



Agenda

CITY CLERK'S OFFICE

DATE 2/4/15 TIME 4:08pm

PREPARED BY Fabian Trujillo

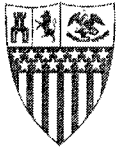
REVIEWED BY Alicia Hartley

CITY BUSINESS & QUALITY OF LIFE COMMITTEE

Market Station at the Railyard
500 Market Station, Suite 200

Round House Conference Room
Wednesday, February 11, 2015
11:00 am – 1:00 pm

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes – January 28, 2015
 - C. Approval of Agenda
 - D. Approval of Consent Agenda
- II. CONSENT AGENDA (None)
- III. ACTION ITEMS
 - A. Request for approval of a Resolution Directing Staff to Implement the Next Phase of Developing the Santa Fe “Arts + Creativity Center” which is intended to provide affordable live, work, creation, performance and retail space for artists and creative businesses in Santa Fe. (Councilor Rivera) (Alexandra Ladd)
 - B. Request for approval of Bike and Brew Event Plan - (Sandy Brice and Chris Goblet)
- IV. PUBLIC HEARING (None)
- V. INFORMATIONAL ITEMS
 - A. City of Santa Fe Budget Update – Oscar Rodriguez, Director of Finance
 - B. Economic Development Young Professionals Program Update – Zack Quintero
 - C. Economic Development Strategic Planning Update – Kate Noble
- VI. UNFINISHED BUSINESS (None)
- VII. ITEMS FROM THE PUBLIC



Agenda

VIII. ITEMS FROM THE COMMITTEE

- A. SF Global Trade Initiative Work Group Update (Mayor Pro Tem Ives)
- B. Friends of the Plaza Work Group Update (Buddy Roybal)
- C. Business Regulation Work Group Update (Piper Kapin/Zach Quintero)

IX. ITEMS FROM STAFF

X. ITEMS FROM THE CHAIR

XI. NEXT MEETING DATE – **March 11, 2015**

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CITY OF SANTA FE
BUSINESS & QUALITY OF LIFE COMMITTEE**

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CITY OF SANTA FE
BUSINESS & QUALITY OF LIFE COMMITTEE
WEDNESDAY, FEBRUARY 11, 2015

I. PROCEDURES

CALL TO ORDER

A regular meeting of the City of Santa Fe Business and Quality of Life Committee was called to order by Councilor Ives, Vice Chair on the above date at approximately 11:00 a.m. at 500 Market Station, Railyard, Suite 200, Round House Conference Room, City of Santa Fe, New Mexico.

A. Roll Call

Roll call indicated a lack of quorum, but quorum was established later as follows:

Members Present:

Councilor Signe Lindell, Chair (arrived later)
Councilor Peter Ives, Vice Chair
Dr. Almi Abeyta (arrived later)
Brad Furry (arrived later)
Diane Karp
Piper Kapin
Kim Kelly
Tony Ortiz (arrived later)
Bill Sisneros
Damian Taggart (arrived later)

Members Absent:

Miles Dylan Conway (excused)
Buddy Roybal (excused)

Staff Present

Kate Noble
Fabian Trujillo
Ross Chaney
Zach Quintero
Lucia Moran

Others Present

Simon Brackley, President of Santa Fe Chamber of Commerce
Oscar Rodriguez, Finance Director
Sandra Brice, Director of Events, Santa Fe Railyard Community Corporation (SFRCC)
Richard Czoski, Executive Director, SFRCC
Chris Goblet, BTI/Bike and Brew
Charmaine Clair, Stenographer

Vice Chair Ives opened the meeting with Informational Items while waiting for quorum.

V. INFORMATIONAL ITEMS – (Revised Agenda Order)

B. Economic Development Young Professionals Program Update – Zack Quintero

Mr. Quintero said the program was designed to target recent college graduates in the hope that those from Santa Fe would come back to look for a job. He said the program has been expanded to include all New Mexico college graduates and those who lived in New Mexico and went to college out of state. The idea is to help graduates find internships, boost the private sector and at the same time bring well needed talent to the public sector. He said he would like positions to be in place when applications are received after graduation in mid May.

Mr. Furry and Mr. Taggart entered the meeting at this time.

Mr. Quintero said he started in City Hall as the first intern and he and Ms. Moran are now full time. He said now with Public Works in the program they have surpassed the 15 positions from last summer. The most difficult was finding a spot in the art galleries for the Santa Fe University Art and Design students and art majors.

The members asked about inquiries to the culinary certificate program, the Chamber of Commerce and the Santa Fe Gallery and Canyon Road Gallery Associations.

Mr. Quintero liked the culinary idea and said he would reach out to the community college. Mr. Brackley added that the Chamber of Commerce has been working with Mr. Quintero. The Chamber plans to roll out an announcement about the program to members soon and how they can get involved.

Ms. Brice with the Santa Fe Railyard Community Corporation (SFRCC) said the cinema has started to interview this week. She offered Mr. Quintero the contact information. Mr. Sisneros asked Mr. Quintero to contact him, because people in his sector could be a good way to get information out.

Councilor Ives said Mr. Quintero and Ms. Moran are examples of what can be done with the program. He said he was asked the question when speaking to the Northern New Mexico Human Resources Association: *what is Santa Fe doing to grow the young professional segment of the economy*. He said the issue is on everyone's mind.

Mr. Quintero thanked Councilor Ives for the opportunity. He said the State of New Mexico lost its population percentage this year and a factor was that college graduates were looking for jobs outside of the state.

Mr. Sisneros asked about funding and the program structure to accommodate long term efforts.

Mr. Quintero explained the program focus is on this summer. He said he would like an annual program if successful and to cast a wider net and partner with private enterprise or something in-house.

Ms. Noble explained the businesses pay. The only budget for the city is for Mr. Quintero's time.

Dr. Abeyta entered the meeting at this time.

Councilor Ives asked Mr. Quintero how many graduates he will look for.

Mr. Quintero replied his hope is for one hundred, but that will be difficult. He said people his age are looking for a night past 11 o'clock and part of the challenge is to find a place and afford the rent.

Mr. Quintero said he and Ms. Noble hope to work with Santa Fe University Art and Design and possibly St. John's to find a dorm situation.

Ms. Noble said the program will face scale up issues and possibly problems with quitting, mismatches etc. She has cleared a pledge for young people to sign with Legal: be professional, show up on time, etc. She said as the numbers grow there may be unforeseen issues.

Mr. Quintero said also there is a lot of interest from the public sector in the budget season, but only a finite amount of space for each office and he will have to work that out.

Having established quorum Councilor Ives returned to the agenda order.

B. Approval of Minutes- January 28, 2015

The spelling of Simon Brackley under *Others Present* was corrected.

Mr. Furry moved to approve the minutes of January 28, 2015 as amended. Mr. Taggart seconded the motion which passed unanimously by voice vote.

C. Approval of Agenda

Agenda item 3 (a) Resolution on the Arts and Creativity Center is postponed until the next meeting.

Mr. Furry moved to approve the agenda as amended. Ms. Karp seconded the motion and the motion passed unanimously by voice vote.

D. Approval of Consent Agenda-There was none

II. CONSENT AGENDA – There was none

III. ACTION (Revised Agenda Order) - Postponed

- A. Request for approval of a Resolution Directing Staff to Implement the Next Phase of Developing the Santa Fe "Arts + Creativity Center" which is intended to provide affordable live, work, creation, performance and retail space for artists and creative businesses in Santa Fe. (Councilor Rivera) (Alexandra Ladd)

Councilor Ives changed the agenda order to hear Item V. (A) by acclamation.

V. INFORMATIONAL ITEMS (Revised Agenda Order)

- A. City of Santa Fe Budget Update – Oscar Rodriguez, Director of Finance

Mr. Rodriguez introduced himself as the new Finance Director. He said he has worked as a city manager by career training about 25 years and this is his second stint as a finance director.

Mr. Rodriguez said he will speak to the question people have been asking: *why, if the recession is over and the GRT (Gross Receipts Tax) is up, does Santa Fe have no money.*

Mr. Rodriguez said a new element is being introduced with the Budget Process Kick Off to the city budget process. Staff will assess the status of finances and discuss that with policymakers prior to

proposals and a budget will then be developed. That will provide an opportunity for Council to make changes and everyone will be aware of how the budget will go forward.

A summary of Mr. Rodriguez's presentation follows:

- The state has 35k-40k (thousand) fewer jobs after the recession and since 2010, has been restructuring.
- The current year GRT is down about \$10 million and for the last six or seven years Santa Fe has been operating with \$10 million less every year.

Councilor Ives said the city spent down their saved funds and interest earnings are down as a compounding result.

Chair Lindell entered the meeting at this time.

- The diversification index was shown, the biggest being retail.
- The GRT went down even though Santa Fe grew from \$72k-\$80K; because the sales tax in retail activity changed not just in what is offered, but the way that people purchase items. In the last eight years a major restructure of the economy occurred because of internet purchases.
- Many larger retailers with an online presence have a third party vendor that does not have a presence in New Mexico and do not pay GRT. There has also been a demographic shift: an aging population is consuming less and the younger generation is consuming less than their previous generation. New generation purchases have more trade, less credit card use and more purchases of used items from online sites such as Craigslist, eBay, etc. The trend is most likely permanent.

Ms. Kelly said the baseline used was when spending was out of control. She asked what the baseline was prior to the excess spending.

Mr. Rodriguez replied he used 2008 as a benchmark, because going back further was not comparable; the GRT was very different. He said food and medicine had been removed from the GRT trade.

Ms. Karp asked if the drop of the GRT was typical for a city of Santa Fe's size.

Mr. Rodriguez said New Mexico is different than surrounding states. New Mexico depends more on sales tax and Northern New Mexico depends more on sales tax than Southern New Mexico. Taos has 91% of their revenue from sales tax and Santa Fe's is 75% from sales tax.

Mr. Sisneros said he is curious about the implications of the food tax and how that plays into the analysis.

Mr. Rodriguez explained that the legislature passed a law to exempt food and medicine from GRT, but later acknowledged that was a mistake. They fixed the mistake by starting a fund called "hold harmless", which was not sustainable. The "hold harmless" payments to municipalities were phased out and Santa Fe will lose about 10.9 million dollars.

Mr. Rodriguez said the city has survived by deferring maintenance and reducing positions from 1800

down to 1500 and cutting expenditures. The city budget passed this year with a \$2.1 million deficit and was balanced with one time money from the Reserves. The city also used a onetime revenue source to give raises and start a new program. The CIP (Capital Improvement Program) was tapped and with revenues down, instead of laying off hundreds of people, the city moved those people into CIP to do construction projects to keep them employed.

Mr. Rodriguez said he has strongly recommended to City Council that they cannot keep doing these things and to accept the new reality and make long term decisions.

Ms. Noble explained the Committee was hearing the presentation because as the "arms into the community" it would be helpful for them to understand.

Mr. Rodriguez reviewed the balance sheet. He said the city's credit profile is weaker and there is a heavy dependence on GRT and the prospect for the future economy is not strong. Santa Fe does not compare well with other cities in the credit rating criteria.

Ms. Kelly said some expenditures have a pay back and that type of expenditure should be prioritized over the onetime loss.

Mr. Rodriguez agreed. He said he recommends priorities that will grow and most cities do that by investing in things to make them more efficient, such as improving infrastructure or equipment, etc. He said there is still time to do the things to get the city out of the hole, but the city has to do them.

Mr. Rodriguez said his contact information is on the city website if there are questions.

Chair Lindell thanked Mr. Rodriguez. She said this is sobering and is not *business as usual* anymore. The Governing Body will be faced with hard decisions unlike what they have had in the past.

Ms. Noble explained that Economic Development wants the Committee to look at the next project to move economic development forward. She said Mr. Goblet will present "a best case scenario, wish list" and the Committee is asked to consider and recommend mechanisms that can support the project.

III. ACTION ITEMS (Revised Agenda Order)

B. Request for approval of Bike and Brew Event Plan - (Sandy Brice and Chris Goblet)

Mr. Goblet said he oversees the craft beer industry in New Mexico, one of the fastest growing manufacturing industries in the state. He also works for BTI (Bicycle Technologies International) and together they developed this plan for a signature festival for Santa Fe. The festival combines outdoor recreation with a focus on cycling and at the end of day, a reward of craft beer and the unique lifestyle offered by Santa Fe.

He said the original model was presented to *Outside Magazine* and was seen as a great opportunity to leverage their national platform for marketing. The former Cabinet Secretary of Tourism also saw an opportunity for the event to receive funding from the state and the Santa Fe Convention and Visitors Bureau saw this as an investment project.

Mr. Goblet said a three year pilot project was negotiated with the partners to launch in Santa Fe. They

want to see if Bike and Brew can become a destination event and a branding campaign and diversify Santa Fe's brand image.

Mr. Goblet explained the partnership commitments:

- *Outside Magazine* has committed to advertising for three years pro bono: \$300k-\$400k in print ads in the magazine and digital media and their television station that airs nationwide.
- The OTAB (Occupancy Tax Advisory Board) made a three-year commitment of \$30k to purchase out of state advertising; which can be renewed each year.
- The State of New Mexico put \$20k cash toward operations and advertising and offered an option to double the amount if a compelling national music act is found as a draw for the event.
- The Santa Fe City and County Economic Development contributed about \$5k each.
- Mr. Goblet will do fund raising and companies nationwide will be asked to put their product in *Outside Magazine* in support of the event. The budget total for last year was \$120,000 and the goal this year is \$150-175k with a long term goal in the mid \$200k.

Mr. Goblet said beer festivals are his core job and there are tap rooms similar to the pub culture of Europe. The organizers are working to build their brand and garner national attention for their craft brewers. He has been doing signature events in New Mexico about 10 years and started with Ski Santa Fe. He said having a home base for an event is good for building a long-term, long-lasting event. People find it easy to understand from year-to-year where to go and how to get there and the event organizer has a consistent location to build into and expand.

He said about a dozen organizers work on the Bike and Brew event. The board is under the age of 40 and comes up with creative concepts that are different, but blend the best of every other beer festival and bike week in the country.

Mr. Goblet said last year the Festival was in the Farmers Market Building under their vendor stalls and on the main plaza. He said over 5,000 people came and that made them think there is a desire for the Railyard to have a signature event. The Railyard as a transportation hub has a train for people to get to the community and bicycle infrastructure and there are symbiotic businesses like REI and the cinema and a music chamber festival in El Museo Cultural.

Mr. Goblet said the hope is to build into the Railyard Park with a goal of 16,000 people attending. He said anchoring the Bike and Brew event in the Railyard long term would be a great way for the festival, local residents and tourism to come together in May.

He said hurdles to the festival are this is a *beer* festival. The organizers do not want to invite people to Santa Fe without the infrastructure; last year the festival maxed out the number of people at the Farmers Market facility with 1700 people inside and out. The Bike and Brew was also in three different locations with different events on different days. They would like to avoid that.

Mr. Goblet said he is asking for help and a variance [to the ordinance]. He is technically not allowed to put a beer garden in the Railyard Park. He said from the consumers' perspective they could get a beer in the beer garden located in the Farmers Market Building; the main stage was in another location down the street and the food trucks were in front of REI. People had to consume their beer in the enclosed environment of the beer garden and could not take their beer to the other venues. The organizers would like a way to legally cluster these and have the beer, music and food in a tighter

space and not have to sequester their national sponsors from the action.

Ms. Brice, the Santa Fe Railyard Community Corporation Director of Events said the SFRCC loves this event. She said the event is perfect for the Railyard and the spine of the Park is the hike and bike trail. The Railyard is a multimodal center and next year a tunnel under St. Francis will connect the Railyard as the head of the trail system. She said they can be part of something that can have significant impact on tourism and economic development and the festival is attractive to the younger demographic and the outdoor industry.

She said except for the new request regarding the beer garden in the Railyard Park, there is no discussion. She provided background on the nonprofit SFRCC (Santa Fe Railyard Community Corporation). She explained that all events permitted by the Railyard follow the same regulations: the fees, fire marshal regulations, street closures, etc. The city ordinance specifically does not allow a waiver for alcohol to be served on city property. The Farmers Market (a private space) rented the building to Mr. Goblet last year for the event.

Mr. Czoski, Executive Director of the Corporation explained there had been exceptions to the city ordinance when passed by City Council: Burro Alley, the Convention Center, the Railyard lease parcels (the Farmers Market, El Museo, etc.).

Ms. Brice added that alcohol in a city park has always been illegal, however three events prior to the ordinance obtained waivers approved by City Council. She explained that in 2010 there was an amendment to the process and you can no longer get a waiver.

Mr. Czoski said one other exception to the ordinance was an amendment so beer could be served at Fort Marcy for the Fuego [baseball team]. He said it was a very political process and the amendment to the ordinance was very specific to Fuego.

Ms. Brice said the Bike and Brew request is precedent setting. She said SFRCC appreciates the event and what it could mean to Santa Fe.

Mr. Furry confirmed that Ms. Brice referred to an amendment only for Bike and Brew.

Ms. Noble said she has brainstormed with Ms. Brice and talked with the city attorney's office. She said this is a good problem to have that the event was so successful that the festival has outgrown the Farmers Market space. Ms. Noble said Economic Development sees interest from *Outside Magazine* and there are national sponsors who are really engaged.

She said she wanted the Committee to hear the discussion. She asked the Committee to consider if this is palpable and if there are other options and provide direction to staff whether they should look at an amendment to the ordinance.

Mr. Ortiz suggested a waiver for this year for Bike and Brew with a long-term strategy to amend the no-waiver clause and include criteria.

The Committee members discussed the process and a waiver versus amending the ordinance.

Chair Lindell said the cinema business plan was to have a beer and wine license and the process was drawn out well into the evening. She said these are charged issues. She said for this to happen between now and May 15 it would need to be turbo-charged and have a tremendous amount of community involvement and let the governing body know the wishes of the community.

Ms. Karp said she was more hopeful for this because it is slightly different than the beer and wine license at the cinema.

Chair Lindell agreed revisiting the ordinance to reenact some type of waiver process as Mr. Ortiz mentioned, is logical. She offered to work with Legal to bring the issue forward.

Ms. Brice said the SFRRC does not oppose an amendment in the profile of the Fuego's that is narrowly defined, subject to knowing details of the request: security, the number of drinks, etc. and having a full public process.

Mr. Sisneros said this event is very positive for the Santa Fe. He said he worked years ago on the Red Zinger Classic and over the last 30 years the event has had significant economic impact.

Ms. Noble said there are two actions: the recommendation outlined by the Chair would work on the ordinance that prohibits waivers. She said possibly they might also need to develop criteria aligning with economic development purposes. She said the Committee should understand if they pursue this that they will need to support the work as economic development oversight and as advocates in the community.

Mr. Furry asked Chair Lindell if there are councilors who might sponsor a bill such as this.

Chair Lindell said she would and there might be 3 or 4 others willing. She said the work of individuals and her work will be to communicate this prior to the introduction at City Council.

Ms. Noble said specific language will have to be drafted and introduced in February and the Request to Publish could go to City Council on February 25. She said the ordinance process needs 30 days and the soonest the ordinance could be approved is 30 days later on March 25, 2015.

Mr. Goblet said he said he will be at the legislature today and is willing to put in the time and energy. He said he has committed to making the event something the community can rally around; something new and vibrant for the community and a diversification from the art, cultural and culinary aspect.

He said there are over 70 cycling-related events: professional riders will do women's clinics; there are bicycle films and an Olympic silver medalist; the only African American cyclist to win a medal. There will be new trail at La Tierra and a bike poker run. He is working to incorporate a week's worth of programs into Bike and Brew for Bike to Work Week and there is a family community day at CCA and bicycle jump event at the trash pit, and etc.

Mr. Goblet said safety is key. The celebrations take place in the evenings from four until 10 and all of the cycling is during the day, Wednesday through Sunday this year.

Mr. Sisneros moved that the Committee approve proceeding with an amendment to the ordinance. Ms. Kelly seconded the motion.

The Committee discussed the amendment.

Mr. Furry wanted to be sure there is a broader amendment to the ordinance that offers a pathway to a waiver that is not only for Bike and Brew.

Chair Lindell said being more specific for an amendment for Bike and Brew has a higher potential to be passed.

Mr. Sisneros wanted the motion to be broad and examine alternatives and after a discussion with the city attorney, to establish a schedule to look at what needs to be pursued to make this happen.

The first motion died for lack of a vote.

Mr. Ortiz moved that the Committee recommend the examination of options to permit the Bike and Brew event to occur by amendment and to additionally review options for creating a pathway to a waiver for other events of this kind in the future. Mr. Furry seconded the motion and the motion passed by unanimous voice vote.

Chair Lindell offered to work with Ms. Noble on the amendment. She said the Committee should see that communication on this is imperative and the issue is extremely timely. She asked members to personally contact their representatives on the Governing Body and friends in the community and to also ask them to do the same.

She thanked Mr. Goblet for not only his presentation, but for bringing the event to Santa Fe.

Mr. Goblet said he is here to support the Committee's efforts in any way possible and he knew the cycling community would stand behind the Committee moving forward.

V. INFORMATIONAL ITEMS (Revised Agenda Order)

C. Economic Development Strategic Planning Update – Kate Noble

Ms. Noble indicated she had handouts if anyone wants one before the next meeting.

VI. PUBLIC HEARING- There was none

VI. UNFINISHED BUSINESS- There was none

VII. ITEMS FROM THE PUBLIC – There were none

VIII. ITEMS FROM THE COMMITTEE

A. SF Global Trade Initiative Work Group Update (Mayor Pro Tem Ives)- Not Discussed

B. Friends of the Plaza Work Group Update (Buddy Roybal)- Not Discussed

C. Business Regulation Work Group Update (Piper Kapin/Zach Quintero)

Ms. Kapin said the group met with SunGard the software provider to gather information on possibilities; their limitations; cost, etc. She said people from IT and Land Use were present and the Work Group received input on what was needed and in what order. She said there will be another meeting on the 24th and she will have a more cohesive report next month.

Chair Lindell pointed out that the Mayor, in his State of the City Address, acknowledged Damian Taggart. She said the Mayor also clearly charged the Committee to find a way to make business licensing easier and to complete the process.

She thanked the members for acknowledging Mr. Rodriguez's information as something they need to digest and that this is not business as usual.

Ms. Kelly said she asked Mr. Rodriguez the percentage of loss through online sales of those who do not support local businesses and was told it is \$7 million out of the total \$10 million lost.

Ms. Noble said one principle proposed for discussion is enhancing local spending and the multiplying effect. She said business regulation work will engage IT and that will need to be integrated and prioritized with the work.

IX. ITEMS FROM STAFF

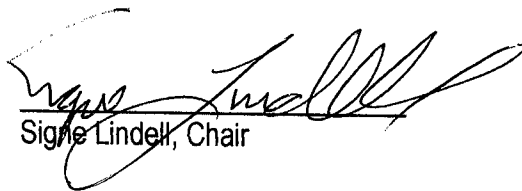
Ms. Karp said Bike and Brew is brilliant and she loves the idea; but the festival is three months out and the Committee has been handed a crisis. She asked how, if the organization did the event last year, they waited until now to create the crisis. She said that makes the transition so much more complicated and she would like to avoid that in the future.

X. ITEMS FROM THE CHAIR - There was none

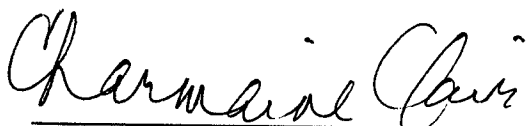
XI. NEXT MEETING DATE- March 11, 2015

Having no further business to discuss the meeting adjourned at 1:00 p.m.

Approved by:


Signe Lindell, Chair

Submitted by:


Charmaine Clair, Stenographer