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**Economic Development Advisory Committee**

**Market Station at the Railyard  
500 Market Station, Suite 200**

**Wednesday, July 12, 2017  
11:00 AM – 1:00 PM**

**I. PROCEDURES**

- A. Roll Call
- B. Approval of Minutes
  - 1. June 14, 2017
- C. Approval of Agenda
- D. Approval of Consent Agenda

**III. CONSENT AGENDA**

- A. Request for approval of a resolution directing the City Manager to identify potential funding sources to support the work of industry stakeholders to develop the "Santa Fe Network.tv". (Mayor Gonzales) (Matt Brown)

**IV. DISCUSSION ITEMS**

- A. LEDA Process – How it Works – Fabian Trujillo

**V. 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.



# Agenda

- 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.
- 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):
2. Professional Services Agreement, Amendment No. 1 – Youthworks RFP 16/37/P;
  3. Professional Services Agreement, Amendment No. 2 – SCORE RFP 15/38/P.
- VI. INFORMATIONAL ITEMS
- A. Building Solutions: “Cooperative Financing Platform” – Katie Updike
- VII. ITEMS FROM THE COMMITTEE
- VIII. ITEMS FROM STAFF
- IX. ITEMS FROM THE CHAIR
- X. ITEMS FROM THE PUBLIC
- XI. NEXT MEETING DATE – **August 9, 2017**

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**SUMMARY OF ACTION  
 ECONOMIC DEVELOPMENT ADVISORY COMMITTEE  
 MARKET STATION AT THE RAILYARD  
 500 MARKET STATION, SUITE 200  
 WEDNESDAY, JULY 12, 2017 11:00 AM**

| <u>ITEM</u>   | <u>ACTION</u> | <u>PAGE</u> |
|---|---------------|-------------|
| CALL TO ORDER   |               | 1           |
| ROLL CALL   | QUORUM        | 1-2         |
| APPROVAL OF MINUTES   | APPROVED      | 2           |
| APPROVAL OF AGENDA  | APPROVED      | 2           |
| <u>APPROVAL OF CONSENT<br/>AGENDA</u>   |               |             |
| REQUEST FOR REVIEW AND APPROVAL OF 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 | APPROVED      | 2-3         |
| PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 1 - YOUTH WORKS, RFP 16/37/P   | APPROVED      |             |
| PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 2 - SCORE RFP 15/38/P  | APPROVED      |             |



**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.** **APPROVED**

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

**INFORMATIONAL ITEMS**

|   |                               |              |
|---|-------------------------------|--------------|
| <b>BUILDING SOLUTIONS:<br/>"COOPERATIVE FINANCING<br/>PLATFORM"</b> | <b>INFORMATION/DISCUSSION</b> | <b>13</b>    |
| <b>ITEMS FROM THE COMMITTEE</b>                                     | <b>INFORMATION/DISCUSSION</b> | <b>13-15</b> |
| <b>ITEMS FROM STAFF</b>   | <b>NONE</b>                   | <b>15</b>    |
| <b>ITEMS FROM THE CHAIR</b>   | <b>INFORMATION/DISCUSSION</b> | <b>15</b>    |
| <b>ITEMS FROM THE PUBLIC</b>  | <b>NONE</b>                   | <b>15</b>    |
| <b>NEXT MEETING DATE</b>  | <b>AUGUST 9, 2017</b>         | <b>15</b>    |
| <b>ADJOURN</b>  | <b>ADJOURNED</b>              | <b>15</b>    |

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE  
MARKET STATION AT THE RAILYARD  
500 MARKET STATION, SUITE 200  
WEDNESDAY, JULY 12, 2017 11:00 AM**

**I. PROCEDURES**

**CALL TO ORDER**

The meeting of the Economic Development Advisory Committee was called to order by Councilor Michael Harris, Chair, at 11:00 am, on Wednesday, July 12, 2017, at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

**A. ROLL CALL**

**MEMBERS PRESENT**

Councilor Michael Harris, Chair  
Holly Bradshaw-Eakes, Vice Chair  
Camilla Bustamante  
John Feins  
Chuck Higgins  
Kate Kennedy  
Doug Orr, arrived later  
Lisa Alejandro  
(Vacancy)

**MEMBERS ABSENT**

Kim Kelly

**OTHERS PRESENT**

Matt Brown, Economic Development Director, City of Santa Fe  
Fabian Trujillo, Economic Development, City of Santa Fe  
Simon Brackley, Santa Fe Chamber of Commerce  
Ross Chaney, Economic Development, City of Santa FE  
Ryan Eustice, Economic Development, State of NM  
Adam Shaening-Pokrasso, Santa Fe Network  
Jim Gollin, Santa Fe Network  
Lee Zlotoff, Santa Fe Network  
Deborah Potter, Santa Fe Film and Digital Media Commission  
Vince Kadlubek, Meow Wolf  
Damien Taggart, Meow Wolf

Jilanne Spitzmiller, Santa Fe Network  
Anna Darrah, Santa Fe Network  
Michael Becker, Santa Fe Network  
Jody Larson, League of Women Voters  
Peter Dodds, SCORE  
Bob Gallatin, SCORE  
Katie Updike  
Elizabeth Martin, Stenographer

**B. APPROVAL OF MINUTES, JUNE 14, 2017**

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

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

**C. APPROVAL OF AGENDA**

Mr. Trujillo said the item under the Consent Agenda, item D 1, needs to be moved under Action Items and the item under Action Items, item 4 B, needs to be moved under Consent Agenda.

Chair Harris said we will consider the network first under Action Items, then Meow Wolf.

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

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

**D. APPROVAL OF CONSENT AGENDA**

**II. CONSENT AGENDA**

**REQUEST FOR REVIEW AND APPROVAL OF 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**

**1. PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 1**

**- YOUTH WORKS, RFP 16/37/P**

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

**MOTION** A motion was made by Ms. Bustamante, seconded by Ms. Bradshaw-Eakes, to approve the Consent Agenda.

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

**III. DISCUSSION ITEMS**

**A. LEDA PROCESS, HOW IT WORKS**

Mr. Trujillo introduced Mr. Eustace and they reviewed the information given in the packets.

Chair Harris asked how much State LEDA funds have been put into Santa Fe County over the last 5 years.

Mr. Eustice said over the last 3 years there have been 5 expansions, one of which is being considered today. Between \$1 million and \$2 million has gone to Santa Fe. The funds are \$50 million. We have \$14 million to \$15 million tied up so we have \$36 million left. The way the Legislature left us is that a lot of the money is in bonds rather than general funds so it has to be spent on bricks and mortar now.

Chair Harris said thank you.

Mr. Trujillo said the City has LEDA money as well. We follow the same guidelines and work closely with the State. There is an application process and the requirements are the same as with the State. It is a public process. The applicant has to have a sponsor from the Governing Body. Economic Development makes the recommendation to the Mayor and the Governing Body and they have to introduce the measure.

Ms. Bradshaw-Eakes asked what kinds of projects have been done independent from the State.

Mr. Trujillo said quite a few. The Santa Fe Business Incubator was the first. The Farmers Market, Warehouse 21 and others have received funds as well. The funds are used for land, building and infrastructure .

Ms. Bradshaw-Eakes said the COGs have gotten together and started the



ristraproject .org. You can find the State LEDA projects going on right now on that site. Does the City have anything like that.

Mr. Trujillo said we can put that on the website.

Mr. Ross said that is in the works.

Mr. Higgins asked the funding decisions for the State go to the Secretary with consultation with the Governor. Is there good cooperation.

Mr. Eustice said very much so. The Secretary gives his stamp of approval or not from the staff recommendation. Then it goes to the Governor.

Mr. Higgins asked has it ever been rejected.

Mr. Eustice said no. We pride ourselves on due diligence.

Chair Harris said thank you for the overview.

#### **IV. ACTION ITEMS**

##### **A. REQUEST FOR APPROVAL OF A RESOLUTION DIRECTING THE CITY MANAGER TO IDENTIFY POTENTIAL FUNDING SOURCES TO SUPPORT THE WORK OF INDUSTRY STAKEHOLDERS TO DEVELOP THE "SANTA FE NETWORK.tv.**

Chair Harris said we provided a month of time to invite colleagues and friends from the Santa Fe Network to do a presentation and answer questions.

Mr. Zlotoff said he will try to be brief. He would like you to hear from other members of the Santa Fe Network. He has lived here 2 ½ years. He is thrilled to see Meow Wolf here today. They are a perfect example of the daring and unconventional with huge success. We want to follow in their shoes. We want to create a form of Netflix, or Hulu but with all Santa Fe, New Mexico based entertainment. The content will be created here by people here or other people. We will use that as a nexus and platform for materials about Santa Fe and to support all the amazing institutions that Santa Fe has, all of whom are trying to market individually together. The Santa Fe Opera, the International Folk Art Market, Meow Wolf, the Santa Fe Institute and others all together on one platform. They drive audiences to us and we in turn drive audiences back to them. There are extraordinary resources here to market. They do not coalesce yet. We use the garden hose analogy. We are all here with our individual garden hoses trying to put out a fire when we would be so much more effective together. Our time

investment is \$100,000 of human time. We have launched this network with less than \$2,500 in cash. We launched last night.

Mr. Shaening-Pokrasso said thank you for hearing this and being open to supporting this. We are a nonprofit and have boot strapped this on very little. The partners have signed on as supporters of this. Lee mentioned them. It is important to convey that this is a central gathering of resources. We will be a media driven force for Tourism and Economic Development. Through this effort we hope to not only draw attention to key stakeholders but also to the story tellers and makers of the content. It will be a chance for young, upcoming film makers, established creators and producers who are finding their work out of State. The distinction is not about our borders or definitions. We see this as something that supports our State at large. Santa Fe is in the brand. This will be a portal or gateway of a successful industry already thriving. It is an opportunity to move some of that attention to creative above the line talent.

Mr. Gollin said he would like to address the scale of the industry in Santa Fe. It went from \$30 million to \$125 million last year. This year we are on track for \$125 million. The film and digital media industry has a \$375 million impact in this town. We care about it. It is very different for our economy when there is a Hollywood film coming in and leave, but what is great is when local creators form an idea, get the capital and spend that money here. They are buying homes and cars and paying taxes. This is an attempt to help the local industry fulfill their dreams and make good jobs and good careers here.

Anna Darrah introduced herself as President of the Santa Fe Network and an alternate Commissioner with the Santa Fe Film and Digital Media Commission. She wanted to bring the financial side in. We have a real thing happening here. If you get on line now you can see the Santa Fe Network. It is up and running. Now we have to keep the attention focused. We are already receiving submissions of films and other items for the Network. We have an infrastructure that works long term. We are here to find a way to keep this sustainable over years. There will be minimal salaries to each of us. We are all successful in the industry. But there are lots of little pieces to pay for. By the end of the first year we hope to shift to a model where all funding is coming from outside sources. We have a subscription model and a production model. As people see what is on the channel it will help people make something for the channel. We will take 10% or 12 % of that for Network. We want to be economically sustainable on our own.

Chair Harris said he appreciates very much what you folks have been doing. There have been a lot of conversations about this and your kick off happened. Congratulations. Is it necessary to develop a relationship with IATSE 480 and the below the line folks.

Mr. Zlotoff said yes, most of the productions we will do fall well below the standards that are necessary to support full Union jobs. We hope to bring emerging

young people up through a program that will teach them. We anticipate engaging the Union in training. They will provide mentors to the young people on the set. Doug Acton is with the Union and involved in all the conversations about the Network. He is also a Commissioner on the Santa Fe Film and Digital Media Commission. There are people in the Union who have aspirations to become producers and directors who can make something for the Network and say they produced this or created this as a credit on their work resumes. They will not be trapped in being below the line. Those opportunities are numerous here.

Chair Harris said we all know the film industry is very successful in many levels in town. We know people involved in the business. He is glad to hear that the Network is involved with the Union. They are critical to your success.

Mr. Feins said Santa Fe is striking and we have content in Santa Fe everywhere you turn your head. He is excited about stories being told and they will be attractive to all kinds of audiences. It is hard work. There is a lot to do to get yourselves before people. You ave a marketing budget that is modest at \$24,000 for a year. What are your thoughts about how you will use this.

Ms. Darrah said we are working on a lot of ideas and thinking outside the box on this. We had 300 people at our launch and that was by Facebook only. People are excited. We are getting submissions. We are working with Channel 28 and shot a piece for Joe Abeyta. He is waiting for content. We will put our byline on things we do. We are building ideas daily. Partners will continue to grow. IAIA is a partner and is working with us and we are talking to the Community College and Currents. There are lots more to work with. Every time we expand the partnership we expand their outreach.

Mr. Zlotoff said we have a 3 tiered structure to our marketing approach. Tourism gets 1 ½ million visits a year. If you add up the aggregate of all of the partners that is 2 to 3 million hits a year of all of those organizations. Even if we only get a 5% conversion rate and they click on the individual symbols that is 50,000 to 60,000 site visits right there. Social media marketing is very effective. Adam and Michael have great experience with that. The bottom line is the more we can put up interesting, different and cool pieces of content sooner or later one will go viral and is going to spark and then there will be millions or tens of millions of hits. He has no idea what that will be but he knows it will happen.

Mr. Shaening-Pokrasso said to the budget yes, it is modest and seems hard to imagine. The cost of getting out people last night was \$40 in Facebook dues. The nature of this thing is not a traditional marketing approach. We have no plans to do print. This will be built around ambassadorship. We will use the budget to facilitate Face book boosts, meetings we are required to have and to get relationships humming. We are casting a wide net and making it possible for lots of interesting stories in one network.

Mr. Feins said you have good ideas. He encouraged the Network to find ways to find tourists and have them take the media Network with them when they leave town. They don't like to leave once they get here. Get the information in front of them and share it. Play the public relations card as much as you can. Earned media.

Ms. Kennedy said on your budget, on your 2 year model, it shows \$105,000 in kind donations and grants of \$35,000. What are you including and who will be doing the work.

Mr. Gollin said the in kind is the people who built the website who did it for nothing and all of us giving our time. Already we have put in \$105,000 in kind. We do need cash for paying an accountant, lawyer and copyright work. We cannot continue to rely on the good will of the members of the Commission who are supportive but we will get as much done for free as we can. Regarding foundations, he is on the board of a number of them and we are in discussion with them. We have not applied yet but we can. We have a bare bones staff with zero salary. Writing the grants will be us with the help of some others with experience.

Mr. Zlotoff said also the New Mexico Film Office has a number of programs we would qualify for. They have said they would love for us to apply. They said they would like to put us on the list for grants. The grants would be from them. The FCAT program is funded with \$2 million. There is a film advancement crew program. We can work with that and move people up in crew positions. That fund, with the incentive, will help productions with 50% of their expense of the crew. We are looking forward to using those opportunities.

Chair Harris said thank you. He wants to clarify something. What is proposed is \$25,000 from lodgers tax. He spoke to Randy Randall and has 2 statements from him in support of this effort. He said can support this industry driven effort. After speaking with Mr. Zlotoff this would be an added value for hotels and short term rentals and that is what the lodgers tax is all about. He is very much in favor of this. Also there is a proposal for \$20,000 from the Economic Development Fund.

Mr. Trujillo said in New Mexico through the film study report done in 2015 we see that there was \$513.9 million in film expenditures generated. Of that 12.6 % came to Santa Fe or \$64.8 million. 73% to 74 % went to Albuquerque and 18% Northern New Mexico. If we could support this project it would increase the whole pie and our share of the pie. There will be a good economic development impact for using these monies for this project. We think it is justifiable to use the \$20,000 from Economic Development Fund.

Chair Harris said he read the title of this Resolution. He would have proposed an amendment to this Resolution on the title. The City Manager does not really have to identify funding. That has been identified. He will propose an amendment to the title for Finance Committee. We will identify the 2 sources of funding and ask for approval.

Ms. Bustamante asked is there a way you want a motion to read.

Chair Harris said if you can craft one that is fine. Use the identified sources.

**MOTION** A motion was made by Ms. Bustamante, seconded by Mr. Feins, to approve the use of identified sources to support the Santa Fe Network.

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

Mr. Zlotoff thanked the Committee.

Ms. Bradshaw-Eakes said thank you . Last time she did not understand what this was. She appreciates all of you being here and shining a light on it.

Mr. Orr arrived at the meeting.

**B. 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.**

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**

Chair Harris outlined the action needed.

Mr. Feins recused himself from this discussion and vote and left the meeting.

Mr. Trujillo introduced the team of Matt Brown, Vince Kadlubek, Damien Taggart (a former member of this Committee) and Ryan Eustice. We all worked on this project together. We are asking you to invest in the future of the Santa Fe economy in their World Headquarters. This is one of the brightest locally owned businesses in Santa Fe. We believe they are going to become a regional and national leader. This will generate \$5.6 million in net revenues and benefits to Santa Fe and will diversify our economy and bolster Santa Fe's experimental economy. We support this locally grown business who is creating 250 to 300 career path jobs with this expansion. This will allow citizens to live and work in Santa Fe. It will help our children and grand children. As a 14<sup>th</sup> generation Santa Fean he believes in this project. This is the best project to come through in the 9 ½ years since he has been here. It is exciting to see this. It has the potential to bring back our young creatives. A neighbor informed him that her son came back to Santa Fe to work in Meow Wolf. He is taking care of his mom. This allows him to focus on his art by their presence here. We would be investing in and assisting a local, home grown company with the potential to become a national leader. Look at what they have done so far. Believe in them. They have the potential to reinvigorate the economy and unite the South and East and attract young people who want to stay or move back here.

Chair Harris said thank you Mr. Trujillo.

Mr. Kadlubek said thank you for hearing this. He was born and raised in Santa Fe and is the founder and CEO of Meow Wolf. It was founded in 2008 on 2<sup>nd</sup> Street. We were 20 somethings who wanted to make art. We were all born and raised here. We decided to start our own venue. Over the years we brought more and more young people on to make these crazy worlds in Santa Fe. We are trying to have an effect on Santa Fe to help us stay in the town we were born in and loved. After 6 years we saw an opportunity at a bowling alley that had been vacant for 7 years. We got inspired. It was our chance to do something in a real way. We took the idea to George RR Martin and presented our business plan and asked if he was willing to buy the building. He was. Damien Taggart is our Business Development Officer. We worked for 14 months and opened March of last year there. It is the first of its kind in the world. It is an emersive experience. We got 400,000 visits first the first year. George O'Keefe gets about 160,000 visits a year. We are the largest attraction in Santa Fe and in the top 3 in the State behind Carlsbad Caverns and White Sands. We are increasing in visits. Gross earnings for the first year were \$6.8 million. This 2<sup>nd</sup> year we are looking at \$8 million. We have 40% profit margins here in Santa Fe. We have gift shop with over 80

different artists represented. We have \$1 million a year in sales in the gift shop. Artists receive 30% of those profits. We have food and beverages with a food truck. We are trying to take it to the next level. We felt we had to work fast to market and move to a major market. Other cities wanted us to move there and be headquartered there. They have offered us major incentives to move. We looked at all the options. We talked to Ryan and Fabian and Ron Torres we found that LEDA funds allowed us to stay here. That is how we came into this process. We found a location for manufacturing and are looking to expand our emersive exhibits and traveling exhibits that will be moved around the world. We also have an entertainment and media arm. We have products such as animated shorts and documentaries. We also will have merchandising. We will have a brand, a creative brand like Marvel, and the ability to merchandise off of that brand. We want to house that in Santa Fe as much as possible.

Chair Harris said congratulations on all your success.

Ms. Bradshaw-Eakes asked your \$4 million, is all that all lined up.

Mr. Kadlubek said yes, it is lined up. We have a capital partner who has committed to financing the rest of the building and with the LEDA funds we can get that done with the down payment. Our partner is Southwest Capital.

Ms. Kennedy said she wants to disclose that she is a lifetime pass member of Meow Wolf. What is the percent of your manufactured goods that are exportable.

Mr. Kadlubek said we look at all of our products as exportable. We are not looking to do any more permanent exhibitions in New Mexico. Exhibits will be created here and transported to other locations. We will have traveling exhibits as well and merchandise. The entertainment piece will be produced here in Santa Fe then sent around the world.

Ms. Kennedy said the location you have selected was the old Catepillar plant and was the most successful exporter in Santa Fe until it closed. It is awesome that it is being taken over by someone who does exporting.

Chair Harris said your history over time with Economic Development when you look at what was done in creating those jobs and what was accomplished with Meow Wolf really is a success story. Tell that in detail so people can see what the City and State are trying to do. The budget adjustment is for \$500,000 why. Why is it not \$250,000.

Mr. Eustice said it is set up through a payment system to ensure the tax payer dollars are fully protected. Each payment is tied directly to employment numbers and milestones they need to hit.

Chair Harris said there are to be quarterly reports from this organization. What is your process for verifying jobs as permanent jobs.

Mr. Eustice said 32 hours per week are permanent jobs. There will be 250 JTIP eligible jobs. Job training incentive jobs. They will all meet that metric. They can go through that program and receive up to 50% reimbursement of the training during that time. Each job is manufacturing based. They will send up quarterly reports and will be reporting each position with social security numbers. Then those will be verified by us and the City.

Chair Harris said that is always a question that folks have. That is beneficial information.

Mr. Higgins said it is difficult to not say something really positive. He sees Meow Wolf as a big fat gift that landed in our lap and everything we can do to support them is everything we should do. He did it. There is a real desire to have other people experience this and export this talent. Remarkable.

Chair Harris said it is a collective at a certain level. They are a committed and creative and intelligent group of people. Everyone applauds your success and wishes you more.

Ms. Bustamante said she is excited. Job creation, the importance of jobs and development of general skills are diffusable into the community for other projects. She is extremely excited about a partnership with the Community College to have people qualified with these positions.

Mr. Orr asked what do you think are the main limitations to growth here.

Mr. Taggart said in Santa Fe the issue of having a fewer number of people with skill sets. That is the biggest difference with Austin or other markets. There is just more population.

Mr. Kadlubek said tech, development and entrepreneurial knowledge is lacking.

Mr. Taggart said it has been improving over the last 10 years as new programs have opened up. It is becoming less of an issue.

Mr. Eustice said when we as a State are competing against a City like Denver offering \$20 million, the State as a whole is unable to compete. Every community across the state would be jumping up and down if they were adding 250 manufacturing jobs to their community. We have received phone calls from developers looking to go to the same location as Meow Wolf. Emerging markets.



Mr. Kadlubek said one of the biggest issues for growth is housing for our employees. The housing market here is incredibly weak. They don't want to live 15 minutes outside of town or in Rio Rancho. The rental market quality is bad because of the lack of competition. We need more housing and we need it fast.

Ms. Alejandro asked are you capturing visitor data on a consistent basis. Information like are people coming to Santa Fe to specifically to visit Meow Wolf. How heavily does that weigh in their travel plans. Will your traveling exhibits pull from the installation in Santa Fe.

Mr. Kadlubek said we know some people are traveling just to visit Meow Wolf anecdotally. We hear it when people come through. 40% come from out of state right now. We anticipate that number to climb. We think the question of will our expansion pull from Santa Fe, our hope is that if the Austin installation reaches 1 ½ million visitors in a year they will find there is also one in Santa Fe and that will bring in people to Santa Fe. We anticipate our visitor number to stay intact and consistent. Bringing new tourists may get effected but it may be a positive.

Ms. Bradshaw-Eakes said that is a consideration for her but when you say traveling exhibits those will whet the appetite to come see the original. She wonders if there may be some spillover in to the property of Santa Fe University.

Chair Harris said maybe he will give an update on that soon.

Mr. Eustice said on their business plan if you look at sure numbers of 60% income from local people it bears out in their financial statements that it will remain so. The way their business is set up and run lends itself to that.

Mr. Kadlubek said they will be totally different experiences in other places. We will have a digital network that will capture all of the visitors. It creates an incentive to visit multiple locations. That is part of the business plan.

Chair Harris said just a bit of advice. Be very rigorous in your financial reporting and conservative in your business planning. Be disciplined in understanding the numbers. Expanding too soon can be tough.

**MOTION** A motion was made by Ms. Bustamante, seconded by Ms. Alejandro, to approve the requests in items B 1, a through c.

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

Mr. Kadlubek thanked the Committee.

Ms. Alejandro left the meeting.

## **V. INFORMATIONAL ITEMS**

### **A. BUILDING SOLUTIONS: "COOPERATIVE FINANCING PLATFORM"**

Ms. Updike said her report is in your packets. She reviewed her report.

Ms. Kennedy said she is so excited about this project. She recently went through a conversation with her business and Fabian. It is difficult to find funding for certain businesses. Nightclubs and those who serve alcohol or food. Do you anticipate any limitations on certain industries or alleviating those discussions.

Chair Harris asked whose job is it to take this cooperative financing to the next level and how do we keep it from being rolled into the discussion of a public bank.

Ms. Updike said there is no doing it. She wants to pull the group together to take it onward then it is up to them. Some of the business support groups may want to have a seat at the table. She does see the banks taking that forward. In the public bank discussion she did not encourage the City to do commercial lending unless or until the banks wanted it. This is one way the banks can pony up themselves with a private solutions for this.

Chair Harris said we will see what happens. Someone has to take ownership of this.

Ms. Updike said there are 2 players who may emerge. The CDFI model and the other player is Homewise. He wants to be an advisor. Mike Loftin was very encouraging.

Chair Harris thanked Ms. Updike.

## **VI. ITEMS FROM THE COMMITTEE**

Mr. Higgins said we heard a year ago from Santa Fe Spirits and they received LEDA funding. Now they are having some difficulties. One issue is the requirement the City to do other things not associated with LEDA. A fair amount of landscaping around the property that in the next phase of growth will have to be pulled out is a requirement. It is causing them higher expenses. He is wondering if this Committee might look into some of the Ordinances that are contrary to growing a business especially when they receive LEDA funds.

Chair Harris said that is one of the things that is in our charge and that we are to

be looking at. He does think it is appropriate to look at.

Ms. Kennedy said that came up in the Second Street Brewing discussion as well. They said it was legal fees. We should be looking at that absolutely.

Chair Harris said he will have a conversation with Matt, Fabian and Ross to see how we might start. Fabian did some work on issues that we need to roll into the Ordinance. Chapter 14. We may look at that as well.

Ms. Bradshaw-Eakes said maybe when we have companies who receive LEDA funds check in with us down the road and let us know their experiences. If we lose Second Street Brewery that would be a huge loss to Santa Fe. Maybe we hear from them about how it is going and things we might look at to facilitate their success.

Mr. Trujillo said he is scheduled to speak to the Committee in September. That is part of the requirement of his participation agreement in LEDA.

Mr Orr asked what is their timeline for deciding something.

Ms. Bradshaw-Eakes said they have called in outside council.

Mr. Orr said someone should look at that

Chair Harris said he has known Collin for many years. He has talked to him as well. It is pretty complicated in terms of his whole business not just the constraints of LEDA. Landscaping is an issue with others as well not involved with LEDA. He will talk to Collin in detail. He did hear earlier that if needed there is an opportunity to look back at the LEDA agreement and perhaps modify it.

Mr. Trujillo said we work with the companies to make sure they are successful. That happened with Santa Fe Studios. If he is having issues we will talk with him and see if a restructuring is needed.

Mr. Brown said since starting here he has heard that the City is not business friendly. True or not it is being taken as true. We are beginning the process of trying to discern how business people see us as not business friendly. He has heard the stories. He has spoken to Simon Brackley. Simon is canvassing all the members of the Chamber and asking each one of them to give him one issue we can solve to get the ball running. We will do this with the Green Chamber and the Hispanic Chamber as well. He does want us to get some small lens quickly and then look at more substantial issues. The ball is starting to roll to understand and get action.

Mr. Higgins asked is there a way to get an update on the College of Arts and Design.

Chair Harris said he will speak to that at the next meeting. There is a session scheduled in the next few days to compare notes and look at what has been proposed. A charette was organized around Garrets Desert Inn for design firms. It got zero press and the Land Office did participate. They haven't offered to do something similar at 3 locations. We may be able to roll out something if that is appropriate. There have been discussions with some Universities. The wheels tend to grind pretty slowly. We are less than a year from when Laurette will be gone from that lease and campus. We need to have the next user or users in place.

Mr. Higgins said there was a get together recently where ideas were discussed.

Chair Harris said there have been several. He attended one with the union. There has not been a City organized one. We said from the beginning that we still think at least a portion of that 64 acres needs to be higher education. Workforce also is something we would like to see. There are some opportunities there. Certainly with the film Union. There are a lot of different elements. Garson Studios is a sublease.

**VII. ITEMS FROM STAFF**

None.

**VIII. ITEMS FROM THE CHAIR**

Chair Harris said thank you to SCORE for all the good work you do.

Ms. Bustamante said she will not be here for the next meeting.

Chair Harris said he has submitted a resume to the Mayor for the opening we have on this Committee.

**IX. ITEMS FROM THE PUBLIC**

None.

**X. NEXT MEETING DATE - AUGUST 9, 2017**

**XI. ADJOURN**

**MOTION** A motion was made by Mr. Higgins, seconded by Ms. Kennedy, to adjourn the meeting.

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

There being no further business before the Committee, the meeting adjourned at 1:06 pm.

  
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Councilor Michael Harris, Chair

  
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Elizabeth Martin, Stenographer