

**VILLAGE OF RUIDOSO
NOTICE OF WORKSHOP MEETING**

Notice is hereby given that Lynn D. Crawford, Mayor of the Village of Ruidoso, has called a Workshop Meeting of the Governing Body of the Village of Ruidoso for Tuesday, February 4, 2025 at 8:00 AM. The Workshop Meeting will be held at 313 Cree Meadows Dr. Ruidoso NM, 88345. The purpose of the Workshop Meeting is as follows:

CALL TO ORDER.

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE/SALUTE TO THE STATE FLAG.

Salute to the State Flag: "I Salute the Flag of the State of New Mexico, the Zia Symbol of Perfect Friendship Among United Cultures."

ROLL CALL.

AGENDA ITEMS:

1. Discussion on Agreement between the Village of Ruidoso and Healing Americas Heroes for Grant Administration on Capital Outlay Grant #24-I2993, in the Amount of \$450,000.00.
2. Discussion on Task Order RFP #2024-004P-02-Amendment 1 with Cobb, Fendley & Associates, Inc. to Include Additional Time for Field Data Collection as Part of the Storm Drain Infrastructure Asset Inventory in an Amount Not to Exceed \$272,166.50 for a Total Project Cost of \$426,658.25 Including NMGRT.
3. Presentation by the New Mexico Economic Development Department on Programs and Tools to Implement the Village of Ruidoso's Economic Development Goals.

ADJOURN.

I certify that notice has been given in compliance with Sections 10-15-1 through 10-15-4 NMSA 1978 and 2025-01. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Village Clerk at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Village Clerk if a summary or other type of accessible format is needed.

Jini S. Turri, MMC, Clerk

AGENDA MEMORANDUM

Village of Ruidoso

Agenda Item - 1.

To: Mayor Crawford and Councilors

Presenter(s): Ronald Sena, Village Manager
Judi Starkovich, Finance Director

Meeting Date: February 4, 2025

Re: Discussion on Agreement between the Village of Ruidoso and Healing Americas Heroes for Grant Administration on Capital Outlay Grant #24-I2993, in the Amount of \$450,000.00.

Item Summary:

Discussion on Agreement between the Village of Ruidoso and Healing Americas Heroes for Grant Administration on Capital Outlay Grant #24-I2993, in the Amount of \$450,000.00.

Financial Impact:

The funds are budgeted in the Intergovernmental Grants Special Revenue Fund's Capital Outlay - Projects line item (218-791-53006) in the Amount of \$450,000.00.

Item Discussion:

The Village of Ruidoso received a capital outlay appropriation during the 2024 Legislative Session under Capital Outlay Number 24-I2993 in the amount of Four Hundred Fifty Thousand Dollars (\$450,000), with One Percent (1%) allocated for Art in Public Places ("AIPP"), to plan, design, demolish, construct, furnish, equip, and renovate a veterans' conference center, including residential facilities and accessibility improvements, near Fort Stanton in Lincoln County, New Mexico.

Recommendations:

To Discuss Agreement between the Village of Ruidoso and Healing Americas Heroes for grant administration on Capital Outlay Grant #24-I2993, in the Amount of \$450,000.00.

ATTACHMENTS:

Description
Agreement
Capital Outlay Appropriation

AGREEMENT BETWEEN THE VILLAGE OF RUIDOSO, NEW MEXICO AND HEALING AMERICAS HEROES

THIS AGREEMENT is made and entered into as of the date last executed below by and between the **Village of Ruidoso, New Mexico** (hereinafter referred to as the "Village") and **Healing Americas Heroes**, a nonprofit entity (hereinafter referred to as "HAH").

RECITALS

WHEREAS, the Village of Ruidoso received a capital outlay appropriation during the 2024 Legislative Session under Capital Outlay Number **24-I2993** in the amount of **Four Hundred Fifty Thousand Dollars (\$450,000)**, with **One Percent (1%)** allocated for Art in Public Places ("AIPP"), to plan, design, demolish, construct, furnish, equip, and renovate a veterans' conference center, including residential facilities and accessibility improvements, near Fort Stanton in Lincoln County, New Mexico (the "Project");

WHEREAS, the appropriation is subject to the laws and regulations of the **State of New Mexico Department of Finance and Administration ("DFA")** and the terms of the **Capital Appropriation Agreement**;

WHEREAS, HAH desires to provide input on the improvements funded by the appropriation, particularly as they relate to veterans' needs, but acknowledges that it will not serve as the decision-maker for such improvements;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

ARTICLE I. PURPOSE OF AGREEMENT

The purpose of this Agreement is to establish the roles and responsibilities of the Village and HAH in relation to the Project funded under Capital Outlay Number 24-I2993.

ARTICLE II. RESPONSIBILITIES OF THE PARTIES

A. Responsibilities of the Village:

1. The Village shall act as the fiscal agent for the Project, ensuring compliance with all applicable laws, regulations, and terms of the Capital Appropriation Agreement with DFA.
2. The Village shall oversee the planning, design, demolition, construction, furnishing, equipping, and renovation activities associated with the Project.
3. The Village shall consult with HAH to gather input on the needs and preferences of veterans for the Project.
4. The Village shall retain final decision-making authority regarding all aspects of the Project.

B. Responsibilities of HAH:

1. HAH shall provide input to the Village regarding the Project, focusing on the needs and preferences of veterans to ensure the improvements serve their intended purpose.
2. HAH shall attend meetings and provide timely responses to requests for input from the Village.
3. HAH shall not engage in decision-making or fiscal management of the Project funds.
4. HAH acknowledges and agrees that its role is advisory only and that the Village retains sole authority over the Project.

ARTICLE III. TERM AND TERMINATION

A. Term: This Agreement shall become effective as of the date it is executed by both parties and shall remain in effect until the completion of the Project or June 30, 2028, whichever occurs first, unless terminated earlier as provided herein.

B. Termination: Either party may terminate this Agreement for cause upon providing thirty (30) days written notice to the other party. Termination shall not relieve either party of obligations incurred prior to the termination date.

ARTICLE IV. GENERAL PROVISIONS

A. Amendments: This Agreement may be amended only by written agreement signed by both parties.

B. Entire Agreement: This Agreement constitutes the entire understanding between the parties regarding the subject matter herein and supersedes all prior agreements or understandings, whether written or oral.

C. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

D. Notices: Any notices required or permitted under this Agreement shall be in writing and delivered to the parties at the addresses below:

- **Village of Ruidoso:** 313 Cree Meadows Dr., Ruidoso, NM 88345
- **Healing Americas Heroes:** 250 Black Jack Pershing Rd., Ft. Stanton, NM 88323

E. Severability: If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below.

Village of Ruidoso, New Mexico

By: _____

Name: _____

Title: _____

Date: _____

Healing Americas Heroes

By: _____

Name: _____

Title: _____

Date: _____

**STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
GENERAL FUND 93100 CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into as of the date it is executed, by and between the Department of Finance and Administration, hereinafter called the "Department" or abbreviation such as "DFA/LGD", and **VILLAGE OF RUIDOSO**, hereinafter called the "Grantee". This Agreement shall be effective as of the date it is executed by the Department.

RECITALS

WHEREAS, in the **Laws of 2024, Chapter 66, Section 28, Paragraph 351**, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of, funds from this appropriation, in accordance with the terms and conditions of this Agreement; and

WHEREAS, pursuant to Sections 9-6-5 and 9-6-5.1 NMSA 1978, the Secretary of the Department of Finance and Administration has the power and the authority to (i) maintain long-range estimates and plans for capital projects and develop standards for measuring the need for, and utility of, proposed projects; (ii) contract for, receive and utilize any grants or other financial assistance made available by the United States government or by any other source, public or private; (iii) provide planning and funding assistance to units of local government, council of government organizations, Indian tribal governments situated within New Mexico, and to nonprofit entities having for their purpose local, regional or community betterment; (iv) incident to any such programs, may enter into contracts and agreements with such units of local government, council of government organizations, Indian tribal governments, nonprofit entities and the federal government; and (v) delegate such authority to the Local Government Division as being necessary and appropriate to such delegation;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE

A. The project that is the subject of this Agreement is described as follows:

24-I2993 \$450,000.00 APPROPRIATION REVERSION DATE: June 30, 2028

Laws of 2024, Chapter 66, Section 28, Paragraph 351, Four Hundred Fifty Thousand (\$450,000.00), from the General Fund 93100 to plan, design, demolish, construct, furnish, equip and renovate a veterans' conference center, including residential facilities and accessibility improvements, near Fort Stanton in Lincoln county;

The Grantee's total reimbursements shall not exceed Four Hundred Fifty Thousand \$450,000.00 (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")¹, if applicable, Four Thousand Five Hundred \$4,500.00, which equals Four Hundred Forty-five Thousand Five Hundred \$445,500.00 (the "Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the "Project"; the information contained in Article I(A) is referred to collectively throughout the remainder of this Agreement as the "Project Description." [Optional Language if special conditions apply. Attachment A sets forth additional or more stringent requirements and conditions, which are incorporated by this reference as if set forth fully herein. If Optional Attachment A imposes more stringent requirements than any requirement set forth in this Agreement, the more stringent requirements of Attachment A shall prevail, in the event of irreconcilable conflict.] The Grantee shall reference the Project's number in all correspondence with and submissions to the Department concerning the Project, including, but not limited to, Requests for Payment and reports.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date of execution by the Department.

GRANTEE

Village of Reusoso

Entity Name

[Signature]

Signature of Official with Authority to Bind Grantee

By:

Lynn D Crawford

(Print Name)

Its:

Mayor

(Title)

6/25/24

Date

DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION

Jeannette Gallegos

By:

Jeannette Gallegos

Its: Cabinet Secretary or Designee

6/28/2024

Date

AGENDA MEMORANDUM

Village of Ruidoso

Agenda Item - 2.

To: Mayor Crawford and Councilors

Presenter(s): Ashlie Carabajal, Water Resource Manager

Meeting Date: February 4, 2025

Re: Discussion on Task Order RFP #2024-004P-02-Amendment 1 with Cobb, Fendley & Associates, Inc. to Include Additional Time for Field Data Collection as Part of the Storm Drain Infrastructure Asset Inventory in an Amount Not to Exceed \$272,166.50 for a Total Project Cost of \$426,658.25 Including NMGRT.

Item Summary:

Discussion on Task Order RFP #2024-004P-02-Amendment 1 with Cobb, Fendley & Associates, Inc. to Include Additional Time for Field Data Collection as Part of the Storm Drain Infrastructure Asset Inventory in an Amount Not to Exceed \$272,166.50 for a Total Project Cost of \$426,658.25 Including NMGRT.

Financial Impact:

The task order will be budgeted out of available funds in the SGRT Special Revenue Fund.

Item Discussion:

Due to the additional time that is needed to complete the surveying portion of the task order, we are requesting additional funds to complete the inventory portion. Cobb Fendley is estimating an additional six weeks of field data collection.

Recommendations:

To Discuss Task Order RFP #2024-004P-02-Amendment 1 with Cobb, Fendley & Associates, Inc. to Include Additional Time for Field Data Collection as Part of the Storm Drain Infrastructure Asset Inventory in an Amount Not to Exceed \$272,166.50 for a Total Project Cost of \$426,658.25 Including NMGRT.

ATTACHMENTS:

Description
Engineer Letter

January 24, 2025

Ashlie Carabajal
Water Resources Manager
Village of Ruidoso
313 Cree Meadows Drive
Ruidoso, NM 88345
Email: ashliecarabajal@ruidoso-nm.gov

VIA EMAIL

**RE: RFP #2024-004P-02 Drainage Asset Inventory, Village of Ruidoso
Supplemental Fee Request**

Dear Ashlie,

CobbFendley has been actively engaged collecting field survey data for identifiable drainage infrastructure to support the Village's asset inventory program. Our original fee estimate for field survey activities was based on projected time required to collect these data. This approach was taken without prior knowledge of the extent of infrastructure in the Village that lacked record information. Our efforts to date have been very successful with substantial information collected and provided to you as progress deliveries. Our efforts have included numerous team members from several CobbFendley offices.

We have exceeded our \$154,491.75 budget, the amount included within our total purchase order for field survey and engineering activity, RFP#2024-004P-02. As of January 18, 2025, we have expended \$177,819.26 (excl NMGRT) for surveying services which includes \$161,327.00 of labor costs for field and office staff and \$16,492.26 in expenses to support a typical field team of three surveyors using company equipment. This equates to an overage of \$67,819.26 (excl NMGRT) of \$110,000 allocated (excl NMGRT) for survey efforts beginning in mid-November through January 19, 2025.

We anticipate six more weeks of field data collection with up to three team members continuing the work. Additional data processing time is included. To support the remaining schedule, we request a supplemental fee of \$198,794.53 (incl NMGRT). This will be billed on a time and materials basis, with invoices reflecting this approach. The addition of \$198,794.53 for future effort, and an additional \$73,371.96 (current overage incl NMGRT) totals \$272,166.50. This addition will bring our total task order budget to \$426,658.25 including NMGRT.

We appreciate the opportunity to support the Village now and into the future as we work together toward identifying infrastructure conditions. Please feel free to contact me with any questions or additional information needs. Thank you very much.

Sincerely,



L. Brad Sumrall, PE
Principal | Team Lead
Municipal Engineering - Mountain Region

AGENDA MEMORANDUM

Village of Ruidoso

Agenda Item - 3.

To: Mayor Crawford and Councilors

Presenter(s): Kevin Wilson, NM Economic Development Department
Jim Lucero, NM Economic Development Department
Daniel Gutierrez, NM MainStreet Director

Meeting Date: February 4, 2025

Re: Presentation by the New Mexico Economic Development Department on Programs and Tools to Implement the Village of Ruidoso's Economic Development Goals.

Item Summary:

Presentation by the New Mexico Economic Development Department on Programs and Tools to Implement the Village of Ruidoso's Economic Development Goals.

Financial Impact:

None

Item Discussion:

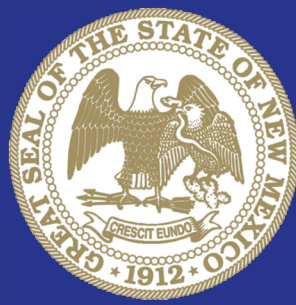
Presentation by the New Mexico Economic Development Department on Programs and Tools to Implement the Village of Ruidoso's Economic Development Goals.

Recommendations:

None

ATTACHMENTS:

Description
Presentation



EDD

ECONOMIC DEVELOPMENT DEPARTMENT

EDD Overview

Ruidoso Village Council Workshop

Feb. 4, 2025

About EDD



NMEDD's mission: **Improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.**

Our department includes the following:

- Job Training Incentive Program
- Office of Science, Strategy & Technology
- Community, Business and Rural Development Team (Regional Reps)
- Office of Military Base Planning
- MainStreet
- Spaceport Authority
- Office of International Trade
- NM Film Office

EDD Leadership



Rob Black
Cabinet Secretary

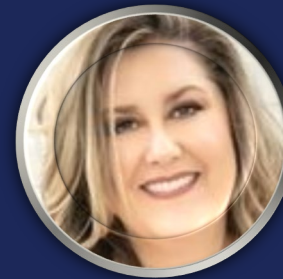


Isaac Romero
Deputy Cabinet Secretary

Economic Division



Mark Roper
Division Director

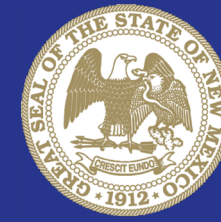


Sara Gutierrez
Deputy Division Director



Jennifer Myers, Team Leader
Community, Business and
Rural Development Team
(aka Regional Reps)

Community, Business, and Rural Development



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Regional Representatives

Region 1: Northwest

Lorraine Ruggles
505-490-7662
Lorraine.Ruggles@edd.nm.gov

Keegan Mackenzie-Chavez
505-699-4966
Keegan.Mackenzie-Chavez@edd.nm.gov

Region 2: North Central

Peter Mitchell
505-570-7796
Peter.Mitchell@edd.nm.gov

Paige Ryan
505-412-5036
Paige.Ryan@edd.nm.gov

Region 3: Central

Yuriria Morales
505-479-2308
Yuriria.Morales@edd.nm.gov

Beth Waldrip
505-470-4339
Elizabeth.Waldrip@edd.nm.gov

Region 4: Northeast

Tim Hagaman
505-862-2322
Tim.Hagaman@edd.nm.gov

Region 5: Southwest

Julia Brown
575-419-0499
Julia.Brown@edd.nm.gov

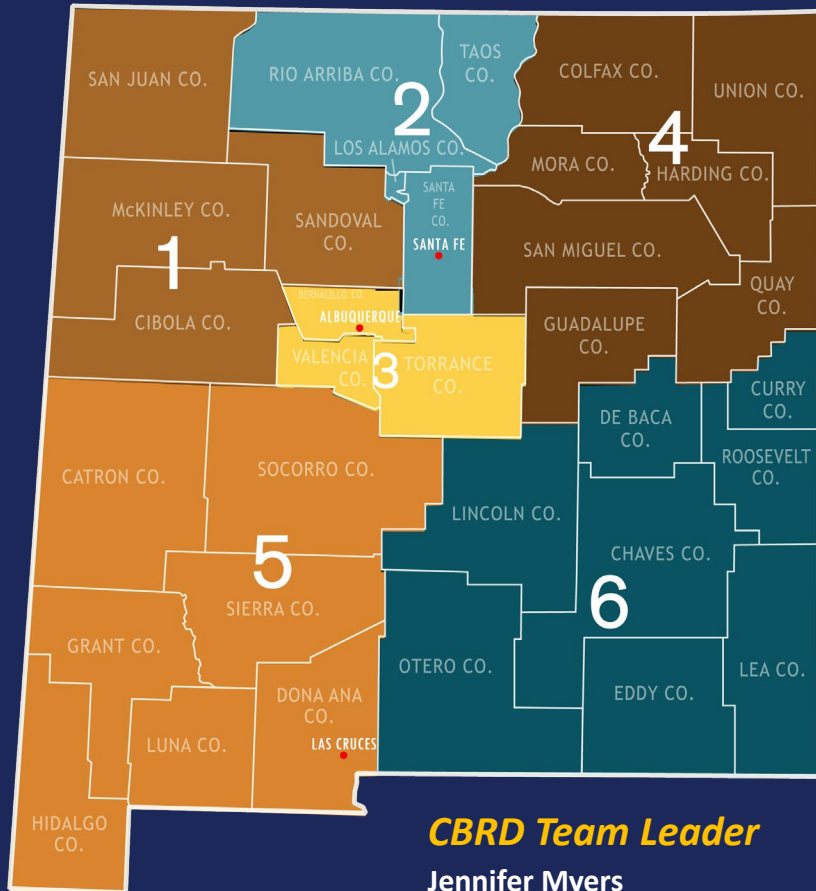
Region 6: Southeast



Jim Lucero
575-749-5336
Jim.Lucero@edd.nm.gov



Kevin Wilson
575-416-7709
Kevin.Wilson@edd.nm.gov



CBRD Team Leader

Jennifer Myers
505-660-5371
Jennifer.Myers@edd.nm.gov

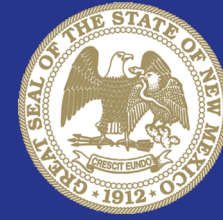
Today's topics



We were asked to cover the following:

1. Tax Increment Development Districts
2. Local Economic Development Act (LEDA)
3. Local Option Gross Receipt Tax (LOGRT)
4. Industrial Parks

Tax Increment Financing



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Tax Increment Financing (TIF) is an economic development tool that provides funding for public infrastructure in a designated area.

- Bonds are issued to finance this infrastructure.
- Repayment comes from part of the increased property and/or GRT revenue generated within that area.
- **Goal:** The redevelopment will result in more economic activity and increased tax revenue, which will cover the bond payments.

TIDDs overview



The area that receives the TIF is called a Tax Increment Development District, or a TIDD.

- The statutory authority for TIDDs is included in the Tax Increment for Development Act (5-15-1 through 5-15-28 of state statutes).
- Purpose: “Create a mechanism for providing GRT financing and property tax financing for public infrastructure for the purpose of supporting economic development and job creation.”

TIDDs overview



A TIDD is a political subdivision of the state, separate from a municipality or a county.

- The TIDD is governed by a board, which is responsible for the bonds.
- Investors in TIDD bonds **take on all the investment risks**, instead of the local or state government.

TIDD Formation



Step 1: Governing body approves tax increment development plan.

Step 2: Approved plan is filed to the clerk with a petition including signatures of a majority of property owners within the proposed district.

Step 3: Governing body adopts resolution of intent to form a TIDD.

Step 4: Owners/developers may enter into an agreement with the governing body about improvement of specific property.

TIDD Formation



Step 5: Governing body may require petitioners to prepare a feasibility study (and potentially deposit the costs of the study, which would be repaid in a bond sale if the TIDD is formed and bonds are issued).

Step 6: Notification of Tax and Revenue Department, Department of Finance and Administration and Legislative Finance Committee within 10 days.

TIDD Formation



Step 7: Public hearing between 30 and 60 days after adoption of the resolution (Step 3).

Step 8: Governing body adopts a resolution forming the TIDD and schedules an election (unless it is waived).

Step 9: If election is successful, require parties are notified and a record notice of formation and description of the district is filed with the county clerk.

TIDD Governance



Option 1: The governing body that formed the district can serve as the body or appoint the members (Las Cruces, Mesa del Sol)

Option 2: A five-member board consisting of the DFA secretary and:

- Two appointed members serving six-year terms*
- Two appointed members serving four-year terms*

* Future members elected by a majority vote of property owners and qualified resident electors in the TIDD.

Bonding Process



District adopts resolution authorizing issuance of GRT bonds.

If the bond will be issued against the state's GRT:

- NMFA must review the bonds, determine if they will be used in accordance with the district's plan, and present findings to the Legislature.
- Additionally, the issuance and maximum amount will be specifically authorized by law.

Musts for TIDDs



- TIDDs that are undeveloped are rather straightforward, while those with existing activity are a little more complicated.
- When making baseline calculations on costs, anomalies like construction spikes must be accounted for.
- Because a TIDD creates a new location code, taxpayers in the TIDD must report correctly in order for the TIDD to receive the benefit of the activity.

More TIDD info ...



TIDDs are not really handled by EDD. We recommend talking to the Taxation and Revenue Department:

David Monteith

Local Government Liaison

505-670-8391

David.Monteith@tax.nm.gov or tax.localgov@tax.nm.gov

How LEDA began ...



In 1912, New Mexico created the **Anti-Donation clause**.

- Article 9, Sec. 14: “Neither the state, nor any county, school district, or municipality ... shall directly or indirectly lend or pledge its credit, or make any donation to or in aid of any person, association, or public or private corporation”

In 1994, voters approved economic development as an exception to 9-14.

- The exception can only exist on a local level and **only** if the local governing body creates a **Local Economic Development Act (LEDA)**.

77 communities and 30 counties have a LEDA ordinance in place

Creating a LEDA



A LEDA is created via the ordinance process. The act should include:

- What businesses are qualifying entities
- What contributions the community can make
- A requirement of return on investment to offset the public contribution
- LEDA's discretionary nature
- How the public investment is protected

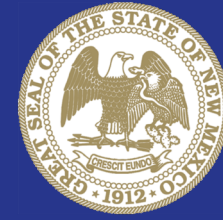
NM Qualifying Entities



The state outlines what are allowable qualifying entities in 5-10-3 (L)

1. Industry for mining, manufacturing, processing or assembling of agricultural or manufactured products
2. A commercial enterprise for storing, warehousing, distributing or selling products of agriculture, mining or industry (not including retail or public utilities)
3. A business which supplies services to the general public or governmental agencies or a specific industry (not including retail or public utilities)
4. An Indian nation, tribe or pueblo or a federally chartered tribal corporation

NM Qualifying Entities

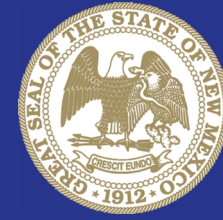


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5. A telecommunications sales enterprise that makes the majority of its sales to persons outside New Mexico
6. A facility for the direct sales by growers of agricultural products, commonly known as farmers' markets
7. A business that is the developer of a metropolitan redevelopment project
8. A cultural facility
9. A retail business

A community is **authorized, but not obligated**, to include any of the aforementioned as qualifying entities in its LEDA ordinance.

Your qualifying entities



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Ruidoso's LEDA ordinance (2009-13) lists the following qualifying entities:

Those that fit most or all of these criteria will be selected when considering giving assistance under the Local Economic Development Act. This list is not necessarily all inclusive, and should an industry fall outside this preferred list, individual consideration will be granted. Village of Ruidoso considers the following types of businesses to be those that are preferred or meet the community goals:

- A. Industry that meets all environmental standards both state and federal.
- B. Industry that does not use large amounts of water in its production processes.
- C. Industries that pay a wage that will help improve the local per capita income.
- D. Industry that will help diversify the local labor market and lessen the reliance on low wage employment.

As written, 2009-13 is vague enough to allow anything under 5-10-13 (L).

Contributions



The following are allowable contributions under LEDA:

- Any combination of land, building or infrastructure
 - Can be donated or discounted
- Financial assistance to reimburse costs for any combination of land, building or infrastructure

Contributions cont'd



Why land, building and infrastructure?

- Those **assets stay in the community**, regardless of what happens to the business
- If it can go on a moving truck, LEDA shouldn't pay for it

Why reimbursement? Why not upfront?

- We are **protecting the public investment**
- Reimbursement can be tied to meeting criteria (ex: jobs)

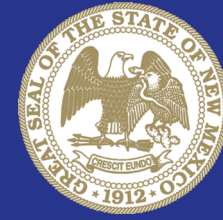
Contributions cont'd



How does a community fund these contributions?

- A community can spend up to 10% of its general fund on an individual LEDA project
- Adopt a local option gross receipt tax to assist in economic development projects (we'll cover this later)
 - Citizen election is required

Return on investment



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Many factors can help determine ROI, including:

- Private investment
- Job creation (quantity and quality)
- How the business will complement the local economy
 - Will it enhance existing businesses or attract new ones?
 - Prevents leakage to other communities

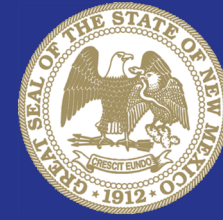
LEDA is discretionary



A community with a LEDA in place is authorized to assist qualifying entities. It is **not required** to:

- Assist any business that applies
- Provide the same assistance it provided to a different applicant

Investment protection



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LEDA contributions are **public investments that must be protected**. These protections could include:

- Liens on land or buildings provided to a qualifying entity
- A line of credit, certificate of deposit, mortgage, surety bond or equipment lien greater than or equal to any money provided for reimbursement

LEDA Public Process



In order for a business to receive local assistance, the local governing body must approve the following in public meetings:

- A **Project Participation Agreement** (PPA) that outlines:
 - The method of contribution
 - What the business plans to do in exchange for the contribution
 - Security that will protect the contribution until the agreement concludes
- A **project ordinance**, which references the PPA

State participation



- A state LEDA fund exists to close deals, with the money appropriated by the Legislature and the amount of investment at the discretion of the **Executive** (Governor, aka “the 4th Floor”)
- Originally, the Legislature voted on each potential LEDA deal, but this approach had fatal flaws:
 - Legislators from one region could tank a project in a rival region
 - Requests had to fit the window of a legislative session

State participation



- The New Mexico Economic Development Department now handles this task year-round, and reports during every regular session on the fund's effectiveness.
- NMEDD is **agnostic about where a business locates**, as long as it is in New Mexico. We advise, but we don't mandate a location.
- NMEDD is **not the LEDA Police**. The L in LEDA stands for Local. We advise communities, but we do not tell them what to do.

State participation



Businesses work through regional reps to see what state incentives they qualify for:

- **Business fills out a data sheet** outlining their future plans
- NMEDD uses that data to calculate the **public benefit**
- NMEDD administration meets with the Governor's office to determine if an award is appropriate and how much is appropriate. A business is then **invited to apply** for up to that amount.

State participation



Once a state application is complete:

- NMEDD needs local help. Because the LEDA exception only exists on a local level, **the state is still bound by the Anti-Donation clause.**
- The state contribution is provided via government transfer, and the receiving community provides the contribution through its LEDA.
- The business **must be a qualifying entity** under the community's existing LEDA ordinance regardless of the source of assistance.

State participation



A state LEDA deal goes through a public process similar to a local LEDA deal. It requires:

- A **PPA** between the company and the community.
- An Intergovernmental Agreement (**IGA**), which outlines the state contribution and the community's role as a fiscal agent.
- A project **ordinance** that encapsulates the above.

Combining assistance



If the community and the state both want to assist a business, it is in everybody's best interests to do both in the same public process:

- **We aren't creating bureaucracy** with two separate but largely similar sets of ordinances and PPAs for the client to honor.
- We show a **united front** on growing the local and state economy.
- A triple-dip (city, county, state) is possible but rare, as many LEDA ordinances exist primarily to facilitate state assistance.

Municipal LEDA



In 2020, the state expanded its LEDA fund to aid rural communities with infrastructure upgrades that expand economic capacity.

- The community must apply to NMEDD for **Municipal LEDA**.
- The money is **upfront**; governing body passes an **IGA** outlining eligible expenses, spending deadlines and reporting requirements.
- **Region 6 example**: NMEDD provided the City of Clovis \$2.135 million to help extend city water lines to the Clovis Regional Airport.

The Village of Ruidoso's GRT rate is 8.1875%

<u>Non-Village Total:</u>	<u>5.125%</u>	<u>Village Total:</u>	<u>3.0625%</u>
New Mexico*:	4.875%	Municipal GRT:	1.25%
Lincoln County:	0.25%	Environmental**:	0.5625%
		Infrastructure:	0.25%
		Supplemental (WI):	1.0%

* The state gives back 1.225% via Shared State GRT

** (50% landfill, 25% WWTP, 25% water shed)

LOGRT increments



Communities may implement a GRT increment for economic development. This is a Local Option GRT, or a LOGRT for short.

- Municipalities may implement up to 0.25% (25 cents per \$100)
- Counties may implement up to 0.125%
- Increments must be approved by voters in a regular local election, pursuant to provisions of the Local Election Act.

LOGRT uses



Proceeds from the LOGRT can be used for:

- “Furthering or implementing economic development plans and projects”
- “Promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body.”
 - Maximum spend = Greater of 10% of LOGRT revenues or \$50,000

Who has a LOGRT?



The following municipalities or counties have approved a LOGRT:

- Alamogordo
- Artesia
- Bernalillo County
- Clovis
- Lincoln County*
- Lovington
- Portales
- Santa Rosa
- Tucumcari

* - Lincoln County approved a business retention GRT in 2010, with an automatic sunset Dec. 31, 2015.

Questions?



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