





**DATE:** February 17, 2014  
**TO:** Finance Committee  
City Council  
**FROM:** Kate Noble Acting Director, Housing and Community Development Department *KN*  
**RE:** Arts + Creativity Center Project by Creative Santa Fe – Resolution and Professional Services Agreement

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**Background:**

The idea of an affordable, co-located, live/work space for artists/creative professionals has been an active part of economic development work since at least the adoption of the Angelou Plan in 2004. Then known as 'The Beehive' and now known as the Arts+ Creativity Center, Creative Santa Fe has taken the lead on this project for many years.

In 2013, Creative Santa Fe partnered with a national organization called Artspace which manages dozens of this type of development throughout the United States. Artspace brings a wealth of experience in tax credit projects which target creative professionals and include affordable live, work, studio, performance, retail and other types of space.

The City of Santa Fe's Economic Development Division sponsored the market survey in 2013 for \$5000. The results of the survey include: 623 total responses with 49% of the individual respondents at or below the area median income. According to Artspace, the survey results indicate that Santa Fe could support a development of as many as 85 new, affordable live-work units.

**Item and Issue:**

Creative Santa Fe, in partnership with Artspace, is ready to move to the next stage of development which includes site selection and site control. The accompanying resolution directs staff to support the project and allocates \$50,000 to this next phase of development. As part of the contract, Creative Santa Fe will raise \$100,000 in matching funds, thus leveraging the City's invest at a 2:1 ratio. Staff has drafted this contract to move in conjunction with the resolution.

The Economic Development Review Committee recommended approval of this contract on February 3, 2014.



1           **WHEREAS**, Santa Fe is losing its young and mid-career workers, many of whom are leaving  
2 the city due to the lack of affordable housing; and

3           **WHEREAS**, only 38% of Santa Fe's workers live in the city, which dropped from 51% in  
4 2002; and

5           **WHEREAS**, the only net new job growth in Santa Fe from 2007 - 2010 was in sole-  
6 proprietor jobs, which many are in arts, culture, design, entertainment and media; and

7           **WHEREAS**, one quarter of all jobs in Santa Fe are sole-proprietor jobs and Santa Fe has the  
8 largest percentage of self-employed workers of any metropolitan area in the state of New Mexico; and

9           **WHEREAS**, creative workers and businesses in Santa Fe have a proven record of exporting  
10 products and services and attracting tourists to the city earning 39 cents of every new dollar that flows  
11 into Santa Fe from outside the county which is the definition of economic base jobs; and

12           **WHEREAS**, the creative sector led the way in producing increased gross receipts tax  
13 revenue in the second half of 2013; and

14           **WHEREAS**, educational services; arts and entertainment; information and cultural  
15 industries; professional, scientific and technology; and accommodation and food sectors of Santa Fe's  
16 economy expanded so the city achieved the greatest economic output since the pre-recession 2007-  
17 2008 fiscal year; and

18           **WHEREAS**, Santa Fe University of Art and Design (SFUAD) will soon have 1,000 students  
19 enrolled from the Santa Fe community, United States and internationally; and

20           **WHEREAS**, Santa Fe Community College, IAIA and St. John's College along with SFUAD  
21 are graduating hundreds of creative young people each year who will build the next generation of  
22 businesses and jobs based on creativity and will sell their products locally and into global markets;  
23 and

24           **WHEREAS**, the City of Santa Fe's 2013 Housing Needs Assessment Update determined that  
25 the greatest unmet market need for affordable housing is rental units at or below \$500 per month; and

1           **WHEREAS**, the City of Santa Fe participated in an artists’ and creative individuals and  
2 businesses market survey along with Creative Santa Fe, Artspace Projects, the largest non-profit  
3 developer of affordable arts live-work spaces in the country, and other community organizations to  
4 understand and quantify the needs of the creative community for affordable spaces; and

5           **WHEREAS**, 534 individuals and 89 businesses answered the survey, of the respondents:

- 6           • 60% earn incomes at or below the area median income;
- 7           • 49% who want to relocate into affordable space earn 60% or less than the area median  
8 income;
- 9           • 30% are 30 years old or younger; and
- 10          • 80% indicated they would consider staying in Santa Fe over relocating to another  
11 community if affordable live-work space were available; and

12          **WHEREAS**, the survey results support creation of up to 85 new, affordable live-work units  
13 in Santa Fe and up to 40 studio only spaces and additional shared gallery, performance, educational,  
14 creation, and conference space; and

15          **WHEREAS**, the top three preferred locations identified by survey respondents for affordable  
16 creative spaces were the Santa Fe Railyard, Baca Street area, Downtown Santa Fe and the St.  
17 Michaels Drive area.

18          **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
19 **CITY OF SANTA FE** that:

- 20          1. Staff is directed to work with Creative Santa Fe; other community arts, culture and  
21 creative organizations and businesses; and Artspace Projects to support development of  
22 the Santa Fe “Arts + Creativity Center”;
- 23          2. Staff from of the Economic Development Division, Office of Affordable Housing, and  
24 Santa Fe Arts Commission will work together to produce a plan to move this project  
25 through several planning and implementation steps to completion;

- 1 3. The City Manager shall direct additional resources to the project, based on the needs that  
2 arise as the project moves forward.  
3 4. Staff shall also explore the placement of the project on city property.  
4 5. Staff shall provide the Governing Body updates on the progress of the project, no less  
5 than quarterly.

6 **BE IT FURTHER RESOLVED** that the project phases will include site selection and site  
7 control; project design and finance modeling, preparation of a Low Income Housing Tax Credit  
8 application to the New Mexico Mortgage Finance Authority that will be supported by the City of  
9 Santa Fe, and finally construction and leasing of the facility.

10 **BE IT FURTHER RESOLVED** that the project will be a public private/partnership:

- 11 1. Fifty thousand dollars (\$50,000) from the Economic Development Division, Office of  
12 Affordable Housing or Community Development Block Grants will be designated for the  
13 next phase of development, site selection and site control, and contracted through  
14 Creative Santa Fe; and  
15 2. Local Creative Santa Fe and other non-profit organizations will raise money from the  
16 community to match the City's investment.

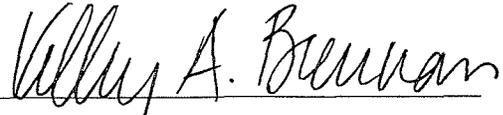
17 PASSED, APPROVED, and ADOPTED this \_\_\_ day of \_\_\_\_\_, 2014.

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19  
20 ATTEST:

\_\_\_\_\_  
DAVID COSS, MAYOR

21  
22 \_\_\_\_\_  
23 YOLANDA Y. VIGIL, CITY CLERK  
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1 APPROVED AS TO FORM:

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3 \_\_\_\_\_

4 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

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25 *M/Melissa/2014 Resolutions/Creative Santa Fe Arts*

## City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill: \_\_\_\_\_ Resolution:  X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **DIRECTING STAFF TO WORK TO SUPPORT DEVELOPMENT OF THE SANTA FE "ARTS + CREATIVITY CENTER" AS AN ECONOMIC DEVELOPMENT PROJECT TO PROVIDE AFFORDABLE LIVE, WORK, CREATION, PERFORMANCE, SALES SPACE FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE AND TO STRENGTHEN SANTA FE'S ECONOMY.**

Sponsor(s): Councilors Wurzbarger and Bushee

Reviewing Department(s): City Attorney's Office / Housing and Community Development

Persons Completing FIR: Rebecca Seligman / Kate Noble Date: 01/27/13 Phone: 955-6501 / 966-6915

Reviewed by City Attorney: *Kelley A. Brennan* Date: 1/31/14  
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 2/4/14  
(Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the bill/resolution:

**The purpose of the resolution is to create up to 85 new, affordable live-work units in Santa Fe and up to 40 studio only spaces and additional shared gallery, performance, educational, creation, and conference space to create live-work space in an effort to boost job growth for creative individuals who might otherwise relocate to another city.**

**Section C. Fiscal Impact**

**Note:** Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: \_\_\_\_\_

\_\_\_\_\_ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY 13/14_	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY 14/15	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$50,000.00 _____	A	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
<b>Total:</b>	<b>\$50,000.00</b>			<b>\$ 0</b>				

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 11/12	"R" Costs Recurring or "NR" Non-recurring	FY 12/13	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$ 0	_____	\$ 0	NR	_____	_____
_____	\$ 0	_____	\$ 0	_____	_____	_____
_____	\$ 0	_____	\$ 0	_____	_____	_____
<b>Total:</b>	<b>\$50,000</b>		<b>\$ 0</b>			

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

**The Art + Creativity Project will be a public/private partnership. The resolution commits \$50,000 towards the project that will be used for the next phase of the development which is site selection and site control. The \$50,000 will come out of the Economic Development Division and Office of Affordable Housing.**

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**Section D. General Narrative**

**1. Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

**None that staff is aware of.**

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**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this bill/resolution? If so, describe.

**If live-work space is not created, we would not be able to boost job growth for creative individuals who would otherwise relocate to another city.**

**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

**None that staff is aware of**

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**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

**Supporting the Arts + Creativity Center as an economic development project in Santa Fe would move forward a project to provide affordable live, work, studio, performance and retail space for artists and creative businesses.**

CITY OF SANTA FE  
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and Creative Santa Fe (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall work to develop an Arts + Creativity Center in Santa Fe which shall include a variety of affordable spaces and provide the following services to the City:

A. Develop and deliver fundraising plan to raise \$100,000 to match City investment of \$50,000 (2:1 match). The plan shall be updated in all reporting, which shall take place quarterly at a minimum, and include a list of names for the community fundraising committee, dates of planned fundraising events, and a list of commitments for funding.

B. Develop and deliver a plan to move the project through all planning and implementation steps to completion. This shall include: a detailed project timeline, an analysis of the desired number of live/work units, number of studio or work only units, uses for community space, types of programs to be included, target population to be served, community and economic development benefits and any other relevant information.

C. Develop and deliver a list of potential sites, including land and buildings, based on suggestions received from City staff and from the results of the Artists' and Creative Businesses and Organizations' Market Survey and other project feasibility analysis. Factors to be considered shall include, but are not limited to: environmental, archeological, legal, or financial issues that might be discovered; a clear pathway to long-term lease or outright ownership of the land or buildings; buildings on the site that could be renovated for live/work or community space for educational programs, entrepreneurship training, performance space, or commercial space and the potential cost of renovation; access to public transportation; zoning; neighborhood impacts; overall financial resources and feasibility and an analysis of factors for developing a competitive proposal for Low Income Housing Tax Credits.

D. Deliver a final Site Selection Report including suitability and identification of any contingent conditions to be resolved through continued due diligence. The final report will present three potential locations in order of preference with a detailed analysis and quantification of factors being considered in location selection.

E. Provide quarterly reports to the Housing and Community Development Department and, as desired, to the Governing Body throughout the duration of the contract.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall pay the Contractor twenty-five thousand (\$25,000), inclusive of gross receipts taxes upon completion of items A and B listed in the Scope of Work above including fundraising commitments of at least fifty-thousand dollars (\$50,000) in matching funds. The City shall then pay the Contractor ten-thousand dollars (\$10,000), inclusive of gross receipts taxes with the delivery of item C in the Scope of Work above. The City shall pay fifteen thousand dollars (\$15,000), inclusive of gross receipts taxes upon completion of all items listed in the Scope of Work above. The total compensation to be paid by the City shall not exceed fifty thousand dollars(\$50,000) dollars inclusive of gross receipts taxes.

B. The Contractor shall be responsible for payment of all necessary gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by

the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and the Contractor, whichever occurs last, and terminate on January 31, 2015, unless sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the City upon 30 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed upon completion or termination of this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, the City shall pay the Contractor for the reasonable value of services satisfactorily performed

through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this contract.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no

interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance

covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

### 13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments,

including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter,

detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto

concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail,

postage prepaid, to the parties at the following addresses:

City of Santa Fe:  
Housing & Community Development  
Department  
P.O. Box 909  
Santa Fe, NM 87504-0909

Contractor:  
Creative Santa Fe  
314 Read Street  
Santa Fe, NM 87501

IN WITNESS WHEREOF, the parties have executed this Agreement  
on the date set forth below.

CITY OF SANTA FE:

CONTRACTOR:  
CREATIVE SANTA FE

\_\_\_\_\_  
BRIAN K. SNYDER, CITY MANAGER

DATE: \_\_\_\_\_

\_\_\_\_\_  
DATE: \_\_\_\_\_

CRS # 03-031875-000  
City of Santa Fe Business  
Registration # \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

*Kelley A. Brennan for*  
\_\_\_\_\_  
KELLEY A. BRENNAN,  
INTERIM CITY ATTORNEY 1/30/14

APPROVED:

\_\_\_\_\_  
MARCOS TAPIA, DIRECTOR  
FINANCE DEPARTMENT

\_\_\_\_\_  
BUSINESS UNIT/LINE ITEM

**ACTION SHEET  
ITEM FROM THE  
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING  
OF  
MONDAY, FEBRUARY 10, 2014**

**ITEM 24**

REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING STAFF TO WORK TO SUPPORT DEVELOPMENT OF THE SANTA FE "ARTS + CREATIVITY CENTER" AS AN ECONOMIC DEVELOPMENT PROJECT TO PROVIDE AFFORDABLE LIVE, WORK, CREATION, PERFORMANCE, SALES SPACE FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE AND TO STRENGTHEN SANTA FE'S ECONOMY (COUNCILORS WURZBURGER, RIVERA, IVES, MAYOR COSS AND COUNCILOR CALVERT) (KATE NOBLE)

**PUBLIC WORKS COMMITTEE ACTION:** Approved on Consent

**SPECIAL CONDITIONS OR AMENDMENTS:**

**STAFF FOLLOW UP:**

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON WURZBURGER	Excused		
COUNCILOR CALVERT, Acting Chair	X		
COUNCILOR IVES	X		
COUNCILOR RIVERA	X		
COUNCILOR TRUJILLO	Excused		

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

### Resolution No. 2014-\_\_\_\_ Creative Santa Fe Arts Complex

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**SPONSOR(S):** Councilors Wurzburger, Rivera, Ives, Mayor Coss and Councilor Calvert

**SUMMARY:** The proposed resolution directs staff to work to support development of the Santa Fe "Arts + Creativity Center" as an economic development project. The center would provide affordable live, work, creation, performance, sales space for artists and creative businesses in Santa Fe and would strengthen Santa Fe's economy.

**PREPARED BY:** Rebecca Seligman, Legislative Liaison Assistant

**FISCAL IMPACT:** Yes

**DATE:** January 14, 2014

**ATTACHMENTS:** Resolution  
FIR

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**CITY OF SANTA FE, NEW MEXICO**

**RESOLUTION NO. 2014-\_\_**

**INTRODUCED BY:**

Councilor Rebecca Wurzburger      Councilor Chris Rivera  
Councilor Peter Ives                      Mayor David Coss  
Councilor Chris Calvert

**A RESOLUTION**

**DIRECTING STAFF TO WORK TO SUPPORT DEVELOPMENT OF THE SANTA FE  
“ARTS + CREATIVITY CENTER” AS AN ECONOMIC DEVELOPMENT PROJECT TO  
PROVIDE AFFORDABLE LIVE, WORK, CREATION, PERFORMANCE, SALES SPACE  
FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE AND TO STRENGTHEN  
SANTA FE’S ECONOMY.**

**WHEREAS**, in April 2004, the City of Santa Fe adopted an economic development strategy that recommended a strong focus on the City’s creative industries; and

**WHEREAS**, to fulfill that mandate, in early 2005 the City responded by funding the formation of Creative Santa Fe, a 501(c)(3) not-for-profit organization to serve as a backbone organization to guide development of creative economic development in Santa Fe, and to leverage private resources to accomplish economic development initiatives; and

**WHEREAS**, since then, the development of a project like the “Arts + Creativity Center” has been discussed and this project fits both the City of Santa Fe’s current economic development strategy and the City of Santa Fe’s affordable housing strategy; and

1           **WHEREAS**, Santa Fe is losing its young and mid-career workers, many of whom are leaving  
2 the city due to the lack of affordable housing; and

3           **WHEREAS**, only 38% of Santa Fe’s workers live in the city, which dropped from 51% in  
4 2002; and

5           **WHEREAS**, the only net new job growth in Santa Fe from 2007 - 2010 was in sole-  
6 proprietor jobs, which many are in arts, culture, design, entertainment and media; and

7           **WHEREAS**, one quarter of all jobs in Santa Fe are sole-proprietor jobs and Santa Fe has the  
8 largest percentage of self-employed workers of any metropolitan area in the state of New Mexico; and

9           **WHEREAS**, creative workers and businesses in Santa Fe have a proven record of exporting  
10 products and services and attracting tourists to the city earning 39 cents of every new dollar that flows  
11 into Santa Fe from outside the county which is the definition of economic base jobs; and

12           **WHEREAS**, the creative sector led the way in producing increased gross receipts tax  
13 revenue in the second half of 2013; and

14           **WHEREAS**, educational services; arts and entertainment; information and cultural  
15 industries; professional, scientific and technology; and accommodation and food sectors of Santa Fe’s  
16 economy expanded so the city achieved the greatest economic output since the pre-recession 2007-  
17 2008 fiscal year; and

18           **WHEREAS**, Santa Fe University of Art and Design (SFUAD) will soon have 1,000 students  
19 enrolled from the Santa Fe community, United States and internationally; and

20           **WHEREAS**, Santa Fe Community College, IAIA and St. John’s College along with SFUAD  
21 are graduating hundreds of creative young people each year who will build the next generation of  
22 businesses and jobs based on creativity and will sell their products locally and into global markets;  
23 and

24           **WHEREAS**, the City of Santa Fe’s 2013 Housing Needs Assessment Update determined that  
25 the greatest unmet market need for affordable housing is rental units at or below \$500 per month; and

1           **WHEREAS**, the City of Santa Fe participated in an artists' and creative individuals and  
2 businesses market survey along with Creative Santa Fe, Artspace Projects, the largest non-profit  
3 developer of affordable arts live-work spaces in the country, and other community organizations to  
4 understand and quantify the needs of the creative community for affordable spaces; and

5           **WHEREAS**, 534 individuals and 89 businesses answered the survey, of the respondents;

- 6           • 60% earn incomes at or below the area median income;
- 7           • 49% who want to relocate into affordable space earn 60% or less than the area median  
8           income;
- 9           • 30% are 30 years old or younger; and
- 10          • 80% indicated they would consider staying in Santa Fe over relocating to another  
11          community if affordable live-work space were available; and

12          **WHEREAS**, the survey results support creation of up to 85 new, affordable live-work units  
13 in Santa Fe and up to 40 studio only spaces and additional shared gallery, performance, educational,  
14 creation, and conference space; and

15          **WHEREAS**, the top three preferred locations identified by survey respondents for affordable  
16 creative spaces were the Santa Fe Railyard, Baca Street area, Downtown Santa Fe and the St.  
17 Michaels Drive area.

18          **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
19 **CITY OF SANTA FE** that:

- 20          1. Staff is directed to work with Creative Santa Fe; other community arts, culture and  
21          creative organizations and businesses; and Artspace Projects to support development of  
22          the Santa Fe "Arts + Creativity Center";
- 23          2. Staff from of the Economic Development Division, Office of Affordable Housing, and  
24          Santa Fe Arts Commission will work together to produce a plan to move this project  
25          through several planning and implementation steps to completion;

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- 3. The City Manager shall direct additional resources to the project, based on the needs that arise as the project moves forward.
- 4. Staff shall also explore the placement of the project on city property.
- 5. Staff shall provide the Governing Body updates on the progress of the project, no less than quarterly.

**BE IT FURTHER RESOLVED** that the project phases will include site selection and site control; project design and finance modeling, preparation of a Low Income Housing Tax Credit application to the New Mexico Mortgage Finance Authority that will be supported by the City of Santa Fe, and finally construction and leasing of the facility.

**BE IT FURTHER RESOLVED** that the project will be a public private/partnership:

- 1. Fifty thousand dollars (\$50,000) from the Economic Development Division, Office of Affordable Housing or Community Development Block Grants will be designated for the next phase of development, site selection and site control, and contracted through Creative Santa Fe; and
- 2. Local Creative Santa Fe and other non-profit organizations will raise money from the community to match the City's investment.

PASSED, APPROVED, and ADOPTED this \_\_\_ day of \_\_\_\_\_, 2014.

ATTEST: \_\_\_\_\_  
 DAVID COSS, MAYOR

\_\_\_\_\_  
 YOLANDA Y. VIGIL, CITY CLERK

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APPROVED AS TO FORM:

Kelley A. Brennan

KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

*M/Melissa/2014 Resolutions/Creative Santa Fe Arts*

**City of Santa Fe  
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill: \_\_\_\_\_ Resolution:  X

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **DIRECTING STAFF TO WORK TO SUPPORT DEVELOPMENT OF THE SANTA FE "ARTS + CREATIVITY CENTER" AS AN ECONOMIC DEVELOPMENT PROJECT TO PROVIDE AFFORDABLE LIVE, WORK, CREATION, PERFORMANCE, SALES SPACE FOR ARTISTS AND CREATIVE BUSINESSES IN SANTA FE AND TO STRENGTHEN SANTA FE'S ECONOMY.**

Sponsor(s): Councilors Wurzbarger and Bushee

Reviewing Department(s): City Attorney's Office / Housing and Community Development

Persons Completing FIR: Rebecca Seligman / Kate Noble Date: 01/27/13 Phone: 955-6501 / 966-6915

Reviewed by City Attorney: *Kelly A. Brennan* Date: 1/31/14  
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 2/4/14  
(Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the bill/resolution:

**The purpose of the resolution is to create up to 85 new, affordable live-work units in Santa Fe and up to 40 studio only spaces and additional shared gallery, performance, educational, creation, and conference space to create live-work space in an effort to boost job growth for creative individuals who might otherwise relocate to another city.**

**Section C. Fiscal Impact**

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: \_\_\_\_\_

\_\_\_\_\_ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY 13/14_	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY 14/15_	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$50,000.00	A	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
<b>Total:</b>	<b>\$50,000.00</b>			<b>\$ 0</b>				

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 11/12_	"R" Costs Recurring or "NR" Non-recurring	FY 12/13	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ 0	_____	\$ 0	NR	_____	_____
_____	\$ 0	_____	\$ 0	_____	_____	_____
_____	\$ 0	_____	\$ 0	_____	_____	_____
<b>Total:</b>	<b>\$50,000</b>		<b>\$ 0</b>			

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

**The Art + Creativity Project will be a public/private partnership. The resolution commits \$50,000 towards the project that will be used for the next phase of the development which is site selection and site control. The \$50,000 will come out of the Economic Development Division and Office of Affordable Housing.**

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**Section D. General Narrative**

**1. Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

**None that staff is aware of.**

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**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this bill/resolution? If so, describe.

**If live-work space is not created, we would not be able to boost job growth for creative individuals who would otherwise relocate to another city.**

**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

**None that staff is aware of**

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**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

**Supporting the Arts + Creativity Center as an economic development project in Santa Fe would move forward a project to provide affordable live, work, studio, performance and retail space for artists and creative businesses.**

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08