



AGENDA

Economic Incentive Board Regular Meeting
North Annex, Clovis-Carver Library, 701 N. Main Street, Clovis, NM 88101
8:30 AM , Wednesday, September 13, 2023

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

1. [Approval of minutes of June 14, 2023](#)
2. [Approval of special meeting minutes of August 17, 2023](#)

IV. UPDATE ON CED PROJECTS

V. ECONOMIC DEVELOPMENT FUND FINANCIAL REPORT

VI. FOR THE GOOD OF THE ORDER

VII. ADJOURNMENT

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed. Items placed under the Consent Agenda are recommended by the City Manager as Consent Items.



City of Clovis, New Mexico
Request for Commission Approval

Type of Action: Action
Date Action Required: September 13, 2023

Requestor: Vicki Reyes
Department: Administration
Date: 09/13/2023

III.1

Approval of minutes of June 14, 2023

Background/Summary:

Fiscal Impact:

Requestor's Suggested Alternative(s):

Requestor's Recommendation(s):

1 STATE OF NEW MEXICO)
2 COUNTY OF CURRY) ss.
3

4 The City of Clovis Economic Incentive Board met in a special session at 7:30 a.m., Wednesday,
5 May 17, 2023 in the North Annex, Clovis-Carver Library, in full conformity with the laws of the
6 State of New Mexico and the ordinances and resolutions of said city with the following members
7 present:

8 Gail Tarson, District 2
9 Kevin Cass, District 3
10 Alan Kinlund, Bank/Finance/Accountant
11 Danny Jariwala, District 1 (virtual)
12 Brett Johnson, County resident, Chairman
13 Jason Gonzales, Industry
14 Tyler Lucas, Bank/Finance/Accountant
15

16 ABSENT: Raymond Mondragon, District 4, Vice Chairman
17 Matthew Glenn, Industry
18

19 EX-OFFICIO PRESENT: Tina Dziuk, CED
20 Justin Howalt, City Manager
21 Lee Malloy, CED Board President
22

23 ALSO PRESENT: Claire Burroughes, Assistant City Manager
24 Vicki Reyes, Assistant City Clerk
25 Jared Morris, City Attorney
26 Ernie Kos, Chamber of Commerce Director
27

28 Mr. Johnson called the meeting to order at 8:34 a.m. and established the presence of a quorum.
29

30 **Agenda Item No. 3 – Approval of minutes of May 17, 2023**

31 Mr. Kinlund made a motion to approve the minutes of May 17, 2023; Ms. Tarson seconded the
32 motion, which passed by acclamation.

33 **Agenda Item No. 4 – Update on CED projects**

34 Ms. Dziuk advised there are two green energy companies that have land in the Industrial Park.
35 One is still moving forward and the other has stalled. Mr. Malloy advised the most recent
36 conversation with the one that has stalled was that they want to expand their lots at the Industrial
37 Park, but the lots they requested are already in use. He has suggested alternate spaces and is
38 waiting to hear back. Ms. Dziuk advised they were meeting with an out-of-state manufacturer
39 and this would be their third location. She also spoke to an out-of-state developer that is looking
40 at a retail project in Clovis and they are meeting with another developer next week.

41 Ms. Dziuk advised last week she sat in on a New Mexico Connectivity meeting and they
42 spotlighted Plateau. CED are going over a LEDA for Retail application that they received last
43 week and she hopes to bring that to the board at their next meeting. They are finalizing their

1 Strategic Planning and hope to present it to the ED Board at their next meeting. They are
2 working to revive their business incubator and she has applied to get new office equipment since
3 they don't currently have anyone in this location.

4 **Agenda Item No. 5 – Economic Development Fund Financial Report**

5 Mr. Howalt welcomed Tyler Lucas to the board.

6 Ending in May they have an ending cash balance of \$5 million, \$1.1 million invested and the rest
7 cash in bank. Revenues for 2023 were budgeted for \$1.3 million and they have \$1.4 million in
8 revenues coming in. Expenditures year to date are \$138,000 which mostly is going to software,
9 admin fees and upkeep of the industrial park.

10 **Agenda Item No. 6 – For the good of the order**

11 None.

12 **Agenda Item No. 7 – Adjournment**

13 There being no further business to come before the board the meeting adjourned at 8:44 a.m.



City of Clovis, New Mexico
Request for Commission Approval

Type of Action: Action
Date Action Required: September 13, 2023

Requestor: Vicki Reyes
Department: Administration
Date: 09/13/2023

III.2

Approval of special meeting minutes of August 17, 2023

Background/Summary:

Fiscal Impact:

Requestor's Suggested Alternative(s):

Requestor's Recommendation(s):

Economic Incentive Board

~ Minutes ~

701 N. Main
Clovis, NM 88101
www.cityofclovis.org

August 17, 2023

4:00 p.m.

North Annex, Clovis-Carver Library

I) CALL TO ORDER

Mr. Mondragon called the meeting to order at 4:00 p.m. and established the presence of a quorum.

II) ROLL CALL

Present: Alan Kinlund
Brett Johnson, Virtual
Gail Tarson
Kevin Cass
Matthew Glenn
Raymond Mondragon
Danny Jariwala, Virtual
Jason Gonzales
Tyler Lucas

Absent: George Jones

Others Justin Howalt, City Manager
Present: Claire Burroughes, Assistant City Manager
Tina Dziuk, CED Director
Lee Malloy, CED Chairman

III) REQUEST FOR APPROVAL OF AMENDMENT OF LEDA FOR RETAIL POLICIES AND PROCEDURES

Mr. Howalt advised they have been trying to get the best policies in place for the City of Clovis. They have made a couple of modifications since it was originally adopted. They removed the upfront financials. They have come to learn that the developers, not the tenants of the stores, are the ones doing the recruitment for the tenants to come to this community. The developers are entering into the lease agreements those retailers. In order to encourage the developers, they decided to change the policies so that the developers would also be incentivized.

They had one section that prevented developers from participating in the LEDA for Retail incentives. Page 7 of the packet, they removed "developers of projects for retail shall not be eligible for consideration for incentives under the program." Page 9, Project Criteria, will stay the same.

Mr. Mondragon asked who the agent would be as it states on page 2, "recommended by agent". Mr. Howalt advised rather than listing a specific organization they left it broad by listing agent.

Mr. Kinland asked what the thought process was behind not allowing developers. Mr. Howalt advised they don't want to incentivize a developer that is going to build a lot of spec space and not know who the tenant is. They want everything tied back to the gap analysis. The developer will have to have the tenant lined out so the board can analyze can make sure they fit into the gap analysis. If they do, they can incentive the developer and not directly the tenant.

Ms. Tarson asked if this was a reimbursement from gross receipts how would this apply to the developer. She asked if they would be double dipping if the retailer then asked for incentives. Mayor Morris advised this concept for a city this size wasn't even legal until few years ago. They have developed a policy and are learning as they go. He advised they had a discussion in the working group regarding avoiding awarding a grant to a developer to build a spec strip mall and not having tenants lined up. If they are reimbursing the 2 1/2% of the GRT of retail sales within the gap then they don't care who they are reimbursing as long as it's happening. By striking that language they have the opportunity to have a developer see the opportunity to work with a project that would fill the gap, build the facility, rent it and the developer would earn the incentive based on the generation of retail sales. The tenant would provide the developer with a copy of their GRT remittance form each month and that is what the developer would use to request their rebate from the City of Clovis. Ms. Tarson asked if it would have to be one or the other that would apply the rebate. Mayor Morris advised it would be one or the other, but striking the language give the EIB, Ms. Dziuk and CED the opportunity to be creative. They wouldn't want to prohibit a sharing of the rebate.

Ms. Tarson asked how they keep track of this. Mr. Howalt advised once the applicant is approved then it comes back to staff to track and monitor. Another scenario, is what is eligible for incentives is tied to land, building and infrastructure so theoretically if all it took to bring a retailer in was for the developer to consider their construction costs then the board could reimburse those construction costs and there not need to be a relationship with the tenant. The tenant is going to be tied to the lease payments.

Mr. Kinlund asked how someone was going to apply and tell the board that their potential leasee falls inside the gap analysis before the board evaluates. Mayor Morris advised CED would be working with the projects and advising the developers of the incentives that are available. Mr. Howalt advised they would have to have LOI's signed up front and the gap analysis is public information.

Mr. Malloy, CED Chairman, advised they would be creative when they bring things forward. It might potentially be a bookkeeping scenario where they rely on the city to keep up with for them. If the developer is the recipient of the incentive they can always pass a portion along as they see fit but it will be a negotiation between the tenant and developer. Mr. Mondragon asked if the CED Board was on board with these recommendations. Mr. Malloy advised they were.

Mr. Kinlund asked if a developer builds a new structure could they partner ahead of time with CED to get back their 2 1/2% on GRT on the labor cost it took build the facility. Mr. Howalt advised the developer could but would have to have a tenant lined up that already fits into the gap analysis. Mr. Kinlund asked if he was the developer and Mr. Glenn was the tenant then he could apply to get the 2 1/2% on the money he spent to develop the building and then Mr. Glenn could put in a separate application. Ms. Tarson advised not if the developer received all of the 2 1/2%. There is only 2 1/2% to offer. Mr. Kinlund advised the first year the tenant will not have sales because the developer is building the tenants buildings. The developer would want the GRT for the year he spent the capital to build the building. Mayor Morris advised the incentive was generated by those retail sales so the developer is not getting a rebate while they are building the building.

Mr. Lucas asked if the developer sells the property does the new owner have to go back through the process or will it transition to the new owner of the building. Mr. Howalt advised it would depend on the agreement between the buyer and seller.

Ms. Tarson advised it seems it could get murky in keeping track of the developers costs. If a developer is developing an entire strip mall and has a tenant in unit A and one in unit B, could the developer submit for each of the tenants. How are they keeping track of those costs for each unit. Mr. Howalt advised if the developer is asking for construction costs they can break that down by price per square foot. If it is rebating the tenant sales then it would be very specific to each one of those units.

Mr. Jariwala advised it seems they are trying to make this more complicated. He asked why they couldn't leave it up to the developer and tenant to work out between themselves rather than having it done this way. He asked why they couldn't split the 2 1/2% between the developer and tenant and let them work it out themselves. Mayor Morris advised they made that same argument. He has spoken with developers and CED has spoken with a longer list of developers and it doesn't seem to work in the real world. What is being proposed still allows for this but it creates flexibility for the incentive to go either/or or to both. Mr. Mondragon advised that was generally settled during negotiations.

RESULT:	ADOPTED
MOVER:	Alan Kinlund
SECONDER:	Gail Tarson
AYES:	Alan Kinlund, Gail Tarson, Kevin Cass, Matthew Glenn, Raymond Mondragon, Danny Jariwala, Jason Gonzales, Tyler Lucas
NAYS:	None
ABSENT:	George Jones, Brett Johnson

IV) FOR THE GOOD OF THE ORDER

None.

V) ADJOURNMENT

There being no further business to come before the board the meeting adjourned at 4:37 p.m.

SEAL
(ATTEST)

Chairman

City Clerk