

CITY OF RIO COMMUNITIES, NEW MEXICO
Ordinance No: 2023 – []

CHAPTER 10 ECONOMIC DEVELOPMENT
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) PLAN ORDINANCE

WHEREAS, the development of the local economy is vital to the wellbeing of the City of Rio Communities (the “City”) and its residents; and

WHEREAS, local communities may need to provide land buildings infrastructure and other financial incentives to compete with other states and locales in efforts to attract and retain businesses; and

WHEREAS, the New Mexico State Legislature enacted Chapter 5, Article 10 NMSA 1978, entitled the Local Economic Development Act (as amended, the “Act”), which gives local governments the authority to use public resources for economic development purposes; and

WHEREAS, this Local Economic Development Act Plan Ordinance is enacted pursuant to that statutory authority.

NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF RIO COMMUNITIES, NEW MEXICO

Article 1. LOCAL ECONOMY DEVELOPMENT

This Ordinance may be cited as the “Local Economic Development Act Plan Ordinance.”

Article 2. PURPOSE

This Ordinance is adopted as part of the City's economic development plan. In accordance with the Act, the purpose of the Local Economic Development Act Plan Ordinance is to allow public support of economic development projects to foster, promote and enhance local economic development efforts while continuing to protect against the unauthorized use of public money and other public resources. The Local Economic Development Act Plan Ordinance will also allow the City to enter into joint powers agreements or memoranda of understanding with other local governments to support regional economic development projects.

Article 3. DEFINITIONS

The City hereby adopts all of the definitions contained in Section 5-10-3, NMSA 1978, as it currently exists or is amended from time to time, by reference and as though fully restated herein.

Article 4. ECONOMIC DEVELOPMENT PLAN

4.1 The City hereby adopts an economic development plan as described in this Local Economic Development Act Plan Ordinance. The City may provide public support for

economic development projects to qualifying entities in any legally permissible manner, including, but not limited to, the provision of land, buildings and infrastructure it already owns.

4.2 The City may also provide public support for economic development to qualifying entities by building, purchasing or leasing the facilities needed for the economic development project. The City may bear the full cost or contribute to a portion of the costs and may waive applicable fees. The City may also contribute to the payments of the costs for professional service contracts, including industry feasibility studies and planning and design services with respect to a project.

4.3 The City may consider offering all forms of assistance under this article and any other form of assistance allowed under the Act, as amended from time to time; however, the City has no obligation to offer any specific type of assistance.

4.4 Without limiting the generality of the foregoing provisions of this article, but subject to the limitations in Section 5-10-4(B), NMSA 1978, as amended, the City may provide for a local contribution of payments reimbursing expenditures for land, building or infrastructure that is measured based on an increment of gross receipts taxes received by the City as a result of the construction of the economic development project

Article 5. APPLICATION FOR ASSISTANCE

Any qualifying entity, as such term is defined in the Act from time to time, may propose an economic development project to the City and apply for assistance from the City. The applicant's proposal shall describe the proposed project, including the names and addresses of persons with an interest in the project, the number and types of jobs to be created, wages and benefits associated with the jobs to be created, the type and amount of assistance sought from the City, proposed construction schedule, and all other information requested by the City. The City intends to evaluate the applications, the form and extent of assistance proposed to be provided, the security to be provided to the City, and other details of each proposed project on a case-by-case basis. The City may accept or reject proposals at its sole discretion.

Article 6. PUBLIC INSPECTION OF APPLICATIONS

Applications for assistance and all supporting documentation shall be available for public inspection

Article 7. SUBSTANTIVE CONTRIBUTION—PROJECT PARTICIPATION AGREEMENT

7.1 If the City approves a request for assistance, it will do so by ordinance. In addition, the City will enter into a project participation agreement in accordance with the Act. This agreement is the formal document which states the contributions and obligations of all parties in the local economic development act plan project. The project participation agreement, at a minimum must clearly state the following:

- (1) The economic development goals of the project;
- (2) The contributions of the City and the qualifying entity;
- (3) The specific measurable objectives upon which the performance review will be based;
- (4) A schedule for project development and goal attainment;
- (5) The security offered for the City's investment;
- (6) The procedures by which the project may be terminated. Each project shall have a "sunset" clause after which the City shall relinquish interest in and oversight of the project; and
- (7) A cost/benefit analysis that reflects net benefits to both parties, including gross receipts taxes, tax abatements, average wages, construction jobs, environmental and community impacts, and the number of jobs filled locally and through transfers

7.2 The City may require that all recipients of assistance pursuant to the Act provide the City with periodic reports with respect to the project for which assistance was received.

Article 8. LOCAL INCENTIVES

In accordance with the Act, the City may offer the following local economic development incentives for economic development projects as recommended by the review committee. These incentives may be in addition to other incentives as permitted by the Act.

- (1) The City may defer or delay impact fees in whole or in part upon start up until the business generates income. To qualify for the incentive the entity receiving this incentive must create a number of jobs to be determined by the review committee.
- (2) The City may provide water and sewer tap meter materials, labor and equipment to install water and sewer lines to the property line. The review committee will determine if an entity qualifies for this incentive which may include only a partial provision of the materials, labor and equipment necessary for the entire project.
- (3) The City may waive or reduce certain fees to induce economic development if an entity meets the definition of economic development projects established in the Act. The review committee will consider requests for fee reductions and make a recommendation to the City Council and City Manager who must give their approval.
- (4) The City may install and pay for part or all of the landscaping for an entity provided the entity will dedicate a permanent/temporary landscape easement to the City for the improvements and consent to maintain the landscape improvements. The entity must agree to maintain said installed landscape on both the private and public right-of-way areas. The review committee will consider companies that provide a positive economic impact based on the number of jobs created and the pay scale.
- (5) The City may provide right-of-way, construction, paving and/or other improvements necessary for the provision of roads/streets to the site.
- (6) The City may waive or reduce water rights requirements if an entity meets the definition of economic development projects established in the Act. The review committee will consider requests for water rights waiver or reduction and make a recommendation to the City Council and City Manager who must give their approval

Article 9. JOINT POWERS AGREEMENTS

The City may enter into joint powers agreements with other local governments to develop a regional economic development plan in accordance with the Act, as in effect from time to time.

Article 10. SEVERABILITY

If any article, paragraph, sentence, clause or word or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Ordinance.

Article 11. REPEALER

City Ordinance 2022-83 is hereby repealed in its entirety. Additionally, all other ordinances (not including City Ordinance 2022-83), bylaws, orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency.

(Signature Page to Follow)

PASSED, APPROVED AND ADOPTED THIS ____ DAY OF _____ 2023 BY THE GOVERNING BODY OF THE CITY OF RIO COMMUNITIES, NEW MEXICO.

City of Rio Communities Governing Body

Joshua Ramsell,
Mayor

Margaret R. Gutjahr,
Councilor Mayor Pro tem

Arthur Apodaca,
Councilor

Lawrence R. Gordon,
Councilor

Jimmie Winters,
Councilor

ATTEST:

Elizabeth F. Adair,
Municipal Clerk