

REQUEST FOR

ECONOMIC
DEVELOPMENT
INCENTIVES
FOR

CITY OF PORTALES, NM
100 W. FIRST STREET
PORTALES, NM 88130
575-356-6662

CITY OF PORTALES LOCAL ECONOMIC DEVELOPMENT ASSISTANCE (LEDA) PROGRAM

The City of Portales offers limited grant funding to assist specific types of businesses wishing to relocate or expand in Portales. The State of New Mexico has authorized Portales to recapture a small portion of Gross Receipts Tax (GRT) paid in the city to assist new and expanding businesses that create new jobs and generate new economic development activity within the City of Portales. The fund is maintained by the City of Portales and administered through the local non-profit economic development agency, the Roosevelt County Community Development Corporation (RCCDC).

The LEDA is a revolving grant fund and is replenished through local Gross receipts Tax (GRT) collections. Applicants are required to meet with the RCCDC to determine eligibility, as stated in City of Portales Ordinance 646. Then, the applicant completes an application, which is reviewed by the City Attorney. Once the completed application is approved by the City Attorney, the RCCDC forms a recommendation based on professional analysis of the businesses economic impact over time, typically a five-year period. The recommendation is then reviewed again by the City Attorney and is presented before the Economic Development Finance Review Committee of the City of Portales. The Finance Review Committee may approve, deny, or modify the recommendation, and then it goes to the Mayor and Council for final approval.

In this process, businesses must sign a participation agreement which indicates that they are willing and able to undertake the business expansion and job creation outlined in the application. The agreement also includes a provision to allow the recapture of a pro-rata portion on the grant funds over time if the applicant does not meet the obligations of the award. Specific items outlined in the award are approved for reimbursement. Once the LEDA grant is approved by Mayor and Council, the applicant may begin incurring expenses and submitting receipts to receive grant funds for the specific items outlined in the award. And finally, a brief annual report on economic impact is required of the applicant for a period of five years, or until it can be determined that the economic benefit to the community as stated in the application has been reached. The RCCDC will facilitate this reporting process using simple questionnaire forms.

The City of Portales is a business-friendly community that seeks to reward those companies that invest new capital in the community, work hard to succeed, and take well-calculated risks to create new quality jobs and sustainable economic development. The LEDA fund is one tool that helps expanding businesses and the City of Portales to achieve our mutual goals.

ELIGIBILITY

Any existing or proposed corporation, Limited Liability Company, partnership, joint venture, syndicate, association or other person is eligible provided that it meets one or more of the following criteria:

- A. An industry for the manufacturing, processing or assembling of agricultural or manufactured products;
- B. A commercial enterprise for storing, warehousing, distributing or selling products of agriculture, mining or industry, but, other than as provided in subsection (5), (6) or (9) of this definition, not including any enterprise for sale of goods or commodities at retail or for distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;
- C. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in subsection (E) or (I) of this definition, not including businesses primarily engaged in the sale of goods or commodities at retail;
- D. An Indian nation, tribe or pueblo or a federally chartered tribal corporation;
- E. A telecommunications sales enterprise that makes the majority of its sales to persons outside New Mexico;
- F. A facility for the direct sales by growers of agricultural products, commonly known as farmers' markets;
- G. A business that is the developer of a metropolitan redevelopment project;
- H. A cultural facility; and
- I. A retail business.

APPLICATION PROCESS

The process for awarding economic development incentives is governed by the City's Economic Development Plan Ordinance (City Ordinance No. 646) and NMSA 1978 Section 5-10-1 through 5-10-13. The basic steps in the process are as follows:

1. The applicant requests the application for LEDA and reviews the requirements to determine if they feel they may qualify.
2. The applicant schedules a pre-application review meeting with the RCCDC Economic Development Director to go over the requirements and process.
3. The applicant provides all required documentation and the RCCDC processes the application, including City Attorney review.
4. The RCCDC notified the applicant that the application is complete and will be considered, or that the application needs further information, or that the City Attorney has determined that the application does not meet LEDA requirements.
5. The RCCDC conducts economic impact analysis using the IMPLAN model to determine benefit and eligible reward based on the economic benefit to the community over a defined time period, typically five years.
6. The RCCDC recommendation is reviewed and approved or modified by the City Attorney.
7. The applicant signs an official LEDA Award Participation Agreement with the City of Portales, stating the terms and conditions and requiring the awardee to agree to these terms and conditions. Terms may include awarding part or all of the funds on a pro-rata basis over a reasonable time period whereby the awardee may demonstrate to the City of Portales compliance with stated hiring and investment goals as stated in the application.
8. A meeting of the citizen's Economic Development Finance Review Committee is scheduled by the RCCDC through the City Manager's Office. At this meeting the applicant has an opportunity to present their case to the committee, and the committee accepts, rejects, or modifies the recommendation of award.
9. The final recommendation is heard in front of the Mayor and Council, who approves, denies, or modifies the award.
10. Once approved, the applicant may begin investing in items specified for reimbursement under the LEDA award. PLEASE NOTE: NO EXPENSES INCURRED PRIOR TO MAYOR AND COUNCIL APPROVAL ARE ELIGIBLE FOR REIMBURSEMENT.
11. Applicant reaches the specific investment and hiring levels eligible for reimbursement under LEDA, provides receipts and evidence as required to the City Clerk, and LEDA award funds are reimbursed as noted in the Participation Agreement.
12. Applicant agrees to report on an annual basis the progress made toward fulfilling the requirements of the Participation Agreement and investments and employment levels stated in the application until such time that the agreement is satisfied

(typically five years). The RCCDC will facilitate this process by administering a simple interview and questionnaire.

REQUEST FOR ECONOMIC DEVELOPMENT INCENTIVES
CITY OF PORTALES, NM

APPLICANT

Legal name	
Trade name (dba)	
Address	
City, State, ZIP	
Phone #	
Fax #	
Primary contact person	
Federal Tax ID #	
NM State Tax. and Rev. #	
City Business License #	

This business is organized as a:

- C-Corporation
 S-Corporation
 LLC
 Partnership
 Proprietorship
 Non-profit

Principals	Title	Address

I. PURPOSE OF THE PROJECT

II. REQUEST OF THE CITY

III. FINANCIAL HISTORY

VI. ESTIMATED IMPACT ON THE LOCAL ECONOMY

How many and what type of jobs will this project create?

		Number of Jobs Created		
Job Title or Type	Estimated Pay Scale	At Start-up	Beginning of Year 2	Beginning of Year 3
Total No. of Jobs Created				
Total Estimated Payroll				

Please indicate in the above chart which jobs will you:

- **Fill locally (L)**
- **Fill by transfer from other facilities or recruit from outside the area (O)**

How many and what type of jobs will this project retain or impact?

		Number of Jobs Retained/Impacted		
Job Title or Type	Estimated Pay Scale	At Start-up	Beginning of Year 2	Beginning of Year 3
TBD				

Total No. of Jobs Retained/Impacted				
Total Estimated Payroll				

What is the anticipated impact of this project on the local tax base (e.g. what increases in taxes paid do you expect from this project)?

Summary of Economic Impact

What is the anticipated impact of this project, if any, on the local school system?

Less than 2% increase in enrollment due to inbound labor force.

VII: AUTHORIZATION FOR CREDIT CHECK OR FINANCIAL VERIFICATION

(see accounting records)

As part of due diligence in processing this request for economic development incentives, the City of Portales, NM may elect to obtain credit reports in relation to this business and/or its principals. Alternately, the applicant may be asked to provide a notarized letter from their lender or CPA stating that they have the financial wherewithal to complete the project as specified in the LEDA application.

I hereby authorize the City of Portales, NM to obtain such personal or business credit reports.

n/a

Applicant Name

Social Security #

Business Name

Federal Tax ID #

Signature of Applicant

Date

VIII: REQUEST FOR ECONOMIC DEVELOPMENT
INCENTIVES
ADMINISTRATIVE HANDLING RECORD

Date received: _____ Date reviewed: _____

Reviewed by: _____

Review Item	Yes	No	In- complete	N/A
Incorporation papers				
Bylaws				
Resumes of principals				
Financial statements (3 yrs)				
Pro-forma statements (3 yrs)				
Credit check authorization or lender statement				
Credit check complete				
Evidence of funding				
Business plan				
Economic impact				

Date presented to Finance Review Board: _____

Board recommendation: _____

Date presented to City Council: _____

Action by City Council: _____
