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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/08

SPONSOR Miera LAST UPDATED _____ HB 436

SHORT TITLE Albuquerque Retail Business Recruitment SB _____

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 436, Making an Appropriation for the Recruitment of Retail Businesses to Downtown Albuquerque, appropriates \$50.0 thousand from the general fund to DFA for the purpose recruiting businesses.

FISCAL IMPLICATIONS

The appropriation of \$50.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

EDD notes that the Mid-Region Council of Government (MRCOG) is a multi-county governmental agency that is helping the region plan responsibly for the future, in light of anticipated growth in New Mexico's mid-region. Representing the counties of Bernalillo, Valencia, Tarrant, and Sandoval, they provide planning services in the areas of transportation, agriculture, workforce development, employment growth, land-use, water, and economic development.

MRCOG has been partnering with the Economic Development Department (EDD) for many years. MRCOG has been a long time supporter of EDD assisting us with the marketing or state economic development programs, services, and activities.

The 4-county Mid-Region Council of Governments area is designated by the U.S. Department of Commerce, Economic Development Administration (EDA) as an Economic Development District. As such, MRCOG prepares a summary of the region's economic conditions and recommended activities for growth and development in a report known as the Comprehensive Economic Development Strategy (CEDS). The CEDS can be used by the general public, government officials, and business investors to understand the regional economy and take actions to improve it.

MRCOG also assists with preparation of EDA funding applications and staff is available to conduct EDA grant administration.

From July 2006 - July 2007, MRCOG has actively assisted several local projects with EDA funding. The EDA only invests in projects that have a high probability of contributing to local economic growth.

From July 2006 - July 2007, the total EDA investments in this region were \$4,950,000:

- MRCOG: \$150.0 thousand Planning Grant for three years (2007-2009).
- Sandia Science and Technology Park: \$1.1 million for infrastructure improvements to enable more retail and services
- WESSTCorp: \$1.2 million to construct a business incubator in downtown Albuquerque
- University of New Mexico: \$1.1 million for construction of the 3rd bay of a cleanroom at the Manufacturing Technology Training Center.
- All Indian Pueblo Council: \$1 million for sewer and water infrastructure at the historic Indian School site to spur job creation and private investment in an underdeveloped area.
- New Mexico Community Capital: \$350.0 thousand for the Impact New Mexico Business Growth Services program--providing entrepreneurial support for small businesses in rural and underserved areas of New Mexico.

MRCOG provides technical assistance to local governments to identify community development needs and to obtain funding for water, sewer, transportation, and other community development projects.

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