

**SAN JUAN COUNTY
ORDINANCE NO. 68**

**AN ORDINANCE PROMOTING AND AIDING
ECONOMIC DEVELOPMENT IN SAN JUAN COUNTY**

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SAN JUAN COUNTY, NEW MEXICO:

SECTION 1. ECONOMIC DEVELOPMENT GOALS, STRATEGIES AND PRIORITIES.

A. *Generally.* The goals, strategies and priorities of the economic development plan were developed from public input in numerous economic development planning processes. The economic development plan is based on the Overall Economic Development Program for New Mexico State Planning and Development District 1, the Northwest New Mexico Enterprise Community Initiative, and the Northwest New Mexico Economic Adjustment Strategy.

B. *Goals.* The goals of the economic development plan are as follows:

1. Reduction of unemployment and an increase in the labor force participation rate.
2. Increase in income through creation of higher quality jobs and support of local entrepreneurship.
3. Affirmative support of local business creation, retention and expansion.
4. Improved economic diversification.
5. Development of adequate infrastructure to support economic development.

C. *Strategies.* The strategies of the economic development plan are as follows:

1. Support the County economic development service and other collaborative efforts to attract qualified industry, and to assist in the expansion of existing local industry.
2. Develop an industrial park to make space available for new and expanding businesses.
3. Collaborate in the improvement of basic infrastructure, including without limitation highways, streets, rail and air service, water, wastewater, power, fuel, and communications.

D. *Priorities.* The priorities of the economic development plan are as follows:

1. Creation of an industrial park to provide adequate and appropriate space for new or expanding industry.
2. Infrastructure needed to support the development and growth of a healthy and diverse economy.
3. Businesses and industries that provide semiskilled and skilled jobs.
4. Businesses and industries that produce goods or services locally, for distribution outside the region.



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5. Businesses and industries that produce goods or services locally, for distribution within the region to displace imported goods and services.
6. Businesses and industries that fill a gap in the local economic base.

SECTION 2. TARGETED BUSINESSES AND INDUSTRY.

The economy of the County is supported by natural resource development, power generation, agriculture, retail trade, wholesale trade and services. Economic development efforts are focused on new or expanding industries which add value to these sectors or which add diversity to the economic base and which upgrade the skills and income levels of employees.

SECTION 3. CRITERIA TO DETERMINE ELIGIBILITY FOR AID.

An applicant for aid through this Ordinance must be a corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two or more of the following:

1. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products.
2. A commercial enterprise for storing, warehousing, distributing or selling products of agriculture, mining or industry, but, other than as provided in subsection (5) of this section, not including any enterprise for sale of goods or commodities at retail or for distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities.
3. A business in which all or part of the activities of the business involves the supplying of services to the general public or governmental agencies or to a specific industry or customer, but, other than as provided in subsection (5) of this section, not including businesses primarily engaged in the sale of goods or commodities at retail, except the retail sale of goods manufactured locally.
4. An Indian tribe or pueblo or a federally chartered tribal corporation.
5. A telecommunications sales enterprise that makes the majority of its sales to persons outside the state.

SECTION 4. QUALIFICATIONS OF APPLICANT FOR ASSISTANCE.

In order to be considered for assistance pursuant to this article, the applicant shall submit an application describing the proposed economic development project to the County Executive Officer for review and evaluation. The application shall be in writing and in the format established by the County Executive Officer. The application shall be accompanied by an application fee in an amount to be established from time to time by resolution of the Board of County Commissioners. Proceeds from the application fees will be deposited with the County Executive Officer in a special account, which shall be used solely for purposes of funding activities related to the review and evaluation of applications filed pursuant to this ordinance, such funds being hereby earmarked for that purpose. In no event shall any part of any application fee be refundable to the applicant, regardless of the cost of processing the application.



SECTION 5. PROCEDURE TO VERIFY APPLICATION INFORMATION.

A. Upon receipt by the County Executive Officer of an application for an economic development project completed in a manner satisfactory to the County Executive Officer, the County Executive Officer shall forthwith commence an investigation of the applicant and the application, verifying the matters contained in the application, and including an investigation of at least the following factors:

1. Determine whether the project can be lawfully instituted, constructed, or operated with the County assistance proposed in the application.
2. Determine the financial and management ability of the applicant and, if the applicant is a subsidiary of another firm owning a majority of stock in the applicant, the parent firm and its ability to perform the duties which will be imposed upon the applicant as a result of the application.
3. Evaluate the financial feasibility of the project.
4. Verify the fact that the project will provide a public benefit to the citizens of the County by providing its citizens with job opportunities and with a source of additional income.
5. Ensure that the project will be capable of achieving those purposes stated in the application.
6. Prepare a cost-benefit analysis of the project.
7. Ensure that the project conforms to the County economic development plan.
8. Develop any other information the County Executive Officer or Board of County Commissioners deems necessary for a full review of the economic development project application.

B. Upon completion of the investigation, the County Executive Officer shall formulate a written report concerning the application which it shall submit to the Board of County Commissioners. The written report shall summarize the findings of the County Executive Officer and shall conclude with a recommendation to the Board of County Commissioners. The decision to fund the proposed project shall be made solely by the Board of County Commissioners.

SECTION 6. PROJECT PARTICIPATION AGREEMENT.

An application submitted pursuant to this Ordinance shall be approved by an ordinance duly adopted by the Board of County Commissioners. An application or proposed project will never be considered approved until the ordinance granting approval is fully adopted and effective. Upon approval, the County and the applicant will enter into a project participation agreement which shall set out the following:

1. The contributions to be made by each party to the participation agreement.
2. The security provided to the County by the qualifying entity in the form of a lien, mortgage, or other indenture and the pledge of the qualifying business' financial or material participation and cooperation to guarantee the qualifying entity's performance pursuant to the project participation agreement.
3. A schedule for project development and completion, including measurable goals and time limits for those goals.



4. Provisions for performance review and actions to be taken upon a determination that project performance is unsatisfactory.
5. Specific procedures to determine success and methods for recouping investment if an economic development project is determined to be unsuccessful or if a qualifying entity seeks to leave the area.

SECTION 7. PROJECT REVENUES.

County revenues dedicated or pledged for funding or financing of economic development projects under this ordinance shall be deposited in a separate account. Separate accounts shall be established for each separate project. Money in the special account shall be expended only for economic development project purposes, which may include the payment of necessary professional services contracts. In no event shall the total of all the County's revenues dedicated, pledged or used pursuant to this Ordinance, excluding the value of any land or buildings contributed, exceed five percent of the County's general fund expenditures for any current fiscal year.

SECTION 8. OTHER REVENUE SOURCES.

If revenue sources other than those of the County are used to support an economic development project, the source and amount of any such funding must be disclosed.

SECTION 9. COUNTY RESOURCES.

Available resources the County may offer businesses qualifying under this Ordinance include the following:

1. Land the County is willing to lease, sell, or grant.
2. Buildings the County is willing to lease, sell, or grant.
3. Infrastructure the County is willing to build, extend, or expand.
4. Financial resources available:
 - (a) Industrial revenue bonds;
 - (b) Funds allowed to be expended under this Ordinance and the Local Economic Development Act; and
 - (c) Tax incentives provided pursuant to the Development Incentive Act.

SECTION 10. MINIMUM BENEFIT REQUIRED FROM QUALIFYING ENTITY.

The County may require any one or combination of two or more of the following criteria as a minimum benefit from a qualifying entity in order to provide economic development assistance under this Ordinance:

1. Number and type of jobs created;
2. Proposed payroll;
3. Repayment of loans, if any;
4. Purchase or lease by the qualifying entity of County-provided land, buildings, or infrastructure;



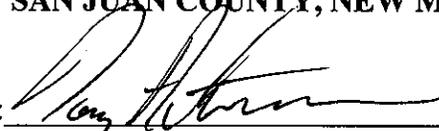
5. Public-to-private investment ratio. The amount of private dollars invested in a project must be at least twice the amount of public dollars invested in the economic development project; and
6. Direct local tax base expansion.

SECTION 11. SAFEGUARDS OF PUBLIC RESOURCES.

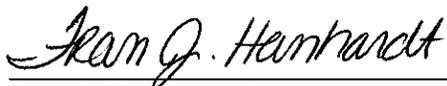
If a qualifying entity ceases operation, relocates, or otherwise defaults or reneges on its contractual or implied obligations to the County under this Ordinance, the County will recover any costs, land, buildings, or other thing of value. The project participation agreement shall contain a specific term to establish default provisions and remedies for recoupment of public resources.

PASSED, APPROVED AND ADOPTED this 15th day of April, 2008.

**BOARD OF COUNTY COMMISSIONERS
OF SAN JUAN COUNTY, NEW MEXICO**

By: 
Tony Atkinson, Chairman

ATTEST:



Fran J. Hanhardt, County Clerk
By:  - deputy



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