

County holds first reading of potential LEDA ordinance

Written by By Cody Begaye Sun Correspondent
Friday, 16 October 2020 04:14



As COVID-19 continues to impact the global economy, local governments have to take steps to try to keep employment rates from dipping too low by creating new economic opportunities. One such avenue is the creation of new partnerships that will bring jobs.

This opportunity was discussed by the McKinley County Board of Commissioners during their Oct. 6 meeting. The board held the first reading of a proposed ordinance for a Local Economic Development Act project between the state, McKinley County, and Bio-Pappel, or McKinley Paper USA, which has a facility in Prewitt.

LEDA is a law that established job creation funds for the state. The employer signs a Project Participation Agreement with the local government outlining the amount of investment it intends to make and the number of jobs it plans to create within a specified timeframe, among other details.

The local government, in this case McKinley County, must adopt the project by ordinance, attaching the application, Project Participation Agreement and proof of notice to the public.

Then the state enters into an agreement with the municipality or county to transfer funds for the economic development project. The local government serves as the fiscal agent between the state and the company.

County Attorney Doug Decker said the ordinance discussed during the Oct. 6 meeting is similar to the ordinance the county entered into with Rhino Health, LLC when it became a fiscal agent for over \$3 million for a glove manufacturing plant. The state is committing up to \$5 million to McKinley County for the project and sought information on the county's fiscal agent capability.

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Decker said the main benefit for the county if they go forward with the ordinance and project is the retention of 125 jobs over several years, as well as an additional eight new high-paying jobs.

Greater Gallup Economic Development Corporation Deputy Director Michael Sage thanked the county commission for expediting the ordinance process.

“I believe this project represents the retention of some very good paying jobs, and this will allow for the county to expand,” he said.

Northwest New Mexico Council of Governments Executive Director Evan Williams had similar feelings about the process being sped up.

“There’s been some economic downturns here lately, but this is the first project we want to retain and move forward with to show people McKinley County is open for business,” he said.

The item was only for reading and discussion, so no action was necessary and there were no public comments taken. Dist. 3 Commissioner Bill Lee said he was glad to see the item moving forward.

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