

**Local Economic Assistance and
Development Support**

LEADS

NEW MEXICO *True*
ECONOMIC DEVELOPMENT

POLICY MANUAL

Fiscal Year 2019

(July 1, 2018 – June 30, 2019)

PROGRAM OVERVIEW

Introduction

Through the Local Economic Assistance and Development Support program (LEADS), the New Mexico Economic Development Department (NMEDD) encourages and supports New Mexico communities in their efforts to create new jobs. The program emphasizes the importance of recruitment, as well as retention/expansion and start-up activities. The initiative recognizes that the character and needs of each community will determine how these activities might be used to create new jobs.

Program Objectives

The funding provided through LEADS is intended to create jobs, develop the tax base, and provide incentives for business development. **Every LEADS application will be evaluated based on these objectives**

Recruitment, retention and expansion, or creation of jobs in economic-base businesses.

An economic-base business is one that manufactures a product in New Mexico (example: manufacture wire harnesses in New Mexico for sale in California). A business that provides a non-retail service with a minimum of 50% of its revenue coming from a customer base outside of New Mexico is also included (example: payroll company in New Mexico providing services to clients throughout the USA).

Economic base businesses bringing new money into the local economy from outside of the area - generally considered to be out of state. In rural communities that have included retail activity in their economic development plan, retail may be considered as an economic-base activity in that it brings new money into the community or that it prevents leakage outside of the area. (example: tourist targeted shops on Main Street in a small village bring new money into the community).

Develop the tax base.

More jobs in a community leads to more revenue for the community as employees spend money in local businesses. The businesses and the employees pay property and sales taxes. This will result in more money to enhance government-funded community services that contribute to the quality of life – everything from libraries to roads.

Developing the tax base does not require increasing taxes. On the contrary, developing the tax base is about creating more assets on the tax rolls (e.g., new or improved business properties, more properties generating tax revenue) to spread the cost of operations across more entities.

Encourage Business Development

Most jobs and investment come from expanding an existing business but every business starts small – sometimes as just one person with an idea. Business growth involves providing advice, support and resources to enable new businesses to start up; small businesses to grow; medium businesses to expand; large businesses to diversify; and all businesses to succeed. Incubators, business accelerators, and shared work spaces help

business get off the ground. Programs that provide network development, technology assistance, training and marketing are used to encourage business development.

Program Administration

The LEADS Program is an element of NMEDD's Community, Business and Rural Development team. The teams Regional Representatives will work with entities to identify projects and prepare grant applications. Entities will submit applications directly through their local Regional Representative.

Applications will be evaluated by NMEDD staff and LEADS awards are determined by the New Mexico Economic Development Commission.

Regional Representatives will work with entities that are awarded grant funds to assist in implementation of the project and with entities that are not awarded funding to identify alternative funding sources to move projects forward.

Funding Opportunity

LEADS is a competitive grant opportunity. Projects may be awarded up to \$15,000 per year. Funding will be awarded through a cost reimbursement contract. NMEDD will reimburse the Project applicant for work performed and/or costs incurred by the applicant up to the total amount specified in the grant. Reimbursement will be made upon completion of the Project and submittal of a Project report.

Solo Worker received special funding from the New Mexico Legislature for FY19. For applications using the NM SoloWorks Centers model, reimbursement will be of up to \$3,500 for every job created. For Solo Worker program applications using training or solopreneur models they are eligible for a maximum award of \$25,000 per year. All Solo Worker applications will be awarded on a post-performance outcome basis.

Qualified entities will be allowed to submit a LEADS and a Solo Worker application.

Eligible Applicants

Entities that may apply to participate in LEADS:

- Are part of an economic development effort that includes both public and private participation and can demonstrate their capacity to facilitate economic growth.
- Have an up to date community economic development plan and a marketing plan that supports business development and job growth.
- The Local Economic Development Act, and, ideally, a Local Option Gross Receipts tax for economic development or other economic development financing tools have been adopted in your service area.

Organizational status of applicants:

- Incorporated municipalities and counties, to include Native American tribal entities, are eligible to apply for LEADS.
- Community stakeholder organizations may apply for LEADS if the organization is physically located, operates, and is incorporated under the New Mexico Not-for-

Profit Corporation Law and has been providing relevant economic development service to the community for at least one year prior to application. (i.e. Economic Development Organization, Chamber of Commerce, workforce organization, or business association.)

- All applicants must be auditable and eligible to receive state funding.

Applicants having been awarded LEADS funds will not be eligible to reapply until they have successfully completed and implemented the project funded by previous awards. A phased Project may apply for funding for multiple phases but only when each distinct phase is completed.

Eligible Projects

- Achieve specific economic development objectives of job creation, expansion of tax base, and/or business development through measureable outcomes.
- Are consistent with the community's adopted economic development plan and with its economic development strategic plan and/or marketing plans.
- Have a clear beginning and end.
- Have an appropriate budget and timeline.

All projects must address one of the core economic development areas of: Attraction; Retention; Real Estate; Technology and Entrepreneurial Development; or Workforce Development.

Example projects may include (subject to project scope and outcome):

Attraction:

Sales mission or trade show

Outcomes – New business location, job creation, expansion of tax base

Measures - Leads generated, site visits, locations, jobs created, private investment

Business Retention:

Visitation program

Outcomes – existing business development, job creation, expansion of tax base

Measures - Visits, issues addressed, jobs retained, private investment, business expansions

Real Estate:

Industrial Park site design, permitting, development

Outcomes – expansion of tax base, job creation, business development

Measures - inquiries, site visits, private investment, jobs created, businesses established

Technology / Entrepreneurial / Startup Development:

Incubator, accelerator, shared space, commercial kitchen

Outcomes – business development, job creation, expansion of tax base

Measures - Participants, businesses launched, private investment, jobs created

Solo Worker As created by NMSA 9-15-57

Economic based job, solo worker is engaged in full-time employment and whose employer does not provide office space or amenities. **All Solo Worker applications must provide dollar for dollar match.**

Outcomes – Job Placements, graduated trainees, solopreneurs

Measures – W-2, 1099, certification, NM CRS number

Workforce:

Skill development sessions

Outcomes – job creation, expansion of tax base, business development

Measures - Participants, interviews scheduled, number of hires, payroll generated

Ineligible costs:

Printed collateral materials, Website development or maintenance, Professional Development, Advertising,

Evaluation Criteria:

All projects will be evaluated on a competitive criteria

Application and Award Process

The NMEDD Regional Representatives are available to assist you through the process of filling out and filing this application. Please contact your Regional Representative to initiate an application.

Pre-application

Communities and non-profit organizations interested in applying for LEADS funding must contact the Community, Business and Rural Development Team and schedule a pre-application meeting with your Regional Representative to review the process and discuss the proposed project. Contact information for the Regional Representatives can be found at <https://gonm.biz/community-development> . Applications will only be accepted from applicants who have received preauthorization from a NMEDD representative. Authorization will be delivered electronically to applicants.

Application

The application for Local Economic Assistance and Development Support is available on the NMEDD website at www.goNM.biz

- Applications must be submitted electronically, in pdf format.
- Portions of the application require reference to backup material that should be available on a community website. Said references may include economic development website, community profiles, land/building inventory, economic development incentives, business attraction and marketing strategies, business retention and expansion strategies, real estate development strategies, business start-up and/or entrepreneurial strategies, workforce strategies. Applicants should provide a link to that information, NOT submit a file for each of those referenced documents.

- Only complete applications will be accepted. If a question or response is deemed “not applicable”, it should be clearly marked rather than leave the area blank.
- Applications must be received by the NMEDD Regional Representative no later than May 04, 2018 by 5:00 pm.

Review

- NMEDD Regional Representatives will review all applications to verify eligibility for LEADS funding
- Project presentations will be May 21 & 22 at the Albuquerque Hispano Chamber.
 - Presentations will follow a format similar to JTIP Board meetings. Regional Representatives will report on the project based on the application material; Applicant will be given an opportunity to provide additional information, Power Point and Electronic Presentations will be allowed as long as the information is provided to NMEDD by May 17, 2018 so that it may be preloaded (Onsight loading will not be permitted); presentations will be limited to 10 minutes; the Economic Development Commission will have an opportunity to ask questions of the applicants.
- Upon completion of the presentations, the Economic Development Commission will make grant award recommendations.
- The NMEDD Office of the Secretary will make award decisions subject to available funding.

Award

The number of projects that may receive LEADS funding will vary based on funding availability. Entities that apply and do not receive LEADS funding will receive assistance from NMEDD and its resource partners to seek other funding for the proposed Project.

Grant Agreement

- Upon notification of award, applicants will work with their Regional Representative to document the scope of work and develop a grant agreement.
- NMEDD will prepare the grant agreement and deliver electronically to applicants for signature.
- A hard copy of the signed grant agreement must be returned to NMEDD for execution by NMEDD authorities. The agreement is effective as of the date signed by NMEDD’s Cabinet Secretary. Fully executed copies of the Agreement will be delivered to the applicant. The applicant should not begin work on the Project prior to the effective date outlined in the grant agreement.

Project Report

- Upon completion of the Scope of Work, Applicant must submit a final report to the Department. Final reports must be received on or before **June 1, 2019**. The final report will include project costs, the use of LEADS funds and matching funds; measures of project outcomes; and a description of project impact on the community. A template for this report will be sent to all grantees via e-mail.
- Grantees will provide NMEDD with documentation to support the costs and outcomes identified in the scope of work.

Project Reimbursement

- Upon notification by NMEDD that the final report and any required deliverables have been accepted, Grantees may request payment for the grant award by submitting an invoice for reimbursement. Invoices must be received on or before **May 31, 2019**. **No more than two (2) reimbursements will be made during the project.**
- Applicants having been awarded LEADS funds are not eligible to reapply until they have successfully completed and implemented the project funded by previous awards.

Schedule:

- **Applications are due to the Economic Development Department Regional Representative no later than **May 04, 2018** by 5:00 pm.**
- **Project presentations will be May 21 & May 22.**
- **Applicants will be notified of selection no later than June 1, 2018**
- **Grant agreements, contracts will be negotiated, executed by applicant, and returned to NMEDD no later than **June 30, 2018**.**
- **Selected projects may begin as soon as contract is fully executed and must be completed by **May 31, 2019**.**
- **Project final report must be submitted to NMEDD no later than **May 31, 2019**.**
- **Last day to request reimbursement is **June 15, 2019****