



# Agenda

CITY CLERK'S OFFICE

DATE 4.26.17 TIME 8:32am

SERVED BY Fabian Trujillo

RECEIVED BY Carmelona Sparks

## Economic Development Review Sub-Committee

Market Station at the Railyard  
500 Market Station, Suite 200

Caboose Conference Room  
Tuesday, May 2, 2017  
3:00 PM

- I. PROCEDURES
  - A. Roll Call
  - B. Approval of Minutes – February 23, 2017
  - C. Approval of Agenda
  
- II. 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)
  
- III. INFORMATIONAL ITEMS
  - A. Update on Economic Development Fund portfolio, as per RFP 16/37/P – Alexandra Ladd
  
- IV. REPORTS (none)
  
- V. ITEMS FROM THE COMMITTEE
  
- VI. ITEMS FROM STAFF
  
- VII. NEXT MEETING DATE – **Meet as needed**

Persons with disabilities in need of accommodation, contact the City Clerk's office at 955-6520, five (5) working days prior to meeting date.

**SUMMARY OF ACTION**  
**ECONOMIC DEVELOPMENT REVIEW SUBCOMMITTEE**  
**MARKET STATION AT THE RAILYARD**  
**500 MARKET STATION, SUITE 200**  
**CABOOSE CONFERENCE ROOM**  
**TUESDAY, MAY 2, 2017, 3:00 PM**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF MINUTES	APPROVED	1
APPROVAL OF AGENDA	APPROVED	2

**ACTION ITEMS**

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.	APPROVED	2-4
---	----------	-----

**INFORMATIONAL ITEMS**

UPDATE ON ECONOMIC DEVELOPMENT FUND PORTFOLIO, AS PER RFP 16/37/p	INFORMATION/DISCUSSION	4-5
---	------------------------	-----

<b>REPORTS</b>	<b>NONE</b>	<b>5</b>
<b>ITEMS FROM THE COMMITTEE</b>	<b>NONE</b>	<b>5</b>
<b>ITEMS FROM STAFF</b>	<b>INFORMATION/DISCUSSION</b>	<b>5-6</b>
<b>NEXT MEETING DATE</b>	<b>MEET AS NEEDED</b>	<b>6</b>
<b>ADJOURN</b>	<b>ADJOURNED</b>	<b>6</b>

**ECONOMIC DEVELOPMENT REVIEW SUBCOMMITTEE  
MARKET STATION AT THE RAILYARD  
500 MARKET STATION, SUITE 200  
CABOOSE CONFERENCE ROOM  
TUESDAY, MAY 2, 2017, 3:00 PM**

**1. CALL TO ORDER**

The meeting of the Economic Development Review Subcommittee was called to order by Chair Simon Brackley, at 3:00 pm, on Tuesday, May 2, 2017, at the Market Station at the Railyard, 500 Market Station, Suite 200, Caboose Conference Room, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Simon Brackley, Chair  
Lisa Alejandro  
Cervantes "Buddy" Roybal

**MEMBERS ABSENT**

Kathy Keith, Vice Chair, Excused  
Damon Taggart, Excused

**OTHERS PRESENT**

Alexandra Ladd, Interim Director, City of Santa Fe Economic Development  
Fabian Trujillo, City of Santa Fe Economic Development  
Rob Tweet, 2<sup>nd</sup> Street Brewery  
Bruce Krusnow, Santa Fe New Mexican  
Matt Brown  
Jody Larson, League of Women Voters  
Ryan Eustic, State of New Mexico Economic Development  
Elizabeth Martin, Stenographer

**3. APPROVAL OF MINUTES**

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Alejandro, to approve the minutes as presented.

**VOTE** The motion passed unanimously by voice vote.

#### 4. APPROVAL OF AGENDA

**MOTION** A motion was made by Ms. Alejandro, seconded by Mr. Roybal, to approve the agenda as presented.

**VOTE** The motion passed unanimously by voice vote.

#### 5. 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.**

Mr. Trujillo thanked everyone for being here today and introduced Mr. Rod Tweet, President of Second Street Brewery, Inc. He said the Second Street Brewery is expanding into a new location with a production facility, tap room and dining room. They will be creating 51 new jobs. We are asking for approval for \$100,000 for infrastructure from the LEDA fund to help them with their expansion. Economic based ventures are only required to generate 5 new jobs for this funding but they will create 51 during a 5 year period. The jobs pay an average of over \$67,000. Staff recommends approval.

Mr. Tweet said it is going to be dining room with a full menu. We are putting a production facility and packaging line and canning there. The tap room will serve on site but we will be seeking draft accounts as well. We already have our wholesale license. LEDA funds will help us finish the renovations on the 20,000 square foot building we are completing. The infrastructure will be to support the packaging line. We do 1,800 barrels a year now. This facility will allow us to get to 8,000 to 10,000 barrels a year, possibly higher. It is a big jump in scale for us.

Chair Brackley asked this endorsement will qualify you for LEDA funds. There are no out of pocket expenses from the City.

Mr. Trujillo introduced Ryan Eustic, with the State Office of Economic Development. He said we are working in cooperation to do this. No City funds are being used. It is all State money from the LEDA fund. It has to go through us as fiscal agent.

Mr. Roybal asked what about exporting.

Mr. Tweet said our plan is to do as much as we can in New Mexico and then go outside to neighboring states.

Mr. Eustic said this has been meticulously thought out on his behalf. It is a pretty easy project to get behind. No hesitation.

Mr. Roybal said 51 jobs is great and the salary range is very good for Santa Fe.

Chair Brackley said this business is an existing business that has been slowly growing and is successful. It is a great partnership. Brewing is an emerging sector of New Mexico.

Mr. Eustic said brewing is one of the larger clusters the State is successful at.

Ms. Alejandro said this is a great project. She has paid attention to this industry. It is good to see this.

Mr. Tweet said it is nice that what we are doing is under one roof. That does not exist in the city limits yet.

Ms. Alejandro asked where in New Mexico would you branch out. What are your target markets.

Mr. Tweet said we will self distribute which we can do in New Mexico. There is a 2 tier system in this State. We would need a wholesaler out of state and that is another margin cut. We want to ramp up in state and then when we are ready to make a bigger leap we will go forward. Texas would be a target and other states that are not saturated. That is the 2<sup>nd</sup> phase.

Mr. Roybal said it is nice to see the effort between the State and the City. He appreciates that.

Chair Brackley said it seems like Albuquerque would be the sweet spot.

Mr. Tweet said Albuquerque Brewery sells a lot of beer up here and we want to sell a lot of beer there.

Mr. Alejandro asked are you selling to restaurants or doing retail.

Mr. Tweet said both, at the same time. It is brand building. We have to stay on top of current trends.

Ms. Ladd asked which one is going to cans first.

Mr. Tweet said the 29/20 IPA was developed to be a canned product. After that we have not settled on the next one yet.

Chair Brackley asked our recommendation goes to BQL.

Mr. Trujillo said yes.

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Alejandro, to recommend approval to BQL.

**VOTE** The motion passed unanimously by voice vote.

Mr. Tweet said thank you very much.

## **6. INFORMATIONAL ITEMS**

### **A. UPDATE ON ECONOMIC DEVELOPMENT FUND PORTFOLIO, AS PER RFP 16/37/p**

Chair Brackley said a year ago we recommended investments through the portfolio. He asked for details about the fund and the investments.

Ms. Ladd said the report is in your packet. This is a fairly high altitude look at what the current status and performance is. She grouped the contracts into the 4 main areas of focus for the City, then looked at the percentage of the total of the portfolio and how much money went into each area and the percentage drawn. A chunk of the funding is the acceleration fund which has not been awarded yet. One contract has issues about change in the vendor name. That is the Inspire Santa Fe Program. Youth Works is up to date on drawing their money. The Business Incubator is as well. We are beginning the process of looking at what the year 2 plans are. We are hoping City funds are leveraging new funds into the program so that less City funds are used. These programs, for the most part, are recommended to be continued per the plan. One that has not drawn down any funds is the contract for the study of co working space and there has been no action on that. They need to invoice us. After the next couple of weeks we will have a better idea about unexpended funds.

Chair Brackley said he would like to know what their recommendations are. There may be a recommendation for the City to invest in something. We need to know that.

Ms. Ladd said she looked at the scenario if all the current projects were funded again at the year 2 plan amount and knowing the funding we expect to come in, could we fund everything and the answer was yes, we could. We are almost certain to have

more GRT than we think and more closings. We can then move forward with new programs.

Chair Brackley asked will those new programs come to this committee.

Ms. Ladd said they will come here first.

Mr. Roybal said he would like to see a strong partnership between the State and the City.

Ms. Alejandro said previously we talked about looking at where the LEDA funds were spent and if Santa Fe is well represented.

Mr. Krusnow said there is a map on their website. It is an issue statewide. Santa Fe is well represented.

Chair Brackley said there is a bit of change of the committee structure going on. This may be his last meeting as Chair. Councilor Lindell will be the new Chair.

Chair Brackley said he would like an update on the next agenda as well as of the portfolio. He wants to support what the Department is doing.

Ms. Ladd said that would be helpful for her as an administrator. She will get with those who have contracts and get their final reports.

## **7. REPORTS**

None.

## **8. ITEMS FROM THE COMMITTEE**

None.

## **9. ITEMS FROM STAFF**

Ms. Ladd said she has been busy in the interviewing process for the new Economic Development Director. Matt Brown who is here today, is a candidate who in addition to 2 others, went through their second interview.

Chair Brackley said he is on the committee interviewing candidates.

Chair Brackley said we need to have information on what our committee structure will be. He likes to have business people on these committees.




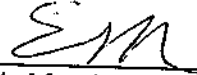
Chair Brackley said for the record again, he would like to recommend to BQL that they change their meeting times to 8:00 am or 4:30 pm in order to make it easier for business people to participate.

**10. NEXT MEETING DATE MEET AS NEEDED**

**11. ADJOURN**

There being no further business before the committee the meeting adjourned at 3:35 pm.

  
Simon Brackley, Chair

  
Elizabeth Martin, Stenographer