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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/13

SPONSOR Beffort LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Mainstreet Programs SB 52

ANALYST Clark

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$100.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 52 appropriates \$100,000 from the general fund to the Economic Development Department for the purpose of expanding technical professional assistance in the New Mexico MainStreet Program to enhance local mainstreet programs statewide.

### FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

### SIGNIFICANT ISSUES

The MainStreet Program is part of an economic development network of more than 37 states and 1200 communities across the country and utilizes the National Trust Main Street Center's proven revitalization strategies. The program was created by state statute in 1978 and launched in 1984. The National Trust accredits and licenses the program after a successful biennial assessment. Within each of the local mainstreet districts, the local mainstreet organization (downtown stakeholders organized as a 501c3) works in partnership with the municipality. The organization assists property owners rehabilitate buildings, address infrastructure needs, and fund capital

improvements, creating an environment to attract new businesses and entrepreneurs resulting in job creation. Local affiliates receive services, resources, and technical assistance from the state and national programs.

The MainStreet Program has received requests for the past three years from more than 15 communities wishing to be designated as MainStreet communities. Most of those communities are located in rural or underserved commercial district neighborhoods. Increased funding would allow for the addition of new communities, especially in rural New Mexico. The funds would enable local commercial district revitalization for business and job development.

### **PERFORMANCE IMPLICATIONS**

New Mexico MainStreet has a positive record of meeting its internal, legislative and National Trust Main Street Center performance measures through its affiliate programs. Those performance measures include a solid history of job creation, commercial building rehabilitation, business development, and private sector reinvestment. New communities wish to participate in this successful set of MainStreet strategies, and additional funding would increase the program's performance levels in each of these areas.

### **ADMINISTRATIVE IMPLICATIONS**

If funding is appropriated, New Mexico MainStreet staff would be responsible for the development, management, and coordination of the new resources through professional service agreements in the form of contracts with consultants capable of delivering required MainStreet services.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The New Mexico MainStreet Program will not have enough funding to add new communities as local affiliates of the program.

JC/svb