



CONOMIC

DEVELOPMENT

ELEMENT



11. ECONOMIC DEVELOPMENT

11.1 INTRODUCTION

The City of Rio Rancho has developed an Economic Development Plan (EDP) as directed by Strategy “B” of the Development Goal (Goal 2) in the City’s Strategic Plan. The EDP utilized the results of the Rio Rancho National Community Survey, Small Business Relations Group, and Aesthetic Quality of Life Task Force as inputs to the EDP along with related economic research, public input, staff review and Governing Body feedback. A major component of the Economic Development Plan is the creation of a Retail Development Plan (RDP) which identifies the steps City staff will undertake to accomplish Strategy “C” of the City’s Development Goal, which requires the “Development and implementation of a strategy for increasing the City’s gross receipts tax revenues to support diverse community services and facilities.”

Community services that are provided with revenue derived from gross receipts taxes include, but are not limited to: parks and recreation facilities, road construction and maintenance, and fire and police services. The development of the RDP was the result of extensive research, both primary and secondary, which was derived from the City’s Retail Development Summit, a Retail Leakage Study and a Retail Interest Survey. Prior to the formation of the City’s Strategic Plan, the City of Rio Rancho participated in the National Community Survey (NCS). The results of the NCS were also used in the development of this RDP. The development of the City’s gross receipts tax producing sector is critical to the long-term sustainability of the City. A simple review of the percentage of revenues derived from the GRT revenue underscores this fact. Rio Rancho’s transition away from a bedroom community cannot be accomplished without reasonable access to goods and services for the City’s residents. The importance of the success of this initiative mandates the City Manager’s office be directly responsible for its implementation. The information presented in this Economic Development Element was taken from the City of Rio Rancho’s Economic Development Element. The information has been modified and formatted so as to conform to the Comprehensive Plan and to provide a supplement to the Economic Development Master Plan.

11.2 COMMUNITY PROFILE

The City of Rio Rancho was incorporated in 1981 and is located in the northwest quadrant of the Albuquerque Metropolitan Statistical Area (MSA). The City was originally planned and developed as a retirement community. As a direct result of how the City was platted and marketed thousands of one-half and one-acre, residential lots are vacant and owned by individuals worldwide.

The City is located in Sandoval County is bordered by Albuquerque to the south, Bernalillo to the northeast, Corrales to the east, the Pueblo of Santa Ana to the north and the Laguna Pueblo to the west. The northeast corner of the City touches the Rio Grande.

The City’s land area exceeds 100 square miles and its estimated 2010 population exceeds 85,000 people. In 2006, Rio Rancho overtook Santa Fe as New Mexico’s third largest City, a position it maintains today. The MSA’ 2009 population is estimated at 857,903. According to the Bureau of Labor Statistics (BLS), Rio Rancho’s February 2010 (preliminary and most recent) unemployment rate is 8.5 percent.

Rio Rancho has a modified council/manager form of government. Six City Councilors are elected by district for four-year, staggered terms. The Mayor is elected at-large, also for a four-year term. The City Manager serves as Rio Rancho’s chief executive officer. The City employs 722 people and operates on general fund revenues slightly in excess of \$51 million. Among the City’s many strengths are a moderate four-season climate, affordable housing options, a quality public educational system, one of the state’s lowest crime rates, and a cost of living index below the national average.

The City adopted its Home Rule Charter in 1992 and the Rio Rancho Public School District (RRPSD) was formed in 1994. Major annexations took place in 2002 and 2003, adding the master planned communities of Mariposa and Quail Ranch to the City’s boundaries. The major redevelopment projects of Cabezon and Loma Colorado soon followed. The Cabezon and Loma Colorado projects were made possible using the City’s eminent domain powers contained in New Mexico’s Metropolitan Redevelopment Act (MRA).

Recent quality of life and economic additions to the community include the first building of Central New Mexico Community College's (CNM) Rio Rancho campus, the first building of the University of New Mexico's (UNM) West Campus, two major hospitals. The first of these hospitals is Presbyterian Health Services which is under construction in the southern portion of the City. The second hospital to be affiliated with the University of New Mexico Hospital is expected to start construction by July 2010. Hewlett Packard has also opened a major customer technical support service center expected to employ over 1,300 by December 2012.

Among the City's latest honors are being recognized as:

- America's Best Places to Live in
- 2005: Ranked # 83 by *Money Magazine*;
- America's Best places to Live in
- 2006: Ranked # 56 by *Money Magazine*;
- United States 83rd Best Place to Live
- and Launch a Business: March 2008 by *Fortune Small Business Magazine*;
- New Mexico's Best Place to Raise
- Kids in 2009, November of 2008, by *BusinessWeek Magazine*; and
- New Mexico's Best Place to Raise
- Kids in 2010, November of 2009, *BusinessWeek Magazine*.

11.3. POPULATION

The City has established a Census 2010 Complete Count Committee. The purpose of the committee is to increase Rio Rancho involvement in the 2010 Census by planning and conducting local initiatives and promotional activities aimed at increasing resident participation. The committee consists of seven members appointed by the Mayor and approved by the City Council. Committee members serve a term that will last until June of 2010. It is imperative that Rio Rancho has as high a participation level as possible due to funding formulas of both the Federal and New Mexico state governments.

The City estimates its current population to be in excess of 85,000 people. The only question seems to be how far in excess of this figure the City has grown. In the 2000 Census, Rio Rancho's population was 51,765, which represents, based on current estimates, a population increase of 28,235 or 55 percent. From 1990 to 2000, Rio Rancho population grew 58.43 percent from 32,674 to 51,765.

The following are selected characteristics of the City's 2009 demographic profile. A detailed Demographic

Profile compiled by Nielsen Claritas, the source of the referenced characteristics, is presented in Appendix A.

- Average Age: 36.47
- Educational Attainment: 93% HS
- Graduate or Higher
- Average Household Income: \$75,118

Nielsen Claritas estimates Rio Rancho's population will grow 20 percent to 96,807 by 2014 from its 2009 estimate of 80,628. The U.S. Census Bureau will release its estimate for 2009 in July 2010. The City's population density, based on 2008 data, is one of the lowest in the New Mexico at 1,088 residents per square mile of land area.

11.4. HOUSING OPTIONS

Rio Rancho is well known for its varied and affordably priced housing options. The City has both an active existing residential market as well a vibrant new construction market with homes starting in the \$170,000. Moderately priced custom homes, to those surpassing \$1,000,000, are also readily available. The continued availability of a full range of housing options is important to ensuring continued growth in the City's labor force.

11.4.1 EXISTING RESIDENTIAL MARKET

The Greater Albuquerque Association of Realtors (GAAR) publishes data on the MSA's residential sales. GAAR's 2009 Multiple Listing Service (MLS) Year in Review recaps the previous 12 months activity. The data is broken down for R-1 zoned (existing single-family detached) and R-2 zoned (existing condominium or townhome attached) sales. For R-1 zoned properties, the:

- Average sales price was \$196,003
- Total sold and closed properties was 1,227, and
- Total dollar volume was \$240,495,902.

11.4.2 NEW SINGLE-FAMILY HOUSING PERMITS

The City estimates its 2010 single-family housing permits to range between 500 and 600. Single-family housing permits issued in 2009 total 688, short 27 from 2008's total of 715. The review of the 688 permits shows total valuation at about \$108 million with an average square footage of 2,344. Both 2008 and 2009 permits are down dramatically from the 2007, 2006 and 2005 totals of 1,046, 2,049 and 3,084, respectively. The City has historically relied upon nonrecurring residential construction gross receipts tax revenue and associated fees to supplement its general fund budget.

11.5. EMPLOYMENT STATISTICS

Rio Rancho’s current unemployment (preliminary February 2010) rate is estimated by the BLS to be 8.5 percent. This figure is based on a labor force of 39,039, employment of 35,737, and unemployed persons of 3,302. The unemployment rate has increased a full 3.4 percent from the January 2009 rate of 5.1 percent. The City’s annual average unemployment rate for 2009 was 6.9 percent while 2008 and 2007 was 4.2 and 3.5 percent, respectively. Table ED-1 shows Rio Rancho’s 2009 labor force, employment, unemployment, and unemployment rate by month.

The Bureau of Labor Statistics Figures ED-1 to 4 (below) illustrate Rio Rancho’s labor force, employment, unemployment, and unemployment rates from January 2000 to December 2009. The downward trend in employment and corresponding increases in unemployment and the City’s unemployment rate since the current national recession is evident from these illustrations.

Table ED-1: Rio Rancho 2009 Labor Statistics

Month	Labor Force	Employment	Unemployment	Rate
January	37,401	35,506	1,895	5.1%
February	37,481	35,381	2,100	5.6%
March	37,203	35,013	2,190	5.9%
April	37,226	35,183	2,043	5.5%
May	37,211	37,974	2,237	6.0%
June	37,584	34,935	2,649	7.0%
July	37,963	34,982	2,981	7.9%
August	37,567	34,671	2,896	7.7%
September	37,527	34,714	2,813	7.5%
October	37,601	34,862	2,739	7.3%
November	37,934	35,212	2,722	7.2%
December	37,783	34,941	2,842	7.5%

Source: U.S. Bureau of Labor Statistics

Figure ED-1: Rio Rancho Labor Force



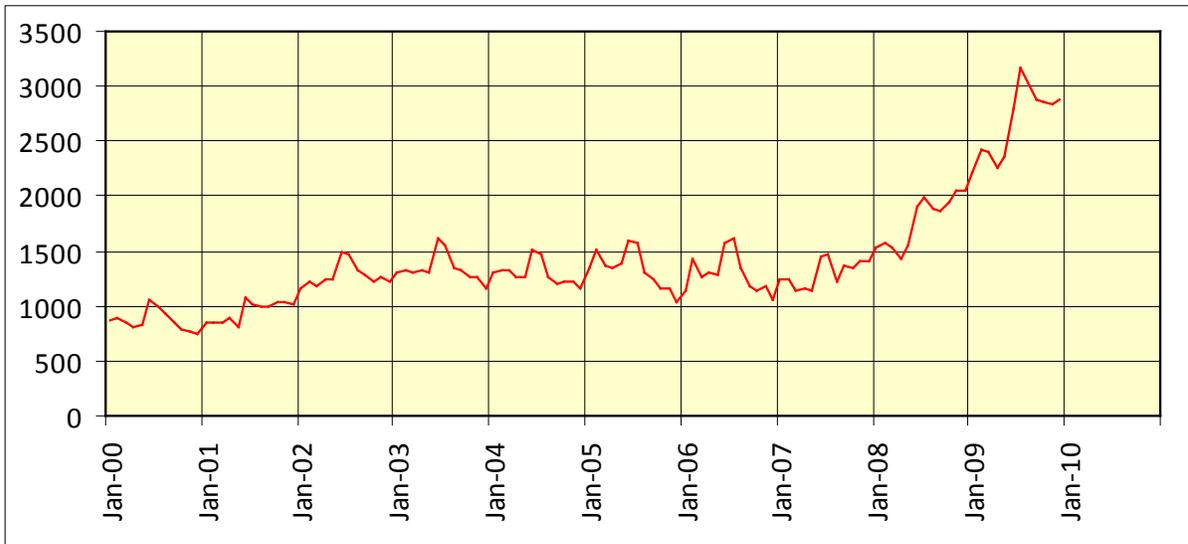
Source: Bureau of Labor Statistics

Figure ED-2: Rio Rancho Employment



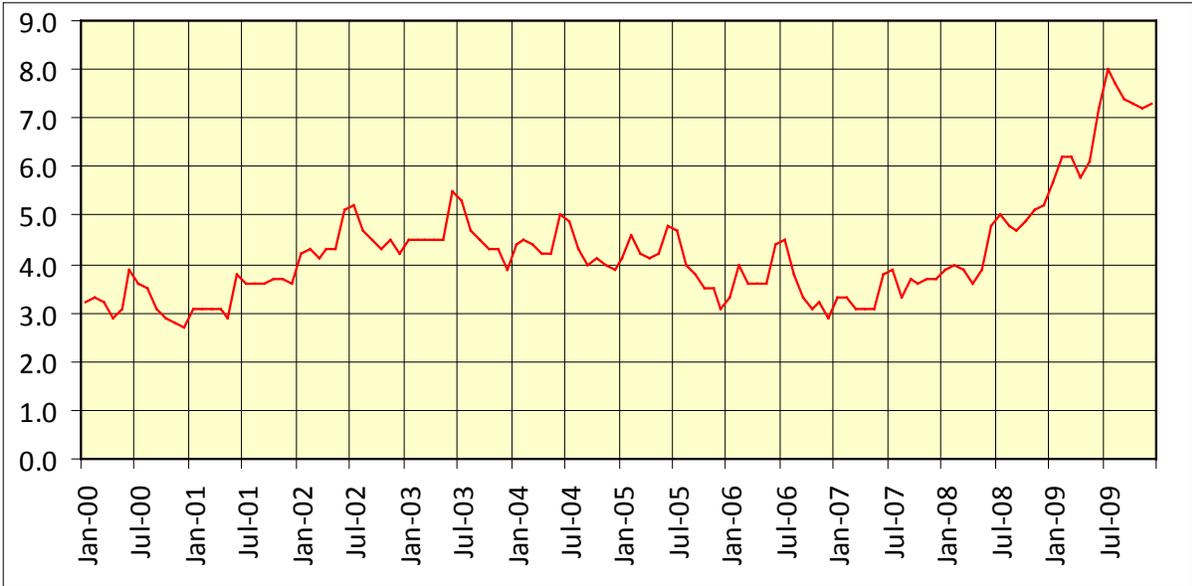
Source: Bureau of Labor Statistics

Figure ED-3: Rio Rancho Total Unemployment



Source: Bureau of Labor Statistics

Figure ED-4: Rio Rancho Unemployment Rate



Source: Bureau of Labor Statistics

11.6. BUSINESS ESTABLISHMENTS

The North American Industry Classification System (NAICS) is used to classify business establishments and report related statistical data. Table ED-2 presents the two-digit NAICS business categories. Table ED-3 identifies Rio Rancho’s major employers.

According to the U.S. Census Bureau, County Business Patterns (2007 most current), Rio Rancho has 1,012 business establishments. Of this figure, 846 or 83.6%, are located in zip code 87124 (south of Northern Blvd.) and the remaining 166 or 16.40 percent, are located in zip code 87144 (north of Northern Blvd.). The overwhelming number of Rio Rancho businesses, 94.27 percent, employ less than 50 people.

Construction related establishments account for 172 or 17 percent of the City’s total. Retail trade, health care and other services contain the next highest total

of establishments, which combined with construction, account for about 50 percent of the City’s business establishments.

- The City’s 1,012 business establishments represents about 5.1% of the Albuquerque MSA’s total of 19,868, while the MSA comprises about 42.39 percent of New Mexico’s total of 46,869.
- The City’s 1,012 business establishments represents about 2.2% of New Mexico’s total of 46,869.

The Albuquerque MSA’s top four categories are retail trade, professional services, construction, and health care. In comparison, New Mexico’s top four business establishment categories are retail trade, construction, professional services, and health care.

Table ED-2: Two Digit NAICS Codes

Code	Description
21----	Mining
22----	Utilities
23----	Construction
31----	Manufacturing
42----	Wholesale Trade
44----	Retail Trade
48----	Transportation & Warehousing
51----	Information
52----	Finance & Insurance
53----	Real Estate & Rental & Leasing
54----	Professional, Scientific & Technical Services
55----	Management of Companies & Enterprises
56----	Administration, Support, Waste Management, Remediation
61----	Educational Services
62----	Health Care and Social Assistance
71----	Arts, Entertainment & Recreation
72----	Accommodation & Food Services
81----	Other Services (Except Public Administration)
99----	Unclassified Establishments

Source: U. S. Department of Commerce

Table ED-3: Rio Rancho Major Employers

Company	Employees	Company	Employees
Intel Corporation	3,300	Wal-Mart	475
Rio Rancho Public Schools	1,920	US Cotton Inc.	300
Intel Contractors	3,790	Intersections, Inc	220
Sprint PCS	800	Don Chalmers Ford	150
Bank of America Services	750	Lectrosomics, Inc.	147
City of Rio Rancho	722	Waste Management	137
e-Telecare Global Solutions	647	Form-Cove Manufacturing	60
BRYCON Construction	380	Insight Lighting	110
Sandoval County	444	Aeroparts	100
Victoria's Secret Direct	525	Aquatic Pools	33
JC Penney Service Center	450	Aero Mechanical Industries	71

Source: RREDC December 2008

11.7. LAND USE ISSUES

The City of Rio Rancho's land use, planning and infrastructure deployment is impacted by a number of factors. Primary among them are the major issues of antiquated platting and scattered lot ownership. Of the City's estimated 66,670 acres of land, for example, only 20 percent or 13,205 are currently developed. Rio Rancho also has one of the lowest population densities per square mile of any major New Mexico city. The City estimates that a total of 33 parcels currently exist that contain in excess of 20 acres of land and only 56 in excess of 10 acres. There are more than 20,400 platted one-half and one-acre lots with no infrastructure and countless owners throughout the world.

The New Mexico Legislature's 2007 termination of certain municipal eminent domain rights in the MRA has severely hampered the City's ability to correct its antiquated platting and scattered ownership limitations.

The importance of correcting the City's antiquated platting and fractionalized lot ownership problems cannot be over emphasized. These two issues represent the largest threats to the City's ability to grow in a planned, strategic and sustainable manner. Accordingly, this EDP includes major policy recommendations (see Section No. 17) directed at eliminating this impediment.

Correction of these two issues will allow the City to:

- Pursue infill projects without taxing the City's ability to deliver necessary infrastructure,
- Undertake strategic mixed-use redevelopment projects to further connect the community, diversify the economy and build a sense of place,
- Balance the communities land uses amongst residential, commercial and industrial sectors thereby making the community more sustainable,
- Broaden the community's options to pursue open space, environmental and transportation projects in an open and transparent manner, and,
- Become more competitive in presenting options to companies seeking business locations within the City.

11.7.1 LIGHT INDUSTRIAL LIMITATIONS

The City is severely limited in M-1 zoned property of any significant size with transportation access and utilities, both wet and dry. This limitation has been a deterrent in the City's efforts to attract new light manufacturing firms to Rio Rancho. The removal of this impediment is essential to the City's competitive position and ability to attract economic base jobs to Rio Rancho.

11.7.2 THE HAWK SITE

At the present time, the Hawk Site is the largest contiguous M-1 zoned site in the City. It is located at US 550 and the Northwest Loop Road. The site consists of approximately 71 acres of land and sits adjacent to the New Mexico National Guard Station. Map ED-1 shows the Hawk Site development plan. In the short term, the Hawk Site represents the City's primary option for light manufacturing companies seeking a location for expansion, relocation or consolidation. Among its advantages are its ease of access, proximity to Interstate 25, topography and size.

In order to strategically market the property, the City, developer, and dry utility providers should meet to resolve any outstanding issues associated with the site. A site profile should be developed and presented to inquiries from businesses with corresponding location requirements. Among the site's primary challenges is access to adequate electric service.

11.8. BUSINESS ZONING DISTRICTS

The location of businesses within Rio Rancho is guided by the City's Zoning Ordinance. Chapter 154 of the Municipal Code pertains to Planning and Zoning. The type of business and intensity of the land use dictate the appropriate zoning district.

The relevant sections of the Zoning Ordinance that permit commercial and industrial activities are:

- C-1: Retail Commercial
- C-2: Wholesale and Warehousing Commercial District
- M-1: Light Industrial District
- O-1: Office
- O-2: Office
- CMU: Commercial/Mixed Use District
- CBD: Central Business District
- MU-A: Mixed use Activity Center

11.9. EXISTING FACILITIES

Grubb & Ellis’ Albuquerque office researches and publishes real estate statistics for the MSA’s office, retail and industrial markets. The data is published on a quarterly basis and covers both Rio Rancho and the MSA. Table No. ED-4 presents the fourth quarter 2009 Rio Rancho vacancy estimates by class of building.

As the Grubb & Ellis vacancy statistics indicate, Rio Rancho has existing space available for office, retail and industrial users. Efforts to attract users to existing facilities should be aggressively pursued. These efforts should be conducted in coordination with the real estate firms representing the respective properties. In the short term, prior to additional sites being developed, these facilities represent the best options for small to medium sized firms looking for new locations for their operations.

Table ED-4: Vacancy Rates by Class of Building

Source: Grubb & Ellis Real Estate, 4th Quarter 2009

11.10. ECONOMIC DEVELOPMENT ALLIES

The City enjoys a strong working relationship with a number of economic development allies. These allies include both for-profit and not-for-profit entities. The for-profit entities include banks, utilities, real estate brokers and development companies. A small selection of the not-for-profit allies and the services they provide are identified in Table ED-.5.

Hosting the Mayor’s annual Economic Development Summit is an important aspect to growing Rio Rancho’s economy. The purpose of the Summit would be to discuss issues of common interest, foster open lines of communication and strengthen relationships amongst and between Rio Rancho’s for-profit and not-for-profit allies.

The City has been developing a closer working relationship with the Mid-Region Council of Governments (MRCOG) and that relationship needs to continue to grow so that the City has a Regional strategic partner. MRCOG conducts transportation planning and develops a Comprehensive Economic Development Strategy (CEDS) every five years. The CEDS is a required component of grant funding under the Economic Development Administration (EDA). Any Rio Rancho application to EDA for grant funding must show how the request relates to the then current CEDS.

Table ED-5: Economic Development Allies

Organization	Services
Accion	Small Business Financing
Enchantment Land Certified Dev. Corp.	SBA 504 Financing
Mid-Region Council of Governments	Regional Coordination
New Mexico Economic Development Department	Existing Businesses, Film
New Mexico Economic Development Partnership	Business Recruitment
New Mexico Workforce Solutions Department	Employee Training/Recruitment
New Mexico State Investment Council	Financing
Rio Rancho Economic Development Corporation	Business Recruitment/Retention
Rio Rancho Regional Chamber of Commerce	Small Business Services
Sandia Small Business Assistance Program	Technology Counseling
Small Business Administration/SCORE	Counseling/Financing
Small Business Development Center	Counseling
U.S. Department of Commerce – Intl. Trade Admin.	Export Counseling
WESST Corporation	Counseling/Financing

Source: City of Rio Rancho

11.11. EXISTING BUSINESS SUPPORT PROGRAMS

There are a number of Rio Rancho and State of New Mexico economic development incentives available to support the selected tactical options. These incentives include job training, tax credits, financing and infrastructure development programs. Some programs are industry specific while others are not. The following sections summarize both the local and statewide programs and their relationship to the City's selected tactics of Business Recruitment, Business Retention and Expansion, and Entrepreneurship and Small Business Development.

11.11.1 CITY ECONOMIC DEVELOPMENT INITIATIVES

Among the business support programs offered by the City include:

- Fast-Track Permitting,
- Impact Fee Waivers: Limited to economic base projects,
- Property Tax Abatements: Through the use of Industrial Revenue Bond Financing – currently not available for retail projects, and,
- Infrastructure Support: For both retail and economic base projects through the Gross Receipts Investment Policy, Tax Increment for Development District, Local Economic Development Act, Special Assessment Districts, Public Improvement Districts, Infrastructure Development Zones and Business Improvement Districts.

11.11.2 CITY PROGRAM GUIDELINES

The use of the City's programs needs to be evaluated on a project-by-project basis. The evaluation of each formal application should include reviews, both internal and external, as may be appropriate, fiscal impact analysis and confirmation of adherence to the guidelines of each program as developed and adopted by either Ordinance or Administrative Policy.

In reviewing program applications, consideration should be given to incorporating the following conditions and terms as may be applicable:

- Property tax abatements allowable under New Mexico's laws through the use of Industrial Revenue Bonds should not include the taxes associated with the Rio Rancho Public School System.

- Performance based clawbacks should be applied to incentive agreements and the term of the clawback provision(s) should generally be consistent with the respective project's economic and fiscal impact.
- Regular reporting of employment, wages, capital investment figures should be required and agreed to by support recipients.
- Recipients of City incentives should be required to operate sustainable facilities and new buildings constructed utilizing City incentives should require the minimum of LEED certification in order to be eligible.

The City's internal review staff shall consist of the City Manager and designee(s), Director of Finance, Director of Development Services, Director of Public Works. Presentations to the Governing Body on proposed incentive support to a business or industry should include a fiscal impact analysis on the project.

Programs requiring Governing Body approval by Ordinance shall be presented for such approval at regularly scheduled meetings or special meetings as may be required. Staff review of these materials should take place no less than on an annual basis thereafter.

11.11.3 STATE OF NEW MEXICO PROGRAMS

Business support programs offered by the State of New Mexico include:

- Job Training Incentive Program
- Manufacturing Investment Tax Credit
- High Wage Jobs Tax Credit
- Technology Jobs Tax Credit
- Refundable Film Credit - Income Tax
- Film Vendor Deduction - Gross Receipts

The state programs are essentially entitlements, allowing a business with operations or performance meeting certain objectives or criteria, to avail themselves of the respective support program. This is in comparison to the City's support programs that require approvals of City staff, the Governing Body or both to be effective.

Taken together, the City and State programs provide the tools necessary to compete for economic development projects in today's competitive environment.

11.12. ESSENTIAL SERVICES DEPLOYMENT

In addition to the City's wet utilities (water and wastewater services), the dry utility providers are considered essential services to any community. The availability, reliability and competitive pricing of these services is critically important to the implementation of this Element. Rio Rancho's dry utility providers are:

- Electricity: Public Service Company of New Mexico
- Natural Gas: Gas Company of New Mexico
- Voice & Data: Qwest and Cable One
- Cable Television: Cable One

11.13. WORKFORCE DEVELOPMENT

Workforce development is probably one of the most talked about subjects in economic development today. This topic is no less important in Rio Rancho. The availability of a skilled workforce is one of business and industry's most important site selection criteria.

Rio Rancho residents enjoy access to one of New Mexico's top ranked public school systems and about 93% of Rio Rancho's population has earned at least a high school diploma. The new higher education campuses being built by CNM and UNM will provide a natural bridge from high school to community college to the university.

Access to New Mexico's Job Training Incentive Program will assist both existing and new Rio Rancho employers with their employee training requirements. As an example, the New Mexico Workforce Connection has recently been valuable to the Hewlett Packard project by providing staffing support.

The availability of tax credits and on the job training incentives should be regularly communicated to the City's employer's to ensure familiarization with programs in this area. Special attention should be paid to working to align the EDP and those of the service providers.

11.14. REVENUE OVERVIEW

The Revenue Overview section is the point at which the Retail Development Plan of this Economic Development Element begins. Approximately 51% of the City's \$51,364,352 general fund revenue budget is derived from tax receipts from the New Mexico Gross Receipts Tax (GRT). Unfortunately, the City's GRT revenue has declined by more than \$10 million since Fiscal Year 2007. The remaining sources of revenue include the property tax, franchise fees and other revenues. Figure ED-5 and Figure ED-6 present the percentage and total revenues by source and a comparison of revenue by source from fiscal year 2001 to 2010, respectively.

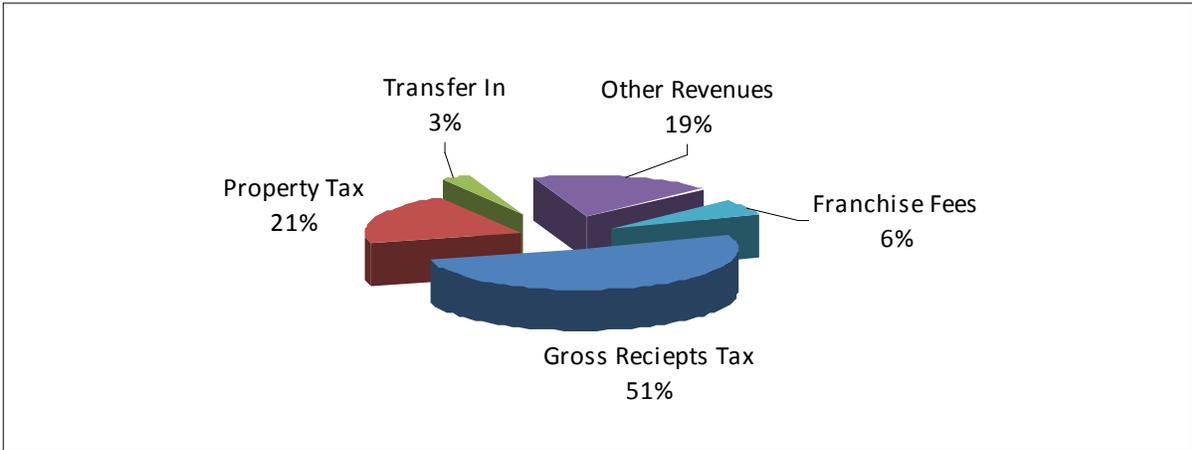
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Construction related establishments account for 172 or 17 percent of the City's total. Retail trade, health care and other services contain the next highest total of establishments, which combined with construction, account for about 50 percent of the City's business establishments.

- The City's 1,012 business establishments represents about 5.09 percent of the Albuquerque MSA's total of 19,868, while the MSA comprises about 42.39 percent of New Mexico's total of 46,869.
- The City's 1,012 business establishments represents about 2.16 percent of New Mexico's total of 46,869.

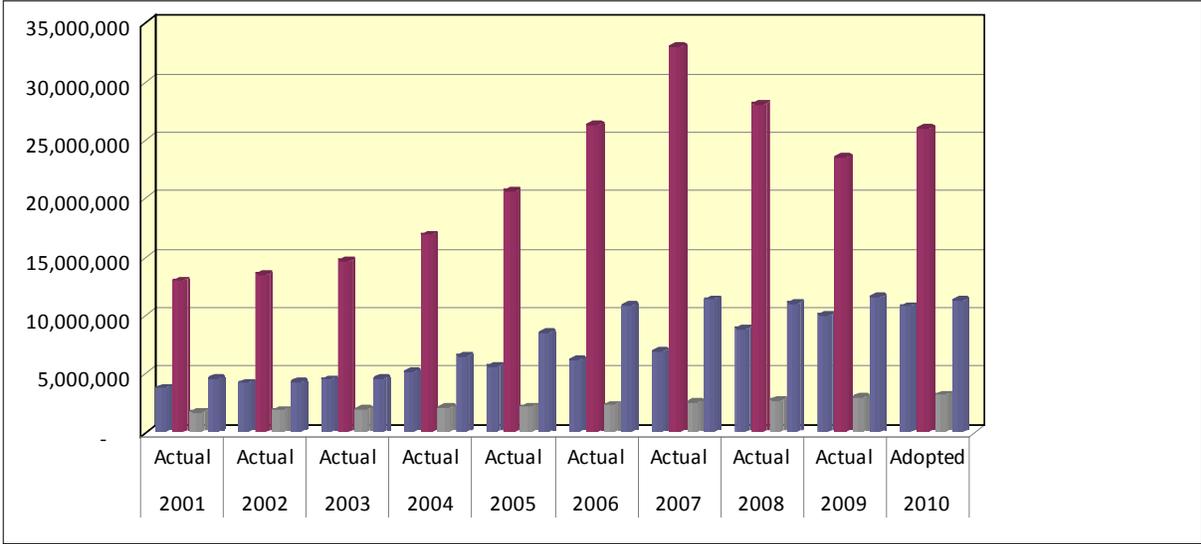
The Albuquerque MSA's top four categories are retail trade, professional services, construction, and health care. In comparison, New Mexico's top four business establishment categories are retail trade, construction, professional services, and health care.

Figure ED-5: 2010 Sources of General Fund Revenue



Source: City of Rio Rancho

Figure ED-6: Historic Revenues by Category



Source: City of Rio Rancho

11.15. GROSS RECEIPTS TAX

New Mexico’s GRT is a tax on persons engaged in business that is typically passed on to customers by the business using tax rates varying by location. According to the New Mexico Taxation and Revenue Department (NMTRD), Gross Receipts means the total amount of money or other consideration received from selling property in New Mexico, leasing or licensing property employed in New Mexico, granting the right to use a franchise employed in New Mexico, performing services in New Mexico or selling research and development services performed outside New Mexico, the product of which is initially used in New Mexico.

Taxing services is one of the main differences between the tax systems of New Mexico and many other states. New Mexico is one of a few states in the nation that impose a tax on services. Given the City’s reliance on GRT revenue, the development of the professional service sector of the City’s economy must also become a major priority. There is an estimated 65,839 square feet of vacant office space within the City of Rio Rancho suitable for professional service firms.

11.15.1 RIO RANCHO GRT TAX RATE

As of May 2010, the Gross Receipts Tax Rate for Rio Rancho is 7.0625 percent. This rate is comprised of many components, including amounts from other jurisdictions such as the State of New Mexico, Sandoval and Bernalillo Counties, Rio Rancho Public School District, higher education and transportation districts. Of the 7.0625

percent, Rio Rancho receives about 2.6625 percent or 38 percent of the total tax. The remaining 4.4 percent is associated with other tax jurisdictions.

For each \$1,000,000 in taxable gross receipts, Rio Rancho receives \$26,625 in gross receipts tax revenues.

11.15.2 REPRESENTATIVE GRT RATES

Albuquerque, Rio Rancho’s neighbor to the south, has a Gross Receipts Tax Rate of 6.875 percent, .19 percent lower than Rio Rancho’s. The business location of the seller or lessor determines the rates of the Gross Receipts Tax. Table ED-6 shows the GRT Rate for New Mexico’s ten most populous cities.

Careful analysis must be taken before increasing City controlled GRT components in amounts that would render Rio Rancho noncompetitive with Albuquerque’s GRT rate.

11.15.3 COMPARING PER CAPITA GRT

Table ED-7 presents the per capita GRT revenues for New Mexico’s ten largest cities. Of the 10 largest cities in New Mexico, Rio Rancho has the lowest per

capita level of GRT at \$1,112. By comparison, the New Mexico average is \$1,866 and Albuquerque’s is \$2,357. The City realizing less than the statewide average is a clear indication of Rio Rancho’s retail spending leaking into other New Mexico communities.

Table ED-6: Gross Receipts Tax Rate By Municipality

City	Gross Receipts Tax Rate
Albuquerque	6.875%
Las Cruces	7.4375%
Rio Rancho	7.0625%
Santa Fe	8.0625%
Roswell	7.0%
Farmington	7.0%
Alamogordo	7.5%
Clovis	7.4375%
Hobbs	6.6875%
Carlsbad	7.3125%

Source: New Mexico Taxation and Revenue Department

Table ED-7: Per Capita Gross Receipts Tax Revenues

City	Per Capita Gross Receipts
Albuquerque	\$2,567
Las Cruces	\$2,797
Rio Rancho	\$1,268
Santa Fe	\$4,291
Roswell	\$2,600
Farmington	\$5,235
Alamogordo	\$2,034
Clovis	\$2,764
Hobbs	\$3,438
Carlsbad	\$2,517
New Mexico	\$1,961

Source: Wells Fargo New Mexico Market Report, 4th Quarter 2009, Published April 2, 2010

11.15.4 RECURRING VS. NONRECURRING GRT REVENUES

The City of Rio Rancho also receives GRT revenues from construction services. These revenues are nonrecurring in nature. Nonrecurring means that contractors are subject to the tax while their projects (regardless of type) are being constructed, but once complete, the construction gross receipts tax revenue does not continue.

From calendar year 2001 to 2005, the City experienced unprecedented levels of single-family housing permit activity, increasing from 628 in 2000 to 3,085 in 2005. Unfortunately, the decline from 2006 to 2009 was equally dramatic, dropping from 2,049 in 2006 to 688 in 2009. This volatility is evident in the single-family residential permit data. Therefore, it is important for the City to increase the number of retail and professional service firms, which produce recurring revenues from the tax imposed on their operations. This will help address the City's structural budget deficit and revenue unpredictability caused the City's historic reliance on nonrecurring GRT revenues from construction related activities.

11.15.5 NAICS CODES / RETAIL SECTOR DEFINITION

The North American Industry Classification System (NAICS) is used for classifying business establishments and report related statistical data. The NAICS was adopted in 1997 and replaced the previous Standard Industrial Classification System. Table ED-8 contains a listing of the three-digit NAICS retail codes. Retail Trade starts with Industry Code 44 and concludes with 45. It is important to note, the retail sector is further defined in the NAICS codes to the six-digit level.

Table ED-8: Three Digit NAICS Retail Codes

Industry Code	Industry Code Description
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings
443	Electronic and Appliance Stores
444	Building Materials, Garden Equipment & Supplies Dealers
445	Food & Beverage Stores
446	Home & Personal Care Stores
447	Gasoline Stations
448	Clothing & Clothing Accessories Stores
451	Sporting Goods, Hobby, Book & Misc. Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Non Store Retailers

Source: U. S. Department of Commerce

11.16. EXISTING RIO RANCHO RETAIL SECTOR

According to the U.S. Department of Commerce, County Business Patterns, Rio Rancho has 116 business establishments (see Table ED-9) in the retail sectors of the NAICS. Of the 116, 85% or 99 establishments are located in the 87124 zip code, while 15% or 17 establishments are located in the 87144 zip code. The vast majority, 78% of the establishments employ 20 or fewer workers. This statistic holds true for both the 87124 and 87144 zip codes with 79% and 76%, respectively.

This fact underscores that small business development services should be an important component to the implementation section of this Element and the City's overall economic development strategy because the majority of jobs are created by small businesses. Of note, is that 57% of the establishments fall within 12 NAICS codes, illustrating the limited diversity of retail establishments in Rio Rancho. This lack of diversity is even more pronounced when the data is reviewed by zip code, with 87144 having less diversity and only 15% of the establishments in total. Gas stations are Rio Rancho's number one retail business type.

Table ED-9: 2007 Sandoval County Business Patterns Rio Rancho Business Establishments By Zip Code

Industrial Code	Industrial Code Description	87124 Establishments	87144 Establishments	Total Establishments
44---	Retail Trade	99	17	116
441110	New Car Dealers	4	4	4
441120	Used Car Dealers	2	2	2
441221	Motorcycle Dealers	2	2	2
441310	Automotive Parts & Accessories Store	5	5	5
441320	Tire Dealers	1	1	1
442110	Furniture Stores	1	2	2
442210	Floor Covering Stores	3	3	3
442291	Window Treatment Stores	1	1	1
443112	Radio, TV, & Other Electronics Store	4	5	5
444110	Home Centers	2	2	2
444120	Paint & Wallpaper Stores	1	1	1
444130	Hardware Stores	4	4	4
444190	Other Building Material Dealers	6	7	7
444220	Nursery, Garden Center, & Farm Supply Stores	2	3	3
445110	Supermarkets & Other Grocery (Except Convenience Stores)	4	5	5
445120	Convenience Stores	1	1	1
445299	All Other Specialty Food Stores	3	3	3
445310	Beer, Wine, & Liquor Stores	1	1	1
446110	Pharmacies & Drug Stores	4	4	4
446120	Cosmetics, Beauty Supplies, & Perfume Stores	3	3	3
446191	Food (Health) Supplement Stores	1	1	1
447110	Gasoline Stations w/ Convenience Stores	12	12	12
448120	Women's Clothing Stores	2	2	2
448140	Family Clothing Stores	0	1	1
448190	Other Clothing Stores	2	2	2
448210	Shoe Stores	1	1	1
448310	Jewelry Stores	1	2	2
451110	Sporting Goods Stores	1	1	1
451211	Book Stores	1	1	1
451220	Prerecorded Tape, Compact Disc, & Record Stores	2	2	2
452111	Department Stores (Except Discount Department Stores)	1	1	1
452112	Discount Department Stores	3	3	3
452990	All Other General Merchandise Stores	7	8	8
453110	Florists	1	1	1
453220	Gift, Novelty, & Souvenir Stores	0	2	2
453310	Used Merchandise Stores	1	1	1
453910	Pet & Pet Supply Stores	2	3	3
453998	All Other Miscellaneous Store Retailers (Except Tobacco Stores)	4	4	4
454111	Electronic Shopping (Internet)	1	4	4
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers	0	1	1
454390	Other Direct Selling Establishments	2	4	4
Total		99	17	116

Source: U.S. Census Bureau

11.16.1 EXISTING RIO RANCHO RETAILERS

Table ED-10 identifies a limited sample of Rio Rancho's existing retailers. The listing was developed from a brief review of the Rio Rancho Regional Chamber of Commerce's 2010 City Directory and crosschecked with the City's business license database.

11.16.2 RETAIL EMPLOYMENT / WAGE RATES

Increased retail sales will create additional employment opportunities in Rio Rancho. This new retail employment, including part-time and seasonal workers, will expand the payroll and disposable income within the community. According to the New Mexico Department of Workforce Solutions, Economic Research and Analysis Bureau, a retail salesperson's entry-level wage is \$7.63 per hour, while the mean wage is \$11.98 per hour and an experienced worker earns \$14.16 per hour. At 8.5%, Rio Rancho's current unemployment rate is the highest it has been in 20 or more years.

11.16.3 EXISTING RETAIL DEVELOPMENTS

The Commercial Association of Realtors maintains computerized databases of available Rio Rancho buildings across the Metropolitan Statistical Area (MSA). This database was queried to identify a representative sample of existing Rio Rancho retail developments and is shown in Table ED-11. Map ED-2 shows existing retail sites within Rio Rancho.

11.16.4 RETAIL REAL ESTATE MARKET STATISTICS

According to Grubb & Ellis' research department, for the fourth quarter of 2009, Rio Rancho has an estimated 1,708,006 square feet of retail space, of that amount 85,225 square feet is vacant, which represents a vacancy rate of 4.8% percent, which is 6% below the regional vacancy rate of 10.8% Table ED-12 shows the Grubb & Ellis retail space summary for calendar year 2009. In 2005, Rio Rancho had an estimated 1,215,125 square feet of occupied retail space. In 2009, that figure had increased to

Table ED-10: Existing Rio Rancho Retailers

Affordable Flooring	Harris Jewelers	Noda's Japanese Cuisine
American Tire & Service	Home Depot	Ray's Ace Hardware
Applebee's Restaurant	Hot Tamales	Ten Pins & More
Chili's	Kmart	Walgreens
Color Spot Printing Co.	Lowe's	Wal-Mart Superstore
Defined Fitness	Max Muscle	Z-Coil Footwear

Source: Rio Rancho Regional Chamber of Commerce/City of Rio Rancho

Table ED-11: Existing Rio Rancho Retail Developments

Name	Main Tenants
The Plaza at Unser	Wal-Mart
Southern Plaza	O'Riely Auto Parts
Rio Rancho Market Place	Target
Unser Crossings	Lowe's
Rio Rancho Marketplace	Albertsons
Hilltop Plaza	K-Mart
Mesa Center	Smith's
Commerce Center at Enchanted. Hills	Home Depot
Country Club Plaza	Albertsons
Enchanted Hills Plaza	Dollar Tree

Source: City of Rio Rancho

Table ED-12: 2009 Rio Rancho Retail Real Estate Statistics

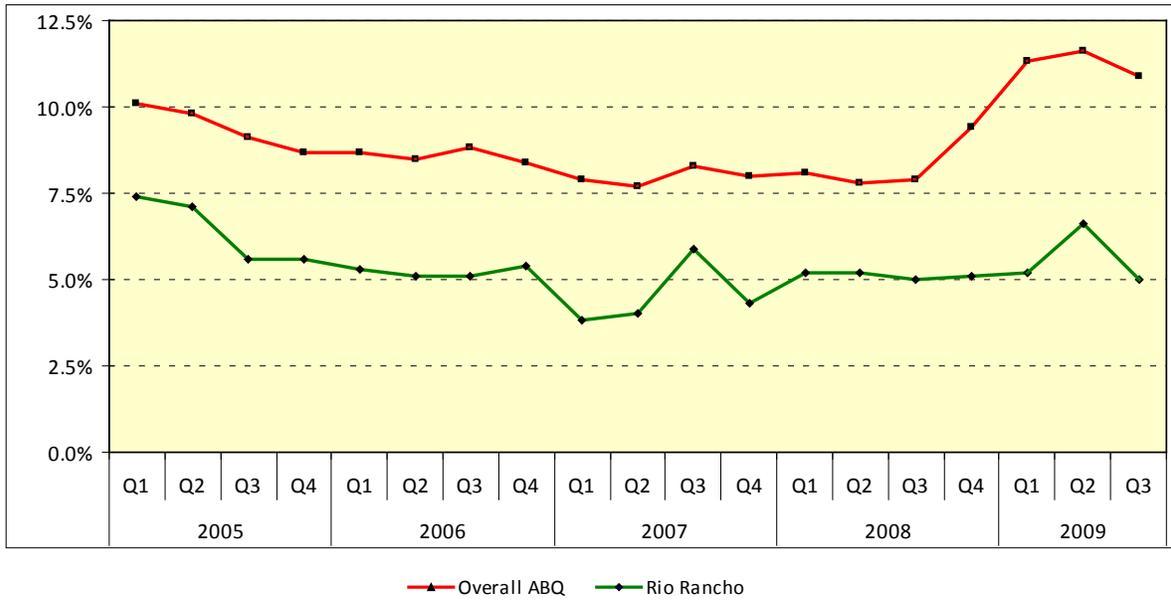
Quarter	Total SF	Vacant SF	Vacancy %
1 st	1,765,718	91,578	5.2
2 nd	1,780,006	115,041	6.5%
3 rd	1,780,006	88,853	5.0%
4 th	1,780,006	85,225	4.8%

Source: Grubb & Ellis / New Mexico

an estimated 1,691,153 square feet of occupied space, an increase of 476,028 occupied square feet. This represents approximately 119,007 square feet of absorption per year. Asking lease rates have also increased from \$7.50 per square foot to \$14.70 on a NNN (lessee pays taxes,

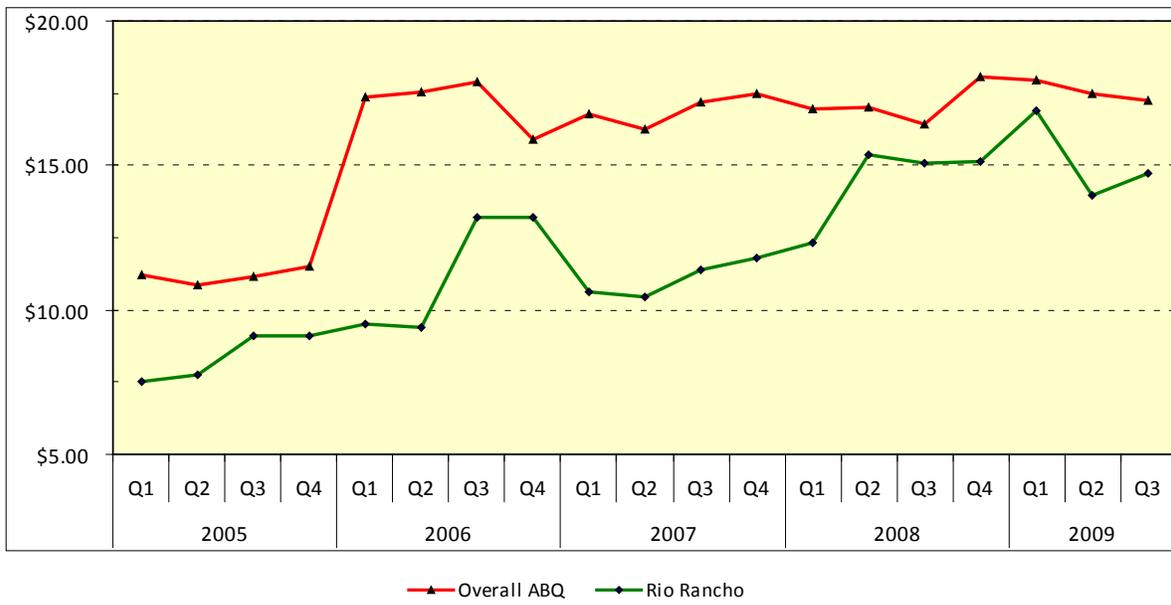
maintenance and insurance) basis over the same period. Figures ED7-ED10 illustrate Rio Rancho's historic retail vacancy, asking lease rates, construction activity and absorption of space. Map ED-3 shows near to short-term retail development sites within Rio Rancho.

Figure ED-7: Historic Metro Vacancy Rates



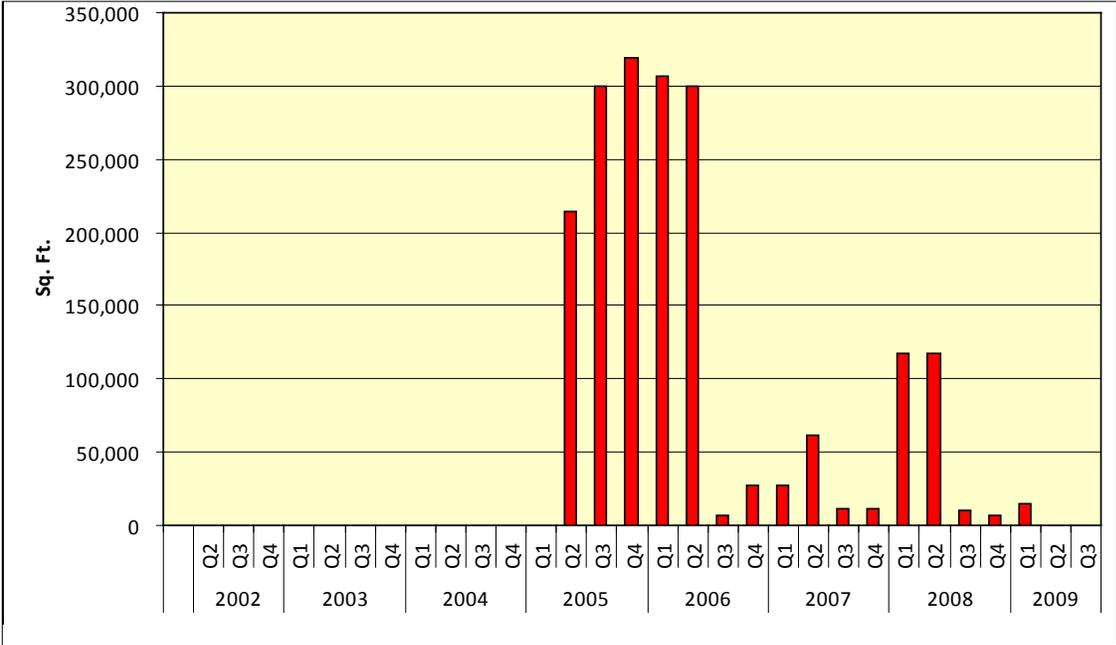
Source: Grubb & Ellis

Figure ED-8: Historic Metro Leasing Asking Rates



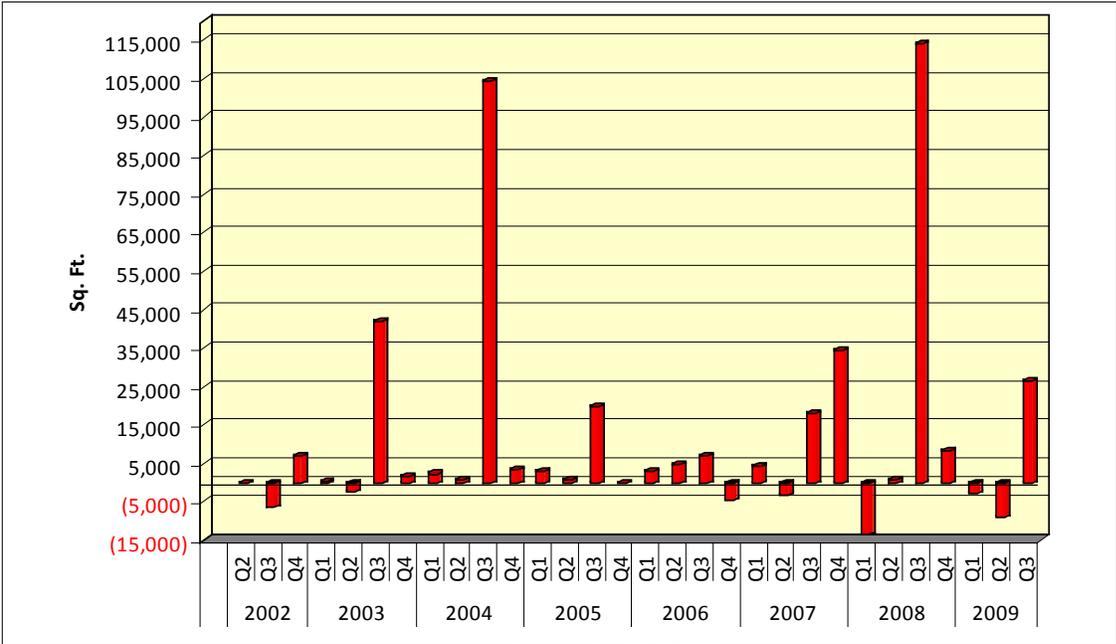
Source: Grubb & Ellis

Figure ED-9: Rio Rancho Historic Retail Development Under Construction



Source: Grubb & Ellis

Figure ED-10: Rio Rancho Historic Retail Absorption



Source: Grubb & Ellis

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11.17. RETAIL / OFFICE ZONING REQUIREMENTS

Rio Rancho’s Zoning Ordinance is contained in Chapter 154 of the Rio Rancho Municipal Code. The zoning districts applicable to retail sales and professional services are as follows:

Retail Commercial (C-1) - This district permits limited commercial uses, with high traffic counts, such as those pertaining to the day-to-day needs of the residential populace.

Wholesale and Warehousing Commercial District (C-2) - This district permits heavier commercial activities, but lower traffic counts.

Office Zone (O-1) - This district permits residentially scaled offices. This district is intended to act as a buffer between residential property and more intensive nonresidential uses. No noise, odor or vibration shall be emitted which would cause a negative impact on the adjacent residential district.

Office Zone (O-2) - This district permits offices. Permissive uses for the offices are listed by their industry classification code. No noise, odor or vibration shall be emitted which would cause a negative impact on the adjacent residential district.

Commercial Mixed-Use District (CMU) - This district permits limited commercial and residential uses such as those pertaining to the day-to-day needs of the residential populace.

Central Business District (CBD) – This district is intended to create a CBD to provide a mixed land use environment consisting of concentrated retail, commercial, government, recreational and entertainment, residential and office uses that are intended to serve as a destination and to service the needs of the regional trade area. The CBD is intended to be the location for the City of Rio Rancho’s first downtown.

11.17.1 COMMERCIALY-ZONED SITES

There are a number of commercial sites located throughout the City. A few sites are more likely to be developed and absorbed in the near-to short-term (next five years) than other sites. A sample of these sites is presented in Table ED-13.

11.18. RETAIL SITE SELECTION CRITERIA

The site selection criterion for the retail sector varies according to the type of goods and services sold by the business. In general, however, research suggests that market size, population characteristics, traffic counts and access, as well as strengths of the area, are considered important for the retail sector. Most successful retailers have developed proprietary models that are used to evaluate the relative strengths and weaknesses of sites under consideration.

Table ED-13: Near to Short Term Retail Sites

Location	Contacts
SWC NM 528 & Southern	Maestas & Ward
SEC Westside & Unser	Profile Properties
SWC Westside & Unser	The Skarsgard Firm
Corners at Northern & Unser	*
Corners Loma Colorado & Northern Blvd.	Cox/Maestas/Grubb & Ellis
NWC Sundt & NM 528	Westwood Realty
SWC Idalia & NM 528	*
Paseo Gateway	Amrep & Westwood Realty
SWC NM 528 & Enchanted Hills Blvd.	Sedbury & Associates
NEC PDV & US 550	Westwood Realty
Corners PDV & Unser	*
Central Business District	City of Rio Rancho

Source: City of Rio Rancho, * TBD

11.18.1 SITE LOCATION COMPETITION

The City's main competition for retail location attraction is the Cottonwood Mall and surrounding retail developments. The Cottonwood Mall opened in 1996 and is classified as a Super-Regional Mall. The Mall's Gross Leasable Area exceeds one million square feet and its major retailers include Dillard's, JC Penny, Macy's and Sears. Cottonwood is also home to 100 plus specialty retailers. According to ICSC, Super-Regional Malls have trade areas that range from five to twenty-five miles.

Map ED-4 illustrates Cottonwood Mall's trade area using a five-mile radius. From this illustration it is easy to determine that the Cottonwood Mall is a major competitor to Rio Rancho retailers and a primary source of Rio Rancho's retail sales leakage.

Additionally, the new Super Wal-Mart located just east of Enchanted Hills in the Town of Bernalillo, continues to pull GRT revenues outside of the City.

11.19. EXISTING RETAIL INCENTIVES

The City has developed two main incentives for encouraging large-scale retail development in the City of Rio Rancho. These incentives are the Gross Receipts Investment Policy (GRIP) and financing using the state statute for Tax Increment for Development Districts (TIDD). The primary benefit of both programs is the refunding of tax revenues generated by the development to repay the funds spent on the public infrastructure required to support the development.

11.19.1 GROSS RECEIPTS INVESTMENT POLICY

GRIP establishes standards and procedures for financing, through the refund of gross receipts taxes, the development and construction of City infrastructure necessary to secure the location of new, large-scale retail and certain, targeted commercial businesses within the City. The City, by written agreement, may repay a developer for the cost of reasonable and necessary public infrastructure related to the development of new retail and certain targeted commercial businesses or may reimburse impact fees where the reimbursement thereof is instrumental in bringing the retail or targeted commercial business to the City. Written agreements between the City and a developer for GRIP developments shall be submitted to the Governing Body for approval.

The City currently has two active GRIP agreements. The first agreement is for the Lowe's anchored Power Center located at the Northwest corner of Northern Boulevard and Loma Colorado Boulevard. The second is for Petroglyph Plaza, a mixed-use medical office anchored project. Rio Rancho's GRIP is located in Chapter 36.75 of the City's Municipal Code.

11.19.2 TAX INCREMENT DEVELOPMENT DISTRICT

New Mexico authorized TIDDs in 2006. Under the Tax Increment for Development Act, TIDDs are special areas created primarily to capture the additional revenue generated by economic activity within the boundaries of the special area in order to finance the construction of public infrastructure.

The City currently has approved one TIDD application. The application is for a mixed-use development called The Village at Rio Rancho, to be located at the Southeast corner of Westside Boulevard and Unser Boulevard. The Village will include retail, office, hotel, entertainment and restaurant venues.

The Tax Increment for Development District Act is in statute as 5-15 NMSA 1978 (Chapter 5, Article 15).

11.20. RETAIL SUMMIT FEEDBACK

In June 2009, the City Manager's office conducted a Retail Development Research Summit. The purpose of the Summit was to solicit constructive feedback from the retail development community in regards to actions the City could take to attract increased retail sector activity. The Summit's participants recommended the City consider the following three action steps:

- Identify the retail centers and prepare the sites for development, including zoning, infrastructure, etc.
- Get the message out on the City's potential and retail advantage.
- Look at specific incentives, prioritize infrastructure in the Capital Improvement Plan, target impact fee credits, and remove barriers to entry.

11.21. RETAIL SALES LEAKAGE STUDY

In July 2009, the City received the results of a study on the City's level of retail sales leakage. The Retail Sales Leakage Study was prepared by Ken Schaefer, Director of Brokerage Operations for Grubb & Ellis' Albuquerque office. The Study indicates that Rio Rancho suffers from substantial retail sales leakage. The report estimated that 41.6 percent of retail spending is leaking outside the City. The Study quantified the impact on the City as follows:

- Approximately \$422 million being spent outside Rio Rancho.
- Approximately \$203 million is estimated to be taxable for GRT purposes.
- Equating to almost \$5.5 million in lost general fund revenues.

Except for pharmacy/drug stores and pet supplies, essentially all Rio Rancho retail sectors are experiencing leakage. The study further indicates that Rio Rancho has approximately 19 square feet of retail space on a per capita basis as compared to the national average of 40. This leaves a difference of 21 square feet. Multiplying the 21 square feet by the City's corresponding population of 75,978 (fiscal year 2007 – 2008 data) suggests that at the City could support, minimally, an additional 1.4 million square feet of retail space.

In addition to the associated gross receipts tax revenue, Rio Rancho would also benefit from the property tax associated with the new commercial space.

11.22. RETAIL INTEREST SURVEY

In August 2009, City staff launched an Internet-based Retail Interest Survey (RIS). The RIS was active for thirty days and was accessible from to the City's web page. Respondents were asked a variety of questions designed to obtain feedback on numerous topics, including availability of goods, shopping preferences and support for the use of incentives. A total of 758 respondents completed the survey. The feedback included:

Level of Spending Outside Rio Rancho

Seventy-two percent of the respondents conduct 50% or more of their retail shopping outside the City's boundaries.

Primary Reason for Spending Outside Rio Rancho

Ninety-seven percent of the respondents indicted their main reasons for shopping outside the City's boundaries was the lack of availability or greater selection.

Perceived Level of Availability of Selected Retail Goods

Of the categories surveyed, only grocery stores, drug and home improvements stores, were seen as readily available.

Satisfaction Level of Santa Ana Star Center Experience

Eighty-six percent of the respondents ranked their experience at the Star Center as average to excellent.

Level of Support for the Utilization of Retail Incentives

Eighty-three percent of the respondents supported the City providing incentives to attract retailers to the City.

11.23. IMPLEMENTATION

11.23.1 DISCUSSION

Economic Development is one of the most critical issues the City of Rio Rancho faces. The creation and retention of jobs, enhancing the tax base and improving the quality of life are all aspects to the City's future economic development. The establishment of a balanced jobs/housing ratio is critical to ensuring City residents don't have to commute outside of the City for employment. In addition to having a balanced job/housing ratio, it is also important for the City to have a balanced distribution of employment types. The employment of the following tactics will be an important part of implementing this element:

- **Tactic No. 1:** Retail Development
- **Tactic No. 2:** Entrepreneurship and Small Business Development
- **Tactic No. 3:** Business Retention and Expansion
- **Tactic No. 4:** Business Recruitment

The City experiences a significant amount of retail sales leakage to the City of Albuquerque. With GRT revenues declining due to a decline in construction-related activities, the City of Rio Rancho is facing budget deficits. Therefore, a robust set of goals, policies and actions are necessary for the City's economic wellbeing.

11.23.2 GOALS

Goal EDP-1: Create Jobs.

Goal EDP-2: Retain Jobs.

Goal EDP-3: Enhance the tax base.

Goal EDP-4: Improve the quality of life.

Goal EDR-1: Expand the economic base of Rio Rancho.

Goal EDR-2: Reduce retail sales leakage to other New Mexico cities.

Goal EDR-3: Encourage large-scale manufacturing companies to relocate to Rio Rancho.

11.23.3 POLICIES

Policy EDP-1: Proactively support the economic development allies currently providing services applicable to the Entrepreneurship and Small Business Development Tactic.

Policy EDP-2: The City shall continue to recognize the Rio Rancho Economic Development Corporation (RREDC) as its lead organization for the tactical areas of economic base business recruitment and economic base business retention and expansion.

Policy EDP-3: Continue financial support, subject to availability of funds, for the RREDC's efforts in economic base business recruitment and economic base business retention.

Policy EDP-4: Continue the use of the City's business support programs and evaluate on a project-by-project basis.

Policy EDP-5: Offer support to companies located in the City and those considering expansion, relocation or consolidation to the City so they can take full advantage of the State of New Mexico's business support programs.

Policy EDP-6: Work with local utility providers to increase dry utilities throughout the City.

Policy EDP-6: Continue to support Southern Sandoval County Arroyo and Flood Control Authority (SSCAFCA) and ensure the City and SSCAFCA have a collaborative relationship to ensure both entities needs are met.

Policy EDP-6: Explore opportunities to enhance internships, mentoring programs and expand educational linkages within the community.

Policy EDP-7: Work with economic development allies and the City Manager's office, as applicable to resolve business issues as they are identified.

Policy EDP-8: Work with Sandoval County to enhance its website with land ownership data consistent with Bernalillo County's system.

Policy EDP-9: Encourage UNM to reserve 50 +/- acres of property on its campus to establish high-tech research and development business park.

Policy EDR-1: Involve all development-related departments (early in the process) in the discussion phase of attracting prospective economic development projects.

Policy EDR-2: Identify ways to streamline development reviews for prospective economic development projects.

Policy EDR-3: Prioritize the Capital Improvement Program consistent with the City's retail location priorities.

Policy EDR-4: Collaborate with the Rio Rancho Regional Chamber of Commerce (RRCC) to conduct small business information sessions on the retail interest survey and leakage study to determine if existing firms wish to expand product lines.

Policy EDR-5: Regularly attend ICSC meetings to promote sites to corporate real estate directors and facility planners.

Policy EDR-6: Consider seeking the adoption of an economic development tax to be utilized for low interest loans for rehabilitation projects.

Policy EDR-7: Research establishment of a Local Community Development Corporation to facilitate SBA 504 loans for rehabilitation.

Policy EDR-8: Evaluate the potential of changing State law to allow the use of Industrial Revenue Bonds financing for retail purposes.

Policy EDR-9: Review alternative uses for the community development block grant program.

Policy EDR-10: Periodically review the City's zoning ordinance to facilitate the location of retail and office users to Rio Rancho.

11.23.4 ACTIONS

Action EDP-1: Create a new uniform application form to streamline the application process.

Action EDP-2: Develop an intensive due diligence process be conducted as part of the formal review process.

Action EDP-3: Develop a fiscal impact model (specific to Rio Rancho) to determine attractiveness of various development opportunities should also be pursued.

Action EDP-4: Develop an Administrative Policy on how to use City Business Development Programs and ensure they have a consistent format.

Action EDP-5: Identify and zone multiple light manufacturing and commercial sites across the City.

Action EDP-6: Prioritize the light manufacturing and commercial sites for capital (infrastructure) budget allocation, timing and impact fee credit eligibility.

Action EDP-7: Update critical City plans and ordinances relating to land use to balance the community and stimulate private sector investment.

Action EDP-8: Evaluate and upgrade City processes such as the business permitting process to enhance the delivery of services and staff efficiency.

Action EDP-9: Establish a transparent and predictable method for setting plan review, building permit, and impact fee levels attempting to stay competitive with competing cities.

Action EDP-10: Research certified sites and building programs and implement best practices approach to fast-tracking projects when required.

Action EDP-11: Update the City's technological sophistication across all departments looking to deploy best practices where applicable, including financial modeling and analysis.

Action EDP-12: Evaluate ways for the City to increase resident access to the arts, culture and quality of life enhancements.

Action EDP-13: Actively work with the MRCOG to enhance Rio Rancho access to public transportation and improvements to the Metropolitan Transportation Plan.

Action EDP-14: Undertake design charrettes to plan dramatic entrances to the northeast, northwest, and southwest entrances to the City.

Action EDP-15: Review and strengthen, if applicable, the City's code enforcement policies to ensure and maintain a clean, attractive City.

Action EDP-16: Authorize City staff to aggressively pursue efforts to eliminate the City's antiquated platting and scattered land ownership problems.

Action EDP-17: Establish Rio Rancho as a business friendly City by removing barriers to entry, providing a fair, predictable and equitable fee structure.

Action EDP-18: Evaluate the merits of establishing an economic development gross receipts tax for among other things, the selective acquisition of land for targeted projects.

Action EDP-19: Pursue the immediate objective of earning the All American City Designation by 2015.

Action EDP-20: Establish a City funding commitment to allow predictability and adequacy of funding to support the EDP.

Action EDP-21: Establish an executive line of communication and pursuit of mutually beneficial objectives with public utility providers through quarterly meetings held between the City and the utility providers.

Action EDP-22: Fill the Leakage Gaps.

Action EDP-23: Select Big Box Retailers to Pursue.

Action EDP-24: Establish Redevelopment Support Program.

Action EDP-25: Pursue Multiplex Theatre Initiative.

Action EDP-26: Continue Central Business District Development Program.

Action EDP-27: Deploy Integrated Marketing Campaign to Support Action Plans.

Action EDP-28: Identify Long-Term Major Tourist Destination Projects to Pursue.

Action EDP-29: Establish NM 528 / Pat D'Arco Highway Development Task Force, and Make Retail Development a City-Wide Priority.

Action EDP-30: Assign key executive staff to committees, as applicable.

Action EDP-31: Enhance its local procurement outreach efforts and revise Ordinances related to doing business with the City.

Action EDP-32: Publish clear and concise brochure on the City's business licensing and registration process.

Action EDP-33: Establish small business portal to consolidate services and programs available to small business community.

Action EDP-34: Conduct Small Business Town Hall to solicit feedback on issues, opportunities and programmatic needs.

Action EDP-35: Conduct an annual business survey to the City's largest 100 employers using Synchronist to collect and report data.

Action EDP-36: Present a formal written report summarizing the business retention and expansion efforts findings and actions to the Governing Body during the fourth regularly scheduled report of each year.

Action EDP-37: Assign key executive staff to RREDC committees, as applicable.

Action EDP-38: Respond to business concerns by providing assistance, as applicable.

Action EDP-39: Conduct an annual Business Climate Survey to identify and explore ways to address concerns and implement recommendations.

Action EDP-40: Form strategic alliances with Sandia and Los Alamos National Laboratories to assist Rio Rancho businesses.

Action EDP-41: Coordinate Rio Rancho's economic development legislative initiatives with local, regional and statewide allies.

Action EDP-42: Establish a targeted, proactive, economic base business recruitment initiative.

Action EDP-43: Establish an outreach program utilizing an integrated marketing mix to enhance probability of success.

Action EDP-44: Offer on a free and confidential basis the services and information necessary to support the recruitment efforts.

Action EDP-45: Coordinate and regularly communicate the results of targeted recruitment efforts with the City Manager's office.

Action EDP-46: Provide detailed quarterly reports on success of programmatic efforts funded by City revenues.

Action EDP-47: Spearhead a region-wide fundraising program to accumulate resources to undertake a Rio Rancho targeted business/industry study.

Action EDP-48: Initiate negotiations with the State Land office to move the Loma Barbon project forward.

Action EDP-49: Initiate dialogue amongst regional City personnel with the objective of formulating a regional marketing program solely responsible for the equitable promotion of the MSA.

Action EDP-50: Benchmark City fees to compare and contrast with regional competitors.

Action EDP-51: Form a leadership task force to support CNM and UNM funding requests for continuing campus development.

Action EDP-52: Annually review the zoning ordinance to determine if modifications need to be made to ensure the zoning ordinance does not impede economic development.

Action EDR-1: Modify the existing Impact Fee Policy to require the identification and prioritization of impact fee creditable locations consistent with established retail location priorities.

Action EDR-2: Zone strategically located property to commercial to enhance Rio Rancho GRT revenues.

Action EDR-3: When financially feasible, create new position of Commercial Ombudsman.

Action EDR-4: Provide development incentives for large-scale development at the following retail priority locations: The Intersection of Northern Boulevard & Unser Boulevard; the Southwest Corner of NM 528/Pat D'Arco Highway and Idalia Road; the Central Business District/Campus Center/Paseo Gateway; the intersection of Paseo Del Volcan and US 550; the intersection of Unser Boulevard and Paseo Del Volcan.

Action EDR-5: Identify top five national firms in each category, including resident preferences, and initiate direct dialogue on opportunities in Rio Rancho for their operations.

Action EDR-6: Inventory commercial infill opportunities and proactively pursue retailers with matching location criteria.

Action EDR-7: Select Big Box Retailers to Pursue Catalog locations capable of supporting large footprint retailers (in excess of 100,000 square feet).

Action EDR-8: Identify retailer criteria and match site location requirements to available site characteristics.

Action EDR-9: Cooperate with retail brokers and developers on marketing locations to companies.

Action EDR-10: Establish a Redevelopment Support Program; targeting the following areas: Southern Boulevard, from NM 528/ Pat D'Arco Highway to Unser Boulevard and the east side of NM 528/Pat D'Arco Highway, from Southern Boulevard south to Sara Road.

Action EDR-11: Pursue action steps necessary to remove the primary barriers to entry of antiquated platting and scattered ownership.

Action EDR-12: Provide attractive development incentives within the Central Business District.

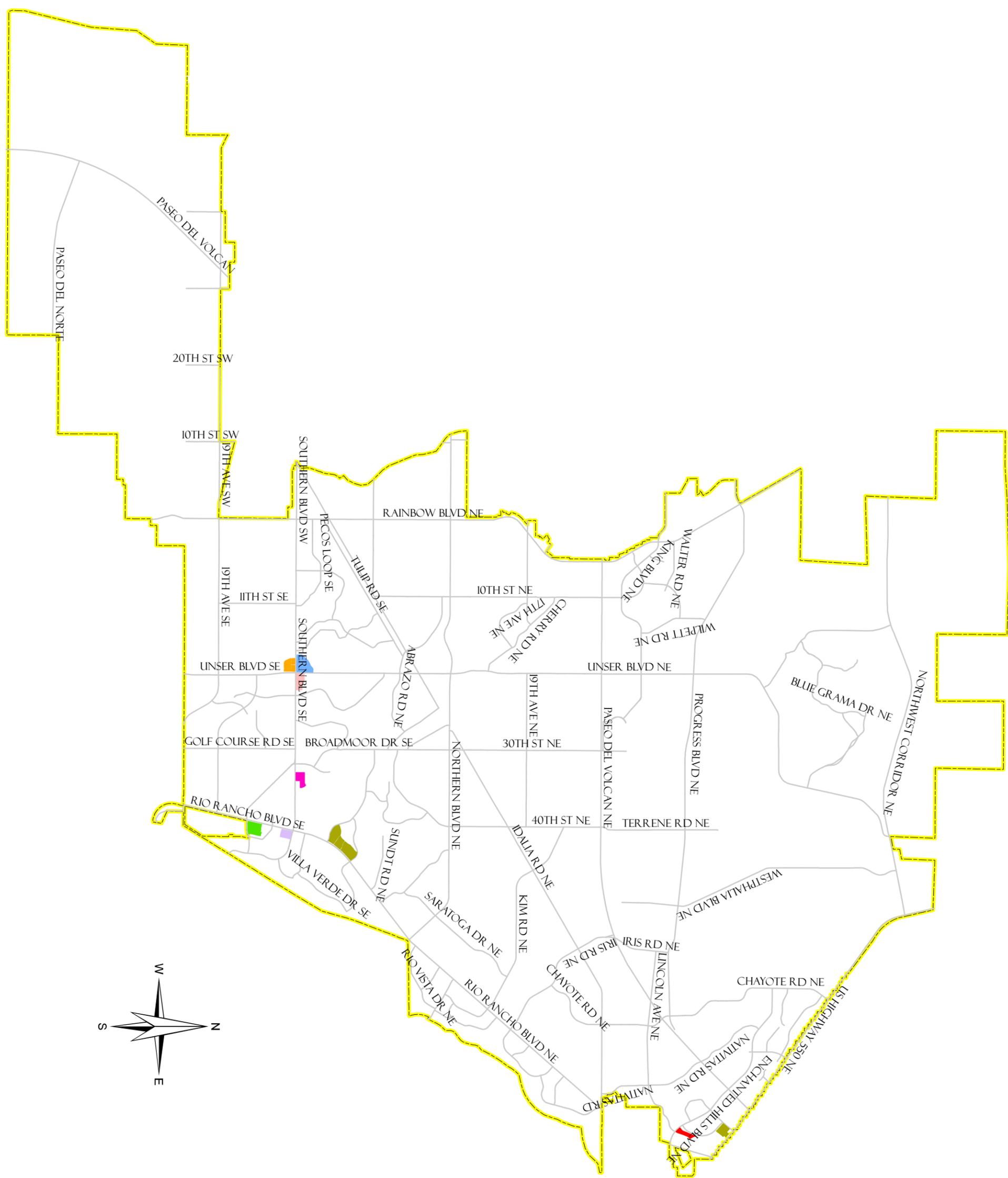
Action EDR-13: Review the CBD Zoning Ordinance to ensure there are no impediments to development.

Action EDR-14: Provide development incentives to attract a major conference hotel to the CBD.

Action EDR-15: Provide development incentives to attract a destination hotel with a championship golf course.

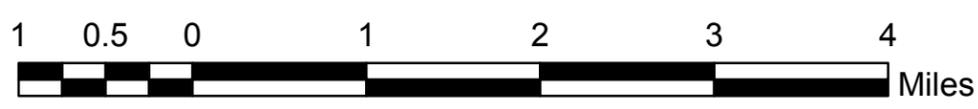
Action EDR-16: Require Department Directors to review their areas of responsibility to identify functions related to retail development and evaluate potential improvements.

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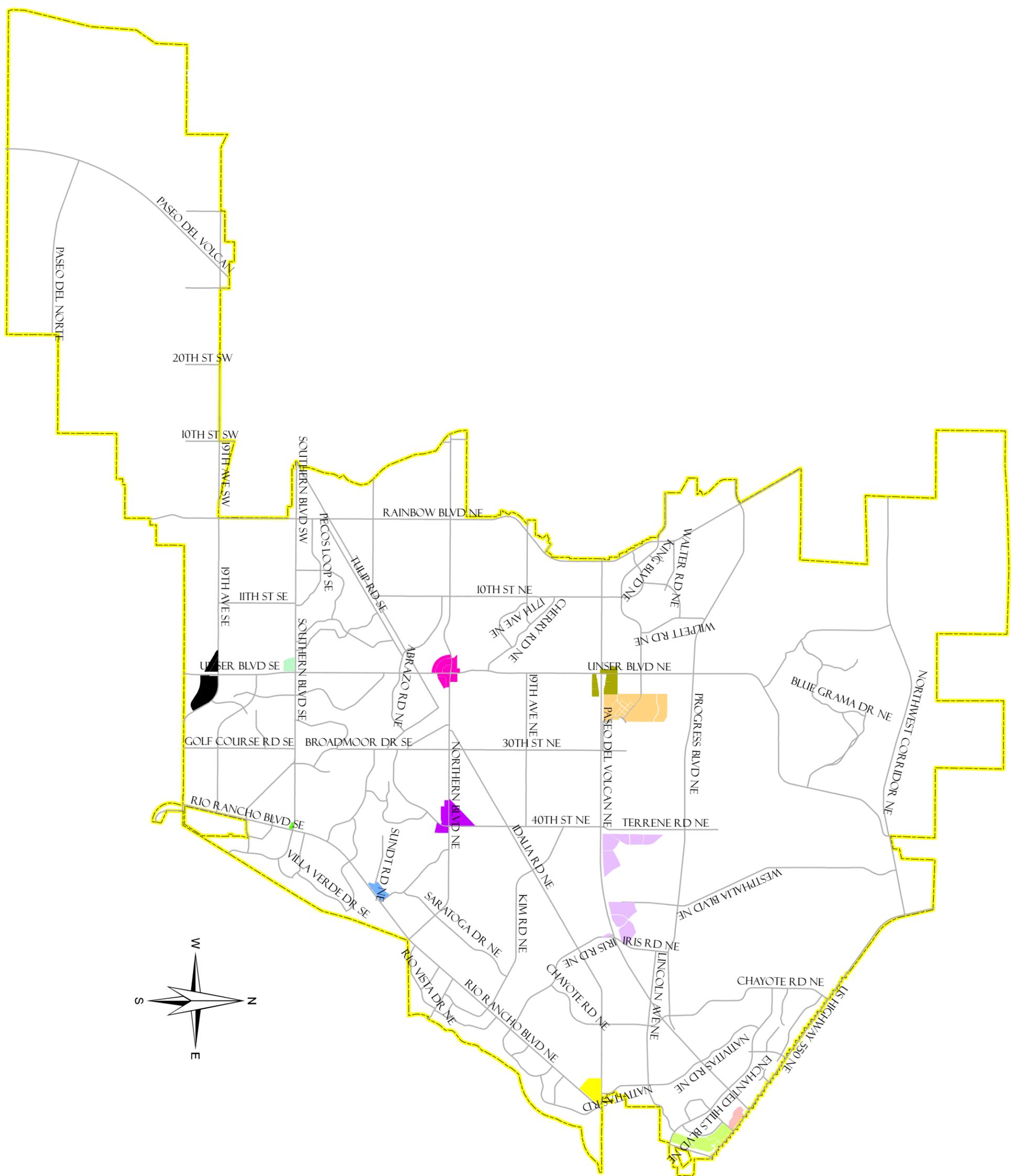
LEGEND

 SWC Southern & Unser	 Hilltop Plaza	 Enchanted Hills Plaza
 The Plaza @ Unser	 Mesa Center	 Rio Rancho Major Roads
 Southern Plaza	 Rio Rancho Market Place	 Rio Rancho City Limit
 Country Club Plaza	 Commerce Center @ Enchanted Hills	



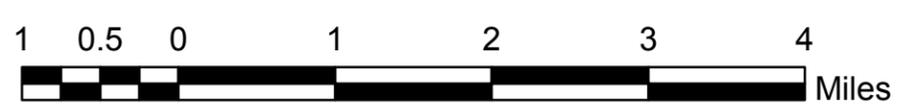
MAP E-2: EXISTING RETAIL SITES

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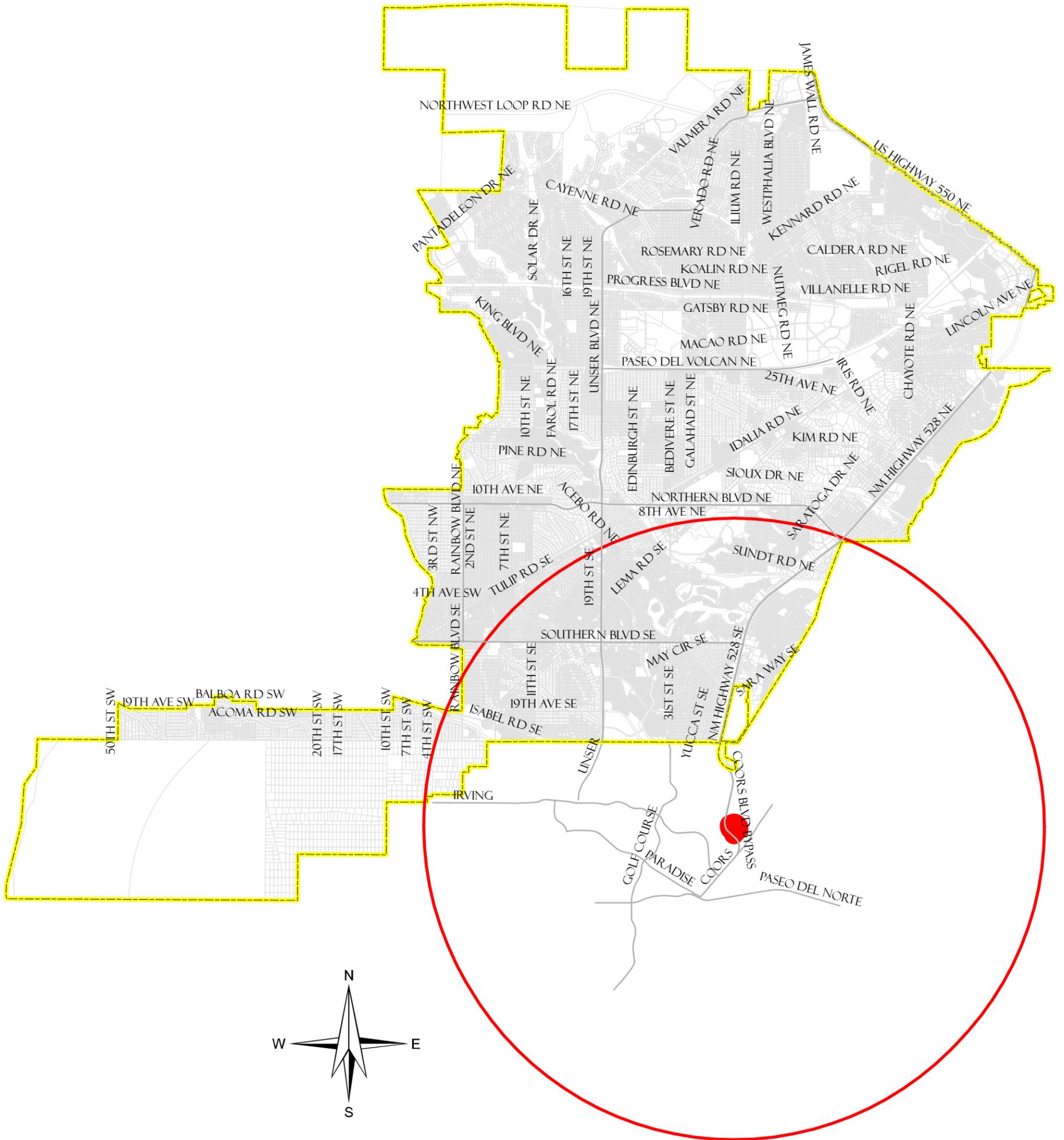
LEGEND

PDV & Unser	SWC Southern & Unser	SWC Idalia & NM 528	Rio Rancho Major Roads
CBD	Unser & Westside	SEC US 550 & PDV	Rio Rancho City Limit
Northern & Loma Colorado	Southern & NM 528	SWC US 550 & NM 528	
Northern & Unser	Sundt & NM 528	Paseo Gateway	



MAP E-3: NEAR TO SHORT-TERM RETAIL SITES

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MAP E-4: COTTONWOOD MALL
RETAIL TRADE AREA

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