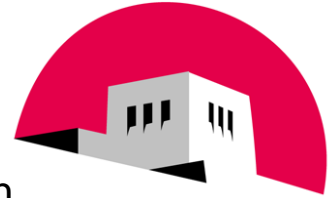


University of New Mexico
Bureau of Business and Economic Research



THE TRANSITION FROM UNINCORPORATED COMMUNITY TO MUNICIPALITY IN THE SOUTH VALLEY

Joshua M. Akers
June 2008

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EXECUTIVE SUMMARY

Executive Summary

The South Valley is a diverse area at the heart of the rural-urban interface in the Middle Rio Grande Valley. The proposition of forming a municipality in this area is full of possibility and rife with challenges. This report is an attempt to begin fleshing out the nature of what the community may face should it choose to incorporate. The diversity of land use and the long history of settlement translate into a unique environment in which the proposed incorporation has no precedent in New Mexico history. Though the incorporation would be unprecedented, the history of incorporation in New Mexico and the Southwest region offers us a guide to many of the issues the community may face as it transitions to a municipality. It is the intent of this report to offer some assistance with the process of incorporation and to offer an examination, however brief and incomplete, of issues of concern that will accompany any incorporation.

As part of this study we examined three specific areas.

Part One is a historical review of incorporation in New Mexico and the Southwestern United States. It focuses primarily on recent incorporations in New Mexico and two large incorporations in the Southwest region. This section examines issues of scale, common obstacles and creative solutions undertaken during and shortly after the process of incorporation.

Part Two is an examination of geographical, social and political issues unique to the South Valley study area. In particular, it examines the distinct urban and rural construction of the South Valley. It examines the types of services currently available in the area and identifies government entities with primary responsibilities for those services. This includes public safety, water and sewer, road maintenance, community centers, multi-purpose centers, libraries, parks and other services which

are accessed on a regular basis by residents in the proposed South Valley incorporation area.

Part Three is an examination of possible partnerships that will be needed for the success of a new municipality. The success of the new municipality will need strong partnerships to survive the early years of incorporation. These partnerships include those within the community as well those with government entities such as neighboring municipalities, the home county, the State of New Mexico and the Federal government. All of these governments have a stake in seeing a successful municipality bordering or within existing boundaries.

1. AN HISTORICAL EXAMINATION OF INCORPORATION IN NEW MEXICO AND THE SOUTHWEST

The formation of a municipality in the South Valley would be an unprecedented event in New Mexico history and would have lasting impacts on the political structure of the Middle Rio Grande Valley. This kind of change will present opportunities and challenges for both residents in the South Valley and the Middle Rio Grande Valley. A major challenge for the South Valley will be to provide a large number of residents with adequate services while maintaining the pastoral and historic character of the South Valley that was built over generations. The South Valley is at the junction of the rural-urban interface of the Albuquerque Metropolitan Area. While many portions of the community continue a long agricultural tradition the northeastern portion of the city is quite dense as development in Albuquerque pushes further west and south. This intersection provides a unique set of demands and desires of residents in any future municipality in the South Valley. The demand for services may differ throughout the community as the population strives to maintain its mix of tradition, rural lifestyles and an urban living. The challenge to a new government in the South Valley will be finding a balance that provides services for particular needs while identifying issues that overlap and focusing efforts in those areas.

It is important to keep in mind that the formation of a municipality is not instantaneous but rather a long transition process in which established governments play a significant role in ensuring the viability and success of the new city. In nearly every case of incorporation in New Mexico the home county of the new city has played a significant role in partnering to provide services, often for over a decade, to the fledgling municipality. This history of partnership does not stop at the New Mexico border, newly formed municipalities in Colorado, Utah, Nevada, and Arizona have all followed a similar trajectory in which the home county provides services and assistance as the new city works toward sustainability. In the case of the South Valley these partnerships will be especially important. A long established

community, underserved and struggling with entrenched urban issues of poverty and crime will need assistance from its neighbors, particularly Bernalillo County, which in differing forms, has had governing responsibility in the area for centuries.

It is unfortunate that some may choose to view a movement for self-governance as a threat or as a negative development. The push for local governance and self-determination is a sign of an invested populace. In this case, a community rich in tradition that values its residents and their way of life coupled with the desire to take a more active role in crafting solutions to the challenges faced by the community and seek out opportunities that improve the quality of life for residents. Though there will be obstacles, the decision to take control over the community's future and the attempt to govern in a way that respects the values and traditions of the community will not only benefit the South Valley, but all of Bernalillo County and the Middle Rio Grande Valley.

If voters in the South Valley approve incorporation, the community would become the 104th municipality in New Mexico. Though many communities have chosen to incorporate, three in the past decade; the South Valley is unique both because of its history and its sheer size. The South Valley would be the fifth most populous city in New Mexico. The size of the population creates a number of challenges for a new city while offering it a greater voice in the direction of Bernalillo County and the Middle Rio Grande Valley.

The South Valley has a long tradition and history in which multiple generations have called the area home. As a long established community with many rural values and active agriculture it is often easy to overlook the increasingly urban characteristics of this area. This urban density increases both the demand and need for services. Currently, municipal-style services are provided by Bernalillo County in parts of the South Valley. Nearly half of unincorporated Bernalillo County's population resides in the South Valley and this area receives a majority of county services, particularly fire and police.

The most reliable predictor of an incorporation's potential success is revenues. The University of New Mexico's Bureau of Business and Economic Research is currently conducting a study on the economic feasibility of the proposed

incorporation. This report is a complement to that effort and covers issues beyond the scope of that study, particularly issues that would arise in transitioning from a community in unincorporated Bernalillo County to an officially recognized municipality. The process of incorporation is set out under New Mexico statutes. It is a simple legal framework that requires the community seeking to incorporate to collect petition signatures, present that petition to the county, vote on incorporation, if approved, elect officials, create a budget, run the municipality, and hold elections. The New Mexico Municipal League offers a number of services to municipalities in New Mexico including assistance with the legal process of incorporation.

In addition to the legal framework set out by the state, the incorporation of any municipality occurs within a political arena already populated and dominated by long standing political players. In the case of the South Valley, these players are the city of Albuquerque which will border the proposed city to the north and east and Bernalillo County in which the South Valley will remain. The creation of a municipality plays out on many fronts. But, under the legal framework, the role of these two governments is clear. The role of Albuquerque and its City Council is to vote on a resolution in support of the proposed incorporation. The role of Bernalillo County is to conduct the election.

Over the past 30 years seven communities have chosen to incorporate in New Mexico. The most recent communities to incorporate are Peralta in 2007, Edgewood in 1999 and Elephant Butte in 1998. The enhancement of local control was the overriding reason these communities chose to incorporate. The following will discuss the incorporation of Peralta and Edgewood specifically. Elephant Butte's economy is organized around recreational activities and is similar to incorporations such as Taos Ski Valley and Angel Fire. These incorporations are less relevant to the project undertaken in the South Valley.

1.0.1 Peralta

Peralta is a small community between Bosque Farms and Los Lunas. People living in this area first considered incorporation around 2000. The initial impetus was attempts by Bosque Farms and Los Lunas to annex portions of State Highway 47 which bisects the town. The community organized and was able to fight off the

annexation attempts and chose not to incorporate at that time. In 2006, the need for incorporation reemerged when the Mid-Region Council of Governments (MRCOG) released a transportation plan for the area which included a new river crossing and feeder streets from the east which would dump commuter traffic into the community, residents chose to pursue incorporation. The decision to incorporate came after MRCOG told organizers that the only way to have input in transportation planning was to become a municipality and join.

It took approximately 18 months from the initial petition drive to official incorporation. Peralta officially incorporated in July 2007, but due to a problem with the mail-in voting process did not receive its first tax distribution from the state until February 2008. This complicated the initial transition process. The city had to run without tax revenues for the first seven months, according to city officials.

The city of Peralta has partnered with Valencia County to provide services such as animal control and is still negotiating agreements for police and fire services. These partnerships are essential as the community slowly builds its budget and begins the process of adopting ordinances for residents, one city official said.

Valencia County is negotiating with Peralta to give it the fire station and equipment located in the town, but it will be up to the city to fund any paid staff and pay for operations and maintenance. Peralta officials emphasized the importance of maintaining adequate fire service because the cost of limited or non-existent fire services is borne out by homeowners in higher insurance rates.

The town is using the cafeteria of the local elementary school as a meeting place at this time. The council is currently considering renting a vacant building in town to use for its records and to hold meetings. Officials emphasized the importance of utilizing the New Mexico Municipal League throughout the process. They said maintaining good relationships with the county and surrounding municipalities was indispensable.

“The county has no say so whatsoever, but you want to be on the county’s good sides because you want the services to continue,” one official said.

1.0.2 Edgewood

The town of Edgewood was officially incorporated in 1999. An area with a population of about 1,900 at the time of incorporation, community members sought to incorporate for a number of reasons, particularly the desire for local control. Organizers of incorporation believed the community, at the southern edge of Santa Fe County was not receiving adequate services such as road and infrastructure improvements from county government.

The initial territory incorporated was five square miles. This size was determined based on the density requirement under state law and was smaller than the organizers initial vision. After incorporation, Edgewood embarked on an ambitious annexation of land in the surrounding area. The town now covers 44 square miles in three counties, Santa Fe, Torrance and Bernalillo County. These annexations created a number of challenges. A particularly difficult challenge is the difficulty of providing services to 9,000 people across three counties. Edgewood's service infrastructure is further complicated by the checkerboard pattern of annexation, the result of a decision by initial town council.

Under the threat of lawsuit from property owners uninterested in becoming part of Edgewood, the town council chose to annex only those areas where property owners were unopposed to annexation. This decision allowed the town to avoid expensive legal proceedings but in the end has resulted in higher costs of service and confusion over coverage areas for police, fire, emergency services and less immediate services such as code enforcement and planning and zoning. In looking back on those early decisions, an initial organizer of incorporation said that it would have been best to avoid the checkerboard pattern of annexation and focus on a smaller geography in the beginning.

"We should've solidified the area we had, rather than expand to the size we are now," the official said.

Despite the difficulties that arose with rapid expansion, Edgewood has been gradually expanding services and has been able to attract new businesses to the areas such as grocery stores and retailers. Edgewood officials have chosen not to levy any property taxes and use only gross receipts tax revenue to run the city.

Edgewood recently purchased and remodeled a building for use as a town hall and is planning to build a municipal complex to house city service within the next five years.

Law enforcement in Edgewood has been provided by the New Mexico State Police for the past ten years. This agreement is coming to an end and Edgewood recently hired a police chief to form its first police department. Edgewood officials said the agreement with State Police was coming to end for two reasons. One, a tax imposed by the city to pay for police service is producing enough revenue to fund a local police department and two, State Police decided to focus elsewhere and would no longer police the growing city. Edgewood does not rely on the Santa Fe County Sheriff's Office for any law enforcement services, officials said.

Fire service is provided by Santa Fe County and Edgewood pays the county an annual fee for the service equal to the ¼ cent tax the county charges residents in unincorporated portions of the county. Emergency responders from all three counties operate in Edgewood on an as needed basis. The town has entered mutual aid agreements for these operations.

As the town of Edgewood has grown and the types of services residents expect are more defined, the town council is reexamining and amending ordinances passed in upon incorporation. In order to ensure a smooth transition of services for residents the council initially chose to adopt ordinances by reference which allowed the council to pick and choose ordinances from existing municipalities that best fit the community. For example, Edgewood adopted the Santa Fe landscape ordinance. Though this ordinance wasn't perfect, it was simple and easy to understand, according to city officials. The choice to use minimal ordinances allowed the city to limit costs by not deploying or paying for services such as code enforcement which one official called a "luxury" for a young city. The town emphasized the importance of partnerships with organizations like the Mid-Region Council of Governments as a way to save money through the transition process and in the city's early years.

As a municipality the South Valley would be able to take a more active role in the development and direction of the area, much as Peralta and Edgewood have

exerted local control. The creation of zoning and building codes more attuned to the desires of community would allow the new city ensure future growth did not dilute or eliminate the historic character of the area. Despite being the largest group of constituents in unincorporated Bernalillo County the South Valley is often at a disadvantage given its proximity to the City of Albuquerque which dominates both in population and political clout at the county and state level. The incorporation of the South Valley would allow greater control over decisions made within its boundaries and offer a greater voice in local and regional decisions currently made by the county on behalf of the South Valley.

Leaders and officials from Peralta and Edgewood emphasized the need for creating and maintaining partnerships with surrounding governments and communities to provide a smooth transition for residents in the newly incorporated area. These relationships are vital in the South Valley where multiple government and quasi-governmental organizations have been active for years. The possible relationships and roles of these entities in the South Valley will be discussed in Section 3.

1.1 Regional Incorporations

Over the past decade a number of communities in the Southwestern United States have chosen incorporation. Though each community is unique, the desire for local control expressed by residents in these areas mirrored those of communities which formed new municipalities in New Mexico. In terms of population, only two recent incorporations in the region are larger than the proposed South Valley incorporation: Centennial, Colorado and Taylorsville, Utah. Both of these municipalities formed in reaction to the action or inaction of other local governments and have successfully made the transition to self-governance though each took vastly different approaches.

1.1.1 Centennial, Colorado

This community south of Denver chose to incorporate in 2001 with a population of approximately 102,000. Located near the Denver Tech Park this area saw a large population increase during the tech boom of the 1990s. The neighborhoods are established and most of the area within its boundaries is built

out. Centennial is just over 29 square miles. The community chose to incorporate after a municipality to the north attempted to annex commercial properties in the area, but refused to take in residential developments. Around the same time a community to the northwest, Aurora attempted to annex a growing area of unincorporated Arapahoe County and residents in the unincorporated area were unwilling to join that city. In response to these annexation attempts the community organized and formed its own city, what organizers termed the first “virtual city.”

The intent of the proponents of the incorporation was to protect the area from future annexations by creating municipal boundaries and to provide improved services. The virtual city concept meant that Centennial contracted out nearly every service typically provided by a municipality. In the beginning, Centennial outsourced nearly all city services from finance to code enforcement. In the last few years the city has taken over services such as Finance and Planning and Development because it could provide the service for less, but Centennial continues to contract for most services. The city has only 50 employees. Those employees work in the City Manager’s office, Finance and Planning and Development. The city contracts with the county for police service. Fire service and Parks and Recreation are provided for under a district plan set out by the county.

In order to provide services, the city increased the sales tax from 1.2 percent to 2.5 percent. Municipal services under private contract include public works, building services, legal, code enforcement and animal control. The city is currently evaluating its service structure as residents are demanding more services such as recycling and other programs available in nearby municipalities. The city currently rents office space and has no plans to build at this time, but this option is being discussed as part of the city’s 2030 plan. City residents approve a home rule charter on June 10 which gives the city greater control. The South Valley may also want to consider a home rule charter. In New Mexico, this can be done at the time of incorporation or in a separate election. If the South Valley were to choose to pursue a home rule charter it would need to form a committee to come up with a charter document that would grant specific powers to the city. The use of charter allows for the city to pursue financial arrangement and other activities that aren’t prohibited by

state law. Without a charter, a municipality is bound by the powers granted municipalities by the Legislature through state statute. A charter would require a separate vote.

1.1.2 Taylorsville, Utah

The community of Taylorsville incorporated in 1996 with a population of approximately 52,000 people. This community chose to incorporate because of a lack of county services and limited representation with the majority of the county's elected officials living at the other end of the county. Organizers also wanted to create a separate identity from the county. According to information provided by Taylorsville, a local government for over 50,000 people was seen as better than a county government that served one million people. A notable aspect of Taylorsville incorporation was its civic participation. The first election had 67 candidates for city council and ten candidates for mayor. The City of Taylorsville has constructed a City Hall to house its municipal services.

Taylorsville has taken a more traditional approach to municipal governance than Centennial. The city does not contract out for services and has been building its service base over time. Taylorsville utilized the county police force for eight years before it formed its own force in 2004. Fire is handled by a unified fire authority which includes the county and several municipalities within the county.

Other cases of incorporation around the region were of more modest size. In general, incorporating communities had population of fewer than 10,000 people. In most cases the reasons for incorporation were threefold. The first was a desire for local control. The second was a perceived lack of services from the county government. Third, incorporation was seen as a way to complement and nurture a unique local identity. These reasons are similar to those expressed by residents of the South Valley and members of the incorporation committee. If the South Valley chooses to pursue local governance it is important to be aware of some of the unique opportunities and challenges the area will face as both during and after the process of becoming a city.

2. POLITICAL, SOCIAL AND GEOGRAPHIC ISSUES UNIQUE TO THE SOUTH VALLEY

The issue that will determine the success of a municipality in the South Valley will be revenues and costs. The University of New Mexico's Bureau of Business and Economic Research is currently conducting a study on the economic feasibility of a municipality in the South Valley which will address questions about potential revenues and expenses for a future municipality. That report will provide quantitative data that provides a clear picture on the viability of the proposed city. While acknowledging that economic realities will determine if a city is feasible, this study has been commissioned to identify and examine issues that could arise if community members choose to go forward with incorporation.

If voters choose to incorporate, community leaders and newly elected officials will be faced with a myriad of choices that will have long term impacts on the viability of a city in the South Valley, the types of services the city will be able to provide, and the overall quality of life of residents in the new city. According to an attorney involved in municipal incorporations in New Mexico for nearly 40 years it will be essential for the new municipality to retain legal services to help with contracts and agreements in the beginning.

"Most cities are all fired up. They've got a new mayor and council and that are blessed by the people and they don't have a clue what they are signing," the attorney said. "They are establishing themselves as a city and are relying on volunteer councils. They get all these documents pushed in front of them by the federal government, the state, and the county and they don't know what they are signing. Then developers come in and volunteer to be your planning department, you get what you pay for."

Ensuring the city has enough money to hire a small group of experienced professionals to handle day-to-day operations and long term contracts will help ensure the viability of the city in the future. If the South Valley follows the path of other incorporations in New Mexico, it will need to forge partnerships with other local governments to provide many of the basic services residents have come to expect.

Though these partnerships may not be longstanding it isn't out of the realm of possibility that many of the high cost services such as police service and public works may need to be contracted to other government entities for many years.

By state statute, the city will be required to hire a clerk and a treasurer. This job is often combined in the early years of incorporation. The money to pay this person may not be readily available because there is a lag between incorporation and the first revenue disbursement from the state. In addition,, the city eventually will need to hire a police chief. It will be the chief's job to form a local police department. According to one former county sheriff with experience in the South Valley, the new city will have a number of experienced candidates to choose from.

"I would look at senior officers and retired officers at least to get it started, especially recent retirees from BCSO," the former sheriff said. "I would hire someone to build it that knew the area and knew what they were doing, but it needs to be a law enforcement person they trust and know with the experience to do it."

In addition to hiring people to staff the new municipal government, elected officials will need to identify a place to hold regular meetings and a location that can serve as a repository for municipal documents with public access. The city will need to identify a place to issue permits and conduct business with the public as well. In many ways a smaller population is advantageous to incorporating cities because there are fewer residents and fewer demands from growth. In the South Valley the population and location translate into a demand for services such as planning and zoning, building and business permits at a very early stage. In order to ensure a smooth transition from county to municipal governance it will be important to identify ordinances used by other municipalities or counties in the state that could be adopted by reference as soon as possible. These ordinances could be adopted by the new council with amendments specific to the conditions in the South Valley. In addition to identifying ordinances it will be necessary to find a location where the public can access these services. There are number of options in this case and it will be up to city officials to identify the ideal location. For meetings, the South Valley Multipurpose Family Services Center may be a key community gathering place for the short term. As for daily services and operations an empty commercial location in

a well-trafficked area would serve the most people. In either case, these decisions will come down to cost and the needs of residents.

2.1 Issues Unique to the South Valley

The initial proposed area of incorporation in the South Valley was approximately 107 square miles. After adjusting that population to meet the density requirement under state statutes the proposed incorporation area will be approximately 77 square miles. Under state law an incorporating community must have density of one person per acre. This requirement resulted in the proposed incorporation area being reduced by about 40 square miles. At the request of the South Valley Incorporation Committee, the majority of the acreage removed is on the far western edge of the proposed incorporation area stretching from Interstate 40 on the north, Isleta Pueblo to the south, the Rio Puerco to the west and around Shelly Road to the east. This eliminated vast swaths of undeveloped land while maintaining nearly all of the estimated population. If incorporation is approved by the voters the new city will be able to annex the land excluded from the initial annexation.

2.2 Geography

It is a useful exercise to physically divide the territory in the South Valley in different ways to gain a perspective on the diverse array of issues the community as a whole will face if it chooses to incorporate. The first division is a simple east-west division. In this case, by using a point such as 118th Street and extending all the way south to the border with Isleta Pueblo, we create two spaces. One is a densely populated and developed portion of the South Valley. The other is a sparsely populated area with very little development and few residential units. The heart of the South Valley and the majority of this area's population reside in the eastern territory. In 2000, the U.S. Census Bureau created a Census Designated Place or (CDP) for the South Valley. The South Valley CDP lies inside the eastern territory created here. The eastern portion of the proposed area for incorporation is the most active economically and has the largest demand for services should a new city be incorporated. The western portion is largely undeveloped and has few industries, but some of the northern portion of this area is now owned by a large California-based

developer. This ownership raises questions about the future of this area which was held for generations by the heirs to the Atrisco Land Grant.

Another way to view the proposed incorporation area is based on longstanding land grant boundaries. The Atrisco, Pajarito, Los Padillas Land Grants are all part of the proposed incorporation area. Development within these grants provide a snapshot of land use types and variations in development within the South Valley and its place at the heart of the urban-rural interface in the Middle Rio Grande Valley. There exists dense urban development in the north which thins as one moves south until you reach the southern end of the proposed incorporation area dominated by commercial farms and ranchos. This variation poses a unique set of challenges both during and after the transition process. Conflict may arise between the demands and expectations of residents in the urban north and those in the rural south. It will be important for city leaders to strike a balance that is equitable in urban and rural areas of the proposed city.

The Atrisco grant in the northern portion of the proposed incorporation area is densely populated and urban. The majority of land use in this area according to records from the Bernalillo County Assessor is residential and commercial with very limited residential agriculture and no commercial agriculture use. The western portion of this grant was recently part of a highly controversial sale to California-based developer Suncal. If residents choose to incorporate in the South Valley, a portion of this land will be within the new city's borders. Newly elected leaders will be charged with determining the type of development most beneficial to the community. It will be essential to construct rules that will establish the will of the community and guide future development.

Suncal has been active in seeking tax breaks from Bernalillo County through Tax Increment Development Districts.¹ These districts known as TIDDS have been controversial and a few of the state legislators that supported these districts were defeated in the June primary by opponents opposed to the wide use of these types of incentives. A new city in the South Valley will have to determine whether tax

incentives to develop land in the area are a benefit to the community or whether this type of government-assisted development is detrimental to the quality of life and desires of its residents. The TIDDs that have been negotiated by Suncal thus far appear to be for areas to the North of I-40. While such should not affect the new city's tax revenues directly, proposed commercial development to the north could compete with future commercial development within the South Valley, effectively stealing from the city's future gross receipts tax revenues. How the new city's revenues would be affected by the extension of TIDDs to the south of I-40 prior to incorporation may depend on how the State interprets the law, since 75% of State gross receipts tax revenues may be included in a TIDD and this amount includes the municipal 1.225% distribution. A recent downturn in the housing market has forced large development companies such as Suncal to reevaluate projects around the country. Suncal has run into financial difficulties with some projects in California, but according to spokespeople for the company this will not affect its plans for projects in New Mexico.

The Atrisco grant accesses many urban-style services such as water and sewer provided through the Albuquerque Bernalillo County Water Utility Authority. Some residents in this area are still on wells and septic tanks, but the ABCWUA has made a concentrated effort to move residents off of those services and onto its system. Density also brings issue of traffic congestion and the maintenance cost that accompanies vital infrastructure projects. The increased traffic, density of commercial activity, and proximity to Albuquerque increases the instances of crime in this area. Many of the issues faced in the Atrisco area are also present as you move further south into other land grants.

As one moves further south into the Pajarito Land Grant the density of businesses and residential units begins to thin somewhat except along major corridors. This area is less urban and many homes have small plots of land that may be used for small farming or to raise a small quantity of traditional farm animals. Some residents here use water and sewer from the ABCWUA while many rely on wells and septic tanks. The roads are generally paved in the eastern portion of this area. Commercial and residential land use is less dense than that of Atrisco,

according to records from the Bernalillo County Assessor, and there are increases in commercial and residential agriculture. Residential agriculture use in Pajarito accounts for nearly half of all residential agriculture in the South Valley. To the west is Pajarito Mesa, an area that offers a unique set of challenges to a new city in the South Valley, challenges that Bernalillo County has been unable or unwilling to confront.

Pajarito Mesa is an area that has developed outside of city and county codes and is without many basic services. This area encompasses approximately 18,000 acres of mesa in southwest Bernalillo County. The inhabited portion of the mesa is approximately 2,200 acres and is home to approximately 1,500 people. Aerial photography of the mesa by Bernalillo County in 2006 revealed about 500 dwellings. There are 181 identified parcels on the mesa and each parcel generally contains more than one dwelling, according to Bernalillo County. Water, sewer and electricity are not available to those living on the mesa. In cooperation with the Southwest Organizing Project, members of the community have pursued grants and funding to bring running water to the mesa for the past ten years. The Mutual Domestic Water Consumers Association of Pajarito Mesa has formed a partnership with ABCWUA that will construct a water filling station below the mesa that residents will be able to access for a monthly fee. This filling station will eliminate the need for water haulers to make the trip from the mesa to the valley, often twice a day to provide water to the community. In addition to this effort SWOP and community members on the mesa have pushed Bernalillo County to provide services, but in late May, outgoing County Commissioner Teresa Cordova said the county had no plans to bring other infrastructure to the mesa, according to a report in the West Side Journal.

There are a number of issues prohibiting the provision of services, according to Bernalillo County. The main factor being complex and convoluted land ownership and a lack of easements and rights-of-way built into titles. Because development on the mesa has occurred outside of the county development process for approximately 40 years, there are no agreements in place for services to be provided. These include wastewater, electricity, roads, waste disposal, and telephone services. The county claims that it is the responsibility of developers to pay for improvements and

that the costs of these improvements are built into the lot and house sales by land owners and developers. Therefore the county is not responsible for providing basic services to the area.

In Albuquerque, the problems of premature subdivisions have been addressed by using special assessment districts (SADs) which distribute the cost of building infrastructure to the property owners. These districts only allow a municipality to pass on the cost of the estimated benefit to individual property owners which means any costs above the benefit must be covered by the municipality. For an area as large as Pajarito Mesa, the cost to the municipality could be quite high. Any improvement plan for the area should be a cooperative effort between those living in the designated community and the municipality.

Pajarito Mesa is often referred to as a “colonia” though it is over 150 miles from the Mexican border. It has many traits of a colonia as many of its residents are first or second generation immigrants. The majority of those living on the mesa entered into real estate contracts instead of mortgages when purchasing the property. This type of land contract does not allow for residents to build equity and makes it easy for land owners to repossess the property. With these types of contracts there is little or no recourse available to a resident whose property or home is repossessed. According to the county, many of those living on the mesa were told upon purchase that the county soon would provide services to the mesa. The county has entered into no such agreements. People living on the mesa haul water from other sources, such as neighboring properties below the mesa with water services. Many walk their children nearly a mile to the school bus stop at the bottom of the mesa where the pavement ends.

In 1998, the county conducted a study on Pajarito Mesa. The task force recommended enforcing zoning codes on the mesa. It also suggested the county assist in helping residents create an environment that is healthy for residents by cleaning up illegal dumpsites on the mesa and improving wastewater disposal for those living there. In addition, the report recommended the county work with major landowners to assemble land into large parcels to build “village clusters,” and to suspend all construction on the mesa until a working plan is created. Another

recommendation was for the county to purchase property from current landowners in exchange for property that currently has services.

In the report, the county did not estimate the cost of providing services to the residents living on the mesa. These costs were not calculated because the county maintains it is the responsibility of the residents and land owners to bear those costs. It will be up to the government of the new city and residents of Pajarito Mesa to determine a way forward that will improve the quality of life for residents living in the area and provide them with a government that meets their needs rather than making excuses or ignoring the harsh realities of living without services for which they are taxed.

Further south in Los Padillas, the population thins further and the amount of arable land in production increases considerably. The rural nature of this area means fewer paved roads, fewer demands or desire for city services from residents, a large number of whom are using wells and septic tanks. According to the Bernalillo County Assessor, the area of Los Padillas accounts for nearly all of the commercial agriculture use in the South Valley with minimal commercial and residential use compared to Atrisco and Pajarito. Heavy commercial agriculture activity is likely to increase demand for particular services such roads, water and law enforcement. It will be incumbent on city leaders to strike a balance between the demands of an urbanized area such as Atrisco while not creating onerous restrictions that interfere with the agricultural way of life of residents in the southern portions of the proposed city. Despite the predominantly rural nature of this area there exist pockets of residential development that may need or desire city services such as water and sewer and better roads.

2.3 The physical terrain

The proposed boundaries for the South Valley would create a city at this point with few concerns of annexation on its borders. On the east the city would be bordered by the Rio Grande and Interstate 25, on the west is unincorporated county land with no municipalities bordering the area, on the south is Isleta Pueblo and to the north the City of Albuquerque and Interstate 40 outside of Albuquerque. These boundaries create buffer for the South Valley and should provide any new

government with time to give careful consideration to westward annexation. One part of this consideration should be the make-up of land ownership for those areas which are not included in the initial incorporation. Areas over which the community would like to have control, but where owners may not be friendly to annexation, such as Suncl, should be included in the initial incorporation. The later annexation of property with owners at odds with the city could be difficult and costly.

2.4 Demographics

Since 1990, the proposed incorporation area of the South Valley has seen low to modest growth in population. Both population and the number of housing units have increased slowly. There has been little change in the overall demographics can be seen when comparing data from the 1990 and 2000 census.

Race, ethnicity, gender compositions remained relatively static over the ten year period between 1990 and 2000. In the 2000 Census, over 75 percent of the population in the proposed South Valley incorporation area self-identified as Hispanic or Latino. Over 55 percent of the population was between the ages of 18 and 59 in 2000. Over 32 percent of the population was under the age of 18 with over 12 percent of the population age 60 and older. This breakdown was relatively static between 1990 and 2000.

2.5 Services

A major challenge for a new city in the South Valley will be the provision of services. Previous incorporations in New Mexico have not involved areas as populated or developed as the South Valley. The South Valley's location, bordering Albuquerque, and its long history of habitation have resulted in an area with many urban and many of the demands and issues characteristic of urbanized communities. A new city will be faced with the demands of a population acclimated to particular levels of urban services, many currently provided by the county or provided to neighbors across the street in Albuquerque. In addition to these services, the new municipality will be expected to provide an accessible and effective process through which businesses and builders may open commercial enterprises, build new homes or expand on existing properties. Bernalillo County currently handles these services in the South Valley and it should be expected that

those dealing with the county currently will demand the same level of service from the city the day it opens its doors.

On the surface, these services seem straightforward but the requirements of professional expertise for these services the expense of operating becomes more apparent. For example, public works contracts will require an engineer to oversee road projects whether the money comes from the state or the federal government. Engineers with the proper certification don't come cheap, nor does the equipment, crews and support staff required for these services to function effectively. Bernalillo County estimates the cost of an engineer to oversee public works project would be about \$100,000 per year. The city could contract out these services, but the cost of outsourcing this work can be prohibitively expensive and this approach to municipal governance may be at odds with the new municipalities' goals. There are testing facilities and required inspections for these projects all of which come at a cost. Usually these costs are part of the project contract, but the percentage of the contract dedicated to these costs may rise because the city would need to contract out for these services until revenues were available to provide this service in-house. The more it costs to perform these required services the higher the cost of the contract and the higher the cost of the contract the more difficult it can become to acquire the necessary funds for the project.

It appears the best way to approach these issues is to look to existing governments with both the infrastructure and staffing to handle these types of issues for the city in the early years. Whether or not these governments are willing players will be a question of political will and careful negotiations. There is a positive role for the county to play in the incorporation of the South Valley and the desire of residents in this area to take local control over their future. If the county refuses that role it will be important for the new municipality to seek out partnerships with the City of Albuquerque and also seek possible remedies at the state level.

The provision of services in the South Valley is complicated by the City of Albuquerque's shoestring annexations of commercial and some residential properties in the South Valley. These annexations have created islands of municipal control in unincorporated Bernalillo County and pockets of county serviced

neighborhoods which are surrounded by the city. The Albuquerque annexations have created grey areas for the provision of services which has resulted in areas which are underserved as city and county departments pass responsibility between one another without taking action. This issue is especially prescient in the Vecinos del Bosque neighborhood which straddles the line between Albuquerque and Bernalillo County on the northeastern edge of the proposed incorporation area. Though residents benefit from access to city and county amenities such as community centers, libraries and parks, these border areas create pockets of confusion where is unavailable or difficult to obtain, especially for services such as police, fire and emergency response. The Albuquerque annexations allow for development inconsistent with the surrounding community and often are undertaken for the sole purpose of extracting revenue from the community in which the business operates and transferring those funds to Albuquerque without incurring the costs of servicing the community where these revenues are generated . These annexations create tension between the community and the city and do not directly benefit residents in the area. Businesses in Albuquerque pay higher gross receipts tax, the cost of which is passed on to residents in the surrounding community that do not receive the benefit of this higher tax. The incorporation of the South Valley would end the snatch and grab tactics of Albuquerque and provide the community with greater control over commercial development.

2.6 Crime

One concern for the South Valley will be law enforcement. The proposed incorporation area in the South Valley has nearly 50 percent of unincorporated Bernalillo County's population but over 70 percent of reported crime in the unincorporated Bernalillo County occurs in the South Valley, according to FBI uniform crime statistics from 2007. The main issues according to past and current law enforcement in the area are drugs and gangs. There have been different approaches tried over the past decades from proactive community policing strategies of earlier administrations to the reactive approach of the current Sheriff. The former approach builds community trust and relationships with law enforcement by acting on community concerns and working with children in the community. The

latter approach creates antagonistic relationships and breeds mistrust between law enforcement and the community. Recent crime statistics from the FBI appear to favor the community-based approach as crime has increased throughout Bernalillo County over the course of the current Sheriff's tenure, according to the FBI Uniform Crime Statistics. Another issue facing the South Valley is that increased enforcement in Albuquerque has pushed crime into outlying areas in the county and beyond. Some of these elements are operating out of the South Valley, but many are moving further south into Valencia County. It will be important for any new city to create a law enforcement environment that protects residents, but also creates opportunities for its youth to contribute to the community in a positive way. Education programs, job training and community cooperation are ways to keep youth engaged in constructive activities and offer a future with greater opportunity than those offered through illicit and illegal means.

The South Valley Multipurpose Family Services Center provides an excellent staging area for intergenerational programs that allow young people to connect with community elders in a positive environment. The center may be an excellent place for law enforcement and community organizations to partner in providing services for all of the community.

2.7 Politics

Perhaps the greatest obstacle to overcome may be the opposition of some officials in Bernalillo County to the formation of a new city in the South Valley. This opposition would be unfortunate and it is unclear why the county would oppose this initiative. The county has more to gain from the incorporation of the South Valley than it will lose. Financially, the only revenue at stake is an 1/8 cent county environmental services gross receipts tax which is currently assessed in the unincorporated portions of the county. All other county taxes would continue to be paid by residents in the South Valley. It is more likely the county will benefit from the incorporation as it will have the opportunity to focus its efforts on the vital services it is tasked with under state law rather than focusing its efforts on providing municipal style services to some residents in the county. If the South Valley effort is

successful, there may be positive economic development in the area that would benefit both the new city and the county.

Regardless of the county's support or opposition of an incorporation attempt, the county's defined role in this process is quite simple: conduct the incorporation vote. Under state law a county's role is limited and defined, but this does not stop county officials from expressing their opposition and creating obstacles in other ways. For the eventual viability of a city in the South Valley it is important to come to an understanding with county officials about the reasons South Valley residents believe they will be better represented and serviced under a municipal government. The new city will need to utilize the county and its established service infrastructure.

There are no cases of incorporation in New Mexico where the county has not played a role in the years after the municipality was formed. These relationships range from the provision of fire and police services to providing meeting space. The incorporation of the South Valley could be viewed in a couple of ways by the county; one as a political and economic loss or two as a political and economic gain. How the county chooses to view the incorporation and what role it chooses to take in servicing the new city will depend on the efforts of the incorporation committee and community leaders. County Commissioners may play a key role in reshaping the view and approach to the new city by appointed officials within the county. These relationships should be pursued and the community members should work to ensure commissioners are aware of the benefit the new city will be for Bernalillo County.

2.8 Development

The population and density of the South Valley will require any new city government to be prepared to deal with development requests from day one. These requests can range from variance requests to increase the height of a wall to large master planned residential developments or industrial proposals. It will be up to community leaders to find a balance between the quality of life of current residents and the need for revenues to maintain that quality of life. A major hindrance to development in the South Valley has been its ongoing designation as a flood zone by the Federal Emergency Management Agency. This designation means anyone borrowing funds to build in the area will likely be required to purchase flood

insurance which can be quite costly. The additional cost is a likely factor in the slow pace of development in the South Valley. But a multi-million dollar project by the Albuquerque Metropolitan Arroyo Flood Control Authority, the U.S. Army Corps of Engineers and Bernalillo County may change that. These agencies have embarked on ambitious flood water diversion project that will eventually pull the entire South Valley out of the flood plain, according AMAFCA. The engineering of the river over the last 50 years has resulted in the valley floor being 10 feet below the river. The integrated system of dams, pumping stations, drainage infrastructure and a gravity flow into the river will move the South Valley out of the flood plain and possibly open the area to greater levels of development or at least demand from developers.

According to a local commercial realtor the drainage project has the potential to bring about major changes in the South Valley, just as the McKinney Dam opened up a greater portion of the Northeast Heights for development the South Valley project would make the entire Southwest quadrant of the Albuquerque Metropolitan area more desirable to developers.

This issue may be one of the most difficult and contentious for community leaders to deal with effectively. In following the committees stated purpose of “preserving the South Valley's agrarian and historical character through self-governance,” the removal of large portions of land from the flood plain may challenge perceptions of what is and what should be the character of the South Valley. By removing the majority of the South Valley from the flood plain the majority of property owners currently living in the area will see a benefit as flood insurance may no longer be necessary. But the benefit to current residents will also attract developers and will require the South Valley to find a balance between the existing residents and possible commercial and industrial opportunities that could bring greater revenues to the new city. These issues will need to be addressed on multiple fronts, from planning and zoning to partnering with the current entities working on the project to help guide the end result and ensure the quality of life of all residents is preserved and improved.

2.9 Existing and Future Facilities

The South Valley has a number of existing facilities owned and managed by different agencies. The major operator in the South Valley is Bernalillo County. The county maintains 13 parks, four of which are co-managed by the Albuquerque Public Schools Board of Education. There are three community centers, three senior meal sites, two swimming pools, a historic house, a dairy farm, a sheriff's station, three fire stations, and a library in the South Valley.

The future of these county facilities will need to be negotiated by any new government in the South Valley. The South Valley has already paid a portion of the construction costs of these facilities and the value of these facilities has depreciated over the years. It is unlikely and would be highly questionable if the county were to attempt to sell these buildings to the new municipality at or near the cost of these buildings construction. Though land value has risen in the area, the value of parks are as a community amenity rather than a real estate transaction and should be treated as such. These lands are not being sold on the open market and are being exchanged between two governments and will remain public facilities. It may be advantageous for both governments if the county continues to operate out of these facilities for the foreseeable future. Arrangements could be made for the new municipality to pay a portion of the operating expenses. These agreements will be crucial to the long term viability of the city as the agreement may commit municipal revenues over a period of years and may be difficult to renegotiate. It could be to the new municipalities benefit to seek out trusted legal council to negotiate these agreements on its behalf.

In addition to county properties, the Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) and the Middle Rio Grande Conservancy District (MRGCD) also own property in the proposed incorporation area. Most of this land is in use as right-of-way, dams, drainage easements and acequias and ditches. The city's future planning will need to take these properties into account and work with these agencies to limit conflicting uses. Much of AMAFCA's land is dual use with parks, trails, and soccer fields. Many of the ditches controlled by the MRGCD also have trails for recreation. A current program underway throughout the Albuquerque

metropolitan area is the ditches and trails program which will eventually connect many parts of the South Valley with trail networks throughout Albuquerque.

The first phase of the South Valley Multipurpose Family Services Center off Atrisco Drive is slated to begin construction this year. This multi-phase facility offers the South Valley an opportunity to create a multi-generational gathering place for the entire community. The funding for construction of the facility is coming from the state. The first phase of the facility will host a senior meal site and offer other opportunities for seniors. The Holy Family Parish currently operates a senior meal site in a Quonset hut on church property at 550 Atrisco Drive. This operation will be relocated to the South Valley Multipurpose Family Services Center once it opens. The plans for the South Valley Multipurpose Family Services Center were generated by the work of a deacon at the church, community groups and elected officials. While the first phase will operate as a senior center and meal site, the center still needs operational funding to expand its services to the community. In the early phases of self-government, this center may make an ideal location for government meetings and record keeping, both required by state law. In addition to using this facility for meetings it appears the new government should be able to find additional tenants for the second and third phase that would make the center truly multi-generational. YDI, Inc. is interested in facilities for education programs it offers, specifically Head Start. While there are other Head Start Centers further south in the valley at Rio Grande High School, Centro Familiar and Los Padillas Elementary School, the area around the new South Valley Multi-Service center is served by a center in Barelás, because of a lack of facilities in that immediate area, and the children are transported by bus to Barelás. YDI, Inc. has federal funding available to provide programs and staffing for a Head Start facility, but cannot expend those funds on the construction of a facility. Through partnerships with the state, the South Valley may be able to acquire funding for the second phase of this facility and sign a long term deal with a tenant that will staff and operate the facility at little to no cost to the new municipality. It is these types of partnerships that will allow for the new city to establish a positive identity in the community while improving services.

The South Valley Economic Development Center also plays a role in promoting the growth and development of local businesses. The center is a partnership between the Rio Grande Community Development Corporation. The center operates as a small business incubation center as well as working to attract jobs to the South Valley through recruiting outside companies. The small business incubation center allows for local residents to rent office space or industrial kitchen space in the center and heavily subsidized rates. These lower rates give small businesses and opportunity to grow while keeping costs low in the beginning. In addition to using this space for small businesses the center also hosts meetings for many community groups in its conference rooms. This interface between commerce and residents is an opportunity to grow the South Valley economy through local initiatives.

3. POTENTIAL PARTNERSHIPS

The South Valley is a community rich in tradition and history with settlement dating back hundreds of years. Residents of these communities have seen governments in varying forms come and go over the years and have continued to thrive and grow. The sheer size of the South Valley and its location in the heart of New Mexico's population center the Middle Rio Grande Valley provides a number of opportunities for a new government to access and partner with existing community groups and government agencies which have serviced the area for years. The success of the South Valley and all of the Albuquerque Metropolitan Area is likely to depend upon regional partnerships to solve problems that do not recognize municipal boundaries and zones of local control. What to do about transportation, sanitation, growth and water are questions that must be dealt with at both the local, regional, and state level. But how a place, a locality such as the South Valley wants to define those issues within its borders will start at the block and neighborhood level.

3.1 Neighborhood Associations

Neighborhood associations will play a key role in the success or failure of an incorporation vote. These organizations understand the desires and concerns of the most active members of their communities and will play a key role in dispensing information, positive or negative, about the potential incorporation. Neighborhood associations often act as political surrogates for their members, with elected officers taking the concerns of the neighborhoods to elected officials as well as relevant boards and committees. Many of those served by neighborhood associations may not be seen at government meetings, but instead rely on the association for information about how projects and programs will affect their neighborhood and why these projects should be supported or opposed.

BBER spoke with a number of neighborhood associations in the course of this project. Of those we spoke with, most were reserving judgment of the proposed incorporation until more information was available. Specifically, the economic

feasibility study which is being conducted by BBER. These associations expressed a desire to host presentations on the report from either BBER or the incorporation committee. Most representatives said their organizations want what is best for the South Valley and if the report demonstrates there is money to pay for the new city they are likely to support it.

“This is a good thing. It is being pushed because of the inequity in the area,” said one neighborhood association member. “It will increase the quality of life and give ownership back to the residents of the area which will make them more responsible for the community.”

A major issue for neighborhood associations is the lack of coordination for services between Albuquerque and Bernalillo county. The process of coordinating between the two governments can be time consuming and difficult for these organizations. All of these organizations said they were committed to improving the quality of life for their residents and in the South Valley. The support of these groups will be critical to the success of incorporation. These groups will play a vital role in identifying needs in the community and policies that are equitable for the majority of residents in the South Valley.

3.2 Community Organizations

The South Valley has a number of community organizations actively working on a range of issues in the South Valley from economic development to the improvement of services. These organizations are often at the forefront in meeting community needs. Organizations such as the West Central Community Development Group, the Southwest Organizing Project and the South Valley Economic Development Center work on a range of issues important to the South Valley. These organizations often work to promote the growth of local businesses in the South Valley or fight to bring residents better services from their governments. These organizations may be of help to the incorporation committee in identifying issues within the local business community as well as issues of public health and safety such as superfund sites and other threats to community health and quality of life. These organizations work directly with residents and may help identifying pressing needs within the community.

3.3 Quasi-Governmental Entities

There are a number of quasi-governmental entities currently operating in the South Valley. These organizations oversee large public works projects such as transportation networks, water and sewer facilities, and drainage issues. As the South Valley transitions from unincorporated Bernalillo County to its own municipality identifying the South Valley's roles in these organizations will be essential. In many cases these organizations are making long term planning decisions for a large portion of the Middle Rio Grande Valley and these decisions determine priority locations for millions of dollars in projects.

3.3.1 Mid-Region Council of Governments

The Mid-Region Council of Governments (MRCOG) serves as the regional planning organization for Bernalillo, Sandoval, Torrance, and Valencia County. In this role, MRCOG is responsible for long term transportation planning and the allocation of federal transportation funding based on a list of prioritized projects. Each member government of MRCOG is allocated votes based on population. This means that governments such as Albuquerque have a larger number of votes and pay higher fees for membership in MRCOG. If the South Valley were to join MRCOG the cost would likely be between .50-.55 cents per person. In exchange for this annual fee the South Valley would likely receive two votes on the board of directors which currently consists of 48 elected and appointed officials from member organizations. The South Valley would likely receive one vote on the Metropolitan Planning Organization board which determines the priority for projects receiving federal funds within MRCOG's region. If the South Valley chose not to join MRCOG it would not lose access to federal transportation funds, but it would not have a say in how those funds were allocated and where projects in the South Valley are on the priority list.

It may be possible to set up a Metropolitan Planning Organization separate from MRCOG if two local governments agree to form a new MPO. This would allow these organizations to work with the Federal Highway Administration and the New Mexico Department of Transportation, as well as prioritize funding for the area

encompassed by the municipalities. Though this approach may be beneficial in the short term to the two local governments it is important to consider the impact it would have on the region as a whole. The purpose of MRCOG is to promote regional cooperation on transportation issues that reduce costs to the municipalities and improve the quality of life for all residents. If two of the larger communities in the region chose to opt-out of MRCOG it would have long term effects on the other municipalities and counties not included in the new planning organization. The introduction of a second MPO that is not coordinating with the existing MPO may lead to unnecessary delays and increasing costs for projects in a time where federal allocations are being squeezed by an aging population and higher demands for services nationwide.

3.3.2 Albuquerque Metropolitan Arroyo Flood Control Authority

This organization was created in 1963 to deal with flood control issues in the greater Albuquerque area. Since that time it has undertaken a number of drainage projects throughout the county. This organization was created by the State Legislature and its boundaries were set by the Legislature. The South Valley is within AMAFCA's boundaries and residents pay taxes to cover the bonds issued by AMAFCA for drainage projects throughout its territory. Residents in the South Valley have a representative on the board and elections are held every four years. The next election for the South Valley seat on the AMAFCA board is in November 2008.

This organization has a number of active projects in the South Valley. The largest of which is a multi-million dollar multi-phase project which will remove the entire South Valley from the flood zone designated by the Federal Emergency Management Agency. This project will utilize three dams, Don Felipe, Raymac, and McCoy as well as the Isleta and Los Padillas Drains, the Black Mesa Pumping Station and Surge Pond as well as the Los Padillas Gravity Drain. AMAFCA is partnering with the U.S. Army Corps of Engineers as well as Bernalillo County on these projects. AMAFCA has acquired all rights-of-way for the Los Padillas Gravity Drain and work is scheduled to begin in future years. Once this system is in place and the South Valley is removed from the FEMA designated flood zone it will open the area to more development. It will be important for civic and community leaders to

anticipate a possible increase in demand and begin looking for ways to capitalize on this opportunity while ensuring future developments do not degrade the quality of life for South Valley residents.

One advantage to AMAFCA projects is the emphasis on multi-use facilities. The organization is dedicated to incorporating playing fields and walking and biking trails with its projects. AMAFCA often partners with Bernalillo County to pay for and manage these areas. This is a possible collaboration for the new city which would allow it to increase open space and recreational areas for its residents for a fraction of the cost of designing and building these projects using city revenues or bonds.

In addition to multi-use projects, AMAFCA and the county often coordinate drainage and road improvements projects. This allows for minimal interruption of service to residents and improves both road and storm drainage at the same time. This type of partnership would allow the city to focus on improvements in neighborhoods currently affected by flooding during hard rains while only paying a percentage of the project cost. Bernalillo County and AMAFCA often split project costs evenly. According to an AMAFCA board member, the partnership allows for the sharing of engineering services with AMAFCA using its expertise in drainage and the county utilizing its engineering staff in the Public Works Division.

If the South Valley desired to withdraw from this organization it would have to request the State Legislature redraw the current boundary. Any change to the boundary would not alleviate the current tax obligation on outstanding bonds. Residents would continue to pay until the outstanding bonds are retired. The area would not be responsible for any additional bonds passed once the area was outside the district. There are numerous advantages to association with AMAFCA, the broad geographic reach of the organization, which includes Albuquerque, creates an economy of scale that allows for the cost of capital intensive drainage projects to be spread equally across the population. This allows for projects that would be cost prohibitive for smaller municipalities to be built and protects areas such as the South Valley from the water draining out of the Northeast Heights.

3.3.4 Middle Rio Grande Conservancy District

The Middle Rio Grande Conservancy District (MRGCD) is charged with maintaining ditches and levies from Cochiti to Bosque del Apache. This organization has been providing these services since the 1920s. The MRGCD manages over 300 miles of water conveyance channels, dams and flood control facilities. The MRGCD uses ad valorem taxes to cover the cost of maintaining these facilities. The MRGCD is run by a board of 7 elected directors. Bernalillo County has three directors on the board. There are director positions for Sandoval, Socorro, and Valencia County, as well as one at-large position currently held by a resident of Isleta Pueblo.

Current MRGCD projects that are in or affect the South Valley include the Albuquerque West Levee Project which will reconstruct levees along 3.2 miles of the west bank of the Rio Grande south of Rio Bravo. The cost of the project is approximately \$6 million. The levee project is vital to the area given that FEMA is evaluating the levees from Cochiti to Socorro and recommending that many of these levees be decertified in the next eight to ten years, according to officials with AMAFCA. If the levees are not rebuilt, large portions of the Middle Rio Grande Valley will be reclassified and placed in a flood zone which may limit development and have financial consequences for those owning property in these areas. The MRGCD is also planning the Route 66 Project to create recreation areas throughout the Bosque in southern Albuquerque and the South Valley at a cost of approximately \$4 million.

Not everyone is satisfied with the services of the MRGCD. Since 2005, eight community acequia organizations have formed and taken over maintenance of the ditches within their communities in the South Valley. The MRGCD recently voted to take back control over two ditches managed by the Los Padillas Acequia Association. The acequia association claimed that the lack of maintenance and water flow is what prompted them to form and take over the ditches. The MRGCD board, acting on neighbor complaints, said the lack of maintenance and water flow was the reason they were reasserting their control over the ditches. Under the agreements with acequia associations, the MRGCD provides water flow while the associations take care of maintenance.

3.3.5 Albuquerque Bernalillo County Water Utility Authority

The Albuquerque Bernalillo County Water Utility Authority oversees water and sewer projects throughout Bernalillo County. The water utility authority was formed by the state in response to difficulties between the City of Albuquerque and Bernalillo County in coordinating water and sewer services. Albuquerque and Bernalillo County Governments entered a joint powers agreement and each government has voting members on the water utility authority board. In addition to these two governments, the village of Los Ranchos also sits on the board as an “ex-officio” member. This allows Los Ranchos to engage in debate and discussion on water and sewer system planning, but does not afford them a vote. There are no fees to become a member of the Albuquerque Bernalillo County Water Utility Authority and each member receives a 4 percent remittance on the use of right-of-way within the boundaries, similar to a franchise fee that a municipality would charge a cable television operator or public utility.

The South Valley would have three options in regard to its relationship with the water utility authority if it were to incorporate. The first option is to forgo membership in the ABCWUA and form its own water and sewer utility. This option does provide autonomy but is incredibly prohibitive given the expense, time and expertise needed to build a water and sewer system.

The second option is to join the ABCWUA as an “ex-officio” member similar to the current arrangement in place between the water utility authority and Los Ranchos. The advantage to this arrangement is that it entitles the new municipality to remittance payments of 4 percent for the use of right-of-way by ABCWUA within the municipal boundaries. There is a franchise agreement currently in place between Bernalillo County and ABCWUA which will expire in the next 15 years. The payments currently going to Bernalillo County would transfer to the new municipality. The current franchise agreement must be honored under state law unless both parties, the ABCWUA and the new municipality, agree to renegotiate the existing agreement. The current agreement is the same for all current members of the ABCWUA. The disadvantage of remaining an “ex-officio” member is that the new municipality would hold no voting rights.

The final option is to become a full member of the ABCWUA with voting rights. All of the advantages of becoming an “ex-officio” member remain with the added benefit of actual voting rights. The unknown is how many votes the new city would have on the board. It would require a change to the state statute for the South Valley to become a voting member. The determination of total voting board members and the allocation of those votes between the municipalities and the county would be determined by the State Legislature. In the past, the voting structure of this board has been a contentious issue between Albuquerque and Bernalillo County at the Roundhouse.

As for the work of the Albuquerque Bernalillo County Water Utility Authority, it has been very active in the South Valley over the past five years. A major multi-million dollar water project is nearing completion in parts of the South Valley which will provide the opportunity for between 3,000 and 4,000 residences to connect to the water system. This expansion is being funded through a series of federal, state, and local grants. The purpose of the project is to provide more residents in the South Valley with clean drinking water. ABCWUA officials said they have found most residents willing to hook up to the water system as long as they retain the right to use their wells for irrigation. At this point, state law allows for residents in the South Valley that hook-up to the water system to continue using their wells.

Septic systems are of great concern to the ABCWUA because the density of the area and its location near the water table, specifically, the risks to public health. Five years ago the ABCWUA set a goal of retiring 5,000 septic tanks in the South Valley. To date, the ABCWUA has achieved approximately 80% of that goal by connecting nearly 4,000 residences to the utility’s sewer system.

3.4 Local Governments

If incorporated, the South Valley will be the third largest municipality in the Middle Rio Grande Valley and will border the state’s most populous city Albuquerque. In addition, it will continue as part of Bernalillo County as well and will share a common border with Isleta Pueblo. In navigating issues that may arise in incorporation, specifically the provision of services, the ability to partner with local governments will be an advantage. It is the case in each of the recent incorporations

in New Mexico that the new municipality has relied on the county and surrounding municipalities to assist these newly formed governments as they transition to a self-supporting city. This is a process that can take a decade or more. No new city is self-sustaining when it opens its doors and it unlikely the South Valley is an exception. It is important that existing local governments and the newly formed government understand this is a long term process that will take cooperation and assistance to be successful.

3.4.1 City of Albuquerque

As the largest city in the state, Albuquerque offers a wide array of services to its residents which it supports through revenues generated by a developed commercial and industrial base. In search of revenues to meet the demands of its residents Albuquerque has pursued additional gross receipts tax revenues through shoe string annexations in the South Valley. This approach on the part of Albuquerque has removed much of the existing revenues generated in the South Valley from the area and redirected those revenues to Albuquerque coffers. If the South Valley were to incorporate Albuquerque's revenue poaching would effectively end at the boundaries of the new city.

Despite poaching these revenues from the South Valley, the City of Albuquerque does partner with Bernalillo County to provide services to residents living in the proposed incorporation area. Bernalillo County and City of Albuquerque have a number of joint powers agreements, some of which result in the service delivery to the South Valley. Among these services are bus routes, libraries and other state sponsored programs which contract with the Albuquerque Agency on Aging.

There are advantages to having the largest city in the state on the border of the South Valley. It provides South Valley residents with relative ease of access to city parks and programs as well as amenities such as the BioPark and the Albuquerque Museum. These amenities enhance the quality of life for South Valley residents with few costs to residents. Another advantage is access to jobs in Albuquerque. Many residents in the South Valley commute to work in the Albuquerque area.

There are also disadvantages to having such a large neighbor. Crime from the city often bleeds into the valley as it is pushed out of targeted areas in the city. The commuter traffic of those travelling to work in Albuquerque wears out infrastructure more quickly. It may be that some people living in the South Valley will expect similar services to those offered by Albuquerque, services paid for with a much larger tax base.

Partnering with the City of Albuquerque on common issues such as crime and traffic may result in positive results for both municipalities. Allowing greater access to the South Valley by the Albuquerque Police Department may help alleviate some of the crime that is being pushed out of the city and into the valley. Cooperation with the Albuquerque Fire Department and with Emergency Services may keep the valley's fire rating static or improve on it thus reducing insurance costs for homeowners. This cooperation should also eliminate the current confusion over boundaries. Whether through memorandum of understanding or joint operating agreements these types of partnerships should cost-effective for both municipalities.

In the case of services currently in joint operation between Albuquerque and Bernalillo County, such as the library and ABQRide bus routes, the new municipality may want to seek three way partnerships that will allow costs to be shared among all three entities. This could increase the amount of money dedicated to services such as the library in the South Valley and may also allow for the expansion of the bus service in the area which is heavily utilized. In the early years, it will be important for South Valley officials to identify partnerships that can improve service while saving costs for every entity in the partnership.

3.4.2 Bernalillo County

Bernalillo County will be an essential partner as the South Valley moves from unincorporated county territory into a municipality. The county has the greatest set of institutional knowledge and experience in dealing with government services in the South Valley and is already providing services in the area. Whether these services meet the demands of local residents will be up to new city officials to decide, but the provision of these services should continue through the transition and possibly for years to come. For services such as law enforcement and fire it will be essential that

the county and South Valley find a working partnership to continue these services. These agreements will likely come at an agreed upon cost between the South Valley and the county. As for other services, the county has hired the necessary experts such as engineers to handle public works issues and other vital services within the community. Partnering with the county to share costs for these expensive professional services will benefit both the county and the new city. It will be up to political leaders in the South Valley and in Bernalillo County to put aside differences and past offences and identify partnerships that save residents money and improve their quality of life. If this does not happen, the likely outcome is both governments failing the people they serve.

3.5 State Government

Municipalities throughout New Mexico rely on state appropriations to fund many projects within their boundaries. In the case of most municipalities these state appropriations help fund capital projects and infrastructure improvements that cannot be covered through gross receipts tax revenues and bonds. These appropriations are generally sought by municipalities through its elected representatives in the Legislature. The South Valley's representatives have been quite effective in the past in guiding requests through the Legislature. If the South Valley does incorporate, it will be important to build strong relationships with not only legislators representing portions of the South Valley but those representing neighboring communities as well. There are numerous opportunities to partner on large scale projects that stretch across municipal and county boundaries.

In addition to state appropriations, municipalities can qualify for a number of local assistance programs such grants and loans which come directly from state departments or are administered by the state for the federal government. The Local Government Division of the New Mexico Department of Finance and Administration publishes an annual list of available programs and funds in the *Catalog of Local Assistance*. This catalog contains descriptions of the programs, departments offering these programs, sources of funding, and application deadlines. Though many of these funds are for emergency situations such as fires and floods, other programs fund training, equipment purchases, senior programs, drug prevention programs and

community-based programs. This catalog is available from the Local Government Division.

The New Mexico Finance Authority (NMFA) is another avenue for municipalities in the New Mexico to access funding. The NMFA assists qualified governmental entities with financing of capital equipment and infrastructure projects, providing low-cost funds and technical assistance on capital projects with a useful life of 3 years or longer. Local governments must apply directly to the finance authority for funding and typically must designate a revenue source that will be used to pay back the loan. The authority receives funding from the governmental gross receipts tax that is assessed on county and municipal government activities and issues bonds to raise capital which is then loaned to municipalities.

3.6 Federal Government

The federal government is one of the largest employers in the state and is an active participant in New Mexico with a number of land-based operations in and around Bernalillo County such as the U.S. Forest Service, Bureau of Land Management, U.S. Army Corps of Engineers and many other functions. In addition to employment and land management the federal government also offers grants and loans to municipalities and communities for a variety of projects.

Federal money is distributed to municipalities in New Mexico in a different ways. In the case of larger municipalities, cities with over 50,000 people, federal money is directly disbursed for a variety of projects through the Community Development Block Grant Program administered by the U.S Department of Housing and Urban Development (HUD). For cities under 50,000, this money is distributed to these cities by the state. The majority of municipalities in New Mexico have populations under 50,000 which results in heavy competition for a limited pool of funds.

According to the New Mexico Local Government Division, the majority of money distributed to communities with a population less than 50,000 people is provided through Legislative earmarks. There are opportunities for municipalities to receive federal funds for community development programs through the state but these funds are limited. A management analyst with the Local Government Division

said more money is often available to communities with a population over 50,000 which deal directly from the federal government.

Nearly all transportation dollars in the middle Rio Grande pass through the Mid-Region Council of Governments, an entity set-up as part of federal requirement for regions to receive federal transportation dollars. The prioritizing and planning of projects by MRCOG are used to allocate and distribute funding in the federal transportation bill, or T-Bill. These dollars first pass through the New Mexico Department of Transportation.

Another way federal funds are allocated to local municipal projects is through earmarks. These dollars generally pass through a designated state agency before distribution to the municipality.

In telephone and e-mail correspondence with six New Mexico cities, selected by population, the majority of grant funding received is through the state. Often state funding is one-time money approved by the Legislature for specific projects. Federal grants are few and far between and are often planning grants or money for large water and wastewater projects. Another funding option smaller municipalities in New Mexico is to utilize low interest loans from the state to fund larger projects. According to grant administrators, federal CDBG funds administered by the state are small and rarely re-occurring.

There is a great deal of competition for these funds and New Mexico's representation in Congress is sparse compared to many of the states in the region. The limited amount of funds available and the heavy competition for these grants make relying on recurring federal dollars questionable. It appears that relying on state or federal funding to balance a municipal budget is risky and should be avoided. It would be wise to consider cost effective measures at the local level that add value to services offered residents while reducing costs. State and federal funding will be key in allowing for large capital intensive projects to occur, but should not be relied on for the funding of day-to-day operations and the funding of programs within a municipality. Perhaps the best example of this would be the COPS program instituted during the Clinton Administration. This program funded the training and salaries of new officers, but the amount funded declined over a three year period. A

number of local governments which utilized the program to grow law enforcement were forced to lay off officers when the federal money stopped and local money couldn't cover the expense. In Torrance County, the Sheriff's Office used a federal hiring grant to hire ten new deputies, but when the money ran out three years later the county was forced to cut 12 deputy positions from the budget. The combination of the grant running out and a tight budget year in 2002 forced the drastic cuts, according to statements by Torrance County Commissioners reported in the Mountain View Telegraph. The use of short term grants at the state and local level for long term staffing can result in an eventual reduction of services that negatively affects the community.

CONCLUSION

A municipality in the South Valley would provide one of the largest populations in the Middle Rio Grande Valley with the ability to control the area's destiny. As the state's fifth largest city, the South Valley could assume the responsibility for its future and preserve the historic traditions of its past. By taking the power of planning away from Bernalillo County, the South Valley will take a direct role in shaping the area. By taking on zoning decisions the South Valley may begin to deal with the industrial waste and byproducts of Albuquerque's consumption that have manifested in refineries and landfills along the South Broadway Corridor. A municipal government in the South Valley would allow residents a voice in regional decisions, a voice often ignored or drowned out by Albuquerque and Bernalillo County. But the move to incorporate is not simple and will be complicated by economic and political concerns. Though the legal process of incorporation is simple, navigating the differing visions within the communities and finding common ground with other governments in the area will require both political skill and financial prudence to overcome.

It is clear from the history of incorporations that a municipality will not succeed without the cooperation of neighboring governments. In the case of the South Valley, the size of the population, the diversity of land use, and the limited resources available to the new municipality in the early years make these relationships all the more vital. There is already opposition among some in local governments to any South Valley incorporation. This opposition may fade with the release of the economic feasibility study or it may grow if the community chooses to pursue this route. It should be emphasized that no matter the outcome of a vote or the perceptions of incorporation what is at stake is the viability of a community composed of residents of the South Valley, who live in Bernalillo County in the State of New Mexico and that it is the responsibility of these governments is to protect the health, safety, and welfare of these citizens.

The South Valley is an area with active neighborhoods and community groups and strong sense of social justice and a commitment to preserving the

traditions of the area. These groups will provide assistance and guidance as community leaders attempt to strike a balance between the agrarian south and urban north within the South Valley. Many of these organizations have different perspectives on how the future of the valley should unfold, but bringing them all into the conversation will provide a rich and far reaching set of principles that will serve the community well now and in the future.

It will be up to city leaders to define the relationship of the new city with quasi-governmental agencies active in the area. These organizations are making long range plans that will affect the entire South Valley. As a municipality the South Valley will have an opportunity to help guide these decisions once they take their seat at the table. Some memberships come at a cost while others will generate revenue. Either way, the South Valley will have an active role in shaping regional policy.

Finally, the incorporation of the South Valley is an opportunity for the community to begin to define what it means by preserving agrarian and historical character. The South Valley remains an undefined entity even to many of its most active members. Interviews reveal differing perspectives and differing goals for the community. The incorporation process and the transition from a loose knit community to major municipality will define the South Valley and its place in the Middle Rio Grande Valley.