

MRA

Downtown East Los Alamos

County Council Regular Meeting
March 25, 2025

Background

New Mexico State Statute empowers municipalities to establish “Metropolitan Redevelopment Areas” in downtown areas suffering from blight, physical and economic deterioration, and/ or facility underutilization. The statute grants municipal bodies the ability to implement certain activities within these areas that can stimulate economic development, including:

- Land and building acquisition
 - Adaptive reuse or demolition
 - Rezoning and modification of zoning regulations
 - Transportation improvements
 - Cultural and community facilities
 - Housing Projects
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- Assessment of Downtown Los Alamos was completed in February 2024
 - Enabling Ordinance and establishment of the boundary area was approved May 7, 2024
 - Completing the plan has been ongoing since that time

Downtown East Priorities

- Demolition of blighted and vacant structures
- Improve entryway aesthetics into Los Alamos and improve walkability
- Improve public infrastructure such as utilities, streets or other public amenities
- Higher density and mixed-use development (street level storefronts with smaller footprints supporting small business and affordable/workforce housing)
- Increased GRT from redevelopment

MRA Tools

- Generating a fund with increased tax revenues from redevelopment – restricted to use only within the boundary
- Basis for creating a Tax Increment Financing District (TIF) – unknown impacts
- Public-Private Partnerships – unclear how it is more enabling than what can already be done through LEDA and a Development Agreement for public infrastructure
- Development Incentives – unclear boundary with the NM Anti-Donation clause and seems to be effective when the local government owns land within the MRA boundary
- Tax Abatement - unknown impacts
- Zoning Code Exemptions - new development code adopted 12/22 enabling higher densities and mixed-use in the downtown areas
- Direct contributions – seems to be same as LEDA because typically tied to expanded GRT and job creation
- Fee waivers – no impact fees charged in Los Alamos

Concerns

- Small area with few property owners
- Includes existing rental housing
- No specific exemption of MRA from NM Anti-Donation Clause
- Limits use of increased GRT revenues by a TIF that could be offered more broadly for economic development purposes
- Most of the identified priorities could be executed without the existence of an MRA and without the constraints of the boundaries
 - using LEDA and affordable housing exemptions from the NM Anti-Donation Clause and CIP funding for walkability and streetscape improvement projects

Potential Options

Below are a few options for discussion and general guidance purposes:

- Alt 1 – Complete the plan and present to Council for consideration before the end of Summer 2025
- Alt 2 - Hire an economic expert consultant to evaluation the monetary potential of a Tax District or Tax Abatements an incentive for redevelopment
- Alt 3 - Consider pausing the MRA Downtown East Los Alamos initiative indefinitely

Questions?