



## Gross Receipts Investment Policy (GRIP) Application

Name of Project: \_\_\_\_\_

Applicant: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Email: \_\_\_\_\_

Location of Project (Address): \_\_\_\_\_

Total Capital Investment of Project: \$ \_\_\_\_\_

Public improvement component(s) of Project: \_\_\_\_\_

Cost of public improvement component(s) to be reimbursed: \$ \_\_\_\_\_

Impact Fee rebate amount requested: \$ \_\_\_\_\_

Anticipated/Requested term of reimbursement through GRIP: \_\_\_\_\_ Years (Maximum term may apply based on the type of project and total capital investment in Project)

Applicant's Transaction Counsel: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

Email: \_\_\_\_\_

Transaction Counsel for the City of Rio Rancho will be designated by the City Attorney's office at time of application.

Supporting documentation (attach to application):

1. GRIP Agreement (Developed as directed by the City Manager with input from the Development Services and Streets and Right of Way Departments, and the City Attorney's Office)
2. Site Plan(s)
3. Elevation drawing(s) of planned development
4. Cost schedule of public improvements, including impact fee costs
5. Project implementation schedule
6. Independent economic analysis verifying estimated tax revenues and GRIP reimbursement period

7. Short Description: Please attach to this application a maximum two-page description/summary of the proposed project. Include all relevant information related to the company requesting the GRIP and to the project including but not limited to:
  - a. Company history and growth expectations
  - b. How does project qualify for GRIP under section 36.77 of the GRIP Policy (attached)
  - c. Average annual sales (past and projected)
  - d. Zoning of project property
  - e. Square footage of facility
  - f. Neighborhood and environmental impacts
  - g. Infrastructure needs/public improvement component of Project
  - h. Expected timeframe to project completion
  - i. Net new job creation (both construction and permanent), including average wage and benefits of permanent jobs.
  - j. “But for” test- If GRIP is not provided, how will it effect the outcomes for this project?

The City reserves the right to request additional information and/or supporting documentation from the applicant as necessary. Application and all supporting documents should be submitted to:

Savannah Jermance, Economic Development & Business Relations Manager  
 3200 Civic Center Cir NE | Rio Rancho, NM 87144 | (505) 896-8219 |  
[sjermance@rrnm.gov](mailto:sjermance@rrnm.gov)

Process:

1. Pre-application meeting: The Economic Development Manager will meet with the applicant to review and discuss the eligibility requirements to receive a GRIP from the City of Rio Rancho.
2. Upon receipt of a complete application, the Economic Development Manager will meet with the applicant by phone or in person to review the application.
3. Within fifteen (15) days of the meeting with the Economic Development Manager, the application will be evaluated by a committee comprised of the City Manager, City Attorney, Financial Services Director, Development Services Director, and Economic Development Manager (at a minimum).
4. Once this committee has reviewed the application, and both parties are in agreement as to the terms of the proposed GRIP Agreement, a member of the committee will initiate presentation of recommended action before the Governing Body, in accordance with applicable state statutes.
5. The applicant will be notified of the date of the Governing Body meeting(s) where this issue will be presented and discussed. Applicant is encouraged to attend these meetings, and may speak on behalf of the Project.

For Staff Use Only:

Date Application was Received: \_\_\_\_/\_\_\_\_/\_\_\_\_

Economic Development Manager Initial Review: \_\_\_\_/\_\_\_\_/\_\_\_\_

Committee Evaluation: \_\_\_\_/\_\_\_\_/\_\_\_\_

Governing Body Meeting: \_\_\_\_/\_\_\_\_/\_\_\_\_

Action: \_\_\_\_\_

## **GROSS RECEIPTS INVESTMENT POLICY**

### **36.75 SHORT TITLE.**

This subchapter may be referred to as the Gross Receipts Investment Policy or GRIP.

(Ord. 02-031; Am. Ord. 04-003)

### **36.76 PURPOSE.**

This subchapter 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.

(Ord. 02-031; Am. Ord. 04-003)

### **36.77 BUSINESS QUALIFICATIONS.**

(A) GRIP is to be used to facilitate the attraction of large-scale retail or targeted commercial development, including malls; regional sports and entertainment venues or complexes; large-volume, destination restaurants, including nationally recognized chain outlets, not yet existing within the metropolitan area and meeting criteria set forth below; destination hotel/conference centers; automobile dealerships or auto malls; regional health centers; central office or headquarters of large-scale or regional professional or technical firms, including architects, engineers, attorneys, accountants, and/or physicians; and other mixed-use centers consisting of multiple retail and commercial businesses operating on a single site. However, small scale retail or targeted commercial businesses or developments can be approved for a GRIP project if the governing body determines that the project qualifies under one or more established criteria and is in the public interest. Developers must demonstrate financial responsibility and provide a performance bond or other acceptable guarantee for the satisfactory completion of infrastructure construction. GRIP agreements can also be used to refund impact fee payments for a new retail or targeted commercial business upon a showing that a refund is instrumental in the retail business decision to locate in the city.

(B) For a business to qualify under the GRIP, it must demonstrate one or more of the following:

- (1) The retail or professional services will generate or draw regional customers or customers who reside beyond 20 miles from the municipal boundaries of the city;
- (2) The sales volume is projected to meet or exceed \$5,000,000 per year after three years of operation;

- (3) The business is a food service or restaurant with a seating capacity of not less than 200 persons;
- (4) The business is a full service hotel of not less than 200 rooms;
- (5) The business will provide employment for at least 50 employees;
- (6) The business is a car dealership with estimated minimum annual volume of sales of 600 units;
- (7) The business represents a substantial expansion of an existing business operation within Rio Rancho, at least doubling existing square footage or increasing retail space by 50,000 square feet, whichever is less.

(Ord. 02-031; Am. Ord. 04-003)

**36.78 AUTHORIZED PROJECTS.**

The city is authorized to enter into a GRIP agreement for any one or more of the following:

- (A) The acquisition, construction, rehabilitation, construction of additions or making of any improvements to city-owned parking lots;
- (B) The acquisition, extension, enlargement, repair or other improvement of or maintenance of storm sewers and other drainage improvements, sanitary sewers, sewage treatment plants or other water utility infrastructure, including but not limited to the acquisition of rights-of-way and water rights, or any combination of the foregoing;
- (C) The purchase, acquisition, or rehabilitation of fire-fighting equipment or any combination of the foregoing;
- (D) The reconstruction, extension, resurfacing, maintenance, repair or otherwise improvement of existing alleys, streets, roads, or any combination of the foregoing, or for the construction or acquisition of new alleys, streets, roads, or any combination thereof, inclusive of acquisition of any rights-of-way and public transportation transfer facilities;
- (E) The purchase, acquisition, or clearing of any land, or the purchase or acquisition and beautification of land for open space;
- (F) The acquisition, construction, equipping, furnishing, making additions to, renovating, rehabilitating, beautifying or otherwise improving public parks, public recreational facilities, civic, conference, or convention centers, sports stadiums or arenas, or any combination thereof;
- (G) The refund of impact fees which provides a specific incentive for location of the retail or commercial business in the city;

(H) The acquisition or construction of any other related public infrastructure that enhances and encourages the location of new retail or commercial business within the city.

(Ord. 02-031; Am. Ord. 04-003)

**36.79 PUBLIC HEARING.**

Prior to the initiation of a GRIP funded project, the governing body shall hold a public hearing in which the developer must present a reasonable estimate of projected gross receipts tax revenues due the city from the planned development. The estimated tax revenues must be supported by an independent economic analysis. The purpose of the hearing is to determine if the project qualifies as a project under the GRIP, is in the public interest and justifies a GRIP agreement.

(Ord. 02-031; Am. Ord. 04-003)

**36.80 REPAYMENT AND SPECIAL FUND.**

Upon a finding that the proposed GRIP project qualifies as a project under the GRIP and is in the public interest, the city and developer may enter into an agreement wherein the city shall pay to the developer up to one-half of the city's share of total gross receipts taxes directly attributable to sales from the new business, less any amount dedicated to other special purposes, received by the city each year for a specified number of years. Such payments shall not exceed the actual cost expended for the development of the public infrastructure. The collection and pledge of allocated gross receipts tax revenues from the new business constitutes a special fund and is the sole and only source pledged or otherwise available for the repayment of the GRIP project. The governing body shall by ordinance approve the agreement providing for the contingent liability of the GRIP project payments prior to the agreement becoming effective.

(Ord. 02-031; Am. Ord. 04-003)

**36.81 EXPEDITED PERMIT PROCEDURES.**

The City Development Department shall provide for the expedited review of all permits and approvals necessary for both the construction of the new business and associated GRIP developments. Prior payment of all fees and receipt of all relevant building permits are prerequisites to eligibility for reimbursement under GRIP.

(Ord. 02-031; Am. Ord. 04-003)

**36.82 TERMS OF THE AGREEMENT.**

Any agreement entered into pursuant to the GRIP must contain provisions for the following:

(A) The developer must pay all necessary and required fees, including impact fees, for all permits, licenses, inspections, approvals, and authorizations necessary for the construction of the project;

- (B) At its own expense and on behalf of and for the city's benefit, the developer must construct or otherwise acquire the reasonable and necessary infrastructure approved by the governing body as the qualifying GRIP project, or otherwise pay applicable impact fees;
- (C) The developer shall adhere to statutory and ordinance requirements, including labor and employment laws and the city's procurement code, which would otherwise apply if the city were undertaking the construction of the infrastructure;
- (D) The developer shall dedicate the public infrastructure and associated land to the city upon completion or acquisition of such infrastructure;
- (E) The developer shall pay all costs of acquisition if the city must assist in the acquisition of land for the public infrastructure through its power of condemnation or otherwise;
- (F) The developer shall agree that its only recourse for payment of the GRIP project costs is the special fund created by revenues collected from the gross receipts taxes paid by the developer's new retail business pursuant to the agreement and that the city has no other liability of whatever kind, whether in law or equity, to the developer;
- (G) The developer shall provide specific proof of financial responsibility and such proof shall be incorporated into the agreement, as well as evidence of a performance bond or other guarantee;
- (H) The developer shall provide for an acceptable method of reporting applicable retail sales or gross operating receipts to the city in order to administer compliance with the agreement and shall agree to an annual audit by the city.
- (Ord. 02-031; Am. Ord. 04-003)