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FISCAL IMPACT REPORT

SPONSOR Maestas/Louis/
Roybal Caballero/
Ruiloba ORIGINAL DATE 2/25/2019 LAST UPDATED _____ HB 640
 SHORT TITLE ABQ West Central Ave. Development SB _____
 ANALYST Martinez

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|--------|------------------------------|------------------|
| FY19 | FY20 | | |
| | \$50.0 | 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

House Bill 640 appropriates \$50 thousand to the local government division of the Department of Finance and Administration (DFA) to promote the economic development and revitalization of the west Central corridor by developing a contractual relationship with a community organization for services and to collaborate with 10 neighborhood associations and two merchant associations in Albuquerque.

FISCAL IMPLICATIONS

The Department of Finance and Administration states that it may need one additional FTE to support the initiatives of HB640. See administrative implications below for more detail.

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of the FY20 shall revert to the general fund.

SIGNIFICANT ISSUES

The following was provided by the Department of Finance and Administration:

The ten neighborhood associations and two merchant associations were not specifically mentioned by name. Determining which neighborhood and merchant associations will participate in this project would be a priority.

Over the last 15 years, the City of Albuquerque, the County and others have done numerous studies of the west Central corridor - to include traffic patterns, retail and market analysis, commercial stabilization and neighborhood development, infrastructure development plans, etc. This portion of the City presents unique challenges for a variety of reasons and bringing together various neighborhood associations and merchant groups will, presumably, provide a framework for future smart and appropriate growth and help facilitate the creation of a productive gateway to the metropolitan area itself. Traditionally, many of the parcels adjoining west Central Avenue are five acres or more in size, with proportions that are not suited for most types of development. Traditionally, the area has little existing infrastructure; most of it is outside of the service area for the Water Utility Authority.

The following was provided by the Economic Development Department

HB640 is vague in defining the groups that are to be brought together and there is no clear definition as to what is to be the final outcome of this contract.

ADMINISTRATIVE IMPLICATIONS

The following was provided by the Department of Finance and Administration:

This bill would require LGD to develop a new program and collaborate with 12 individual associations and, in all likelihood, the City of Albuquerque.

LGD would be responsible for organizing this committee and procuring a professional service provider for planning the economic development and revitalization, which may require an additional FTE to administer the new project. DFA is concerned with LGD's ability to meet its critical statutory duties and its overall mission if its resources are redirected towards small special projects.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Economic Development Department will continue to promote economic development statewide, and is available to work with local governments on specific initiatives.

JM/sb/gb