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## FISCAL IMPACT REPORT

SPONSOR Taylor DATE TYPED 2/15/05 HB \_\_\_\_\_  
 SHORT TITLE South Valley Economic Development Center SB 527  
 ANALYST Hadwiger

### APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$400.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
 Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 527 appropriates \$400,000 from the general fund to Department of Finance and Administration (DFA) in FY05 and FY06 for start-up costs of the South Valley Economic Development Center and Business Incubator.

#### Significant Issues

The Economic Development Department noted that the Center/Incubator has been built and is due to open its doors March 2004, but has no funds available for operations.

The building for the Center/Incubator is 17,000 square feet in area and will have a commercial kitchen. The development director of the facility indicates that the size of the building and the kitchen will require additional funding. By means of comparison, DFA indicated that the chief executive officer of the Santa Fe Business Incubator stated that facility started in a building of 10,000 square feet with 9 to 12 businesses. Its start-up costs in the first year were \$400,000 for the furniture and fixtures plus another \$250,000 for programs and staffing for a total of \$650,000.

**FISCAL IMPLICATIONS**

The appropriation of \$400,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

DH/yr