



Agenda

DATE 3/7/18 TIME 1:33p
SERVED BY Fabian Trujillo
RECEIVED BY [Signature]

Economic Development Advisory Committee

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

**Wednesday, March 14, 2018
11:00 AM – 1:00 PM**

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes
 - 1. February 14, 2018
 - C. Approval of Agenda
 - D. Approval of Consent Agenda

- III. CONSENT AGENDA (None)

- IV. ACTION ITEMS (None)

- V. INFORMATIONAL ITEMS
 - A. Santa Fe Spirits LEDA Update – Colin Keegan
 - B. Midtown Campus Project Update – Matt Brown

- VI. ITEMS FROM THE COMMITTEE

- VII. ITEMS FROM STAFF

- VIII. ITEMS FROM THE CHAIR

- IX. ITEMS FROM THE PUBLIC

- X. NEXT MEETING DATE – **April 11, 2018**

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 ADVISORY COMMITTEE
 MARKET STATION AT THE RAILYARD
 500 MARKET STATION, SUITE 200
 WEDNESDAY, MARCH 14, 2018, 11:00 AM**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER		1
ROLL CALL	QUORUM	1
APPROVAL OF MINUTES FEBRUARY 14, 2018	APPROVED	1-2
APPROVAL OF AGENDA	APPROVED	2
APPROVAL OF CONSENT AGENDA	NONE	2
CONSENT AGENDA	NONE	2
ACTION ITEMS	NONE	2
 <u>INFORMATIONAL ITEMS</u>		
SANTA FE SPIRITS LEDA UPDATE	INFORMATION/DISCUSSION	2-5
MIDTOWN CAMPUS PROJECT UPDATE	INFORMATION/DISCUSSION	5-7
ITEMS FROM THE COMMITTEE	INFORMATION/DISCUSSION	7
ITEMS FROM STAFF	INFORMATION/DISCUSSION	7-8
ITEMS FROM THE CHAIR	INFORMATION/DISCUSSION	8
ITEMS FROM THE PUBLIC	INFORMATION/DISCUSSION	8
NEXT MEETING DATE	APRIL 11, 2018	8
ADJOURN	ADJOURNED	9

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MARKET STATION AT THE RAILYARD
500 MARKET STATION, SUITE 200
WEDNESDAY, MARCH 14, 2018, 11:00 AM**

1. 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, March 14, 2018, at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

ROLL CALL

MEMBERS PRESENT

Councilor Michael Harris, Chair
Holly Bradshaw-Eakes, Vice Chair
Kate Kennedy
John Feins
Doug Orr
Helen Brooks
Kim Kelly
(Vacancy)

MEMBERS ABSENT

Dr. Camilla Bustamante, Excused
Chuck Higgins, Excused

OTHERS PRESENT

Matt Brown, Economic Development Director, City of Santa Fe
Fabian Trujillo, Economic Development, City of Santa Fe
Rich Brown, Economic Development, City of Santa Fe
Liz Camacho, Economic Development, City of Santa Fe
Colin Keegan, Santa Fe Spirits
John van Drimmelen, Santa Fe Spirits
Marie Longserre, Santa Fe Business Incubator
Elizabeth Martin, Stenographer

**2. APPROVAL OF MINUTES
FEBRUARY 14, 2018**

MOTION A motion was made by Mr. Fiens, seconded by Ms. Bradshaw-Eakes, to approve the minutes as presented.

VOTE The motion passed unanimously by voice vote.

3. APPROVAL OF AGENDA

MOTION A motion was made by Mr. Fiens, seconded by Ms. Kennedy, to approve the agenda as presented.

VOTE The motion passed unanimously by voice vote.

4. APPROVAL OF CONSENT AGENDA

There is no consent agenda

5. CONSENT AGENDA

None.

6. ACTION ITEMS

None.

7. INFORMATIONAL ITEMS

**A. SANTA FE SPIRITS LEDA UPDATE
COLIN KEEGAN**

Mr. Trujillo introduced Colin Keegan, CEO, Santa Fe Spirits. He said he received a LEDA award for the build out of their facility. They are doing well.

Mr. Keegan said thank you for having him. We received \$325,000 from the State, \$50,000 from the City and \$50,000 in permit and fee waivers. We used the money to put up a 4,000 square foot warehouse. We are using half of it for the aging of whiskey and half for storage. It gave us a leg up for growth. We could not make more product and store it. It helped us get ahead of a curve on a national scale. It also helped us streamline the business. What we have done since then is set things up so that he can work more on the business rather than in the business. We are adding staff which we are required to do. We agreed to add 15 new staff members over 10 years. We have lost a couple of people and have added more people. John is our Chief Operating Officer which is a grand title for a company of 8 people. John is helping keep us streamlined and this year we could break even which is a good thing.

Chair Harris asked you hired local companies to do the construction didn't you.

Mr. Keegan said yes, Sarcon. The local crew made a difference. We would go back to them and use them again on our next project. Our goal is to be self sustaining. We are hiring local talent. We are hiring new bar tenders and distillers and are installing a new chiller this year.

Chair Harris said regarding the distillers, he would not think you would find local distillers without having to train them.

Mr. Keegan said we have a head distiller who will train the next positions. The production side of things is where we have expanded into. He has been pleasantly surprised at the labor pool. We have people who want to move to Santa Fe. We are also interviewing Denver distillers as well.

Mr. Drimmelen said if you have been brewing beer you can distill whiskey.

Ms. Kennedy asked what would you do to improve on the LEDA process.

Mr. Keegan said there is a lot of paperwork involved. The State and the City have different ways of processing this. They have different requirements. Fabian had to help us quite a bit. In government work there is a longer time frame with it and it becomes difficult for a small business to deal with. As a small business you really have to stop what you do and focus on doing government paperwork and work with government time lines. It is not bad, but you have to be ready for it.

Mr. Orr asked is the construction complete.

Mr. Keegan said yes. It was completed in December of 2016. The building is already full to capacity.

Mr. Orr asked did you have excess demand you were able to fill.

Mr. Keegan said yes. We age our whiskey for 3 years. In 2020 we will realize what we made last year. We did not have anywhere to put it.

Mr. Feins said he is interested in the fact that you are such a great Santa Fe story. You have had success exporting. You have exported your product to other states. How wonderful it would be if more Santa Fe businesses made a name for themselves in other markets. What have you learned regarding the notion of "one of ours states is missing". What helped you in the export market.

Mr. Keegan said we are in 13 states, Australia and Japan. 6 of those states don't quite work. They are single cases per month. We are lacking in large sales and marketing dollars. That is the same for any small business. It is a barrier imposed by the industry. The Liquor business is different. We have to go through a distribution entity. However, what the craft distilling industry is known for is being a disruptive arm

of the industry. People and entrepreneurs for sure want to move somewhere where they have a great quality of life. Santa Fe has that. Santa Fe is not cheap. Mexico is affordable, but what about the quality of life. We always talk about attracting young entrepreneurs to this town. He is writing an article now about the story of Santa Fe Spirits. He is the Chair of the Santa Fe Chamber of Commerce. There are lots of small businesses involved in that. They all have great stories. Santa Fe is a great story in itself.

Ms. Kennedy said Santa Fe is not really known for its production. We don't have the notoriety of Napa Valley for instance. How can we improve on that as a community and State.

Mr. Brown said one thing that we are building into our work will be convening different industries together for working sessions. This is about working together to identify obstacles to work and seeing who wants to grow. We will be building an action plan. By June and 3 months later will do CPG and Tech. He has some ideas about how to create a different entity to take on some of the marketing and logistics. The State of Pennsylvania is the single largest purchaser of alcohol in the United States. You sell to Pennsylvania. That is the kind of work we will be taking on now. Thank goodness we have people who can do this type of work. Rich has done this before.

Mr. Feins asked when customers find out about you and go to the tasting room how many of them keep ordering from you after they go back home.

Mr. Keegan said we wish they could. We cannot ship online. He is looking at trying to get direct to the customer shipping. We have to sell to distributors. They control the industry. If we go around them they don't like it. That is the liquor industry. Wineries have broken through that. The difference will be Amazon and Walmart. They want to sell it. When they do we want to get into the market.

Ms. Kelly said when you go to winery why can they do it and you can't.

Mr. Keegan said part of it is alcohol percentage. The perception is you can get drunk on whiskey, but not on wine or beer. Is a perception we fight. We do have a DWI problem in this state. Hopefully he can be a spokesperson for the distiller industry. It is a serious problem, but you can educate from within. The perception within our industry is different, but we can get over that. He would like to see more distilleries. This town would be great for more distilleries and breweries. We have some archaic liquor laws from the Feds and the State. Wineries can ship on line. We can sell directly from our tasting room. We can have 4 tasting rooms and can sell bottles from them which is more progressive than some states.

Mr. Drimmelen said we have an agreement with a company in Colorado that you can order our product from. It is the long way around however.

Mr. Keegan said he is a true believer that the market will correct itself and the industry will change accordingly.

Mr. Drimmelen said this is our 8th year and we are finally starting to look at a profit. We face New Mexico being too small for Santa Fe Spirits to be a profitable company and we need other outlets for revenue. You can buy our product in most bars and restaurants here, but we need to get to Colorado and Texas. The sales and marketing support is becoming more and more important for us.

Chair Harris said thank you very much. Good luck. John, it is good to meet you. You have a great team.

Mr. Keegan said thank you for your time.

B. MIDTOWN CAMPUS PROJECT UPDATE

Mr. Brown said since our last meeting a lot has happened. The collection phase is concluded. Both phases were great. The online activities goal was 100 to 200 participants and we got 180. 18 people did it twice. Almost 1,000 individual comments were made and in combination with lots of other sources we were able to create the survey that went out. We received back 2,234 successful surveys. He keeps hearing that is a great number. Statistically it is a great number. From there we created guidelines for the design teams. SFAI completed the recruitment of design teams who wanted to qualify for a stipend. They had a panel they assembled. It did not include him or Councilor Harris. They vetted all the teams and selected 5. We helped those teams to get the information they wanted and those teams are now off and going. They decided collectively that they did not want a mid point collection and review. Each team could request one if they wanted. 2 teams have asked for that. That will include him, the Mayor and Councilor Harris. We just finalized the in person evaluation events. We will have sessions open to public. April 12th, 13th and that Sunday. The first day will be at SFAI, GCCC on Friday and the southside library on Sunday. We will parallel that online. He got a call this morning from the Arts Commission, Ms. Garcia y Griego. She asked if we were interested in putting up the 5 posters of the designs in the gallery for the public to see. We are working on the timing of that. Communications are going to start going out right away. We will let the community know where to sign up as soon as tomorrow. The data is on the site. We will publish the guidelines as well so you can see our analysis. What you see in the data is in the top things the film industry was number 1 to grow and expand it and emerging media, number 2 was higher education, number 3 was the arts culture including the library, the Greer Garson Theater and other items, number 4 was culture, innovation and entrepreneurship including makers spaces and a tech hub, then workforce housing. One of the interesting things to us and not totally expected was that workforce housing was 17 out of 25 but ranked 10. There is a huge need across the City, but looking at the surveys and the comments the community broadly does not want that property to turn into a housing location, but rather that the

housing should be integrated into the theme of that space. A City center, with housing to support that. Responders thought housing should fit inside of something bigger and not dominate use of the property. We did comparisons. Hispanic compared to others. Neighborhoods around the school to other neighbors. They were pretty much the same. Older people like the office space more than the younger people, but no one really liked the office space at all. It made our work easier to see commonality. When you look at the close by neighborhoods they rated everything higher which we interpret as an expression of wanting things to happen there. He met with Mary Schruben and she came in with the neighborhood list of items to put on the survey in terms of wants. She was sure we would not want to talk to her. Her list matched beautifully with what we had. We supported her and her neighborhood by including things they wanted on the list.

Chair Harris said from his perspective and the perspective of the incoming Governing Body he believes we have sheperded this process and are developing a civic consensus. That civic consensus is still not so restrictive that our new Governing Body and the new Mayor does not feel boxed in. That is what we wanted to do. We wanted to organize this properly and go after the election with something the Governing Body and the Mayor can put their own stamp on. We have money issues we have to deal with. He believes this is a prudent process that has been underway and that it goes a long ways toward our fiduciary responsibility which hopefully leads into real dollars. The students will be done on May 15th. Laurent will be gone by June 30th.

Mr. Brown said in our communications we are doing now, in order to try to learn lessons from last time, we are trying to get greater participation from the Hispanic community. We are reaching out to the campaign managers of all 5 campaigns for Mayor in order to reach their supporters. We have heard back from Ives, Webber and Maestas. We are going to do PSAs in English and Spanish and are also creating an ad for Pasa Tiempo that can be cut out and mailed back to us if you don't have computer access. We reached out to Chainbreakers who did not originally help us, but Tomas came and asked to be involved in the second round. It is a pernicious, ongoing issue. It is not just us. We have to continue to eat away at it and get trust built and get more feedback. We aspire to do better at that.

Mr. Orr asked how did the other demographics do.

Mr. Brown said non Hispanic was over weighted. Native American was dead on. The responses were pretty close to the demographic on age. Gender was 59% female, 39% male. The balance was other. He would like in the next round to get better participation from the youth. Meow Wolf has been very helpful with that.

Ms. Kelly asked did you contact the Gallery Association by chance.

Mr. Brown said not that he knows of. That is a good idea. We will add them.

Ms. Kennedy said add the Restaurant Association as well.

Mr. Brown said he will.

Ms. Kelly said the head of the Library Board is thinking of putting in a proposal to move a library on campus.

Chair Harris said the RFP has been bundled for a consultant who will look at our whole library system and evaluate the mid town location. They will look at the La Farge location or should it be the Foglesome Library or another location. That is underway. There are advocates for all three.

Ms. Kelly asked was that on the survey.

Mr. Brown said yes it was. It was in the top tier.

Chair Harris said the library is part of what he calls community benefits. The survey showed they did not want a consolidated City Hall. They were not at all interested in that. They wanted to see more of the community benefits. The RFP was organized to see what we need to do to get a 21st Century Library.

Ms. Kelly said it is interesting to see how many people use libraries for access to the internet and filling out job applications and for meeting spaces. There is a community need.

8. ITEMS FROM THE COMMITTEE

Ms. Kennedy said our Special Needs Prom is partnering with the FOP. We will provide extra support for them for those students who are homebound. They are going to help provide space and volunteers. We will be back on the southside as well. She is really excited about it.

Chair Harris said thank you for doing this. You have had a commitment to this for 9 years.

Ms. Kennedy said we are going back to the original mission this year.

9. ITEMS FROM STAFF

Mr. Brown said we finally have a dashboard of the budget. He handed out the document and thanked Rich for doing it.

Mr. Brown reviewed the hand out. Most of the over budget costs are from the Midtown project and the Bloomberg project.

Mr. Brown said the system we have is not set up to deliver us the information we are trying to get. He is hoping in the new system we can design it to generate the reports and information we want.

Chair Harris said that is a familiar problem across all departments. Hopefully by this time next year the system will be in place. That is what is scheduled.

Chair Harris asked the costs associated with the Midtown Project, are all those numbers going against your budget.

Mr. Brown said yes. We can still go out and get people to pay for stipends. He will be looking at that.

Chair Harris said he has one pledge that was made before we started and now that we have some results he will ask that person for the funds.

10. ITEMS FROM THE CHAIR

Chair Harris said the Foglesome Library is open to the public. A lot of people did not understand that. On the campus the Driscoll Fitness Center is also open to the public. He encourages people to go onsite and get a better understanding.

11. ITEMS FROM THE PUBLIC

Ms. Longserre said the Incubator is celebrating its 20th year anniversary this year. We are going to have a gala luncheon on Wednesday, April 4th at La Fonda. We would love to have you all there. We have about 70 tickets left. We are going to sell out the ballroom. Congressman Lujan will be there. The Mayor will attend. Graduates and clients will be there as well. We need to sell 5 more tables. If you would like more information she has handouts she can give you. Thank you for all the support.

Chair Harris said congratulations. He looks forward to the event.

Chair Harris said as far as he knows people do not know their committee assignments yet. It is on tonight's agenda for the Council meeting. There may be a change in the makeup of the various committees including this one, members of the Governing Body wise.

Chair Harris said thank you all for being here.

12. NEXT MEETING DATE APRIL 11, 2018

13. ADJOURN

There being no further business before the Committee the meeting adjourned at 12:03 pm.



Councilor Michael Harris, Chair



Elizabeth Martin, Stenographer