

City of Rio Communities, New Mexico

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CHAPTER 10 ECONOMIC DEVELOPMENT

PART B ECONOMIC DEVELOPMENT PLAN

10-B-1 OVERVIEW

Rio Communities is a new municipality located in the far southeastern part of Valencia County, New Mexico. The county is one of the 5 counties in New Mexico that is projected to grow by the year of 2040. All others project stagnant or declining growth numbers by the year 2040. The rapid growth of Los Lunas, in the northwestern part of the county, has been underway over the last year. The addition of a Facebook data storage facility has stimulated housing, retail and business development for Valencia County. This growth is a natural expansion of the Albuquerque metropolitan area, which has limitations on the north, west and east side due to existing Native American reservations and natural barriers. The natural expansion is either west or south. The southern expansion appears to be the front-runner because of the expansion of Los Lunas itself.

Economic development plans are intermixed with all the planning elements of Rio Communities. They are so intertwined as to be difficult to totally separate into stand-alone elements. Relationships between the Comprehensive, Land Use, Zoning and Transportation Plans are the heart and soul of the future economic vitality of this city. The perception of transportation plans satisfying rail, highway and air elements strongly suggest that larger employers are more inclined to locate in areas that provide those building blocks. The relationship of housing elements in the area directly impacts the needs of employers to have appropriate places to live. The number of homes also relates directly to the tax base within the city and frequently to amenities such as restaurants and appropriate retail stores. Future economic development is also dependent on infrastructure elements, like easy access to appropriate levels of water, wastewater systems and tele-communication services. Without these being present, new employers are resistant to locating in an area. This economic development plan will discuss Rio Communities existing and future

challenges as well as the existing economic opportunities – both tapped and untapped.

10-B-2 WEAKNESSES

10-B-2-1 Economy

Rio Communities has a limited, but diverse economy for a small community of 5,189 residents. A strong and diverse housing base is at the heart of the cities vitality. Available inventory is currently very low and additional units are needed. Construction of housing units is at the core of our plans. All housing segments are involved in this shortage. Single family lower end dwellings have shown limited expansion to meet these needs. Low-end multi-family dwellings within 3/8 mile of city hall is an area that needs special attention. Space within the two manufactured housing parks in Rio Communities is also expanding to meet the demand due to new ownership. High-end dwellings are the most significant shortage at present. In spite of these shortages, the city continues to grow. Distaste for passing additional Mill Levy taxes on real estate causes some constraints to the tax base.

Housing Distribution				
Unit in Structure	Estimate	Margin of Error	Percent	Percent Margin
Total Housing Units	2,212	+/-118	—	—
1-Unit Detached	1,629	+/-163	73.6%	+/-6.6
1-Unit Attached	228	+/-96	10.3%	+/-4.3
2-Units	0	+/-16	0.0%	+/-1.3
3 - 4 Units	40	+/-41	1.8%	+/-1.9
5 - 9 Units	0	+/-16	0.0%	+/-1.3
10 - 19 Units	39	+/-62	1.8%	+/-2.8
20 or More Units	36	+/-23	1.6%	+/-1.0
Mobile Home	240	+/-108	10.8%	+/-4.8
Boat, RV, Van	0	+/-16	0.0%	+/-1.3

10-B-2-2 Manufacturing and Commercial

Limited manufacturing and commercial/retail units are at the core of the weaknesses of the city. This limited success with commercial/retail is one of the most significant problems and is the primary focus of needed growth. The Economic Development Commission is tasked with pursuing a grocery store, pharmacy, clinic and full-time restaurant as their initial retail goals. A plan to accomplish these goals has been discussed and one for attracting grocery stores has been implemented. Limited retail stores are the most serious of the city’s problems.

10-B-2-3 Gross Receipt Taxes

Citizens are reluctant to pass any additional Gross Receipt Taxes, so finding a way to extend this base is imperative. As a means to boost retail and commercial activity, the city has joined the Albuquerque Economic Development organization. Plans are in place to join both Los Lunas and Belen Chambers of Commerce to give more visibility to the city's commercial/retail needs.

10-B-3 STRENGTHS

10-B-3-1 Property Taxes

Based on New Mexico Tax and Revenue data, Net Taxable Values have dramatically increased since the city's incorporation in 2014. The values are up 17.61% over the last 3 years (no data available for a longer period of time). This makes Rio Communities the fastest growing municipality in Valencia County.

10-B-3-2 Solar Power Generation

Major increases are due to a Solar Electrical Generation unit and increasing housing values. Additional solar generation units are part of the city's plans.

10-B-3-3 Golf Course

Having the only golf course in the county has added to our visibility and property value increases. The golf course is now under single ownership. This allows a business oriented financial plan for the operation. The business is improved from an emerging housing market.

10-B-3-4 Gross Receipt Taxes

Rio Communities has a Gross Receipt Tax rate of 7.4375, which is the lowest of all municipalities in Valencia County. This rate is only slightly higher than the unincorporated areas of the county.

10-B-4 WORKFORCE

Rio Communities is a bedroom community with close proximity to several others, making pin-pointing workforce distribution difficult. Most workers travel outside the city for work, preferring instead the slower pace of daily life and lower cost of living. There are 286 jobs in Rio Communities, excluding home based businesses. There are also approximately 800 good paying jobs adjacent to the city at BNSF Rail Yard (< 3 miles from the city limits). The school systems close to Rio Communities employ approximately 350 people. For a variety of reasons, many commute to the city of Rio Communities to work. Jobs that are near the city limits are represented by attached data. There are also about 350 good paying jobs within the adjacent Industrial Park. This is projected to grow to near 500 within 1 year, with large upside potential from future expansion within the Park.

10-B-4-1 Local Employment (inside city limits) by Type

Table 1: Employment by Rio Communities Residents by Type

Distribution of Employment by Type				
Industry	Estimate	Margin	Percent Margin	Margin of Error
Civilian Employed 16 Years and Over	1,654	+/-266	—	—
Agriculture, Forestry, Fishing, Hunting & Mining	40	+/-50	2.4%	+/-2.9
Construction	205	+/-117	12.4%	+/-6.3
Manufacturing	111	+/-135	6.7%	+/-8.1
Wholesale Trade	6	+/-10	.4%	+/- .7
Retail Sales	234	+/-103	14.1%	+/-5.7
Transportation, Warehousing & Utilities	150	+/-69	9.1%	+/-4.1
Information	42	+/-54	2.5%	+/-3.1
Finance, Insurance, Real Estate, & Rental	70	+/-45	4.2%	+/-2.7
Professional, Scientific, & Management	67	+/-68	4.1%	+/-3.8
Education, Health Care & Social	386	+/-160	23.3%	+/-9.1
Arts, Entertainment & Recreation	153	+/-95	9.3%	+/-5.8
Other except Public Administration	48	+/-41	2.9%	+/-2.5
Public Administration	142	+/-90	8.6%	+/-5.7
Class of Worker				
Civilian Employed 16 Years and Over	1,654	+/-266	—	—
Private Wage & Salary Worker	1,284	+/-275	77.6%	+/-8.6
Government Workers	292	+/-130	17.7%	+/-7.8
Self-employed (not incorporated business)	31	+/-32	1.9%	+/-2.0
Unpaid Family Worker	47	+/-70	2.8%	+/-4.2
Source; American Community Survey (2011 - 2015)				

10-B-4-2 City Limit Jobs (within current city limits)

Jobs in Rio Communities		
Type	# Jobs	% Total
Auto/Fuel/Convenience	15	5.2%
Beauty Shop	4	1.4%
Contractors	6	2.1%
Financial	27	9.4%
Food	9	3.1%
General Sales	10	3.5%
General Services	14	4.9%
Auto/Cycle Repair/Towing	21	7.3%
Medical	23	8.0%
Recreation	15	5.2%
Real Estate/Housing	16	5.6%
Safety	20	7.0%
School/Public Groups	76	23.6%
Solar	9	3.1%
Storage	3	1.0%
Utilities	18	6.3%
Total	286	100%

10-B-4-3 Jobs Near Rio Communities

Impactful Jobs Near Rio Communities		
Type	# Job	% Total
BNS Rail Terminal	800	48.80%
Hydrocut	3	0.20%
Mesa Oil	9	0.50%
Aristech	43	2.60%
Valencia Power LLC	4	0.20%
Clariant	250	15.30%
Keter (projected 2018)	175	10.70%
Schools (UNM/VC, Family School, Tome Elementary, Valencia Middle and High Schools)	354	21.60%
Total	1638	100%

10-B-4-4 UNM-VC Small Business Department

University of New Mexico Valencia Campus is adjacent to Rio Communities. This university offers education, resources, and counseling and library resources to both emerging and existing small business owners. It is an integral part for any business that needs help. Rio Communities supports the efforts of their program.

10-B-4-5 Health Care Facilities

Rio Communities is in the southern part of the Los Lunas Metropolitan Planning Area, which is part of the greater Albuquerque Metropolitan area. Because of this location, access to the health care facilities in Belen, Los Lunas and Albuquerque are adequate and available for all citizens to use. Future projections for a clinic within the city limits of Rio Communities are part of the city's plans.

10-B-4-6 Main Street Renovation

The main business district of Rio Communities includes stretches of Highway 47, Highway 304 and Highway 309 (Manzano Expressway). Most buildings are either metal or stucco and were built in the 1980's. Major renovation is needed to improve the appearance and set a style for the city. Most are in need of architectural identity. The center of the city is the city hall complex, which is under major renovation. Additional modifications to the zoning code for new buildings are expected. These changes should help the city in establishing a clear identity.

10-B- 5 CHALLENGES TO CITY

Despite the current improving economy, several interconnected obstacles are holding back growth in some key areas of Rio Communities

10-B-5-1 Housing

This is a lack of affordable housing for new people who want to live close to the Industrial Park and BNSF Belen Railyard.

10-B-5-2 Earnings and Poverty Level

The level of real earnings and the percentage of residents at or near the poverty level pose problems for Federal Grants. A good strategy needs to be developed.

10-B-5-3 Private sector amenities

Lack of sufficient private sector amenities such as restaurants, retail and entertainment is a very important challenge. Current and potential residents have cited the lack of more retail, entertainment, and restaurants, and even sufficient child day care as drawbacks to living in Rio Communities. The most critical shortage has been a grocery store, clinic and full-service restaurant. Although a small shortage of affordable housing plays a minor part in this problem, sufficient housing exists within

15 minutes of the city to make up any differences. This helps reduce any difficulty for employers in hiring staff for their businesses. The town has only 1 national outlet and has had little luck in attracting other national outlets for both retail and restaurants. This could partly be due to Rio Communities lack of concerted efforts, smaller size and lack of cohesive strategy. Rio Communities does have the only golf course in Valencia County. This was the largest accomplishment of the original developers of the city. For the first time in many years, the course is in single private hands. For several years, the course was owned by a number of partners and had a loss of direction. The course is open to the public now and is in the best shape in many years. Rio Communities has a Senior Center for adult population. Also present is a Moose Lodge and a bank.

10-B-5-4 Economy

The historically cyclical nature of the economy poses issues frequently beyond the control of cities. Keeping the city on a level budgetary process will remain imperative.

10-B-5-5 Housing Affordability

As discussed in section 10-2-1, housing units in Rio Communities, particularly multi-family, have not kept pace with the demand. There are insufficient apartments or other multi-family units (either for rent and sale) that exist at all price levels. The lower-end units are critical because of the salary range of employers in the Industrial Park. This poses problems for families working in or near the city. This has resulted in new employees moving to nearby cities, such as Belen or Los Lunas. The choice location is often Rio Communities, which is closer to the emerging jobs both within the city and nearby. Continued expansion of available housing in Rio Communities is in the city's best interest

10-B-5-6 Summary of Real Earnings

The US Census Bureau, 2011-2015 American Community Survey, shows a Median Household Income of \$38,633 for Rio Communities, \$52,166 for Los Lunas, \$29,486 for Belen and \$47,030 for Albuquerque. This places Rio Communities below the poverty level and open for Federal Grants. This is an important funding mechanism for the city.

10-B-5-7 Population Growth

Rio Communities is an ideal geographic location to continually grow. Although U.S. Census data is not particularly useful in predicting future growth of Rio Communities because the city incorporated in 2013 and the last census was in 2010. American Community Surveys, commissioned by the US Census through MRCOG, is the best tool to estimate population growth. The data available shows the city to be continually growing at a steady pace.

Area Population Distribution			
	2010	2015	Change (+/-)
Rio Communities	4,723	5,189	+9.9%
Belen	7,269	7,110	-2.2%
Los Lunas	14,835	15,104	+1.8%
Peralta	3,660	3,625	-1.0%
Bosque Farms	3,904	3,864	-1.0%
Valencia County	76,569	75,737	-1.1%
New Mexico	2,059,181	2,085,109	+1.3%

10-B-5-8 Economic Cycles

Rio Communities is indirectly affected by the oil/gas economy that almost totally controls the rest of New Mexico. The indirect effect is the lack of overall investment in the area and lack of funds available for Grants that normally are available to municipalities. Rio Communities was significantly affected by the 2008 crash and is only now, in 2017, starting to come out of the slump. The addition of Facebook and Keter Plastics seems to be the primary reason for this significant change. The housing market has shown very significant growth during the 2nd Quarter of 2017. There are very few housing units available. The 3 primary builders/developers are all showing signs of startups. There are significant labor shortages in 3 of the largest manufacturers in the Rio Grande Industrial Park, which is contiguous to Rio Communities. Steps are being made to rectify this problem.

10-B-5-9 Local Economic Development Organizations

Rio Communities does not have the commercial base to support its own Chamber of Commerce organization. We are joining the ones in neighboring Los Lunas and Belen to give us exposure to business and help recruit them into the city. We belong to the Albuquerque Economic Development organization to give us exposure to new companies that wish to move to New Mexico or people within the state that wish to move here.

10-B-6 FUTURE OPPORTUNITIES

10-B-6-1 Rio Grande Industrial Park

Rio Grande Industrial Park was built as the Rio Communities Industrial Park for the city of Rio Communities by the Horizon Corporation. Horizon Corporation was a land development company that also designed and build the city of Rio Communities. The park has been part of unincorporated Valencia County since it was built. It lies contiguous to the southern border of Rio Communities.

The Rio Grande Industrial Park is currently occupied by 8 businesses, three are in plastic manufacturing and 5 are service businesses. The companies include water supply, chemical-lime, water jet cutting, electric power generation, environmental reclamation, and an empty county building. There are 8 parcels that are occupied and total 122.22 acres. There are 15 unoccupied parcels that totals 188.64 acres. The unoccupied land has nearby electricity, water and sewer. Water is supplied by New Mexico Water, a private water and sewer company located in Rio Communities. There are several owners of the unoccupied land. PNM is the electricity supplier for the area. They also buy electricity from a supplier that has a gas fired generator inside the park. Solar facilities are located inside the city of Rio Communities that is also owned by PNM.

Employment in the park is projected to reach 494 during 2018. The park has a railroad spur owned and operated by BNSF Railroad, with frequent service to park companies. Active development of the remaining parcels is underway.

10-B-6-2 Airports

Rio Communities does not have any official airports within the city limits. There is a small airport about 15 miles away in Belen. Los Lunas has a very small airport about 14 miles away. There is a major International Airport (Sunport) in Albuquerque about 35 miles away. This airport handles airfreight, passenger and commercial activities. Rio Communities does not any current plans to construct an airport, but land is available on the eastern border of the city for such purposes.

10-B-7 ECONOMIC DEVELOPMENT GOALS

10-B-7-1 Single Family Housing

Facilitate construction of 100 Single Family Housing units for all income ranges.

Strategy: Enlist existing and potential new builders to start construction within the year to meet existing demand.

Strategy: Target areas with infrastructure either in place or near to sites.

Strategy: Establish a list of items the city can offer to make construction easier.

Strategy: Target in-fill areas within existing R-1 zones for building sites.

10-B-7-2 Multi-Family or Manufactured Housing

Facilitate the construction of 100 additional Multi-Family or Manufactured Housing units to provide more access to lower income people.

Strategy: Target potential new builders to start construction within the year to meet existing demand.

Strategy: Establish a list of items the city can offer to make construction easier.

Strategy: Target in-fill areas within existing R-2, MH-1, MH-2, and C-2 zones.

10-B-7-3 New Amenities

Work to attract more retail, restaurants and entertainment to Rio Communities to increase GRT base and develop more local jobs.

Strategy: Continue to pursue Economic Development Commission initiatives.

Strategy: Continue initiatives through Albuquerque Economic Development, Los Lunas Chamber of Commerce and Belen Chamber of Commerce.

Strategy: Continue to pursue all leads that come to the city through any channels.

10-B-7-4 Expand and Convert Businesses

Work to expand existing businesses and convert home based businesses to store front operations.

Strategy: Explore options city can initiate to make these conversions.

Strategy: Explore grants, loans, training and marketing initiatives to help make these conversions.

Strategy: Explore local training and marketing options available through UNM-VC.

10-B-7-5 Rio Grande Industrial Park

Expand Rio Grande Industrial Park through annexation and marketing for the benefit of Rio Communities.

Strategy: Accelerate annexation plans.

Strategy: Consolidate fire, EMT, evacuation and police protection plans.

Strategy: Create a marketing plan for the Park.

Strategy: Develop a plan to upgrade roads.

10-B-7-6 City Hall Complex

Complete the City Hall complex to promote downtown activities in the city.

Strategy: Continue to explore city complex completion, street repair, lighting, public spaces, sidewalks and landscaping to maintain and further enhance components of downtown attitude.

Strategy: Finish the Transit Oriented Development (TOD) concept to better define downtown in Rio Communities.

Strategy: Establish a festival approach to defining downtown.

10-B-7-7 Manufacturing training program

Work to establish a manufacturing training program to assist the Industrial Park in recruiting qualified workers.

Strategy: Work with UNM-VC to establish a program within city hall complex.

Strategy: Team with major manufacturers within the Industrial Park and nearby businesses to start training at an early age.

PASSED, APPROVED AND ADOPTED THIS 28TH DAY OF FEBRUARY 2018 BY THE GOVERNING BODY OF THE CITY OF RIO COMMUNITIES, NEW MEXICO.

City of Rio Communities Governing Body

Mark Gwinn
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Margaret (Peggy) Gutjahr,
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Councilor

Arturo R. Sais,
Councilor

Thomas Scoggins,
Councilor

ATTEST:

Elizabeth (Lisa) Adair,
Municipal Clerk