

"We have a MRA Plan, Now what do we do?"

Metropolitan Redevelopment Area Plans Public/Private Partnerships and Implementation

- The MRA Plan Economic Redevelopment Toolbox 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**

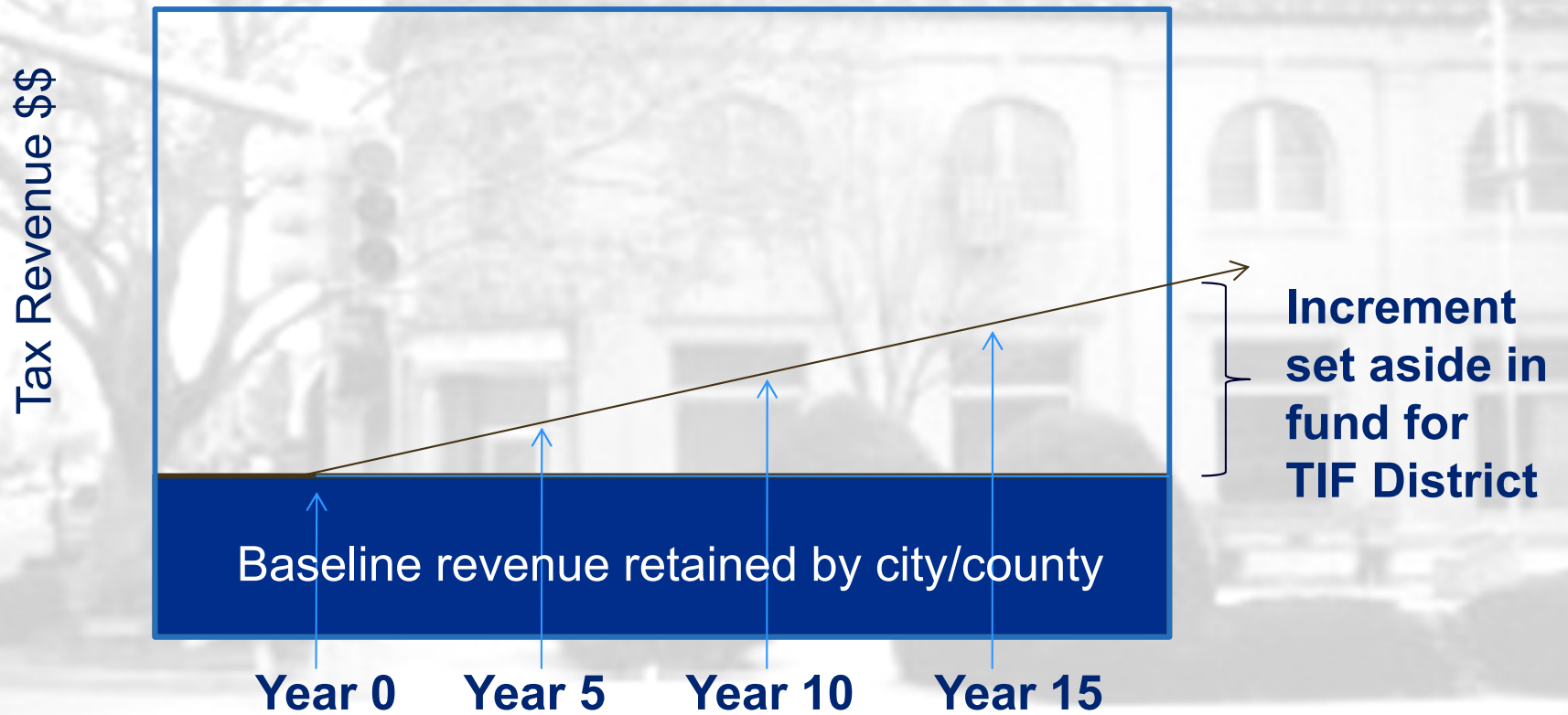
Identifies specific redevelopment projects that when implemented will eliminate the blighted conditions and stimulate economic activity. These projects can include land/building acquisition, pedestrian and transportation improvements, community facilities, housing, and placemaking.

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)
- 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 if meeting the low-moderate income (LMI) criteria
 - 3-60A-48. Liberal interpretation. *"The Metropolitan Redevelopment Code shall be liberally construed to carry out its purposes."*
 - NMFA Local Planning Grant for \$50,000 (no match requirement) to prepare MRA Plan when municipality approves Designation Report.

Tax Increment Financing Districts

How TIF works...



Tax Increment Financing Districts

How TIF works in New Mexico

Two State statutes:

NM Redevelopment Code Tax Increment financing

NM Tax Increment Development District (TIDD)

- Requires a petition of at least 51% percent of property owners, or an election with majority approval of property owners in the district.
- Allows collection of increment from city property tax and GRT revenue.
- Intended for master planned greenfield developments.

MRA Tax Increment Financing (TIF)

- 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
- Barelbas/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*

Next steps:

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

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

A faded background image of a street scene. On the left, a large, leafless tree stands in a median. In the background, a multi-story building with arched windows is visible. The overall image is in grayscale and has a low opacity.

Questions?

Contact Information:

Charlie Deans

Urban Planning and Placemaking Revitalization Specialist

520-444-1267

charlie@communitybydesign.biz