



# Agenda

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## Economic Development Review Sub-Committee

Market Station at the Railyard  
500 Market Station, Suite 200

Round House Conference Room  
Monday, June 26, 2017  
9:00 AM – 11:00 AM

I. PROCEDURES

- A. Roll Call
- B. Approval of Minutes – June 12, 2017
- C. Approval of Agenda
- D. Welcome and Introduction

II. ACTION ITEMS

A. Request for review and approval of the Meow Wolf Local Economic Development Project: (Mayor Gonzales, Councilors Lindell, Harris and Ives) (Fabian Trujillo)

1. 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 Meow Wolf, Inc. for Acquisition and Expansion of a New Production and Cultural Facility, a Local Economic Development Project.

- a. Request for Approval of Local Economic Development Project Participation Agreement Between the City of Santa Fe and Meow Wolf for Expansion of its Facilities and to Improve or Construct Infrastructure Necessary to the Facility Located at 2600 Camino Estrada, Santa Fe, NM.
- b. Request for Approval of Intergovernmental Agreement Between the New Mexico Economic Development Department and the City of Santa Fe, New Mexico for the Purpose of Facilitation the Disbursement of Funds for the Meow Wolf Local Economic Development Project.
- c. Request for Approval of Budget Adjustment in the Amount of \$550,000.



# Agenda

B. Request for review and approval of two (2) contract renewals for the FY-2017-2018 economic development portfolio as awarded through RFP to provide workforce development, entrepreneurial acceleration, and other support for business development in Santa Fe for a total funding amount of \$205,000 as identified below (Alexandra Ladd and Matthew Brown):

1. Professional Services Agreement, Amendment No. 1 – Youthworks RFP 16/37/P;
2. Professional Services Agreement, Amendment No. 2 – SCORE RFP 15/38/P.

III. INFORMATIONAL ITEMS (None)

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**  
**MONDAY, JUNE 26, 2017, 9:00 AM**

<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	1
 <u>ACTION ITEMS</u>		
REQUEST FOR REVIEW AND APPROVAL OF THE MEOW WOLF LOCAL ECONOMIC DEVELOPMENT PROJECT	APPROVED	1-6
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 MEOW WOLF, INC. FOR ACQUISITION AND EXPANSION OF A NEW PRODUCTION AND CULTURAL FACILITY, A LOCAL ECONOMIC DEVELOPMENT PROJECT.	APPROVED	6
REQUEST FOR APPROVAL OF LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND MEOW WOLF FOR EXPANSION OF ITS FACILITIES AND TO IMPROVE OR CONSTRUCT INFRASTRUCTURE NECESSARY TO THE FACILITY LOCATED AT 2600 CAMINO	APPROVED	6

**ESTRADA, SANTA FE, NM.**

<b>REQUEST FOR APPROVAL OF</b>	<b>APPROVED</b>	<b>6</b>
<b>INTERGOVERNMENTAL AGREEMENT BETWEEN THE NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT AND THE CITY OF SANTA FE, NEW MEXICO FOR THE PURPOSE OF FACILITATION OF THE DISBURSEMENT OF FUNDS FOR THE MEOW WOLF LOCAL ECONOMIC DEVELOPMENT PROJECT.</b>		
<b>REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$550,000.</b>	<b>APPROVED</b>	<b>6</b>
<b>REQUEST FOR REVIEW AND APPROVAL OF TWO (2) CONTRACT RENEWALS FOR THE FY-2017-2018 ECONOMIC DEVELOPMENT PORTFOLIO AS AWARDED THROUGH RFP TO PROVIDE WORKFORCE DEVELOPMENT, ENTREPRENEURIAL ACCELERATION, AND OTHER SUPPORT FOR BUSINESS DEVELOPMENT IN SANTA FE FOR A TOTAL FUNDING AMOUNT OF \$205,000 AS IDENTIFIED BELOW.</b>	<b>APPROVED</b>	<b>7</b>
<b>PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 1 YOUTHWORKS RFP 16/37/P</b>	<b>APPROVED</b>	<b>7</b>
<b>PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 2 SCORE RFP 15/38/P</b>	<b>APPROVED</b>	<b>7</b>
<b>INFORMATIONAL ITEMS</b>	<b>NONE</b>	<b>7</b>
<b>REPORTS</b>	<b>NONE</b>	<b>7</b>
<b>ITEMS FROM THE COMMITTEE</b>	<b>INFORMATION/DISCUSSION</b>	<b>7</b>

<b>ITEMS FROM STAFF</b>	<b>NONE</b>	<b>8</b>
<b>NEXT MEETING DATE</b>	<b>AS NEEDED</b>	<b>8</b>
<b>ADJOURNMENT</b>	<b>ADJOURNED</b>	<b>8</b>

**ECONOMIC DEVELOPMENT REVIEW SUBCOMMITTEE  
MARKET STATION AT THE RAILYARD  
500 MARKET STATION, SUITE 200  
MONDAY, JUNE 26, 2017, 9:00 AM**

**I. CALL TO ORDER**

The meeting of the Economic Development Review Subcommittee was called to order by Councilor Signe Lindell, Chair, at 9:00 am, on Monday, June 26, 2017, at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

**II. ROLL CALL**

**MEMBERS PRESENT**

Councilor Signe Lindell, Chair  
Kathy Keith  
John Feins  
Buddy Roybal

**MEMBERS ABSENT**

Lisa Alejandro, Excused

**OTHERS PRESENT**

Drew Tulchin, Chief Financial Officer, Meow Wolf, Inc.  
Ryan Eustice, State of NM, Economic Development Dept.  
Matt Brown, Economic Development Director, City of Santa Fe  
Alexandra Ladd, City of Santa Fe  
Fabian Trujillo, Economic Development, City of Santa F  
Elizabeth Martin, Stenographer

**III. APPROVAL OF MINUTES**

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

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

**IV. APPROVAL OF AGENDA**

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

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

**V. ACTION ITEMS**

**A. REQUEST FOR REVIEW AND APPROVAL OF THE MEOW WOLF LOCAL ECONOMIC DEVELOPMENT PROJECT**

**1. 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 MEOW WOLF, INC. FOR ACQUISITION AND EXPANSION OF A NEW PRODUCTION AND CULTURAL FACILITY, A LOCAL ECONOMIC DEVELOPMENT PROJECT.**

Mr. Trujillo said Meow Wolf is in the forefront of the economic development arena. They want to purchase the old Caterpillar building and make it into their manufacturing center and World headquarters. Over 5 years they plan to employ 250 to 300 people career path jobs that have a \$46,000 a year average salary plus benefits. We are asking for approval of LEDA funds in the amount of \$850,000 from the State and \$250,000 from the City of Santa Fe. \$100,000 of \$850,000 is a bonus if they exceed 250 new jobs. This investment the City is looking to do is to anchor them in Santa Fe and accelerate their growth for near future. It meets our Economic Development Implementation Strategy. They are a local business, are innovative and are looking to do career growth in Santa Fe.

Mr. Tulchin said thank you all for your civic duties and your good works. Thank you to the City and all they are working on within the City and State. It is great to have wonderful partners who are interested in our economic benefit and looking to do really great things for the economy here. Meow Wolf is incredibly fortunate to have the City support and financial support that enables us to provide arts and entertainment to Northern New Mexico. We are grateful for our community support. We made \$7 million last year. We want to take what we have done here and duplicate it in other places. We were wondering where we had to move to accomplish this. In discussions, we had we found that we don't have to move. We want to be here and can stay here if we get support like this. We want to keep the jobs in Northern New Mexico.

Mr. Tulchin said we have an Economic Development Plan that shows the economic value of keeping these jobs in the State. It is also our intent to buy local. We did a statistical analysis of LEDA jobs. We would like to be a good partner to the community.

Mr. Eustice said the City and State have done extensive due diligence on this project. We started 9 months ago and it became more and more apparent that the LEDA money would anchor them here. They have had opportunities to move to other cities and states. We wanted them to stay here. We want to make it clear that these are manufacturing jobs. They can go through our job training and incentive program, the JTIP, for each of these jobs. The bonus is \$2,000 per job for every job over 250. This is not a one-time shot.

Mr. Roybal said congratulations on your success.

Mr. Feins said he needs to recuse himself from the discussion and voting on issues related to Meow Wolf. He left the meeting.

Mr. Roybal said he likes the bonus plan that will help create even more jobs. He is always concerned about the City investing money in a private business so he is very glad that is in there. Your expansion to other cities, how will that work.

Mr. Tulchin said right now we have contracts with several National Music Festivals. That is an example of the revenue and jobs we will have. For the Oregon Music Festival, we are making interactive sculptures that they will use. That is how you use manufacturing and creativity to take the show on the road. In terms of expansion we have the most active in the cities of Austin and Denver. We also have opportunities in Las Vegas and LA. There is lot of interest in Oklahoma as well. A lot of people want to learn what we do and how we do it. Austin the is the strongest most active right now. We think both will be places for us.

Mr. Roybal said sometimes small companies can expand too quickly. Just a bit of caution.

Mr. Tulchin said he appreciates that. We need many more people with more experience in business than us to help us continue to be successful. We have financial advisors, investors and a Board that are looking over our shoulder very carefully right now.

Mr. Eustice said that came up in our discussions as well. As we dove down into the details and discussed during our LEDA agreement. Our agreement allows them to hire slowly and not get overextended too quickly.

Mr. Roybal said he is concerned about LEDA money used outside the State.

Mr. Eustice said by taking these steps we are anchoring them here and we are keeping the tax dollars in the City.

Ms. Keith said she loves local startups. One of the things the City of Santa Fe said was that we want to start new and emerging businesses with our residents. The LEDA dollars here are used for businesses started by our residents. We are marching down that road. Mr. Eustice has the State already approved this or is it contingent on City approval.

Mr. Eustice said it is contingent on the City passing the Ordinance so that the State can transfer money due to antidonation clause. The state has approved the plan.

Mr. Roybal said with all the problems we have with high school and graduation it would be good to get kids started in some of these areas. You have recruited from colleges here but what about high school.

Mr. Tulchin said we are working on putting in place an internship program and we have the apprenticeship program with Makers. That is a great solution. We work with Youth Works and other entities. We want to do it but cannot do it on day one. We will do it. It only makes sense.

Ms. Keith said she has toured the facility and the work force is largely artists. Are the jobs you will be creating full time jobs.

Mr. Tulchin said yes, full time. We are already behind and need to hire people. We have been waiting on the final approval.

Mr. Keith asked how do you envision setting up in other cities and having the manufacturing here. Do you have to have staff go to the other cities to set up. What percentage of your workforce would that be and what is the time frame.



Mr. Tulchin said we have not done it yet but the plan is for major permanent installations. It takes 2 years to open the doors. We will be manufacturing exhibits and parts here. In the new city, local contractors will be working to get the building ready. Then our group will do the installation along with local artists and local people. Two thirds to three fourths of the revenue will be here from a cost basis. We will have temporary hires there. The majority of the permanent full-time employment will be based here.

Ms. Keith asked how many facilities do you have to open to meet your 2020 projections.

Mr. Tulchin said the general assumption is that each major generation takes 2 years. We plan to open the first expansion in 2019. The labor force we requested is sufficient for that build out. We will do one at a time. Once we have 2 open another flood will come and we will look at more hires.

Chair Lindell said you do this all over the state Mr. Eustice. It is always interesting that we have a local start up employing over 100 people now that is acknowledged by everyone as being a successful startup and we have push back from some of the community. Why is there push back to use local economic development investment dollars to assist any particular business or entity. The City invested \$60,000 previously in Meow Wolf, however, one part of the metric was not met so \$11,000 was not distributed which was terrific accounting and investment. Why is there push back from people for this. Give us some perspective on why that happens in communities and why these kinds of distributions can be disruptive and upsetting for communities.

Mr. Eustice said every community in the state would be jumping at this opportunity to have 250 manufacturing jobs in their area. Seeing a new sector other than oil and gas is huge. When Facebook was talking about coming to Las Lunas there was push back. People ask why their tax dollars are being invested in businesses. A lot if it around this company is because Meow Wolf made \$7 million so people ask why do we have to give them anything. The answer is to enable them to be an anchor in this community. We don't want County vs County battles. We fight to not move jobs. We need to explain to people the economic benefit. A company like this is laying the groundwork and making local students think this Meow Wolf is going on and they can use their creative mind and have a steady pay check and benefits coming in. When citizens are informed of the benefits they will support it.

Chair Lindell said she expects him to be at Council when this comes forward and he should expect her to ask the same question. She is asked why are we investing in a successful business. Do they want her to invest in a failing one.

Mr. Eustice said citizens ask why invest in this when they have a pot hole in front of their house. We have to explain that we are going to receive more revenue so we can take care of the pot hole

Chair Lindell said we need to encourage folks to see how these investments have benefitted us. We invested \$49,000 and have seen the benefits that Meow Wolf provides. The internships and students involved with the Makers Space. That is a natural coupling that benefits this community. It allows people to be involved and be part of and be productive. We did not know how to do that well a few years ago. She went to a graduation of youth at Youth Works who did the Makers Program. It was inspiring. She doesn't know of any other way of getting young people into the workforce that would work better. The generosity of Meow Wolf that they have shown in the community does not go unnoticed. That has always been a part of

your plan, to give back to the community in a very generous way. You stand out in that field. You have supported all kinds of new things in the community and we appreciate that.

Mr. Tulchin said thank you.

Mr. Brown said Meow Wolf is a B Corporation. B corporations require the company to do prosocial work and give back to the community. That is in their bylaws. That exemplifies their commitment to give back to community. Regarding the issue of push back, we can't make everyone happy. Sometimes there are expectations that everything must be 100%. We the City of Santa Fe and the State of New Mexico are in competition with Austin and Denver for Meow Wolf. Part of this investment is to keep their World Headquarters from moving to one of those places. The analysis is a win on the investment and a loss if we don't. They will be gone. We are talking about manufacturing but inside of that are things like welding, programming and graphic design. There are lots of different skills and job opportunities here. Disney has a headquarters in LA that is enormous and they have Disneylands around the world. As their business succeeds their headquarters grows. The World Headquarters of Meow Wolf will gain strength and importance as the enterprise grows nationally and internationally.

Mr. Eustice said across the street from the building they want to use is a vacant lot and we have received phone calls for a new multipurpose housing development in the area. Meow Wolf is bringing a lot to the area. As business builds we tend to see clusters build up around them.

Chair Lindell said a crowd draws a crowd. On the presentation in the packet item A, at the bottom of second paragraph there is a number of \$5,633,000 and on last page at the bottom of first paragraph is the same number. Check those numbers to make sure they are referring to the exact same thing. Just check that before Council. Make sure those are correct numbers and that it flows well.

Mr. Trujillo said those numbers on page 10 of attachment C are net benefits and net revenues and are saying the same thing.

Mr. Brown said maybe call it net benefits in both places.

Councilor Lindell said that seems low for 10 years worth. It is better to under promise and over deliver.

Mr. Trujillo said this is just the City side. If you go to page 5 it shows \$53.2 million over 10 years when you look at the State, County and schools.

Councilor Lindell said she liked that number better. Work that in as well. Thank you to everyone at this table.

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Keith, to approve the Ordinance.

**VOTE** The motion was approved by a roll call vote as follows:

Mr. Roybal said yes  
Ms. Keith said yes

Chair Lindell said an enthusiast yes.

The vote was unanimous.

**A. REQUEST FOR APPROVAL OF LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND MEOW WOLF FOR EXPANSION OF ITS FACILITIES AND TO IMPROVE OR CONSTRUCT INFRASTRUCTURE NECESSARY TO THE FACILITY LOCATED AT 2600 CAMINO ESTRADA, SANTA FE, NM.**

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Keith, to approve the Project Participation Agreement.

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

**B. REQUEST FOR APPROVAL OF AN INTERGOVERNMENT AGREEMENT BETWEEN THE NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT AND THE CITY OF SANTA FE, NEW MEXICO FOR THE PURPOSE OF FACILITATION OF THE DISBURSEMENT OF FUNDS FOR THE MEOW WOLF LOCAL ECONOMIC DEVELOPMENT PROJECT.**

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Keith, to approve the Intergovernmental Agreement.

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

**C. REQUEST FOR APPROVAL OF BUDGET ADJUSTMENT IN THE AMOUNT OF \$550,000.**

**MOTION** A motion was made by Mr. Roybal, seconded by Ms. Keith, to approve the Budget Adjustment.

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

Mr. Brown said when you mentioned the investment of \$49,000, that was a work for hire contract. Just for clarification.

Chair Lindell said she wants to compliment Economic Development on their recordkeeping and that they keep track of projects. That allows the public to know we are very careful with their money.

Mr. Brown said we aspire to have the public know that we don't give money to anyone. We make investments.

Mr. Feins returned to the meeting.

**B. REQUEST FOR REVIEW AND APPROVAL OF TWO (2) CONTRACT RENEWALS FOR THE FY-2017-2018 ECONOMIC DEVELOPMENT PORTFOLIO AS AWARDED THROUGH RFP TO PROVIDE WORKFORCE DEVELOPMENT, ENTREPRENEURIAL ACCELERATION, AND OTHER SUPPORT FOR BUSINESS DEVELOPMENT IN SANTA FE FOR A TOTAL FUNDING AMOUNT OF \$205,000 AS IDENTIFIED BELOW.**

Ms. Ladd said these are the 2 contracts that were removed from the list at the last meeting due to paperwork issues. They are part of our Economic Development Portfolio.

**1. PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 1 YOUTHWORKS RFP 16/37/P**

**MOTION** A motion was made by Ms. Keith, seconded by Mr. Roybal, to approve a contract of \$180,000 for Youth Works.

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

**2. PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 2 SCORE RFP 15/38/P**

**MOTION** A motion was made by Mr. Roybal, seconded by Mr. Feins, to approve a contract of \$25,000 for SCORE.

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

**VI. INFORMATIONAL ITEMS**

None.

**V. REPORTS**

None.

**VI. ITEMS FROM THE COMMITTEE**

Mr. Roybal asked how are you doing in the job Mr. Brown.

Mr. Brown said he would like to stay.

Chair Lindell said she never felt more encouraged in all the time she has been doing this than she is right now working with this Committee and the staff. She is very happy to serve with all of you. We are given the opportunity to make a difference in this community and she knows everyone sitting at this table will step up and do that to the fullest of their abilities. It is a big deal to give of our time and talents.

**VII. ITEMS FROM STAFF**

None.


**IX. NEXT MEETING DATE**

As needed.

**X. ADJOURNMENT**

There being no further business before the Committee the meeting adjourned at 10:00 am.

  
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Signe Lindell, Chair

  
\_\_\_\_\_  
Elizabeth Martin, Stenographer