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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014-89

INTRODUCED BY:

- Mayor Javier M. Gonzales
- Councilor Peter Ives
- Councilor Joseph Maestas
- Councilor Patti Bushee

A RESOLUTION

DIRECTING STAFF TO ANALYZE THE POTENTIAL OPPORTUNITIES OF ESTABLISHING PUBLIC BANKING FUNCTIONS FOR THE CITY OF SANTA FE AND PROJECTING WHETHER A PUBLIC BANK WOULD PROVIDE A LONG TERM BENEFIT FOR LOCAL BUSINESSES AND RESIDENTS.

WHEREAS, the Governing Body recognizes the need for local funding solutions that reinvest public funds in the local community; and

WHEREAS, public banking is banking operated in the public interest, through institutions owned by the people through their representative governments; and

WHEREAS, public banks are able to return profits to the community and can provide low-cost financing for public infrastructure, or low cost loans for businesses; and

WHEREAS, the mission of public banking is to provide financing for the public good and to assure the long-term prosperity of the community; and

WHEREAS, an example of how public banking could be utilized for future projects occurred in 2011 when the Governing Body authorized the City to enter into an agreement for a local company

1 to construct, own and operate a photovoltaic (PV) system at the Santa Fe Community Convention
2 Center; and

3 **WHEREAS**, the benefit to the City, of entering into the agreement, is that the net cost of
4 electricity for the Santa Fe Community Convention Center is at a fixed price for years one (1) through
5 fifteen (15) of the agreement, and that a loan from Convention Center reserves allowed the City of
6 Santa Fe to earn interest on the loan, and realize savings through renewable energy, plus supporting
7 the creation of local jobs and the growth of a local company, thus demonstrating the multiple
8 potential benefits of public financing; and

9 **WHEREAS**, a public banking system could also benefit the residents of Santa Fe by offering
10 or guaranteeing low interest loans in support of City policies; and

11 **WHEREAS**, the City of Santa Fe has numerous potential projects for community investment
12 including more than 200 million dollars in deferred maintenance for city roads and facilities, as well
13 as infrastructure to support Tierra Contenta and areas annexed into the city, plus green energy, public
14 transit and economic development projects; and

15 **WHEREAS**, a recent symposium conducted in Santa Fe brought national experts to discuss
16 various forms of public banking, to share experiences regarding public banking in Pennsylvania,
17 Vermont and North Dakota; and

18 **WHEREAS**, the Economic Development Division is pursuing a Request for Qualifications
19 (RFQ) for specialized expertise to assist in determining the feasibility and potential functions of
20 public banking; and

21 **WHEREAS**, the Governing Body recognizes that public banking can empower small
22 businesses, homeowners, city and state governments, and community banks to prosper and thrive; and

23 **WHEREAS**, the Governing Body recognizes the vital importance to the community of
24 access to financing on reasonable terms and further recognizes that the City of Santa Fe is tasked with
25 holding and protecting the fundamental interest of the public as well as the financial wellbeing of the

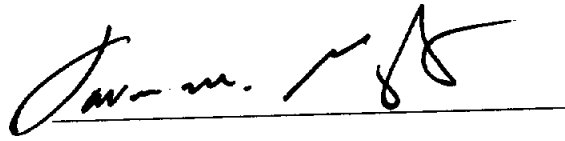
1 City.

2 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
3 **CITY OF SANTA FE** that staff is directed to analyze public banking functions as a method for
4 leveraging longer term City goals through facilitating access to capital. This capital might be used to
5 support business development, build robust infrastructure, enhance affordable housing, increase
6 public transit and achieve water and energy conservation and other City goals. This analysis should
7 provide options for the Governing Body to prioritize public banking activities and select a clear
8 purpose for potential activities. Such analysis should take into account the financial and population
9 demographics of the City of Santa Fe and include measurable factors of city banking like debt
10 servicing costs, profits returned to the City, municipal and other tax revenue, and other key areas of
11 economic concern.

12 **BE IT FURTHER RESOLVED** that within ninety (90) days of adoption of this resolution,
13 staff is directed to develop a phased plan with options for potential uses of public banking functions
14 for the City of Santa Fe. Staff shall report their findings, including any independent analyses by
15 specialized experts, to the Governing Body. Such findings shall provide a basis for establishing
16 functional public banking priorities and include, at a minimum:

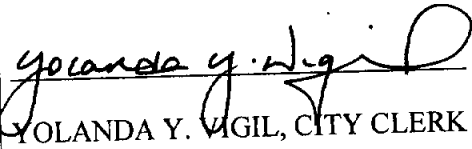
- 17 1. Options and recommendations for initial public banking functions and assets to be
18 leveraged.
- 19 2. Analysis of the process, feasibility and relevant factors for establishing a public bank,
20 including associated costs, cash flow management requirements, long-term risks and
21 potential community impacts.
- 22 3. Recommendations for partnerships with community banks and ways to leverage their
23 expertise and existing functions.
- 24 4. Any additional options and practices for achieving the goals of public banking and
25 optimizing public fiscal management.

1 PASSED, APPROVED, and ADOPTED this 29th day of October, 2014.

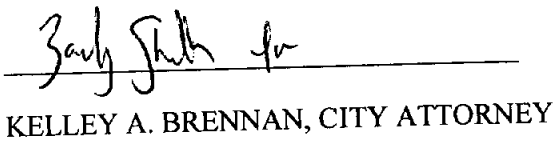
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4 JAVIER M. GONZALES, MAYOR

5 ATTEST:

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8 YOLANDA Y. VIGIL, CITY CLERK

9 APPROVED AS TO FORM:

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12 KELLEY A. BRENNAN, CITY ATTORNEY