

Los Alamos County Financial Support for Economic Development Projects

For information or assistance, contact LACDC at 505-662-0001

Los Alamos County may provide financial support for economic development projects in four general categories:

- industrial revenue bonds;
- small technology-based business financial assistance;
- building facade improvements; and
- other economic development projects.

These economic development projects are supported pursuant to the express authority conferred upon municipalities and counties by the County Industrial Revenue Bond Act (NMSA 1978 §§4-59-1 et seq.) or the Local Economic Development Act (NMSA 1978 §§5-10-1 et seq.), as applicable, and in conformance with Article 9, Section 14 of the New Mexico constitution.

Industrial Revenue Bonds

The County may facilitate the acquisition of real and personal property under the County Industrial Revenue Bond Act for projects eligible for industrial revenue bonds (IRBs). An eligible IRB project includes real and personal property for:

- manufacture, processing, or assembly of any agricultural or manufactured product;
- storage, warehousing, distribution, or sales of agricultural, industrial, or mining products, excluding retail enterprises or distribution of public utility services;
- supplying services to the general public or governmental agencies;
- water distribution or irrigation systems designed to provide water to vineyards or wineries;
- hospital and nonprofit health care facilities, including nursing homes; and
- nonprofit, public, or private institutions of higher learning.

Property financed by IRBs may be exempt from some or all property taxes for the term of the bond indebtedness, based on a negotiated agreement for payment in-lieu of taxes between the County and a successful applicant. Industrial revenue bonds are retired solely through revenue derived from an approved project and do not qualify as a general obligation of the County.

Applications will be evaluated for financial support through IRBs on a first-come, first-served-basis.

Small Technology-Based Business Financial Assistance Program

The County may provide financial support under the Local Economic Development Act in the form of loans to small technology-based businesses that contribute to the achievement of the County's economic development objectives and that qualify under

the County's Economic Development Plan Ordinance. A technology-based business is generally defined as one that pursues commercial applications of technological innovations, employs a high percentage of scientists, engineers, or technicians, and/or markets products or services embodying significant research and development. Any financial support provided by the County must be used for purposes related to land, buildings, or infrastructure.

The Small Technology-Based Business Financial Assistance Program has the following major guidelines:

- Applicants must have their principal place of business or substantial research and development (R&D) facilities located in, or committed to relocating to, the County.
- Preference may be given to small businesses occupying or intending to occupy space in the Los Alamos Research Park.
- Awards will not be made in situations in which one company located in the County would be given a competitive advantage over another company located in the County with similar business activities or customer base.
- Financial support will be in the form of loans and the proceeds may not be used to supplant funds available from other sources such as banks, revolving loan programs, venture capital partnerships, or similar sources.
- Loan commitments may be made subject to specific conditions being met prior to disbursement of all or part of the funds.
- Loan funds may only be used for the purchase of business infrastructure or equipment. Qualifying business infrastructure will include the build out of physical office, laboratory, assembly, or manufacturing space or lease payments on real property and associated occupancy expenses.
- Loan funds may not be used for general working capital.
- Matching funds to be expended over a defined fixed term are required in an amount at least equal to the amount of the loan. Qualifying matching funds include, but are not limited to, capital in the form of debt or equity, grant funds, and operating revenues. In-kind contributions and funds expended outside of the defined fixed term will not qualify as matching funds.
- Relocation of the principal place of business and/or or substantial R&D facilities outside of the County or the sale of any assets purchased by loan funds or other assets pledged as collateral without the advance approval of the County Administrator or his or her designee will be considered a default event and necessitate the repayment of the unpaid principal and accrued interest in full.

Applications for participation in the Small Technology-Based Business Financial Assistance Program will be evaluated for support on a first-come, first-served-basis.

Building Facade Improvement Program

The County may provide financial support under the Local Economic Development Act in the form of underwriting below market rate interest loans or loan guarantees to property owners to improve and/or modernize the exterior facade of buildings located in designated commercial zones in the County. These improvements must contribute to

the achievement of the County's economic development objectives and qualify under the County's Economic Development Plan Ordinance.

The Building Facade Improvement Program has the following major guidelines:

- Qualifying property must be located in the County and be zoned, or being rezoned, for commercial use.
- Preference will be given to applicants whose improvement plan is consistent with the County's Master Plan-Downtown Los Alamos and any existing architectural design guidelines.
- Preference will be given to applicants with business opportunities to reduce financial leakage from the County.
- Financial support will be in the form of underwriting below market rate interest loans and/or loan guarantees.
- Loans will be structured and processed with participating financial institutions in the County.
- All funds must be used for facade improvements on buildings and may not be used for general working capital.
- Financial commitments may be made subject to specific conditions being met prior to disbursement of all or part of the funds.
- Facade improvements will be subject to architectural review and approval by the County.
- Matching funds are encouraged.

Applications for participation in the Building Facade Improvement Program will be evaluated for financial support on a first-come, first-served-basis.

Other Economic Development Projects

The County may provide financial support under the Local Economic Development Act to economic development projects whose scope falls outside of the Small Technology-Based Business Financial Assistance or Building Facade Improvement Programs or are inappropriate for support through Industrial Revenue Bonds. These projects must contribute to the achievement of the County's economic development objectives and qualify under the County's Economic Development Plan Ordinance.

As defined in the Ordinance, an economic development project means the provision of direct or indirect assistance to a qualifying entity by the County. Examples of economic development projects include:

- purchase, lease, grant, construction, reconstruction, improvement, or other acquisition or conveyance of land, buildings, or other infrastructure;
- payments for professional services contracts necessary for local or regional governments to implement a plan or project;
- direct loans for buildings or infrastructure;
- direct loans or grants for land;
- loan guarantees securing the cost of land, buildings, or infrastructure in an amount not to exceed the revenue that may be derived from the County infrastructure gross receipts tax;

- public works infrastructure improvements essential to the location or expansion of a qualifying entity;
- purchase of land for a publicly held industrial park; and
- construction of a building for use by a qualifying business.

Qualifying entities include corporations, limited liability companies, partnerships, joint ventures, syndicates, associations, or other persons that are one or a combination of two or more of the following:

- industries for the manufacture, processing, or assembly of any agricultural or manufactured product;
- commercial enterprises for storing, warehousing, distributing, or selling products of agriculture, industry, mining, excluding any enterprise for the retail sale of goods or commodities or for distribution to the public of electricity, gas, water, or telephone, or other services commonly classified as public utilities;
- businesses in which all or part of their activities involve supplying services to the general public, governmental agencies, or a specific industry or customer, excluding businesses primarily engaged in the retail sales of goods or commodities;
- Indian tribes or pueblos or federally chartered tribal corporations;
- telecommunications sales enterprises that obtain the majority of their revenue from sales outside New Mexico;
- facilities for the direct sales by growers of agricultural products, commonly known as farmers' markets; or
- businesses that are the developer of a metropolitan redevelopment project.

Applications for participation in the category of Other Economic Development Projects will be evaluated for financial support on a first-come, first-served-basis.

Los Alamos Commerce & Development Corporation and the UNM-LA Small Business Development Center have assisted businesses in determining applicability of the program and preparing successful applications. Contact the Business Development Director at 505-662-0001 for assistance.