

RESOLUTION NO. 2021-1777

SUPPORTING A CHANGE TO THE STATE OF NEW MEXICO'S LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) ALLOWING MUNICIPALITIES TO PROVIDE A CERTAIN PERCENTAGE OF LOCAL ECONOMIC DEVELOPMENT ACT FUNDING TO RETAIL BUSINESS

WHEREAS, throughout the nation, the retail industry is a significant economic driver in municipalities regardless of their size; and

WHEREAS, in light of the economic struggles being faced by our nation, states, counties and municipalities, as we move forward over the next five to ten years, many municipalities will need to address the negative impacts upon the retail industry which will subsequently impact municipal gross receipts tax; and

WHEREAS, the attraction and expansion of retail expands and retains tax base in the community that would otherwise be lost to online sales; and

WHEREAS, the City of Farmington serves as the retail hub for the entire Four Corners multistate region, serving upwards of 300,000 customers; and

WHEREAS, as a tourism destination, experiential retail and dining is a critical component of attracting and keeping visitors and residents alike shopping local; and

WHEREAS, currently in the State of New Mexico, municipalities with populations less than 35,000 have the ability to support retail for economic development purposes in their communities, while municipalities with populations larger than 35,000 are not currently able to utilize the Local Economic Development Act (LEDA) for retail industry in their community, thereby placing them at a competitive disadvantage; and

WHEREAS, to allow all municipalities the ability to adapt to the current economic climate, greater latitude in the expenditure of LEDA funds is needed to allow municipalities the ability to self-determine how to expend their LEDA funds to better reflect the economic development needs of their community. Current state legislation impedes that ability.

NOW THEREFORE, BE IT RESOLVED that the Governing Body of the City of Farmington supports a change to the State of New Mexico's Municipal Local Economic Development Act funding that starting on July 1, 2021, and ending on June 30, 2030, all municipalities may use up to twenty-five percent of municipal Local Economic Development Act funding for expansion of existing retail businesses or recruitment of new retail businesses if the economic development project is not funded or financed with state government revenues; provided that no funding shall be provided to an existing retail business to relocate from another location in New Mexico if the business does not remain in its previous location in New Mexico.

PASSED, SIGNED, APPROVED AND ADOPTED this 12th day of January, 2021.



Nate Duckett, Mayor

SEAL

ATTEST:



Andrea Jones, City Clerk