

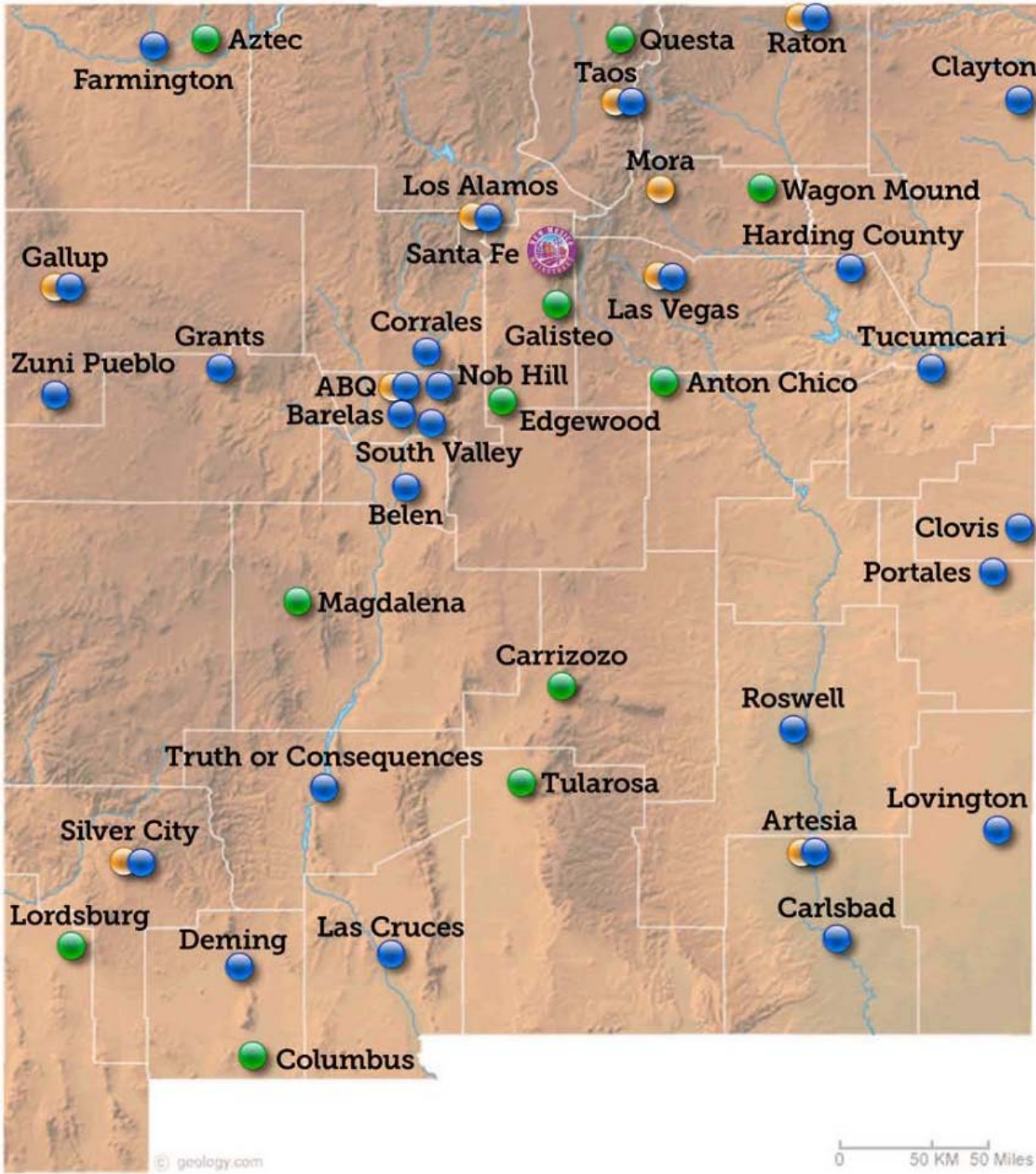
Economic Development You Can Do With (or in spite of) the NM Anti-donation Clause

Municipal Officials Leadership Institute

• September 25, 2014

- Rich Williams, Director, NM MainStreet Program/NMEDD
 - Charlie Deans, Urban Planning Associate, NMMS
- Elmo Baca, Historic and Cultural Projects Associate, NMMS





- Active NM MainStreet Communities
- State-Authorized Arts & Cultural Districts
- Frontier Community Projects



= 27



= 9



= 15

Frontier Communities Initiative



= 5



NEW MEXICO
arts & cultural
DISTRICT

State-authorized A&CDs:

- Silver City
- Las Vegas
- Los Alamos
- Downtown Abq
- Taos
- Raton
- Artesia
- Gallup
- Mora (first A&C Compound)

2007 NM Arts & Cultural District Act



Frontier Communities Initiative

2012 Amendment to NM MainStreet Act

First Round Communities:

- Columbus
- Hurley
- Madrid
- Carrizozo
- Moriarty
- Santa Clara Village
- Wagon Mound
- Lordsburg

Second Round Communities:

- Tularosa
- Questa
- Carrizozo
- Aztec
- Galisteo
- Anton Chico
- Edgewood
- Magdalena

NEW MEXICO'S

Historic



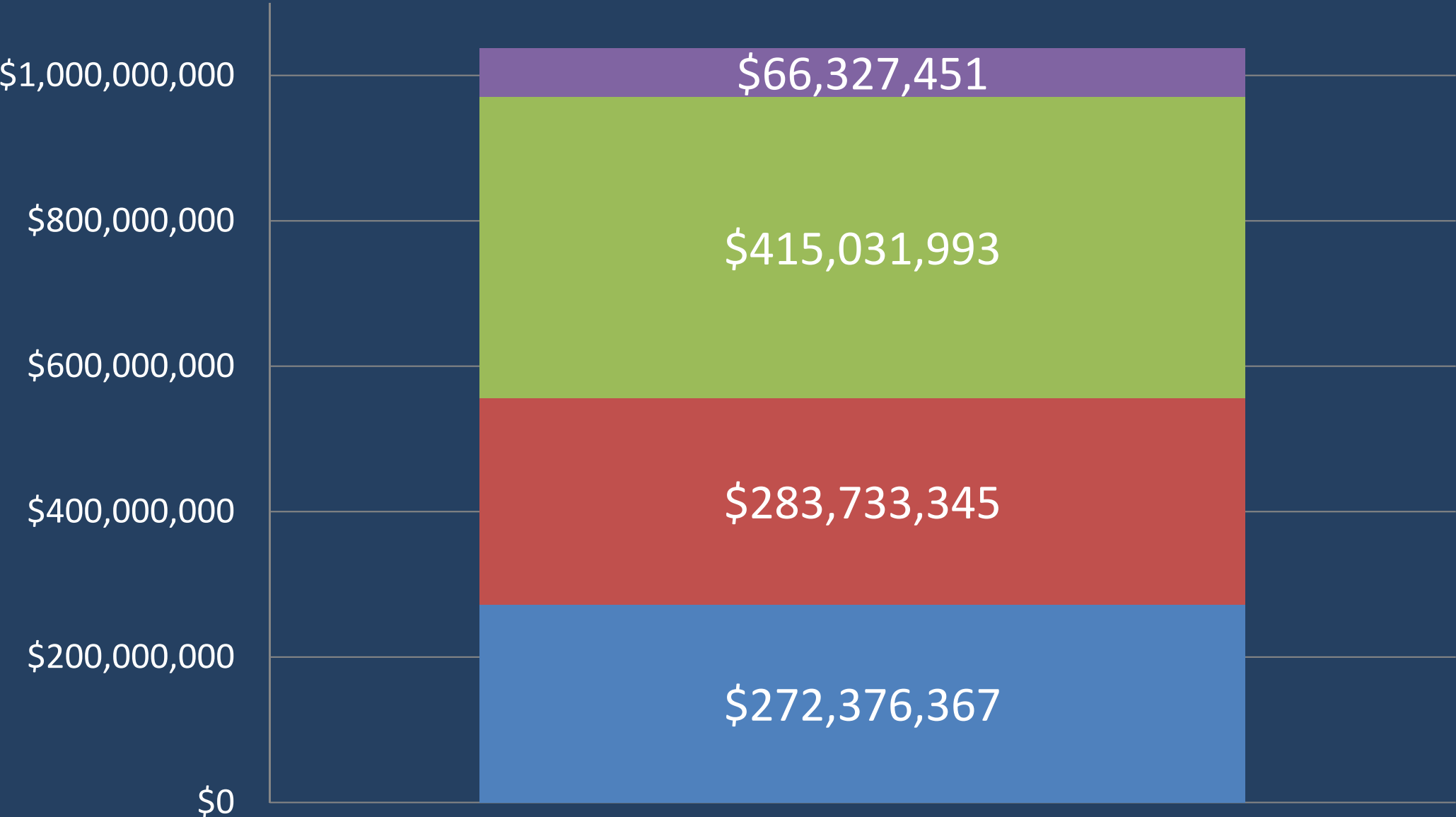
Movie Houses

INITIATIVE

In the New Mexico Tradition
*The Economic Impacts of Main Street –
1986-2013*

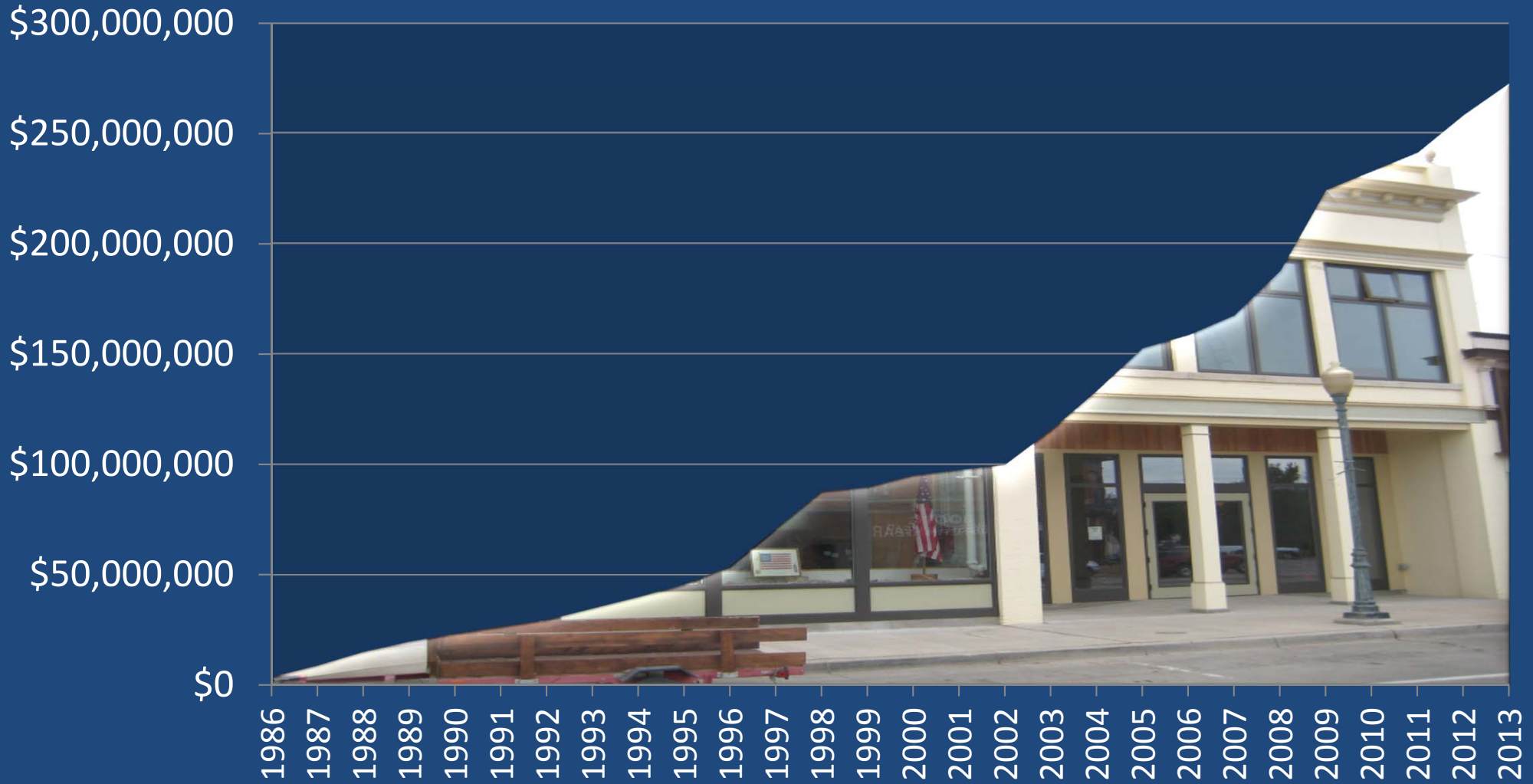


\$1 Billion Invested in Main Street Districts

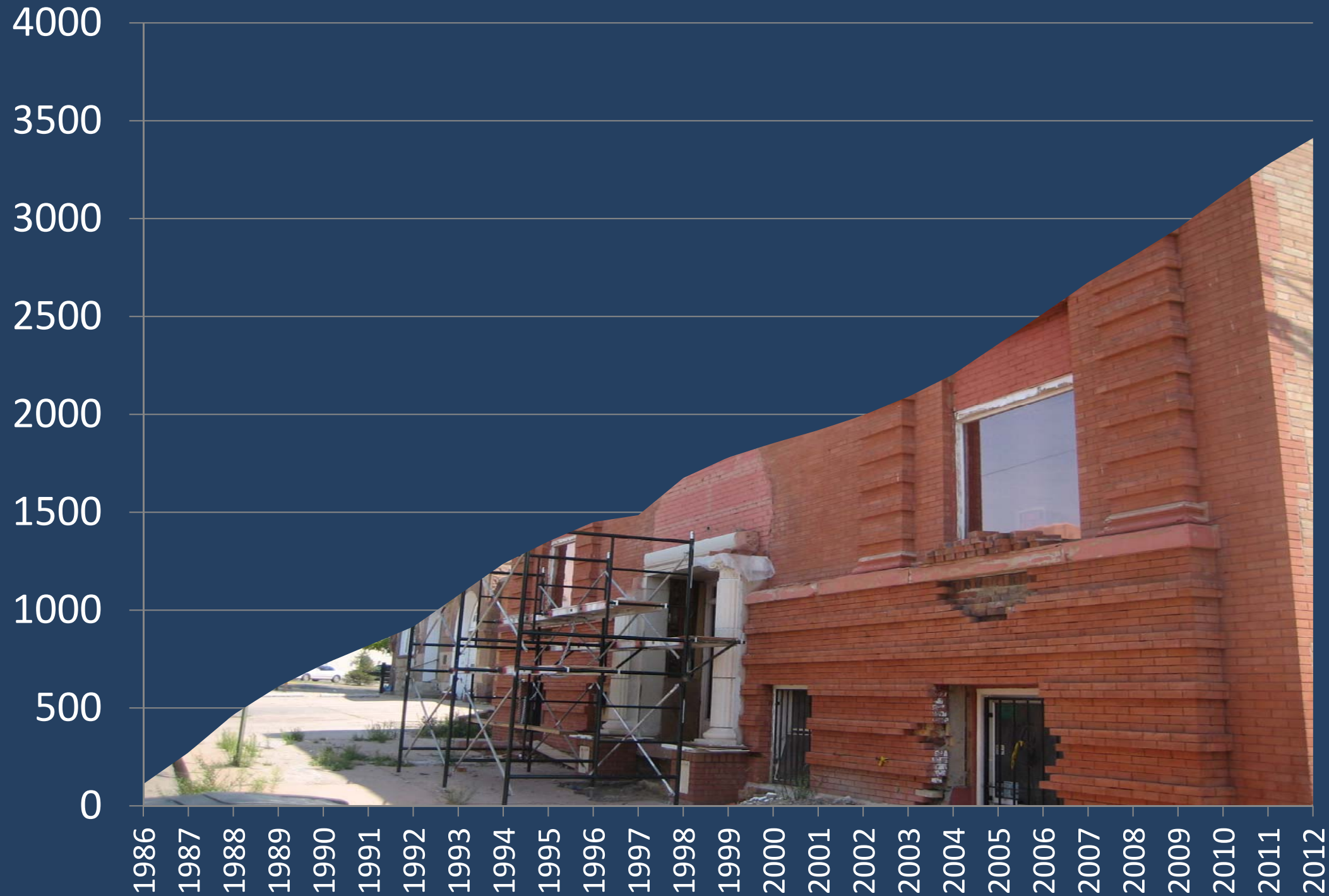


- Private Rehab
- New Construction
- Public Projects
- Public/Private Projects

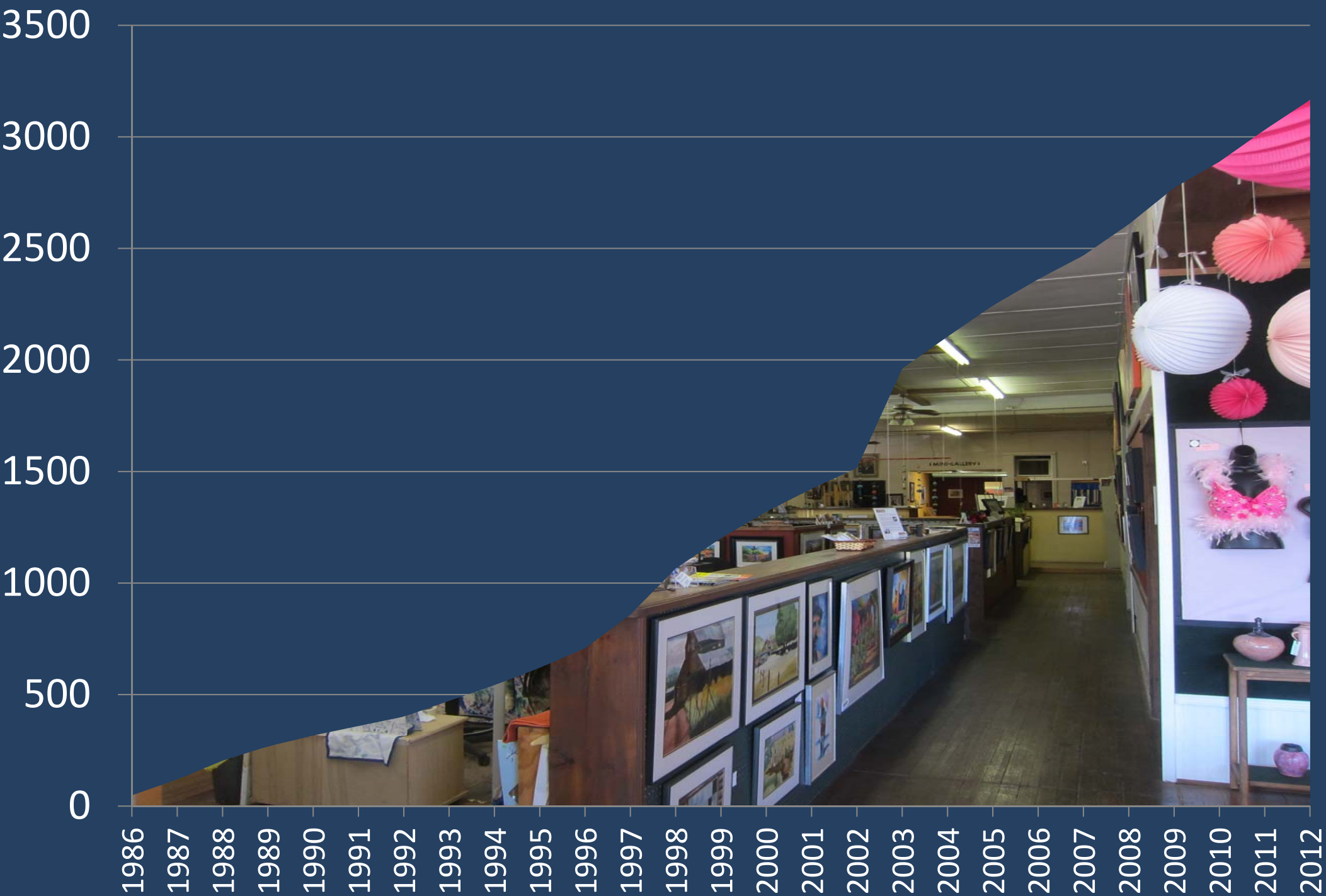
Cumulative Private Investment - Rehabilitation



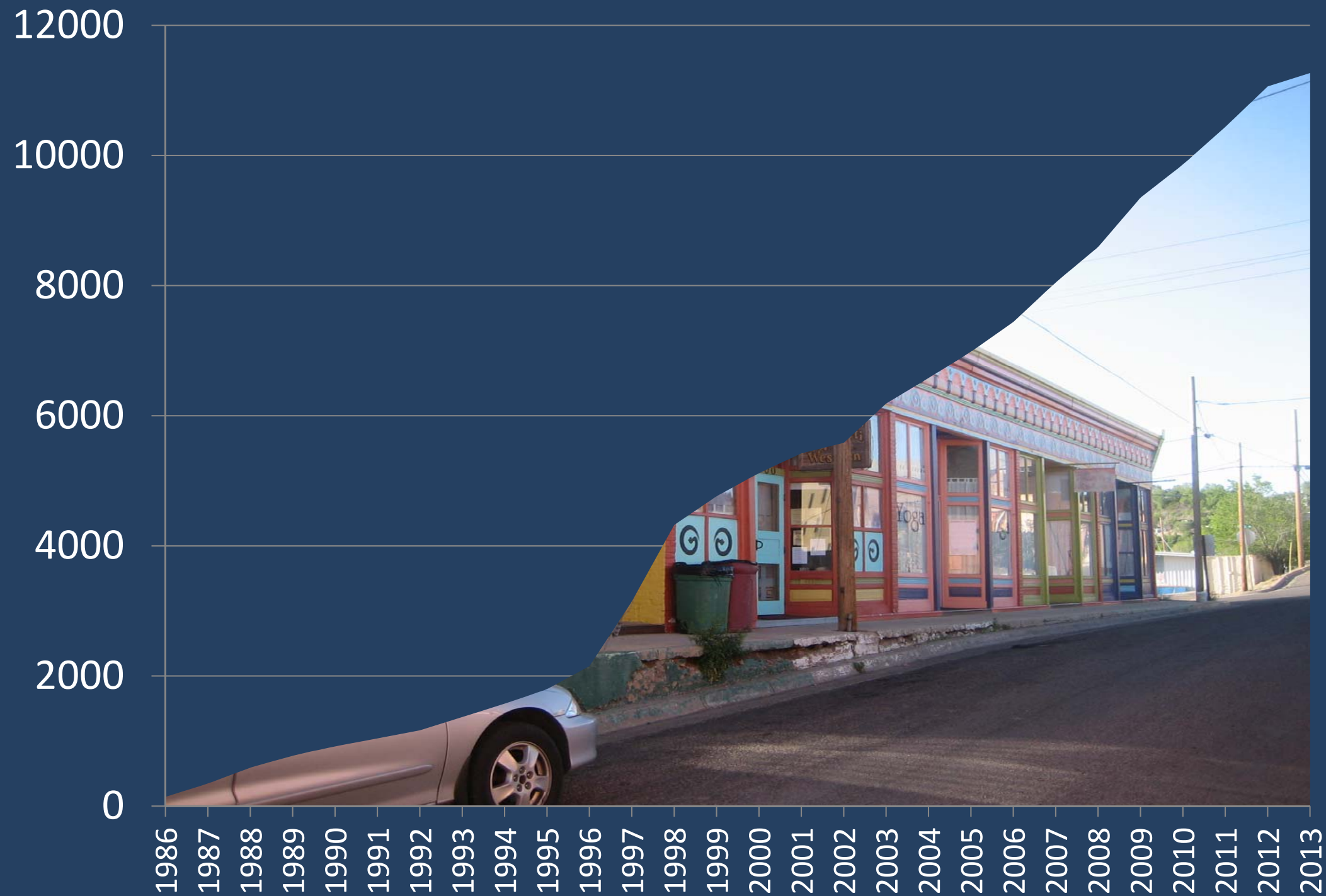
Cumulative Number of Building Rehabs



Cumulative Net New Businesses



Cumulative Number of Net New Jobs



Utilizing the **Local Economic Development Act** **(LEDA)** for Planning & Community Revitalization

Elmo Baca, Program Associate
New Mexico Main Street Program
September 2014

New Mexico's Local Economic Development Act (LEDA)

- [Adopted by the Legislature in the 1990s as a response to the Anti-Donation Clause of the state Constitution
- [Intention is to enable public investments in local economic development projects

LEDA Overview

Both state (through EDD) and local governments may make LEDA investments

Process requires a project application with documentation of job creation

Governing body appoints an agency to review LEDA projects

Projects must conform to an economic development plan



Palace Hotel, Raton

Funds

— [The source of public money used to fund economic development projects comes from up to 5% of the annual General Fund (GF) expenditures of the local government in that fiscal year.

— [Additional revenue beyond the 5% GF account can be generated through the imposition of the Local Options Gross Receipts Tax (LOGRT) specifically designed for economic development projects.

— [After a community has passed the Local Economic Development Act (LEDA), the local government can bring to ballot a measure to raise the municipal local options gross receipts tax (LOGRT) by 1/8th of 1%. The additional revenue is used specifically for economic development projects.

LEDA Nitty-Gritty

“What is a qualifying entity?”

Must be one or more of the following:

A corporation, limited liability corporation (LLC), partnership, joint venture syndicate, association, or other person and one of the following:

Warehouses, distribution centers

Service supply centers

Telecommunications call centers

an Indian Nation

Farmers Markets

An industry for manufacturing, processing, or assembly of agricultural or manufactured products

A business that is the developer of a metro redevelopment project

a cultural facility (2007 amendment)

a retail business

LEDA Qualified Uses

- [Purchase, lease, grant, construction, improvement or conveyance of land, buildings or other infrastructure;
- [Public works improvements
- [Payments for professional services contracts
- [Direct loans or grants for land, buildings or infrastructure
- [Technical assistance to cultural facilities
- [Loan guarantees

2007 Amendments to LEDA

— [NM Arts and Cultural Districts Act also amended LEDA and Historic Preservation tax credit statutes

— [2007 LEDA amendments intended to support “creative economy”

— [“Cultural facilities” is description and definition of “qualifying entity”

— [Local municipalities have broad powers of interpretation with local funds

— [Non-profits are eligible but LEDA untested

ACDs and LEDA

— [Local LEDA ordinance must be amended to include community investments in “cultural facilities”

— [Community economic development plans must be amended to include cultural economic development strategies and priority projects

— [Private and non-profit developers of cultural facilities may be considered



Gila Theater, Silver City

Cultural Facilities Defined

“**cultural facility**” means a facility that is owned by the state, a county, a municipality or a **qualifying entity** that serves the public through preserving, educating, and promoting the arts and culture of a particular locale, including theaters, museums, libraries, galleries, cultural compounds, educational organizations, performing arts venues and organizations, studios and media laboratories, and live-work housing facilities.

Funding LEDA projects

— [Determine “qualifying entity”

— [Assess community support for project

— [Prepare project application - request samples from city and state

— [Demonstrate economic and public benefits

— [Balanced budget should include diverse investors and cash flows

— [Pledge security equal to LEDA investment



Castañeda Hotel, Las Vegas

NM Historic Theaters Initiative

Clayton & Lovington



Community purchased theater in 2006

State NMMS Capital Outlay funds support renovation

State LEDA program supports digital upgrade of projection and sound system, seating

City of Lovington uses local LEDA Funds to Purchase LEA Theater in May 2014



Historic Theaters Initiative

Silver City

Community Initiated development project by Silver City Main Street and Town of Silver City

Rehabilitate historic theater as a first-run movie house

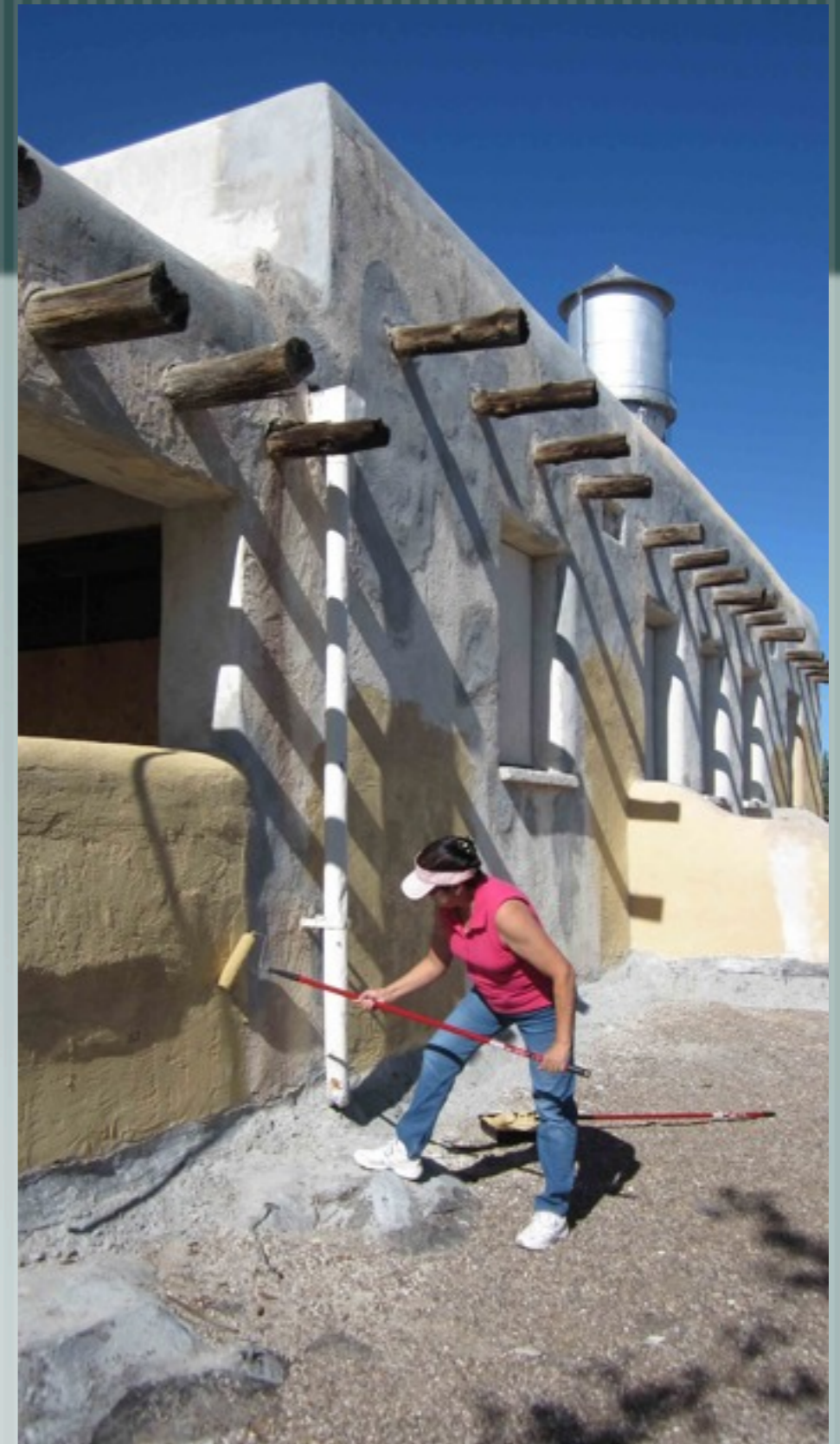
State capital outlay funds, NMFA public facilities loan, private donations, possible state LEDA grant



LEDA News.....

— [**Retail** allowed as new “qualifying entity” in 2013 Legislature in communities less than 10,000 pop.

— [“Clawback” provisions now required by state law



Old City Hall, Belen

Thanks!

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@ [http://nmmainstreet.org/pdfs/
LEDAforACDS_ElmoBaca.pdf](http://nmmainstreet.org/pdfs/LEDAforACDS_ElmoBaca.pdf)

Economic Development Using Metropolitan Redevelopment Area Plans

The Tools to Creating Great Town Centers



• Charlie Deans
• NMMS Urban Planning Associate

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).
- 2002 amendment deleting metropolitan requirement of 50,000 persons
- 2006 amendment deleting condemnation powers (Kelo vs City of New London)

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 acquisition/assembly
- zoning regulations
- pedestrian and transportation improvements
- community facilities and housing
- public placemaking and great spaces

MRA Plan Economic Development Toolbox

- **Public/Private Partnerships (Development Agreements)**
 - doesn't violate NM "anti-donation clause"
 - allows "fair value" (below appraisal) when there are tangible public benefits
- **Funding and financial incentives**
 - Tax Increment Financing (TIF) Districts
 - Revenue bond financing
 - Tax deferrals or credits
 - State/Federal Brownfield funding opportunities

MRA Plan Economic Development Toolbox

- Redevelopment developer is a “Qualifying entity” under LEDA
- No restriction on “Retail uses” as per LEDA
- NMMFA Low Income Housing Tax Credits bonus points
- CDBG Funds eligibility (without meeting LMI criteria)
- NMFA Local Planning Grant for \$50,000 for MRA Plan when MRA Designation Report is approved by city (no match req’ment).

MainStreet Communities with MRA Plans:

- **Las Cruces**- MRA plan/TIDD district approved
- **Abq DAT**- MRA Plan/TIF district approved
- **Nob Hill/Abq**- MRA Plan/TIF district approved
- **Lovington**- MRA Plan/TIF district approved
- **Las Vegas**- MRA Plan/TIF district approved
- **Silver City**- MRA Plan approved/TIF district in process
- **South Valley/Bridge**- MRA Plan approved/TIF district in process
- **Clovis**- MRA Plan approved
- **Barelas/Abq**- MRA Plan approved
- **Farmington**- MRA Plan approved
- **Village of Santa Clara**- MRA Plan approved
- **Deming**- MRA Plan approved
- **Truth or Consequences**- MRA Plan approval in process

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.
- Building redeveloped as apartments, condominiums, retail and offices

Clovis 2006 MRA Plan



Hotel Clovis Adaptive Reuse:
Mixed Use Residential/Retail Project



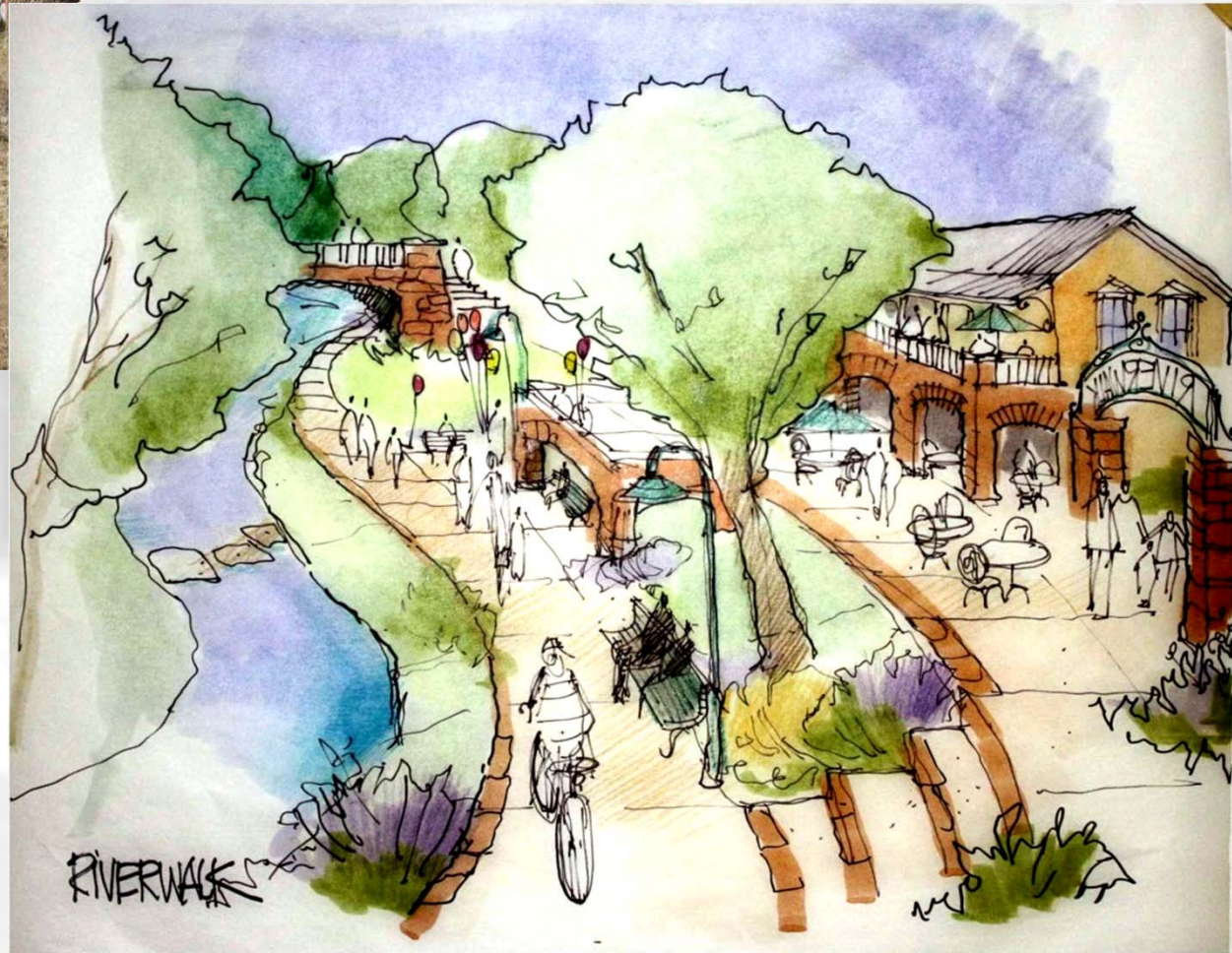
Farmington 2009 MRA Plan

CDBG Façade Improvement Program

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



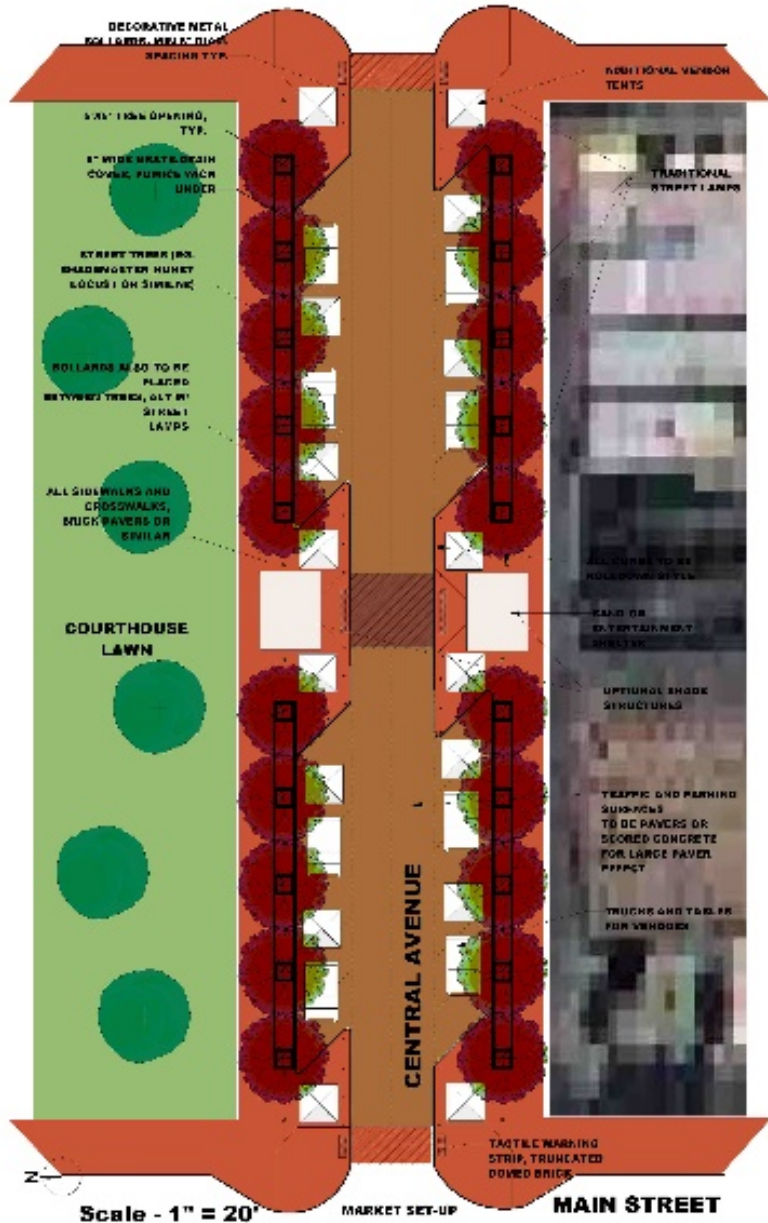
Las Vegas 2010 MRA Plan



Gallinas River Park Project

- City-owned land along river that will be developed as plaza in partnership with private retail businesses.

Lovington 2010 MRA Plan



Central Ave/Courthouse Square Project

- Re-designed street for temporary closures as an event/performance area using NMMS Capital Outlay and NMDOT Enhancement funds.



Silver City 2012 MRA Plan



Silver City “Theater District”

- Three theaters within one block area; town has purchased Silco and leases to SCMS non-profit at “fair value”.



Mark your calendars!



Building Creative
Communities Conference

Revitalization through Arts, Culture, Tourism and Preservation

First Annual Conference | November 12-14, 2014 | Santa Fe

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