

**Local Economic Assistance and  
Development Support**

**LEADS**



**POLICY MANUAL**

**Fiscal Year 2022**

**(July 1, 2021 – June 30, 2022)**

## 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 wealth in New Mexico through job creation, development of the tax base, and to 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 team's Regional Representatives will work with entities to identify projects and prepare grant applications. Entities will submit applications online.

Applications will be evaluated by NMEDD staff and the SBDC and LEADS awards will be determined by the NMEDD Office of the Secretary.

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 \$25,000 per year. Funding will be awarded through a cost reimbursement grant agreement. 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.

## **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:**

Establishing a certified Incubator, accelerator, shared space, commercial kitchen

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

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

**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 basis.

**Application and Award Process**

The NMEDD Regional Representatives are available to assist you through the process of filling out and filing this application. A webinar will be held to kick-off the application process for the current funding cycle. Attendance at the webinar is required.

**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 may be found at <https://gonm.biz/community->

[development](#) . Applications will only be accepted from applicants who have received preauthorization from an NMEDD representative and have attended or viewed the LEADS informational webinar.

### **Application**

The link to the online application for Local Economic Assistance and Development Support will be delivered electronically to applicants after the pre-application meeting and webinar have occurred.

- Applications must be submitted electronically.
- Instructions and guidelines will be available within the online application.
- 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 will be asked to provide links to that information within the online application.
- Applications must be submitted no later than June 4, 2021 by 5:00 pm.

### **Review**

- NMEDD Regional Representatives will review all applications to verify eligibility for LEADS funding.
- Project presentations will be June 9 and 10, 2021 and will be held virtually. Representatives of the SBDC will serve on the hearing committee.
  - Regional Representatives will report on the project based on the application material. Then, the applicant will be given an opportunity to provide additional information. Power Point Presentations will be allowed if the information is provided to the NMEDD Regional Representative by June 7, 2021. Presentations may be up to 10 minutes in duration.
  - The hearing committee will have an opportunity to ask questions of the applicants.
- Upon completion of the presentations, the Committee will make grant award recommendations.
- The NMEDD Office of the Secretary will make final award decisions subject to available funding.

### **Award**

All applicants will be notified by their respective Regional Representatives of the final award decisions. 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**

- NMEDD will prepare the grant agreement and deliver electronically to applicants for signature. Electronic signatures are acceptable.
- 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. A fully executed copy of the Agreement will be delivered to the applicant electronically. The applicant should not begin work on the Project prior to the effective date.
- Applicants with active LEADS projects awarded in the prior fiscal year must be in good standing with NMEDD to be considered for funding again in the current year. Failure to successfully completed and implement the project funded by the previous award and to submit the final report and invoice may negatively impact future participation.

## **Project Reporting**

- 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 17 2022**. 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. If the final invoice is submitted before June 17, 2022, then the final report must also be submitted at that time. The final report will be submitted electronically.
- Grantees will provide NMEDD with documentation to support the costs and outcomes identified in the scope of work.
- NMEDD may request informal interim progress reports. Grantees are required to respond within the deadline indicated in the request.

## **Project Reimbursement and Closeout**

- Grantees may request payment for the grant award by submitting an invoice for reimbursement electronically. Grantees will provide NMEDD with documentation to support the costs and outcomes identified in the invoice. Up to two (2) reimbursements may be requested during the project period. Invoices must be received on or before **June 17, 2022**. If the final invoice is submitted before June 17, 2022, then the final report must also be submitted at that time.

## **Key Dates:**

**May 21, 2021:** LEADS FY22 Kick-Off Webinar, 10:00-11:00am—attendance required for all applicants.

**May 21, 2021:** Online applications open—Applicants will receive link to online application following Webinar.

**June 4, 2021, 5:00 pm.:** Online Applications due

**June 7, 2021 :** PowerPoint Presentations for LEADS presentations due to Regional Reps.

**June 9-10, 2021:** Project Presentations (virtual). SBDC representatives will serve on the review committee.

**June 15, 2021:** Funding recommendations will be submitted to EDD Cabinet Secretary for consideration and final decision.

**Week of June 21:** Notices of award or denial, grant agreements and award packets will be sent out via the Regional Reps.

- **Awarded projects may begin work July 1, 2021, or as soon as grant agreement is fully executed if fully executed after July 1, 2021.**

**June 17, 2022:** Awarded projects must be completed—final invoices and end of year reports due.