

Revitalization Using Metropolitan Redevelopment Area Plans

The Tools to Creating Great Town Centers



Frontier
Communities
Initiative



NEW MEXICO
arts & cultural
DISTRICT

NM Metropolitan Redevelopment Code

- NM State Statute (3-60A.1-41, 1978) that empowers municipalities with additional authorities to revitalize and redevelop areas that are deteriorated, blighted or underutilized in order to stimulate economic development and community well-being by establishing it as a Metropolitan Redevelopment Area (MRA).

- **The Metropolitan Redevelopment Area**

- An area that has existing economic and physical conditions (“blight”) such as high unemployment/low income levels, low business activity, vacant/underutilized buildings or properties, etc. The municipality approves a Designation Report that formally designates the Area as appropriate for a Metropolitan Redevelopment Area Plan.

- **The Metropolitan Redevelopment Plan**

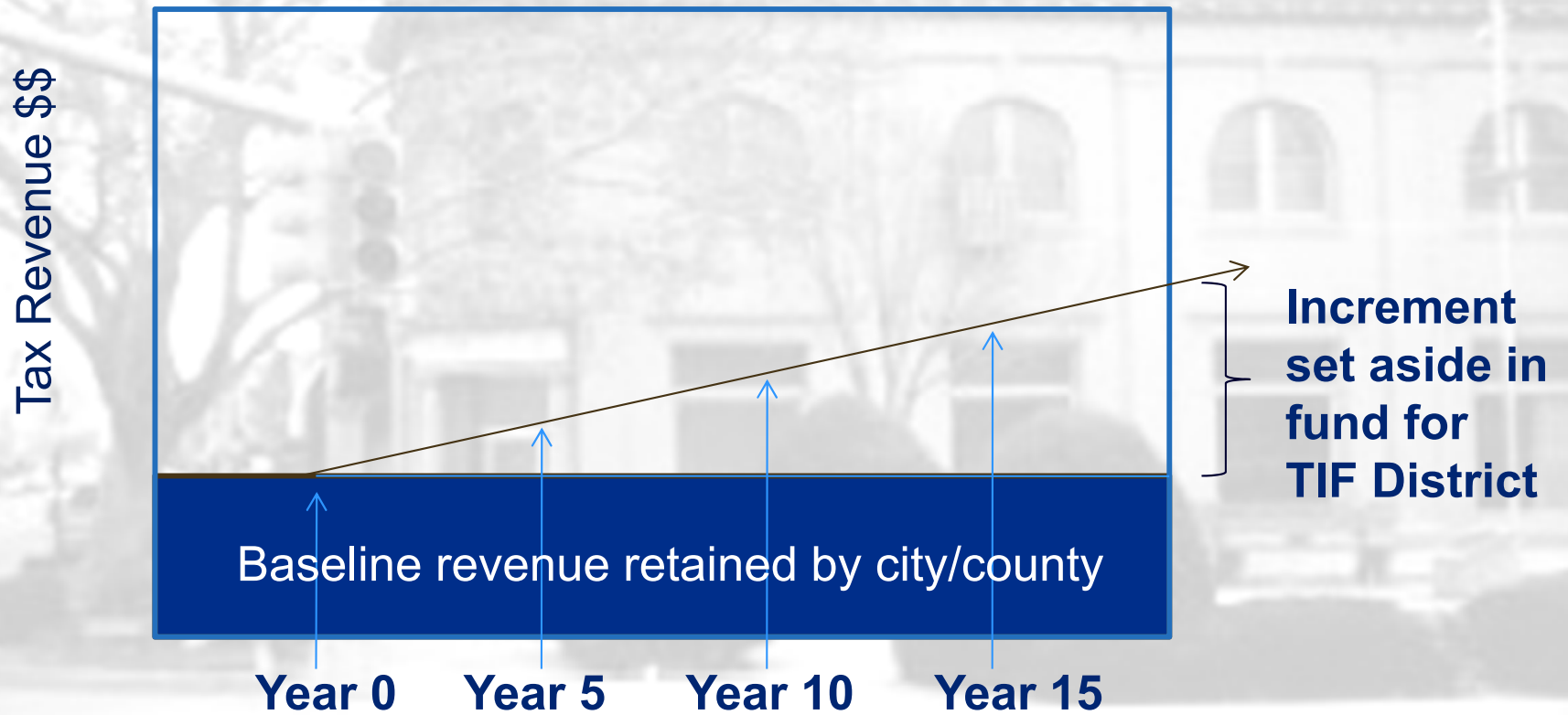
Identifies specific redevelopment projects that when implemented will eliminate the blighted conditions and stimulate economic activity. These projects can include land/building acquisition, pedestrian and transportation improvements, community facilities, housing, and public places.

MRA Plan Economic Development Tools

- **Public/Private Partnerships**
 - doesn't violate NM "anti-donation clause"
 - allows "fair value" (below appraisal) when there are tangible public benefits through Development Agreements
 - no prohibition on "Retail uses" as in LEDA (>10,000 pop)
 - 3-60A-48. Liberal interpretation. *"The Metropolitan Redevelopment Code shall be liberally construed to carry out its purposes."*
- **Funding and financial tools**
 - Tax Increment Financing (TIF) Districts
 - Property Tax deferrals or credits
 - Issuance of Revenue Bonds
 - State/Federal Brownfield funding opportunities
 - NMMFA Low Income Housing Tax Credits bonus points
 - CDBG Funding eligibility (without meeting LMI criteria)
 - NMFA Local Planning Grant for \$50,000 (no match requirement) to prepare MRA Plan when town approves Designation Report.

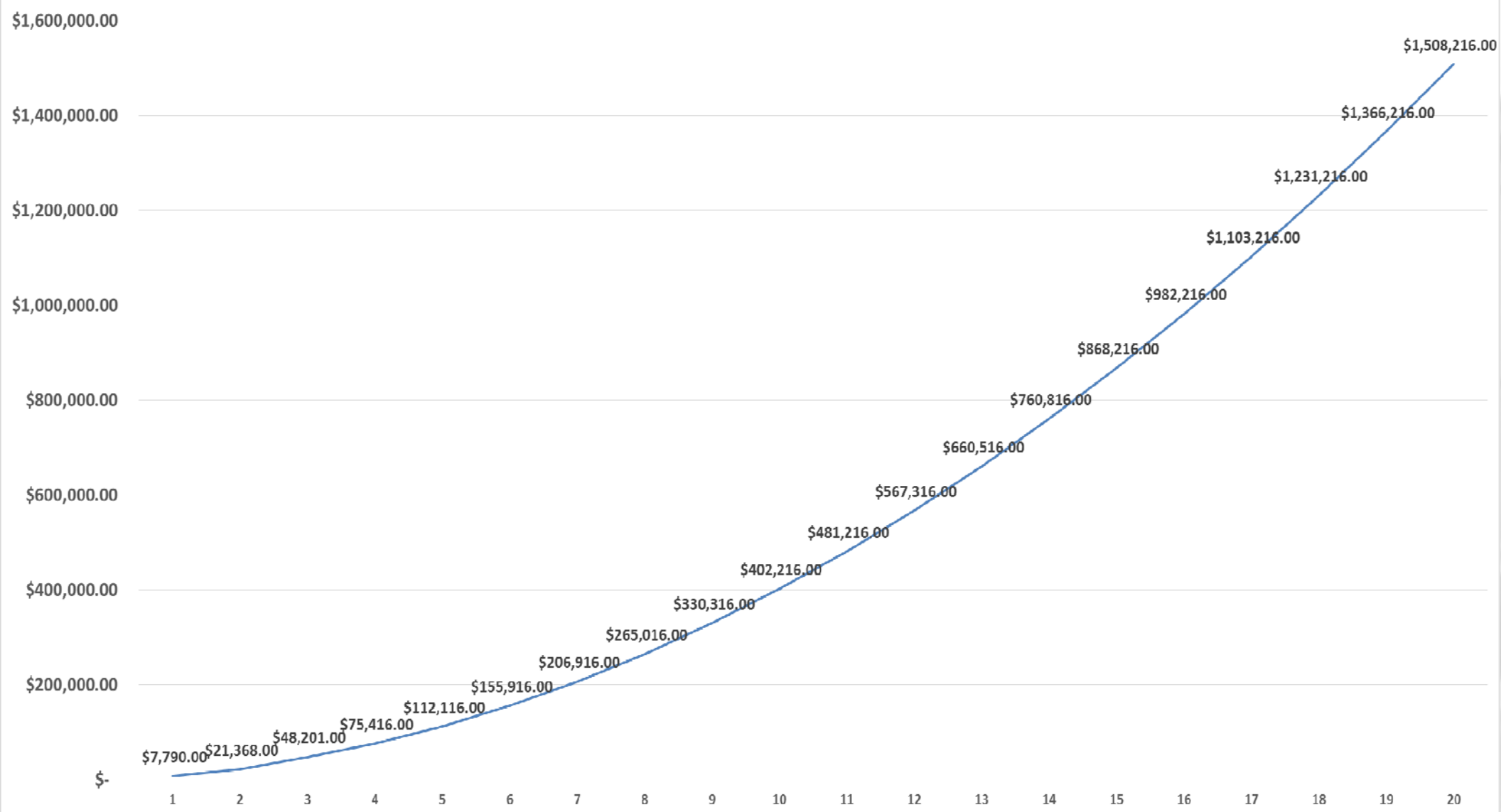
Tax Increment Financing Districts

How TIF works...



Downtown Las Vegas TIF District Projection

Tax Increment Accumulated Over 20 Years



Tax Increment Financing (TIF) Districts

- Only requires City Council approval (no election or petition).
- Uses existing property tax for the increment - not a new tax or tax increase. Can include the County's increment with BoCC approval.
- TIF funds generated in the district are spent in the district.
- TIF funds can be used for plan projects and operational purposes.
- City Council is Redevelopment Board and controls how funds are spent within district.
- Shows a commitment by City to developers for private reinvestment.
- Revitalization results in increased GRT and property tax revenues.

MainStreet/Frontier Communities with MRA Plans:

MRA Plans approved

- Clovis
- Barelmas/Abq
- Farmington
- Deming
- Truth or Consequences
- **Belen**
- **Gallup**
- Questa
- Santa Clara
- **Carrizozo**
- **Lordsburg**
- Roswell
- Roy/HC (in approval process)
- Mosquero/HC (in approval process)
- **Grants** (in process)
- **Tucumcari** (in process)
- **Tularosa** (in process)
- **Santa Rosa** (funding process)
- **Aztec** (funding process)

MRA Plans with TIF/TIDD district approved

- Las Cruces
- Abq Downtown
- Nob Hill/Abq
- Lovington
- Las Vegas
- Raton
- Silver City
- South Valley/Historic Bridge

***Bold** is NMFA funded*

Old Abq High School 1983 MRA Plan



- Abq HS was closed in 1974 by APS district.
- City approved the MRA Plan in 1983.
- Purchased by City of Abq in 1996 after sitting vacant 22 years.
- City received funding from State and EPA for clean up of the site as a brownfield.
- In 2001 entered into a Development Agreement with private developer on a “fair value” basis.
- Building redeveloped as apartments, condominiums, retail and offices

Clovis 2006 MRA Plan



Hotel Clovis Adaptive Reuse:
Mixed Use Residential/Retail Project
negotiated on a “fair value” long term lease.



Farmington 2009 MRA Plan

CDBG Façade Improvement Program

- \$150,000 grant for 14 buildings on Main St.



Next steps:

Redevelopment Code Statute amendments to (1) include Counties and Tribal Governments, (2) clarify TIF “district” formation, and (3) allow State/local GRT increment to be included in the TIF district funds.

Leverage *Great Blocks on MainStreet* capital outlay funds to create public/private partnerships (aka development agreements) with private business/building owners.

Develop a *NMMS Institute* on “Implementing Your MRA Plan” that goes deeper into “fair value” on development agreements and public/private partnership projects.

The background is a faded, grayscale photograph of a street scene. On the left, there is a large, leafless tree. In the center and right, there is a multi-story building with arched windows. A traffic light is visible on the left side of the street. The overall image is semi-transparent, allowing the text to be clearly visible over it.

Questions?

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