

DRAFT ECONOMIC DEVELOPMENT AND BUSINESS ASSISTANCE PROGRAMS

Council Presentation
February 1, 2022

CDD/Economic Development Division

1  **LOS ALAMOS** 

last revised 3/24/2022

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Process

- | | |
|----------|--|
| 2/1/2022 | Seek Council Feedback of Draft Business Assistance Model |
| 3/8/2022 | Seek Council Approval of ARPA-related Business Assistance Programs |
| 4/1/2022 | Begin Accepting Business Assistance Applications |

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Purpose

Staff is seeking Council feedback on the draft Economic Development and Business Assistance Programs as presented this evening. In addition, staff is asking Council to approve the LEDA Guidance in Appendix A.

Foundation Plans

- from **COMPREHENSIVE PLAN**
Core Themes: Goals, Policies & Strategies. Diversify the economic base. Significantly improve quality and quantity of retail business. Promote growth in the downtown.
- from **DOWNTOWN/WR TOWN CENTER MASTER PLANS**
Develop Incentives. The County could establish a variety of development incentives to attempt to stimulate private investment throughout Downtown.
- from **2022 COUNCIL PRIORITY AREAS (draft)**
Enhancing support and opportunities for the local business environment. Appropriately supporting existing businesses, growing new small businesses, supporting technology start-ups and spin-offs, and identifying redevelopment opportunities as a part of these efforts.
- from **2019 ECONOMIC VITALITY STRATEGIC PLAN**
Grow a separate, complementary economy to LANL. Coordinate business resource services to local business community; Target/grow high-tech industry; and Target/grow retail and hospitality industries

Challenges

- Difficult to find funding for business startups
- Difficult to find funding for reinvestment and expansion of existing businesses
- Difficult to find quality, right-fit retail spaces
- Difficult to find quality, well-trained employees
- Difficult to keep up with the ever-evolving marketplace
- Impact of COVID-19

Path Forward

Formalize Economic Development and Business Assistance Programs, bringing together a set of comprehensive programs utilizing local, regional, state and federal funding and assistance resources that support and incentivize investment in new and existing businesses in Los Alamos County.

Local Economic Development Act (LEDA)

LEDA allows public support of qualified economic development projects for existing expanding and newly recruited companies to foster, promote, and enhance local economic development efforts. In essence, LEDA is used to enter a “public private partnership” for an economic benefit.

LEDA can be used to reimburse eligible expenses for hard assets. The County also can act as the fiscal agent for State funds contributed to a qualified project.

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Metropolitan Redevelopment Area (MRA)

NM State Statute that empowers local governments to rehabilitate and redevelop Metropolitan Redevelopment Area (MRA) areas by easing anti-donation restrictions in order to stimulate economic development and community well-being. Tools available in an MRA include:

- Public/private partnerships
- Create or revise zoning regulations/incentives
- Land or building acquisition
- ACD Administrative/operational funding
- Funding and financial programs
- Tax Increment Financing (TIF) Districts
- Revenue bond financing; and
- CDBG/State/Federal Brownfield funding opportunities.

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American Rescue Plan Act (ARPA)

In addition to funding households, small businesses and schools, the American Rescue Plan Act (ARPA) provides relief funds to state, local, and tribal governments that have been negatively impacted by the coronavirus pandemic.

Among other objectives, these funds can be used:

- To address the negative economic impacts resulting from or exacerbated by the health emergency, and
- To aid tourism, travel, hospitality and other impacted industries supporting business, attractions and established business districts.

Draft - Proposed ARPA Distribution

1. ARPA TARGET - Water Infrastructure (Council approved 1/4/2022) \$ 1,100,000
2. ARPA TARGET - Mitigate Negative Impacts of COVID-19

A. Economic Development and Business Assistance Program	\$ 2,000,000
A. COVID Recovery Grants	
B. Workforce Development Grants	
C. Business Attraction, Renovation and Expansion Grants (including design services, code and sustainability related improvements)	
B. Social Services	\$ 600,000

TOTAL ARPA FUNDING \$ 3,700,000

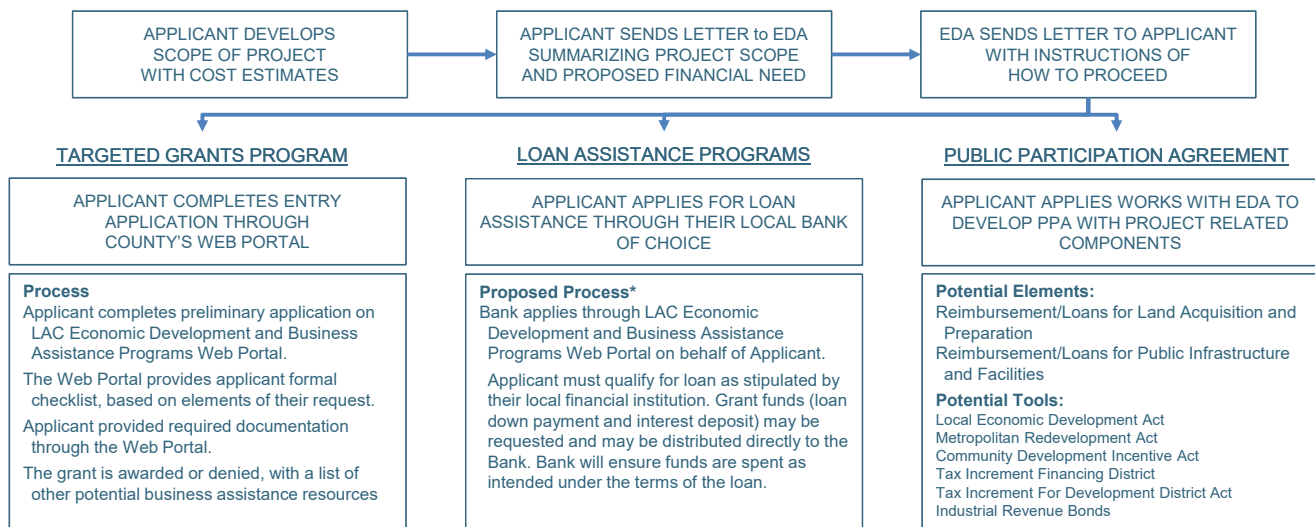
Draft Programs

RESOURCES				PROPOSED BUSINESS ASSISTANCE PROGRAMS*	Proposed Funding Per Request	LEVEL OF COMPLEXITY		
ARPA	LEDA	MRA	OTHER			LOW	MEDIUM	HIGH
x				COVID Recovery Assistance Program	Up to \$25,000	x		
x				Workforce Development Program	\$25,000/year	x		
x				Consultation for Design Services Program	Up to \$10,000	x		
x				Code-Related Renovation Program	Up to \$10,000	x		
x				Sustainability-Related Renovation/Expansion Program	Up to \$25,000	x		
x				General Business Renovation/Expansion Program	Up to \$50,000	x	x	
x				Commercial Loan Down Payment and Loan Assistance Program	Up to \$100,000	x	x	x
x	x	x	x	Secured Public Participation Agreement - Land Acquisition/Prep, Public Facilities/Infrastructure Construction	TBD case by case basis	x	x	x

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Draft Application Process



* Proposed loan assistance application process may change based on review of ARPA regulations.

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EXAMPLE 1

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight
Family-Owned	Workforce Development	LAC Grant	Self
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other
Restaurants	Code-Related Renovation		
Arts & Entertainment	Sustainability-Related Renovation		
Youth & Education	Business Renovation/Expansion		
Entrepreneurial & Start-Up	Land Acquisition/Preparation		
Housing	Public Facilities/Infrastructure		

Bob's Bakes:
 Bob redirected much of his funds to PPE and other in-store initiatives to protect his employees and customers from COVID. He is seeking **\$25,000**.

COVID Recovery Assistance Program	\$ 25,000
TOTAL INCENTIVE	\$ 25,000

EXAMPLE 2

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight
Family-Owned	Workforce Development	LAC Grant	Self
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other
Restaurants	Code-Related Renovation		
Arts & Entertainment	Sustainability-Related Renovation		
Youth & Education	Business Renovation/Expansion		
Entrepreneurial & Start-Up	Land Acquisition/Preparation		
Housing	Public Facilities/Infrastructure		

Fiona's Store:
 Fiona and her spouse's store is in downtown. They are retooling their store and are interested in providing their staff customer service training at UNMLA.

Applicant is redirected to apply with the LANMU SEED Program or attend business development programs presented by LACDC and LANMU.

Targeted Grant – Workforce Development	_____
TOTAL INCENTIVE	TBD

EXAMPLE 3

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight						
Family-Owned	Workforce Development	LAC Grant	Self						
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC						
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other						
Restaurants	Code-Related Renovation	Build-a-better-lightbulb Ltd: Dr. Eilive is preparing to retire from LANL, and has plans to setup a laboratory in an existing building on DP Rd. The building needs a fresh coat of paint, ADA washrooms and an electrical service upgrade. She needs \$60,000 . <table> <tr> <td>Targeted Grant – Code Related Renovation</td> <td>10,000</td> </tr> <tr> <td>Targeted Grant – Business Renovation/Expansion</td> <td>50,000</td> </tr> <tr> <td>TOTAL INCENTIVE</td> <td>\$ 60,000</td> </tr> </table>		Targeted Grant – Code Related Renovation	10,000	Targeted Grant – Business Renovation/Expansion	50,000	TOTAL INCENTIVE	\$ 60,000
Targeted Grant – Code Related Renovation	10,000								
Targeted Grant – Business Renovation/Expansion	50,000								
TOTAL INCENTIVE	\$ 60,000								
Arts & Entertainment	Sustainability-Related Renovation								
Youth & Education	Business Renovation/Expansion								
Entrepreneurial & Start-Up	Land Acquisition/Preparation								
Housing	Public Facilities/Infrastructure								

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EXAMPLE 4

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight										
Family-Owned	Workforce Development	LAC Grant	Self										
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC										
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other										
Restaurants	Code-Related Renovation	Rocky's Cafe: Rocky's home-grown restaurant is on Diamond Dr. He is planning to renovate his restaurant, installing ADA washrooms, and updating his staff's training. He is applying for a \$300,000 loan from his lender. <table> <tr> <td>Targeted Grant – Workforce Development</td> <td>-</td> </tr> <tr> <td>Targeted Grant – Code Related Renovation</td> <td>10,000</td> </tr> <tr> <td>Commercial Loan Down Payment Program</td> <td>50,000</td> </tr> <tr> <td>Commercial Loan Interest Rebate for \$250,000</td> <td>38,000</td> </tr> <tr> <td>TOTAL INCENTIVE</td> <td>\$ 98,000</td> </tr> </table>		Targeted Grant – Workforce Development	-	Targeted Grant – Code Related Renovation	10,000	Commercial Loan Down Payment Program	50,000	Commercial Loan Interest Rebate for \$250,000	38,000	TOTAL INCENTIVE	\$ 98,000
Targeted Grant – Workforce Development	-												
Targeted Grant – Code Related Renovation	10,000												
Commercial Loan Down Payment Program	50,000												
Commercial Loan Interest Rebate for \$250,000	38,000												
TOTAL INCENTIVE	\$ 98,000												
Arts & Entertainment	Sustainability-Related Renovation												
Youth & Education	Business Renovation/Expansion												
Entrepreneurial & Start-Up	Land Acquisition/Preparation												
Housing	Public Facilities/Infrastructure												

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EXAMPLE 5

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight
Family-Owned	Workforce Development	LAC Grant	Self
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other
Restaurants	Code-Related Renovation		
Arts & Entertainment	Sustainability-Related Renovation		
Youth & Education	Business Renovation/Expansion		
Entrepreneurial & Start-Up	Land Acquisition/Preparation		
Housing	Public Facilities/Infrastructure		

JRO's Hotel & Housing:
 Oregon developer is proposing to construct a 6,500 sf commercial building, parking structure, and an apartment complex. The development will require property acquisition, demolition and cleanup, utility upgrades, etc.

This is a LEDA project requiring a Public Participation Agreement supporting agreed upon public benefit. LAC participation will include a secured forgivable loan based upon developer performance, potentially supported by an IRB or other public financial tool.

TOTAL INCENTIVE **To be Determined**

EXAMPLE 6 – COUNTY SOLICITED PROJECT

Business Type	Assistance Type	Applicable Incentive Tool	Compliance Oversight
Family-Owned	Workforce Development	LAC Grant	Self
MainStreet	COVID Recovery	Zero-Interest Loan Grant	LAC
Hospitality, Travel, and Tourism	Design Services Consultation	Secured Forgivable Loans (PPA)	Other
Restaurants	Code-Related Renovation		
Arts & Entertainment	Sustainability-Related Renovation		
Youth & Education	Business Renovation/Expansion		
Entrepreneurial & Start-Up	Land Acquisition/Preparation		
Housing	Public Facilities/Infrastructure		

These programs, in addition to other local, regional and state programs, may be used by the County when soliciting economic development projects.

Other Resources, Partners and Programs

- ACCION New Mexico
- Angel Investments
- ARPA Small Business Tax Credits
- ARPA Emergency Capital Investment
- ARPA Paycheck Protection
- Industrial Revenue Bonds
- Local Economic Development Act
- Local Options Gross Receipts Tax
- Los Alamos Commerce and Development Corporation
- Main Street Program
- Mesa Capital Partners
- National Economic Development Associates
- North Central NM Economic Development District Revolving
- Loan Fund
- NM Community Capital
- NM Community Foundation
- NM Finance Authority
- NM Job Training Incentive Program
- MN Manufacturing Extension Partnership
- NM Small Business Development Centers and Programs
- NM TechNet
- NM Workforce Connection
- Office of Business Advocacy
- RD Business and Industry Guaranteed Loan Program
- RD Cooperative Development Assistance Program
- RD Self-help Technical Assistance Grant Program – Section 523
- Small Business Development Center Network
- SBA Programs
- Space Alliance Technology Outreach Program
- UNMLA
- UNM Bureau of Business and Economic Research, UNM
- Women's Economic Self-Sufficiency Team
- USDA Financial Assistance Programs
- More to be added....

Next Steps

- 2/1/2022 Seek Council Feedback of Draft Business Assistance Model
 - Seek Business Community Input Via Focus Groups
 - Confirm Proposed Use of ARPA Funds with Draft Programs
 - Establish Draft Agreements with Program Partners
 - Refine Existing Program Applications
- 3/29/2022 Seek Council Approval of ARPA-related Business Assistance Programs
- 4/1/2022 Begin Marketing Business Assistance Programs
 - Begin Accepting Business Assistance Applications

Questions and Feedback

Appendix A – LEDA GUIDANCE

LEDA Program Guidance - based on Council October 5, 2021, discussions.

1. Improve communications by using a marketing strategy that better promotes the LEDA program and uses targeted solicitations by business-sector and targeted development areas.
2. Any formal solicitation should have clearly established review criteria that may extend beyond the broad criteria defined in the LEDA code. The County should consider formal solicitations when the County owns or controls properties or has specific goals in mind. These formal solicitations could focus on a specific business sector or development areas or any other predefined parameters or goals. A proposed LEDA project may be considered outside of a formal County solicitation for LEDA projects.
3. Provide, at a minimum, at least two additional opportunities to inform and involve the public when considering a LEDA project. While the formal process established under by the County LEDA code (§ 2-436) provides for at a minimum an introduction and a public hearing, additional opportunities for public discussion should be provided during a workshop meeting before the introduction of the related ordinance and another workshop after the introduction and before the formal public hearing.
4. Initial evaluation of applications should be more heavily based upon criteria that are tied clearly with current county goals, objectives and initiatives as provided for in County planning and programming documents (i.e. – Budget Strategic Leadership, Management Action, and Capital Improvements Plans, Economic Vitality Strategic Plan, Comprehensive Plans and Master Plans, etc.)
5. When appropriate, seek partners that can provide support and services for pending LEDA projects. Examples might include a partner that provides streamlined security/bond services or design and project management services.
6. When appropriate, expand and improve coordination with existing and other potential economic development entities and tools, such as American Rescue Plan Act (ARPA), Small Business Development Center (SBDC), and other local and regional economic development organizations.