FALL LEADERSHIP NETWORK MEETING

Financing Overview: Typology of Tools

Keith Kjelstrom, NMMS Economic Vitality Program Associate

NEW MEXICO MAINSTREET | A Program of the New Mexico Economic Development Department
Financing Catalytic Building Projects

1. Five finance fallacies
2. Tools for financing real estate and business development projects
3. Roles for local MainStreet leaders
Thank you!
In ancient times, families and friends played board games.
Fallacy #1.

Our project just needs financing.
Fallacy #2.
We’ll finance our project with grants cuz there are lots of grants out there!
Fallacy #3.
We’ll apply to “a” financing program.
Fallacy #3. 
We’ll apply to “a” financing program.
Fallacy #4.
This will be an easy deal.
Fallacy #5.
You have to be a finance “expert” to help develop local projects.
The Forces of Value in Real Estate Economics

- Political Value
- Physical Value
- Economic Value
- Social Value

- ORGANIZATION
- DESIGN
- ECONOMIC VITALITY
- PROMOTION
# Tools for Financing Real Estate and Business Development Projects

October 2016

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Next, 9:15 – 10:15 am

- Local LEDA and LOGRT (page 9)
- State LEDA-CO (page 9)
- FUNDIT
- JTIP (page 9)

Shuler Theater, Raton
USDA – RD Programs

- 10:30 – 11:00 am
- Business & Industry Guaranteed Loan (page 4)
- Community Facilities Loan & Grant (page 7)
- Rural Business Development Grant (page 11)
New Mexico Finance Authority Programs

- 1:45 – 2:45 pm
- Public Project Revolving Fund (page 7)
- Planning Grant Program
- New Markets Tax Credits (page 5)
- Collateral Support Participation (page 4)

Where: Pueblo of Laguna
Project: Grocery Store
Type of Project: NMTC/Collateral Support Building Project

Project Description: This new grocery store is estimated to cost $4,000,000 to build out and would benefit not only the Pueblo but all the surrounding low income communities in this region. Once constructed, the new store will have amenities such as, larger refrigeration and freezer storage areas, a deli and essential items that are found in most modern grocery stores.

Community Benefit: The desperately needed improvements will provide its residents with a variety of healthier foods to choose from along with a greater selection of fresh produce, frozen foods, and fresh deli items. This project will create 150 construction jobs and replace a store that is 30 years old and outdated.
Small Business Loan Programs

- 2:45 – 3:45 pm
- US Small Business Administration Loans (page 3)
- Community banks
- The Loan Fund (page 2)

JC’s New York Pizza Department, Las Vegas, NM
Historic Preservation Tax Credits

- 4:00 – 4:45 pm (page 5)
- State: 50% income tax credit of pre-approved rehab up to credit of $25,000 ($50,000 in A&CD)
- Federal: 20% of eligible rehab expenses
- Historic register listing requirements
- Secretary of the Interior Standards for Rehabilitation

Eklund Hotel, Clayton
Capitalize on Your Solid Planning Context

- District Master Plan
- Economic Transformation Strategies
- Great Blocks
- A&CD Plans
- Declare intentions
<table>
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<tr>
<th>New Mexico MainStreet</th>
<th>Building Project Pipeline Form</th>
<th>Carlsbad MainStreet Project Inc.</th>
<th>3/18/2016</th>
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<td>MainStreet District Name:</td>
<td>Date Form Submitted to NMMS:</td>
<td>Planned New Rise?</td>
<td>Building Name</td>
</tr>
<tr>
<td>TRUE</td>
<td>213-215 W. Mermod</td>
<td>Carlsbad</td>
<td>88220</td>
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</table>
Define Incentives

Preserving the past, revitalizing the future.

WHY FARMINGTON?
- Retail & healthcare hub for the Four Corners Region (estimated market ~ 100,000)
- Location in a Metropolitan Statistical Area
- Availability of land & buildings in and near Farmington’s Historic Downtown
- Meeting/Conference facilities at the Farmington Civic Center in the MRA
- Educational opportunities, workforce training, and business support at San Juan College
- Access to major highways, regional transit
- Four Corners Regional Airport
- Great Quality of Life: 301 Days of Sunshine per Year, Low Humidity, Mild Winters, High Desert Living, Statute Housing Values, Low Property Taxes
- The Four Corners Region is designated a Gateway Destination by National Geographic’s Center for Sustainable Destinations.
- Opportunities to explore, camp, hike, mountain bike, fish, hunt, ski in the winter, raft, and stargaze are nearby.
- Glade Run Recreation Area
- Three nearby UNESCO World Heritage sites - Mesa Verde, Chaco Canyon & Abbe Quins
- Farmington’s Park System, including the Berg/Animas National Recreation Trail, Farmington Aquatic Center & Pines Hills Golf Course
- Home to the Annual Canoe Natch World Series

MRA OPPORTUNITY AREAS: WHAT IS ENVISIONED

- Animas Riverfront:
  - A mix of high density housing and retail
  - Waterfront development
  - Parks and recreational development
- Civic Center:
  - Hotel with meeting space to complement Farmington Civic Center
  - Supporting uses to Civic Center and neighborhood
- San Juan Regional Medical Center Area:
  - Housing for medical community of ~1800
  - Medical offices
  - Restaurants and retail
- Historic Downtown:
  - Arts and cultural district
  - Retail and offices
  - Upper-story residential development

POSSIBLE DEVELOPER INCENTIVES IN THE MRA
- Regulatory incentives
- Tax credits
- Facade improvement program
- City owned land available
- Public/private partnerships
- Expedited plan review
- Plan's permit fee reductions
- NIDOT funding
- Density bonus program
- Infrastructure upgrades
- Waived or delayed fees
- Mixed uses encouraged

Downtown Las Cruces Plaza Under Construction, April 2016
Recruit Businesses

Doing Business in Corrales

The Right Place for Your Distinctive, Discerning Business

Home  About  Who Does Business in Corrales  Commercial Real Estate Available  Resources  Contact Us

Corrales is Open for Business

Are you looking to locate your business in an ideal location – with a high-income, highly-educated population and a unique and desirable address? Look to Corrales!

Why do business in Corrales?
Facilitate the Dialogue
Assist with Business Planning

Lovington Brew Pub Business Plan Core Team, October 2015
Strengthen Businesses

Grants Business Retention and Expansion Interviews Initiative
Assist with Loan and Grant Applications
Jump in and play the game!