



Agenda

Economic Development Advisory Committee

Market Station at the Railyard
500 Market Station, Suite 200

Monday, August 8, 2018
11:00 AM – 1:00 PM

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes
 - 1. June 13, 2018
 - C. Approval of Agenda
 - D. Approval of Consent Agenda
- II. CONSENT AGENDA (None)
- III. ACTION ITEMS
 - A. Request for review and approval of two (2) contract renewals for the FY-2018-2019 economic development portfolio as awarded through RFP to provide workforce development, business development, and other support for economic development in Santa Fe for a total funding amount of \$170,000 as identified (Matthew Brown):
 - 1. Professional Services Agreement, Amendment No. 2 – Santa Fe Business Incubator RFP 16/38/P;
 - 2. Professional Services Agreement – Santa Fe Chamber of Commerce – MIX.
- IV. INFORMATIONAL ITEMS
 - A. Meow Wolf LEDA Update – Fabian Trujillo/Allison Kennedy.
- V. ITEMS FROM THE COMMITTEE
- VI. ITEMS FROM STAFF
- VII. ITEMS FROM THE CHAIR

RECEIVED AT THE CITY CLERK'S OFFICE

DATE: 8/11/18
TIME: 1:02 pm

VIII. ITEMS FROM THE PUBLIC

IX. NEXT MEETING DATE – **September 12, 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.

**ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MARKET STATION AT THE RAILYARD
500 MARKET STATION, SUITE 200
WEDNESDAY, AUGUST 8, 2018, 11:00 AM**

I. PROCEDURES

A. CALL TO ORDER

The meeting of the Economic Development Advisory Committee was called to order by Councilor Roman Abeyta, Chair, at 11:00 am on Wednesday, August 8, 2018, at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

B. ROLL CALL

MEMBERS PRESENT

Councilor Roman Abeyta, Chair
Holly Bradshaw-Eakes, Vice Chair
Dr. Camilla Bustamante
Chuck Higgins
Helen Brooks
Kate Kennedy
Kim Kelly
(Vacancy)
(Vacancy)

MEMBERS ABSENT

John Fiens, Excused

OTHERS PRESENT

Matt Brown, Economic Development Director, City of Santa Fe
Fabian Trujillo, Economic Development, City of Santa Fe
Alex Padilla, Chairman of the Board, Santa Fe Business Incubator
Kate Noble, Mix
Andrea Romero, Mix
Allison Kennedy, Meow Wolf
Greg Crowell, Meow Wolf
Elizabeth Martin, Stenographer

**C. APPROVAL OF MINUTES
JUNE 13, 2018**

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

VOTE The motion passed unanimously by voice vote.

D. APPROVAL OF AGENDA

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

VOTE The motion passed unanimously by voice vote.

E. APPROVAL OF CONSENT AGENDA

None.

II. CONSENT AGENDA

None.

III. ACTION ITEMS

A. REQUEST FOR REVIEW AND APPROVAL OF TWO (2) CONTRACT RENEWALS FOR THE FY 2018-2019 ECONOMIC DEVELOPMENT PORTFOLIO AS AWARDED THROUGH RFP TO PROVIDE WORKFORCE DEVELOPMENT, BUSINESS DEVELOPMENT, AND OTHER SUPPORT FOR ECONOMIC DEVELOPMENT IN SANTA FE FOR A TOTAL FUNDING AMOUNT OF \$170,000 AS IDENTIFIED.

1. PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 2 - SANTA FE BUSINESS INCUBATOR RFP 16/38/P;

Mr. Brown said this is an amendment to a contract that is in place. He choose to communicate late in the game for the contractors. He will do better in the future around that. He spoke to all of them and we are all speaking much more now on how we will make a good faith effort and do the mid year review for sources of funding. We are committed to doing that.

Mr. Brown said the Mix contractor had been initially Andrea Romero Consulting until June of this year. In that contract was the ability for it to be assigned. We went through the process to assign it to the Santa Fe Chamber of Commerce Opportunity Fund which had been their fiscal agent. They assigned it to Ms. Romero. This is an ongoing part of the PSA. It concludes in April of 2019.

Mr. Brown said the subcommittee met yesterday and approved both amendments.

Mr. Padilla said thank you for the opportunity to be here and thank you to the City for 20 years of support. We hope you will come by and visit our facility.

Mr. Padilla said we are an organization located on the southside in a 30,000 square foot building. We support entrepreneurship, businesses and business growth. We have a staff of 3 and a budget of \$800,000. The City has, in the past, supported us with \$200,000 annually which has been reduced by \$50,000 this year. We receive \$300,000 in rents and Marie raises the rest. That is who we are. As far as how we go about doing it, we spend a lot of time working with new companies and entrepreneurs and have several programs with partners such as SCORE and WEST, who reside in the Incubator, and other partners. We have 21 clients housed in the 30,000 square feet. The State did an economic impact study in 2011 regarding the contribution of the Incubator to local government. A copy of this study is incorporated herewith into these minutes as Exhibit "1".

Mr. Padilla said we offer several programs such as Start Up Weekend, Eureka, Runway and Expert in the House, which Mr. Fiens has participated in. Our tenants include a diversity of businesses such as technology, innovation and the Fab Lab73. We have made a commitment and will stick by it.

Chair Abeyta said thank you.

Ms. Brooks asked is it the City requesting that you become self sustaining. Matt will you share your thinking.

Mr. Brown said he asked the question. It is not for us to decide. Their response was yes, we would like to try to see if we can do that. What is behind that is if the City doesn't have to continue to invest in that contract it puts the money back into Economic Development to deploy into other areas. It would be valuable to have that money back. Self sustaining is not just about the City contract, but also the demands that the organization has to raise \$200,000. The New Mexico Consortium is a model where they generated \$14 million of revenue last year and are highly profitable. If we work together and crack the code so they would be self sustaining and increasing revenue that is a by product. Part of the model to do that will be the Incubator's ability to take an equity position in the companies they house and help. It could be meaningful. It was an inquiry to them and Marie and Alex said yes, lets try it out. He is committed to crack that code for them. It would be a win for the Incubator and the City.

Ms. Brooks said she is happy to hear it was a dialogue. She would not want to see the Incubator threatened and risk the successes they have had.

Mr. Padilla said we do have a venture capital fellow on our board. We have

looked at in this in the past and will revisit it. We will see if it makes sense and try to implement it if we can.

Dr. Bustamante said she wants to reiterate that as we look at this we need to really reflect on communities with different demographics. There are reasons why other communities have the abilities they have. Look at that before you decide models from other places are appropriate.

Ms. Bradshaw-Eakes said to clarify, the agreement is 9 months or 12 months. What are the expectations.

Mr. Brown said he would like to clarify any misunderstanding. The contract term is 12 months. The Santa Fe Business Incubator is able to use the entire \$150,000 within 9 months. The goal was to keep the cash flowing to the Santa Fe Business Incubator at the same rate as it has been. In the worst case scenario 9 months from now, if have not found any other sources of money, there is no other obligation for SFBI to provide services beyond that. That is not what he expects to happen.

Mr. Padilla said he feels if he signs a contract for 12 months he is obligated for 12 months. He thinks they can do that.

MOTION A motion was made by Dr. Bustamante, seconded by Ms. Bradshaw-Eakes, to approve the amendment.

VOTE The motion passed unanimously by voice vote.

**2. PROFESSIONAL SERVICES AGREEMENT, AMENDMENT NO. 5
- SANTA FE CHAMBER OF COMMERCE AFTER ASSIGNMENT
BY ANDREA ROMERO CONSULTING - MIX**

Ms. Romero handed out a summary document about Mix. This document is incorporated herewith into these minutes as Exhibit "2".

Ms. Romero reviewed the document and added that the budget from the City is decreasing by 50%. That is alarming. We are grateful to the City for the support of Santa Fe's only entrepreneurial accelerator. We build every year. Our alumni continue to give back to the program.

Ms. Kennedy said she was a Board member of the Chamber of Commerce and recused herself from this discussion and vote. She left the meeting for this item.

Chair Abeyta said he attended the Chamber Gala. Is that part of your project to have participants in your program pitch business leaders.

Ms. Romero said yes, we push them with that contest.

Chair Abeyta said he thought that was great. He met several of them and has already contacted one.

Mr. Brown said on June 24th the contract was assigned to the Chamber. That is when the contractor changed. The contract still exists. As of July 1st this amendment will post date the \$20,000 to the new contractor.

Chair Abeyta said his concern is the 50% reduction. We have to also invest for this organization to be successful. He doesn't agree with all of them becoming self sustaining.

Mr. Brown said he is not thinking they all become self sustaining. We have had numerous conversations and have provided sponsorship monies for 2 events for them. We are committed to find ways to support this organization.

MOTION A motion was made by Dr. Bustamante, seconded by Ms. Bradshaw-Eakes, to approve the amendment.

VOTE The motion passed unanimously by voice vote.

Ms. Kennedy, Committee member, returned to the meeting.

IV. INFORMATIONAL ITEMS

A. MEOW WOLFE LEDA UPDATE

Ms. Kennedy, Meow Wolf, gave a presentation from the information included in the meeting packet.

Chair Abeyta asked does staff concur with their performance presentation.

Mr. Trujillo said yes, they exceeded expectations. They met all job requirements and are actually ahead of what they needed to meet. We are pleased. They received \$850,000 from the State and \$250,000 from the City, to be disbursed over 5 years.

Mr. Trujillo said they already have a need for additional space. They are doing film projects in other spaces and have young, energetic people trough the spectrum. Go see the Caterpillar building.

Ms. Kennedy said all of our manufacturing for our new installations in Denver and

Las Vegas is happening at Catapiller.

Dr. Bustamante said she appreciates that they are working with the Community College to find skilled employees. It is a very good relationship.

Mr. Brown said the strategy for the State is slightly different from the City. The City is time bound. The State is more performance based and about when they meet their goals as to the distribution of funds. We have amended our OED to allow us to do that as well if that is our strategy.

Mr. Brown said Rich Brown led the effort for the City to get 5 opportunity zones designated. Meow Wolf is inside one and on the border of another.

Chair Abeyta said thank you.

Chair Abeyta asked Mr. Trujillo to work on coordinating a visit for the Committee to the Catapiller building and have the meeting there as well.

Ms. Bradshaw-Eakes said Manufacturing Day is in October. We could invite the entire City Council to go there. It might be an opportunity to show how LEDA works.

Mr. Brown said that is a great idea to see your money at work.

V. ITEMS FROM THE COMMITTEE

Dr. Bustamante said a lot of people will be showing up tonight for City Council due to some controversy in the way the outreach for the campus project was done. Maybe it could have been done better. It is thought that it tended to disenfranchise people in the community. It was brought to her attention in discussions with academic institutions other than the Community College. We have seen things happen when an entity comes in and things don't work out and they leave. Work with what you have is sustainability. She hopes as we move forward as a Committee and as considerations are made we will consider what we have as a community. Without taking the community into consideration it won't work here. Something needs to be said if it is to be truly meaningful economic development.

Chair Abeyta said he was glad she brought up. He appreciates that. He thinks there are also those who heard from the Community College saying they were not involved, but then we all got an email from the President at the College that they been involved from the start. Maybe there needs to be some better communication within the College.

Dr. Bustamante said we have had an interim President who may not necessarily be aware of what has happened. It was a blind side. Other institutions were contacted

and there have been conversations. We want to be good community players. She is speaking from her own perspective. She was a bit taken aback.

Chair Abeyta said he agrees and we are working towards a compromise. We do need to do better. Other organizations do too. We are getting mixed messages from the organizations themselves. The email we received was not from the interim President. It was from the President. There is confusion among the organizations too and maybe some communication barriers within the Community College.

Dr. Bustamante said she hopes to carry the message of working closer with the community involved. She is speaking on behalf of the community that we continue to look at the grander picture. We need to involve the voice of those who feel they did not have a seat at the table.

Chair Abeyta said a lot of things could have been done better. We need to put things in place in the Resolution tonight to put us in that direction and to serve as a model.

Dr. Bustamante said it is about what can we do better.

Chair Abeyta said it works both ways. We need a commitment from organizations as well. They need to take it seriously and answer calls and come to the table.

Ms. Kennedy, Committee member, left the meeting.

Mr. Brown said he will make himself available to all of you to talk about anything and everything we did to communicate. We connected our talks with UNM to the Community College. He will happily share that with you. From his experience what he is trying to do and his team is trying to do is to ensure that all of the parties here would be integrated into conversations about what may happen at that property. If there is stuff he does not know about he will be shocked, but he is happy to talk to you about what has happened. He has tried to be intentional about ensuring communication.

Ms. Brooks said the new Presbyterian Medical Center will be opening on October 1, 2018. We are hiring 350 employees, recruitment is done and we are pleased. She would like to invite you all to a party in the park on September 22nd from 11:00 am to 3:00 pm for a community celebration.

Mr. Brown asked Ms. Brooks to send out an invitation to the party.

Ms. Brooks said she will send an invitation to Fabian so that he can send it out.

Ms. Kelly said she was surprised about some of the cuts. Mix for sure. Is there going to be a mid year review.

Mr. Brown said yes.

Ms. Kelly said Mix is innovative and on the edge. She doesn't want it to fall apart or be pared down so it is not effective.

Ms. Bradshaw-Eakes said she would say that on all of these projects. This has been painful. It is so important for all these organizations to be able to plan year to year on the budget they have. Her hope is that there will be a bit more stability for them.

Mr. Brown said it is most painful for the people taking the cuts and 2nd most for this organization. We did not do this cavalierly. There were budget constraints. We are committed to help them. This is no fun. In order to do this and for us to achieve success will take more than whatever the Economic Development budget is. Getting more creative for example. He has assigned Fabian and Rich to look for and secure grants that we can get and that we can find for partners. Our thinking and how we have to approach this is beyond our budget constraints. He feels it. It compels us to try to solve that problem, but more systemically. Not changing every year.

Ms. Bradshaw-Eakes said she asks that he deploy that when we have similar metrics on where that money that was saved goes.

Mr. Brown said there is no money that is saved. That is not happening. All we did was set aside money because things came up last year that were totally unpredictable. Our department absorbed those things. That was the only responsible thing for him to do. Planning funding for example. There is no savings.

Chair Abeyta asked when you prepare your budget do you take it to this Committee before it goes to the City Manager.

Mr. Brown said no. It goes to the City Manger and then Finance.

Chair Abeyta said that would be helpful so this Committee is aware and informed. He would like to know what the strategic direction is for your Department and what role this Committee plays in that.

Mr. Brown said his team is working on it. It is a challenge to get that done. We restarted for the 3rd time to get the planning done. We should have a decent draft in September. That is not an excuse, just a reality. Things like the Midtown Campus were overwhelming. We also lost the employee who was doing the plan. We are close now.

Chair Abeyta said he would like this Committee to be more than just approving RFPs. The exchange Dr. Bustamante and he had was great. He can carry the message to the Council.

Mr. Brown said you will be in he loop for planning. You will be a part of it. He

wants this Committee to be a collaboration and be part of the work we do. We will get there.

VI. ITEMS FROM STAFF

None.

VII. ITEMS FROM THE CHAIR

None.

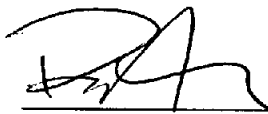
VIII. ITEMS FROM THE PUBLIC


None.

**IX. NEXT MEETING DATE
SEPTEMBER 12, 2018**

X. ADJOURNMENT

There being no further business before the Committee the meeting adjourned at 12:30 pm



Councilor Roman Abeyta, Chair

Elizabeth Martin, Stenographer

The Economic Impact During 2011 of the Santa Fe Business Incubator

April 16, 2012

Prepared for:
Santa Fe Business Incubator
3900 Paseo del Sol
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ImpactDataSource

DATA

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EXECUTIVE SUMMARY

The purpose of the analysis was to estimate the annual economic impact during 2011 of the Santa Fe Business Incubator -- one of six certified business incubators in New Mexico.

The economic impact of (1) the operations of the incubator was projected, along with (2) the impact of the firms assisted by the incubator, once they graduated from the incubator and became self-supporting companies.

About the Incubator

The Santa Fe Business Incubator, founded in December, 1997, is a non-profit corporation that helps entrepreneurs grow and succeed in their business. The 30,000 square foot facility offers office and production spaces for technical firms, service companies and manufacturing businesses.

The incubator provides a wide range of business services including on-site technical assistance, training workshops, shared equipment, community resources and access to capital.

Over the past five years, the incubator received \$4.4 million in funding for their operations.

Tenants

During 2011, 16 tenants were assisted by the incubator. In addition, during the year, tenants reported funding of \$18.7 million, including equity injections, revenues, grants and contracts, and research and development grants and contracts.

Graduates Over the Past Five Years

Forty-five firms graduated from the incubator over the past five years. An estimated 78% of these companies are still operating.

Types of Economic Impacts Generated by Tenants and Graduates

Incubator tenants and companies graduating from the incubator generate economic impacts, including jobs, salaries and business revenues.

Further, there are three types of economic impacts of tenants and graduates -- direct, indirect and induced -- and regional economic multipliers were used to determine indirect and induced impacts.

Economic Impact During 2011 of Tenants and Graduates of the Incubator

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are shown below.

Economic Impact During 2011 of Tenants and Graduates of the Incubator			
	Tenants	Graduates	Total
Number of direct businesses operating during the year as a result of incubator activities	16	37	53
Annual revenues generated by businesses (increase in gross state product):			
Direct	\$6,336,000	\$20,350,000	\$26,686,000
Indirect and induced	\$3,390,394	\$10,889,285	\$14,279,679
Total	\$9,726,394	\$31,239,285	\$40,965,679
Jobs created and supported by businesses:			
Direct	80	185	265
Indirect and induced	53	122	175
Total	133	307	440
Annual salaries paid to workers:			
Direct	\$2,960,000	\$11,100,000	\$14,060,000
Indirect and induced	\$1,443,000	\$5,411,250	\$6,854,250
Total	\$4,403,000	\$16,511,250	\$20,914,250
Property added to tax rolls	\$6,800,000	\$15,725,000	\$22,525,000
Annual taxable gross receipts generated on:			
Revenues of direct, indirect and induced businesses	\$7,294,795	\$23,429,464	\$30,724,259
Taxable spending by direct, indirect and induced workers	\$1,761,200	\$6,604,500	\$8,365,700
Taxable spending by businesses	\$800,000	\$2,839,935	\$3,639,935
Total gross receipts	\$9,855,995	\$32,873,899	\$42,729,894

Revenues Generated During 2011 for the State and Local Taxing Districts by Tenants and Graduates of the Incubator

Economic impacts generated by incubator tenants and graduates translate into revenues for the State and local taxing districts. These estimated revenues for 2011 are shown on the following page.

**Estimated Revenues Generated during 2011 for the State and Local Taxing Districts
by the Incubator Tenants and Graduates**

	State	Local Taxing Districts	Total	
Gross receipts taxes	\$1,209,790	\$1,113,648	\$2,323,438	\$0
Property taxes	\$10,124	\$329,204	\$339,328	\$0
State Income taxes:				
Corporate	\$131,090		\$131,090	#REF!
Personal	\$494,099		\$494,099	\$0
Total	\$1,845,104	\$1,442,852	\$3,287,955	

Return on the State's Investment in the incubator

State Funding for the New Mexico Business Incubator Program During Fiscal Years 2007-2010

During fiscal years 2007-2010, the New Mexico Economic Development Department provided \$639,500 in funding for the New Mexico Business Incubator Program, including \$25,000 for the Santa Fe Business Incubator.

Rate of Return on Investment Over Four Years

These funds may be considered a state investment in the state's economic growth and the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generate for the State and local taxing districts, including cities, counties, school districts and special taxing districts.

If this is the case, a rate of return on investment may be calculated on this investment. The average annual rate of return on investment on the State's funding for the Santa Fe Business Incubator is shown on the next page.

**Estimated Revenues Generated Over a Four-Year Period for the State and Local
Taxing Districts by Incubator Tenants and Graduates**

The state's total investment in the Santa Fe Business Incubator over four years	\$25,000
Taxes to be received from tenants and graduates over four years:	
By the state of New Mexico	\$7,380,414
By the local taxing districts	\$5,771,407
Total	\$13,151,821
Rate of return on investment:	
For the state only	29522%
For the state and local taxing districts	52607%
Cost benefit ratio for the state funding compared to additional returns for the state	1 to 295.22

As shown above, for every dollar of funding that the state provided to the Santa Fe Business Incubator over four years, tenants and graduates of the program may return \$295.22 to the state during a four year period.

Details of this economic impact analysis are on the following pages.

The Economic Impact During 2011 of the Santa Fe Business Incubator

INTRODUCTION

This report presents the results of an analysis performed by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. The purpose of the analysis was to estimate the economic impact during 2011 of the Santa Fe Business Incubator.

The economic impact of (1) the operations of the incubator was projected, along with (2) the impact of the firms assisted by the incubator, once they graduated from the incubator and became self-supporting companies.

This report includes the following components:

- Description of the incubator,
- Funding received by the incubator for their operations,
- Tenants funding and annual operations,
- Graduates' operations,
- Types of economic impacts that the incubator and its graduates provide and multipliers used in this analysis,
- Economic impact during 2011 of tenants and graduates of incubator,
- Revenues generated during 2011 for the state and local taxing districts by tenants and graduates of incubator,
- Rate of return on the state's investment in the incubator program, and
- Conduct of this analysis.

DESCRIPTION OF SANTA FE BUSINESS INCUBATOR

The Santa Fe Business Incubator, founded in December, 1997, is a non-profit corporation that helps entrepreneurs grow and succeed in their business. The 30,000 square foot facility offers office and production spaces for technical firms, service companies and manufacturing businesses.

The incubator provides a wide range of business services including on-site technical assistance, training workshops, shared equipment, community resources and access to capital.

In 2011 the facility had 16 tenants and over the past five years has had 45 graduates.

Funding that the incubator received for their operations and construction is discussed next.

FUNDING RECEIVED BY THE INCUBATOR FOR ITS OPERATIONS AND CONSTRUCTION

The incubator received the following funding over the past five years -- 2006 - 2011:

Funding Received by the Incubator for Construction and Operations over the Past Five Years				
	Funding Received			Types of Funding
	Total	For Operations	For Construction	
Santa Fe Business Incubator	\$4,420,400	\$3,746,400	\$674,000	Funding for construction and other external funding

An estimated 55% of the \$3.7 million in funding for the operations of the Santa Fe Business Incubator, shown above, is internally generated. The remaining 45% is funded from external sources.

Funding received by tenants during 2011 and some information on their operations are discussed next.

TENANTS' FUNDING AND ANNUAL OPERATIONS

Funding Received by Tenants during 2011

Tenants at the incubator received the following funding during 2011:

Funding Received by Tenants During 2011	
Equity capital	\$10,924,000
Sales revenues	\$7,527,000
Grants and contracts	\$0
Research and development grants and contracts	\$250,000
Debt financing	
Total	\$18,701,000

Characteristics of Tenants' Operations

Average tenants at the incubator in 2011 had the following characteristics:

Characteristics of an Incubator Tenant in 2011	
Annual revenues	\$396,000
Property added to local tax rolls:	
Real property improvements	\$250,000
Business personal property	\$175,000
Number of employees	5
Average annual salaries	\$37,000
Estimated annual local purchases of supplies, materials and services	\$50,000

Total Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases

Total Revenues for Tenants

Total revenues, property added to tax rolls, jobs, salaries and local purchases for tenants at the incubator in 2011 are shown below.

Tenants' Total Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases in 2011	
Number of tenants	16
Annual revenues	\$6,336,000
Property added to local tax rolls:	
Real property improvements	\$4,000,000
Business personal property	\$2,800,000
Number of employees	80
Annual salaries	\$2,960,000
Estimated annual local purchases of supplies, materials and services	\$800,000

Some information on graduates of the incubator is presented next.

GRADUATES' OPERATIONS

Number of Graduates over the Past Five Years

The following number of firms graduated from the incubator over the past five years:

Number of Graduating Firms Over the Past Five Years	
Agriculture	
Construction	
Manufacturing	3
Utilities and/or Energy	1
Retail Trade	5
Information	1
Information Technology	4
Financial Activities	3
Prof. & Business Service	11
Health Care & Social Assistance	1
Leisure	1
Technology	6
R&D	5
Non-Profits	2
Non-Profits Services Providers	2
Total	45

Number of Graduates over the Past Five Years Still Operating in 2011

An estimated 78% of companies graduating from the Santa Fe Business Incubator were still be in business during 2011.

If this is the case, the following estimated number of graduate companies (over the past five years) were still operating in 2011:

Estimated Number of Graduating Firms Over the Past Five Years Still Operating in 2011	
Agriculture	0
Construction	0
Manufacturing	2
Utilities and/or Energy	1
Retail Trade	4
Information	1
Information Technology	3
Financial Activities	2
Prof. & Business Service	9
Health Care & Social Assistance	1
Leisure	1
Technology	5
R&D	4
Non-Profits	2
Non-Profits Services Providers	2
Total	37

Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases

Annual Averages for Graduates

Average revenues, property added to tax rolls, jobs, salaries and local purchases in 2011 for graduates of the incubator are shown below.

Graduates' Average Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Annual Purchases	
Number of graduates	45
Average annual revenues	\$550,000
Property added to local tax rolls:	
Real property improvements	\$250,000
Business personal property	\$175,000
Number of employees	5
Average annual salaries	\$60,000
Estimated annual local purchases of supplies, materials and services	\$50,000

Annual Totals for Graduates Still Operating

Estimated total annual revenues, property added to tax rolls, jobs and salaries for all graduates still operating are shown below.

Graduates' Average Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Annual Purchases		
	Average	Total
Number of operating graduates		37
Annual revenues	\$550,000	\$20,350,000
Property added to local tax rolls:		
Real property improvements	\$250,000	\$9,250,000
Business personal property	\$175,000	\$6,475,000
Number of employees	5	185
Annual salaries	\$60,000	\$11,100,000
Estimated annual local purchases of supplies, materials and services	\$50,000	\$1,850,000

The types of economic impacts generated by tenants and graduates of the incubator are discussed next, along with regional economic multipliers used in this analysis.

TYPES OF ECONOMIC IMPACTS THAT THE INCUBATOR AND ITS GRADUATES PROVIDE AND MULTIPLIERS USED IN THIS ANALYSIS

Types of Economic Impacts

Incubator tenants and companies graduating from the incubator generate economic impacts, including jobs, salaries and business revenues.

Further, there are three types of economic impacts: direct, indirect and induced.

First, direct economic impacts are those that are generated directly by tenants in the incubator and by firms after they graduate.

Second, indirect revenues, jobs and salaries are created in new or existing firms in the state, such as maintenance companies, distributors, and service firms, that may supply goods and services to the tenants and graduate firms.

Third, induced revenues, jobs and salaries are created in new or existing businesses in the state, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to employees of the tenants and graduate firms and their families.

New revenues of direct, indirect and induced firms increase New Mexico's gross state product -- a measure of the economic output of the state in a year. It is the sum of all values added by industries within the state and serves as a state-equivalent to the national gross domestic product or GDP.

Regional Economic Multipliers

To estimate the indirect and induced economic impact of the business incubator on the state, regional economic multipliers were used. Regional economic multipliers for New Mexico are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: an output multiplier, an employment multiplier and an earnings multiplier.

An output multiplier was used to estimate the indirect and induced output or revenues created and supported in the state. An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the state. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs.

The multipliers show the estimated indirect and induced revenues of other companies in the state for every dollar of revenues generated by tenants and graduates. An employment multiplier shows the number of indirect and induced jobs created for every direct job at the tenants and graduates and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facilities. The indirect and induced multipliers shown on the following page were used in this analysis:

Regional Economic Multipliers Used in this Analysis

	Total	Indirect and Induced
Output multiplier	1.5351	0.5351
Employment multiplier	1.6597	0.6597
Earnings multiplier	1.4875	0.4875

The above multipliers are averages for several industry groups in which tenants and graduates operate.

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are presented next.

ECONOMIC IMPACT DURING 2011 OF TENANTS AND GRADUATES OF THE INCUBATOR

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are shown below.

Economic Impact During 2011 of Tenants and Graduates of the Incubator

	Tenants	Graduates	Total
Number of direct businesses operating during the year as a result of incubator activities	16	37	53
Annual revenues generated by businesses (increase in gross state product):			
Direct	\$6,336,000	\$20,350,000	\$26,686,000
Indirect and induced	\$3,390,394	\$10,889,285	\$14,279,679
Total	\$9,726,394	\$31,239,285	\$40,965,679
Jobs created and supported by businesses:			
Direct	80	185	265
Indirect and induced	53	122	175
Total	133	307	440
Annual salaries to workers:			
Direct	\$2,960,000	\$11,100,000	\$14,060,000
Indirect and induced	\$1,443,000	\$5,411,250	\$6,854,250
Total	\$4,403,000	\$16,511,250	\$20,914,250
Property added to tax rolls	\$6,800,000	\$15,725,000	\$22,525,000
Annual taxable gross receipts generated on:			
Revenues of direct, indirect and induced businesses	\$7,294,795	\$23,429,464	\$30,724,259
Taxable spending direct, indirect and induced workers	\$1,761,200	\$6,604,500	\$8,365,700
Taxable spending by businesses	\$800,000	\$2,839,935	\$3,639,935
Total gross receipts	\$9,855,995	\$32,873,899	\$42,729,894

Estimates of revenues generated during 2011 by the incubator tenants and graduates for the state and local taxing districts are presented next.

REVENUES GENERATED DURING 2011 FOR THE STATE AND LOCAL TAXING DISTRICTS BY TENANTS AND GRADUATES OF THE INCUBATOR

Some Tax and Other Rates Used in this Analysis

Some tax and other rates used in this analysis are shown below:

Some Tax and Other Rates Used in this Analysis	
Gross receipts tax rates:	
Percentage retained by the state after distribution to cities	3.775%
Average local rate with state distribution	3.475%
Property tax rates:	
State debt service	1.362
Average combined local rate	44.288
Estimated effective state income tax rate for these companies:	
Corporate	4%
Personal	3.15%
Estimated percent of the gross salaries a typical worker spent on taxable goods and services	40%
Estimated percent of business revenues subject to gross receipts tax	75%
Estimated percent of business revenues subject to state corporate income taxes	8%
Workers' estimated adjusted gross or taxable income as a percent of salaries	75%
Taxable value of property as a percent of assessed value	33%

Revenues during 2011 for the State of New Mexico and Local Taxing Districts

Economic impacts generated by incubator tenants and graduates translate into revenues for the State and local taxing districts. These estimated revenues for 2011 are shown on the following page.

**Estimated Revenues Generated during 2011 for State and Local Taxing Districts
by Incubator Tenants and Graduates**

	State	Local Taxing Districts	Total
Gross receipts taxes	\$1,209,790	\$1,113,648	\$2,323,438
Property taxes	\$10,124	\$329,204	\$339,328
State income taxes:			
Corporate	\$131,090		\$131,090
Personal	\$494,099		\$494,099
Total	\$1,845,104	\$1,442,852	\$3,287,955

A discussion of the rate of return on the state's investment in the incubator is next.

RETURN ON THE STATE'S INVESTMENT IN THE INCUBATOR

State Funding from the New Mexico Business Incubator Program During Fiscal Years 2007-2010

During fiscal years 2007-2010, the New Mexico Economic Development Department provided the following funding for the New Mexico Business Incubator Program:

**State Funding Provided for the New Mexico Incubator Program
During Fiscal Years 2007-2010**

Year	Capital Outlay	Special Appropriation	Recurring Special (EDD Budget)	Total
2007	\$395,000			\$395,000
2008		\$110,000		\$110,000
2009			\$104,500	\$104,500
2010			\$30,000	\$30,000
Total	\$395,000	\$110,000	\$134,500	\$639,500

Of this amount, the Santa Fe Business Incubator received \$25,000.

These funds may be considered a state investment in the state's economic growth and the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generated or may generate for the State and local taxing districts, including cities, counties,

school districts and special taxing districts.

If this is the case, a rate of return on investment may be calculated on this investment.

State and Local Revenues Generated by Incubator Tenants and Graduates over a Four-Year Period

Using estimated revenues generated by the incubator tenants and graduates during 2011 to estimate revenues over a four year period -- a period of time for which state funding was provided -- estimated revenues over four years for the state and local taxing districts are shown below.

Estimated Revenues to be Generated Over a Four-Year Period for the State and Local Taxing Districts by Incubator Tenants and Graduates			
	State	Local Taxing Districts	Total
Gross receipts taxes	\$4,839,160	\$4,454,591	\$9,293,752
Property taxes	\$40,496	\$1,316,815	\$1,357,311
State income taxes:			
Corporate	\$524,361		\$524,361
Personal	\$1,976,397		\$1,976,397
Total	\$7,380,414	\$5,771,407	\$13,151,821

Rate of Return on Investment on the State's Investment in the Business Incubator Program

As stated before, if (1) the state's funding for the Santa Fe Business Incubator is considered a state investment in the state's economic growth and (2) the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generate or may generate for the State and local taxing districts, including cities, counties, school districts and special taxing districts, then this four year investment will have the rate of return over four years of the operations of incubator tenants and graduates as shown on the following page.

**Estimated Revenues Generated Over a Four-Year Period for the State and Local
Taxing Districts by Incubator Tenants and Graduates**

The state's total investment in Santa Fe Business Incubator Program over four years	\$25,000
Taxes to be received from tenants and graduates over four years:	
By the state of New Mexico	\$7,380,414
By the local taxing districts	\$5,771,407
Total	\$13,151,821
Rate of return on investment:	
For the state only	29522%
For the state and local taxing districts	52607%
Cost benefit ratio for the state funding compared to additional returns for the state	1 to 295.22

As shown above, for every dollar of funding that the state provided to the Santa Fe Business Incubator over four years, tenants and graduates of the program may return \$295.22 to the state during a four year period.

A discussion of the conduct of this analysis is next.

CONDUCT OF THIS ANALYSIS

This analysis was conducted by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm.

The Santa Fe Business Incubator provided information on data sheets provided by Impact DataSource on the operations of its facility and on current tenants and graduates of the incubator over the past five years.

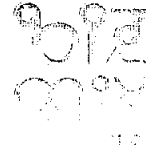
Using this data, as well as some estimates, assumptions and regional economic multipliers, Impact DataSource estimated the economic impact during 2011 of tenants and graduates.

From these estimated 2011 economic impacts, Impact DataSource estimated revenues that the tenants and graduates of the incubator generated for the State of New Mexico and local taxing districts in 2011.

Impact DataSource is an 18-year old firm specializing in economic and fiscal impact analysis. The firm has conducted over 2,500 economic impact analyses of projects in 26 states, included New Mexico. Overall, the firm has conducted economic impact analyses of over 200 projects in New Mexico for the New Mexico Economic Development for over the past twelve years. The firm's other clients in New

Mexico include the City of Santa Fe, Otero County, Lea County and others.

The firm's Principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.



MIX Santa Fe (founded 2009) + bizMIX (founded 2012)

Report for the City of Santa Fe - August 2018

MIX was **retaining and attracting young professionals and creative entrepreneurs** before it was cool. Beginning in late 2009, MIX Santa Fe was born as a collaboration between the City of Santa Fe's Economic Development Team, the Santa Fe Chamber of Commerce, and a few committed community members.

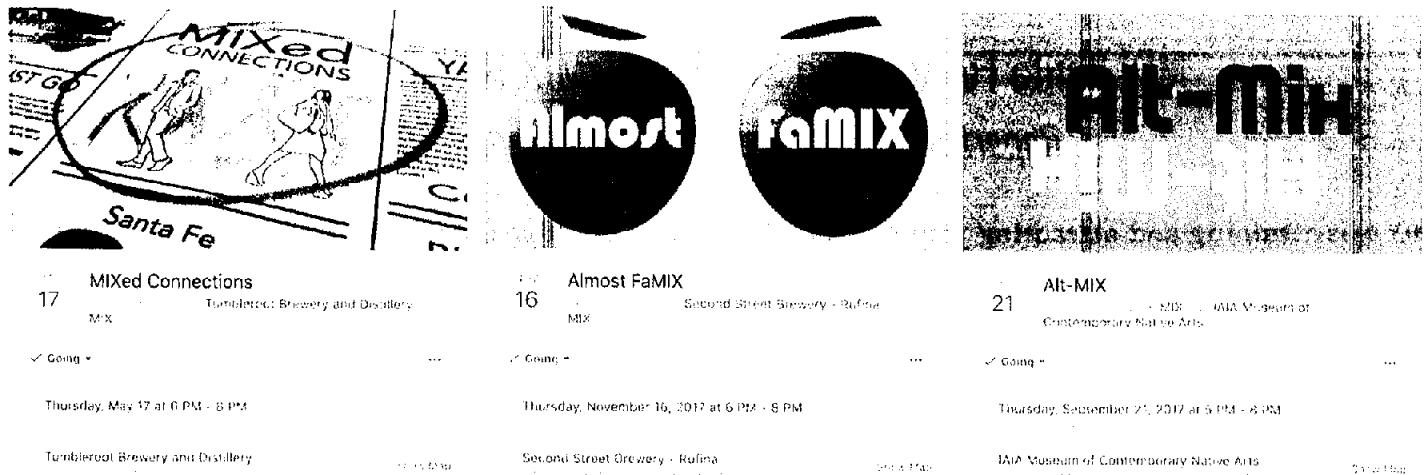
The goal has always been to **connect people to jobs, friends, collaborators, people to date, so that they will stay in our community**. In 2012 as an effort to promote entrepreneurship and cultivate community-centric businesses, we launched bizMIX, a startup accelerator and business plan competition. The foundational principles of MIX include crowdsourcing as a way of identifying problems, revealing solutions and directing our community work, activating and connecting passionate people, highlighting vacant and underutilized venues and businesses, showcasing local creative talent, and building social capital. In 2015, MIX was recognized with a "Bright Idea" award for **Innovations in Government from the Harvard Kennedy School**.

- MIX OUTCOMES FY 2017/18 -

- MIX/bizMIX hosted **nine events** (five large networking events, and five bizMIX focused events), with total **annual attendance of more than 1,800**.
- Attendance at MIX networking events averaged 338; with roughly **60% being under forty**, and 31% being new attendees, according to survey data.
- Total community sponsorship and leverage (not including volunteer time) amounted to roughly **\$110,000 between MIX and bizMIX**.
- bizMIX has been growing and gaining steam. In 2017, **17 teams graduated**, the largest class ever. Some highlights of recent graduates:
 - 2017 Grand Prize winner **Paleteria Oasis** opened a new location in July 2018
 - Cash prize winner One For Neptune, maker of sustainable and healthy seafood jerky, was recently **featured in a Forbes Magazine** article titled 'The Five Biggest Startup Opportunities In Agtech Today'

- MIX SNAPSHOTS -

- **FACT - 102 MIX/bizMIX networking events** have brought the community together since 2009. A majority of MIX event attendees are consistently under the age of 40.



- At the **May 2017** event at Tumbleroot Brewery and Distillery, the new CEO of Christus St Vincent brought members of her team and mingled with City of Santa Fe staff plus the owners of Paleteria Oasis (bizMIX winner 2017), musicians and artists from Zephyr Community Art Studio, Descartes Lab staff, young lawyers, service workers, a few parents with kids, and many more.
 - Everyone was encouraged to think about trails, transportation, and connectivity (get it? MIXed Connections?) with a giant map of Santa Fe on which people could draw their routes. Also, to spark conversations, affordable housing facts were on display with MIX survey results showing **53% responding that in addressing the housing issue, the Mayor and City Council should focus on affordable housing for middle and low-income people.**
 - May 2018 survey results include 55% of respondents saying they have started a business, and 36.7% saying they are likely to start a business in Santa Fe. 70.9% said you can't have a strong economy without entrepreneurial support (like bizMIX).

- bizMIX FACTS -

- **FACT: 74 teams of entrepreneurs** have been trained through the bizMIX accelerator since 2012. In 2017, \$24,000 in cash and more than \$30,000 in prizes was awarded.
- 2017 bizMIX cash winner **One For Neptune** was featured in **Forbes Magazine's** July 2018 article titled 'The Five Biggest Startup Opportunities in Agtech Today.'
- 2015 graduate, **Squash Blossom Foods**, won the **2018 City of Santa Fe Small Business of the Year Award** and **NMSBA Business of the Year Award**.
- **Paper Dosa**, 2014 bizMIX winner and graduate continues to shine as an mentor-alumni and ongoing food sponsor of bizMIX, and has won **extensive accolades** including:



One For Neptune

July 25 at 10:18 AM '18

Woah! We are excited to be included in Forbes' article, 'The Five Biggest Startup Opportunities in Agtech Today' by Michael Helmstetter. "Focused on optimizing ...

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- Being named one of the best Indian Restaurants in the United States by Thrillist
- Winning **2018 best restaurant** in Santa Fe by *Edible Magazine*
- Featured in *Wall Street Journal, Food and Wine, Travel & Leisure, Goop.com* and several other publications
- Featured by Eater.com in it's Youtube channel with celebrity chef Sheldon Simeon
- PERK, third-wave coffee-making engineer, turned the 2016 bizMIX grand prize of \$10,000 into a **successful \$101,000 Kickstarter campaign** within 10-months.
- 30 active bizMIX graduates, **employ more than 100 people** in Santa Fe and more than 150 seasoned business mentors have been engaged in building the entrepreneurial community.

- **FACT: More than 250 community partners** have collaborated with MIX/bizMIX on events since 2009. Every large event features a survey for crowdsourced data, plus a local graphic designer, photographer, DJ; new, underutilized and/or underexposed location; food and/or drink sponsor, "wow factor," and featured local businesses. Unique themes and one-of-a-kind designs are used to promote each event.

- Attendance at MIX networking events in FY 2017/18 averaged 338; **with around 60% being under forty, and 31% being new attendees**, according to survey data. This is consistent with previous years.
- Total community **sponsorship in FY 2017/18 amounted to approximately \$110,000** (not including volunteer time). This is consistent with previous years. NOTE: annual sponsorship totals have remained consistent, even though fewer large events were produced in 2017 and 2018.

Victoria Bruneni

Such a great event! Amazing job to the mix staff, the el dorado team and all the bizmix competitors! Thanks to all of y'all that came out and listened to 19 finalists in our final pitch contest!

- MIX IMPACTS -

- **FACT:** Often unexpected and long-term outcomes have been the most powerful. For example, the **2012 RE:MIKE Festival** (a MIX special project) surveyed more than 2,500 people and attracted around 3,000 attendees.



- The crowdsourced information from RE:MIKE has **informed the Local Innovation Corridor (LINC)** Overlay District, adopted by the City of Santa Fe in October 2016 and the 2018 community engagement work to program the College of Santa Fe/SFUAD property.
- MIX recently completed production of **three mobile parklets** (small seating area and green space created as a public amenity) made possible by a PNM Power-Up grant. The parklet (pictured above, right) was built by a dynamic Meow Wolf team who were commissioned by MIX to design and build a guerilla gathering place capable of being carted to different locations around town.
- MIX builds capacity and gets businesses open.
 - MIX was **featured on CNN in 2010** as something working during the recession. Greg Menke of The Beestro saw the segment from Hawaii and decide to return home to start a business.
 - The fence for the courtyard at Duel Brewery was built by the MIX team for an event and withstands the test of time to date.
 - MIX has provided **product and market testing** with a key demographic for gluten free cupcakes, housing development, philanthropy, mezcal and more.
- In February 2015, roughly 200 surveys were completed. 75% of respondents answered the question, **“As a result of MIX I...stayed in Santa Fe.”**

MIX has been **Retaining, Attracting, and Developing** talent in Santa Fe for nearly a decade.