

Coalition Report on the Forum Series: What We Did and What We Learned (Final)

The Los Alamos Local Business Coalition has hosted a series of public forums in the first six months of 2025 aimed at fostering economic growth, enhancing collaboration, and addressing key challenges within the local business environment in Los Alamos and White Rock. The Coalition, established in November 2024, is committed to advocating for solution-focused policies, structures, and accountability that support local businesses. The Coalition is a volunteer, grass-roots initiative that has been open to participation by anyone in the community. The Coalition is led by a steering team that developed and presented the forums. All of the work involved has been volunteered.

Los Alamos Local Business Coalition Forum Series Overview

The forum series comprises five planned sessions, with several already completed and recorded.

- **Forum #1: Introduction to the Coalition and Key Players** (February 13th, 2025). This initial forum introduced the Coalition, its mission, and key players in the local economy. It also set the stage for future collaboration and dialogue. The Coalition presented the five key challenges facing local businesses based on input from its initial forum in December and a survey of local businesses. Representatives from the Los Alamos County Community Development Department, the Los Alamos Commerce & Development Corporation, and the UNM-LA Small Business Development Center spoke about their organizations and how they support local businesses.
- **Forum #2: Analysis of Existing County Plans** (March 13th, 2025). This forum involved a deep dive into **ten of the County's existing plans**, including the Strategic Leadership Plan, Comprehensive Plan, Economic Vitality Plan, and Downtown Master Plan. The Coalition steering team analyzed these plans to identify how they address challenges faced by local businesses. Polling was conducted on the relevance and effectiveness of the plans.
- **Forum #3: Rules and Interpretations** (April 10th, 2025). This session examined how existing rules, such as anti-donation clauses, impact local economic tools and how varying interpretations of codes affect local businesses.
- **Forum #4: Tools and Strategies Workshop** (May 29th, 2025). This workshop format was designed to facilitate hands-on brainstorming and provide insights into resources and strategies for business thriving. The Coalition presented a series of ideas we call "Imagine". The Coalition considers the ideas to be potential practical approaches for our community to address the key challenges facing local businesses.
- **Forum #5: Summary and Action Planning** (July 31, 2025). The final forum will review outcomes from previous sessions and collaboratively develop actionable plans and working groups for the future.

Key Challenges Facing Local Businesses

Based on surveys and community input, the Coalition identified five primary challenges to local businesses:

1. **Affordable Commercial Space & Vacancies:** This challenge highlights high rents and limited available space, which impede businesses from opening and growing. Underutilized vacant properties contribute to increased costs and fewer options for small businesses. Insights from Forum #2 suggested that plans generally address this challenge effectively, but implementation is perceived as lacking. Solutions proposed include identifying vacant/blighted properties and incentivizing their development, potentially through tax incentives.
2. **Complex and Opaque Regulatory & Accountability Environment:** Businesses face confusing and time-consuming permitting and regulatory processes. There is a perceived lack of accountability, timeline, and key elements in many "plans," which are often seen more as analyses or reports. The process for new business owners is often unclear, with basic information hard to find or inconsistent. While plans aim to streamline processes, there's a strong call for actionable items and accountable individuals. Public feedback in Forum #2 indicated that plans provide some relief, but implementation is poor.
3. **Workforce Shortages & Housing Costs:** The high cost and lack of affordable housing make it difficult to attract and retain workers, leaving businesses struggling to fill essential positions. The County has made efforts, such as an affordable housing plan and partnerships for affordable apartments, but the need for more workforce housing remains. Forum #2 found that plans address this issue, but implementation is rated poorly.
4. **Lack of Support & Access to Funding for Local Businesses:** Small businesses often feel overlooked in favor of large developers and out-of-town interests, lacking access to grants, funding opportunities, and technical assistance. For-profit businesses are often ineligible for many grants unless partnered with government or nonprofit sectors. Plans outline relevant goals and strategies for enhancing the local economy, but public sentiment in Forum #2 indicated that implementation is lacking.
5. **Poor Communication & Underdeveloped Tourism:** A significant disconnect exists between the county, businesses, and community organizations, resulting in inadequate communication and unrealized tourism potential. Local businesses often feel excluded from discussions and efforts related to tourism. The Lodger's Tax Board is ineffective, and as a result, struggles to draw participation. Despite plans to leverage tourism and improve communication, implementation is "coming up short". Forum #2 participants rated the plans' coverage of this challenge as fair, but implementation as very poor.

Lessons Learned and Takeaways

A clear message from the Forum series is that **Los Alamos does not have a shortage of plans, but rather a gap in their execution and implementation.**

- **Implementation Shortfalls:** Across all five challenges, public surveys conducted during the forums consistently showed that while county plans generally address the issues adequately, their **implementation is perceived to be falling short.**
- **Regulatory Environment Confusion:** The *interpretation* of codes, rather than the codes themselves, creates significant difficulties for businesses. Inconsistent advice from inspectors, new requirements, and varying answers depending on who is consulted contribute to this confusion. There's a strong desire for clear, consistent processes that are "above interpretation", or alternatively, a "can-do" mindset when making interpretations rather than a "minimize every risk" mindset.
- **Fear of Retaliation:** A significant takeaway from Forum #3 was the expressed fear among business owners and community members of speaking up about issues, due to concerns about potential retaliation from county officials. Although County officials acknowledged this fear and encouraged open communication, emphasizing their accessibility and transparency as a local government, that really isn't sufficient to solve the problem. The County will have to earn trust through its actions.
- **Anti-Donation Clause and LEDA:** The New Mexico Anti-Donation Clause (part of the state constitution) limits direct financial assistance from local government to businesses, impacting incentives and grants. The **Local Economic Development Act (LEDA)** is one tool identified that empowers local governments to enter into public-private partnership projects for public benefit, providing an exemption to anti-donation restrictions. LEDA projects require community benefit and are memorialized in local ordinances. The Los Alamos approach to LEDA is extremely weak (there hasn't been a LEDA deal for years), and the County process is a mess. County attempts to rectify this seem misguided. County interpretations of state law and the county code are highly restrictive and geared toward avoiding any possible risk rather than using the tool to help local businesses. The county should interpret rules with the "spirit of the law" in mind. The law is "not written in stone" and allows for interpretation.
- **Restrictive Bureaucracy Trumps Public-Private Partnership:** Bureaucratic demands and risk aversion overshadow the collaborative intent of strategic goals and related programs. This effectively trumps the potential benefits of public-private initiatives and hinders the community's stated goal of fostering a more business-friendly climate. The sentiment is that Los Alamos has "a lot of great ideas...but the implementation is lacking", indicating that the operational hurdles of bureaucracy consistently outmaneuver the spirit of partnership.
- **Seeking Legislative Changes Could Help:** New Mexico's "anti-donation clause" and rent control pre-emption act are cited as significant limitations on the county's authority. The county should actively support legislative efforts to amend these constitutional barriers to open "the gates for adding funding to different sources" and expand available tools.
- **Culture Divide:** A prevailing culture of "why it can't be done" often triumphs over the desired "let's work together to figure out how to get it done," significantly hindering the implementation of improvements. Despite Los Alamos County having numerous goals and plans aimed at fostering a thriving business environment, planning and

decision-making often overlook the negative impacts on and potential opportunities for local businesses.

- **"Why It Can't Be Done" Mentality:** The county frequently cites legal limitations, such as New Mexico's anti-donation clause and rent control pre-emption act, as primary reasons for its inability to directly support businesses. While these are genuine constitutional and state-level restrictions, the business community perceives that the county's interpretation of these rules is often overly restrictive, leaving little room for flexibility or innovation. Allan Saenz, a business owner, explicitly stated he would "not enter into...a process of LEDA again" because he felt the focus was on "details" rather than the "partnership" aspect, despite his project's eventual success. This highlights how bureaucratic demands and a cautious interpretation of rules can overshadow the collaborative intent of programs like LEDA.
- **Embrace a "Get-to-Yes" Mindset and Collaborative Partnerships:** The current culture is sometimes seen as prioritizing "saying no correctly over saying yes to opportunity," which consumes energy meant for prosperity. Instead, the county should lead with "heart and courage to ask, does this help?"
- **Importance of Collaboration and Relationships:** The Coalition emphasizes its collaborative mission, seeking to work with the county, LACDC, and the Chamber of Commerce to improve the community. Building relationships and fostering direct communication between business owners, county staff, and elected officials is considered essential to overcoming challenges and facilitating progress. We have seen limited signs of interest in collaboration. There seems to be a fear of collaboration and working together to try new approaches. What are we afraid of?
- **County Efforts and Limitations:** Since the inception of the Coalition, the County has been giving more attention to local business issues, but appears to lack the capability and capacity to respond or show direct interest in addressing the challenges. No Impact
 - **Process Over Results:** There's a prevailing sentiment that the county cares "more about saying no correctly than we do about saying yes to opportunity," which results in bureaucracy consuming energy meant for prosperity. Status reports are long on lists of activities and short on meaningful impact.
 - **Limited Consideration of Business Impact:** The business community's calls for the county to systemically consider both negative impacts on local businesses and potential opportunities have been largely ignored in practice. This indicates a lack of holistic foresight regarding how county decisions and projects affect the local economy.
 - **Proactive Mitigation for County Projects:** For instance, the negative impact of prolonged road construction on businesses on DP Road was not proactively addressed. The county should proactively plan "least invasive projects," "mediate between businesses and the County's contractors," and "keep a timeline" for business awareness. Compensation to businesses for prolonged disruptions should be considered.
 - **Enhanced Transparency and Accountability in Plans and Processes:** Plans often lack effective "accountability" mechanisms. The county's dashboard for

tracking priorities and metrics is a positive step, but metrics in the community development area are not perceived as meaningful.

- **Embrace Independent Feedback and Recommendations from Cities Work:** The county's agreement to engage with "Cities Work," an independent non-profit experienced in assessing business friendliness, is a positive step. Once provided, Cities Work inputs should be embraced rather than seeking reasons to disregard them.
- **System Renewal**
Los Alamos County's current structure leaves real control with the manager, attorney, and senior staff, relegating the elected council to largely rubber-stamping their decisions; this concentration stifles new ideas, slows progress, and dilutes accountability. An alternative could be to explore a mayor-council system where an elected executive—directly answerable to voters—sets clear priorities, hires qualified talent, and ensures county actions stay aligned with community goals.

In essence, improving the county government's culture means shifting from being a strict enforcer of rules to becoming a supportive architect of opportunity, designing clear pathways for businesses to thrive, even within existing frameworks. This involves not just updating policies, but fundamentally rebuilding trust and fostering genuine collaboration where county officials and business owners see themselves as co-creators of Los Alamos's economic future.

Actions Taken by the Coalition Informed by the Forums

The forums have directly informed and led to several initiatives and ongoing actions by the Los Alamos Local Business Coalition:

- **Engagement with Cities Work:** The Coalition encouraged the County Council to engage with **Cities Work**, an independent non-profit organization experienced in assessing the business-friendliness of local environments. The Council unanimously approved this proposal. This is a promising initiative that is currently underway.
- **Advocacy and Input:** The Coalition has engaged in advocacy, including opposing the County's purchase of commercial property and providing input on the County's drafting of an MRA plan. They also advocate for businesses to be included in tourism promotional outreach.
- **"Coalition Idea Book" and "Imagine" Initiatives:** Based on community engagement and forum discussions, the Coalition has generated six "forward-thinking ideas" detailed in the "Coalition Idea Book," using an "IMAGINE" template for exploration. These ideas include:
 - **Storefront Recapture Initiative:** Aimed at converting office tenancies to retail/dining on Central Avenue to enhance commercial continuity and vibrancy, potentially utilizing a LEDA project.
 - **Local Business Marketing Billboard Collective:** Proposes electronic message boards on major routes to market local businesses to visitors and residents, potentially as a LEDA project funded by Lodger Tax.

- **Facilitate Owner Occupied Space:** Focuses on providing incentives and assistance for businesses to purchase their own commercial space, offering more direct cost control and increasing business equity.
- **Professional Services Assistance:** Provides local businesses with access to affordable, qualified professional services (e.g., legal, accounting, architectural) to support county requirements and growth. This could be a contracted service with LACDC or similar organizations, potentially as a LEDA project.
- **Grant Funding Support Initiative:** Proposes establishing a centralized, shared grant-writing resource to identify opportunities, craft proposals, and increase the success rate of local organizations in securing funding. This is viewed as a significant economic development tool.
- **Local Procurement Initiative:** Aims to increase awareness and purchases by major community organizations (e.g., Los Alamos County, LANL) from local businesses, potentially tasked to LACDC.
- **Continued Engagement:** The Coalition encourages citizens and stakeholders to review this report and the "Coalition Idea Book," provide feedback, and work on ideas that will help local businesses thrive, continuing the collaborative effort to build a more prosperous Los Alamos.