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The following are summary minutes for the meeting of the **City of Las Cruces – Economic Development Policy Review Committee** on February 15, 2023. The meeting was held at City Hall, 700 N. Main, Las Cruces, New Mexico in the Las Cruces Conference Room 2007A.

Members Present:

- Kasandra Gandara, Mayor Pro-Tem
- Tessa Abeyta-Stuve, City Councilor
- Yvonne Flores, City Council
- Mary Ulrich, DACC
- Ana Berrun, Las Cruces Lodgers Association
- Debbi Moore, Chamber of Commerce
- Davin Lopez, MVEDA
- Peter Martinez, Workforce Development

Members Absent:

- Connie Campos, Commercial Real Estate
- Kathryn Hansen, NMSU

Others Present:

- Elizabeth Teeters, Economic Development Director
- Dania Soto, Executive Assistant
- Natalie Green, Housing and Neighborhood Services Administrator
- Chris Faivre, Interim Destination Downtown Administrator
- Irene Parra, Interim Small Business Administrator
- Sergio Ruiz, Policy Analyst
- Ikani Taumoepeau, Assistant City Manager
- Cilicia Villegas, Economic Development Coordinator
- Christine Rivera, City Clerk
- Greg Shervanick
- Cariel Apodaca, Community Liaison
- Bill Hamm, Real Estate Administrator
- Andy Hume, Airport Manager
- Celina Morales, Economic Development Coordinator
- Rochelle Miller-Hernandez
- Davin Lopez, MVEDA

- I. Call to Order:** Councilor Flores called the meeting to order at approximately 9:03 a.m.
- II. Conflict of Interest:** There was no conflict of interest.
- III. Minutes for Approval:**

- 1 **a. Economic Development PRC Meeting of January 18, 2023:** Councilor
2 Abeyta motioned to approve the minutes; seconded by Councilor Flores.
3 Minutes were accepted.
4

5 **IV. Discussion:**

6 **a. Industrial Revenue Bond (IRB) Speculative Development Policy:**
7

8 Economic Development gave a PowerPoint presentation. In the past the
9 City has had difficulty with timing and legal fees to companies, and the
10 program has not been promoted so there have not been many participants.
11 Community Development Department will be keeping track of participants
12 to make sure they are keeping up with their obligations. The City will
13 recommend a minimum of \$4 million investment to companies looking to
14 participate in this program. The question was raised as to exactly how much
15 tax money the City loses from the rebates that participants receive, but it is
16 not possible to predict because it depends on the individual participant's
17 business. Traditionally the Industrial Revenue Bonds are used to help
18 businesses purchase their own property to use, but Las Cruces is using the
19 program to bring businesses onto City-owned property that has been vacant
20 for a while and has been developed by a speculative developer. Wichita
21 has similar problems to Las Cruces and they are using a similar program
22 with great success. They are tracking the program closely and make
23 adjustments as needed. City staff plans to market this program whenever
24 they can in order to attract participants. Councilor Flores and Mayor Pro
25 Tem Gandara requested a presentation to City Council to improve their
26 understanding of it. Staff is working on a lease agreement that will cover
27 the City's interests if a participant does not keep up with their obligations.
28 Staff plans to bring their IRB counsel to the next meeting in March before
29 going to Council with a presentation.
30

31 **b. Legislative Session Update:**
32

33 Changes to the Metropolitan Redevelopment Act have been submitted to
34 Senator Hamblin and Representative Ortez. It has not been scheduled yet
35 to go before the Senate Tax, Business, and Transportation Committee. HB
36 374, ED Project Population Limits goes to the House Commerce and
37 Economic Development Committee on Monday. The changed population
38 limit of 200,000 people would allow Las Cruces to use LEDA funds for public
39 infrastructure at the Industrial Park. HB 237 is not yet scheduled to go to
40 committee. SB 12 is to increase the tax credit for film production in rural
41 areas. Senator Hamblin has given Las Cruces \$150,000 of Junior Money
42 to support local businesses participating in LEDA. The State Economic
43 Development Department will work with City Economic Development
44 Department over the next year to get the funds distributed. HB 78 will
45 change the funding for the New Mexico Department of Transportation's
46 Aviation Division to \$6 million per year. This bill is currently in the Senate
47 Tax, Business, and Transportation Committee, being sponsored by
48 Representative Hochman-Vigil. HB 303 is the Rural Air Service

1 Enhancement Fund Bill, proposing to increase the amount for the Rural Air
2 Service Enhancement Grant by \$10.5 million. This would help fund the air
3 service programs at Gallup and Las Cruces for longer. SB 104 is a capital
4 appropriations bill sponsored by Senators Munoz and Maestas. It is
5 currently in the Senate Finance Committee. The total proposed is \$315
6 million and Las Cruces may get \$17.6 million for fixing Runway 4/22, as the
7 FAA refuses to help, and expanding and renovating the terminal for
8 interstate service. SB 433 was introduced yesterday and would expand
9 rural air passenger capacity from 30 passengers to 100 passengers before
10 requiring TSA involvement. There is interest in making the Rural Air Service
11 Enhancement Program a regular part of New Mexico DOT. Staff has been
12 very active in working with the City's lobbyist and advocating for City
13 interests in Legislature. There are several bills that will increase emergency
14 services funding for municipalities: SB 104, SB 23, SB 184, and SB 250.
15 Mayor Pro Tem Gandara suggested that the PRC write a letter regarding
16 things that the Committee feels should be heard for Councilor Abeyta to
17 take with her when she goes to Santa Fe. Everyone is encouraged to call
18 their representatives with their concerns. Mayor Pro Tem Gandara
19 suggested asking NM DOT to pressure the FAA to get help to renovate
20 Runway 4/22. Andy Hume offered to send out an e-mail with details of why
21 the FAA has refused funding for Runway 4/22 and asked for advice to help
22 him find more funding. A request was made to Representative Vasquez'
23 office to try to get more discretionary funding for the Las Cruces Airport, but
24 there is no concrete information from them yet. Debbi Moore is also keeping
25 up with these and several more bills and will be attending Santa Fe to lobby
26 for Las Cruces' interests. She asks that Committee Members keep in touch
27 with her with lists of priorities for her to lobby.

28
29 **V. Future Discussion:**

- 30 **a. Municipal Land Sale Ordinance**
31 **b. Next Meeting: March 15, 2023**

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33 **VI. Adjournment: The meeting adjourned at approximately 10:15 a.m.**

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39 Chairperson
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43 Approved: _____