

ISSUE: SUPPORTING AND RETAINING LANL AS THE REGION'S BEST WEALTH-PRODUCING EMPLOYER

WHY DOES THIS MATTER?

It stands to reason that job #1 in any effort at economic sustainability is pursuit of practical, achievable initiatives to support the continued success of the economic base that we already have. The principal economic asset of Los Alamos County and Northern New Mexico remains Los Alamos National Laboratory. As you have read in the issue paper accompanying this series, LANL is the primary source of GRT to support County government. The Laboratory is the cornerstone of our economy in that it provides much of the tax base and provides a resource for attracting and growing additional economic activity. While we agree with the importance of economic diversification goals, it would be foolish to ignore the most important, most immediate means of sustaining our local economy.

WHAT ARE THE CHALLENGES?

The principal challenges to economic sustainability in Los Alamos are availability of land and/or adequate space, availability of qualified workforce, and the effects that these two factors have, in combination, on the cost of doing business in the community. These constraints limit the ability to keep successful businesses in Los Alamos as well as attract new businesses. Relative to the issue of supporting and sustaining LANL, these challenges have a bearing on providing the community environment and amenities that are important to LANL's continued economic success.

HOW CAN THE COMMUNITY HELP?

Can we as citizens of Los Alamos County really have an impact on retaining and supporting the behemoth \$2 billion per year national laboratory? The community can play a role in supporting LANL's recruitment and retention of the best & brightest. An attractive, functional

LACDC's Objective...

■ LACDC's mission is *enabling viable community through a sustainable economy*. The objective of LACDC's efforts is to achieve a sustainable Los Alamos economy, without compromising the area's quality of life. Sustainability implies the means to weather the expansions and contractions of Los Alamos National Laboratory (LANL) operations, and in particular its core national security mission. For the foreseeable future, Los Alamos will, nonetheless, depend on LANL as the foundation for the local economy. The objective is therefore comprised of two goals: 1) Support LANL's ability to maintain its vitality: its general health, global competitiveness, and internal diversification; and 2) Promote economic diversification apart from LANL. If achieved, these goals will yield increased job opportunities and security; an enhanced tax base; and provide for needed County services. The net result will be a better quality of life and a more vital community.

■ LACDC's "Our Town: Local Economics 101" comprises a series of **Issue Snapshots** which survey a range of viewpoints on economic sustainability issues for the Los Alamos/White Rock communities and **Position Papers** which present the viewpoint of the LACDC/Chamber relating to the issues. A complete overview of the series is available on the web at www.losalamos.org/lacdc

LANL LOS ALAMOS COMMERCE AND DEVELOPMENT'S OUR TOWN: LOCAL ECONOMICS 101

community to live in and work in is a critical factor for recruiting and retaining a quality workforce for the lab and non-lab businesses and organizations as well. Factors that are important to this include: the selection, affordability, and value perception of housing; the quality of the educational system, the desirability of the natural setting, the variety and quality of recreational opportunities (both outdoor and commercial), the sufficiency of the retail sectors for serving basic needs, and the perceived safety (both from environmental concerns as well as from crime) of living here. A robust and stable economy is also a consideration for newcomers as it plays a role in providing non-LANL employment for family members and outlets for creative aspirations those “best & brightest” LANL recruits outside of the interests of the LANL mission. It also signals the prospect of employment alternatives in the event that LANL employment does not work out.

LACDC has consistently worked toward goals of more effective use of lands that have already been developed and getting additional lands put into circulation to address the challenges that we face. LACDC has been a tireless champion of changing the rules governing development in the downtown area to enable the potential for redevelopment that is both profitable for the owners of the downtown property and can address needs for space for additional commercial and housing development. The result has been a series of collaborations that have produced a downtown plan and code that have been enacted. A first rezoning of downtown property has been completed and there are multiple projects being conceived that would create investment in redevelopment. Our County Council has established goals for public investment in downtown redevelopment from the self-sufficiency fund that will greatly improve interest in redevelopment projects. We believe that downtown redevelopment is key to enhancing our community as a place to recruit and retain the best & brightest.

LACDC has also been a consistent champion of getting appropriate lands and investment into play for housing and economic development purposes. We have also worked these efforts in collaboration with Los Alamos County and others. The result has been the first rezonings of transfer lands for commercial use, consensus recommendations from last Fall's New Mexico First Townhall on how to put various lands to use, and the recent decision by the County Council to begin marketing transfer lands for both reasonably priced housing and commercial use in a manner that is consistent with the recommendations that came from the Townhall process. This is important to addressing housing issues as well as economic diversity issues.

The Los Alamos Schools have also been active in seeking to understand how their land holdings can play a positive role in addressing their long-term financial stability. LACDC has supported and will continue to seek to support LAPS in their work to address financial stability. The high quality school system that we

LANL LOS ALAMOS COMMERCE AND DEVELOPMENT'S OUR TOWN: LOCAL ECONOMICS 101

need to maintain starts with a sound and sustainable financial foundation.

LACDC, in partnership with the County and others, has made a direct investment in establishing the Los Alamos Research Park as a place for research and technology business activity. The result has been nearly a 20:1 leveraging of the County investment in the physical construction of the RP, a fully-leased first (of five potential) building with approximately 20 tenants, more than 150 jobs supported, more than a million dollars in NM Gross Receipts Tax revenues just on the construction activity, and more than \$80,000 per year in new revenues to the County general fund through taxes and utility transfers. The Research Park has provided a place for technology and educational activities that are suggested as key targets for economic development in the Policom report, "Creating a Sustainable Los Alamos." We believe that the targets set out in that report are right on as our best opportunities for economic diversification.

Wise use of the County Self-Sufficiency Fund to incentivize private sector investment can be an important catalyst to improving our community. The action by the County Council to establish direction for making investments, investment goals, and criteria for investment in private-public projects is a tremendous step in the direction of progress and addresses an important element that has been lacking. Public involvement and prudent investment will be a key to the improvements needed to support and retain the Laboratory as the region's best wealth producing employer.

WHAT ROLE MUST LANL PLAY IF EFFORTS TO IMPROVE THE COMMUNITY ARE TO SUCCEED?

The prospects of success for community improvement initiatives are greatly enhanced with the appropriate support by LANL. This is not a request for charity but rather a suggestion that LANL has much to gain in its own interest by engaging and supporting community efforts. LACDC has forwarded a very consistent agenda with LANL, the NNSA, State Government, and our Congressional delegation with regard to the role LANL should play. We believe that our suggestions are fully within the enlightened self-interest of LANL and the American taxpayers as means to support the long-term health of the Laboratory.

Four key areas of initiative that hold excellent potential including proactive use of the Research Park property to increase/diversify economic activity, increasing the value to technology companies from locating in the region and supporting regional business through procurement activities, providing stable demand for downtown redevelopment, and priority facilitation of completion of land transfers. Following is a more detailed description of each of these:

LANL

**LOS ALAMOS COMMERCE AND DEVELOPMENT'S
OUR TOWN: LOCAL ECONOMICS 101**

1) Identify the technology areas that possess that greatest potential for building a case for joint LANL-industry-academia collaborative work at the Los Alamos Research Park. Commit to jointly pursue development of sufficient physical space to house these activities. Set a goal for a significant “research center” to come into being at least every two years until the RP is built out. A “research center” would be characterized as a) having capabilities of significant interest to industry/academia collaborators, b) providing significant value-added benefit to industry/academia collaborators/partners who co-locate research activities with it (through proximity and access to people., technologies, and/or facilities), and c) having a marketing plan in place for attracting interest in co-location.

2) Establish goals and implement an approach to increase cooperative research and development agreements (CRADA's), technology licenses, and procurements with regional businesses and organizations. Support technology companies and organizations in stabilizing their operations in the region. Support the success of technology companies and organizations located in the region through proactively seeking opportunities for and facilitating collaboration and LANL utilization of products and services provided by the companies. Support other businesses in the community and region by streamlining of procurement processes seeking appropriate opportunities to do business.

3) Increase occupancy of office space in downtown Los Alamos in order to contribute to the demand for space and services needed to drive redevelopment. As a first choice, place non-classified, office-oriented work into quality office space in downtown Los Alamos. Utilize GSA leases as the contracting mechanism for LANL space needs as well as for sub-tier contractor space needs to provide a more stable, financeable commitment to developers of the space needed. Participate with the County government in establishing effective public transit linking downtown with TA-3 to make it easy for people to move between the work locations. Occupancy of storefront space by office uses should be shifted to occupancy of new office space as it becomes available.

4) Place a high priority on expediting any LANL actions required as part of the land transfer process. Seek to minimize the time to affect useable transfers. This is important to the community as a key issue we face is the availability of land for locating additional housing and economic activity. While LANL does not control the land transfer process, their participation through clearing sites, remediation, and negotiating transfer processes on behalf of NNSA can affect the pace of the processes.

LANL

**LOS ALAMOS COMMERCE AND DEVELOPMENT'S
OUR TOWN: LOCAL ECONOMICS 101**

LACDC seeks to work with the current LANL contractor for the best possible corporate citizenship outcomes. We have offered to provide our ideas about reasonable metrics that could be associated with these initiatives. We are also very interested in working on regional initiatives that hold potential benefit for all regional participants.

LACDC's Our Town: Local Economics 101 comprises a series of Issue Snapshots which survey multiple viewpoints on key issues relating to the economic sustainability of the Los Alamos/White Rock communities and Position Papers presenting the viewpoint of the LACDC/Chamber relating to the issues. Sign up for the Our Town: Local Economics 101 email list and contribute to the discussion through our online forum at www.losalamos.org/lacdc.