NMMS Winter Conference 2020

Introduction to the Metropolitan Redevelopment Area (MRA) Toolkit

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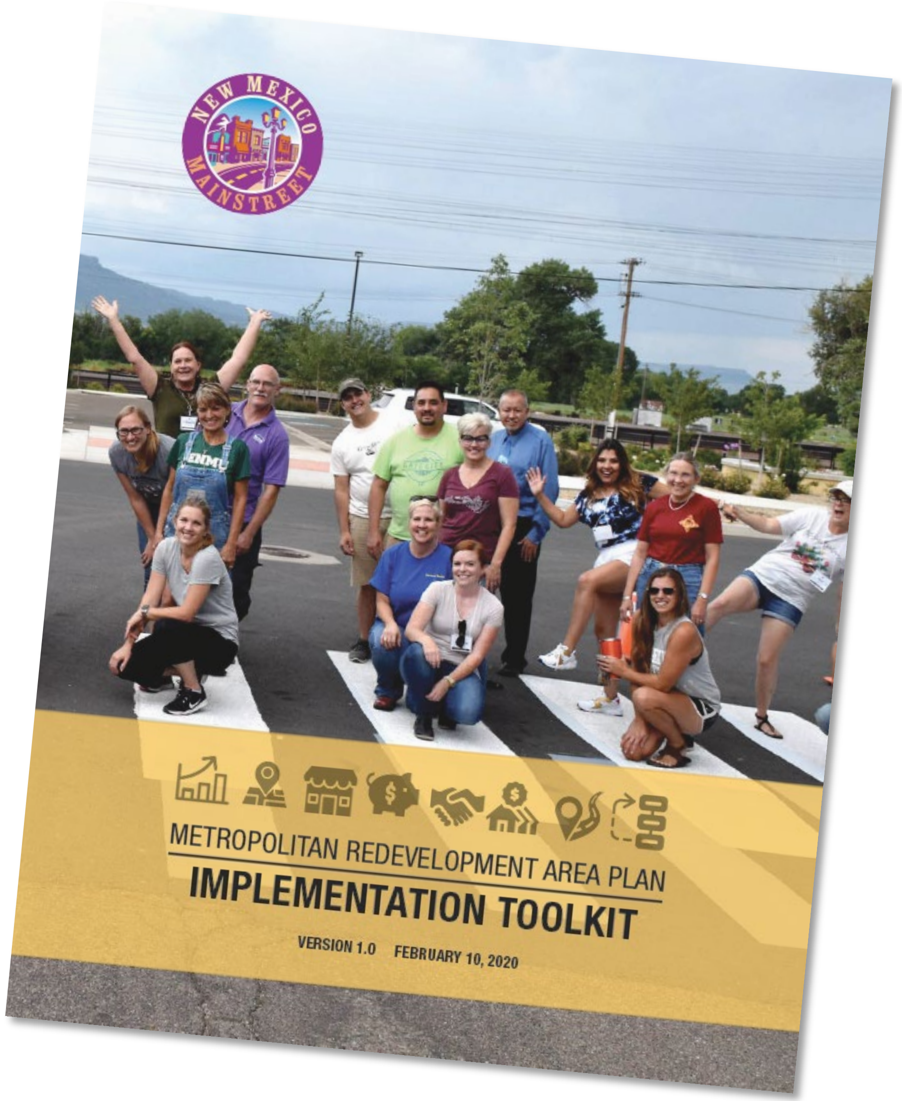
PRESENTERS:

Lucas Pedraza, NMMS
Amy Bell, Groundwork Studio
James Foty, Groundwork Studio

Come on, another "Toolkit"?

- We know, but this one is different
- Answers common questions and demystifies the State Redevelopment Code and MRAs
- Only 32 pages!
- Version 1.0 – will be updated based on your feedback

LINK: TINYURL.COM/MRATOOLKIT



1. MRA Plan Review

MRA Plans – What Do They Do Again?

- MRAs allow for the contribution of **Public Resources** to **Private Redevelopment Projects**
- MRA Plan outlines specific redevelopment projects and strategies
- However, the MRA Plan does not implement projects!
- Need to use the tools enabled by the Redevelopment Code to implement projects successfully

2. MRA Specific Tools

Public/Private Partnerships (P3s)

- The primary tool to facilitate redevelopment and enabled by the Redevelopment Code.
- A (P3) is a cooperative and mutually beneficial agreement between two or more public and private sectors, typically of a long-term nature.
- In many cases, the costs and risks of redevelopment are too high for either sector to take on projects individually.
- As a result, P3 projects in downtowns have proven to be the primary way to implement projects.

P3 Development Agreements

- **Purchase Agreement,** which is a contract between a developer and the City that involves the sale of City-owned land to the developer.
- **Lease Agreements,** as a contract between a developer and the City that involves the lease of City-owned land or property to the developer.
- **Owner Participation Agreements,** which involve a contract between a property owner/developer and the City to allow for development of property owned by an entity other than the City, generally the owner/developer.

Examples of Public Contribution to P3s

- Land and Public Buildings
- Public/Private Land Swaps
- Infrastructure Investment (sewer, water lines, sidewalks, etc.)
- Direct Municipal Funds, Loans, and Grants for physical projects
- Rental Subsidies
- Staff Technical Assistance: contribution of time/expertise
- City Equipment and Materials (Trucks, moving equipment, etc.)

Case Study: Lovington Drylands Brewery

DRYLANDS BREWERY – PUBLIC PRIVATE PARTNERSHIP

- Former gas station, burned down in the 1970's
- City inherited the property, tried to sell for many years
- Site sold to developer for $100 after RFP issued
- Funding:
  - NMMS/NMRA support for business development
  - $80,000 Local LEDA funds for manufacturing facility (microbrewery)
  - $100,000 in State LEDA funds
  - Developer funding ($900,000)
- Opened in 2017 – super cool place!

LOVINGTON MAINSTREET

REINVESTMENT STATISTICS

JANUARY 2008 -- JUNE 2016

NEW BUSINESSES
51

BUSINESS EXPANSIONS
13

BUILDING REHABS
90

PRIVATE REINVESTMENT
$1,480,567

PUBLIC INVESTMENT
$1,949,031

NEW JOBS
178

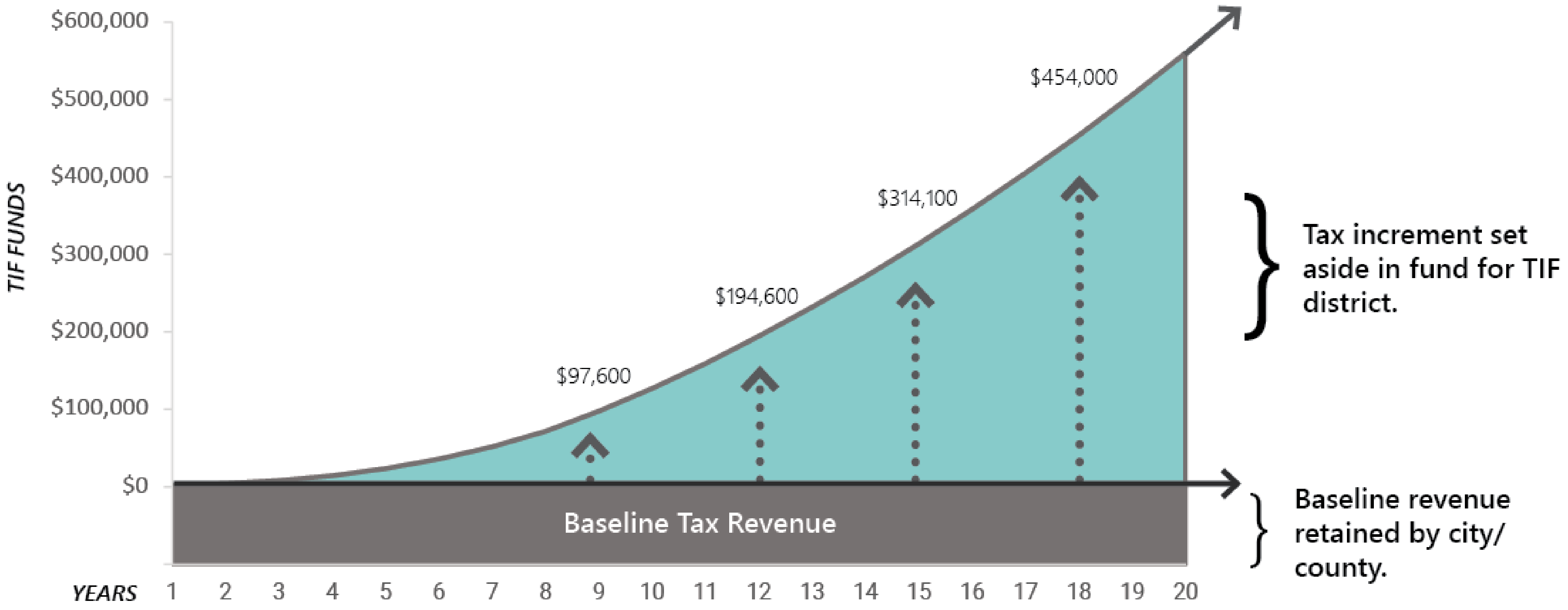
SPECIAL EVENTS
114

VOLUNTEER HOURS
14,804

Tax Increment Finance Districts (TIFs)

- TIFs are enabled by the Redevelopment Code
- Established by resolution by the local governing body
- Typically, the TIF district boundary is the same as the MRA boundary
- Uses the existing property tax for the increment - **not a new tax or tax increase.**
    - The TIF revenue can also include the County’s and/or state increment
- TIF funds generated in the district are spent in the district, typically based on projects identified in the MRA Plan

Tax Increment Finance Districts (TIFs)



Tax Increment Development Districts (TIDD)

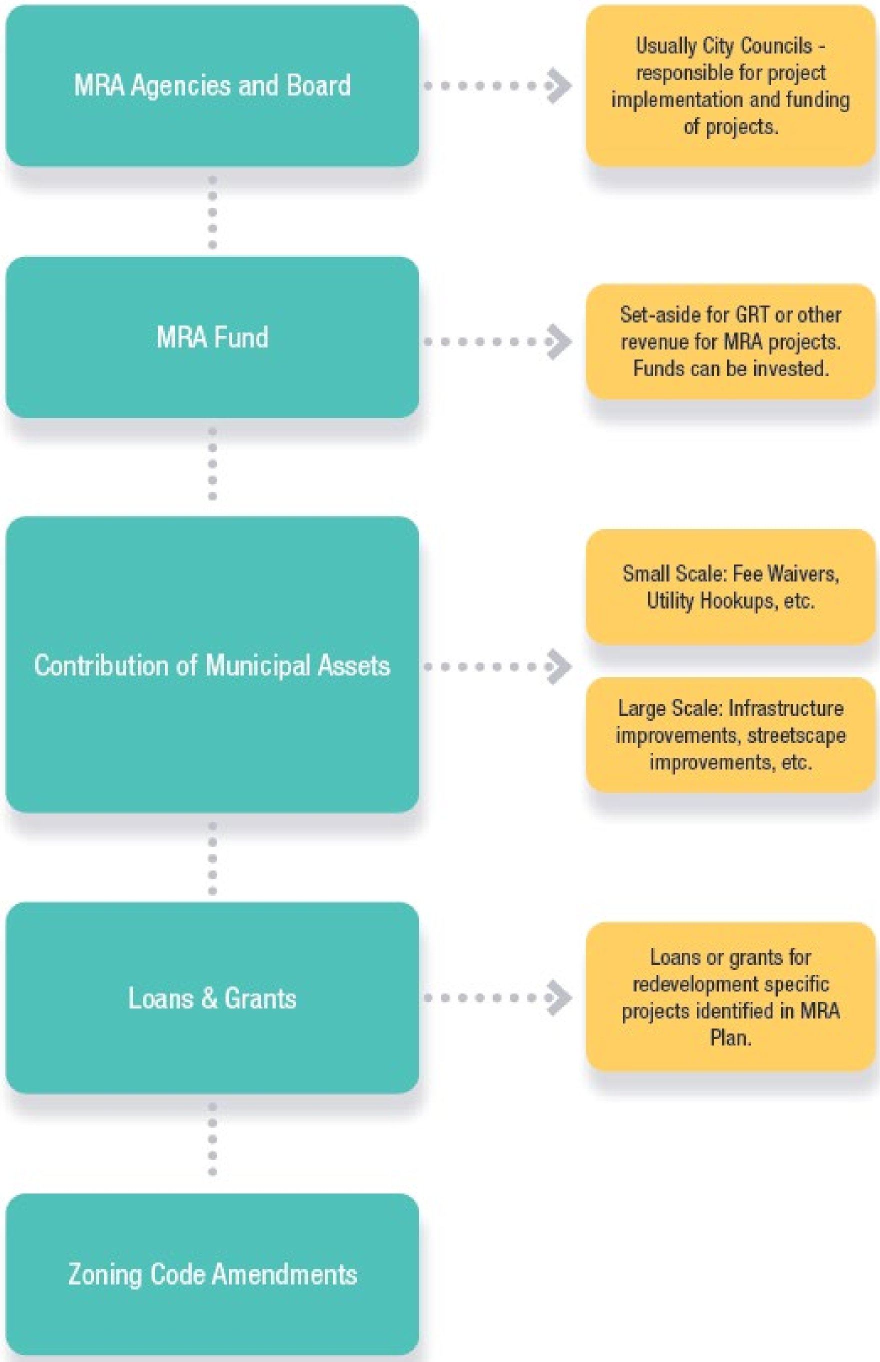
- The designation of a blighted area is not required for a TIDD – *enabled by separate statute*
  - Therefore, can be used in any area including greenfield development as well as downtowns
- A TIDD is adopted by petition of 51% of the property owners or by referendum
- TIDDs use Gross Receipt Tax (GRT) increment as another revenue stream
- TIDD funds overseen by City Council or designated board (including MRA Boards)

Case Study: Las Cruces TIDD

- City established a TIDD in the Downtown/MRA District in 2009, which included the County and State increments.
- The TIDD has provided funding for:
  - Streetscape improvements on Main Street
  - Reconversion of the one-way street couplet (the “Racetrack”)
  - Construction of the new downtown plaza
  - Construction of the new Amador Restaurant and entertainment complex
- TIDD project funding is approved by the City Council and projects are overseen by City staff.
- Overall, the TIDD has generated more revenue than originally projected, with more than half of revenue coming from the GRT increment.
- The success of the TIDD can be attributed to the construction of larger-scale redevelopment/TIDD projects.

Additional MRA Tools

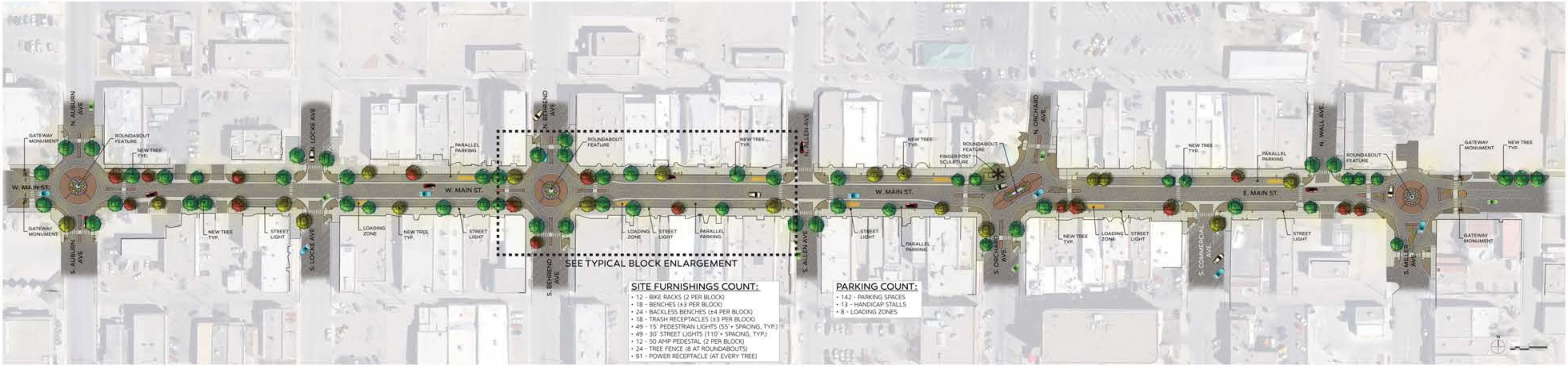
- Tools work together as integrated set of solutions:
    1. MRA Board
    2. MRA Fund
    3. Contribution of Municipal Assets
    4. Loans & Grants
    5. Zoning Code Amendments/Exemptions



Case Study: Farmington

MAIN STREET REDEVELOPMENT & BUSINESS INVESTMENT

- Created MRA Commission to oversee MRA Plan implementation and funding
- City funded MRA $1 million over two years
- MRA Commission funds used to pay for Main Street's complete streets redevelopment
- Many supporting placemaking projects in the MainStreet District



FULL RENDERING: S. AUBURN TO S. MILLER

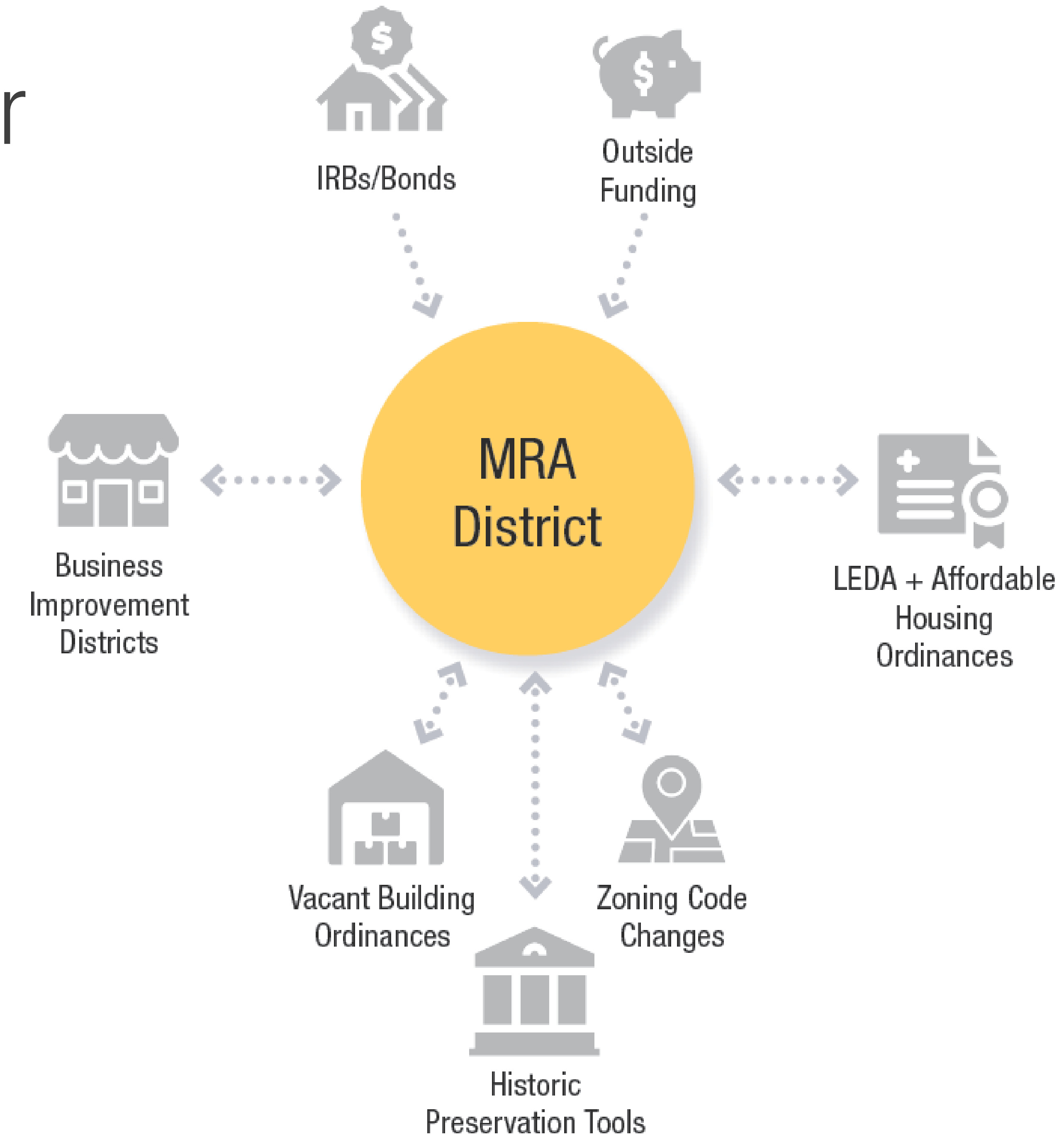
FARMINGTON MAIN STREET - APRIL 2018

MRWM

3. Complementary Tools

Additional Tools to Consider

- Many additional tools available to local governments
- Includes local policies, plans, regulations, and ordinances
- Outside funding opportunities: bonds, private finance, state capital outlays



Q&A