

State of New Mexico - Department of Cultural Affairs

HISTORIC LOS LUCEROS

Facility Use Study



CONSENSUS

PLANNING

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1. EXECUTIVE SUMMARY

A. INTRODUCTION

In 2007, the Legislature appropriated \$2.5 million from the general fund to the Local Government Division of the Department of Finance and Administration (Laws 2007, Ch. 42, Section 68, Paragraph 521) “to purchase Los Luceros historic property in Alcalde in Rio Arriba county.” The funds were subsequently transferred to the Department of Cultural Affairs (DCA), and in 2008, DCA acquired the historic Los Luceros property in Rio Arriba County for \$2.5 million. There were specific deed restrictions that govern the use and maintenance of the property (see *Purchase Agreement in the Appendices*). DCA remains committed to doing what is best for the Los Luceros property, both in the short- and long-term.



The Richardson administration’s original program for the property is summarized as follows:

“To provide immersive jobs training and education in film and the arts. Milagro at Los Luceros is dedicated to community, environmental protection, and advancing the arts as an economic driver.”

While the original program for the property remains an option, there was not adequate consideration paid to the financial sustainability of the program. It is unlikely, as originally planned, that the “above the line” film training at Los Luceros can support the upkeep necessary for the property without a substantial annual subsidy.

In concert with Senate Memorial 083 and House Memorial 072 that were passed in 2011, DCA entered into a contract with Consensus Planning to address the following:

- To conduct a property status, program, and use audit of the Los Luceros estate in order to determine the options for best use of the property to maximize the property's value to the state;
- To conduct a peer facility analysis to explore other options as to the use and management of the property;
- To interview Department personnel, stakeholders, and the community; and
- To review the master plan for Los Luceros and take any steps necessary to implement the plan or develop a new plan for the occupation and use of Los Luceros and include that in the report to the appropriate interim legislative committees.

B. MISSION STATEMENT and GUIDING PRINCIPLES

The mission statement of DCA is as follows:

"The Department of Cultural Affairs preserves, fosters, and interprets New Mexico's diverse cultural, scientific, and artistic heritage and expression for present and future generations, enhancing the quality of life and economic well-being of the state."

DCA's mission, combined with deed restrictions for Los Luceros, results in the following principles upon which all program options should be evaluated:

- Preserve and maintain the historic structures on the property and provide for opportunities to foster and interpret the history of the property. Any improvements and/or modifications to historic structures or the acequia system must be coordinated with the State Historic Preservation Office.
- Preserve the agricultural use of the property, specifically the apple orchard and pasture within the view shed of the Hacienda.
- Provide for the protection of the environmental elements on the property, specifically the irrigated lands, the Bosque, and the Rio Grande.
- Manage the property to enhance the quality of life and economic well being for the local community and the State of New Mexico (residents and visitors).

C. SUMMARY OF OPTIONS

This report includes three primary options for use of the Los Luceros property. A more detailed description and analysis of these options, including projected costs, is presented in Section 5, starting on page 53.

A critical aspect in evaluating the options for Los Luceros is understanding that in purchasing the property, the state made a commitment to following the deed restrictions. Maintaining and operating the property in accordance with the deed restrictions carries a significant base line cost. DCA has estimated that this annual base line cost is approximately \$400,000-\$500,000. This does not include any programming funds and includes only three full-time employees to manage the 148-acre property and grounds, whereas the prior owner employed six full-time grounds staff and six others.

It is also acknowledged that the state may not be able to cover all programming costs and if the decision is made to retain the property under state ownership, a significant portion of the programming costs will have to come from other sources, including private foundations, private partnerships, time commitments from volunteers and docents, etc.

Another challenge for Los Luceros comes from the lack of water rights on a portion of the property. This occurred at the time of purchase by the state, and limits the level of agriculture production on that portion of the property (*see Exhibit A in the Purchase Agreement, which is included in the Appendices*).

The three primary options for Los Luceros are as follows:

1. Manage the property as a New Mexico state monument or museum; or
2. Sell the property as is, with the deed restrictions in place; or
3. Enter into public / private partnerships for different aspects of the property including, but not limited to:
 - a. Creation of a foundation that manages the Visitors' Center, Hacienda, garden, and gift shop as a public museum with volunteer docents, education programs, etc;
 - b. Education programs that include job training anticipated with the Milagro project (above the line film jobs), as well as below the line film jobs, agriculture/farming, restaurant, other visual art programs, programs for local and statewide students, etc.;
 - c. Artist-, scientist-, and/or writer-in-residence programs;
 - d. Agriculture/farming as either a for-profit or non-profit program that manages the apple orchard, pastures, or gardens that could include either on- or off-site, value-added products; and
 - e. Community-based programs as determined by DCA.

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2. HISTORY AND SITE INFORMATION

A. HISTORY

The 148-acre property known as “Rancho de Los Luceros” is located northeast of the town of Alcalde, New Mexico. It was added to the National Registry of Historic Places in 1983, and listed in the State Register of Cultural Properties in 1970. Rancho de Los Luceros was the home of Santiago Lucero in 1757, and was purchased by Mary Cabot Wheelwright in 1923. The ranch house is said to have served for a time as the Rio Arriba County courthouse (and still has the jail alongside). Limited remodeling of the ranch house, jail, and guest house in the 1920’s was carried out by Mary Wheelwright, an important Indian art collector and founder of the Wheelwright Museum in Santa Fe.



In addition to being known as Ranchos de Los Luceros, the property was at one time called “Los Luceros Hacienda” and “Morning Star Ranch.” More recently it has been called “Milagro at Los Luceros” and is now simply referred to as “Los Luceros Historic Property”.

The property was awarded a Heritage Preservation Award in 2005 from the Cultural Properties Review Committee, the governing body of the Historic Preservation Division of DCA. The award was made in the category of Architectural Heritage for restoration completed in 2004 when the property was owned by Frank and Anne Cabot. The Cabots purchased the property in 1999, at which time the property had been neglected for about 20 years. The main house was unstable and in danger of collapse, and the grounds and orchards neglected and overgrown. Following their purchase, the house was restored and the 300 year-old orchards again were cultivated. Also 1,400 cottonwood trees were planted along the river to thwart flooding of the property, which periodically threatened the main house and caused destabilization. The Cabots subsequently sold the property to the state in 2008.

Immediately after the purchase of Los Luceros, the state’s budget situation dramatically folded inwards, which resulted in minimal subsistence-level operations at the site until a comprehensive program master plan for the use of the entire site was completed. Minimal operations at the site are essentially designed to preserve the

property, while making some repairs and maintenance improvements, upgrades to telecommunications and information technologies, and securing the site. Staffing from DCA has included a caretaker, maintenance and field worker, and a security guard. DCA has also loaned staff from the state museums and especially State Monuments to oversee the property, conduct an inventory, and secure and maintain the site. In addition to staffing, DCA has also made some repairs and provided maintenance and improvements to the property.

While comprehensive programming at Los Luceros was put on hold, the state has continued to allow public use of the property by various interested organizations upon request, rather than locking up the property and closing it entirely until programming is developed and funding obtained.



Under the Richardson administration, the initial focus of DCA was to enable use of the property as a film education center for New Mexicans, with special emphasis directed to Native Americans and Hispanics, while preserving the historical character of the property. DCA intended to enter into a partnership, "Milagro at Los Luceros" with Robert Redford Enterprises and the Film Division of Economic Development Department. A Memorandum of Understanding (MOU) was entered into that laid out preliminary intentions to cooperate as programming developed. Towards that goal, DCA completed a facilities master plan, which resulted in \$1.75 million in ARRA funding to upgrade the property to accommodate "Milagro at Los Luceros", the collaboration involving Redford Enterprises. ARRA construction was completed in fall 2011, and DCA received a Certificate of Occupancy in October 2011. Staff from Redford Enterprises has since been in discussions with DCA and the New Mexico Film Office about the use of the property, but no firm agreements have been solidified.

In 2012, DCA embarked on a comprehensive program plan to evaluate and make recommendations for overall usage of the entire property. The planning effort has been headed by Consensus Planning, a professional planning organization based in Albuquerque. This included gathering input from all of the potential stakeholders, community members, and interested parties to determine options for best-use short and long-term programming for the property.

DCA continues to be approached by a number of organizations expressing interest in using the property. With proper funding and investment, Los Luceros has the potential to become one of the state's most significant, multi-use cultural sites; a cultural destination with cultural programming and interpretive exhibits, a retreat center for New Mexico film scriptwriters and directors, a working agricultural farm used for educational purposes, an environmental laboratory for river and watershed work are several examples of the possible uses of this property.



B. PROPERTY DESCRIPTION and IMPROVEMENTS

Property Description

Los Luceros is located north of Española off NM 68 in Rio Arriba County. An historic marker along the highway at the intersection of NM 68 and Los Luceros (County Route 48) is all that indicates this special property to passers-by. Turning left from the highway, drivers travel down a narrow residential road with small houses and mobile homes on both sides. At the end of the road is Los Luceros with a gate that restricts access (see *Master Plan graphic, page 10*).

Once on the property, drivers travel a short way before they cross the Acequia del Alcalde, the mother ditch that feeds the Española Valley with irrigation water. The road travels through large orchards and leads to the first developed area of the property, which contains the Visitors' Center, caretaker's house, office, multi-purpose screening room, commercial kitchen, and ADA compliant restrooms. A plazuela is located between the older (Visitors' Center, caretaker's house, office) and newer structures (multi-purpose screening room, ADA restrooms, commercial kitchen). The newer structures were built in 2010 using American Recovery and Reinvestment Act (ARRA) funds. A 43-space parking lot is available for visitors. Two barns are located to the west of the Visitors' Center within a fenced area. Lateral ditches run throughout the orchards and pasture land.



Between the Visitors' Center and the barns is a dirt road that leads north to the second developed area of Los Luceros, which is the Historic District containing six structures including:

- Chabot House - built in 1900 and remodeled in 1983
- Wheelwright House - built in 1712 and underwent a series of remodels and restorations in 1850, 1923, and 2003
- Garage on the east side of the garden area - built in 1852
- Luceros House - built in 1892 and remodeled in 1982
- Chapel - year built unknown

To the northwest of the Wheelwright House is a path that leads to a garden area, which is bookended by the garage and garden storage buildings. Adjacent to this area to the south is pastureland and beyond is a large orchard area. A protected viewshed is located in the northwest area of the property leading from the Wheelwright House and garden area towards the Rio Grande.

To the northeast of the Wheelwright House is the chapel. It is not located on the Los Luceros property, but is a prominent feature. The chapel is owned by the Archdiocese of Santa Fe.

To the west of this area is a dirt road that leads to the River House, which stands by itself along the Rio Grande. The River House was built in 1992. It is buffered by a large grove of trees on the north, south, and east.

There are four main irrigation areas currently on the property. They are located on both sides of the roadway leading to the visitors' center, an area to the north of the Wheelwright House, and an area located to the northwest of the Wheelwright House. There are five 14" gates on the Acequia del Alcalde. Lateral ditches carry irrigation water through these four areas.

Property Improvements

The Los Luceros property was purchased by the state in 2008. The property is comprised of ten separate tracts totaling 148 acres. Tract 1 is the largest tract at 108 acres. All of the buildings are located on Tract 1, including:

- Ranch House (Museum)
- Abel Lucero Victorian Cottage
- Jail
- Guest house
- Office Building

Improvements that were completed with ARRA funds include:

- Multi-purpose screening room
- Bath House
- Landscaping and courtyard
- Commercial kitchen and prep room
- ADA compliant public restrooms
- Remodeled sleeping quarters
- Septic and utility upgrades

Improvements made through the state include:

- Installation of new signage at the front of the property
- Adding of new phone line for public information; addition of voice mail services to existing lines
- Installation of wireless phone and internet access throughout site
- Rental to State Police for added site security

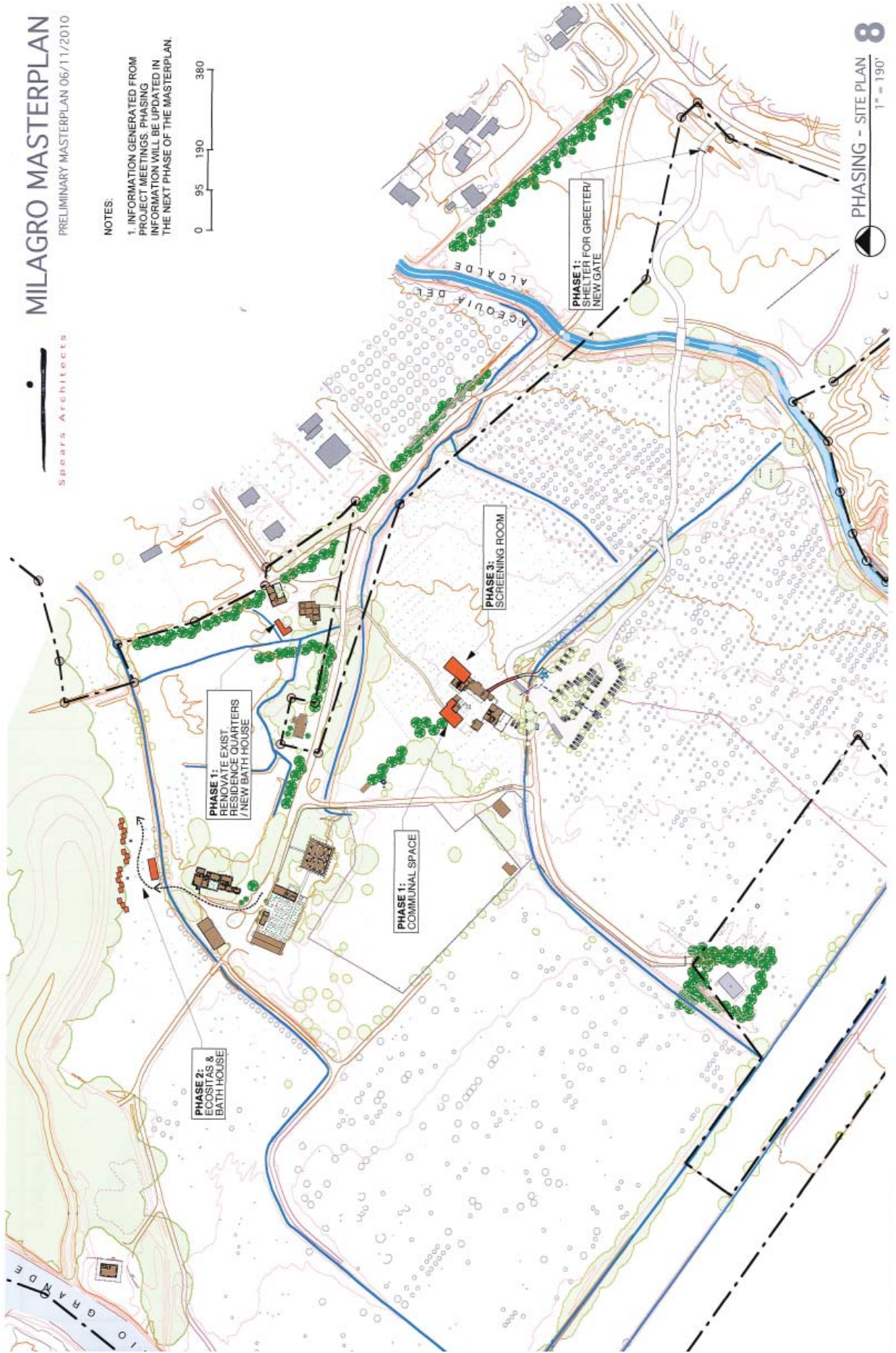
MILAGRO MASTERPLAN

PRELIMINARY MASTERPLAN 06/11/2010

Spears Architects

NOTES:

- 1. INFORMATION GENERATED FROM PROJECT MEETINGS. PHASING INFORMATION WILL BE UPDATED IN THE NEXT PHASE OF THE MASTERPLAN.



- Gate maintenance
- Purchase of farm equipment
- Installation of security cameras
- Roof repair at Casa Grande
- Tree trimming to safeguard house
- River House upgrades – carpet, other improvements
- Plumbing and drainage improvements

C. SUMMARY OF DCA EXPENDITURES

State Funds

2009 Session

Budget: DCA requested \$385,000 in General Funds (GF) for Los Luceros for FY 10 to cover operating costs of security, utilities, grounds upkeep, and equipment rentals. The five FTE requested included a site manager, two museum conservators, and two maintenance staff. The Legislature recommended appropriations of \$150,000 in recurring funds for operation of the site, and an additional \$100,000 non-recurring GF special appropriation for an architectural master plan for the entire property.

Appropriations:

\$150,000 Operating budget (2 FTE; operating costs)

\$100,000 Special Appropriation, Master Plan

The initial \$150,000 appropriation recommended by the Legislature never became part of the operating budget for Los Luceros as DCA's operating budget was simultaneously cut across all programs and operations. No additional funding has been appropriated since 2009. DCA has provided an annual operations budget to cover basic operating costs, including utilities, staff loaned from other divisions, etc.

Expenditures:

Master Facilities Plan for Milagro at Los Luceros

\$20,000 Conceptual Plan (Steve Robinson, Architect)

\$80,000 Architectural Master Plan (Spears Architects)

Federal Funds

2010 ARRA Funds:

\$1,750,000 - Improvements for education and job training purposes

Expenditures:

\$167,447 Architectural drawings (Lloyd & Associates)
\$52,000 Site excavation
\$297,122 La Mesilla Construction
\$203,180 Tewa Construction
\$424,284 Wayne Rutherford Construction
\$479,918 Cerro Azul Construction
\$125,928 Kokopelli Landscaping

D. PROGRAM USAGE

Los Luceros Film Projects

- My Mother's Daughter Film project - site visits for preliminary planning, ongoing, summer 2012
- Writing Workshops - 9 sessions, 45 participants, Screenwriter Joan Tewkesbury, 2010 to present
- Screenwriting - 30 participants, Bill Svanoe, spring 2011
- Writing for Actors - 20 participants over two sessions, Robert Benedetto, spring 2011
- Directing workshops, Sundance - 20 participants, Joan Darling, 2011
- REDI, Rural Economic Development Film Cluster - 40 participants, Feb. 2011
- SEVA Native Health - 17 participants, January 2011
- Acting workshop - 60 participants, Robert Benedetto, Nov. 2010
- Milagro off-site audition workshops - 170 participants, 2010
- Off-site Acting workshop, IAIA - 65 participants, 40 attendees; 35 attendees, second session, 2010
- Cinematography - 210 participants, Feb. 2010
- Native Cinema Summit - 59 participants, 2010
- Acting - Native American Lab - 7 participants, 2009
- Production, Native American & Hispanic Producers - 32 participants, May 2009
- Directing - educational panel- 250 audience, John Sayles, Merita Mita, Sterlin Harjo, 2009
- Directing - Screening & Discussions - 135 attendance, Taos Honors and Taos Pueblo/TCA-Taos
- Screening and Discussions, Nashville, 35 participants
- Milagro off-site screenings/discussions, Boy, 45 participants in Santa Fe; 60 in Mescalero Apache

Non-Film Activities at Los Luceros

- Vecinos del Rio - 3 after hours presentations, ongoing, spring-summer 2012
- Home Frocks - Fashion photo shoot, 1 day, April 28, 2012
- La Tierra Montessori School for the Arts & Sciences - retreat, April 21, 2012
- Northern Rio Grande National Heritage Area Board meeting, April 21, 2012
- Santa Fe Photographic Workshops - 2 full days, March 23 & 30, 2012
- Mesa Pietra Petroglyph Project three sessions - 25 to 50 participants a session (on-going, various dates 2012)
- Native Basket Weavers, New Mexico Arts sponsored - 20 participants, June 2009
- Friends of NM Archaeology Chiles & Sherds event - attendance of 200
- NM Plein Aire Painters
- Folk Arts Market Artists Luncheon - 65 participants
- Fall Harvest Open House - 1,200-1,500 attendance

Community Groups and Potential Stakeholders who have expressed an interest in Los Luceros

- Institute of American Indian Arts
- Northern New Mexico College
- University of New Mexico, Taos Campus
- Santa Fe University of Art and Design
- NMSU Extension Office
- La Tierra Montessori School for the Arts and Sciences

Other Program Usage

- Northern Rio Grande National Heritage Area
- KGB Spirits Distillery
- Father Brito - Archdiocese
- Marie Markenstein - Community member, former resident and volunteer at site
- Lucy Collier - Community member, former resident and volunteer at site
- Representative Nick Salazar
- Senator Richard Martinez
- Potential Volunteers
- Santa Fe Botanical Gardens
- Ermie Sena - Grounds maintenance
- Upcoming use of facilities through late summer
- Legislative Finance meeting in May
- Retreats and meetings by various groups
- Preview reception of Northern New Mexico artists participating in Spanish Market
- Various artists have contacted staff about exhibiting work at site

E. SUMMARY OF RESTRICTIONS

As part of the Los Luceros Purchase Agreement, certain restrictions are listed. These include that the state is required to:

- Protect, preserve and maintain the historic hacienda residence, together with its historic supporting buildings, in perpetuity, for the benefit and enjoyment of the public;
- Protect, preserve and maintain in perpetuity the open irrigated pasture and the scenic and pastoral view shed from the historic hacienda residence south and west to the Rio Grande Bosque and mountains beyond the Bosque; and
- Have the financial resources and motivation to maintain in perpetuity the historic buildings and open space for the reasonable enjoyment and benefit of the people of New Mexico and of the United States.

The Purchase Agreement also provides that the state, and its successor's in interest, for the benefit of the people of New Mexico, will:

- Protect, preserve, maintain, repair and improve, where appropriate, Los Luceros' historic hacienda residence and any supporting buildings listed on Exhibit B (the "Buildings") in its immediate area of historic consequence;
- Protect, preserve and maintain with the application of the necessary water rights the open irrigated pasture and the scenic pastoral view shed it provides from Los Luceros' historic hacienda residence south and west to the Rio Grande Bosque and the mountains beyond the Bosque as more fully set forth in Exhibit C attached hereto;
- Use the buildings in such fashion that future generations will be able to understand, enjoy, study and appreciate the history and community of the Real Property and the Buildings and the life they represented (the "Intended Purposes") and will preserve and protect the Buildings in a manner conforming with both the provisions of the Cultural Preservation Act and the National Historic Preservation Act of 1966; and
- Shall request annually from the New Mexico Legislature the necessary funding to carry out its foregoing undertakings.

Additional deed restrictions that are called out as “Additional Conservation Requirements” are required of the state as purchaser. These fall into three primary categories:

General Requirements as to Buildings:

- Maintain and preserve all existing buildings with no additions and all exteriors, colors, and materials to remain the same.

General Requirements as to Grounds:

- Maintain the trees, lawns and gardens with proper protection, irrigation and expert professional pruning when required. No removal of healthy, mature trees within the yard area of the Mary Cabot Wheelwright House or immediately across the street within 100 feet of the Chabot House.

Additional Requirements for Buildings:

- There are specific requirements for each of the specific buildings, along with photographs of all the important interior elements.

F. AGRICULTURAL ASSESSMENT

A site evaluation was completed on October 3, 2012 by Martin J. Garcia, a farmer from Bosque Farms and consultant to Consensus Planning. The purpose was to aid in developing recommendations for optimization of the agricultural aspects of Los Luceros. The intent of the site evaluation was to assess the infrastructure and agricultural ability of Los Luceros from a farmer's perspective. The site is approximately 148 acres in size of which approximately 80% is used for some type of agricultural activity.

The primary task for the site visit and observation was to assess the site's existing irrigation infrastructure, evaluate its existing hay and fruit production, and make recommendations for improving those abilities. The discussion below was taken from Mr. Garcia's report.

Background/Observations

Infrastructure:

There is a network of on-site acequias used for irrigation. They all feed off of a main ditch (Acequia del Alcalde) that abuts the entire east boundary of the property. The ditches as observed appeared to be in need of maintenance to remove silt and vegetation. Discussion with the site's caretaker indicated that, although the entire site can be irrigated, all the fields take a large amount of time to irrigate. He indicated that during the summer months irrigating is almost a non-stop activity. There is an underground pipeline that is used to irrigate the western and southwestern portions of the site. The pipeline is connected directly into the main ditch on the east side of the site and flows out into an acequia on the western end of the site.



Site Conditions:

The eastern half of the property contains a large apple tree orchard with grass interspersed between the orchards. The orchard, although productive, is in need of maintenance, primarily pruning of dead branches and clearing of the areas near the trees to allow for proper care and maintenance of the trees.

The southwestern, western, and northern sides of the site are used primarily for hay production. The hay from the western and northern sides of the site had recently been harvested. The caretaker indicated that the southwest area of the site has not been irrigated due to the lack of water rights for that area, and as a result, had extensive weed growth.



Buildings, residences and parking areas, occupy the center of the site. This area is well-groomed and well-maintained.

The site irrigation system appears to be adequate to the extent that it allows irrigation of all site areas requiring flood irrigation, with the exception of the southwest area as noted above. Unfortunately, the irrigation ditches or “acequias” are in need of maintenance. They have silted in over time and vegetation has infiltrated, which limits their ability to convey water from one area to another. This is likely the primary reason for why it takes a long time to irrigate the property. All of the acequias observed are accessible, and as such, cleaning and maintenance can most likely be performed mechanically without much impact or damage to the fields and areas surrounding the acequias. Providing maintenance should result in a more efficient and less time-consuming irrigation process.

Recommendations

The fields themselves appear to have been planted within the past five to six years. According to the site caretaker, hay production has recently decreased. Based on Mr. Garcia’s farming experience, it appears that the field should be producing considerably more product. This indicates that either the crops in the field should

be rotated to provide for use of different soil nutrients or that a method of restoration of those nutrients be utilized through either natural or chemical fertilization so that the existing plant matter can increase its production.

If it is decided that those areas should be replanted, it is highly recommended that the property be laser leveled to optimize the use of irrigation water, resulting in greater efficiency in the irrigation process.

As mentioned above, the southwestern portion of the site contains approximately 10 acres of prime land that has not been watered due to the lack of water rights. Consequently, the site is beginning to show growth of noxious weeds and minimal grasses. Mr. Garcia believes this area could easily become productive by planting a more drought tolerant product. DCA should evaluate whether other portions of the site (such as the area surrounded by buildings) should be flood irrigated, and possibly direct the use of the water adjudication to the southwestern area instead. Its potential for crop production is great.

At a minimum, DCA should consider a grazing lease for the portions of the property that can be used for grazing cattle over the winter. Grazing will allow a more natural weed reduction and fertilization process to occur over the property. In fact, grazing of cattle would likely improve all the areas being farmed currently by allowing the cattle to graze the "clumpy" grass areas and stimulate more productive growth of the grass in those areas. In turn, the cattle manure fertilizes the property. There are some areas that do not have a fence intact and thus, grazing would not be practical in those areas. If the property cannot be grazed, harvesting the grass hay in those areas would provide for stimulation of growth.

Potential for Income Generation:

The Los Luceros property has much potential for income generation. The following discussion lists the various types of agricultural activities that could be pursued on the property:

- Orchard Production - The orchards, although in need of some maintenance, are still very productive. DCA could consider providing workshops for instruction in proper care and maintenance of fruit trees and generate income by charging a fee for the workshop. In turn, the site's fruit trees could be used for that training resulting in the trees gaining the pruning and maintenance needed and the workshop participants paying for this as part of the workshop. There would likely be a need to mulch the trimmings, but the cost of such is minimal.
- Farming - The area of the property could be leased to local farmers in exchange for a fee or crop share, and the owner and the lessee would share the responsibility for care and maintenance of the farmland. Proper controls for the use and care of the property could be established so that

the sharing of responsibility could be clearly stated and the process of farming of the property could be performed within some constraints that would assure progressive care of the site. This could provide income generation from the crops being sold or the lease fees for the farmland.

- Grazing - The farmland could be leased for cattle grazing in the off-farming season. This will provide for cleanup of fence lines that may become overgrown over the farming season and reduction of weed growth through proper grazing. In addition, the property receives the re-seeding of barren areas that occurs through the natural process of releasing some seed through manure, and it will also allow for fertilization through the manure product. This process too can be controlled through proper lease constraints and clearly outlined responsibilities.
- Alfalfa - The grass areas surrounding the orchard are also prime areas for crop production if managed properly. Irrigation and proper harvesting of these areas help provide some nutrients for the orchard, and provide an opportunity for hay sales for the owner.

These suggestions were all developed while taking into consideration the overall uses of Los Luceros, the current limited staff to maintain, and the interest of income generation. This property can become a staple to the local economy by harvest and sales of the fruit product and harvesting and sale of the hay.

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3. PUBLIC INPUT

The public input process for the Los Luceros facility use facility involved a variety of methods, including a meeting with DCA division directors, planning tour with the Management Team, stakeholder interviews, a written survey administered at a community event at Los Luceros, and a general public meeting at Los Luceros. A summary is provided for all of these events and discussions.

A. DIVISION DIRECTORS' RETREAT

This meeting was held in Santa Fe on June 20, 2012. The meeting was intended as a brainstorming session for Los Luceros. Eighteen senior staff members from various divisions of DCA attended the meeting and participated in the discussion.



1. How can your Division benefit from Los Luceros?

- Retreat for strategy planning with staff
- Good for educational groups – There is an underserved audience in the area and a need for educational programs: Española, Velarde, Alcade, San Juan, Pojoaque, and San Ildefonso.
- Similar in potential to Los Poblanos
- Use as internal venue for interpretive events
- Exposure for historic preservation
- Turn into its own museum
- Produce alfalfa for the Farm + Ranch Museum: Is it worth it to haul alfalfa to Las Cruces – what is the price of hauling?
- Event driven – inspirational place for artists / writers
- Partner with local departments that work with youth – target Española
- Help the Monuments Division to complete the story of New Mexico
- Potential for artist-in-residence program
- Interpretation of Hispanic history and culture

- Use as lab for water sustainability – based on location along River
- Organic garden for kids
- Art installations – forward thinking – call for NM artists – tourism connection
- Demonstration site – healthy lifestyle – science education – history education – but does need cash flow – need capital improvements
- Mosquitoes are a problem
- Florence Bardett property – owned by NMSU?
- Ices’ Restaurant open only on Tuesdays
- Overnight accommodations – advance reservations
- Potential for extension services – linkages to other services (e.g., library @ Española)
- Under Education category – ARRA Buildings
 - Can charge – “suggested donation”
 - No admission to general public
- Restrictions have an impact on the use(s)
- Living farm – could serve restaurants
- Community Supported Agriculture (C.S.A.) in area - Farmers Market Institute
- Farm to Table – Pam Roy
- Produce to local pueblos – need to get contact person
- Potential for partnership with film office tied to ARRA application
- Redford Enterprises hasn’t met insurance requirement – so there haven’t been any recent events with them at this location
- Secretary Gonzales is looking for true partnership with Redford Enterprises
- Core level – Redford Enterprises to help DCA get endowment match

2. What other facilities are good examples to look at for Los Luceros?

- Ghost Ranch
- Valles Caldera
- Los Golondrinos
- Delancey Street
- Vallecitos Conference Center
- Jicarilla Apache
- Mystic Seaport, Plymouth
- Sturbridge Village – Massachusetts
- Dennis O’Toole – state and oral history
- Cañada Alamosa
- ALFHAM
- SMU at Taos
- Ojo Caliente
- What about selling it? Could it be transferred within State government?
- Lease for farming – sell produce.
- New Mexico Farm and Ranch Heritage Museum
- Nucleus of oversight

- What is the cost to maintain? - monthly ; annually
- Maine - media workshops – UNM residential workshops, Rockport – film & TV

3. What advice could you give to the Los Luceros Team?

- Building a sustainable foundation is difficult
- Terry Bruner – USDA
- Focus on infrastructure - labor, overhead first
- Who are we trying to reach / serve? Who is our audience?
- A lot of little ideas – adopt for a short period – run extension programs
- Collaboration across decisions
- Coordination
- Someone needs to be at the helm
- School of Advanced Research – potential partner – they bring in scholars, hold seminars, etc? They have money but are looking to expand their current facilities.
- Wonderful retreat for artists to come together
- Talk to Wheelwright Museum – programming, tours
- Partnership with disadvantaged youth organizations
- Talk to Pueblo people (Sam Cata is on the Project Team and will be leading this effort)
- Chris Wilson – UNM S+AP
- Kellogg Grant – LANL, Regional Development Corporation – ENLACE
- US Department of Commerce – sustainable funding
- Look at state agencies / overlap
- Northern Rio Grande National Heritage Area
- Look at Foundation’s model

4. Dreams, expectations?

- Rudy Acosta (Los Luceros site manager) has done a good job of repairing relationship with the local community:
 - Archdiocese
 - Acequia Association
 - Community meetings and events
- Need to develop metrics to evaluate requests to use the facilities

B. LOS LUCEROS PLANNING TOUR

The planning tour was held on June 8, 2012 at Los Luceros with the Management Team. The purpose of the tour was to develop an understanding of the site and its attributes (views, access, etc.); different character areas (pastures, gardens, riparian areas, orchard, etc.); historic buildings; and new buildings and improvements. Upon completion of the tour, the Management Team exchanged thoughts and ideas about the future of the property, potential uses, and general observations.



Observations

- Film Screening Building – used ARRA funds, there was concern that it wasn't set up correctly and it is now being used as a multi-purpose room. This was built along with several other projects that were part of phase 1, future phases have not been constructed.
- Commercial Kitchen – the facility has a fully equipped commercial kitchen. This was also part of phase one and includes an addition to the original kitchen. There was a café that operated on the property in the past. There is also a small restaurant that is next door to Los Luceros that is by reservation only, not sure how many days they are operating now.
- Projector Equipment – Projector equipment that was purchased by the New Mexico Film Office is stored on the property. Nick Maniatis had someone assess the equipment and found two 35mm film projectors, which could be used to project multiple reels of a feature length film print. The inspection was cursory, but the projection equipment seemed complete. There was not, however, any kind of sound system (optical encoder, power amplifiers, speaker system etc). Nor was there any kind of digital playback/projection system.

- Orchard – contains 1,400 trees, 6 varieties of apples. Most of the trees appeared to be alive, but in need of pruning and care. The neighbor to the south runs a local distillery business. They are interested in managing the orchard and using the apples to make brandy. They are also interested in raising sorghum on the property.
- Pasture – produced 150 bales of alfalfa and timothy and is used for feed for the animals on site. They have had horses pastured on the property and that could be done again as a service to the community.
- Garden – also not in good shape and would need work to bring it back to its former condition.
- Staffing - when the state took over the property from the Los Luceros Foundation, there was a staff of 12 people on the property and this included 6 landscape people.
- Water - there is one permitted and operational well on the property. Staff is making sure that they are using the water rights associated with that well and it is metered. They have 3 acre-feet of water available from that well. There are other wells on the property, but the State Engineer has no record of them. There are also irrigation rights with the property, but there is one area in the southwestern property that did not have surface water rights with it as part of the original sale, so that area is currently fallow. This needs to be addressed further between DCA and the Office of the State Engineer due to the impact on the greenbelt. Water rights and maintaining irrigated acreage is a sensitive issue with the Pueblo and other water users in the Española valley.
- River House – two-story building which functions as two separate dwellings with fantastic views of the Rio Grande.
- Casitas – historic buildings, remodeled for residences (like dorm rooms), but DCA kept the exterior and views into the structures through the windows intact. Currently, there are no furnishings in the casitas.
- Accommodations - there are 17 beds on the property.
- Casa Grande – set up as a museum or heritage experience.
- Upcoming events – Spanish Market is planned for June 30th from 2 – 6 PM. Jackie Fishman (Consensus Planning / project consultant) will try to attend the event and survey local residents about the property and their thoughts for the future.

Team Discussion

1. Need to first understand what it takes to manage the property correctly in order to establish the baseline budget – “the nut”
2. What are the parts to the property?
 - Agriculture – orchard, pasture lands, and gardens
 - Riparian Corridor – Natural area adjacent to the Rio Grande
 - Historic – Casa Grande/museum, garden, and casitas
 - Accommodations – Casitas and River House
 - Amenities – Showers, kitchen, screening room/multi-purpose room, courtyard
 - Context – Surrounding Community
3. Food service/Lodge – what would it take to rent this out?
 - Restaurant
 - Used by groups for retreats
 - As a community resource (commercial kitchen) – local food production
4. Who are the current and potential users?
 - School of American Research – Anthropology
 - Charter School – Currently has summer program on the property
 - Professional In Residence Program – artists, writers, horticulturist, wildlife biologist, etc.
 - Retreats – writing, film, photography, art, gardening, permaculture, bird watching, biology, etc.
 - The Community – community day, harvest/arts/crafts festival, trails, etc.
 - Partners – Audubon Society, Nature Conservancy, etc.
5. Needs?
 - Paying customers
 - Grants
 - Master gardener
 - A private foundation (the Los Luceros Foundation was associated with the property in the past)

C. LOS LUCEROS COMMUNITY SURVEY

An open house and artists' reception was held at Los Luceros on June 30, 2012. This was a good opportunity for Consensus Planning to get public input regarding how the property should be used in the future. Jackie Fishman attended the event and provided a survey which asked a series of four qualitative questions. The survey participants represented a broad cross section – people that have a long history at Los Luceros or within the adjacent community; artists and writers; people who had been to Los Luceros and those for whom this event was their first visit; young people and seniors; etc. All seemed very excited to be at the property, and several participants wanted to be kept informed. A summary of the written responses to the survey are provided below.



1. Have you ever been to Los Luceros before today? If so, what did you come here for?

- Once
- Yes – I lived here, Collier Family
- My father was Ms. Mary Cabot Wheelwright's first hire at this ranch about 1930. I started coming here at the age of 6. I was also Ms. Cabot W's chauffer. Gilbert J. Vigil gjvigilphoto@yahoo.com.
- Yes, experience the beauty
- No – I have been curious about this place and wanted to see it
- No
- No, historic interest
- No, to see where Maria Cabot lived and worked in the 1930's
- No
- No
- No, to see what was here
- Yes, I grew up in Velarde and worked as a teenager on the River House, I am 51 years old.
- Been before, today came because it is a rare opportunity, always learn something

- Yes, we have been doing a summer program with students
- Hispanic arts, music, food, tours of grounds. Was here years ago – before new buildings and restaurant – which by the way – I was so sorry to see go, we need good food here!
- Yes
- Yes, see the estate of the Wheelwrights.
- I have tried to come in a half dozen times but it has always been locked until today. I came today for the event.
- No, have not been here before. I came because it is antique and neat, it is also history and I wanted to learn more about it.
- No, because I am into antique things and history.
- No
- Yes, about 25-30 years ago with the Historical Society of NM. The place was a wreck.
- Yes, I have been here before, it is a beautiful place, came for acting / film workshops. Also just to look, before it was restored.
- Never been before, very lovely, came to see Roger Montoya's work from Santa Fe.
- No, "Spanish Market preview"
- No
- Yes, came to buy apples
- Yes, to visit quiet often since the late 80's
- No
- No
- Yes, I have. I am from the Valley and was raised knowing very little about Los Lucero's except for the main house being "Haunted" As a teenager I came to the grounds just to get a glimpse of the "Haunted House".



2. When you think of Los Luceros what image or thoughts come to mind?

- History
- Beauty, History, Need for Care
- Very early northern New Mexico
- Historical, very beautiful
- Hacienda on Taos – SF – Mexico trails. Carlos Beaubien holding court, history.
- Farming & Maria
- General northern NM arts and culture.
- Expansive, green, horses
- Did not have any pre-conceived idea
- Our past, our future, our children
- Living history, Gods green earth
- Light, education, adventure
- I am thrilled that children are here using these amazing grounds. My hopes are around the science opportunities and the arts. You have so much room! Science is available right under our noses- birds, irrigation, small mammals, Canoas, etc.
- Mary Cabot Wheelwright, the Lucero Family
- A time of the past – late 1891, early 1900+
- Filming, grants and workshops for active Americans, historic preservation.
- It is antique and beautiful
- Interesting, beautiful and antique
- A grand estate with a fascinating history
- Hispanic farm and orchard
- A place of beauty, tranquil, for learning about the arts, and a film school, art school, performing arts
- Seems like a perfect outdoors/indoor classroom for kids and adults.
- Historic Hispanic culture
- Green, shady Bosque, environment
- History
- Beautiful riverside property
- A beautiful piece of history that is important to northern New Mexico
- The image I get is a well preserved history and the thoughts that come to my mind is “How wonderful”.

3. What would bring you back to Los Luceros in the future?

- Events
- Educational events
- More tours, Fiestas – Featuring music and artists of northern NM, Northern NM food for sale.
- History living, history events, Art events, Tours, Lectures.
- To see all of it – to learn, Move about the history to bring visitors here, to volunteer to help maintain it, if that becomes possible.



- A tour of the buildings, more history of Mary Wheelwright, her contributions to Navajo art and culture and relationship to O'Keefe.
- Another open day, opportunity to learn more of the history of Los Luceros and view local artists, presentations /demonstrations by artists would be wonderful as well as educational.
- Another public event.
- Bringing friends to see the property.
- More educational hands on arts/agricultural programming for intergenerational remembering imagining.
- Love the special events, but just to be able to come, even if you charged admission.
- More community events
- Recitals, science fairs, wedding receptions or other celebrations of northern NM and its culture. I will be watching closely what happens with this charter school, hopefully it will be Good News! We really need it.
- More openness, It is a very historic site.
- To acquire more history, understanding of the buildings.
- If it was open like Las Golondrinas, a living history museum of its own with film workshops retreats.
- To see if anything has changed and to show other relatives and friends
- To see what they do with it in the future and to see what changed from the last time I was here.
- Workshops, art shows- themed to the area, Tours of the estate, restaurant with locally grown food.
- Special events, such as demonstrations, festivals, art shows, re-enactments.
- Any open house brings me back. A musical concert on a large scale would be nice. Flamenco and mariachi concerts would be ideal, also a professional Ballet Folkloric.
- Events like this
- Special events
- Yes, and bring friends

- Outdoor bikes / river exploration. Music. Workshops, cultural and historical.
- Artist retreat, public celebrations, music
- Our 3 children are in La Tierra Montessori school, we were excited to learn about the science program taking place here this summer.
- LA Tierra Montessori School
- I would come to see the progress and the growth of the new La Tierra Montessori School.



4. What do you think Los Luceros should be in the future?

- Stay historic, maybe bring in movies
- Education, the Arts, Agriculture traditions
- A treasure available to NM residents, a working farm, a school for the arts /farming in the old way.
- Agricultural resource – teaching, demonstrations of NM art and crafts, a teaching institute.
- Preserved for educational (a la Golondrinas) Education center.
- A place for meetings, educational projects related to northern NM, to sustainable agriculture, walking trails, see Edwin Way Teal's A Naturalist Buys an Old Farm, art exhibits
- A regular open space for families and others to visit for themed presentations, classes, tours, picnics? Interrelationship with the environment.
- I like the movie idea, maybe a conference center, event locale, something with horses.
- Open to the public, expanded agriculture and renovation (I realize this requires \$).
- Absolutely for innovative educational nativities like the La Tierra Montessori Charter School.
- Perfect place for a school. I just imagine the education available here.
- It would be a great place for education as it has a lot to offer. It would be a great place for students from La Tierra Montessori.

- Many things – someone has to have a vision for now and for the future. Too many things here are centered around LOSS of culture and productivity, how about perpetuating culture, classes for agricultural change and economic opportunities. Even the water issues in this state are antiquated and get stuck in the prejudicial altitudes of some natives. This would be a great campus for developing art classes or classes for Vets with benefits, cooking traditional dishes, movies of Hispanic interest or origins.
- Historical site, as a monument, but since monuments are the orphan child of the museum, it is a matter of money. This place is a money pit, a monster, annually for maintenance much less money for personnel, etc.
- To continue to be open to the public, tours, a landmark for future generations to visit and establish pride in northern NM area.
- Like Los Golondrinas.
- It should become part of a scary movie because the house looks kind of haunted and stuff.
- A historical site or a place to film movies and they should make a book about it. They should make an old scary movie in the house because it looks haunted and stuff.
- Arts related, I still love the idea of a laboratory / training program for film-making, also some agriculture oriented like a demonstration farm for people in the area who want to learn more about sustainable farming and organic farming, workshops.
- Open to the public more; no charge for events, rent it to movie crews to make money, let a restaurant re-open the “Tea House” and host festivals.
- A school of Arts, (all the Arts,) it’s big enough! Also a museum dealing with Northern NM artifacts, weavings, furniture, paintings of local artists, etc.
- It would be a great site for a school like La Tierra
- La Tierra school and historical center.
- More open to the public more often.
- Keep the spirit and soul of the river and agricultural history.
- Artist retreats, public celebrations, music.
- We hope to continue a partnership where our children who were born and raised in this valley as we were, can take advantage and take part in restoring this beautiful resource.
- That La Tierra can continue its partnership and allow the kids to learn how to build a relationship with their culture and nurture this beautiful land.
- I think it should be a well preserved and historical landmark to where the tourists, and the locals, could come and learn about northern New Mexico history.

Other Comments

- I think the La Tierra Montessori School, for Arts Sciences and Agriculture could use a corner for their campus.
- Please have more docents as the tours are way too crowded. I could not hear and never did get into the Main house.

- Gail Baker gailbaker24@hotmail.com
- Call me if you need more... Carolyn Rius – 505-852-4987, retired CA educator.
- Thank you

D. COMMUNITY MEETING

A community meeting was held at Los Luceros on October 16, 2012. The meeting was advertised in the Albuquerque Journal, on the radio, and flyers posted in community locations. The meeting was very well attended, with 85 people signed in plus others who chose not to sign in. The participants were asked what they thought the state should do with Los Luceros. The following are the responses received:

1. Community working with the state:

- Agricultural – pressure irrigation
- Preserve agriculture history / Use
- Existing / local farmers to use / farm / the property
- Utilize commercial kitchen to produce / export crops (Value Added)
- Opportunity for children to participate / learn @ Los Luceros
- “Value Added” Commercial / Education / Community Opportunities!
- State to maintain property
- Community use / pick crops produced
- Encourage kids to see cultural environmental value CF property
- Rehabilitation of young adults with agricultural included
- Open to all children / educational opportunities
- Hacienda building as educational components
- Public Lectures:
 - Public Programs and presentations
 - Painters / Birders, etc
 - Heritage / Geology presentations on-going
 - Provide opportunities for young adults to flourish / grow; give hope in this area / facility
 - Cultural opportunities
 - La Posada
 - Agricultural / County Extension Service
- Funding and infrastructure that crosses / recognizes generations and various users; sustainable
 - Deferred
 - Maintenance vs. needs
- What is the vision now?
- Milagro teach / educate young adults – vocational component
- Defuse / Education component to save local young adults
 - Lack of focus / refuge for youth; Los Luceros could provide this
- Invest time / \$\$\$ in children now rather than time / \$\$\$ spent on drugs and poison, etc;

- Share alternate proposals for review / appendices in final report
- Preserve heritage and community memories and identity
- La Tierra School:
 - 2 days a week away from physical building; utilize Los Luceros for outdoor use / learning experience
 - "Education perpetuates core values"
 - Inclusivity / Connectedness
- Los Luceros as a demonstration /educational component
 - State to include varied ways / ideas / uses for property
 - Spiritual connections
- Ensure opportunity / open to public (state park?)
- Cooking, culinary classes
- Serve entire state
- Keep property public!
- Los Luceros development needs to have adequate funding of programs
- Current landscaping / maintenance is not adequate

2. To make sustainable:

- Grants, private funding
- Corporate partners?
- Festivals / workshops
- Agricultural
- Schedule uses / users so that maintenance of property can be done in Part by groups using space / property.
- Original intended for education; this should be focus
- Provide public access to proposals, comments, and analysis
- Consider community "highest needs"
- Community needs to become "invested" that this project be for everyone / whole state: "So that it can happen / be realized."



E. STAKEHOLDER INTERVIEWS

As an integral part of the program planning process for Los Luceros, stakeholders were identified and interviewed. A summary of those interviews follows:

Kathleen Broyles, President, The Milagro Initiative

December 3, 2012 via email

Kathleen Broyles functioned as a liaison to Robert Redford for Milagro at Los Luceros. She also contracted with the New Mexico Film Office between the 2010 press conference and the late spring of 2011. During this time period, Kathleen consulted on a design for Los Luceros that would ensure its cultural preservation while promoting economic growth in the local and state economy. She referenced two documents that were created to support that design use, a Conceptual Framework for Milagro at Los Luceros and the Milagro at Los Luceros Master Plan.

Kathleen explained that the Los Luceros Milagro Initiative non-profit organization was created to assist in program support for the use of Los Luceros. In order to promote growth of the New Mexico film and arts economy as first detailed in 'A Blueprint for a Sustainable Industry Cluster', the Los Luceros Milagro Initiative held numerous successful programs with the New Mexico Film Office, and over 35 programs run under Milagro at Los Luceros. The Milagro Initiative was designed to collaborate with local, state, federal and global museum, educational, not-for-profit and for-profit enterprises in promoting archival resources, film, arts and sustainable futures as tools of cultural enrichment and economic development. The Los Luceros Milagro Initiative has obtained 501c3 non-profit status.

Kathleen provided a list of programs run under the Milagro at Los Luceros program before and during the construction of the proposed film training center. She indicated that they lost all access to Los Luceros in August/September of 2011. A second attached list of programs was created to reflect program continuation while attempting to regain access, up until the 2012 legislative session passed a Memorial pertaining to the Los Luceros property. She stated her hope that DCA will consider the previously prepared documents and the progress that was made during and after their creation in the effort to determine options for the proposed use of the Los Luceros property.

Interview with Richard Moe, President Emeritus, National Trust for Historic Preservation

September 7, 2012 at Los Luceros

The interview took place at Los Luceros and included a tour of the property. Also in attendance were Secretary Gonzales, Rudy Acosta, Patrick Salazar, Robert Aragon, and Jim Strozier (Consensus Planning / project consultant). Following the tour, the group was joined by Michael Delello and Erin McSherry.

All options need to be evaluated based on the guiding principles or values for the property. These values are about stewardship of historic resources, culture, and environment.

Need to make sure that the option of selling the property is on the table. State budget is tight – they do not currently have a line item in the budget for Los Luceros. DCA has asked for a special appropriation for the Los Luceros property. DCA/NM would have to make sure it is the right kind of purchaser, one that has the financial wherewithal to take care of the property. Existing deed restrictions protect the property and ensure preservation of key elements.

The big question is now that the state is in the role of “steward” can they do right by it?

Richard felt there was a need to get the administration, including Governor Martinez if possible, to see the property. Secretary Gonzales noted that Bryan Cangioli, Senior Deputy Chief of Staff, visited Los Luceros in May, 2011.

Public/private partnerships are also on the table:

- Includes a wide range of options
- Need to find out what the limitations are (from state) as to how these partnerships are structured (e.g., anti-donation clause)

Richard pointed out that no historic sites are supported solely by visitation. We discussed the need for an endowment and the “rule of thirds”. Richard didn’t think that 1/3 from earned income would be do-able and that even 1/4 would be tough.

Secretary Gonzales indicated that Mr. Redford was still at the table. He really loves the property. She is hoping to enlist his help in establishing an endowment for the property. Everyone agreed that Mr. Redford’s vision was a good one, just lacked financial contributions or sustainability. The plan focused on capital improvements to the facilities, but did not address annual maintenance needs for the property.

Mr. Moe appreciated the opportunity to visit the property and meet with Secretary Gonzales. He expressed gratitude that the state was taking its responsibility of stewardship seriously and exploring options for the property’s future.

Interview with Jim “Grubb” Graebner, CNM Film Technology Program

September 28, 2012 at Holy Cow restaurant in Albuquerque

Grubb directs the Film Technology Program at CNM – one of the “below the line” training programs in the state.

Types of jobs in the film industry are often described as “above or below” the line and there are training programs offered for both. The above the line programs are at UNM and NMSU and those programs address the creative aspects of the film industry – producers, actors, directors and writers. There are also a number of below the line programs in the state including CNM, WNMU (Silver City), NNMC (El Rito), Doña Ana Community College (Las Cruces), SFCC (Santa Fe), ENMUR (Roswell), and Taos. Below the line addresses hourly jobs or “the crew”.

Grubb felt that this is a really good time to capitalize on the recently released “Bless Me Ultima” as a great success story because it employed 98% New Mexicans. This should be the model for the future. This as compared to “The Lone Ranger” that employed 2% (according to Nick Maniatis, this is actually 50%). The goal is to educate and nourish talent in New Mexico.

Grubb thought that the original Milagro idea had merit, but did not address the “how” it was going to work and did not utilize the existing programs in the state to their best potential. Grubb’s idea was to address both parts of the process. That there could be a summer program for “above the line” and the site could be used for hands on training – actual film production during the rest of the year. The summer workshops can result in screenplays for the year’s production projects. For the productions, his comment was “feed the troops and they will come.” He thought we had some great people that live in the state that would likely lend their names to the summer program (e.g., Bryan Cranston) for an acting workshop. The end result could be a festival in Albuquerque or Santa Fe that features the results of each year’s productions. This brings everyone together and celebrates the industry and highlights all of the programs across the state.

There are also other related programs that could be incorporated into a program at Los Luceros. For instance, CNM has a culinary arts program (Donna Diller) that could take on the food portion of the program. There is also a hospitality program at NNMC that could be involved.

Another aspect of the below the line training is grounds people. This is part of the job for film production, so they could be at least a part of the solution relative to the maintenance of the grounds.

The schools would provide the insurance certificates while they were on the property.

Due to the number of programs and geographic diversity around the state, he felt that this is something that the legislature could support funding. In terms of

the involvement of the Redford Enterprises, Grubb thought that they could be the primary sponsor, bring talent in to teach, and help to establish the program. They would lend credibility to the process as well and be a very positive connection to both the UNM and NMSU programs.

The program needs to have its own brand, like Sundance does.

Other contacts:

- David Brecker, principal author and architect of the New Mexico Media Industries Strategy Project (MISP). Lives in Abiquiu. Connection with Woody Harrelson also.
- Peter Touch, Owner, Sandia Media LLC. Lives in Santa Fe, connection to NNMC.
- Monique Anair, Santa Fe Community College
- Peter Biskind, Sundance
- Juan López Montezuma

Final Comment – In Grubb’s opinion, Bless me Ultima is the real answer.

Interview with Governor Ron Lovato, Pueblo of Ohkay Owingeh

October 2, 2012 at the Pueblo Office Building at Ohkay Owingeh

The Pueblo of Ohkay Owingeh is a neighbor of the Los Luceros property and has significant historic and cultural ties to the property and the immediate surroundings. It was important to meet with the Pueblo leadership to coordinate DCA’s efforts and potential plans for the property and to listen to any ideas or concerns regarding the Los Luceros property. In addition to Governor Lovato, the interview also included 1st Lieutenant Governor Patrick Aguino, the Pueblo Real Estate Director, and DCA Secretary Veronica Gonzalez, Jim Strozier, and Sam Cata (consultant to Consensus Planning).

Secretary Gonzalez provided a brief history of the state’s involvement with the property and the potential uses for the property. Secretary Gonzalez indicated that the group was there to hear from the Pueblo regarding its activities and if there are any opportunities for partnerships. Governor Lovato expressed his appreciation and a desire to maintain open communications in the future.

The Pueblo is very familiar with the Los Luceros property. There are two historic villages on the property. The Eight Northern Indian Pueblo Council (ENIPC) owns property adjacent to Los Luceros. They do not currently have plans for the property and have expressed a desire to sell it, if the right buyer could be found. The Pueblo has also been working with property owners to improve and put irrigated farmlands into production. They have been improving the acequia system and laser leveling the fields in order to increase the efficiency of these properties.

The discussion then focused on past efforts regarding facilities in the area and the lack of funding and/or follow through. This discussion included ENIC, Rio Arriba County, etc. Governor Lovato felt that the real issue for the Pueblo and the valley as a whole was not training, but rather work ethic and substance abuse problems. There is a real need for treatment/prevention and this is an issue that touches every family in the area. While there are programs on the Pueblo, Delancey Street, ENIPC, etc., there needs to be a leader and someone that brings everything together to make a real difference. Any program will need to be culturally relevant in order to be successful. There are a lot of resources and money being put towards this effort, but it isn't as successful as it could be.

The Governor and the Pueblo Leadership expressed an interest in touring the Los Luceros property.

Interview with Nick Maniatis, Director, New Mexico Film Office

October 4, 2012 at the office of Consensus Planning in Albuquerque, NM

The purpose of this meeting was to follow up on ideas provided by Jim Graebner from CNM.

Nick expressed support for many of the ideas and provided some valuable feedback. He said that he agreed that the Milagro idea was valid, but probably needs to be set up in a different way than originally anticipated. He supported Secretary Gonzales' efforts to set up a meeting with Redford Enterprises and the Governor's Office. Developing a better working relationship with them and their New Mexico representatives would be a positive outcome.

The idea of having both "above the line" and "below the line" training would be a positive addition to the original idea. He indicated that the Film Office would not want to run the program and would not want to run a "festival". He mentioned that they currently have the New Mexico Film Makers Showcase, and felt that the two ideas could potentially be combined. It could also be combined with existing festivals around the state (e.g., White Sands Film Festival) where they show film on a screen made from the sand dunes.

Nick's main concern was with logistics and funding.

He suggested that Mr. Graebner could be tasked with getting the "below the line" group together to see if he had buy in from all the programs.

Interview with Father Terry Brennan and Krishna Khalso (Lawrence Medina, associate of Father Brennan, joined by phone for the later part of the meeting) October 8, 2012 at Christus St. Vincent Hospital

They are proponents of using the Los Luceros property for a holistic treatment center. Father Brennan has recognized a need in the community for treatment of the local youth in a way that is “outside the box” and has put together a team of people to help promote this concept.

There was a general discussion concerning the importance of agriculture to the local economy, the local culture, and the proposed project. Margarito Hernandez was in charge of the agriculture on the property for many years and is still interested in managing the agricultural production at the property.

Rio Arriba County has passed a resolution establishing a local food council to promote local food production. This was championed by Commissioner Alfredo Montoya.

Krishna Khalsa would head up the agricultural component to the project. He is working in local agricultural. Food production could and should be a year round effort. They propose to develop a hoop house demonstration site. Their idea is to implement what the food council is promoting. The goal is to use organic farming and biological principles to create a healing environment.

They have developed a process for organic farming that uses a compost tea.

Value-added agricultural products is where the money is. They would probably need to add some equipment. Catering primarily with a limited restaurant - Sunday brunch only, for instance.

Co-op of apple growers is getting started in the valley. This is key to revitalizing farming in the County. There would likely need to be a central processing facility in the valley.

They could do some dry land bean farming also on the non-irrigated portion of the property.

The cultural future is what needs to be promoted. The Rio Arriba County Commission has realized this. This cultivates relationships. As a human enterprise, acequias, new farmers, etc.

Ties to the youth - gives them a culturally relevant work. Values are transferred.

Siete del Norte is a local community economic development corporation based in Embudo, New Mexico.

The core of their proposal is to create partnerships - healing project - would be a 501c3, want to produce food to generate revenue. 501c5 is another kind of non-profit. Create a "super board" - include cultural aspects. History and traditional dances - Comanche dance, Matachine dance. The project and board should be inclusive of Pueblo, Spanish, and other cultures. There could be a MOU between the state and the board. The board would work under this agreement. If commercial, then it is about profit centers. The board would need representatives for all the entities - film, agriculture, treatment, and culture all on the super board. They realize the importance of this concept of governance and that would need to include DCA and community representation. The idea is to be inclusive rather than exclusive and to accommodate local interests.

Lawrence Medina – has 30 years of residential treatment experience. He has a personal and professional commitment to the treatment and recover of the community's youth. The concept is to establish a recovery campus/community to engage young people. Experiential treatment is getting a lot of attention with the Health Department. There is a difference between residential and transitional living environments. Transitional living is less restrictive. There are issues that they would handle relative to licensing, accreditation, and contracts. The number of clients would preferably be around 30. Residential could be a future phase. The residential would be in the form of a dormitory or a cluster of smaller group homes. When asked if on-site residential was mandatory for their program, Mr. Medina said no, but that it would be preferable. The clients could live at a separate off-site facility and be transported to the property. He felt that there is a real opportunity for a public/private partnership to address this critical community need.

Other similar services in the area? Yes, but they do not serve the same target clients. He also referenced Senate Memorial 56 regarding the opiate epidemic and that there is a real need for services, particularly for young people 15 - 25 years old. The current demand exceeds existing programs. There are limited opportunities for young people. He stressed that this was not a duplication of services and not just local. Care coordination is needed to champion the licensing, contracts, accreditation, etc. He does not see a conflict with the other uses. He feels that the program could be designed to be complementary to the other uses, functions on the property. Funding is fee for service. The primary provider - gatekeeper - secures funding.

Interview with Marie Markenstein, former docent with the Cabot family

October 15, 2012 at Los Luceros

Mary Cabot Wheelwright – she preferred leaving the property wild instead of farmed.

Open to public for three years, at least three days a week, was very popular. They didn't advertise it so the word didn't really get out. They had four guides at that time. Granddaughter worked there. They also ran the visitor's center building as an artist consignment shop - gift shop. It has display cases that were used to display work from local and Santa Fe artists from the area, but most from Santa Fe, draw from local. Also had bookshop.

According to Marie, people that worked for Cabot's didn't have to work very hard.

They had a restaurant and served gourmet meals and people came from Los Alamos and Santa Fe. They also had a chef and sous chef.

General comments:

- Agriculture should happen here and they could teach organic farming
- Dabbled in B&Bs
- Ann Cabot - was from Merck family. Bought in 1998 and kept
- Reenactments - perfect place for this
- San Antonio Feast Days, Los Comanche's, Matachine Dance
- She was not allowed to come here after State of New Mexico purchased the property
- She thinks more infrastructure is needed
- Restaurant was open every day
- Ices was 1 time a week
- Mesa Prieta comes here to meet - documenting all of the petroglyphs
- Charter school took great care of the facility - Roger Montoya provides a real educational experience for the students
- Pueblo people were here before Spanish - mother pueblo to Ohkay Owingeh (former San Juan Pueblo)

Interview with Del Jimenez, Agriculture Specialist, NMSU, Agricultural Science Center at Alcalde

October 15, 2012

NMSU already has a 67-acre property and a research facility in Alcalde. Del said their hands are full. Decisions are made at NMSU and not locally. Those decisions do affect the Center. The Center is part of the College of Agriculture. The research functions happen under the direction of the Department of Research and Education.

Like everything else, the Center is dependent on funding and are always in need of it. They are not very interested in working with Los Luceros, not really. For the Center to be involved, it would need a proper budget and direction to do so from the leadership at NMSU.

Mary Wheelwright wanted to make Los Luceros a museum, but could not make it work and ended up putting her museum in Santa Fe. The Cabot family then bought it. Their aunt was Mary Cabot Wheelwright. The River House was originally built for the Dalai Lama, but they never asked if wanted to be there. The idea was to do a Los Golondrinas type facility.

Irrigation was not done properly when the Cabot's tried to get the farming back into production and it negatively impacted the foundation. The Hacienda was a hotel originally and due to the foundation problems, one of the walls collapsed, it got rebuilt.

La Tierra Montessori School uses the property as a teaching facility.

There are grants available; somebody needs to be writing grants. These grants will need to cover part or most the cost for the agricultural operation and to take care of deferred maintenance.

The apple trees are in bad shape. They have had no care. He thought it would probably take four years to get the apple orchard back to full capacity. Existing trees are gone for the most part, could be used for firewood. Maybe some are in good condition. We really need someone to do an assessment of the apple trees.

The NMSU Science Center has a tremendous amount of information to share - they have done a lot of research on what works in the area, including apples. Also have pastures. Someone can put the existing fields back in production.

Berries are also a possibility, but there are significant labor issues with berries. Wheat is also a possibility, needs specialized markets.

Value added is the key for agricultural products. When asked about organic farming, he indicated that conditions may not support it. The properties in this valley don't have the organic matter in the soil. Soil conditions are not very good. He recommended that the State not tie their hands as to what they can do. They have 5 acres that are organic at the science center and it is difficult in this area. The key is to market all products as "Grown at Historic Los Luceros Farm".

Interview with Sandy Beery and Roger Montoya, La Tierra Montessori School of the Arts and Sciences

October 15, 2012 at Los Luceros

La Tierra is a state charter school that serves K-8 students. It currently leases the Oñate Center from Rio Arriba County, one year at a time. The school anticipates outgrowing the facility this year. It currently has 75 students and can handle up to 85 at the current facility, but anticipate 110 students next year. The school has a 7-acre site that they are hoping to develop across from Northern New Mexico College.

The school has had a great response and support from the community. They would like to use the Los Luceros property for an integral part of their curriculum. It would provide a wide variety of out of classroom experiences. They would anticipate having 30 to 40 students on the property twice a week. Out of classroom experiences are an integral part of the Montessori philosophy. They would need to have the property, or that portion of the property, exclusive for their use during those times for security purposes. The school would also be interested in having a summer program at the property, similar to what they did this past summer.

La Tierra wants to establish collaborations with other community groups (e.g., Ohkay Owingeh Pueblo), train students to be docents, farming, environmental studies, etc.

La Tierra has submitted a request to the state to use the Los Luceros property.

4. PEER FACILITY ANALYSIS

A. INTRODUCTION

A peer facility analysis was performed in order to generate ideas for potential programming and operational strategies at Los Luceros. This analysis includes a comparison of facilities around the country that possess similar elements to Los Luceros. Ten facilities were chosen based on a historic aspect of the facility, the presence of a small farming operation, and/or the hosting of workshops and classes. The facilities listed below were included in the analysis:

- Cedar Circle Farm and Education Center – Thetford, Vermont
- Wagner Farm, Glenview Park District - Glenview, Illinois
- Fresh and Wyld Farmhouse Inn and Gardens – Paonia, Colorado
- Old Sturbridge Village – Sturbridge, Massachusetts
- Chanticleer Foundation – Philadelphia, Pennsylvania
- Aldo Leopold Foundation – Baraboo, Wisconsin
- La Hacienda de los Martinez and the Blumenschein Home, Taos Historic Museums - Taos, New Mexico
- Gutierrez-Hubbell House – Albuquerque, New Mexico
- El Rancho de las Golondrinas – Santa Fe, New Mexico
- Los Poblanos-Historic Inn and Organic Farm – Albuquerque, New Mexico

B. METHODOLOGY

The methods of gathering data included internet research and telephone interviews with a standard questionnaire (see *Peer Facility Survey in the Appendices*). All of the facilities had websites with information posted online. This information was reviewed and provided the background for the telephone interviews. As stated above, facilities were chosen based on their components. All of the facilities used in the comparison include a historic element, some type of farming operation, or a combination of both. Most of the facilities have a mission related to education and community outreach. In order to be regionally reflective and to acknowledge and learn from the local examples of similar facilities, four of the ten facilities are located in New Mexico.

C. KEY FINDINGS

Below are summaries and highlights of the results of the analysis.

General

- The success of these facilities seems to rely on the quality of their partnerships with other organizations and the support from the community in which they are located; whether it is a formal partnership between governmental and education organizations or informal support from local businesses and the community. Even the private, for-profit facilities surveyed relied to some extent on volunteers and/or donations.

- Almost all of the facilities surveyed rely on some level of volunteerism. It was clear from the analysis that it is important to have a wide volunteer pool and to nurture and value your volunteers. It is also easier to have a strong volunteer element when the programming appeals to the interests of the local community. The analysis also showed that in order to have a successful volunteer program, it is necessary to devote staff time to volunteer management.
- The ability to offer overnight accommodations appears to be a marketable asset. Almost all of the facilities surveyed that did not have overnight accommodations said that it would be a benefit if they did; overnight accommodation in a historic structure or on a historic property offers additional appeal, and can reach an even broader audience. The downside of offering overnight accommodation is that it requires staff devoted to the running of a hotel such as housekeeping, food service, etc. Also, in order to offset the additional staff requirements and costs associated with overnight accommodations, it is necessary to have enough rooms to make it profitable.

Financial Sustainability

Among all of the facilities surveyed, a common theme was the difficulty in making the facilities financially sustainable. With the exception of two private, for-profit bed and breakfast and organic farms, all of the facilities surveyed received a portion of their budget from grants, endowments, or taxes. The Cedar Circle Farm and Education Center in Thetford, Vermont is able to cover all of the operations of the farm through the sale of produce, value-added products, ticket sales for events and festivals, and the operation of a café on the property. Money for education and research and development comes from a foundation. One large living history museum, Old Sturbridge Village, is able to cover 70% of its operating budget through ticket sales. The Aldo Leopold Foundation in Baraboo, Wisconsin has a large membership that supports the Foundation's mission and gives financial support for operations through the payment of dues. The other facilities surveyed received larger portions of their budgets from outside sources such as endowments and/or grants.

The two private, for-profit exceptions to this model are the Los Poblanos Historic Inn and Organic Farm and the Fresh and Wyld Farmhouse Inn and Gardens. These operations have achieved financial sustainability through the operation of their inns and restaurants, the sale of the produce grown on-site, and the hosting of special events and classes such as yoga workshops, cooking classes, and weddings.

Mission

All of the facilities surveyed have some educational component to their mission. This varied from places like The Cedar Circle, Fresh & Wyld Farms, and Los Poblanos that offer cooking classes focused on locally grown produce to a place like

Las Golondrinas whose entire mission is to promote and preserve the history and culture of Spanish Colonial New Mexico or the Aldo Leopold Foundation whose mission is to offer educational and outreach programs to increase the ecological literacy of our citizens.

Agricultural Tourism

Aside from the Aldo Leopold Foundation, which is focussed more on ecological education, all of the facilities surveyed incorporate the concept of agricultural tourism as their mission and/or business model. Agricultural Tourism or AgriTourism is a commercial enterprise at a working farm or ranch conducted for the enjoyment and/or education of visitors. Small farms, ranches, and orchards open their doors to visitors to provide the opportunity to see, feel, and taste agriculture at its source. Agricultural tourism has been defined as a growth industry which is a sector of the economy that is experiencing a higher than average growth rate. Currently, there is a lot of interest in agricultural tourism. One reason for this interest is in being able to see and experience the history of the small farms and ranches of the past. There is also a growing interest in handmade, locally produced food and products, and in establishing a connection with the place where the goods that you consume are produced.

Agricultural tourism is a tourism niche that could be applicable to Los Luceros. Los Luceros has the facilities to provide things like overnight lodging for guests and picnics and dinners made from locally produced foods. Matt Rembe, Executive Director of Los Poblanos, shared some important advice regarding success in the agritourism business. He said that it is imperative to remain authentic to the land and the culture and that the “branding” of a place is extremely important. The creation of a unique identity and the promotion of a sense of place are essential to marketing a place like Los Luceros. Matt Rembe suggested that an important part of the identity of Los Luceros could be found in the apple orchards, and that exploring value added products related to apples might be a good marketing strategy.

D. SUMMARY BY OWNERSHIP AND FUNDING STRUCTURE

Public/Non-profit

Two of the facilities interviewed are similar to Los Luceros in that they are owned and managed by public organizations. Historic Wagner Farms in Glenview, Illinois is owned by the Glenview Park District, a municipal level of government, and the Gutierrez-Hubbell House in Albuquerque, New Mexico is owned by Bernalillo County, and managed by the Open Space Division. Both facilities partner with non-profit organizations to help manage the properties. Wagner Farms partners with a non-profit that assists in fund-raising. The Gutierrez-Hubbell House partners with the Hubbell House Alliance to assist in fundraising and to manage the historical knowledge and docent roles of the property. Bernalillo County Open Space partners with New Mexico State University Bernalillo County Agricultural Extension Program who has hired two AmeriCorps employees to farm the property, and they

partner with various other governmental and non-profit organizations to assist with festivals, events, and fundraising. The crops that are produced at the Wagner Farm are given to staff and volunteers. At the Gutierrez-Hubbell House, the yield is donated to a local food bank.

At Wagner Farms, 40% of the operational budget is covered by field trips, facility rentals, and events. The rest of the budget is covered by a special tax for museums. The Gutierrez-Hubbell House was purchased and partially restored with a \$1.1 million state capital outlay. Money for additional restoration, operation, and maintenance comes from a Bernalillo County mill levy. The County contracts with the non-profit Hubbell House Foundation to run and maintain certain aspects of the operation. The Foundation cannot charge an admission for events, but does charge a vendors' fee, which goes back into facility operations.

Non-profit/Foundation

The majority of the facilities surveyed were private non-profit operations. The non-profit facilities generally earned a portion of their operating budget from ticket sales and events, a portion from donations and/or endowments, and a portion from grants. Of these, approximately half were run and partially financed by a foundation. Issues with a foundation structure included the common dichotomy of having the benefit of predictable funding assistance, but oversight and governance by the foundation can limit diversification options.

Private, For-Profit

Only two of the facilities surveyed were solely private, for-profit businesses. A third facility, the Cedar Circle Farm in Vermont, is a hybrid of a private, for-profit business and a non-profit with a foundation that handles the education related expenses. However, the farm component of the operation covers its own operating expenses. Operating costs are covered through programming that includes: festivals, farm dinners, workshops and classes, a café, a farm stand, and a community supported agriculture (CSA) program (a CSA is a program where consumers receive food directly from the farmers who produce it).

The Los Poblanos Historic Inn and Organic Farm is another model of a private, for-profit business that has been able to successfully combine the preservation and programming of a historic structure with an operational organic farm. Los Poblanos is a 25-acre site with six acres of gardens. They run a historic inn, a restaurant, and a farm store with products available for purchase on site as well as through their website. Los Poblanos hosts weddings, meetings, and workshops in addition to being open to the general public for dining and lodging accommodations. They use the organic produce grown in their gardens in the restaurant, and they make value added products on site. Los Poblanos's signature crop is lavender. They specialize in value added products that use the lavender they grow on the property.

The other example of a private, for-profit business is a historic farmhouse bed and breakfast and CSA program in Paonia, Colorado. This facility has some creative

programming ideas that could be applicable to Los Luceros. It uses the produce grown on-site for the CSA program and to feed their guests breakfast. A small restaurant is also on-site where they hold farmhouse dinners and Sunday brunch with live music. Their CSA is a member only program with 80 families that live up to two hours away. The membership is \$800 for 16 weeks and includes delivery. The farm has cooperative agreements with other local producers for CSA members and inn and restaurant customers.

E. SUMMARY BY FACILITY TYPE

Agricultural Focus

Two of the facilities interviewed have a primarily agricultural focus. The Cedar Circle Farm and Education Center in Vermont, and the Fresh and Wyld Historic Farmhouse Inn and Gardens in Paonia, Colorado. Some of their programming includes: dinners in the field, harvest festivals with music, tomato tasting, community cannery days, a farm stand, a café with live music and entertainment that serves farm produce and other locally produced foods, alternative energy experiments, a community supported agriculture program, a pick your own bouquet program, and pick your own crops such as strawberries, blueberries, herbs, and pumpkins. Agriculture is also an important element of Los Poblanos Historic Inn and Organic Garden, but the agriculture probably would not be able to stand alone, or be as successful, without the experience of Los Poblanos as a culturally important site with a historic structure designed by one of the region's most important architects and as a historic landscape filled with cottonwood trees and lavender fields.

Historical and Educational Focus

The majority of the facilities interviewed have a primarily historical focus that is combined with agricultural and educational elements. Several of the facilities such as Wagner Farm in Glenview, Illinois; Old Sturbridge Village in Sturbridge, Massachusetts; and El Rancho de Las Golondrinas in Santa Fe, New Mexico have a historic focus that includes a historically accurate farm with heritage crops and livestock. All of the facilities that include historically accurate agriculture are considered "Living History Museums". Living history museums attempt to recreate the conditions of a culture, natural environment or historical period. For example, Wagner Farm is designed to recreate the farming and rural life in the first half of the 20th century in the Glenview, Illinois area and Las Golondrinas recreates life in Spanish Colonial New Mexico.

The Aldo Leopold Foundation began with the preservation of a historic structure (The Shack), and landscape that the Leopold Family built and restored into a healthy ecological system. Now they have expanded their acreage and mission to include the teaching of the land ethic as developed by Aldo Leopold.

One facility, the Gutierrez-Hubbell House in Albuquerque, New Mexico does have a historical and an agricultural focus, but the crops are not faithfully historically ac-

curate. The historic structure functions as a museum and the agricultural aspects of the facility are focused more on education and the promotion of urban agriculture and small farms through workshops and classes.

F. CONCLUSION

The interviews and surveys conducted at these facilities resulted in a number of ideas for programming, partnerships, and funding structure for Los Luceros. Some of these ideas are explored further in the paragraphs below.

Programming Ideas

- Living Museum
- Overnight lodging on a historic property
- Restaurant/Café that uses locally produced foods and products
- Events such as music, theater, arts festivals, farm to table dinners, picnics in the orchard, Sunday brunch, etc.
- Educational workshops and retreats
- Environmental groups/River Restoration
- Facility rental for events like weddings, cocktail parties, company retreats etc.
- Community Supported Agriculture (CSA) Program - The client base would be mostly Santa Fe and Taos. Los Luceros could partner with local non-profit organizations (schools, youth programs, drug/alcohol abuse, etc.) to run the CSA.
- Sustainable farming practices and/or sustainable energy production test ground
- Farm to School program - Partnership with local schools to allow children to help with farming and subsequently, donate the produce to the schools
- Community events like community cannery days (held in commercial kitchen)
- Production and sale of value added agricultural products (specifically apple related)

Funding Recommendations

As mentioned previously, none of the facilities surveyed are completely independent. John Burkenfield, Director of Las Golondrinas, recommended a funding model that, depending on programming decisions, could be applicable to Los Luceros. He recommended a 1/3, 1/3, 1/3 model; a third of income would come from earnings generated by programming and operations, a third would come from contributions and grants, and a third from a long-term investment account or governmental appropriations.

There are a variety of potential grant sources, both from the public and private sectors. Grants from these organizations are very competitive, and may relate to a specific component of the property.

Potential Governmental Grant Programs

- National Endowment for the Arts
- National Endowment for the Humanities
- National Education Association
- Federal Historic Preservation Tax Incentives Program
- National Trust for Historic Preservation
- New Mexico Humanities Council

Potential Private Grant Programs

- Compass Bank Foundation
- Lannan Foundation
- Eugene V. & Clare E. Thaw Charitable Trust
- Josef and Anni Albers Foundation
- World Monuments Fund
- McCune Charitable Foundation
- PNM Foundation
- Helene Wurlitzer (Artist Residence Program)

Non-Profit Organizations

Of the ten organizations interviewed, eight of them are either set up as a non-profit organization or partner with a non-profit organization. Legally, non-profits are required to have a board of directors. Some of the benefits of partnering with a non-profit, or several non-profits, include the ability to receive charitable donations; a non-profit is better suited to receiving grant monies; and they are able to set up a financial structure that uses investment dividends for operating expenses.

Staffing

The number of paid full time and part time staff varied greatly between organizations and was dependent on what type of programming they offered. Facilities that functioned as more of a traditional museum and/or mostly focused on educational workshops had much lower staffing requirements than the living history museums and farming facilities. One consideration that was mentioned by several facilities in regard to the potential for overnight lodging was the increase in the number of staff that would be necessary to run a hotel. This is a consideration as well as the skills required to run and operate a hotel and/or restaurant.

The Director of Las Golondrinas stated that “volunteers are the lifeline of a non-profit organization, and that when your programming matches the interests of the local community, that it is much easier to get and retain volunteers”. The number of volunteers needed to help run a facility varied greatly, depending on programming. At the low end, the Aldo Leopold Foundation has between five and ten steady volunteers, and at the high end, Las Golondrinas has approximately 650. The Aldo Leopold Foundation is mostly focused on education programs and they do not host many events for outside groups. The events that they do host are relatively small and relate to their mission of environmental conservation. Las Golondrinas hosts and produces very large festivals that require a lot of manpower. These type of large events can be very successful fundraisers, but they do require a lot of manpower.

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5. PROGRAMMING OPTIONS AND EVALUATION

A. INTRODUCTION

The Los Luceros property is an important resource for the State of New Mexico. It is clear that the surrounding community feels a very strong attachment and would like to see the property open to public in some fashion. The challenge is to evaluate various options and determine how well they respond to the guiding principles and at the same time, be economically sound. The options presented in this section each have strengths and weaknesses. Ultimately, the decision regarding how to proceed rests with the New Mexico Legislature and the Office of the Governor.

It is also important to note that before DCA can proceed with any of the options, the property has a large amount of deferred maintenance that must be addressed. The current staffing and funding is not adequate to address the on-going caretaking and property maintenance. The deferred maintenance items include:

- The Casa Grande has sustained water damage and is in need of exterior maintenance.
- The orchard needs to be pruned, with many of the trees removed and replaced.
- The irrigation system needs maintenance. The fields should be laser leveled to facilitate maximum water efficiency for irrigation purposes. The silt and vegetation that has filled in the acequias needs to be removed.
- The Hacienda grounds and garden area need to be replanted and maintained.

As previously mentioned in the report, DCA has estimated the base operating cost for Los Luceros to be \$400,000-\$500,000. This does not include any programming costs described in the options below, includes only three full-time employees to manage the 148-acre property and grounds, whereas the prior owner employed six full-time grounds staff and six others.

B. OPTION 1: MANAGE THE PROPERTY AS A STATE MONUMENT OR MUSEUM

In this option, the Los Luceros property becomes another state monument and is managed as such. There are currently eight state monuments. The Los Luceros property is an excellent representation of a historic hacienda; the Casa Grande in the setting of a working orchard and farm with an intact cottonwood bosque along the Rio Grande. The history of the property is rich and the potential to incorporate the culture and art of Northern New Mexico is unique and currently not addressed in the state's monument system. The projected annual operating cost for Option 1 is \$1.0 to \$1.5 million.

Pros:

This option clearly meets the guiding principles of the DCA and would ensure that the property is:

- Managed consistent with the deed restrictions on the property.
- The historic buildings would be maintained and open to the public (residents and visitors alike).

- Could be maintained as a working farm and apple orchard.
- The property could be available for tours, special events, workshops, etc.

Cons

- Obtaining adequate operating costs from the state.
- The agricultural operation would likely be more for show, than true for-profit agricultural production.
- The economic development potential for the property would be limited.
- The Milagro concept could be incorporated into this option.

C. OPTION 2: SELL THE PROPERTY AS IS, WITH DEED RESTRICTIONS IN PLACE

This option would call for DCA to market the property for sale. The deferred maintenance of the property should be completed prior to putting the property on the market in order for the state to get full value for the property. There would also be a relatively minimal cost associated with Option 2 of getting a current appraisal for the property.

Pros

- The long term cost of maintaining and operating the property is eliminated.

Cons

- There would be no assurance that the property would be open to the public.
- While the property was purchased in 2008 for less than appraised value, there is no guarantee that the sales price would be at or above the amount paid in 2008.
- The sale would be subject to the deed restrictions since those run with the land, which would limit the potential buyers for the property.
- The economic development potential for the property would not be guaranteed.
- The “Milagro” concept with Redford Enterprises would be eliminated.

D. OPTION 3: ENTER INTO PUBLIC / PRIVATE PARTNERSHIPS FOR DIFFERENT ASPECTS OF THE PROPERTY

In order to adequately describe Option 3, it is presented with five separate areas of focus. These areas are not meant to be mutually exclusive, but rather to recognize three distinct components of the Los Luceros property. These areas include:

1. The Casa Grande Museum, Visitors’ Center, and grounds.
2. Education programs.
3. Artist-, scientist-, and/or writer-in-residence programs.
4. Agriculture programs including the pasture areas, orchard, garden, and commercial kitchen/restaurant.
5. Community-based programs as determined by DCA.

Option 3 is anticipated to cost less than Option 1. In addition to the baseline cost of \$400,000-\$500,000, the state’s additional cost for Option 3 would be another \$350,000-\$500,000.

Casa Grande Museum: The Casa Grande is a significant resource for the property and has been restored and set up as a museum. While the area surrounding the Casa Grande is in need of maintenance, the interior of the home is magnificent. One option for the Casa Grande would be the creation of a foundation that manages the Visitors' Center, Hacienda, garden, and gift shop as a public museum with volunteer docents, education programs, etc. There seems to be a great deal of interest in this as evidenced by the former docent for the Cabot family, Marie Markenstein. Ms. Markenstein indicated that with very little advertising, there was a steady stream of visitors to see the Casa Grande and the grounds. The Visitor's Center is already set up to function as a display area and gift shop. This would be a wonderful opportunity to sell local artists' work, value-added agricultural products, and books about the history and culture of Northern New Mexico. Under the guidance of and with some administrative support from the DCA, the foundation could support a substantial portion of the operational costs and rely heavily on volunteer docents. There would need to be on-going maintenance on the grounds and the building, which should be the responsibility of the DCA. It is anticipated that the museum would charge a fee, set up its own budget, have a director, and collaborate with DCA on advertising and participation with the existing museum and monument program.

Casa Grande Options:

1. The museum could be run by DCA, with the foundation functioning in a support role with regard to the volunteer docent program and/or fundraising efforts.
2. Establish a young docent training program with local schools to educate and train students to be volunteers for the foundation. The students could get credit for the training and have a practical opportunity to learn firsthand the history and culture of Los Luceros.
3. Hours of operation could vary by season and/or days of the week depending on the demand and budget. The museum could be open on weekends only, only open in the summer, etc.

Education Programs: The educational opportunities at Los Luceros are critical to the overall management and impact of the property to the surrounding community and the State of New Mexico. The original plan for the property was the Milagro Project to provide immersive job training and generate economic development related to film. This concept should be expanded to both above and below the line film jobs, visual arts, and the sciences as an economic driver for the community and the state. There are numerous options as to how to utilize the Los Luceros property for education purposes:

Education Options:

1. Film – The Milagro project is still viable and well-intentioned. The existing MOU with Redford Enterprises should be evaluated by DCA and the New Mexico Film Division and updated as necessary. It is also recommended that the film program be expanded to include “below the line” job training.

There should be a collaborative effort between Milagro and the existing above and below the line programs at the state's universities and community colleges. Separate funding should be pursued by Redford Enterprises and the educational institutions to fund these programs.

2. Artist-, Scientist-, and/or Writer-in-Residence Program - The River House provides an excellent opportunity to host two individual artists. The term "artist" is used in the most general sense and should include painters, filmmakers, photographers, writers, environmental/ecological practitioners (bosque scientists, birders, and naturalists), etc. The DCA could put out an request for proposals (RFP) to organizations making the River House available to organizations. The intent would be that participating organizations would fund the artist and provide the necessary insurance, but DCA would provide the River House apartments for this purpose. Organizations could include universities, foundations, societies, etc.
3. Workshops/Lectures – The Los Luceros property is an excellent location for a variety of workshops, lectures, film screenings, etc. The multi-purpose room is a well-designed facility and the commercial kitchen is an important support function. While on-site lodging is limited, additional lodging could be built consistent with the master plan, or the workshop leaders could stay on site and the participants could be accommodated in nearby hotels.
4. School Programs – The site is an excellent opportunity for school programs. Currently, one local school has been allowed to use the facilities on a temporary basis. There is no reason that these programs could and should not continue and similar opportunities should be provided to other area schools. Some issues need to be worked out with regards to school use including liability insurance, interaction with other people/programs that may be using the facility, etc. These issues should not be obstacles to this use.
5. Cooking/Commercial Kitchen – The commercial kitchen is an existing asset for the property that could be used to support workshops or events, but it could also be used as a separate facility for training in conjunction with existing culinary arts or hospitality programs at state universities or institutions of higher education. DCA received a proposal to host a cooking show on the property, which is another interesting option that would provide the added benefit of advertising the property. The kitchen could be utilized in a support role or a role unto itself.

Agriculture: Agriculture is an integral component to the Los Luceros property. The property has an active acequia system that provided surface irrigation to the orchard, pasture lands, and fields. With the purchase of the property, the state has made a commitment to the upkeep and preservation of these agricultural resources. There has been interest expressed by third parties to lease and manage the agriculture on Los Luceros. There has also been interest expressed by the KGB Distillery to contract for sorghum and apples for use in its operation. Due to

deferred maintenance of the property, there are most likely a couple of years of re-establishment and improvements needed to result in a profitable agricultural venture or ventures.

The Rio Arriba County Commission recently passed Resolution 2013-018 on September 11, 2012 establishing the Rio Arriba Food and Agricultural Council. This resolution establishes the importance and political support for the preservation and enhancement of agriculture in the Española Valley. It also recognizes the importance that agriculture plays in the County's economy and environment. The state has the opportunity to assist in the County's pursuit of these goals and objectives through the use of Los Luceros and DCA should participate in this process (this participation could be through the leaseholder).

While the NMSU Sustainable Agriculture Science Center is not interested in taking over the agriculture at Los Luceros, they are an important resource for the property. DCA should utilize NMSU's expertise as possible to assist in the successful operation and leasing of the various agricultural components.

Agriculture Options:

1. Follow through on the recommendations provided by Martin Garcia (see Section 2, Subsection F: Agricultural Assessment regarding improvements to the agricultural infrastructure for the properties). These recommendations include pruning and a replacement program for the orchard, laser leveling of the pasture land, and improvements to the acequia system.
2. DCA could contract with an organization interested in managing the agricultural resources on the property. Agricultural programming could involve short- and long-term operations including, but not limited to, greenhouses, vegetables, restaurant, livestock, new products (sorghum), etc. Organizations could manage all or only a portion of the agriculture (i.e., the orchard or pasture areas only), and could be for-profit or non-profit entities. In addition, agricultural programs could be educational or further economic development through value-added agriculture.
3. DCA should work with the State Engineer's Office to quantify the existing water rights available to the property and explore options to bring the "dry" parcels into production through efficient irrigation practices on the other lands, dryland farming techniques, etc.

Pros:

The public/private partnership option is the most complicated, but has the greatest potential to further many of the goals for the property and help to implement the guiding principles, while also incorporating many of the local community goals for use of the property.

- Would be managed consistent with the deed restrictions on the property.

- The historic buildings would be maintained and open to the public (residents and visitors alike).
- On-site artists/scientists ensure the continued use of the property for the purpose of supporting those professions.
- Establishing the different uses as their own profit/centers provides opportunities to limit the financial responsibility of the state.
- The Milagro concept could be incorporated into this option.
- The expansion of the Milagro Project to include “below the line” film training provides for additional opportunities to provide immersive job training and economic development related to the film industry as an economic driver for the community and the state.
- Would be maintained as a working farm and apple orchard with opportunities to expand with greenhouses, livestock, new crops, and value-added agricultural products.
- The property could be available for tours, special events, workshops, etc.

Cons:

- The difficulty of ensuring adequate annual state funding for on-going maintenance and operations, including permanent staff positions.
- There is a significant amount of oversight required regarding the contracts related to the various components of the property.

Community-based programs: There is potential for DCA to work with the local community on a variety of community-based programs. DCA would need to solicit requests for proposals (RFP). This could include the involvement of other state departments whose missions are more related to community-based goals. Examples include transitional living and drug rehabilitation programs for youth.

APPENDICES

- Department of Cultural Affairs Staff
- Los Luceros Purchase Agreement
- MOU with Redford Enterprises
- Peer Facility Survey
- Community Event Survey
- Community Meeting Flyer

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DEPARTMENT OF CULTURAL AFFAIRS STAFF CITED IN STUDY

Veronica Gonzales, DCA Cabinet Secretary

Michael Delello, Deputy Secretary

Rudy Acosta, Los Luceros Site Manager and Deputy Director of New Mexico State Monuments Division

Patrick Salazar, DCA Facilities Manager

Robert Aragon, Los Luceros Site Security/Maintenance

Erin McSherry, DCA Legal Counsel

Richard Sims, DCA State Monuments Division Director

REAL ESTATE PURCHASE AGREEMENT

This Agreement is made by and between LOS LUCEROS FOUNDATION, INC., a New Mexico nonprofit corporation (“Seller”), and the STATE OF NEW MEXICO DEPARTMENT OF CULTURAL AFFAIRS (“Buyer”).

Recitals

A. Seller owns 148 acres, more or less, and the buildings and other improvements thereon known as “Los Luceros” consisting of 7 contiguous tracts of real estate located in the vicinity of Alcalde, Rio Arriba County, New Mexico, and shown on the composite map as Tracts A, B, C, D-1, D-2, E and G prepared by Edward M. Trujillo, NMPLS No. 12352 of Dawson Surveys, Inc. and recorded in the records of Rio Arriba County as Document No. 200600393 in Book H-1 at page 55 (hereinafter collectively referred to as the “Real Estate”). The term “Real Estate” also includes all equipment, furniture, furnishings and all other tangible personal property belonging to Seller that are located on the land or within the buildings on the land of the Real Estate at the time of Buyer’s inspection of the Real Estate provided in Section 7.

B. Los Luceros is the most northerly and one of the few substantial historic haciendas remaining in the Rio Grande Valley of New Mexico. Its main residence is listed on the National Register of Historic Places. Since Seller began acquiring the 7 tracts comprising the Real Estate, it has preserved, restored, repaired, improved and maintained the historic main hacienda residence and its supporting buildings and surrounding agricultural and undisturbed land now constituting Los Luceros. Seller has

also built in an appropriate out-of-the-way location on the Real Estate facilities and parking areas to accommodate public visitation to Los Luceros.

C. Seller, having now completed its restoration of Los Luceros as an historic Rio Grande hacienda, would like to sell, and Buyer would like to buy for the people of New Mexico, the Real Estate on the terms and conditions hereinafter stated so that Los Luceros will be preserved so that the unique historical and cultural value of the property may be made available to the public to enrich the cultural heritage of future generations of New Mexicans.

Agreement

THEREFORE, in reliance upon Seller's ownership of the Real Estate, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to buy from Seller, the Real Estate upon the following terms and conditions:

1. Purchase Price. The total purchase price for the Real Estate is Two Million Five Hundred Thousand Dollars (\$2,500,000) which Buyer shall pay to Seller in cash at closing.

2. Real Estate Market Value. Seller and Buyer acknowledge that the current fair market value of the Real Estate (including the water rights appurtenant to it and hereinafter included in the total purchase price) is substantially greater than the total purchase price of \$2,500,000. The Real Estate was appraised "as is" (with water rights) as of 15 December 2004 at \$3,900,000 by Whitney Appraisal Associates of Taos, New Mexico. The parties believe that the fair market value of the Real Estate (with water rights) has appreciated over the two years since the date of that appraisal. Nevertheless,

Seller is willing to sell the Real Estate (with water rights) to Buyer, for substantially less than its likely current fair market value because, unlike most fair market value purchasers, Buyer:

(a) will protect, preserve and maintain the historic hacienda residence, together with its historic supporting buildings, in perpetuity, for the benefit and enjoyment of the public;

(b) will protect, preserve and maintain in perpetuity the open irrigated pasture and the scenic and pastoral view shed from the historic hacienda residence south and west to the Rio Grande bosque and mountains beyond the bosque; and

(c) has the financial resources and motivation to maintain in perpetuity the historic buildings and open space for the reasonable enjoyment and benefit of the people of New Mexico and of the United States.

Consequently, Seller is obtaining herein from Buyer, as additional consideration to Seller, certain undertakings hereinafter specified that Buyer will in fact protect, preserve and maintain in perpetuity the historic buildings and the scenic and pastoral view shed referred to above for the reasonable enjoyment and benefit of the public.

3. Title, Etc. At the closing, Seller shall execute and deliver to Buyer a statutory form special warranty deed conveying the Real Estate to Buyer in fee simple, subject to: (a) easements, restrictions and reservations of record (i) existing on or before the date of this Agreement, (ii) disclosed in the title insurance commitment hereinafter provided, and (iii) approved by Buyer or Buyer's counsel as hereinafter provided; (b) the

standard printed exceptions in the title insurance policy hereinafter provided; and (c) the obligations and conditions to which Buyer is subject under Section 11 hereunder.

4. Title Insurance. Upon the closing Seller, at Seller's expense, shall provide to Buyer an extended coverage title insurance policy issued by the Escrow Agent (Rio Arriba Title & Escrow, 412 Paseo de Onate, Espanola, New Mexico) and underwritten by a financially sound title insurance company authorized to do business in New Mexico and acceptable to both parties. The policy shall be effective as of the closing date and shall insure marketable title to the Real Estate in Buyer's name in the amount of the purchase price, subject to the exceptions permitted in the preceding Section 3.

5. Title Insurance Commitment. Within ten (10) days following the date of this Agreement, Seller, at Seller's expense, shall cause to be mailed or delivered to Buyer or Buyer's counsel a commitment for the issuance of the title insurance policy provided for in Section 4 above, together with legible copies of all recorded documents referred to in the exceptions to the commitment. Within twenty (20) days after receipt of the title insurance commitment and recorded documents, Buyer or Buyer's counsel shall approve, or specify in writing to Seller any objections to, Seller's title to the Real Estate shown by the title insurance commitment. Seller may cure or otherwise satisfy any such objections within ten (10) days after receipt of Buyer's written objections but if Seller is unable or refuses to cure such objections within such time, Buyer, at Buyer's option, may waive such objections and proceed to close or may, by written notice to Seller, relieve both parties of their obligations under this Agreement. If Buyer does not affirmatively accept the title commitment in writing within Buyer's twenty (20) day objection period, Buyer

shall be deemed to have disapproved Seller's title as set forth in the title insurance commitment. In the event of Buyer's deemed disapproval of Seller's title, Seller may, by giving Buyer at least ten (10) days prior written notice, relieve both parties of their obligations under this Agreement.

6. Survey. Following the execution and delivery of this Agreement, Seller shall deliver to Buyer's counsel identified above, as fulfillment of Seller's sole survey obligation to Buyer under this Agreement, a copy of the recorded Composite Map of the Real Estate referred to in Recital A above. The Composite Map shows the 7 tracts of record comprising the Real Estate and refers to the recorded surveys for each of such tracts. The Buyer can obtain from the Escrow Agent copies of the recorded surveys referred to in the Composite Map upon request from the Escrow Agent. Buyer shall be solely responsible for obtaining and paying for any other survey information or work it may desire to satisfy itself concerning the location and boundaries of the Real Estate. If Buyer determines that the Real Estate is not acceptable to Buyer because the survey shows that the Real Estate is materially less than 148 acres or the tracts are not contiguous, Buyer may notify Seller in writing within forty-five (45) days of the date of this Agreement and relieve both parties of their obligations under this Agreement. If Seller has received no such notice within such forty-five (45) day period, Buyer shall be deemed to have disapproved all survey matters relevant to the Real Estate. In such event of deemed disapproval of survey matters, Seller may, by giving Buyer at least ten (10) days prior written notice, relieve both parties of their obligations under this Agreement.

7. Inspection and Testing of Real Estate. For sixty (60) days following the date of this Agreement, Buyer and Buyer's qualified agents may obtain at Buyer's sole expense such inspection and test reports and other information about the Real Estate from qualified persons as Buyer may reasonably request concerning (i) the structure and condition of all buildings and other improvements, (ii) the water, septic, electric, gas and any other utility lines and systems serving the Real Estate, (iii) the quality and quantity of all drinking water sources for the Real Estate, and (iv) such other physical and environmental factors affecting the Real Estate as Buyer may reasonably determine. All of the foregoing items numbered (i) through (iv) are hereinafter collectively referred to as the "physical condition" of the Real Estate. During such sixty (60) day period, Seller, upon receipt of reasonable notice from Buyer, shall make the Real Estate available to Buyer and Buyer's qualified agents for inspection and testing. Buyer shall, to the extent authorized under the New Mexico Constitution and the New Mexico Tort Claims Act, § 41-4-1 et seq. NMSA 1978, indemnify Seller against, and hold Seller harmless from, any liens, claims or damages suffered by Seller as a result of Buyer's inspection and testing of the Real Estate other than claims or damages arising from bona fide information generated by the inspection and testing results; provided, however, that Buyer shall not hold Seller harmless from claims arising out of the negligence of Seller, its officers, agents or any person or entity not subject to Buyer's supervision or control. Buyer shall use reasonable efforts to keep confidential all information generated by Buyer's inspection and testing of the Real Estate.

Within sixty (60) days following the date of this Agreement, Buyer shall notify Seller in writing if the Real Estate is not acceptable to Buyer because of the results of any such inspection and/or testing and, at Buyer's option, may relieve both parties of their obligations under this Agreement. If Seller receives no such notice or request from Buyer within such sixty (60) day period, Buyer shall be deemed to have disapproved any and all inspection and testing reports and other information relevant to the Real Estate and not accepted the Real Estate in its condition as of the date Buyer or Buyer's agents last inspected or tested it. In such event of deemed disapproval of inspection and testing reports, Seller may, by giving Buyer at least ten (10) days prior written notice, relieve both parties of their obligations under this Agreement.

8. On-Site Liquid Waste Systems. Because Buyer is buying the Real Estate in its "as is" condition as hereinafter provided and is responsible for making at its sole expense any inspection and testing of the Real Estate as provided in the preceding Section 7, Buyer shall be responsible for carrying out, at Buyer's expense, the inspection and evaluation of any on-site liquid waste system now serving any part of the Real Estate.

9. Water Rights. Included with the Real Estate and the purchase price for it are all water rights owned by Seller. Seller believes, but does not represent or warrant to Buyer, that the water rights currently owned by Seller and included in the sale are those set forth opposite each particular tract listed on Exhibit A attached hereto. Within ten (10) days following the date of this Agreement, Seller shall provide to Buyer copies of Seller's declarations filed with the New Mexico State Engineer showing Seller as the claimed owner of the irrigation and groundwater rights listed in Exhibit A. In addition,

upon closing, Seller shall execute and deliver to Buyer any documents necessary to transfer to Buyer the foregoing water rights in a form acceptable for filing with the New Mexico State Engineer Office.

10. “As Is” Condition of Real Estate. Buyer acknowledges that Seller is offering the Real Estate to Buyer to purchase in its “as is” condition which is the condition the buildings, other edifices, fencing, roadways and utility lines, systems and equipment serving the buildings on the land of the Real Estate are in at the time Buyer last inspected them during the sixty (60) day inspection period provided in Section 7. To the extent there are any defects in the buildings which would not be reasonably apparent to an experienced inspector of farm and ranch properties and to the extent the executive officers and directors of the Seller have knowledge of any such defects, Seller shall notify Buyer of such latent defects within ten (10) days after the date of this Agreement. Buyer recognizes that Seller’s executive officers and directors may not have any knowledge of certain defects in the condition and operation of the buildings and other improvements comprising the Real Estate but that Seller’s caretaker-farmer and resident manager of the Real Estate may have knowledge of some latent defects. Buyer and Buyer’s inspection agents are free during the sixty (60) day inspection period provided above to consult with Seller’s caretaker-farmer and resident manager concerning the condition of the Real Estate.

11. Buyer’s Covenants as Owner, etc. Upon the closing of its purchase of the Real Estate, Buyer covenants in perpetuity for the benefit of Seller and its successors in interest and for the benefit of the people of New Mexico that:

(a) Buyer will protect, preserve, maintain, repair and improve, where appropriate, Los Luceros' historic hacienda residence and any supporting buildings listed on Exhibit B (the "Buildings") in its immediate area of historic consequence;

(b) Buyer will protect, preserve and maintain with the application of the necessary water rights the open irrigated pasture and the scenic pastoral view shed it provides from Los Luceros' historic hacienda residence south and west to the Rio Grande bosque and the mountains beyond the bosque as more fully set forth in Exhibit C attached hereto;

(c) Buyer will use the Buildings in such fashion that future generations will be able to understand, enjoy, study and appreciate the history and community of the Real Property and the Buildings and the life they represented (the "Intended Purposes") and will preserve and protect the Buildings in a manner conforming with both the provisions of the Cultural Preservation Act and the National Historic Preservation Act of 1966 as further amplified by the additional provisions set forth in Exhibit D hereto (collectively, the "Standards").

Attached hereto as Exhibit E is a photographic record of the Buildings and their interiors which will serve as the reference point for determination as to whether New Mexico has appropriately applied the Standards to achieve the Intended Purposes by which adherence to the Standards will be judged;

(d) Buyer shall request annually from the New Mexico Legislature the necessary funding to carry out its foregoing undertakings.

The parties acknowledge that Buyer is bound by the Cultural Properties Act of the New Mexico Statutes and, particularly, Title 4, Chapter 10, Part 7 of the New Mexico Administrative Code, which describes the procedures for the "Review of Proposed State

Undertakings that may Affect Registered Cultural Properties,” and the Buyer and its Historic Preservation Division are statutorily obligated to follow guidelines established as to sites and historic buildings listed on the National Register of Historic Properties and the Historic Preservation Act of 1966. If Buyer shall maintain and preserve the Buildings in accordance with these regulations and guidelines, it shall be deemed to be in compliance with its covenants under this Section 11.

If, in the reasonable judgment of the Seller, the Buyer shall be in material breach of its undertakings pursuant to the foregoing provisions of this Section 11, the Seller may give written notice to the Buyer, describing the alleged breach in specific detail. If the Buyer does not correct the alleged breach within a reasonable period of time after receipt of such notice, the Seller may initiate litigation against Buyer and its successors in interest provided that such litigation is limited solely to whether the Buyer is in material breach of this Section 11. If a court shall determine, by final judgment from which no further appeal may be taken, that a breach has occurred as alleged by the Seller and that such violation is material, fee title to the Real Estate, subject only to those encumbrances reflected on the title policy or in the deed delivered at closing, shall revert to the Seller as Seller’s sole remedy. If fee title is to revert to Seller, Buyer has the right of reclamation of compensation for moneys paid for the Real Estate in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) plus the fair market value of any improvements made to the Real Estate after Buyer took possession of the Real Estate and such compensation shall be paid at the time of reversion.

Notwithstanding the final judgment of a court that a material breach has occurred, fee title shall not revert to Seller without compensation to Buyer in the aforementioned amount.

12. Hazardous Waste. Seller, after consultation with the caretaker-farmer and resident manager of the Real Estate, represents and warrants to Buyer that, to the best of the knowledge of Seller's executive officers and directors, the Real Estate does not contain any hazardous materials as defined under applicable federal or state law.

13. Seller's Representations and Warranties. Except as stated in this Section 13, Buyer acknowledges that Seller and Seller's agents have not made any representations or warranties concerning the Real Estate. Seller does, however, represent and warrant to Buyer that:

1. Seller is a New Mexico non-profit corporation in good standing and has the authority to do the transactions contemplated by this Agreement.

2. This Agreement and all the documents executed by the Seller which are to be delivered to the Buyer in accordance with this Agreement and throughout the transaction until closing will be (i) duly authorized, executed and delivered by Seller, (ii) legal, valid and binding obligations of Seller, (iii) will be sufficient to convey title (if they purport to do so), and (iv) will not violate any provision of any agreement to which Seller is a party or to which it is subject.

3. There are no attachments, executions or assignments for the benefit of creditors or voluntary proceedings in bankruptcy or under any other debtor relief laws pending or contemplated by Seller affecting the Real Estate.

4. Seller has not been notified of any violations of any state, local or federal law relating to the Real Estate.

Upon closing Buyer shall be conclusively presumed to have accepted the Real Estate in the condition it actually is at the time of closing without having received any representations or warranties from Seller or Seller's agents as to the condition of the Real Estate, except as stated in this Section 13 and as provided in the special warranty deed to Buyer.

14. Conditions to Buyer's Obligation to Close. Buyer's obligation to close the purchase is subject to the fulfillment of the following conditions on or before the closing date:

(a) Seller shall have satisfied Seller's title, survey and other obligations provided in Sections 5 and 6 and be ready to deliver the deed and provide the title insurance policy provided in Sections 3 and 4;

(b) Buyer shall have accepted the Real Estate pursuant to Section 7;

(c) Seller's representations and warranties provided in Section 13 shall be true and correct as of the closing date and shall survive the closing; and

(d) the Real Estate shall be in the same condition it was when Buyer last accepted it pursuant to Section 7, subject to normal seasonal changes.

If any of the foregoing conditions to Buyer's obligation to close is not fulfilled in accordance with its terms, Buyer, at Buyer's sole option, may, by written notice to Seller, relieve both parties of their obligations under this Agreement.

15. Closing, Etc. The closing of the sale and purchase of the Real Estate shall take place at the office of the Escrow Agent at a mutually convenient time not later than sixty-five (65) days after the date of this Agreement. At the closing Seller shall execute and deliver to Buyer the deed provided in Section 3 and cause the title insurance policy provided in Section 4 to be delivered to Buyer. Taxes, assessments and other charges attributable to the Real Estate shall be apportioned between Seller and Buyer as of the closing date and any closing fee of the closing agent for the parties shall be paid equally by Seller and Buyer. Each party shall bear such party's own legal fees and expenses arising out of the transactions as provided in this Agreement. Seller shall also deliver to Buyer an executed bill of sale to all the tangible personal property described in Recital A above.

16. Remedies Upon Failure to Close. If the sale and purchase fail to close as provided herein because of Buyer's default in performing Buyer's obligations under this Agreement, Seller's sole remedy against Buyer shall be that it shall be free to sell the Real Estate to any third party free of any claim by Buyer. If the sale and purchase fail to close as provided herein because of Seller's default (other than failure to satisfy Buyer's title, survey or inspection objections or deficiencies), Buyer may pursue any remedies against Seller permitted by law.

17. Risk of Loss and Possession. The risk of loss to the Real Estate shall be upon Seller until the closing of the sale and purchase. Upon closing Buyer shall be entitled to exclusive possession of the Real Estate and the risk of loss shall thereupon shift to Buyer.

18. Broker's Commission. Each party represents to the other that neither party has obtained the services of any real estate broker or agent in connection with the sale and purchase of the Real Estate and accordingly neither party shall have any liability for the payment of any real estate broker's commission arising out of the sale and purchase of the Real Estate. Nevertheless, if any claim is made against either party for any real estate broker's commission arising out of the sale and purchase of the Real Estate, the party, whom the claimant claims he dealt with, shall be responsible for defending against such claim and shall hold the other party harmless from, and, to the extent authorized under the New Mexico Constitution and the New Mexico Tort Claims Act, § 41-4-1 et seq. NMSA 1978, indemnify such other party for, any and all expenses reasonably incurred by such other party in defending against such claim.

19. Litigation. In the event either party should institute a legal action against the other arising out of the subject matter hereof, the party ultimately prevailing in such litigation shall be entitled to recover from the other party the prevailing party's reasonable attorney's fees, New Mexico gross receipts tax thereon, and related legal expenses incurred in such litigation.

20. Notices, Etc. Any notice or other document one party is required to provide to the other party pursuant to the terms and conditions hereof shall be deemed received as follows:

(a) With respect to Seller, upon hand-delivery, e-mail or facsimile transmission to, or three business days after mailing postage prepaid by first class mail to Seller at the following:

Los Luceros Foundation
c/o Howard G. Seitz, Esq.
230 Park Avenue
New York, New York 10169
Telephone: 212/818-9200
Facsimile: 212/818-9607
E-mail: hseitz@ssbb.com

With a copy to Seller's New Mexico counsel at the following address:

James B. Alley, Jr.
Rubin Katz Law Firm
Post Office Drawer 250
Santa Fe, New Mexico 87504-0250
Telephone: 505/982-3610
Facsimile: 505/988-1286
E-mail: jalley@rubinkatzlaw.com

(b) With respect to Buyer, upon hand delivery, e-mail or facsimile transmission to, or three business days after mailing postage prepaid by first class mail to Buyer at the following address:

Cabinet Secretary
Department of Cultural Affairs
State of New Mexico
407 Galisteo St, Ste 260
Santa Fe, New Mexico 87501

With a copy to Buyer's General Counsel at the following address:

General Counsel
Department of Cultural Affairs
State of New Mexico
407 Galisteo St. Ste 260
Santa Fe, New Mexico 87501

In calculating the number of days in which a party has to act or an event has to take place as provided in this Agreement, all days shall be counted including Saturdays, Sundays and federal holidays but if the due date for a notice or event to occur would fall upon a

Saturday, Sunday, federal holiday, or day that New Mexico State Government is closed, then that date shall be extended until the next business day.

21. Facsimile and E-mail Transmission. Copies of this instrument, and any and all amendments hereto, which are signed and delivered by each party and produced and/or reproduced by facsimile or e-mail transmission, shall be valid and binding upon each signatory party.

22. Counterparts. This Agreement may be executed through the use of separate signature pages or in any number of counterparts and each of such counterparts shall, for all purposes, constitute one agreement binding on all the parties, notwithstanding that all parties are not signatories to the same counterpart.

23. Successors-in-Interest. This Agreement shall be binding upon, and shall inure to the benefit of, the respective heirs, assigns or other successors-in-interest of the parties hereto.

24. Survival of Representations, Warranties and Covenants. Any agreements, representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and the closing.

25. Entire Agreement, Etc. This Agreement constitutes the entire agreement between the parties and any other prior agreements between the parties, written or oral, concerning the Real Estate or any portion thereof are merged into this Agreement. This Agreement may be amended or modified only by a subsequent writing duly signed by the party or parties to be bound by such amendment or modification.

IN WITNESS WHEREOF, the parties have signed this Agreement as of this
12th day of February 2008.

SELLER:

LOS LUCEROS FOUNDATION, INC.

By: Howard G. Seitz
Vice- President

BUYER:

DEPARTMENT OF CULTURAL
AFFAIRS, State of New Mexico

By: [Signature]
Cabinet Secretary

DEPARTMENT OF CULTURAL
AFFAIRS

By: [Signature]
General Counsel

DEPARTMENT OF CULTURAL
AFFAIRS

By: [Signature]
Administrative Services Division

SCHEDULE OF WATER RIGHTS OWNED AND/OR CLAIMED BY LOS LUCEROS FOUNDATION, INC.

TRACT	WATER RIGHTS ON TRACT
A.	166.32 acre ft. right to irrigate 55.44 acres; 7.005 acre ft. for domestic use taken from 4.67 acres to Well R.G. 70314; 2.23 acre ft. commercial right on .46 acres.
B.	
C.	30 acre ft. right to irrigate 10 acres
D-1. & D-2.	
E.	
G.	4 acre ft. right to irrigate claimed on 4.62 acres

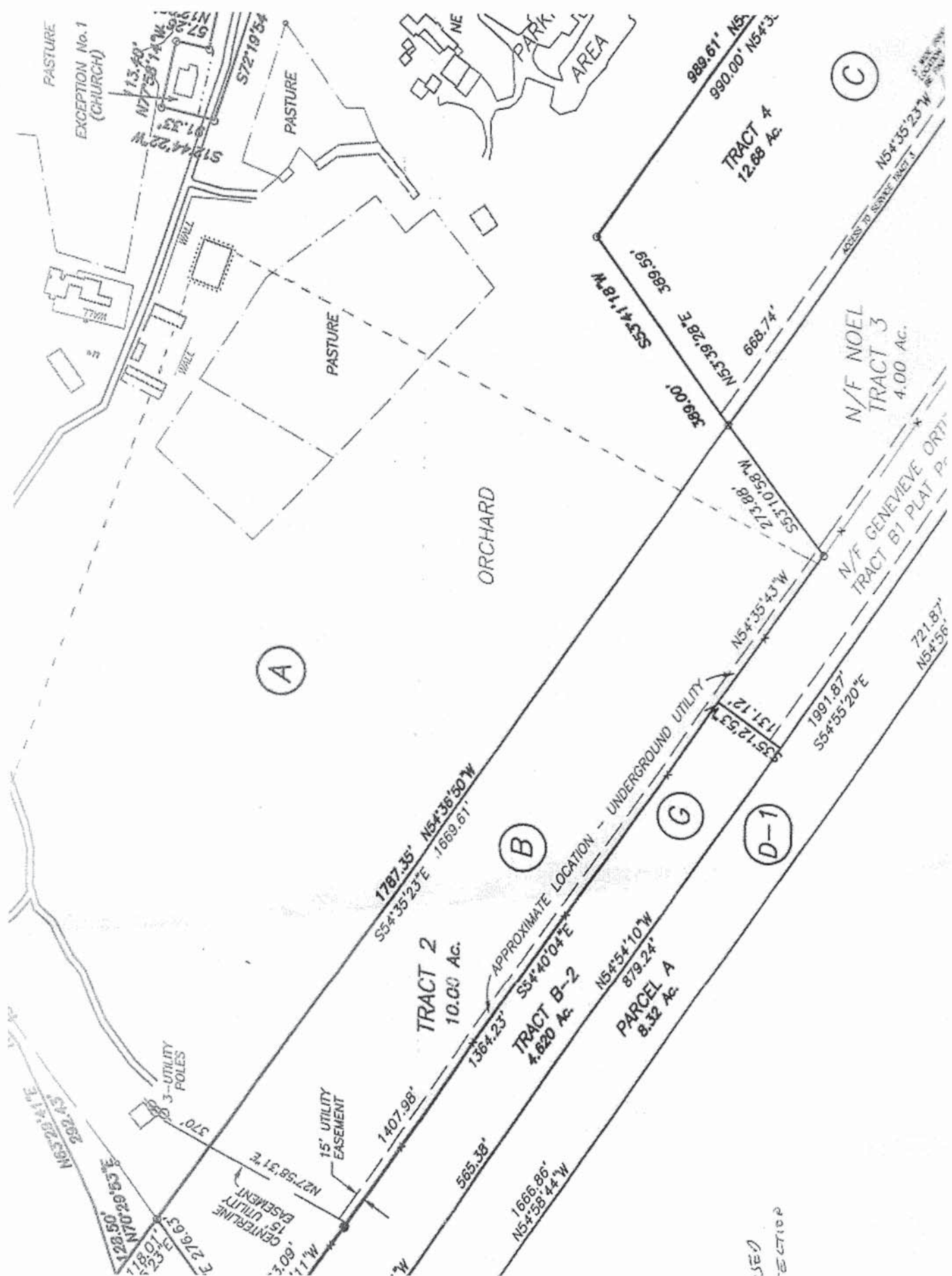
Mary Cabot Wheelwright house

Office

Maria Chabot's House

Luceros House

EXHIBIT B



020
 SECTION

Additional Conservation-Preservation Requirements

1. General Requirements as to Buildings

Maintain and preserve all existing buildings with no additions and all exteriors, colors and materials to remain the same.

2. General Requirements as to Grounds

Maintain the trees, lawns and gardens with proper protection, irrigation and expert professional pruning when required. No removal of healthy, mature trees within the yard area of the Mary Cabot Wheelwright House or immediately across the street within 100 feet of the Chabot House.

3. Specific Requirements as to Buildings

Mary Cabot Wheelwright House

No new roof penetrations, vents or equipment of any kind.

For more than half the building, adobes sit directly on the earth. In order to keep the building foundations and the base of walls as dry as possible, do not irrigate within three feet of the portal. Limit irrigation use in the immediate vicinity of the house. Maintain positive drainage all around the house.

Maintain all ground surfaces intact including the crusherfine walkway under the portal that allows the soil to breathe. Maintain flagstone walks elsewhere.

Maintain the interior as it currently exists including all colors, finishes and materials, kitchen equipment, plumbing and plumbing fixtures, light fixtures, hardware, furnishings etc.

Maintain the underfloor venting system with fan as it currently exists.

Limit access to the upstairs to groups of 25 or less.
Limit access to the upstairs balcony to no more than four people at any given time.

Maintain the furnishings as they currently exist.

Garage

Maintain the interior as it currently exists with the workman's repair shop at the south end of the garage.

Lucero House

Maintain the interior floor plan and gravel parking area which serves the Lucero House.

Specific Requirements as to Grounds

Grounds around the Mary Cabot Wheelwright House and Garden

Maintain all existing yard walls as they currently exist including the front wooden entry gate.

Maintain the well on the south side of the house.

Do not add new structures within the historic grounds of the house including fountains, paving, sculpture or yard furniture.

Maintain the driveway in front of the house as a compacted basecourse driveway. Do not pave it with asphalt, brick, concrete or other hard paving.

Maintain the existing plantings including the daffodils that line the left side of the driveway, the line of crabapple trees and the line of cottonwoods and white poplars that line either side of the unpaved historic drive to the Mary Cabot Wheelwright House.

General Requirements and Reports

Provide an annual inspection and written report as to condition of all of the general components of the exteriors and interiors, as appropriate, and a description of what

maintenance measures will be carried out. Routine maintenance required to prevent loss of historic fabric.

Limit signage to the the smallest, least obtrusive and essential.



1 EAST OF HIST. ENTRY



3 LOOKING W. TOWARD ACEQUIA MADRE



5 ENTRY DRIVE



6 BRIDGE OVER ACEQUIA MADRE



8 LOOKING SW. THROUGH ORCHARD



9 WEST OF ACEQUIA MADRE



10 LINE OF CRABAPPLES BY OFFICE



11 LOOKING W. TOWARD MAIN HOUSE



12 OFFICE

EXHIBIT E



13 S. ELEV



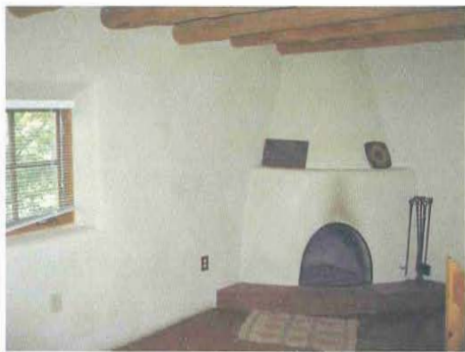
14 ENTRY



21 SW . ROOM



IMG_5215



26 MIDDLE N. ROOM



28 MIDDLE N. ROOM



30 STATE HIST. PLAQUE



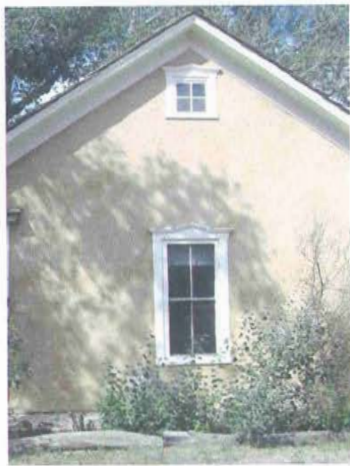
33 E ROOM-SW C



35 LUCERO HOUSE, E. ELEV



36 E. ELEV



IMG_5228



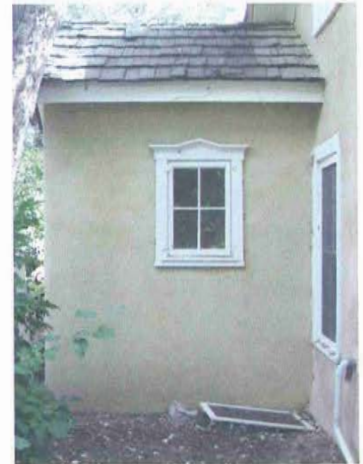
37 GIANT MULBERRY



39 MULBERRY



40 S. ELEV



IMG_5236



IMG_5237



IMG_5238



47 PORTAL + WELL



58 E DINING ROOM



IMG_5254



IMG_5255



IMG_5257



IMG_5258



64 LIBRARY



IMG_5260



69 LIVING ROOM



73 LIVING ROOM LOOKING W



74 LIVING ROOM



75 S.BEDROOM



76 S.BEDROOM



78 S.BEDROOM



80 BATHROOM



86 N.BEDROOM FIRE PLACE



91 PARKING AREA AT OFFICE



93 ENTRY DRIVE LOOKING W



94 COTTON WOODS ALONG DRIVE



95 LOOKING E ALONG DRIVE



96 LOOKING E ALONG DRIVE



97 CRABAPPLE AT N SIDE OF DRIVE



98 DRIVE NEAR CHURCH



99 COTTONWOODS ON SOUTH



100 SHED S OF DRIVE



101 DRIVE LOOKING E



104 MCW HOUSE



105 N ELEV



106 N ELEV



107 N ELEV



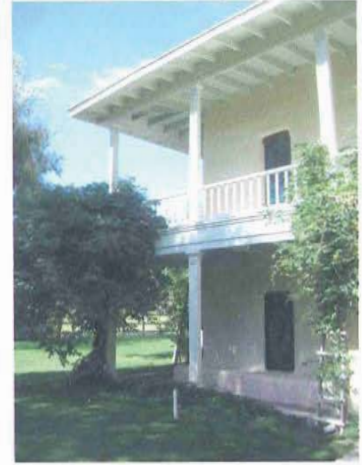
108 N ELEV LOOKING W



109 E ELEV LOOKING S



110 E PORTAL



111 SE CORNER



112 E ELEV



113 S ELEV LOOKING W



115 S ELEV LOOKING W



117 SW CORNER



119 N PORTAL



120 W ELEV



121 W PORTAL



122 N PORTAL



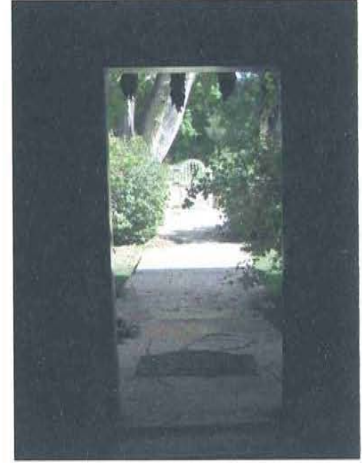
123 S PORTAL



124 W PORTAL



126 FRONT DOOR



127 FRONT WALK



128 DOWNSTAIRS HALL



129 DOWNSTAIRS HALL S DOOR



130 SERVICE HALL



131 COMMISSARY E END



132 COMMISSARY W END



133 COMMISSARY WINDOW



135 COMMISSARY FLOOR



138 SERVICE HALL E DOOR



139 KITCHEN



140 KITCHEN



141 KITCHEN E WALL



142 BUILT-IN CABINET



144 DOOR TO DINING



145 DINING



146 DINING



147 DINING



150 DINING



151 DINING



152 DOWNSTAIRS SE RM



153 DOWNSTAIRS SE RM



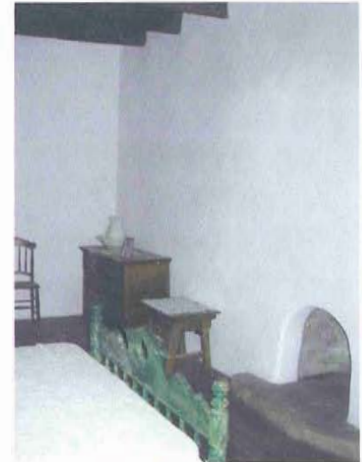
154 DOWNSTAIRS SE RM



155 DOWNSTAIRS CENTER E RM



156 DOWNSTAIRS CENTER E RM



157 DOWNSTAIRS CENTER E RM



158 DOWNSTAIRS NE RM



159 DOWNSTAIRS NE RM



160 ORIGINAL FRONT ENTRY GATE



161 UPSTAIRS SE RM



162 UPSTAIRS SE RM



163 UPSTAIRS SE RM



165 UPSTAIRS HALL



166 UPSTAIRS HALL



167 HALL ALACENA



168 UPSTAIRS CENTER E RM



169 UPSTAIRS CENTER E RM



171 UPSTAIRS CENTER E RM



172 GRAND SALA E END



173 GRAND SALA W END



174 GRAND SALA



176 GRAND SALA



177 GRAND SALA



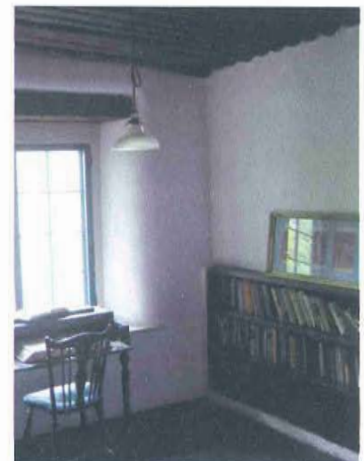
178 VIEW INTO HALL



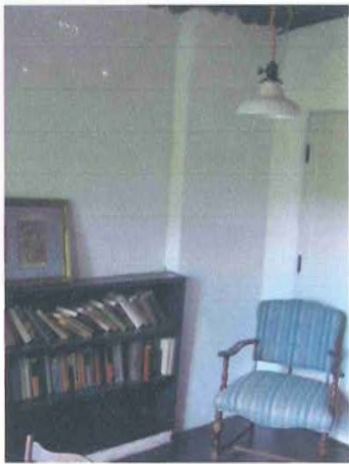
179 BALL HALL



180 BATHROOM



181 STUDY



182 STUDY



183 BATH HALL



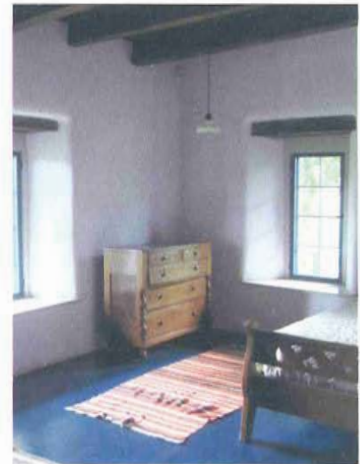
184 STAIR TO ROOF



185 STAIRS



186 UPSTAIRS SW RM



187 UPSTAIRS SW RM



188 UPSTAIRS SW RM



189 UPSTAIRS SW RM



190 UPSTAIRS SW RM



194 GARAGE S PATIO



195 GARAGE S PATIO



196 GARAGE PATIO LOOKING W



198 GARDEN



199 GARDEN



200 GARAGE W EL



201 GARAGE



204 GARAGE INTERIOR



205 GARAGE INT.



206 GARAGE LOOKING S



215 INSIDE VAULT



216 VAULT DETAIL



218 CHABOT HOUSE W PATIO



219 CHABOT W PORCH



220 OUTSIDE W PATIO



221 NW CORNER



223 WHITE POPLARS



225 E ELEV



231 SE CORNER



233 S PATIO



234 E WALL



235 S PATIO



238 DOOR W PATIO



241 S UNIT BDRM



242 S UNIT LIVING RM



243 S UNIT BATH



245 S UNIT LIVING

**MEMORANDUM OF UNDERSTANDING
BETWEEN
NM DEPARTMENT OF CULTURAL AFFAIRS, NM ECONOMIC
DEVELOPMENT DEPARTMENT- FILM DIVISION, AND REDFORD
ENTERPRISES, INC.**

THIS MEMORANDUM OF UNDERSTANDING AGREEMENT (“the Agreement”) is entered into by and among the NM Department of Cultural Affairs (“DCA”), the NM Economic Development Department – Film Division (“Film Division”), and Redford Enterprises, Inc., a Utah corporation (“Loanout”). The DCA, the Film Division, and Loanout are sometimes collectively referred to herein as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, DCA, a department of the State of New Mexico, is charged with preserving and promoting the historic and cultural assets of the state; and

WHEREAS, DCA purchased the property known as “Los Luceros” in Alcalde, New Mexico, comprised of 148 acres on the Rio Grande including the original hacienda, residential, commercial and utility buildings, in order to preserve its historic nature and integrity and for the purpose of cultural, artistic, environmental, and educational activities, events and outreach; and

WHEREAS, the Film Division, a division within the State of New Mexico Economic Development Department, is charged with developing, promoting, and growing the film and media industries within the state through, in part, the effective training and support of New Mexicans in the technical and artistic aspects of film and media, thereby leading to ongoing job creation and career building; and

WHEREAS, the future sustainability of New Mexico’s film and media industries is dependent upon the development of New Mexican filmmakers (writers, directors, actors and producers), New Mexican technical crews, and New Mexican film production companies; and

WHEREAS, the State of New Mexico supports equal opportunities for all of its citizens and recognizes the need to create such opportunities for the underrepresented cultural voices in New Mexico through community, relationship, and partnership building, training, networking, and exposure; and

WHEREAS, Loanout agrees to provide, on a limited basis, the consulting services of Robert Redford (“Redford”) on the terms and conditions more particularly set forth in this Agreement; and

WHEREAS, Redford is a preeminent, internationally renowned actor, producer and director of motion pictures, television films and other projects, with broad and unique experience, expertise and knowledge in the production and exhibition of particular genres of film, artistic program development, environmental initiatives and other initiatives in which the DCA and Film Division will be engaged; and

WHEREAS, DCA has the expertise, knowledge, personnel and other resources to properly oversee the maintenance, upkeep, appropriate development, and preservation of the historic integrity of Los Luceros; and

WHEREAS, the Film Division has the expertise, knowledge, personnel and other resources to properly engage in the development and implementation of film programs and training; and

WHEREAS, Loanout, DCA, and the Film Division all share a dedication to film, art, culture, and their affects on the environment and environmental policy; and

WHEREAS, Loanout, DCA, and the Film Division are willing to enter into a collaboration to further the interests of film, art, culture and the environment in connection with developing programming for Los Luceros; and

WHEREAS, the first Memorandum of Understanding was signed on February 26, 2010. However, the state's budget may not be able to lend support to this project as contemplated by the February 26, 2010 Memorandum of Understanding. Because the Parties hope to pursue private funding both separately and jointly, this Memorandum of Understanding replaces the February 26, 2010 Memorandum of Understanding and renders that Memorandum of Understanding void.

WHEREAS, the Parties to this Agreement attest to the great value and benefit of such collaboration to the State of New Mexico and its citizens and the Parties hereto have the authority to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the Parties hereto mutually agree as follows:

1. Responsibilities of the Parties.

The Film Division, DCA, and Loanout will collaboratively provide the services, as set forth below, at Los Luceros for the nurturance and support of underrepresented cultural voices with an initial focus on Native American and Hispanic filmmakers including but not limited to workshops, events, intensives, lectures, film production, editing, and screenings. The support, development and success of the programs contemplated in this Agreement shall be a high priority for all Parties.

A. The Film Division shall:

- i.** collaborate and consult meaningfully with Redford and/or his designees in good faith on the development and implementation of new programs for Los Luceros as contemplated by this Agreement;
- ii.** work with Redford and/or his designees meaningfully and in good faith to plan, organize and facilitate workshops, events, intensives, production activities, editing, and screening of current or sample work at Los Luceros;
- iii.** supply New Mexico filmmakers, crew, and production personnel who will be engaged in these activities as either mentors or mentees;
- iv.** seek funding for all expenses and costs in accordance with State law, some of which shall be negotiated by the Parties and by separate contract,

for these activities that are appropriate and directly relate to the mission and the ongoing development of these initiatives under this Agreement;

v. on an annual basis, develop a budget and funding plan consistent with the production of high quality first class artistic programming and events consistent with the intention of this Agreement, which may consist of private and non-profit funding.

vi. coordinate and communicate with Loanout, Redford, his designees, and DCA meaningfully and in good faith regarding dates, times and schedules of events under this Agreement, acknowledging and agreeing that Loanout and Redford will have the Priority Rights (defined below) during the Priority Reservation Period (defined below) as more particularly set forth in Paragraph 7;

vii. seek funding for a coordinator who will oversee and manage, along with Redford's designees, all activities under this Agreement;

viii. involve DCA in discussions on development, operational needs and physical needs at Los Luceros; and

ix. agree to full confidentiality of proprietary information under this Agreement and to the fullest extent allowed by State law.

B. DCA shall:

i. oversee and manage the facilities at Los Luceros and maintain and cover the cost of an on-site manager whose duties include security;

ii. cover the costs of maintenance and upkeep of Los Luceros;

iii. coordinate and communicate with Loanout, Redford, his designees, and the Film Division meaningfully and in good faith regarding any and all requests for events or usage of the property at Los Luceros **during the Priority Reservation Period**, to determine the availability of facilities and the appropriateness of the event or usage and using best efforts to ensure a high standard of quality for such usage and events, acknowledging and agreeing that Loanout and Redford will have the Priority Rights during the Priority Reservation Period, as more particularly set forth in Paragraph 7 below, and that activities scheduled at Los Luceros **during the Priority Reservation Period (or outside of the Priority Reservation Period)** that are outside of this Agreement may be misconstrued as sanctioned, supported, sponsored or connected to Loanout, Redford and/or the Sundance family of entities (i.e., Sundance Institute, Sundance Film Festival, Sundance Channel, Sundance Cinemas, etc); and

iv. agree to full confidentiality of proprietary information under this Agreement and to the fullest extent allowed by State law.

C. Loanout shall:

i. provide, on a limited basis, the consulting and advisory services of Redford in connection with programming, content development, environmental and other artistic and curatorial opportunities related to Los Luceros; and

ii. consult with the Film Division and DCA with respect to proposed corporate sponsors, government grants, and other sources of funding for

the programming and other activities at Los Luceros contemplated by this Agreement.

iii. involve DCA and the Film Division in discussions on development, operational needs and physical needs, and on event planning at Los Luceros.

It is expressly understood and agreed by DCA and the Film Division that Loanout shall not be required to cause Redford to spend any set quantity of days or specific times performing the services set forth in this Agreement. All of Redford's services hereunder shall be scheduled at such reasonable times and places designated by Redford in his sole and absolute discretion and shall be subject to Redford's availability, consistent with his other significant commitments. Under no circumstances shall the DCA or the Film Division claim that Redford is in breach hereunder for his failure to render any particular nature or quantity of services.

2. Use of Redford Name, Voice, Likeness and Image.

A. Rights Granted. The Film Division and DCA shall have the limited right to use the name, voice, likeness and image of, and biographical materials about, Redford (collectively, sometimes referred to as the "Redford Items"), in media approved by Redford throughout the United States during the Term of this Agreement in connection with the advertising, promotion and publicity for the consulting services provided by Redford (collectively, the "Permitted Uses") in accordance with the terms and conditions hereof. In no event shall the Redford Items be used in connection with any merchandising, commercial tie-ins or premiums or otherwise associated with any product or other service.

B. No Assignment and Intellectual Property. Nothing contained herein shall be construed as an assignment of any of the trademark or other intangible rights in the Redford Items, all of which shall be expressly reserved to Redford. Without limiting the generality of the foregoing, the Film Division and DCA shall not, without Redford's prior written consent, assign or sublicense any of the Film Division's or DCA's rights hereunder to use the Redford Items. In addition, Sundance and its affiliates are the owners of certain trademarks, service marks and logos incorporating the name "Sundance" (hereinafter the "Sundance Trademarks"). Loanout, Redford and Sundance expressly reserve, and DCA and Film Division acknowledge that Loanout, Redford and/or Sundance have the sole and exclusive ownership of the Sundance Trademarks. The Parties expressly agree that DCA and Film Division shall not have any right, title or interest in the Sundance Trademarks and DCA and Film Division shall not use any of the Sundance Trademarks without the express written consent of Loanout, Redford or the appropriate Sundance entity.

C. Specific Uses. With respect to the right, as granted in Paragraph 2(A) above, to use the Redford Items in or on any given item, Redford shall have the right to approve the use of same in advance in writing. Once a given item containing Redford's name, voice, likeness or image, and/or biographical material has been approved pursuant to the terms hereof, it may not be altered in any way or used for any other purpose without Redford's prior written consent. Redford shall have the right to approve not only

the particular Redford Item to be used, but also the specific media and duration of use. In the event the duration of use of any particular material is not specified in Redford's notice of approval, the outside time period for such use shall be one year from the date of the approval.

D. Deemed Disapproval. If DCA or Film Division request, in a writing delivered in accordance with Paragraph 10 below, Redford's approval of any matter which requires Redford's approval hereunder and Redford fails to approve or disapprove of such request within fifteen (15) days after delivery of such request, such shall be deemed to constitute Redford's disapproval hereunder of such request. All of Redford's rights of approval hereunder shall be exercisable in his sole and absolute discretion.

4. Ownership of Capital Improvements and Other Equipment. All capital improvements made or equipment purchased with funds paid under this Agreement shall be the exclusive property of DCA, or to Film Division if purchased with Film Division funds, unless otherwise agreed by separate written instrument. Other property acquired pursuant to this Agreement shall be distributed as agreed upon by the Parties upon termination of this Agreement.

5. Term of Agreement. This Agreement shall become effective upon the date of the last signature affixed below, unless an earlier effective date is requested and agreed upon by the Parties in the body of this Agreement. This Agreement will continue indefinitely ("Term") unless terminated pursuant to the conditions of "Termination" in Paragraph 6 below.

6. Termination.

A. For Cause. The Parties may terminate this Agreement based upon any material breach of this Agreement by any other Party. The non-breaching party shall give the breaching party written notice of termination specifying the grounds for the termination. The termination shall be effective seven (7) days after the breaching party's receipt of the notice of termination, during which time the breaching party shall have the right to cure the breach. If, however, the breach cannot with due diligence be cured within seven (7) days, the breaching party shall have a reasonable time to cure the breach, provided that, within seven (7) days of its receipt of the written notice of termination, the breaching party (i) begins to cure the breach and (ii) notifies the non-breaching party in writing of its intent to cure.

B. Redford Right to Terminate. In addition to any other rights provided herein or as a matter of law, Redford shall have the right to terminate this Agreement upon written notice in the event DCA and Film Division cannot provide funding and a budget consistent with the production of first class artistic programming and events consistent with the intention of this Agreement or if DCA and Film Division otherwise schedule programs and/or events at Los Luceros which are not of the same high standards of quality consistent with the intention of this Agreement and which in Redford's sole discretion threatens damage to Loanout, Redford's or Sundance's reputation or image.

C. Injunctive Relief; Rights on Termination. DCA and Film Division acknowledge that, in the event of any material breach hereof by DCA and/or Film Division, including without limitation, any breach of approvals of Redford and the restrictions on the use of his name, likeness and/or image herein provided, Redford could suffer irreparable harm which may not adequately be compensated by damages at law and therefore, in such event Redford shall, in addition to all other available remedies, be entitled to seek injunctive relief to restrain or enjoin said breach. In the event of termination hereof by Redford, DCA and Film Division shall immediately cease and desist from any further use of the Redford Items.

7. Redford Priority Rights. The Parties agree that Redford shall have a priority right of programming for Los Luceros **during the Priority Reservation Period** with respect to dates, times and schedules and a priority right of first approval for events and programs that occur at Los Luceros **during the Priority Reservation Period** (collectively, the "Priority Rights").

A. "Priority Reservation Period" as used herein means that time period during the calendar year, to be determined and agreed to at a later date by all Parties, in which the workshops, events, intensives, lectures, film production, editing, screenings, etc., as contemplated under this Agreement are planned to occur at Los Luceros.

B. Programming Rights. The Parties shall establish a time to meet to discuss and determine the Priority Reservation Period and the programming and event calendar for Los Luceros during that period. Redford shall have Priority Rights to select dates, times and schedules for programming, including but not limited to, workshops, events, labs, screenings, etc., during the Priority Reservation Period. The Parties acknowledge that programs and event schedules may change and the Parties agree to cooperate in good faith with scheduling changes for Los Luceros.

C. Right of First Approval. Redford shall have a priority right of first approval for all programming and events that occur or take place at Los Luceros **during the Priority Reservation Period**. Before scheduling any program, event or activity at Los Luceros **during the Priority Reservation Period**, DCA and/or the Film Division will first provide to Redford, at least **sixty (60)** days' prior, written notice of the proposed program, (the "**Notice**") event or activity to occur at Los Luceros. Redford shall evaluate the proposed, program, event or activity to ensure that it is in accord with the intent of this Agreement and shall, within fifteen (15) days after receiving the Notice, provide DCA and/or the Film Division with approval or disapproval of the same. If Redford disapproves of the program, event or activity proposed to occur **during the Priority Reservation Period**, such notice will specify the reasons for any disapproval. Notwithstanding the foregoing, all events or usage of Los Luceros outside of the provisions of this Agreement (within or without the Priority Reservation Period) shall be in concert with the collaborative mission of the Parties. "

8. Subcontracting. Redford shall not subcontract any work under this Agreement without first obtaining the advance written consent of DCA and the Film Division, which approval may be conditioned upon DCA and Film Division's review and approval of the subcontract agreement for consistency with this Agreement, any work plan(s), and applicable law. Any attempted subcontracting without the advance written consent of DCA and Film Division shall be null and void, without any legal effect.

9. Assignment. Redford shall not assign or transfer any interest in this Agreement without the prior written approval of DCA and the Film Division. Any attempted assignment or transfer without DCA's and the Film Division's written consent shall be null and void, without legal effect.

10. Notices. All notices, decisions, or other matters required under this Agreement to be set forth in writing shall be sent by facsimile or regular mail, addressed as follows:

To DCA:
Cabinet Secretary, Department of Cultural Affairs
407 Galisteo St, Ste. 260
Santa Fe, NM 87501
Fax: 505-827-4325

To the Film Division:
Director, New Mexico Film Office
c/o Santa Fe University of Art and Design
1600 Saint Michael's Drive
Santa Fe, NM 87505
Fax: 505-476-5601

To Loanout:
General Counsel, The Sundance Group, LLC
3520 N. University Ave, Suite 100
Provo, Utah 84604

Any and all items requiring Redford's approval hereunder shall be delivered to Redford at the following address (unless and until a substitute address is designated by Redford in writing):

Robert Redford
c/o Sundance Group, LLC
3520 N. University Ave., Suite 100
Provo, Utah 84604
Attn: General Counsel

In the case of mailings, notices shall be deemed to have been given/received upon the date of the Party's actual receipt of notice or five (5) calendar days after mailing, whichever shall first occur. In the case of facsimile transmissions, the notice shall be deemed to have been given/received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the writing. A Party may specify a different person and/or address to send notices to by giving the other Parties advance, written notice of such change in accordance with this Paragraph.

11. Merger. This Agreement incorporates all the agreements, covenants and understandings between the Parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No prior or contemporaneous agreement or understanding of the Parties or their agents, oral or written, shall be valid or enforceable if not embodied in this Agreement.

12. Amendment. This Agreement shall not be amended except by a written instrument signed and executed by all Parties to the original.

13. Governing Law. This Agreement shall be construed and governed by the substantive laws of the State of New Mexico, without regard to its choice of law provisions.

14. Insurance. DCA and/or Film Division shall place and maintain for the full Term hereof customary levels of general liability, errors and omissions, workers compensation and other appropriate insurance coverages, naming, to the extent of his or their insurable interests, Loanout, Redford and entities owned or controlled in whole or in part by Redford as additional insured parties. DCA and/or Film Division shall furnish to Loanout written certificates provided by the insurance company or companies evidencing such coverages and confirming that there shall be no modification, cancellation or termination thereof without a minimum of thirty (30) days prior written notice to Loanout.

15. Liability. No Party to this Agreement shall be responsible for liability incurred as a result of the acts or omissions of any of the other Parties in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, § 41-1-1, et seq. NMSA 1978, as amended.

16. Third-Party Beneficiaries. This Agreement is not intended to and does not create any rights in any person or entity who is not a party hereto.

17. Status of Entity. Loanout and its agents and employees are not employees of the State of New Mexico as a result of this Agreement. Loanout and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement.

18. Waiver. No party to this Agreement may waive its rights under this Agreement except through an express, written waiver, signed by a representative with authority to do so.

19. Severability. If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date of the last signature affixed below.

STATE OF NEW MEXICO



Bill Richardson, Governor

DEPARTMENT OF CULTURAL AFFAIRS



Cabinet Secretary

Date: 12/27/10




DCA General Counsel as to legal form and sufficiency only

ECONOMIC DEVELOPMENT DEPT – FILM DIVISION



Cabinet Secretary or Designee

Date: 12-27-2010



EDD General Counsel as to legal form and sufficiency only

REDFORD ENTERPRISES, INC.,

Authorized Signatory

Date: _____

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date of the last signature affixed below.

STATE OF NEW MEXICO

Bill Richardson, Governor

DEPARTMENT OF CULTURAL AFFAIRS

Cabinet Secretary

Date: _____

DCA General Counsel as to legal form and sufficiency only

ECONOMIC DEVELOPMENT DEPT – FILM DIVISION

Cabinet Secretary or Designee

Date: _____

EDD General Counsel as to legal form and sufficiency only

REDFORD ENTERPRISES, INC.,



Authorized Signatory

Date: 12/28/10

Historic Los Luceros – Peer Facility Survey

Name of Facility:

Name and contact info:

Location:

Today's date:

1. What is the total acreage of the facility? How much of that acreage is used for farming?
2. Public or private facility? If public, what is the government entity that oversees the facility?
3. Is there a foundation associated with the facility?
4. What type of funding structure does your facility use?
5. Do you charge admission fees?
6. Is your facility open for events, retreats, workshops?
7. Is there a fee schedule associated with events, retreats, workshops?
8. Do you have overnight accommodations? What type and for how many visitors?
9. What other types of amenities does your facility have? (museum, commercial kitchen, restaurant, retail store, gift shop?)
10. Do you have paid staff? How many full time staff versus part time staff?
11. Do you have volunteers? How many?
12. Number of visitors annually?

13. What type of components is there to the facility? Farm? Education?

14. If your facility contains farming, what kind of farming do you have? (crops, produce, livestock, etc.?) How is it managed? For instance, do you have a farmer that rents the fields? Or does your staff do the farming? How is the produce/yield used?

15. Other information

Los Luceros Community Event Survey – June 30, 2012

1. Have you even been to Los Luceros before today? If so, what did you come here for?
2. When you think of Los Luceros what image or thoughts come to mind?
3. What would bring you back to Los Luceros in the future?
4. What do you think Los Luceros should be in the future?

Other comments?

*The Department of Cultural Affairs
invites you to a meeting concerning Los Luceros*

Community Input Meeting at **LOS LUCEROS HISTORIC FARM** October 15, 2012 at 6 PM

The purpose of the meeting is to solicit input on how the community may assist in the preservation of this important historic and cultural resource



**For more information about this meeting, please contact
Consensus Planning at (505) 764-9801**