



Agenda

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DATE 5.2.17 TIME 4:48pm

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CITY BUSINESS & QUALITY OF LIFE COMMITTEE

Market Station at the Railyard
500 Market Station, Suite 200

Friday, May 12, 2017
3:00 PM – 5:00 PM

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes –
 1. April 12, 2017
 - C. Approval of Agenda
 - D. Approval of Consent Agenda
- II. INFORMATIONAL ITEMS (None)
- III. CONSENT AGENDA (None)
- IV. ACTION ITEMS
 - A. Request for approval of an ordinance relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; approving and adopting a local economic development project participation agreement between the City of Santa Fe and Second Street Brewery, Inc. for expansion of a new manufacturing facility, a local economic development project. (Councilors Harris and Trujillo)(Fabian Trujillo)
- V. ITEMS FROM THE COMMITTEE
- VI. ITEMS FROM STAFF
- VII. ITEMS FROM THE CHAIR
- VIII. ITEMS FROM THE PUBLIC
- IX. NEXT MEETING DATE – **June 8, 2017**

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

Friday, May 12, 2017

ITEM	ACTION	PAGE
I. PROCEDURES		
A. Roll Call	Quorum	1
B. Approval of Minutes		
1. April 12, 2017	Approved	1
C. Approval of Agenda	Approved	1-2
D. Approval of Consent Agenda	None	2
II. INFORMATIONAL ITEMS	None	2
III. CONSENT AGENDA	None	2
IV. ACTION ITEMS		
A. Review/approval of agreement between Second Street Brewery & City of Santa Fe for Economic Development Project	Approved	2-4
V. ITEMS FROM COMMITTEE	Discussed	4
VI. ITEMS FROM THE STAFF	None	4
VII. ITEMS FROM THE CHAIR	Discussed	5
VIII. ITEMS FROM THE PUBLIC	None	5
IX. NEXT MEETNG DATE	June 14, 2017 Adjourned at 3:43 p.m.	5

CITY OF SANTA FE

BUSINESS & QUALITY OF LIFE COMMITTEE

Friday, May 12, 2017

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 Michael Harris, Vice Chair on the above date at approximately 3:03 p.m. at Market Station at the Railyard, Suite 200, Santa Fe, New Mexico.

A. Roll Call

Roll call indicated a quorum as follows:

Members Present:

Councilor Signe Lindell, chair
Councilor Michael Harris, vice chair
Dr. Camilla Bustamante
Miles Dylan Conway
Holly Bradshaw-Eakes
Kim Kelly
Kate Kennedy

Members Absent:

Chandler Moore [Excused]

Four vacancies

Staff Present

Fabian Trujillo, Economic Development Division Director
Renee Martinez, Deputy City Manager

Others Present

Ryan Eustace, State Economic Development Department
Rod Tweet, Second Street Brewery
Carl Boaz, Recorder for Charmaine Clair, Stenographer

B. APPROVAL OF MINUTES- April 12, 2017

Councilor Lindell moved to approve the minutes as presented. Mr. Conway seconded the motion. The motion was passed by consensus.

C. APPROVAL OF AGENDA

Ms. Kennedy moved to approve the agenda as published. Ms. Bradshaw-Eakes seconded the

motion and it passed by unanimous voice vote.

D. APPROVAL OF CONSENT AGENDA- None

II. INFORMATIONAL ITEMS – None

III. CONSENT AGENDA –None

IV. ACTION ITEMS

- A. Request for approval of an ordinance relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; approving and adopting a local economic development project participation agreement between the City of Santa Fe and Second Street Brewery, Inc., for the expansion of a new manufacturing facility, a local economic development project (Councilors Harris and Trujillo) (Fabian Trujillo)

This item has been approved by the Economic Development Review Committee (EDRC). City Council approved the Request to Publish on Monday, May 22 and the ordinance is on the agenda for the Finance Committee and will go before the Governing Body on May 31, 2017.

Mr. Trujillo introduced Mr. Rod Tweet from the Second Street Brewery and Mr. Ryan Eustace from the State Economic Development Department.

Mr. Trujillo provided an overview of the ordinance:

- ... Second Street Brewery was established in 1996.
- ... A 20,000 ft.² facility would be developed on Rufina Street as a brewhouse, a package room and a tap room with a dining facility.
- ... 51 jobs will be created; five positions average around \$60k annually
- ... Capital investment is \$1.9 million
- ... The construction impact will be approximately 21 jobs and a \$575k payroll. The estimated revenue is \$4.2 million over 10 years; \$2.7 million dollars in GRT (Gross Receipts Taxes); \$1 million in Lodgers' Tax and an estimated \$500k in utility, permitting, property taxes and other fees.
- ... Cost of services is estimated at \$515k with \$3.7 million in net benefits.

Staff recommended approval of the ordinance.

Chair Harris questioned the figures and noted they were different than those on page 12 of the report. Mr. Trujillo explained the numbers had been rounded up. He noted a breakdown of the numbers on page 13 in the Economic Impact Analysis. The numbers he mentioned were just for the city. This is all state money and the city would not contribute money in the project.

Mr. Tweet said he is proud of the project. It is ambitious and a big step up and there is nothing else like it in town. He wanted the project within the city limits for a number of reasons and the Ruffina area has reasonable and ample space and traffic patterns to support a tap room.

He explained the concept of a tap room and serving food and having a packaging brewery is a proven way to get into packaging and helps financially while the packaging takes off. The equipment is in place and the final part of the infrastructure is being coordinated.

Mr. Tweet said LIDA funds would help to finish the project.

Chair Harris said Councilor Dominguez brought up questions on the process and gave the example of someone who had moved forward with their project and made the case the funds were needed to complete the project. He acknowledged Mr. Tweet's major investment. He said this funding would only supplement the project and do things more quickly.

Mr. Tweet explained the brewhouse infrastructure such as electrical, the silo and grain handling, final parking and equipment for the canning infrastructure is not completed.

Chair Harris said he would visit the site to assist Mr. Trujillo with questions at the Finance Committee.

Ms. Kennedy said her feedback is that LIDA funds have unanticipated legal fees associated with the facilitation of the funding. She did not see that in the schedule.

Mr. Eustace said that goes to the negotiation aspect of the PPA and was considered on their internal processes. In addition, their legal counsel is and has been reviewing the documents. He said he agrees some businesses in the South had substantial costs when funding was greater than 100k dollars.

Ms. Kennedy asked about the type of license needed to provide alcohol.

Mr. Tweet said the brewhouse will get both a Wholesaler and a small Brewer's License. The Brewers' License allows latitude for serving beer and more extensive hours. A federal permit is also needed, which they have and the remainder of the licensing is ready to release.

Councilor Lindell welcomed Mr. Tweet and Mr. Eustace. She said she was confused by the reference in the Executive Summary on page 4 and Attachment A in her packet. Attachment A shows a total of 5 jobs over the next five years, but the Executive Summary indicates 51 jobs over ten years. She asked why the numbers were weighted on the back end.

Mr. Trujillo explained for the LIDA project there are 5 jobs for the production side and the 51 jobs include the taproom on the service and retail side. All of the expenditures are shown on the Impact Analysis and LIDA can only pay the production jobs, so they are listed separately.

Mr. Eustace added that the \$100k is directly tied to the five jobs and the agency met their statewide metrics. The nonproduction jobs, the retail aspect shown in the impact analysis, show the benefit to the community over the small metric that must be reported on legislative projects.

Councilor Lindell suggested that be clarified in the packet because others might also question that.

Chair Harris asked Mr. Eustace if he could attend the Finance Committee on May 22nd and he agreed.

Ms. Bradshaw-Eakes said this is very beneficial for Santa Fe and a good use of state money funds going to a long time Santa Fe company in an area the city wants to build and rejuvenate. She asked about outdoor seating and if that fits with LIDA.

Mr. Eustace said LIDA funds are used for land, building and infrastructure and go directly to the facility using the funds. As long as funds are used for infrastructure - the brick and mortar of the project - it meets the state constitution and the potential for the project will be vetted internally. They believe putting in \$100k to fill the initial gap would open doors for the city/state to help with expansion.

Dr. Bustamante said she appreciated the brewery's economic development efforts.

Dr. Bustamante moved to approve the ordinance as presented. Councilor Lindell seconded the motion, which passed by unanimous voice vote.

Dr. Bustamante left the meeting at 3:28 p.m. and quorum.

V. ITEMS FROM THE COMMITTEE

Mr. Conway asked if there was a Plan C. He suggested a discussion about green space and pedestrian corridors as this moves forward.

Chair Harris agreed. He said this is in District 4 and people call it the Siler Arts District, but he thought a better acronym was the Rufina Innovation District. He said it had been discussed that the Midtown link overlay could be used as a template for the Rufina / Siler area.

He noted work is under way on the Acequia Trail and the tunnel under St. Francis that will run Maclovía to La Cieneguita.

Chair Harris said a 5-year CIP was put in place when the operating budget for next year was approved. There is a long list of infrastructure needs and all of the funding sources are not identified. The intent for the Midtown overlay is to open it up more and the Rufina area is more about private capital being allowed to think about what is appropriate and giving them flexibility.

He said the city could find ways to leverage that or make improvements to the street or fire line, etc., and that is the best they could do, but that works.

VII. ITEMS FROM THE CHAIR (Revised Agenda Order)

Chair Harris said they are an advisory committee and they have put out a call out for new members and a new Economic Development Director is starting May 29, 2017. He asked Ms. Martinez to report on the new director.

Ms. Martinez said Matthew Brown has a residence in Santa Fe and in California and has been in the community since 1991. He has been working as an entrepreneur in the Bay Area and Berkeley in toy, education and publishing industries, and has worked with the city of San Jose with innovative approaches for citizen engagement. She said he brings a fresh business/entrepreneurial perspective to the position.

She said Mr. Brown is very engaging, well spoken and has a lot of experience presenting to a broad group of stakeholders from the public to corporate boards, etc. He talked a lot about the importance of broadband investments in Santa Fe and has connections in the Bay Area who want to do business in Albuquerque and Santa Fe.

Chair Harris added that Mr. Brown is trained as an attorney. He has read Mr. Chaney's Crossroad Report and thought it was excellent.

Chair Harris said the new Committee would become a reconstituted committee with a specific focus and more dynamic in bringing initiatives forward. He is looking forward to what can be accomplished by the Committee. The Crossroads Report and a new Economic Development Director is setting a good path forward.

Councilor Lindell said she and Councilor Harris had the opportunity to meet with Mr. Brown, which was encouraging and productive. They discussed outcomes and expressed urgency and support for broadband as a priority in the community.

VIII. ITEMS FROM STAFF

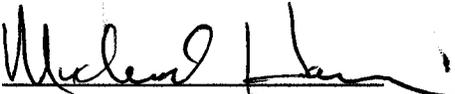
Chair Harris asked for discussion on the date of the next meeting scheduled June 8, 2017. Members discussed availability and preferences and decided to meet on June 14, 2017 at 11:00 a.m.

IX. ITEMS FROM THE PUBLIC – None

X. NEXT MEETING DATE - June 14, 2017 at 11 a.m.

Having no further business to discuss the meeting adjourned at 3:43 p.m.

Approved by:


Michael Harris, Vice Chair

Submitted by:

Charmaine Clair

Charmaine Clair, Stenographer