

Property Development Incentives: Quick Glance Summary

Tax Increment Tools		
	Tax Increment Finance	Tax Increment Development District
Purpose	Elimination or prevention of slum and blight	Provide financing for public infrastructure to support economic development and job creation
Where	In a Metropolitan Redevelopment Area	Anywhere in the City
Use of Funds	Any use of funds per MR code including grants and loans	Publically owned infrastructure per an approved TIDD Plan
Length	Up to 20 years	Up to 25 years; can be phased to maximize revenue stream as improvements are made
Benefit	Captures 100% incremental city property taxes; Other jurisdictions need to approve dedication of their incremental property taxes. Governor approves for the State.	Captures up to 75% of incremental property and gross receipts tax; other jurisdictions need to approve dedication of their incremental property taxes and GRT. State legislature approves for the State.
Administration	MRA receives funds	TIDD board appointed by City Council
Bondable	No; 2003 AG guidance letter	Yes
Approval	City Council	City Council, then Election of Property Owners and Residents in the District
Other mechanisms		Can impose a property tax w/ vote of property owners
Examples	Projects- Old Albuquerque High, International marketplace, Historic District Improvements, Embassy Suites Districts- Farmington, Silver City, and South Broadway	Winrock, Mesa Del Sol, Las Cruces Downtown Effective TIDD Capture Rates: Mesa Del Sol- 4.5%; Winrock 1- 3.7%; Winrock 2- 4.2%

Tax Abatement Programs		
	Metropolitan Redevelopment Bond	Industrial Revenue Bond
Purpose	Elimination or prevention of slum and blight	To induce manufacturing, industrial, and commercial enterprises to locate or expand for eligible economic development projects
Where	In a Metropolitan Redevelopment Area	Anywhere in the City or within 15 miles of City boundary
Project Type	Any use that meets the goals of a Metropolitan Redevelopment Plan	Manufacturing, warehouse, services, healthcare, research, industrial parks, office headquarters. Retail or residential uses NOT allowed in City. <i>County CAN do retail but not residential.</i>
Length	7 years	Up to 20 years (30 years for County)
Benefit	Up to 100% abatement of incremental property taxes; all jurisdictions with city council approval	Up to 100% abatement of real and personal property taxes (including base taxes); abatement of all jurisdiction property taxes with city council. No GRT on personal property including equipment that is purchased in the state of NM (No comp tax if purchased outside of NM).
Approval	ADC recommends to City Council for approval	ADC recommends to City Council for approval
Other	Abatement is in conjunction with issuance of a bond, and public ownership of property until abatement period is over. Developer/owner continues to owe baseline tax value to County Assessor annually.	Abatement is in conjunction with issuance of a bond, and public ownership of land until abatement period is over
Examples	Highlands- Mixed use, Historic District Improvement, Embassy Suites	Andeluz, Bueno Foods, General Mills, CVI Laser, T-Mobile

Direct Assistance	
	Local Economic Development Act
Purpose	To allow public support of eligible economic development projects to foster, promote, and enhance local economic development
Where	Anywhere in the City
Project Type	New and existing companies that are expanding. Manufacturing, warehousing, distribution, services, cultural facility, developer of a metropolitan redevelopment project, farmers market, headquarters, 501c3. NOT retail
Use of Funds	Assistance with land, buildings, and infrastructure.
Benefit	Assistance in any legally permissible manner including grants. City may also provide a local contribution of payments reimbursing expenditures based on an increment of gross receipts tax received by the City.
Approval	ADC recommends to City Council for approval
Other	City requires a security interest, and an agreement that includes claw backs. Company must commit to operating for 10 years. Primary focus is on Economic Base jobs.
Examples	Raytheon, NM Food Distribution, Risk Sense, Skorpios

* This document is a quick reference regarding development incentive programs at the City of Albuquerque. More complete information can be obtained at cabq.gov or by calling: Economic Development Department at 505-798-3270 or the Metropolitan Redevelopment Agency at 505-924-3860.