
Programs and Legislative
Priorities of the Economic
Development Department

Economic & Rural Development
Committee

June 4, 2013

“Evergreen” Funding for JTIP

- Move JTIP funding from non-recurring special appropriations to recurring funding in EDD’s base budget
 - To be phased in over 3-4 years

Sumedh
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MainStreet

part 1

- **\$5 million in capital outlay for priority economic development projects in district master plan**
 - Begins to address backlog of \$70 million capital and infrastructure economic development priority projects within municipally adopted district master plans
 - No capital outlay funding in FY 12 or 13
 - \$1 million in FY11
 - \$500,000 for FY14
 - Many projects in districts stalled waiting for next phase of funding

MainStreet

- **Doubling of State Historic Tax Credits for eligible commercial properties in MainStreet Districts**
 - Increase existing credit for historic properties from \$25,000 to \$50,000
 - Incentive for owners of commercial properties on the state's register of historic and cultural properties
 - In 2007, credit increased to \$50,000 for properties in Arts & Cultural Districts
 - NMMS provides expertise in supporting local MainStreet organizations to market product and assist with the administration of the process
 - Local MainStreet organization cultivates willing property owners
 - Uses include HVAC, roofs, fire and building code compliance, façade work, interior structural repair and restoration, plumbing and electric work

MainStreet

- **Syndication of state historic tax credits for eligible commercial properties**
 - Goal is to incentivize commercial property restoration and reuse within traditional and historic commercial centers (i.e. MainStreet and Arts and Cultural Districts possibly Frontier Communities)
 - Many property owners are land rich but cash poor
 - Low revenue generation results in lack tax burden for credit to offset
 - Precedent: federal syndication of New Markets Tax Credits Program allows sale of credit to a company or bank with a tax burden.
 - Funds generated by the exchange of the credit can only be used on the approved elements of renovation of the property
 - A time limit would be set on the completion of work
 - NIMMS and local MainStreet provide technical, professional assistance and guidance to property owner
 - Historic Preservation Division provides guidance and approval of the project

Capital Outlay for LEDA Projects

- Requests for \$34 million in projects currently pending
 - Includes completing water infrastructure at Santa Teresa

Aircraft Services GRT Deduction

- Rep. White carried HB 29 in 2013 session
- Revises current GRT deduction for aircraft manufacturers to “certified repair stations”
- Surrounding states do not tax services
- Aircraft are mobile, can be serviced anywhere
- NM is losing business

Directed Energy GRT Deduction

- Rep. Larranaga carried this bill the last two years
- GRT deduction for sale of R&D services related to directed energy and satellites
- GRT on one company's purchases of goods for one program would have exceeded fiscal impact of deduction