272
Mallet Event Center & Arena	4	207
Curry County Event Center	16	985
Southern New Mexico Fairgrounds	40	2,987
Roosevelt County Fairgrounds	4	161
Eastern New Mexico Fairgrounds - Bob Crosby Arena	23	1,453
1st Community Credit Union Spur Arena	24	1,956
Quay County Fairgrounds	21	1,139
Expo Center of Taylor County	42	3,306
Santa Trails Event Center	13	610
Young County Arena	4	253
McGee Park	23	1,811
<i>Source: Smith Travel Research (2012)</i>		

Populations within Selected Equestrian and Multi-purpose Facilities

Using ESRI data, MFA looked at the respective population centers of selected facilities within a 50-, 100- and 200-mile radius. The two facilities in Albuquerque – Expo New Mexico and the Bernalillo Sheriff’s Posse Arena – have the greatest concentration of population within a 50-mile radius, though the Young County arena has the greatest population concentration within a 100- and 200-mile radius, respectively. This is due to the location of the Young County Arena in Graham, which approximately 120 miles northwest of the Dallas/Fort Worth metro area.

Table 10.: Populations within Selected Facility Sites

Name	50-Mile Radius		100-Mile Radius		200-Mile Radius	
	2012	2017	2012	2017	2012	2017
Andrews County Expo Center	396,949	430,318	852,097	910,025	1,723,586	1,816,306
Horse Council Arena (Eddy County Fairgrounds)	120,899	125,028	272,268	285,389	2,496,448	4,660,659
Midland County Horseshoe Arena	353,883	382,745	596,312	635,778	1,716,962	1,800,322
Mallet Event Center & Arena	363,528	385,298	669,081	706,659	1,989,116	2,086,925
Roosevelt County Fairgrounds	90,504	95,937	620,625	653,596	2,615,216	2,752,941
Eastern New Mexico Fairgrounds - Bob Crosby Arena	75,539	77,897	283,486	297,092	3,673,539	3,908,189
Curry County Event Center	91,310	96,843	775,518	817,981	1,922,179	2,020,654
1st Community Credit Union Spur Arena	137,084	143,363	493,584	510,480	6,716,600	7,334,648
Quay County Fairgrounds	10,055	10,337	176,923	184,610	2,492,954	2,617,284
Expo Center of Taylor County	213,888	219,415	562,921	578,250	11,346,296	12,259,040
Southern New Mexico Fairgrounds	667,395	712,358	1,180,422	1,269,732	2,304,828	2,448,390
Expo New Mexico - Indoor Horse Arena	966,465	1,026,114	1,200,622	1,266,989	2,184,932	2,297,309
Santa Trails Event Center	72,151	73,854	1,111,969	1,173,173	2,307,143	2,416,463
Bernalillo County Sheriff’s Posse Arena	1,017,808	1,079,012	1,210,579	1,277,421	1,919,372	2,009,308
Young County Arena	147,170	152,570	4,405,469	4,718,867	13,053,194	14,020,038
McGee Park	188,980	193,419	377,900	390,890	2,203,071	2,302,677

Sources: ESRI (2012) and MFA

The average population in 2012 within 50 miles of these selected facilities is nearly 310,000, and approximately 925,000 within a 100-mile radius.

Comparative Population to Proposed Sites in Lea County

Using ESRI data, MFA looked at the comparative current and projected population distances of 50- and 100-miles from both NMJC and the Lea County Fairgrounds sites that are currently under consideration for the proposed arena.

As shown in Table 11, the demographic factors vary only slightly, with the current 50-mile populations being 104,600 at NMJC and 94,924 at the Fairgrounds, respectively. This means that the population within 50 miles is roughly one-third that of the competitive facilities listed in Table 10. However, the 2012 population within 100 miles from NMJC is estimated to be closer to 910,000 and 855,000 from the Fairgrounds. This is more consistent with the average of the facilities listed in Table 10.

This is important since MFA believes that the majority of potential user groups will primarily be coming from within a 100-mile radius. Event finals can draw from beyond this range, but consistent user groups like local team roping typically come from within a two-hour drive.

Table 11.: Comparative Demographics of Potential Equestrian Center Sites, 2012-2017				
2012	New Mexico Jr. College		Lea County Fairgrounds	
	50-Miles	100-Miles	50-Miles	100-Miles
Population	104,600	909,604	94,924	853,835
Households	35,865	331,428	32,324	313,779
Families	26,633	223,878	24,066	210,754
Average HH Size	2.85	2.66	2.87	2.64
Median Age	31.8	32.6	31.8	32.4
Median HH Income	\$39,904	\$40,582	\$40,172	\$40,841
2017	New Mexico Jr. College		Lea County Fairgrounds	
	50-Miles	100-Miles	50-Miles	100-Miles
Population	113,338	970,094	102,094	909,280
Households	38,636	353,564	34,527	334,097
Families	28,663	240,320	25,641	225,707
Average HH Size	2.87	2.66	2.89	2.65
Median Age	32.3	33.2	32.3	33.1
Median HH Income	\$44,951	\$48,727	\$45,207	\$49,111
% Chg. 2012-2017	New Mexico Jr. College		Lea County Fairgrounds	
	50-Miles	100-Miles	50-Miles	100-Miles
Population	8.4%	6.7%	7.6%	6.5%
Households	7.7%	6.7%	6.8%	6.5%
Families	7.6%	7.3%	6.5%	7.1%
Average HH Size	0.7%	0.0%	0.7%	0.4%
Median Age	1.6%	1.8%	1.6%	2.2%
Median HH Income	12.6%	20.1%	12.5%	20.2%

Source: ESRI 2012 and MFA

Characteristics of Selected Competitive Equestrian and Multi-Purpose Facilities

The facility characteristics and the regional characteristics of the 18 selected facilities have been listed in Tables 6 through 10. The following is a more detailed description of each facility, the types of events they host, and any operating details. It should be noted that most facility managers would not disclose operating expenses or budgets either because: (a) they were not fully aware of them (as is the case when they form part of larger facilities such as fairgrounds, etc.); or (b) they view the proposed facility in Lea County as a potential competitor and therefore did not wish to disclose any details to a potential competitor.

Andrews County Expo Center, Andrews, TX

The Andrews County Expo Center in Andrews, Texas, is the closest facility to Lea County. Andrews County is also similar to Lea County in that it is situated in a fast-growing, oil boom town. It is owned and operated by the county and will be 6 years in March. The Center was built with county funds and operates with three full-time employees and one part-timer.

The main arena is a 150'x300' climate-controlled venue with 1,800 seats. It also has an adjacent 160'x120' enclosed warm up arena. The footing in the indoor arena is sandy loam and can be hardened to do circuses and weddings, though 80 percent of their estimated annual 52 events consist of rodeos, ropings and barrel racings. They host a lot of memorials and benefits for these types of events. This year, the World Series of Team Roping will hold their Invitational Team Ropers Association ("ITRA") Finals there in November.

Other on-site amenities include 54 RV spaces and 175 indoor stalls in a barn. The main arena rents for \$600/day during a weekend, which includes the use of the adjacent indoor arena. This represents an increase from \$500/day in 2010. In discussions with various user groups, MFA learned that some consider this rental cost to be too high. For concessions, Andrews County contracts with an outside concessionaire.

According to the County Auditor, the annual budget for the facility in FY 2012 was \$509,472 and utilities are approximately \$65,000 per year. Though management and the Auditor's office would not disclose exact revenues and expenses, they did indicate that the venue consistently runs at an annual deficit. That being said, it was "never built with the intention of making money."

Horse Council Arena at the Eddy County Fairgrounds, Artesia, NM

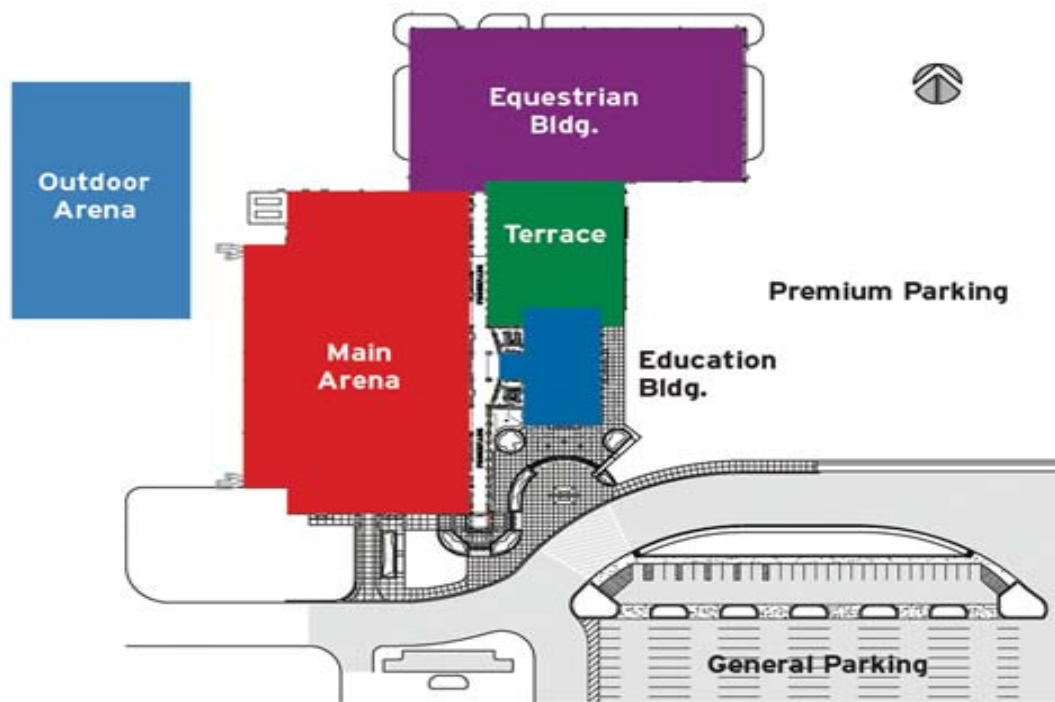
Located approximately 80 miles from the center of Hobbs, the Horse Council Arena at the Eddy County Fairgrounds is operated by the Artesia Horse Council and is separate from the fairgrounds. The facility was built in the 1970s and hosts approximately 30 events annually.

The indoor arena, the exact dimensions of which are not available, is not climate-controlled but is covered with the east end open. It can seat 750 people. There is also an outdoor 200'x300'arena that can seat 2,500 people. The venue has 75 stalls and 24 RV spaces .

The annual Eddy County Fair & Smokin' Hot Bull Riding hosts bull riding nightly during the fair in July. .

Midland County Horseshoe Arena, Midland, TX

Located approximately 100 miles from Lea County, the Midland County Horseshoe Arena in Midland, Texas, is a 100+ acre multi-purpose facility that is county-owned and managed by Dooley Management. It operates with 5 full-time employees of Dooley Management and 15 county employees for maintenance. The county is responsible for maintenance and capital improvements to the property. The facility opened in 2006 and is currently undergoing a \$24 million expansion that will add a 52,000-square-foot exhibit hall and an amphitheater with seating for 8,000 by summer of 2014. A diagram of the existing facility appears below.



The main arena floor is climate-controlled, approximately 35,000 square feet (125'x280'), contains cement and dirt flooring, and has 1,000 fixed bleacher seats and 2,500 portable ones. It rents for \$1,000/day vs. 10 percent of ticket sales.

The Equestrian building has a dirt floor and is approximately 38,000 square feet. An outdoor arena that is 180'x300' is currently not covered, but is planned to be by 2014. As noted, capital improvements are underway.

The 7,000-square-foot Terrace Building serves as an exhibit hall and can host over 500 people.

The facility has 170 stalls and 200 portables and 25 RV spaces. Dooley Management controls concessions and provide fast food and liquor in exchange for providing the county 10 to 20 percent of sales based on the gross.. Their part of the budget is \$492,000. This excludes the utilities for which county pays \$200,000 per year for the entire facility.

According to their 2012 event calendar, the venue hosted 149 events, and management estimates the total event days were 240. The largest segment of events were social, representing 54 percent of the total. The demand for non-dirt events is why they are building a new, 52,000-square-foot event center. Last year, equestrian events totaled 26, generated 42 event days, and total estimated attendance of 12,600. The Professional Armed Forces Rodeo Association (PAFRA) World Finals will make the Horseshoe their home for their home for the next three years, beginning November 23-25, 2012

Mallet Event Center & Arena, Levelland, TX

The Mallet Event Center & Arena ("MECA") is a \$15 million multi-purpose project that was completed in January 2012. The MECA is located in Levelland, Texas, the county seat of Hockley County, which runs the facility.

MECA offers a climate-controlled, Kiser designed arena of 150'x300' with 1,933 seats. The arena rents for \$1,000/day. There is also an attached indoor, warm-up arena that is 150'x100' and covered penning



of 145'x100'.

The facility also has a banquet hall which can be divided into 3 sections for a total seating of over 600 people. As part of the banquet area, the facility also offers a patio area with 2 gas fire pits for guest use.

Other amenities include •178 horse stalls in a covered outdoor horse barn with lights and water. The facility plans to have a total of 300 before the end of 2013, and 50 self-contained RVs with more coming in this year.

According to their 2012 event calendar, MECA hosted 96 events in 2012. The greatest percentage (68 percent) were social events, followed by rodeo/action (17 percent), and livestock shows (12 percent). One regular event throughout the year is the Mallet Cooking School, which is held in the Banquet Hall each month.

With regard to equestrian events, regular user groups include the Palo Duro Cutting Horse Association and the Panhandle Cutting Horse Association. The High Plains Rodeo Association uses it several times per year, and it is also the venue for the AJRA national finals, which is a 7-day event in July.

Roosevelt County Fairgrounds, Portales, NM

The Roosevelt County Fairgrounds is a 100-year-old, county-owned facility whose venues include the Jake Lopez Community Center, which is primarily used for social events, and the Youth Building, which is used by several organizations such as 4-H. The Pavillion area is also available for rent and has a half dirt/half cement floor that is suitable for livestock events.

A recent addition to the fairgrounds is the new indoor, climate-controlled arena, which was completed in October 2011. The 54,000 square-foot arena has 200'x275' arena floor with sand and clay footing. The arena rents for \$400/day on weekends and \$200 during the remainder of the week. No rough stock is allowed in the indoor arena. There is also an outdoor arena with chutes.

The separate stalling area has a combination of 24 permanent and over 75 portable stalls. A total of 12 RV hook ups are available.

Though it has only been open for approximately one year, the arena has hosted approximately 45 events. An estimated 85 percent of these events are equestrian related. Other events include a trade show, annual fair, and an arts and crafts fair.

Eastern New Mexico Fairgrounds – Bob Crosby Arena, Roswell, NM

The Bob Crosby Arena at the Eastern New Mexico Fairgrounds was built in the 1950s. Certain groups such as the Working Ranch Cowboys Association have been using the facility free of charge for 25 years. These events are typically two-day events with 20 teams (approximately 100 competitors).

The outdoor 150'x300' arena has 4-5,000 seats and 12 stalls. The fairgrounds has over 100 RV spaces available.

Curry County Event Center, Clovis, NM

The Curry County Event Center is a multi-purpose arena facility and fairgrounds. The Center hosts rodeos, livestock sales, dog shows, concerts, circuses, trade shows, conventions, sporting events and other types of private and special events. Completed in 2009, the event center is owned by the county and managed by Global Spectrum.

The 350'x200' climate-controlled arena has 3,300 seats (including 294 premium seats). An additional 3,200 seats on the arena floor are also available. The arena has dirt flooring but temporary flooring is also available.

There are two outdoor arenas, including the Mounted Patrol Arena and the Kevin Roberts Memorial Show Arena. An indoor pavilion, commercial barn, and outdoor areas are also available. At present, the venue has 200 temporary stalls, though management reports that they are trying to build permanent ones. A total of 70 RV spaces are available.

According to their event calendar, a total of 49 events were held at the facility last year. Nearly one-half (49 percent) of them consisted of rodeo/action events, followed by social events (24 percent) and live entertainment (12 percent). Groups that use the facility on a consistent basis include CA Team Roping, and the USTRC hosted a four-day event there in April and August last year. The Curry County Fair is held in August at the Center. The event attracts roughly 30-35,000 attendees.

Nolan County Coliseum, Sweetwater, TX

The Nolan County Coliseum is a county-owned and operated facility that was originally built in 1959. The facility has an indoor, climate-controlled arena that is 100'x 230' with 3,000 seats (concrete bleachers) and two outdoor arenas of approximately 200' x 300'. The facility has 300 stalls and 125 RV spaces.

According to management, there are 16 different groups that use the facility annually and host a total of approximately 25 events. Over 90 percent of these groups fall under the rodeo/action category. This includes the Big Country Cutting Horse Show that uses the facility 9 times per year, and a West Texas Rodeo that uses it six times annually. In other words, the Coliseum has few but consistent user groups. There is also an annual family rodeo that is held annually in the Coliseum over 13 days. With that, the largest event that the facility hosts is the annual Rattle Snake Round Up. This 3-day event attracts 30,000 people.

Unlike other arenas like the Andrews County Expo Center that charge a basic arena rental rate and then add for extras such as tractors, event set up and take down, etc., the Nolan County Coliseum charges an all-inclusive flat rental rate of \$800/day, which includes these additional services (excluding stalls and RV hook ups).

1st Community Credit Union Spur Arena, San Angelo, TX

Located in San Angelo, Texas, the Spur Arena is one of seven venues located on the San Angelo Fair Grounds. The facility is operated by the San Angelo Stock Show and Rodeo Association and was built in 2002. The \$4.9 million facility was funded by a half-cent sales tax.

The 83,160-square-foot, climate-controlled facility has an indoor arena that is 330'X155' when empty or 270'X135' with chutes set up for a variety of events. Spectator seating is available for 956 chair seats around the arena with a concession area and a private club with a bar. The arena rents for \$1,250 per daily, which is the same rate that WestWorld in Scottsdale, Arizona, charges for the Equidome.

The facility also has two 120'X106' covered warm up areas on the north and south ends of the facility.. Other amenities include 90 RV spots, 262 permanent, and 140 portable horse stalls.

Other facilities available for rent include meeting and banquet type facilities such as the Wells Fargo Pavilion, Sale Pavilion and Concho Credit Fiesta Building, and the Housley Communications Cattle Barn and the Livestock Building #2

Last year, the Spur Arena hosted 28 events. According to management, this was an average year in terms of the number and type of events. Their largest event is the San Angelo Rodeo, which typically attracts 150-200,000 people each February. The event takes over the entire fairgrounds. Other large events include a USTRC roping in June, the National Reined Cow Horse Association's Celebration of Champions held annually in late January and early February, and a major roping event that attracts 10,000 spectators. .

In addition to their rodeo/action events (32 percent of total events), the venue hosted 7 private parties in the club room last year, one food tasting in the arena, one high school graduation party, an ag mechanics show

Quay County Fairgrounds, Tucumcari, NM

Located in Tucumcari, the fairgrounds arena is operated by Quay county and Mesalands Community College. The 327'X149' outdoor arena is operated by the county from May through August and is operated by the Community college Rodeo team for the rest of the year. The arena has approximately 500 seats for spectators to the arena's various 4-H events that are hosted while being operated by the county. Along with 75 horse stalls, the site also has a 10,000 sq. ft. multi-use air-conditioned building that is used for wedding receptions and 4-H events, along with a 13,000-square-foot dirt floor building.

The number of events at Quay County Fairgrounds varies from year to year. Events are mostly rodeos and roping events that are all 4-H programs.

Expo Center of Taylor County, Abilene, TX

The Expo Center of Taylor County is a 117 acre multi-purpose complex located in Abilene, Texas. The facility serves as a community fair and exposition venue. The complex is able to accommodate large crowds for festivals, fairs, concerts, and major equestrian events. The complex has three heated and air-conditioned facilities that have areas for equestrian-related events. The Coliseum is a 30,000-square-foot facility that is used for large rodeos, concerts, and a variety of exhibitor events. The facility can set up a 245'X107' arena and has seating for 5,000.

The second indoor arena is known as the Horse Barn. The Barn has a 240'X100' arena with bleacher seating for 1,800 spectators. The Barn also features 130 horse stalls and an attached exercise pen. The outdoor facility is an open-sided 45,000-square-foot arena that includes bleacher seating for 2,000. In addition to the arenas the complex consists of four multi-purpose event buildings ranging from 8,000-18,000 square feet. There is also the Griffin Arena, which is used for livestock events and the

Entertainment Pavilion, which seats around 1,000 for outdoor concerts.

According to their 2012 event calendar, which pertains to April 2012 through January 2013 only, 39 percent of their events were social, followed by rodeo/action events at 28 percent. The Original Team Roping Association ("OTRA") hosts several events there throughout the year, as does the West Texas Barrel Racers Association ("WTBRA").

Since the Expo Center operates as a non-profit entity, MFA was able to obtain IRS Form 990 data for 2010 (the most recent year available). In 2010, the facility reported operating revenues of \$4.3 million and expenses of roughly \$4.1 million, representing a slight operating profit. That being said, contributions and grants that year amounted to \$925,000, meaning that the facility receives a substantial subsidy to operate. Government grants amounted to \$666,000, other gifts and grants totaled \$259,000 and non-cash contributions. Earned income ("program service revenue") from gate fees and receipts was just under \$2 million that year, and gross rentals amounted to \$1.3 million.

Rockin' Horse Ranch, Moriarty, NM

The Rockin' Horse Ranch in Moriarty is a family-owned and operated facility. Built in 1990, the facility serves as both a horse boarding and event center.

Located off Interstate 40, the facility has an outdoor arena (150'x350'), an indoor (95' x 186') arena, 12 RV hookups, and 90 permanent stalls. Last year the facility hosted 32 events. They regularly host the New Mexico Cutting Horse Association (NMCHA), American West Barrel Racing (AW4D), Better Barrel Racing Association (BBR) and the New Mexico National Barrel Horse Association (NMNBHA). Other events include horse clinics. Last year they hosted two horse shows.

The indoor arena rents for \$600 per day (for two day or more shows) and \$700 a day for a one day show. The outdoor arena price is negotiable. The stalls are \$15 a night with barn rental and the RV rental is \$15.

Southern New Mexico Fairgrounds, Las Cruces, NM

MFA was able to obtain little information on the Southern New Mexico Fairgrounds in Las Cruces. The venue does have a covered arena with bleacher seating, 28 stalls and 56 RV spaces.

The Southern New Mexico State Fair's Rodeo is held in conjunction with the fair each year. They host the Turquoise Circuit's Final Rodeo. Groups like the New Mexico Businessman's Team Roping Association, which is based in Las Cruces, hold their finals there.

Expo New Mexico, Albuquerque, NM

The state fairgrounds in Albuquerque, Expo New Mexico ("EXPO"), has three arenas. The venue hosts approximately 200 events annually, about 20 of which are horse shows/equestrian events. Annual attendance is 400,000.

The major arena is the Tingley Coliseum, which is a 112'x250' climate-controlled venue with a cement base with dirt haul. The arena has tiers of bleachers and box seating for 9,286 people. It rents for \$5500 per day and has hosted large equestrian events like the Arabian Youth Nationals.

The Indoor Horse Arena is a 117'x246' venue with swamp coolers and heat. It can seat 1,800 in bleachers and rents for \$660/day. Amenity features include a lighted canopy over stock entrance, offices, six glass cases, a snack bar with full liquor service, and an onsite feed store.

The Outdoor Horse Complex is an outdoor fenced show ring (125'x264') with covered bleacher seating for spectators (additional bleachers can be added for larger shows). The Outdoor Horse Complex can be utilized for stand-alone shows, or as a warm-up ring for shows taking place in the Dairy Barn or Indoor Horse Complex. It rents for \$275 per day.

Management reports that 2,247 stalls are available for use, however, this includes use of the adjacent racetrack facility when it is not racing season.

In complete contrast to other facilities profiled in this section, equestrian events at EXPO are almost entirely (83 percent) horse shows. EXPO hosts Hunter Jumper events like the Sandia Classic, whose competitors either want a destination event or a town that has numerous amenities. Other events at the complex include the New Mexico State 4-H Horse School in June and several Arabian Training Shows.

Santa Fe Trail Events Center, Las Vegas, NM

The Santa Fe Trail Events Center is a facility that was built by a World Series of Team Roping promoter, Kenny Zamora. He is the owner/operator of the facility in Las Vegas that was built 12 years ago.

The covered arena facility (140' x 275') contains an outdoor arena (180' x 325'), 58 covered stalls, 58 covered stalls with runs (for roughly 120 total stalls), livestock pens, and 30 acres of parking.

The venue hosts approximately 20 events annually. Although the Zamora's are producers of equine related events (primarily team roping) the facility is set up to accommodate various other events including but not limited to: rodeos, barrel racing, bull riding, team penning, horse shows, concerts, circuses, carnivals, fairs, conventions, car shows, and social events.. A New Mexico High School Rodeo event was held there this past May and a dog show this past July.

Bernalillo Sheriff's Posse Arena, Albuquerque, New Mexico

The facility was built in 1989 and contains a stand alone, covered arena that is 120' x 275' and seating for 1,750. It is run by the non-profit Bernalillo County Sheriff's Posse. The venue also has 60 stalls and 36 RV sites.

MFA was only able to obtain event information for August – December of 2012. A total of 9 rodeo/action events were scheduled (primarily roping), including two dog shows.

According to their IRS Form 990 for 2010, the facility generated revenue of \$44,272 and expenses of \$46,847 that year. Arena rentals and stall fees amounted to \$26,658, and the organization received \$11,300 in state fair income.

Young County Arena, Graham, Texas

Located in Graham, Texas, the Young county Arena is a multi-purpose event center that sits on 6.2 acres of land. It is co operated by the city of Graham and Young County. The facility has two different arenas that host a variety of large events such as rodeos, bull riding competitions, concerts, livestock shows and more.

The Young County Arena was a community project. Construction began in 2000, and was managed by Young County and the Young County Parks Board. In 2004, the City of Graham contracted with Young County to manage the facility. Due to budget constraints, the facility has been constructed in phases. The initial phase was the construction of the main covered arena. In 2006, the outdoor arena and stall area were added. The parking lot and landscaping beds were completed in 2007. The facility will continue to grow and progress with availability of funds and the demands of the customers.

The indoor arena is a fully enclosed 250'150' venue that has seating for 2,500 spectators. The arena offers bucking chutes, a press box, a concession area, and heating for the winter and fans for the summer.

The outdoor Outback Arena is a covered 250'120' venue that offers seating for spectators and a mobile concession stand. In addition to the arenas, the facility offers 40 RV parking spaces, 250 stalls for

horses, a 5,000-square-foot banquet room, and a 10,000 square-foot foyer that is used by vendors.

The largest segment of users are rodeo/action events, accounting for 56 percent of total events last year. The second largest segment is social events.

McGee Park, Farmington, NM

Located in Farmington, McGee Park is made up of several different facilities operated by San Juan County. The property has three different facilities that can be used for equestrian and other large events.

The Memorial Coliseum is the second largest arena in the state at more than 67,000 square feet with an area that measures 29,000 square feet. The facility has 5,137 grandstand seats, along with up to 3,000 seats on the arena floor, depending on the event. It also has an attached 130'X30' pavilion, a 180'X38' patio, and two concession stands.

Located right next the Coliseum is the Indoor Riding arena that is used for events such as beef shows, clinics, and rodeos. The 220'X128' arena has seating for 1,250, is equipped with a cooling and heating system, and has an announcer stand. In addition to the two indoor arenas, McGee Park also has an Outdoor Arena. The arena is 200'X100' and has seating for 1,250. Used in the spring and summer, the arena is used for events such as barrel races, ropings, and clinics. In addition to the arenas McGee Park has 100 permanent covered horse stalls along with more than 500 pony pens just outside the facility on the San Juan County Fairgrounds.

For other events and meetings, the facility also has a 5-room, 18,750-square-foot multi-use building and a 49,000 sq. ft. convention center. The Convention center is located on the property's RV Park, which offers 574 RV spaces and 100 dry camping spots.

According to their 2012 event calendar, the facility generated a total of 77 events and over 200 event days last year. This includes public riding sessions. Sixty-one (61 percent) of these events were rodeo/action activities, followed by the "other" category (21 percent), which primarily consists of public riding and practice sessions. One popular rodeo activity is the Wee Waddie junior rodeo. Families come from all around the Four Corners to attend the winter series, five different rodeos that run from October through February and offer training, practice and competition for children ranging in age from under 5 up to 19.

Planned and Proposed Equestrian Facilities

At this time, MFA is aware of a proposed \$20 to \$25 million multi-purpose arena facility in Santa Fe at the Santa Fe Rodeo Grounds that is being planned with 5,000 to 8,000 seats. It will essentially become Santa Fe's new convention center and host multi-purpose events, including rodeos, bullriding and other equestrian sports. It would also provide temporary disaster relief for animals.

A feasibility study is underway, and the facility has apparently received city, county and state backing.⁷ City funding will come from Capital Improvement Bonds, county funding from economic development funds,

Due to its location in the northern part of the state, and since it will be more geared toward spectator events, MFA does not see it as being competitive with the proposed facility in Lea County. It is more likely to be competitive with the 8,000-seat Santa Ana Star Center in Rio Rancho or Expo New Mexico in Albuquerque.

⁷ Chris Quintana, "Indoor arena may be approved," *The New Mexican*, 13 January 2013.

Site Selection

Introduction

There are two sites under consideration for the proposed facility at this time. One is at New Mexico Junior College in Hobbs, adjacent to the Lea County Events Center and across the street from the Zia Race Track. The second is at the Lea County Fairgrounds in Lovington. The sites are approximately 17 miles or a 20-minute drive apart from each other. As such, current and projected populations of the two sites, previously shown in Table 11, are comparable. What is not comparable, however, is the fact that 92 percent of Lea County's current hotel/motel rooms are located in the city of Hobbs (see Table 9).

The following is a brief description of each site, followed by an analysis of the strengths and weaknesses of each.

New Mexico Junior College Site

NMJC is a modern two-year academic and vocational college offering several degree programs leading to an associates of arts degree. NMJC is a state supported, regional, coeducational institution with a current enrollment of over 3,300 to 3,900 students, of which 1,800 are estimated to be full-time. Situated on 243 acres, the campus is almost finished with an equine technology program that is estimated to become operational in the fall of 2013.

The campus currently has an arena for the rodeo team, however, it is currently not set up for spectators. There is discussion about putting the proposed arena on the west side of the campus (see campus map on the following page).

As shown in the Google Earth image below, NMJC is located adjacent to many area attractions of U.S. Highway 62/180. Its location adjacent to other major Lea County attractions such as the Zia Park and Casino Racetrack and the Lea County Event Center would provide higher visibility for the proposed facility.





Complex & Lea County Cowboy Hall of Fame (WHM)

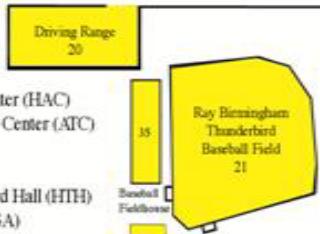
Building (JS)
ing Center (SLC)



NEW MEXICO Junior College

1 Thunderbird Circle
Hobbs, New Mexico 88240
575-392-4510 • 1-800-657-6260

Lea Regional Hospital

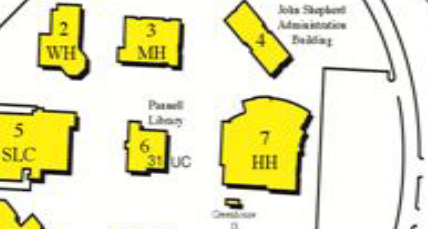
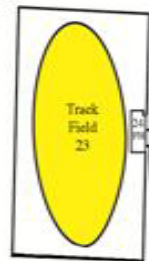


Western Heritage
Museum Complex
& Lea County
Cowboy
Hall of Fame



Arts Center (HAC)
chology Center (ATC)
all (RUN)
Thunderbird Hall (HTH)
ents (JWSA)
ments (CLSA)

Concession
Stand



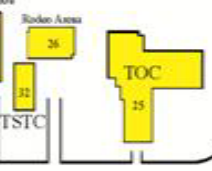
John Shepley
Administration
Building

Passell
Library

Combiner
3

- OFF CAMPUS SITES**
- Del Norte Center (DN)
1503 W. Calle Sur • Hobbs
 - Eunice Center
1712 Avenue J • Eunice
 - Eunice High School (EHS)
1720 Avenue K • Eunice
 - Hobbs Fire Department
301 E. White • Hobbs
 - Hobbs High School (HHS)
800 N. Jefferson • Hobbs
 - Hobbs Teen Center (HTC)
620 W. Alto • Hobbs
 - Jail High School (JHS)
East Utah Avenue • Jail
 - Literacy Alliance Center (LAC)
115 E. Durham • Hobbs
 - Lovington High School (LHS)
701 W. Avenue K • Lovington
 - Marchington Gym (MAR)
Body Right LLC, 114 E. Broadway • Hobbs
 - Tatum High School (THS)
203 W. 3rd • Tatum

Baseball Field (TBF)
reach Center (TOC)
RN)
BS)
gy Center (DBETC)
(UC)
g Center (TSTC)
t) (IBNW)



Lea County
Event Center

Lovington Highway
Texas & NM RR
Access Road
SR 18

Miles Drive

MFA is aware of several successful equestrian facilities/arenas that have been built on college/university campuses. The following is a more detailed description of how they operate.

Selected College/University Facilities

Hyder-Burks Agricultural Pavilion, Tennessee Tech University, Cookeville, Tennessee

Located in Cookeville, Tennessee, this 3.5-acre facility is operated by the School of Agriculture at Tennessee Tech University. The arena functions as a teaching facility Monday through Friday and is open to the public for events during the weekends. The facility originally opened in 1995.

The Pavilion consists of a 125' x 250' indoor, climate-controlled Show Arena that will seat approximately 2,096 people with permanent stadium seats and 100 chairs on top. The arena is equipped with restrooms, showers, concession stands and a spacious show office (holds 30 people) with both heat and air conditioning. The Show Arena rents for \$600/day to agricultural groups and \$1,200/day to commercial groups (i.e., consumer shows). Adjoining the show arena is a 36,000 square foot clear span covered livestock barn that is equipped with 133 stalls that are 10' x 10', 37 box horse stalls, 399 tie rings for haltered cattle, two 80' x 80' concrete wash racks with tie rails, electrical receptacles, PA system, lighting, restrooms and showers. Other amenities include a Sales Arena, and a 4,000-square-foot multi-purpose room, which is used regularly by outside groups for a variety of meetings, educational and social events, including dinners and banquets. A small classroom with a 40-person capacity is available as well, though is typically used by students for classes during the weekdays. The facility has 170 permanent stalls, 40 RV sites, and a picnic area.

Based on their event calendar for 2012, the entire venue will host 108 events and generate 129 event days. Since the meeting room is in high demand, the majority of these events are social (33 percent of the total) or "other" types of events (30 percent). Livestock events are more numerous (16 percent of the total) than horse (7 percent) and rodeo events (8 percent). In terms of breakdown by area of the venue utilized this year, the multipurpose room will host 49 percent of all events, followed by the main arena at 31 percent, and sale arena at 12 percent.

Though management and the university would not disclose details of the budget, we understand that they are mandated to make a minimum of \$100,000 in annual revenue, and the university will cover all costs. Management reports that they typically generate an additional \$20,000, for a total of roughly \$120,000 per year. The University pays all utilities and salaries. Much of the money for capital improvements comes from grants.

Hyder Burks operates with four full-time employees. They use volunteer student labor for shows, etc. The concession stand is run and controlled by the School of Agriculture.

L.D. Brown Ag Expo Center, West Kentucky University, Bowling Green, Kentucky

The L.D. Brown Ag Expo Center is a multi-purpose event and educational facility located on WKU's 780 acre Agricultural Complex. The facility opened in the late 1970s and was partially funded by the state and university. The current seats in arena were upgraded 10 years ago.

The Ag Expo Show Arena is a climate-controlled, 100' x 200' show ring with footing consisting of a loam/sand mixture, chair seating for 2,075, sound system and vendor space. Rental of the Arena is \$1850/day. Heating and air-conditioning are coordinated between the Expo and WKU Energy Management. Temperature settings and run-times are determined by the Expo.

Other facilities and amenities include a sales arena with a total of 320 permanent theatre-style seats, each with fold down desktops. The sales arena is commonly used for livestock sales and conferences. There are also three classrooms and a conference room.

The facility has three barns and a total of 250 permanent stalls, as well as 29 RV sites. There is an

outdoor arena (100' x 200)', with a stone dust/sand combination footing and is located between barns 2 and 3

Based on their 2012 event calendar, the Expo Center will host an estimated 63 events and 90 event days this year. The largest percentage of these events consist are social (40 percent), followed by rodeo (22 percent) and livestock (21 percent). Regular events include the Southern KY Team Penning Association (SKTPA, which uses facility once per month, a variety of horse sales, monthly Pesticide licensing exams, and various meetings and social events.

The L.D. Brown Expo Center is a revenue dependent operation with an annual budget of \$150,000, as set this year by the University. Their revenues and expenses are typically \$150,000 each, respectively. Heating and air-conditioning is coordinated between the Expo and WKU Energy Management, and the facility is not charged.

That being said, the Expo Center has been a small running a deficit in last few years because of the recession. Horse sales were once a large part of the revenue, but they, which the university now covers. The facility has two full-time employees (covered under expenses), and any other services/labor are provided by students.

In summary, there are some cost savings to be achieved by locating an arena in conjunction with a college/university by providing student labor, covering utility costs, etc. Since equestrian arenas can seldom generate enough revenue to cover their operating costs, this is something to consider.

Lea County Fairgrounds Site

Approximately 17 miles northwest of NMJC is the Lea County Fairgrounds in Lovington. The existing Jake McClure Arena, its amenities and other facilities was discussed in previous sections of this report. As shown in the Google Earth image below, it is situated in a less dense section of Lea County.



The Study Team understands that there is 4+ acres of land to the east of the existing site on a lot that is currently being used for gravel and material storage by the Road Department. In addition, the county has purchased several lots for additional parking.

Our conclusion is that both are good sites with few weaknesses. A site decision could hinge on any difference in funding potential for each site or a desire to strengthen one of another of the sites as this facility will add activity to which ever site is chosen.

One of the justifications for the project are that it will build and foster an interest in horses and equestrian activities in the county. Increased interest could lead to increased local facility use year-round and larger attendance at all events – all leading to increased revenue. An argument could be made that this could best happen at the Fairgrounds site which would, with this development, have a year-round package and a place that could function as an “Equestrian HQ” for the county. Alternately, the site at NMJC could be seen as more prominent and easier to promote to a larger community, especially the many students on the campus who may otherwise have minimal exposure to equaterian experiences.

The NMJC site also could be seen as a better engine for economic impact as the hotels are close by and the facility could be jointly programmed for some events with the Lea County Events Center, also on the campus.

We outline the some of the strengths and weaknesses associated with each site on the next page. We suggest that the reader consider for themselves which aspects of the facility listed are more important to them but this is not a matter for division. Both sites can accomplish all of the facility development goals.

With that, we can say that we would choose the NMJC site for it’s synergy with area attractions, proximity to hotels, and potential for economic impact – but it’s only by a nose.

Table 12.: Analysis of Potential Sites

New Mexico Junior College Site

<u>Strengths</u>	<u>Weaknesses</u>
Critical Mass of Local Attractions	Potential traffic/congestion issues
Critical Mass of Visitor Infrastructure (hotels)	Potential competition with non-equestrian events
Meeting Space available at NMJC or Event Center	
Additional stalls available across the street*	
Potential operating cost synergies/savings with student labor and utilities	
Space to grow and expand if needed	
<i>* Racing season is September through December so stalls would not be available until then.</i>	

Lea County Fairgrounds Site

<u>Strengths</u>	<u>Weaknesses</u>
Established, well-known equestrian facility	No nearby attractions
Would not compete with Event Center	No visitor infrastructure (hotels)
Existing outdoor arena (Jake McClure)	If Jake McClure Arena is replaced, it could become cost-prohibitive for local users
Less congestion for larger events	Limited space to grow and expand
Synergy with other on-site events	
Could be seen as center of Lea County equestrian activity	

Source: MFA

Market Support Projections

Introduction

To estimate event potential for the proposed facility in Lea County, MFA surveyed local and regional groups regarding the estimated number of potential number of events, event days, competitors per event, spectators per event, stall and RV utilization. A total of over 60 persons/organizations were contacted, a list of which is contained in the Appendix of this report. It should be noted that in many instances these organizations provided estimates only and did not have any actual numbers.

Principal Findings

Some of the central findings of this research and potential utilization for the proposed equestrian center in Lea County can be summarized as follows:

- (1) Most non-local equestrian groups are very sensitive to cost, with some such as the New Mexico Rodeo Association (NMRA) and the Working Ranch Cowboys Association using venues for free in Abiquiu and at the Eastern New Mexico Fairgrounds, respectively.
- (2) MFA believes that the facility would have little potential to host horse show events like the NMQHA since: (a) the closest organization is the Southwest Quarter Horse Association, which has used the Dona Ana County fairgrounds in Las Cruces since 2003 and whose members are based there; and (b) most breed and English organizations such as the NM Hunter Jumper Association has the majority of its members in the Greater Albuquerque area; and (c) the competitive equestrian facilities profiled in previous sections of this report are overwhelmingly hosting rodeo/action events such as ropings, rodeos, barrel racings, etc.
- (3) Larger regional groups such as the AJRA stated they would only use the facility for their finals events if the county were willing to pay them to host it in Lea County. In the past, cities such as Sweetwater and San Angelo have paid them as much as \$25,000 to hold their finals there. Other groups like the New Mexico High School Rodeo Association go out to bid every year. It would appear that the Curry County Events Center has been particularly successful in attracting these groups.
- (4) USTRC events typically require two arenas of at least 150'x275', one of which is indoor and covered and the second can be outside. They require 450 stalls and 500 spaces for trailers. Due to their large space requirements, they tend to utilize larger facilities. Last year, they held their Southwest Regional Finals and the New Mexico Championships at the Curry County Event Center in Clovis.

In summary, our research shows strong interest among local and regional rodeo/action groups that have been hosting events at the Andrews County Expo Center due to the lack of a climate-controlled facility in Lea County. Some state-level groups typically go out to bid every few years and rotate locations/venues.

For this reason, MFA has estimated the potential level of events in Year One and in a peak year. We estimate that it will take several years for the venue to attract larger groups and to achieve peak capacity.

Utilization Assumptions

In formulating the projected number of events, MFA has assumed that the following conditions are present:

- A reasonable level of marketing efforts and securing of dates takes place at least several months prior to the opening of the proposed Lea County Equestrian Center
- Lea County hires an experienced equestrian manager who understands the equestrian event industry.
- The current local user groups at the Lea County Fairgrounds/Jake McClure Arena will continue to host their events there. In the event that these groups form part of a larger organization (i.e. LCBRA/NBHA), the larger events may be held at the proposed new arena. Also, for revenue assumption purposes in the following section, we have assumed that these groups will be able to use the new arena for practice during the winter months at a rate of \$50/hour.
- As noted previously, Lea County is unique in that it has both a fairgrounds and an event center in different cities. This is in contrast to a new facility like the Curry Count Event Center in Clovis that had an existing fairgrounds and later added a multi-purpose arena to it in 2009. Therefore, we have assumed that the proposed equestrian facility will not compete with existing events at both the Lea County Fairgrounds and the Lea County Event Center. For this reason, we have assumed that nearly all new events at the proposed facility will be equestrian.

The operator might choose to hold a non-equestrian events (i.e., circuses, dog shows, etc.) that have schedule conflicts with the existing venues in Lea County, but we have excluded them from our analysis. For the later reason, MFA believes our estimates are conservative.

Year One New Event Potential

Our estimate of a reasonable number of new events in Year One appears in Table 13. If groups provided a range of the potential number of events they would host at the equestrian center, MFA used the lower end for Year One and higher end for the Peak Year.

In summary, MFA believes the proposed facility would have the potential to attract roughly 31 events and 61 event days in a Year One. This is consistent with numbers at standalone equestrian facilities discussed in previous sections of this report. Total estimated attendance for both competitors and spectators is over 43,000.

Unlike bull riding and other spectator events like PRCA-sanctioned rodeos, most of the events listed in Table 13 are not big attendance generators. For this reason, MFA does not believe the arena seating need exceed 1,8500 seats.

Stabilized Year Event Potential

Our estimate for the total number of events in a Peak Year, which we have assumed to be Year 3, appears in Table 14. For these estimates, MFA used the higher end of events in the given range(s) provided and assumed that the facility will attract a few finals events..

In summary, MFA believes the proposed facility would have the potential to attract roughly 38 events and 83 event days in Stabilized Year Three. Total estimated attendance for both competitors and spectators is just over 60,000. That being said, the County might have to pay to attract some of these events.

Table 13. Estimated New Event Potential Year One

Proposed Lea County Equestrian Center

Organization	Potential Events	Event Days	Total Event Days	Competitors per Event Day	Spectators per Events Day	Total Competitors per Event	Total Spectators per Event	Required Stalls per Event Day	Total Stalls	Total RVs per Event Day	Total RVs	Notes
NM Cowboy Mounted Shooters Association	2	2	4	75	100	300	400	30	120	20	80	Could only afford up to \$300/day
FFA Judging Invitational	1	2	2	800	200	1,600	400	0	0	0	0	Need facility at a minimal cost (\$100/day)
New Mexico High School Spring Rodeo	1	2	2	165	660	330	1,320	130	260	50	100	High number of spectators per kid (\$100/day)
40+ Team Roping (NM)	1	1	1	350	700	350	700	30	30	30	30	Would have to be affordable like Andrews
High Plains Jr. Rodeo (new event)	1	2	2	350	1,050	700	2,100	200	400	75	150	
John Berry Livestock ropings	4	2	8	125	188	1,000	1,500	40	320	20	160	
Harvey Smith Livestock Ropings	3	2	6	200	300	1,200	1,800	175	1,050	25	150	
Matthews Land and Cattle Company Ropings	7	2	14	700	1,050	9,800	14,700	200	2,800	50	700	
World Series of Team Roping	1	2	2	400	600	800	1,200	200	400	50	100	
New Mexico Cutting Horse Association	8	2	16	100	50	1,600	800	100	1,600	20	320	Must have 400-700 cattle available
Tex Mex Barrel Horse Association	2	2	4	100	50	400	200	100	400	50	200	Would depend on price and extras. Likes Nolan County's one price policy.
Total/Average	31	2	61	306	450	18,080	25,120	110	7,380	390	1,990	

Source: Individual organizations and MFA

Table 14. Estimated New Event Potential, Stabilized Year
Proposed Lea County Equestrian Center

Organization	Potential Events	Event Days	Total Event Days	Competitors per Event Day	Spectators per Events Day	Total Competitors per Event	Total Spectators per Event	Required Stalls per Event Day	Total Stalls	Total RVs per Event Day	Total RVs	Notes
NM Cowboy Mounted Shooters Association	2	2	4	75	100	300	400	30	120	20	80	Could only afford up to \$300/day
FFA Judging Invitational	1	2	2	800	200	1,600	400	0	0	0	0	Need facility at a minimal cost
40+ Team Roping (NM)	1	1	1	350	700	350	700	30	30	30	30	Would have to be affordable like Andrews
New Mexico High School Rodeo State Finals	1	4	4	140	560	560	2,240	200	800	50	200	Goes out for bid every year
New Mexico High School Spring Rodeo	1	2	2	165	660	330	1,320	130	260	50	100	High number of spectators per kid
AJRA Finals Rodeo	1	6	6	135	405	810	2,430	200	1,200	100	600	Would require upfront money or financial support
High Plains Jr. Rodeo Finals	1	2	2	60	180	120	360	36	72	50	100	Would be difficult to get their finals out of Clovis
High Plains Jr. Rodeo (new event)	1	2	2	350	1,050	700	2,100	200	400	75	150	
John Berry Livestock ropings	5	2	10	125	188	1,250	1,875	40	400	20	200	
Harvey Smith Livestock Ropings	3	2	6	200	300	1,200	1,800	175	1,050	25	150	
Matthews Land and Cattle Company Ropings	10	2	20	700	1,050	14,000	21,000	200	4,000	50	1,000	
World Series of Team Roping	1	2	2	400	600	800	1,200	200	400	50	100	
New Mexico Cutting Horse Association	8	2	16	100	50	1,600	800	100	1,600	20	320	Must have 400-700 cattle available
Tex Mex Barrel Horse Association	2	2	4	100	50	400	200	100	400	50	200	Would depend on price and extras. Likes Nolan County's one price policy.
4-H NM Extension	1	2	2	40	120	80	240	20	40	20	40	Would host SE District every 7 years
Total/Average	38	2.3	83	264	435	24,020	36,825	1,700	10,770	610	3,270	

Source: Individual organizations and MFA

As with any public facility, the ability to generate events depends on a combination of: (a) competitive dynamics with other venues and other events in the region, (b) marketing strategies and the ability to penetrate the regional market, and, perhaps most importantly, (c) the rental price of the venue or terms of the contract. In other words, a venue has the potential to achieve high utilization if it is competitively priced, aggressively marketed and hosts events that are not in direct competition with those held at other events in the region.

The final section contains our estimated cost of operations.

Financial Analysis

Introduction

Based on the estimated demand and potential market support for the proposed equestrian center, MFA has created a ten-year operations analysis. These are estimates of probable costs, given in 2013 dollars, of arena operations costs. They do not include construction costs and arena furniture, fixtures and equipment allowances (“FF&E”) for items such as announcer’s booths, footing mix, sound systems, lighting, score boards, office equipment.

Facility Operating Assumptions

The actual performance of the arena itself will depend on: (a) the dynamics with other venues and other events in the region, (b) marketing strategies and the ability to penetrate the regional market, and, perhaps most importantly, (c) the rental price of the venue or terms of the contract. In other words, a venue has the potential to achieve high utilization if it is competitively priced, aggressively marketed, and hosts events that are not in direct competition with those held at other events in the region.

Our basic operating assumptions are as follows:

- The County may choose to hire an outside operator (i.e. Global Spectrum, Dooley Management, etc.) for a fee, but for purposes of analysis, we have assumed this will not be the case;
- The County will control concessions. This, too, may be outsourced or under the control of a management company, if they choose to hire one.
- There will be no charge for parking
- For items such as shavings, tractors, classroom rentals, extra security, etc., we have also assumed an additional 20 percent charge on top of rentals.

Rates and Fees

Since the facility is enclosed and climate-controlled, MFA used competitive rates as shown in Table 15. The rates are higher than the Jake McClure Arena (\$150 to \$300 per day) but competitive with those at the Andrews County Expo Center (\$600 per day) and other regional facilities profiled in the previous section. However, MFA believes that rates for stalls and RVs at Andrews County at \$25/day (indoor stalls) and \$35/day are slightly high and has lowered them to be competitive.

Table 15.: Proposed Fee Structure (2013 dollars)		
<i>Proposed Lea County Equestrian Center</i>		
Arena - Standard Cost ¹	\$600	day
Arena - Low Cost New Events ¹	\$300	day
Arena - New Youth Groups ¹	\$100	day
Stalls	\$20	night
RVs	\$30	night
Concessions	\$1.50	person
Practice Session	\$50	hour
¹ Similar to Andrews, this includes the use of the warm up arena		
Source: MFA (based on comparable & competitive facilities)		

Projected Operating Revenues – Year One

Based on our estimates of 31 events and 61 events days in Year One, MFA projects annual operating revenue at nearly \$277,000 in the first year of operation.

Table 16.: Projected Revenues, Year One		
<i>Proposed Lea County Equestrian Center</i>		
Indoor Arena Event Days - Low Cost	4	\$1,200
Indoor Arena Event Days -Youth	4	\$400
Indoor Event Days - Competitive	53	\$31,800
	61	\$33,400
Additional Costs & Services¹	20%	\$6,700
Stall Rentals	\$20	\$147,600
Concessions		
Total Attendance	25,120	
Per Capita Expenditure	\$1.50	
Gross Concession Sales	\$37,680	
Building Percentage	30%	
Total Concessions Revenue	\$11,300	\$11,300
Camping		
RV Hook Up Demand	1,990	
Daily Rental	\$30	
Total Rent	\$59,700	\$59,700
Practice Sessions¹	\$50	\$3,000
Advertising		\$15,000
Total Projected Revenues		<u>\$276,700</u>
¹ Assumes extra costs such as shavings, extra tractors, security, classroom rentals, etc.		
² Assumes two hours per night average on average Tuesday-Thursday over a period of 10 weeks.		
Source: MFA		

Projected Operating Revenues – Stabilized Year

Based on our estimates of 38 events and 83 events days in Peak Year, MFA projects annual operating revenue at over \$388,000 in a stabilized year of operation. One key assumption is that finals events will not be charged any rental revenue.

Table 17.: Projected Revenues, Stabilized Year		
<i>Proposed Lea County Equestrian Center</i>		
Indoor Arena Event Days - Low Cost	4	\$1,200
Indoor Arena Event Days -Youth	4	\$400
Indoor Arena Event Days - Finals	8	\$0
Indoor Event Days - Competitive	67	\$31,800
	83	\$33,400
Additional Costs & Services¹	20%	\$6,700
Stall Rentals	\$20	\$215,400
Concessions		
Total Attendance	36,825	
Per Capita Expenditure	\$1.50	
Gross Concession Sales	\$55,238	
Building Percentage	30%	
Total Concessions Revenue	\$16,600	\$16,600
Camping		
RV Hook Up Demand	3270	
Daily Rental	\$30	
Total Rent	\$98,100	\$98,100
Practice Sessions²	\$50	\$3,000
Advertising		\$15,000
Total Revenues		<u>\$388,200</u>
¹ Assumes extra costs such as shavings, extra tractors, security, classroom rentals, etc.		
² Assumes two hours per night average on average Tuesday-Thursday over a period of 10 weeks.		
Source: MFA		

Operating Expense Assumptions

To estimate costs, MFA has used the following assumptions:

- The facility will operate with four full-time employees. This number may be reduced if the student labor is involved at the NMJC site;
- There will be one-half year of pre-opening costs for a general manager and booking coordinator to begin marketing the facility and make it operational;
- All salaries and expenses categories have been inflated at an annual average of three (3) percent;
- Insurance costs are projected 3 percent of gross revenues; and
- FF&E has not been included, however, we have estimated and included equipment expenses in Year One at just under \$200,000 as follows (Table 18).

Table 18.: Estimated Equipment Costs, Year One			
<i>Proposed Lea County Equestrian Center</i>			
Item	Units	Price/Unit	Total
90 HP Tractor	1	\$55,000	\$55,000
Kiser Drag	1	\$16,000	\$15,000
Water Wagon (1,000 gallon)	1	\$11,000	\$7,000
Front End Loader (shavings)	1	\$3,500	\$3,500
Trucks	2	\$25,000	\$50,000
Gators	2	\$8,500	\$17,000
16 ft. equipment trailers	2	\$3,500	\$7,000
Roping Chute	1	\$4,000	\$4,000
12' Stock Panels for Cattle Pens	150	\$150	\$22,500
Manure Carts	10	\$800	\$8,000
Misc. Barn Equipment	---	\$10,000	\$10,000
Total			\$199,000
Source: MFA, ABI Products			

Utilizing these assumptions, our estimate of annual operating costs appears in Table 19. As shown, operating costs are projected to range from over \$500,000 to over \$600,000 annually. Because of the upfront equipment expense (Table 18) in Year One, operations costs will be highest that year. Over the ten-year period, MFA estimates that average annual operating costs will average approximately \$576,000.

Table 19.: Total Projected Expenses, Years 1-10 (in 2013 dollars)
Proposed Lea County Equestrian Center

	Pre-Opening¹	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries and Wages											
General Manager	\$37,500	\$75,000	\$77,300	\$79,600	\$82,000	\$84,500	\$87,000	\$89,600	\$92,300	\$95,100	\$98,000
Office Manager/Event Coordinator	\$20,000	\$40,000	\$41,200	\$42,400	\$43,700	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200
Head Groundskeeper	\$0	\$45,000	\$46,400	\$47,800	\$49,200	\$50,700	\$52,200	\$53,800	\$55,400	\$57,100	\$58,800
Asst. Groundskeeper @ \$30,000	\$0	\$30,000	\$30,900	\$31,800	\$32,800	\$33,800	\$34,800	\$35,800	\$36,900	\$38,000	\$39,100
Subtotal	\$57,500	\$190,000	\$195,800	\$201,600	\$207,700	\$214,000	\$220,400	\$227,000	\$233,800	\$240,900	\$248,100
Benefits (@ 30% of salaries)	\$17,300	\$57,000	\$58,700	\$60,500	\$62,300	\$64,200	\$66,100	\$68,100	\$70,100	\$72,300	\$74,400
Subtotal Salaries and Wages	\$74,800	\$247,000	\$254,500	\$262,100	\$270,000	\$278,200	\$286,500	\$295,100	\$303,900	\$313,200	\$322,500
Other Expenses											
Supplies and Materials	\$12,000	\$25,000	\$25,800	\$26,600	\$27,400	\$28,200	\$29,000	\$29,900	\$30,800	\$31,700	\$32,700
Maintenance and Repair	\$0	\$25,000	\$25,800	\$26,600	\$27,400	\$28,200	\$29,000	\$29,900	\$30,800	\$31,700	\$32,700
Insurance ²	\$0	\$8,300	\$9,100	\$11,600	\$12,800	\$14,100	\$14,500	\$14,900	\$15,400	\$15,900	\$16,300
Utilities	\$15,000	\$65,000	\$67,000	\$69,000	\$71,100	\$73,200	\$75,400	\$77,700	\$80,000	\$82,400	\$84,900
Advertising & Promotion	\$5,000	\$10,000	\$10,300	\$10,600	\$10,900	\$11,200	\$11,500	\$11,800	\$12,200	\$12,600	\$13,000
Equipment ³	\$35,000	\$199,000	\$35,000	\$36,100	\$37,200	\$38,300	\$39,400	\$40,600	\$41,800	\$43,100	\$44,400
General & Administrative Costs	\$12,500	\$25,000	\$25,800	\$26,600	\$27,400	\$28,200	\$29,000	\$29,900	\$30,800	\$31,700	\$32,700
Subtotal Other Expenses	\$79,500	\$357,300	\$198,800	\$207,100	\$214,200	\$221,400	\$227,800	\$234,700	\$241,800	\$249,100	\$256,700
Contingency (10% of Labor and Other)	\$15,400	\$60,400	\$45,300	\$46,900	\$48,400	\$50,000	\$51,400	\$53,000	\$54,600	\$56,200	\$57,900
Total Annual Operating Costs	<u>\$169,700</u>	<u>\$664,700</u>	<u>\$498,600</u>	<u>\$516,100</u>	<u>\$532,600</u>	<u>\$549,600</u>	<u>\$565,700</u>	<u>\$582,800</u>	<u>\$600,300</u>	<u>\$618,500</u>	<u>\$637,100</u>

NOTE: Salaries and expenses have been inflated by an annual factor of 3 percent.

¹ Assumes marketing and staffing efforts would commence six months prior to the first full year of operation.

² Insurance is projected at 3 percent of gross revenues.

³ For further detail, please refer to Figure 18.

Source: MFA

Net Income/Deficit

MFA has estimated that the facility will run at a deficit over the ten-year period. In Year One, the facility is projected to lose \$388,000, declining to \$90,900 by Year 10.

Table 20.: Projected Operating Income, Years 1-10 (in 2013 dollars)

Proposed Lea County Equestrian Center

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>
Revenues	\$ 276,700	\$ 304,400	\$ 388,200	\$ 407,600	\$ 428,000	\$ 449,400	\$ 471,900	\$ 495,500	\$ 520,300	\$ 546,300
Expenses	\$ 664,700	\$ 498,600	\$ 516,100	\$ 532,000	\$ 548,100	\$ 564,600	\$ 582,000	\$ 599,700	\$ 618,200	\$ 637,200
Net Income/Deficit	<u>\$(388,000)</u>	<u>\$(194,200)</u>	<u>\$(127,900)</u>	<u>\$(124,400)</u>	<u>\$(120,100)</u>	<u>\$(115,200)</u>	<u>\$(110,100)</u>	<u>\$(104,200)</u>	<u>\$(97,900)</u>	<u>\$(90,900)</u>

Source: MFA

Appendix

Firm Description

About Market & Feasibility Advisors

Market & Feasibility Advisors, LLC (MFA) provides data, analysis, and strategic consideration for public, private, and non-profit clients throughout the United States and overseas. MFA consultants have worked in almost every state and hundreds of communities. Working directly for clients or as a part of multi-disciplinary team, MFA prepares market, feasibility, master plan economics, impact studies and strategic plans based on realistic premises and the unique characteristics of the specific site, project, target markets, and competition.

- MFA's public sector work includes: downtown, corridor, neighborhood, and many types of economic development and urban redevelopment plans, as well as real estate and retail studies, transit-oriented developments (TOD), industrial and military base closures, historic districts, brownfield re-use, parks and recreational facilities and convention and meeting facilities.
- MFA's private sector work includes: mixed-use developments, housing, retail, hotel and resort, medical, and commercial entertainment, including theme parks, attractions, and waterparks.
- MFA's cultural and non-profit sector clientele includes: performing arts facilities, equestrian facilities, zoos, historic structures and districts, aquariums, museums.

MFA is comprised primarily of consultants who worked for the firm formerly known as ERA (Economics Research Associates).

Market & Feasibility Advisors has offices in Chicago, Los Angeles and Austin. Our Chicago HQ is centrally located in Chicago downtown, at One South Dearborn, a LEED Silver certified building.

For more information please visit our website www.mfallc.com and follow us on Twitter: <http://twitter.com/MFALLC>

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Chicago, IL 60643
Phone: 1-773-941-5419
Fax: 1-773-941-5427

General Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and they are believed to be reliable. This study is based on estimates, assumptions and other information developed by Market & Feasibility Advisors LLC from its independent research effort, general knowledge of the industry, and consultations with the Client and the Client's representatives. No responsibility is assumed for inaccuracies in reporting by the Client, the Client's agent, and representatives or any other data source used in preparing or presenting this study. No warranty or representation is made by Market & Feasibility Advisors LLC that any of the project values or results contained in this study will actually be achieved.

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Exhibit A

<u>Equestrian Committee (not in alphabetical order)</u>			
Mike Gallagher		Lea County	575-605-6567
Dr. Steven McCleery	President	New Mexico Jr. College	575-392-5018
Dan Hardin		New Mexico Jr. College	575-441-2750
Dale Dunlap		Lea County	575-631-4530
Altec Snyder		Lea County	575-631-9478
Corey Needham		Lea County	575-605-3497
Lyn Edwards		Lea County	575-393-2900
Dennis Watson		Lea County	575-631-3482
Jim Davis		Lea County	575-631-1279
Nancy Riley		Lea County	575-433-0177
Margo Smith		Lea County	575-390-3104
John Norris		Lea County	575-631-0880
<u>Other Contacts (in alphabetical order by last name)</u>			
Kelsey Able		High Plains Rodeo Association	575-390-3305
John Acuna	President	New Mexico Junior Rodeo Association	505-470-1853
Robin Alden		New Mexico Quarter Horse Association	575-403-6650
Terry Berg	General Manager	Santa Fe Horse Park	575-946-7676
John Berry	Roping Producer	John Berry Livestock	575-626-6729
Michelle Blackwell	Southern New Mexico Fairgrounds	Executive Administrative Assistant	575-525-5802
Jim Butler	President	Rodeo de Santa Fe	505-316-5141
Cheryl Callis	Secretary	New Mexico Cutting Horse Association	806-683-2683
Ben Clements	Show Organizer	USTRC	254-968-0002
Wayne Cox	County Program Director	Lea County Extension	575-396-2819
Shawn Dennis	Teacher	FFA/Hobbs	575-626-6541
Mike Dooley	Dooley Management	Midland Horseshoe Arena	432-682-1305
Jerry Dougherty	President	Sandia Horse Classic (Hunter Jumper)	830-230-1488
Chris Francis		Matthews Land & Cattle Co.	505-429-0164
Danny Gentry	President	World Series of Team Roping	505-898-9348
Allison Haxton	Event Coordinator	Expo New Mexico/Horse Facilities	505-222-9700
Lisa Hooper		New Mexico Hunter Jumper Association	505-344-6914
Chris Horton		PRCA	719-528-4783
Evelyn Huff	Show Secretary	Southwest Quarter Horse Association	575-551-2245
Dan Jenkins	President	Tex Mex Barrel Horse Association	575-631-9502
Kevin Jolley	General Manager (Global Spectrum)	Curry County Events Center	575-935-7000
Shannon Killingsworth	President	New Mexico Businessman's Team Roping Association	575-644-3518
Jim Kemp	Groundskeeper	Lea County Fairgrounds	575-704-2131
Kim Lindsey		Texas Tech Equestrian Center	806-792-4682
Toni Lockyear	General Manager (County)	Andrews County Expo Center	432-524-5730
Robert MacRenolds	General Manager	Nolan County Coliseum (Sweetwater)	325-235-3484
Judy McIlroy	Budget Director	City of Scottsdale Finance & Accounting Division	480-312-2603
Mary McMullen	American Jr. Rodeo Association	Show Secretary	325-277-5824
Ron Morris	Secretary/Treasurer	Palomino Exhibitors Association	505-861-2164
Rod Noble	County Auditor	Andrews County Expo Center	432-524-1410
Mandy Park	Facility Manager	Roosevelt County Fairgrounds	575-356-5307
Johnny Powell	President	AURA	325-650-3216
Carrie Richardson	State Secretary	New Mexico Rodeo Association	575-937-0851
Kailey Richardson	Secretary	Tex Mex Barrel Horse Association	575-390-5504
Rick Richardson	New Mexico State 4-H	Interim Department Head	575-646-3026
Mittie Runyon		Artesia Horse Council	575-703-6201
Les Purcella	State Director	FFA/Las Cruces	575-646-3036
Rick Sherwood	President	High Plains Jr. Rodeo Association	806-392-6649
Wayne Smith	Executive Secretary	High Plains Rodeo Assoc.	575-942-8421
Lloyd South	Promoter	40+ Team Roping (USTRC affiliate)	940-328-3229
Trampas Spence		Artesia Horse Council	575-365-5071
J.C. Stephens	Arena Director	Bernalillo County Sheriff's Posse Arena	505-292-6515
Joyce Tolsma	City Clerk	City of Eunice	575-394-2576
Gerry Tully		New Mexico Team Roping Association	575-937-2298
Jason Turner	Horse Specialist	NM Extension	575-646-1242
Dani Valdez	President	New Mexico High School Rodeo Association	505-705-4602
Kermit Wendland	General Manager	Spur Arena	325-653-7506
Benny Wooton	Executive Treasurer	Working Ranch Cowboys Association	575-626-4654
Smiley Wooton		Chavez County Rodeo Association	575-626-6253
Patti Wright		Rockin' Horse Ranch	505-832-6619
Kenny Zamora	Producer	World Series of Team Roping	505-469-4388

NEW MEXICO JUNIOR COLLEGE
Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows:

Date December 11, 2014

Candidate's name Shannon M. Allen

Position title Professor of Nursing

New position Existing position Classification Faculty Professional Other _____

Is candidate related to another NMJC employee? yes no If so, to whom _____

Effective date of employment January 6, 2015 Standard contract length 12 mos. 9 mos. other _____

Funding source Institutional Funds

Paid advertising beyond *standard None

(*Standard: The Hobbs News-Sun, NM Dept. of Labor, NMJC Website, Lubbock TX Workforce Development Website)



Posted salary range \$46,703 to \$70,055 Recommended annual salary \$ 58,500 Prorated salary yes no

Account number(s) with respective % allocation(s) 11000 2542 61101 102 100%

Recommended and approved by:


Supervisor

Vice President


Dean/Director

President

- Selection Committee Members:** Delores Thompson – Director of Nursing
Marlena Bushway – Professor of Nursing
Debbie Cates – Professor of Nursing
Donnie Hayes – Professor of Nursing
Misty Stine – Professor of Nursing
Kim Webb – Professor of Nursing

Comments: Ms. Allen with a M.S.N. and more than twenty-five years of experience meets and/or exceeds the minimum requirements for this position.

ABBREVIATED RESUME

Position

Professor of Nursing

Personal Data

Name: Shannon M. Allen

Education

M.S.N.A, Texas Wesleyan University, Ft. Worth, TX, 2000
Major: Nurse Anesthesia/Health Science

B.S.N, University of New Mexico, Albuquerque, NM, 1996
Major: Nursing

A.A.S, New Mexico Junior College, Hobbs, NM, 1989
Major: Nursing

Professional Experience

Medical Services Network, Lovington, NM 03/2013 to Present
On-call CRNA at Nor Lea Hospital

Hobbs Anesthesia Services, Hobbs, NM 01/2013 to Present
On-call CRNA at Lea Regional Hospital 01/2012 to 01/2013
Staff CRNA

Lea Regional Medical Center, Hobbs, NM 01/2006 to 01/2012
Staff CRNA 08/1988 to 12/1999
Staff and Charge Nurse

Independent Anesthesia Services, Hobbs, NM 08/2004 to 12/2005
Self-employed CRNA

Dr. Ayyagari, Hobbs, NM 12/2000 to 8/2004
Staff CRNA

Licenses/Certifications:

New Mexico License No: RN-29433, Issue Date: 08/22/1989, Expiration Date: 08/31/2015,
Type: Registered Nurse

New Mexico License No: CRNA-00343, Issue Date: 01/19/2001, Expiration Date: 08/31/2015,
Type: Certified Registered Nurse Anesthetist

Organizations:

American Association of Nurse Anesthetists



New Mexico Junior College

Career Opportunities

Position Announcement • December 2014

Position Title: Professor of Nursing

Position Description: This position reports to the Director of Nursing. Duties and responsibilities include, but are not limited to, the following: 1) classroom instruction, clinical and laboratory supervision for associate degree nursing students; 2) evaluation of students enrolled in associate degree nursing courses; 3) associate degree nursing students advisement and counseling; 4) associate degree nursing students curriculum update and revision; 5) development of associate degree nursing students course syllabus each semester; 6) serve on college committees as assigned; 7) participate annually in an academic or professional process of continued personal and professional development; 8) actively participate in the institutional goals and objectives designed to support the mission of the college; and 9) nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified, in order to meet the needs of New Mexico Junior College.

Qualifications: Master's Degree in nursing (MSN) preferred. Bachelor's degree will be considered. Must pursue and complete a MSN within five (5) years. All degrees must be from a regionally accredited institution. Candidates must have a minimum of two years clinical experience and must obtain or have a current New Mexico or multi-state nursing license in good standing. Prior successful teaching experience at the college level preferred. Candidates should be able to work within a team teaching concept. Computer proficiency required with skills in Microsoft Word, Power Point, and Canvas proficiency desirable.

Salary/Benefits: Salary is based on the NMJC faculty salary schedule and is commensurate with education and experience for a nine month position. Standard employee benefits apply. The successful applicant may have the option of teaching during the summer terms for income above his/her base salary.

Application Deadline: December 10, 2014 at 5:00 p.m. Interviews will be conducted by a selection committee and will commence upon receipt of completed applications by qualified candidates. To ensure consideration, all application materials must be received by the deadline.

To Apply: Submit NMJC application form on line at www.nmjc.edu (under Employment Opportunities), letter of application (cover letter), resume, unofficial transcripts for **all** degrees listed on resume (official transcripts required prior to employment), and three references with current telephone numbers and addresses.

Human Resources, New Mexico Junior College, 1 Thunderbird Circle, Hobbs, NM 88240

New Mexico Junior College is an Equal Opportunity Affirmative Action Employer and does not discriminate in its educational and employment policies and procedures with regard to race, color, religion, sex, sexual orientation, national origin, age, disability, genetic information, or veteran status. Qualified minority applicants are encouraged to apply.

For information concerning employment, please contact the Human Resources Office at (575) 492-2791. For information concerning Section 504 accessibility, contact the Special Needs Coordinator in the Counseling Department at (575) 492-2576.

"Equal Opportunity Education and Employment"

One Thunderbird Circle, Hobbs, NM, 88240 • Phone: (575) 492-2790 • Fax: (575) 492-2796 • Toll Free: 1-800-657-6260 • E-mail: kmill@nmjc.edu

NEW MEXICO JUNIOR COLLEGE

Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows:

Date December 9, 2014

Candidate's name Brittany H. Gale

Position title Professor of Biology

New position Existing position Classification Faculty Professional Other _____

Is candidate related to another NMJC employee? yes no If so, to whom _____

Effective date of employment January 6, 2015 Standard contract length 12 mos. 9 mos. other _____

Funding source Institutional Funds

Paid advertising beyond *standard HigherEdJobs.com

(*Standard: The Hobbs News-Sun, Direct Mail to approximately 51 colleges in a 5-state region, NM Dept. of Labor, NMJC Website, KLMA Radio & Lubbock TX Workforce Development Website)

Posted salary range \$39,290 to \$58,935 Recommended annual salary \$46,752 Prorated salary yes no

Account number(s) with respective % allocation(s) 11000 2831 61101 101

Recommended and approved by:

Supervisor

Vice President

Dean/Director

President

Selection Committee Members: Kelly Holladay – Dean of Business, Math and Sciences

Dr. Kay Goad – Professor of Biology

Heather Davis – Professor of Biology

Sandra Thompson – Professor of Biology

Marcia Galyean – Administrative Assistant to Business, Math and Sciences

Comments: Ms. Gale with a Master's degree and more than seven years of experience meets and/or exceeds the minimum requirements for this position.

ABBREVIATED RESUME

Position

Professor of Biology

Personal Data

Name: Brittany H. Gale

Education

M.S., Brigham Young University, Provo, UT, 2012

Major: Biology

B.S., Brigham Young University, Provo, UT, 2009

Major: Integrative Biology

Professional Experience

Texas A&M AgriLife Research and Extension Center, San Angelo, TX
Head Research Technician 01/2014 to Present

Angelo Animal Hospital, San Angelo, TX
Veterinarian Technician 06/2013 to 01/2014

Valencia College, Orlando, FL
Adjunct Professor of Biology 01/2013 to 04/2013

Wekiwa Springs State Park, Orlando, FL
OPS Biological Scientist 1, Florida Department of Environmental Protection 09/2012 to 04/2013

Zara Environmental LLC, Machaca, TX
Avian Field Technician 03/2012 to 06/2012

Brigham Young University, Provo, UT
Fish Biologist 08/2009 to 04/2012
Endangered Species Conservation Researcher 01/2006 to 07/2011
Adjunct Professor 08/2009 to 05/2011

Licenses/Certifications:

SCUBA Certificate 193932



New Mexico Junior College

Career Opportunities

Position Announcement • April 2014

Position Title: Professor of Biology

Position Description: The Professor of Biology reports to the Dean of Business, Math and Sciences. Duties and responsibilities shall be, but are not limited to, the following: (1) teach any combination of freshman and sophomore level Biology, including Biology for Majors, Anatomy & Physiology, Microbiology, and/or related courses per fall and per spring semesters (day and/or evening/s and/or online), as enrollment requires. (2) serve on college committees as assigned; (3) serve as an advisor to assigned students; (4) post and maintain approved office hours per week; (5) attend orientation meetings and other in-service meetings/workshops, as scheduled; (6) maintain accurate student records; (7) involve oneself in the general recruitment and retention of students for the institution; (8) participate in course, departmental, and institutional assessment as required; (9) assume other professional responsibilities associated with the position of Professor of Biology; (10) participate in a process of continual personal and professional development; (11) actively participate in the institutional goals and objectives designed to support the mission of the college; and (12) nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified, in order to meet the needs of New Mexico Junior College.

Qualifications: A Master's degree in Biology or a related field required. All degrees must be from a regionally accredited institution. Successful community college teaching experience is preferred. Applicant must be committed to excellence in instruction and willing to work as a team with other, full-time divisional instructors and staff. NOTE: Computer proficiency is required.

Salary/Benefits: Salary is based on the NMJC faculty salary schedule and is commensurate with education and experience for a nine month position. The successful candidate may have the option of teaching during the summer term for additional compensation. Standard NMJC benefits apply.

Application Deadline: Interviews will be conducted by a selection committee and will commence upon receipt of completed applications by qualified applicants. To ensure consideration, all required application materials must be received. Open until filled. Position start date is August 11, 2014.

To Apply: Submit NMJC application form on line at www.nmjc.edu (under Employment Opportunities) and attach the following: a letter of application (cover letter), your resume, unofficial transcripts for all degrees listed on resume (official transcripts required prior to employment), three written letters of reference and three references with current addresses and phone numbers for a total of six references.

New Mexico Junior College, 1 Thunderbird Circle, Hobbs, NM 88240

New Mexico Junior College is an Equal Opportunity Affirmative Action Employer and does not discriminate in its educational and employment policies and procedures with regard to race, color, religion, sex, sexual orientation, national origin, age, disability, genetic information, or veteran status. Qualified minority applicants are encouraged to apply.

For information concerning employment, please contact the Human Resources Office at (575) 492-2791. For information concerning Section 504 accessibility, contact the Special Needs Coordinator in the Counseling Department at (575) 492-2576.

"Equal Opportunity Education and Employment"

One Thunderbird Circle, Hobbs, NM, 88240 • Phone: (575) 492-2790 • Fax: (575) 492-2796 • Toll Free: 1-800-657-6260 • E-mail: kmill@nmjc.edu



New Mexico Junior College

Career Opportunities

Position Announcement • April 2014 (Revised 7/2014)

Position Title: Professor of Biology

Position Description: The Professor of Biology reports to the Dean of Business, Math and Sciences. Duties and responsibilities shall be, but are not limited to, the following: (1) teach any combination of freshman and sophomore level Biology, including Biology for Majors, Anatomy & Physiology, Microbiology, and/or related courses per fall and per spring semesters (day and/or evening/s and/or online), as enrollment requires. (2) serve on college committees as assigned; (3) serve as an advisor to assigned students; (4) post and maintain approved office hours per week; (5) attend orientation meetings and other in-service meetings/workshops, as scheduled; (6) maintain accurate student records; (7) involve oneself in the general recruitment and retention of students for the institution; (8) participate in course, departmental, and institutional assessment as required; (9) assume other professional responsibilities associated with the position of Professor of Biology; (10) participate in a process of continual personal and professional development; (11) actively participate in the institutional goals and objectives designed to support the mission of the college; and (12) nothing contained herein shall limit the President in assigning the employee to any of the various college activities for which he/she would be qualified, in order to meet the needs of New Mexico Junior College.

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RESOLUTION

Homer A. Youngblood

WHEREAS, **Homer A. Youngblood**, being one of the Staff Members of New Mexico Junior College, has faithfully served the College for fourteen and one half years; and

WHEREAS, **Homer A. Youngblood** has served as Professor of EMT-B/AVHS from 2000 to 2014; and

WHEREAS, **Homer A. Youngblood** has served on various committees at New Mexico Junior College and in the community; and

WHEREAS, **Homer A. Youngblood** has been a devoted, enthusiastic and loyal staff member at New Mexico Junior College; and

WHEREAS, **Homer A. Youngblood** as a staff member, has always reflected a favorable image for New Mexico Junior College; and

WHEREAS, **Homer A. Youngblood** has elected to retire the 1st day of January 2015.

NOW, THEREFORE BE IT RESOLVED that **Homer A. Youngblood**, be declared Professor Emeritus of New Mexico Junior College with all the rights and privileges pertaining thereto;

ADOPTED THIS 18th day of December, 2014.

ATTEST:

New Mexico Junior College Board Chairperson

New Mexico Junior College Board Secretary

