

LEDA for Retail

County Council Presentation

August 5, 2025

Background

Local Economic Development Act (LEDA)

The Local Economic Development Act (LEDA) is a key tool authorized by the State of New Mexico to support economic development by allowing public resources to be used for private benefit under specific conditions that promote public good. Recognizing the need to stimulate local job creation and business growth, the **Incorporated County of Los Alamos adopted Ordinance No.02-304**, establishing its own Local Economic Development Plan in accordance with the Act.

Los Alamos County LEDA Authority

- 2009: County adopted Ordinance 543 – Local Economic Development Plan
- 2020: County replaced Ordinance 543 with 02-304
- 2021: Senate Bill 49 expanded LEDA to allow use of municipal funds to support retail businesses
- 2021: County adopted 02-315-1 which amended the previously adopted ordinance.

Retail Eligibility Under LEDA – Ord - NO. 02-304

Retail businesses may qualify if located:

- In a municipality with a population $\leq 15,000$
- In a larger municipality, *only if the project is not funded with state revenues*
- In an unincorporated area of a county

Why Invest in Los Alamos County?



Opportunities for growth

Revitalize key commercial areas

Boost local & visitor spending

Enhance quality of life

Diversify the local economy

**Support tourism and
complementary industries**

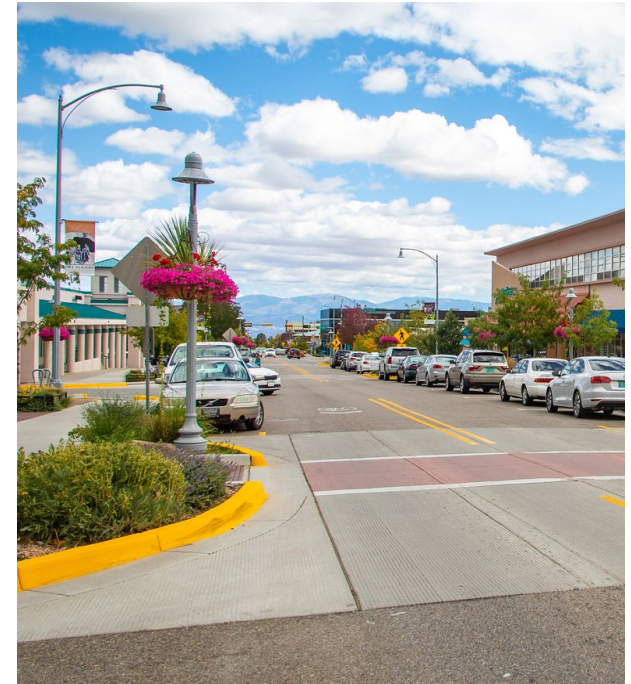
LEDA Opportunities & Incentives

Strategic Opportunities

- Fill critical retail gaps in the local economy (e.g., food services, apparel, health & personal care)
- Enhance tourism infrastructure and visitor experience
- Revitalize key commercial corridors and underutilized properties
- Increase local spending capture and reduce retail leakage
- Support community-identified needs (based on market data and survey feedback)

LEDA Incentives

- Public investment in capital infrastructure or building improvements
- Assistance with storefront, accessibility, and code-compliance upgrades
- Structured as performance-based agreements—funding is tied to job creation, capital investment, and other deliverables



LEDA for Retail Program Goals

Los Alamos County's LEDA for Retail Program focuses on investment in businesses that align with community goals, including diversifying the local economy, revitalizing commercial areas, expanding essential goods and services, and enhancing tourism-related infrastructure.

Target Key Market Gaps

- Food services (e.g., restaurants, cafes, specialty grocers)
- Clothing and apparel retail
- Health & personal care stores
- Cultural, tourism, and experience-based retail

Catalyze Business & Community Benefits

- Improve infrastructure, façades, and accessibility
- Support local business expansion
- Create and retain quality jobs

LEDA for Retail Program

Goals(Continued)

- **Retail LEDA: Supporting Small Business Growth**
- **Flexible Funding**
Grants available in increments of **\$20,000 to \$100,000**. Larger amounts considered loans but can be considered on a case-by-case basis, .
- **Focused on Growth**
Designed to support **job creation, business expansion, and capital investment**
- **Accountability with Flexibility**
Requires matching **security**, gradually released over **5 years** as performance goals are met
- **A Practical Path Forward**
Helps small businesses invest in their future while contributing to the **local economy**

Eligibility

To qualify, applicants must:

- **Address a documented retail market need**, supported by data, informal assessments, or community feedback
- **Demonstrate capital investment** and a long-term commitment to the proposed location or project.
- **Be in compliance** with all applicable Planning & Zoning regulations. Funded physical improvements must meet applicable building codes.
- **Be current on all tax obligations**
- **Meet applicable environmental regulations**
- **Provide financial documentation:**
 - Existing businesses: 3 years of financial statements
 - New businesses: Business plan with pro forma financials
- **Be the business or property owner** directly engaged in retail operations

Application Process

Part One - an online screening assessment followed by an in-person meeting with Economic Development staff is scheduled.

Screening Assessment

	Proposal Screening	Yes	No
1	Does the project address the retail market needs: Check all that apply. <input type="checkbox"/> Food Service, <input type="checkbox"/> Clothing and Apparel, <input type="checkbox"/> Personal Care and Health, <input type="checkbox"/> Cultural and Recreational Tourism	<input type="checkbox"/>	<input type="checkbox"/>
2	Is the proposed use allowable at the intended location? Staff can assist with verifying the location zoning designation and allowable uses.	<input type="checkbox"/>	<input type="checkbox"/>
3	Do you acknowledge the requirement for security.? (Acceptable security is cash, a letter of credit, equal assets of value or give evidence of an acceptable financing commitment)	<input type="checkbox"/>	<input type="checkbox"/>
4	You are current with your tax obligations (federal, state, and local taxes)?	<input type="checkbox"/>	<input type="checkbox"/>
5	Do you understand that any proposed retail project must follow all applicable environmental laws at the federal, state, and local levels and compliance is required throughout construction and ongoing operations? This includes any possible rules related ADA accessibility, air and water quality, waste management, and hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>
6	Is Property Owner aware and supports the proposed project?	<input type="checkbox"/>	<input type="checkbox"/>
	<i>For County Staff Use: Proceed to Step 2.</i>	<input type="checkbox"/>	<input type="checkbox"/>

Application Process (Continued)

Part Two - applicant submits a formal application. The Economic Development Division or its designated agent will review the application for completeness.

- The **Review Committee** will assess the feasibility of the project. As part of the review process, a **Security Agreement** will be carried out.
- All projects that are recommended by the Review Committee will be forwarded to the **County Council** for consideration.
- If approved by the County Council during a public hearing, a **Project Participation Agreement (PPA)** will be carried out.
- Once the compliance period concludes and all requirements have been met, the project is **formally closed out** and the **security is released**.

If **non-compliance** is identified, remedies may include an extended compliance period or **claw back provisions**, requiring the return of awarded funds (See LEDA Ord 02-304).

LEDA Grant Requirements

A **LEDA grant** is public money awarded to a private entity for a qualified economic development project that provides a clear public benefit—most often in the form of **job creation, capital investment, or community revitalization**.

Key Requirements:

- **Public benefit must be demonstrated.** The business must show that the project will result in economic development (e.g. job creation, tax base growth, or revitalization of blighted areas).
- **A Project Participation Agreement (PPA)** must be signed. This outlines the terms, performance benchmarks, and reporting obligations.
- **Security is required.** Although it's a grant, the County requires a form of security This could include:
 - A personal or corporate guarantee
 - A lien on property
 - A letter of credit or surety bond
 - Cash
- **Performance-based drawdown per PPA.**
- **Not automatically forgiven.** If benchmarks aren't met, the business may be required to repay the funds.

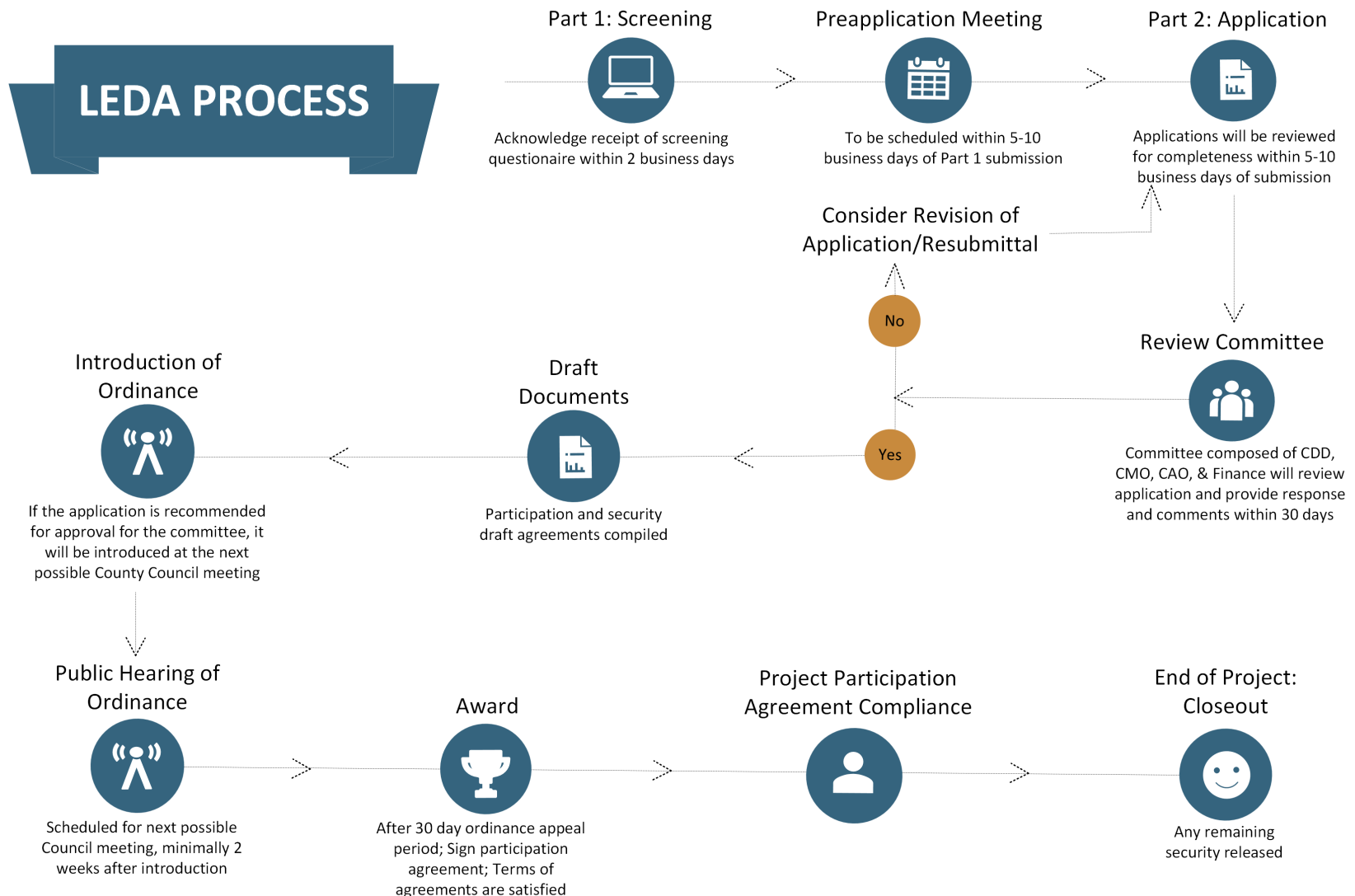
LEDA Loan Requirements

A **LEDA loan** is a repayable form of financial support, usually offered when the amount is larger or when the project cannot meet grant thresholds.

Key Requirements:

- **Repayment is expected.** Terms (interest rate, repayment schedule, etc.) are outlined in a loan agreement.
- **Collateral is typically required.** Loans will often be secured by tangible assets.
- **Public benefit is required.** Just like grants, loans must serve a public purpose such as job creation or economic development.
- **A Project Participation Agreement (PPA)** must be signed. This outlines the terms, performance benchmarks, and reporting obligations.
- **Performance monitoring applies.** The local government will continue to monitor compliance with project goals.

Application Process Overview



Questions?

For more Information:



economicdevelopment@lacnm.us



505-662-8120