



# City of **ALAMOGORDO**

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## **LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) APPLICATION**

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LEDA is the Local Economic Development Act (Chapter 5, Article 10 N.M.S.A) which allows cities to establish a tax to assist new and existing businesses in growing the economy. Alamogordo adopted Article 2-14 under the Act in 1996, establishing the local economic development plan.

Updated: 03/2023

# INFORMATION

## WILL MY BUSINESS QUALIFY

Under local rules, only certain businesses qualify to apply for funding. A qualifying entity is a corporation, LLC, partnership, or other business entity located in City limits, which falls into one of the following categories;

- Industry for the manufacturing, processing, or assembling of agricultural or manufactured products
- Commercial business for storing, warehousing, distributing, or selling productions of agriculture, mining, or industry
- A business (including restaurants or lodging) in which all or part includes the supplying of services to the general public
- An Indian nation, tribe, pueblo, or tribal corporation
- Telecommunications sales making most of its sales outside New Mexico
- Farmer's market
- A Developer of a metropolitan redevelopment project Cultural facility.
- Cultural facility

*Preference will be given to the following:*

- An industry that meets all environmental standards
- An industry that does not use a large amount of water
- An industry that pays a living wage
- An industry that can take advantage of the highly skilled former military personnel
- Office or service industries such as telemarketing or data processing
- An industry that will diversify the local labor market
- Research and development
- Light assembly or manufacturing industries that are labor intensive

## WHAT CAN THE MONEY BE USED FOR

*NMSA 1978 §5-10-2 enacted the Local Economic Development Act because municipalities might need to be able to provide land, buildings, or infrastructure to enhance essential business growth. The money or other public assistance may only be used for projects which will expand or improve a business to enable that business to employ more people. The result must be a tangible and non-removable element of the business.*

Uses include

- Land to build a company on
- Additions to an existing building or Construction of a new building
- Mechanical upgrades to increase production
- Public works improvements essential to the location.

Items excluded include

- Tools
- Food
- Any equipment which is removable from the building
- Start-up expenses

## THINGS TO CONSIDER

### IMPORTANT INFORMATION

Before you begin the application, please consider the following.

The request is being funded through local economic tax and is using taxpayer funding. All paperwork is subject to the inspection of public records act, NMSA 1978, Chapter 14, Article 2. To learn more about the Inspection of public records act, visit <https://www.spo.state.nm.us/resources/inspection-of-public-records-act-ipra/>.

Article 2-14 Economic Development ordinance can be found at [https://library.municode.com/nm/alamogordo/codes/code\\_of\\_ordinances](https://library.municode.com/nm/alamogordo/codes/code_of_ordinances)

The business must be located in Alamogordo City Limits.

The local ordinance requires the City of Alamogordo perform due diligence in verifying all facts about the business seeking assistance. Additional information may be requested.

Applicant must submit a business plan with the information requested in the next section. The application will be denied and returned to the applicant if the business plan does not address the required information. You may resubmit with the required information.

To ensure accuracy, the applicant must utilize the following format.

The process will take a minimum of 8 weeks but may take longer.

## REQUIRED INFORMATION & FORMAT

### COVER PAGE

You may include a cover page, but it is not required.

### CHECKLIST

Please include this checklist at the beginning of your document.

<p>I have read the information page, and my business qualifies as a: (check all that apply)</p>	<p><input type="checkbox"/> Industry for the manufacturing, processing, or assembling of agricultural or manufactured products</p> <p><input type="checkbox"/> Commercial business for storing, warehousing, distributing, or selling productions of agriculture, mining, or industry</p> <p><input type="checkbox"/> A business (including restaurants or lodging) in which all or part includes the supplying of services to the general public</p> <p><input type="checkbox"/> An Indian nation, tribe, pueblo, or tribal corporation</p> <p><input type="checkbox"/> Telecommunications sales making most of its sales outside New Mexico</p> <p><input type="checkbox"/> Farmer's market</p> <p><input type="checkbox"/> A Developer of a metropolitan redevelopment project Cultural facility.</p> <p><input type="checkbox"/> Cultural facility</p> <p><input type="checkbox"/> None of the above apply (<i>you do not qualify for LEDA funding</i>)</p>
<p>Have you applied for State LEDA?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If yes, what is the status?</p>	<p>Click or tap here to enter text.</p>
<p>Who is your contact at the state?</p>	<p>Click or tap here to enter text.</p>
<p>May The City contact this individual?</p> <p>Please provide the contact information.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p> <p>Click or tap here to enter text.</p>

## APPLICANT INFORMATION

- a) Owners Name(s), mailing address, email address & phone number (if different than business)
- b) Legal Business Name
- c) Business location. (Street, City, State & Zip)
- d) Phone number
- e) Email address
- f) Federal tax ID
- g) New Mexico Tax ID
- h) Current Business License #
- i) Type of Business ( Corporation, S-corporation, LLC, Non-profit, Partnership, Sole Proprietorship)

## HISTORY AND BACKGROUND INFORMATION

- a) Executive summary. Include the business description, how long it has existed, and how many employees it currently has.
- b) If this is a new business, please describe any experience with this type of industry.
- c) Have the owners filed for bankruptcy in the past ten years?
- d) Does the applicant have any loans in default? If so, please describe.
- e) Does this company have an advisory or governing board?
  - a. If so, please list the current list of officers.

## PROJECT REQUEST AMOUNT

- a) Describe the proposed request and the amount requested.
- b) Describe a timeline for the completion of the project. Include Target close date, construction begin and end dates, and new facility operational date
- c) Describe the payback period.
- d) Describe infrastructure needs and detailed scope of work specific to the funding requested above. Include items such as building, building renovations, permanent fixtures, etc.

## DETAILED INFORMATION

- a) Describe how this project is beneficial to the city of Alamogordo.
- b) Provide a market analysis summarizing the competition and the effect on existing industry and commerce before and after completion.
- c) Operational plan.
- d) Marketing strategy
- e) Organizational chart, current and proposed.

## COMPANY FINANCIAL INFORMATION

The city of Alamogordo **must** prove financial solvency. The applicant must provide or make available the following.

- a) Three years of tax documents, audited financial statements (if required to have them audited), or other means of verifying solvency.
- b) Cash flow, income, and expense projections for the duration of the "payback" period
- c) Provide a schedule of funding commitments. Upon request, the applicant will make available term and commitment letters.
- d) How will this award be secured? Please provide collateral/security to be pledged. The company may have to purchase a financial guarantee bond.

## PAYBACK AND JOB CREATION

- a) Outline the number and types of jobs to be created, including titles and wage rate.
- b) Include any benefits.
- c) Payback should be in the form of job creation. However, a project could qualify if it can prove other benefits to the City of Alamogordo. The applicant must quantify and describe such benefits. These benefits may include
  - a. To help develop the best possible vocational and skill training within the community's resources to prepare the local populace to enter the workforce.
  - b. Increase in the tax base
  - c. Increase in GRT
  - d. Provide a gap or service that is not available in Alamogordo.
  - e. Under circumstances where the benefit to the community is not clear, an economic impact analysis may be requested by the city

## REVIEW & CITY MANAGEMENT RECOMMENDATION

- The project will be evaluated on factors that include but are not limited to financial stability, commitment to the community, cost-benefit analysis, and local needs. Upon completion of the application, City staff will make recommendations to the City Commission. The applicant will be required to present before commissioning.
- An ordinance will need to be approved by City Commission. This will occur at the same time as the item above.
- A project participation agreement will be required upon approval.

## CONTACT

For any questions, please email [shernandez@ci.alamogordo.nm.us](mailto:shernandez@ci.alamogordo.nm.us) or call (575) 439-4203.

If you would like to submit a proposal, you may email [shernandez@ci.alamogordo.nm.us](mailto:shernandez@ci.alamogordo.nm.us)

or send to  
City Managers Office  
1376 E. 9<sup>th</sup> Street.  
Alamogordo, NM 88310