



Article 489

February 12, 2017

Business Incubator Opens Doors With Help From Funding Panel

By *Finance New Mexico*

When Aztec community leaders envisioned a downtown co-working space and retail-business incubator, they made a plan, found a building and identified initial sources of funding for the project. But they needed additional money to get it off the ground. They turned to New Mexico FundIt, an informal group of federal and state government and nonprofit agencies that meets regularly to help identify capital and fill funding gaps in economic development projects.

FundIt was created by the New Mexico Economic Development Department from a suggestion by a blue-ribbon panel convened to identify ways to streamline development projects in the state. FundIt aims to be a one-stop source of start-to-finish financing for projects that will help with community infrastructure development, job creation and small-business development.

Through FundIt, communities can present their development proposals to many funding agencies at the same time.

Thirteen federal and state entities participate, and most have money to invest. Federal agencies include the Small Business Administration, Department of Agriculture and Department of Housing and Urban Development. Quasi-public entities, such as the New Mexico Finance Authority, which finances infrastructure projects, and the New Mexico Mortgage Finance Authority, which finances housing and related services that benefit low- to moderate-income residents, also have a seat at the table. State agencies include the New Mexico Department of Transportation, Environment Department, and Department of Finance and Administration.

Participants can act as a gateway into the FundIt group and bring projects for review. Members collectively analyze proposals and direct the most feasible ones to stay on a continual track to financing. Sometimes members take a project back to their agencies for processing, but if a project isn't ready to proceed, panel members offer comments or direction. The overarching goal is to keep projects moving and help communities fund development from start to finish in a way that makes the most efficient use of tax dollars.

The panel isn't a place to vet idea-stage projects; some capital must already be secured. The group looks for projects that have a funding gap that can be filled by one of its members.



The incubator's first tenant, 550 Brewing; photo courtesy 550 Brewing

Projects selected for review fall under five economic development categories: Business development projects, such as business incubators and industrial parks; community development, such as feasibility studies, asset mapping and comprehensive plans; infrastructure development that updates or replaces existing communication, transportation or support networks; housing projects that increase access to housing; and downtown redevelopment projects.

The FundIt panel reviewed about 20 projects in 2016, including Aztec’s business incubator. The Hub, which was assisted by the panel early in the year, held a ribbon-cutting ceremony at its official opening last month.

Building on the success of FundIt, the Economic Development Department is collaborating with the New Mexico Councils of Government on a web portal where community leaders can find information about completed projects and learn how they were funded. The Ristra Project, a website found at www.ristraproject.com, will soon contain a new component to encourage dialog among economic developers, who can help new project organizers find appropriate funding sources faster.

The FundIt panel meets on the fourth Tuesday of even-numbered months. Project developers should submit an application at least two weeks before the meeting.

The next meeting will take place at 1:30 p.m. on February 28 at the New Mexico Department of Workforce Solutions, located at 501 Mountain Rd NE in Albuquerque. For more information contact Johanna Nelson at 505-827-0264 or Johanna.nelson@state.nm.us.

Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to www.FinanceNewMexico.org. Sponsored by:

