



Agenda DATE 6/4/14 TIME 2:31p

PREPARED BY Jessica Sandoval

APPROVED BY [Signature]

ECONOMIC DEVELOPMENT REVIEW SUB-COMMITTEE

Monday, June 9, 2014

3:00 p.m. – 5:00 p.m.

Market Station – Round House Room

500 Market Street, Suite 200

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes – May 20, 2014
 - C. Approval of Agenda
- II. REPORTS
- III. UNFINISHED BUSINESS (none)
- IV. NEW BUSINESS
 - A. AN ORDINANCE RELATING TO THE CITY OF SANTA FE ECONOMIC DEVELOPMENT PLAN ORDINANCE, ARTICLE 11-11 SFCC 1987; AMENDING ORDINANCE NO. 1997-1 FOR THE PURPOSE OF APPROVING AND ADOPTING AN AMENDMED LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE BUSINESS INCUBATOR, INC. TO AMEND THE FINANCIAL STRUCTURE OF THE PROJECT PARTICIPATION AGREEMENT. (Councilor Lindell) (Fabian Trujillo)
 - B. REQUEST TO APPROVE SOCIAL MEDIA PROFESSIONAL SERVICES AGREEMENT; 12 FPS (RFQ SELECTION JUNE 2014) (Kate Noble)
 - C. REQUEST TO APPROVE WORKFORCE DEVELOPMENT PROFESSIONAL SERVICES AGREEMENT; YOUTHWORKS (RFP# 13/12/P) (Kate Noble)
- V. INFORMATIONAL ITEMS
- VI. ITEMS FROM THE COMMITTEE
- VII. ITEMS FROM STAFF
- VIII. NEXT MEETING DATE – Meet as needed
- IX. ADJOURN

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MEETING OF THE
ECONOMIC DEVELOPMENT REVIEW SUB-COMMITTEE
June 9, 2014

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**MINUTES OF THE MEETING OF THE
ECONOMIC DEVELOPMENT REVIEW SUB-COMMITTEE
Monday, June 9, 2014**

A regular meeting of the Economic Development Sub-Committee, was called to order on Monday, June 9, 2014, at approximately 3:00 p.m., by Simon Brackley, Chair, in the Round House Room, at Market Station, 500 Market Street, Suite 200, Santa Fe, New Mexico.

I. PROCEDURES

A. ROLL CALL

Members Present:

Simon Brackley
Kathy Keith
Damian Taggart
Julia Castro
Cervantes "Buddy" Roybal

Others Present:

Marie Longserre – Telephonically
Adam Chaney, 12FPS
Zack Quintero, Intern

Staff Present:

Fabian Trujillo, Economic Development Division Director
Kate Noble, Economic Development Division
Elizabeth Martin for Melessia Helberg, Stenographer

B. APPROVAL OF MINUTES – MAY 20, 2014

MOTION: Simon Brackley moved, seconded by Julia Castro, to approve the minutes of the meeting of June 9, 2014, as submitted.

VOTE: The motion was approved unanimously on a voice vote.

C. APPROVAL OF AGENDA

MOTION: Kathy Keith moved, seconded by Simon Brackley, to approve the agenda as submitted.

VOTE: The motion was approved unanimously on a voice vote.

II. REPORTS

There were no reports.

III. UNFINISHED BUSINESS

There was no unfinished business.

IV. NEW BUSINESS

A. AN ORDINANCE RELATING TO THE CITY OF SANTA FE ECONOMIC DEVELOPMENT PLAN ORDINANCE, ARTICLE 11-11 SFCC 1987; AMENDING ORDINANCE NO. 1997-1 FOR THE PURPOSE OF APPROVING AND ADOPTING AN AMENDED LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE BUSINESS INCUBATOR, INC. TO AMEND THE FINANCIAL STRUCTURE OF THE PROJECT AGREEMENT (Councilor Lindell). (Fabian Trujillo)

Fabian Trujillo presented information from his Memorandum of June 4, 2014, with attachments. Please see these materials for specifics of his presentation.

Mr. Trujillo said the Santa Fe Business Incubator ["SFBI"] provides incubator services for the city of Santa Fe. In 2004, the City of Santa Fe entered into a loan agreement with HUD for \$300,000 to fund the Santa Fe Business Incubator. The SFBI became the sub-recipient and the city the borrower. The balance of that loan is now \$192,456. Staff is proposing that the City pay off that amount and then enter into a loan with the Incubator. This would be a 20 year loan at 1% interest with no interest or payment due for the first 5 years.

Mr. Trujillo introduced Marie Longserre, President and CEO of the SFBI who joined the meeting telephonically.

Mr. Roybal asked how this arrangement would affect the incubators \$200,000 annual contract with the City.

Mr. Trujillo said that has not been negotiated. There is no intention to reduce their operations contract.

Mr. Trujillo said the City currently covers 34% of the Incubator's operations and they cover the rest.

Mr. Roybal asked where the money is coming from.

Mr. Trujillo replied that there is \$400,000 in an escrow account, negotiated or given to the city as part of Tano partners vs City of Santa Fe.

Kate Noble said the terms of the agreement state that the money is to be used for a business/crafts incubator. The SFBI qualifies in this category and therefore the money can be used for this purpose.

Mr. Trujillo said this money can be used for this purpose of refinancing this HUD loan, which will shore up the Incubator.

Marie Longserre said the SFBI brings IN more than half of their annual operations expense. Since the economy downturn, they had to use cash reserves. She said they have a new contract with Santa Fe County which increased their income.

Mr. Brackley asked what percentage of the Incubator is full.

Mr. Longserre said the incubator is almost completely full, and runs at 85 to 90% full.

Mr. Roybal said he was confused about the statement regarding business/craft.

Ms. Noble said that this is regarding the monies in escrow. It was written into a legal document signed in the 80s. They saw the creation of the business incubator coming. The document states that the monies are to be used for a business/craft incubator on property donated by the City.

Mr. Roybal asked if we have a legal interpretation that says it is okay.

Ms. Noble said yes.

Ms. Keith asked the current interest rate of the HUD loan, and Mr. Trujillo said it is 3%.

Ms. Keith said this helps everyone.

Mr. Taggart said then the HUD loan is with the SFBI.

Mr. Trujillo said it is between the City and HUD.

Ms. Noble said it is a pass through.

Mr. Brackley restated that this is a 20 year loan with no payments due and no interest for the first 5 years.

Mr. Trujillo confirmed that is correct.

Mr. Brackley asked if they had made their payments up to now.

Ms. Longserre said not really, because they have made them out of cash reserves.

Mr Brackley asked how they will be better able to make the payments in 5 years.

Ms. Longserre said they actively are negotiating and generating new sources of revenue and are seeing new interest.

Mr. Brackley said he understands the SFBI is almost at full capacity now, and asked how the SFBI will fit in new clients.

Ms. Longserre answered that the new income is not necessarily going to be tenant programs. It will be new programs and sources.

Mr. Trujillo said one of the things in the agreement is that we are going to work with the Incubator to put together a 5 year business operations plan that includes obtaining more money from the State and the private sector and others.

MOTION: Buddy Roybal moved, seconded by Kathy Keith, to approve the participation agreement.

VOTE: The motion was approved unanimously on a voice vote.

MOTION: Julia Castro moved, seconded by Kathy Keith to approve the ordinance.

VOTE: The motion was approved unanimously on a voice vote.

Ms. Longserre thanked the committee and terminated telephonic participation.

Mr. Brackley asked when the annual funding for the Incubator will be up for approval.

Ms. Noble said the agreement expires on June 30, 2014.

Mr. Trujillo said that they are in the process of negotiating that and will bring it to the sub committee in July.

**B. REQUEST TO APPROVE SOCIAL MEDIA PROFESSIONAL SERVICES AGREEMENT;
12 FPS (RFQ SELECTION JUNE 2014) (Kate Noble)**

Kate Noble presented information from her Memorandum of June 4, 2014, with attachments, to the CBQL and EDRC Sub-Committee. Please see this Memorandum and attachments for specifics of this presentation.

Ms. Noble said items under \$50,000 can be approved by the City Manager. However, it has been the practice to use this Sub-committee and the Business & Quality of Life Committee as our budgetary and fiscal agent and oversight. The plan is to take this contract to this Sub-Committee and then to the Business & Quality of Life Committee, and then take those recommendations to the City Manager. She said the City Manager can do something other than what the committees recommend if he wants to, but he relies on these committees for their input. She said expenditure of economic development funds must follow a distinct process.

Mr. Brackley said then we can approve, give no recommendation or disapprove this request, and the Business & Quality of Life Committee will make its own decision.

Ms. Castro asked if it will go before the City Council for approval.

Ms. Noble said yes.

Mr. Roybal asked the total amount of the contract, and Ms. Noble said it is \$47,000.

Ms. Noble said an RFQ was issued, and they received a variety of responses, interviewing 4 of those responses. She said 12FPS Social Media was chosen because it was the strongest in terms of the economic aspect including local businesses, providing coaching for local businesses and using Instagram as a tool.

Mr. Brackley said the process seems fine, but he needs more explanation of what we are trying to achieve – what is the goal.

Ms. Noble said we are trying to make Santa Fe a more attractive place to younger professionals and showcase what makes it that way. As an add on, we will look at better ways to engage them and have them stay in Santa Fe. She said they will work with local business partners and others.

Mr. Brackley asked her to define local business partners – what is the criteria.

Ms. Noble said there are a few criteria, such as in-kind contribution, rooms and that kind of thing.

Mr. Brackley said then you are assuming the hotels will respond.

Ms. Noble said we are looking for active partners.

Ms. Noble introduced Adam Chaney, 12 FPS Social Media and asked if he has comments for the Sub-Committee.

Mr. Chaney said 12FPS is a creative agency with an office in San Francisco, noting it now has an office in Santa Fe. He said 12 FPS was established with the goal of attracting young visitors and modified economic development. He said they executed a similar campaign for Ski Santa Fe. He said businesses gladly made in-kind contributions and in return received exposure to the public.

Mr. Brackley said the intention of Ski Santa Fe was to bring more skiers to Santa Fe and to increase stays at local hotels.

Mr. Chaney said this is correct. He said Ski Santa Fe is a brand, noting they did not use a "fine toothed comb" in looking for business participation. He said they are throwing a wide net, to bring in photographers from the outside, using unique components to weave in the local talent with local businesses, establishing business partners and bringing in Instagramers.

Mr. Brackley asked what kinds of benefit there is to local businesses.

Mr. Chaney said it benefits the arts sector, photographers, artists, hotels and spas, restaurants, coffee shops, bike stores, breweries and the night life of Santa Fe.

Mr. Brackley said we just had the Bike and Brew, and it was very successful.

Mr. Roybal asked if all of this will be done through social media or another media.

Mr. Chaney said social media is how the campaign is shared outwardly. He said 12FPS Social Media also will be doing one on one consultation with people.

Mr. Roybal asked how they can help local business to do this and have awareness.

Ms. Noble said we already have been talking about how to do a straight forward press push through traditional media, print and broadcast.

Mr. Roybal asked for the results of the Ski Santa Fe campaign.

Mr. Chaney said there were three Instagram individuals with 45 photos between. She said during two months, they garnered 250,000 active likes and over 4,000 comments. He said 12 FPS has been contacted by Ski Santa Fe to do a complete overhaul on their marketing campaign.

Mr. Roybal said he still has a hard time seeing the benefit to business, commenting that seems to be more beneficial for tourism.

Zack Quintero said one of the components is national awareness. They will want to travel to Santa Fe and New Mexico.

Mr. Brackley said it is good visibility for Santa Fe.

Mr. Chaney said this has an indirect business benefit.

Mr. Roybal asked Ms. Noble if she sees this as an economic development effort.

Ms. Noble said staff has been asked to look more at a broad spectrum of programs, commenting this one is geared more toward the tourism end, reiterating that the proposal was much more solid on the economic development than the others. She said the development of talent is a piece that is more economic development. She said, if we get some cross-pollination from Instagramers who have large amounts of followers, we can benefit from a spike in visibility and translate that to wages being paid.

Mr. Brackley asked Mr. Taggart his feeling on this proposal.

Mr. Taggart said the overall economic benefit is that this campaign will be built around attracting young professionals to work here.

Mr. Chaney said it will get them to stay here as well.

Mr. Taggart asked if they are producing videos, and Mr. Chaney said yes.

Mr. Taggart asked about recruiting.

Ms. Noble said staff will work to interface with the City social media.

Mr. Taggart said he thinks it makes sense, but feels the effectiveness will have to be tested. He said the challenge is finding and attracting talent.

Mr. Brackley asked Ms. Castro for her comments.

Ms. Castro said she thinks for the amount of money it is a no brainier and it is worthwhile.

Ms. Noble said this is a conversation for all of us to consider. She said we all know that young, talented people aren't place based, and can do their work from anywhere. She said staff will grapple with getting the metrics, tangible numbers in terms of how to measure the effectiveness of recruiting in Santa Fe. She said, in the end, the overall goal is attracting and keeping talented professionals and how to demonstrate that success.

Ms. Keith asked how this is structured with Instagram.

Mr. Chaney said it is a platform they will leverage, noting they are not working directly with Instagram, the corporation.

Ms. Keith said we need something we can use to explain to the taxpayers the reasons we should be investing our tax dollars in this program.

Ms. Noble said it is two-fold: To attract and develop mechanisms for talent to get paid. She said we are asking for wages as a metric. A distant third is the telling of a lifestyle story to attract talent.

Mr. Brackley said this seems like a pilot project. He said we need to be aware of ways to measure the success and to be skeptical. He said this Sub-committee would like a written report after the project. He said he thinks working with the Convention and Visitors Bureau in this regard would be good.

MOTION: Buddy Roybal moved, seconded by Kathy Keith, to approve this request.

VOTE: The motion was approved unanimously on a voice vote.

C. REQUEST TO APPROVE WORKFORCE DEVELOPMENT PROFESSIONAL SERVICES AGREEMENT; YOUTHWORKS (RFP# 13/12/p) (Kate Noble)

Ms. Noble presented information from her Memorandum of June 4, 2014, with attachments, to the Finance Committee, CBQL and EDRC Sub-Committee Members. Please see this Memorandum for specifics of this presentation.

Ms. Noble said the program has a new Director and is doing well.

Mr. Roybal asked if it has a relationship with the Community College.

Ms. Noble said most of the kids are enrolled there in GED and certificate programs.

Mr. Roybal asked if we have a list of the businesses with whom they work.

Ms. Noble said yes, and she will get that list to him.

Mr. Brackley asked Ms. Noble to characterize those businesses.

Ms. Noble said they are "all over the place." She said they are very successful businesses, including auto mechanics, the Forest Service, the City Fire Department and the Department of Game and Fish.

Mr. Brackley asked how many were placed.

Ms. Noble said this year they placed 45 to 50.

Mr. Brackley asked, regarding the entrepreneurial development piece, how many of these are new businesses.

Ms. Noble said they were allocated for 12 in the program, and they did 24.

Mr. Roybal said he started this program many years ago, commenting that it is a very humble program.

Ms. Noble said this program is very responsive.

Mr. Brackley said a couple years ago some participants were out in the community telling their stories, and they were very compelling.

MOTION: Julia Castro moved, seconded by Kathy Keith, to approve the request.

VOTE: The motion was approved unanimously on a voice vote.

Ms. Noble said this request will go to the City Council for approval.

Mr. Roybal commented that the City Council can over-ride this Sub-Committee, and these basically are basically recommendations to the City Council.

Ms. Noble said that is correct, noting it also will go to the City Business & Quality of Life Committee.

V. INFORMATIONAL ITEMS

Mr. Brackley handed out a flyer on the 2014 Red Carpet Business Awards Gala and invited everyone to attend.

VI. ITEMS FROM THE COMMITTEE

There were no items from the Committee.

VII. ITEMS FROM STAFF

There were no items from staff.

VIII. NEXT MEETING DATE

Ms. Noble said the next meeting date likely will be in July for approval of the SFBI Special Services Contract.

Mr. Roybal asked if it would be possible if the Sub-committee could get the packet ahead of time.

Ms. Noble said yes.

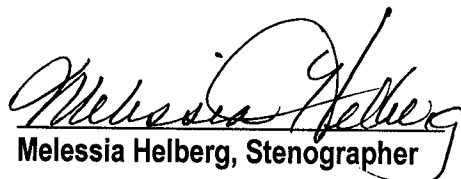
Mr. Brackley commented that the sooner they can provide notice of the meeting and the packet prior to the meeting, the better.

IX. ADJOURN

There was no further business to come before the membership, and the meeting was adjourned at approximately 4:20 p.m.



Simon Brackley, Chair



Melessia Helberg, Stenographer