



Agenda

Economic Development Advisory Committee

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

**Wednesday, July 31, 2019
11:00 AM**

Special Board Meeting

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes
 1. July 10, 2019
 - C. Approval of Agenda
 - D. Approval of Consent Agenda

- II. CONSENT AGENDA (None)

- III. ACTION ITEMS
 - A. Request for a recommendation for review and approval of a resolution declaring the intent of the City of Santa Fe to issue (taxable) Industrial Revenue Bonds in a principal amount up to eighteen million dollars (\$18,000,000) to finance the acquisition, construction, renovation, installation and equipping of a high pressure processing facility in Santa Fe, New Mexico, for the purpose of inducing New Mexico Fresh Foods, LLC or its successors or assigns to undertake the acquisition, construction, renovation, equipping and installation of such project, and authorizing the giving and publication of notices in connection of such bonds. (Councilors Romero-Wirth, Ives, Lindell and Mayor Webber) (Fabian Trujillo, Office for Business Growth Manager, ftrujillo@santafenm.gov, 505-955-6912).

 - B. Request for a recommendation for review and approval of an ordinance of the City of Santa Fe, New Mexico authorizing and providing for the issuance and sale of its taxable Industrial Revenue Bonds for the benefit of New Mexico Fresh Foods, LLC, in an aggregate principal amount not to exceed eighteen million

dollars (\$18,000,000) for the purpose of financing the acquisition, construction, renovation, installation and equipping of a high pressure processing facility in Santa Fe, New Mexico, authorizing the execution and delivery of a lease agreement between the City and New Mexico Fresh Foods, LLC, an indenture securing said bonds, a bond purchase agreement, closing documents and such bonds in connection therewith; providing for the terms of the series 2019 bonds and making determinations as to the sufficiency of the lease payments and other matters related to the project; authorizing the sale of said bonds and any ancillary agreements in connection therewith; and authorizing other matters pertaining to the issuance of said bonds. (Councilors Romero-Wirth, Ives, Lindell and Mayor Webber) (Fabian Trujillo, Office for Business Growth Manager, ftujillo@santafenm.gov, 505-955-6912).

- C. Request for a recommendation for review and approval of an ordinance amending Section 11-14.5 SFCC 1987 to allocate the proceeds from the sale or lease of the Santa Fe Estates to the general fund. (Councilor Harris) (Mary McCoy, Finance Department Director, mtmccoy@santafenm.gov, 505-955-6171).

IV. EXECUTIVE SESSION – In accordance with the New Mexico Open Meetings Act, NMSA 1978, Section 10-15-1(H)(6), discussion in which the contents of competitive sealed proposals (RFP #19/37/P and #19/48/P).

- A. Request for review and approval of Professional Services Agreement in the total amount of \$325,960 for Midtown Property Economic Analysis; RFP # 19/37/P; Strategic Economics. (Liz Camacho, Economic Development and Communications Administrator, excamacho@santafenm.gov, 505-955-6042)
- B. Request for review and approval of Professional Services Agreement in the total amount of \$50,000 for Business Accelerator Program; RFP # 19/48/P; Global Center for Cultural Entrepreneurship (GCCE dba Creative Start-ups). (Rich Brown, Development Specialist Associate, rbrown@santafenm.gov, 505-955-6625)

IV. ITEMS FROM THE COMMITTEE

V. ITEMS FROM STAFF

VI. ITEMS FROM THE CHAIR

VII. ITEMS FROM THE PUBLIC

VIII. ITEMS NEXT MEETING DATE – August 14, 2019

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

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| <p>RECEIVED AT THE CITY CLERK'S OFFICE DATE: July 23, 2019 TIME: 10:49 AM</p> |
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**SUMMARY OF ACTION
 SPECIAL MEETING
 ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
 MARKET STATION AT THE RAILYARD
 500 MARKET STATION, SUITE 200
 WEDNESDAY, JULY 31, 2019, 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 |
| APPROVAL OF CONSENT AGENDA | NONE | 3 |
| CONSENT AGENDA | NONE | 3 |

ACTION ITEMS

| | | |
|--|-----------------|------------|
| REQUEST FOR A RECOMMENDATION FOR REVIEW AND APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE TO ISSUE (TAXABLE) INDUSTRIAL REVENUE BONDS IN A PRINCIPAL AMOUNT UP TO EIGHTEEN MILLION DOLLARS (\$18,000,000) TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF A HIGH PRESSURE PROCESSING FACILITY IN SANTA FE, NEW MEXICO, FOR THE PURPOSE OF INDUCING NEW MEXICO FRESH FOODS, LLC OR ITS SUCCESSORS OR ASSIGNS TO UNDERTAKE THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND INSTALLATION OF | APPROVED | 3-8 |
|--|-----------------|------------|

SUCH PROJECT, AND AUTHORIZING THE GIVING AND PUBLICATION OF NOTICES IN CONNECTION OF SUCH BONDS.

REQUEST FOR APPROVAL OF AN ORDINANCE OF THE CITY OF SANTA FE, NEW MEXICO AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ITS TAXABLE INDUSTRIAL REVENUE BONDS FOR THE BENEFIT OF NEW MEXICO FRESH FOODS, LLC, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTEEN MILLION DOLLARS (\$18,000,000) FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF A HIGH PRESSURE PROCESSING FACILITY IN SANTA FE, NEW MEXICO. AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE CITY AND NEW MEXICO FRESH FOODS, LLC, AN INDENTURE SECURING SAID BONDS, A BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS, AND SUCH BONDS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS OF THE SERIES 2019 BONDS AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF THE LEASE PAYMENTS AND OTHER MATTERS RELATED TO THE PROJECT; AUTHORIZING THE SALE OF SAID BONDS AND ANY ANCILLARY AGREEMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING TO THE ISSUANCE OF SAID BONDS.

APPROVED

8-9

REQUEST FOR A RECOMMENDATION FOR REVIEW AND APPROVAL OF AN ORDINANCE AMENDING SECTION 11-14.5 SFCC 1987 TO ALLOCATE THE PROCEEDS FROM THE SALE OF LEASE OF THE SANTA FE ESTATES TO THE GENERAL FUND.

APPROVED

9-11

| | | |
|--|---------------------------------|---------------------|
| <p>IN ACCORDANCE WITH THE NEW MEXICO OPEN MEETINGS ACT, NMSA 1978, SECTION 10-15-1 (H)(6), DISCUSSION IN WHICH THE CONTENTS OF COMPETITIVE SEALED PROPOSALS (RFP #19/37/P AND RFP #19/48/P) SOLICITED PURSUANT TO PROCUREMENT CODE AND DISCUSSED DURING THE CONTRACT NEGOTIATION PROCESS.</p> | <p>EXECUTIVE SESSION</p> | <p>11-12</p> |
| <p>REQUEST FOR THE APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE TOTAL AMOUNT OF \$325,960 FOR MIDTOWN PROPERTY ECONOMIC DEVELOPMENT AND COMMUNICATIONS ADMINISTRATOR.</p> | <p>APPROVED</p> | <p>12</p> |
| <p>REQUEST FOR REVIEW AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE TOTAL AMOUNT OF \$50,000 FOR THE BUSINESS ACCELERATOR PROGRAM; RFP #19/48/P; GLOBAL CENTER FOR CULTURAL ENTREPRENEURSHIP (GCCE DBA CREATIVE START-UPS).</p> | <p>POSTPONED</p> | <p>12</p> |
| <p>ITEMS FROM THE COMMITTEE</p> | <p>NONE</p> | <p>12</p> |
| <p>ITEMS FROM STAFF</p> | <p>NONE</p> | <p>12-13</p> |
| <p>ITEMS FROM THE CHAIR</p> | <p>NONE</p> | <p>13</p> |
| <p>ITEMS FROM THE PUBLIC</p> | <p>NONE</p> | <p>13</p> |
| <p>NEXT MEETING</p> | <p>AUGUST 14, 2019</p> | <p>13</p> |
| <p>ADJOURN</p> | <p>ADJOURNED</p> | <p>13</p> |

**SPECIAL MEETING
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
MARKET STATION AT THE RAILYARD
500 MARKET STATION, SUITE 200
WEDNESDAY, JULY 31, 2019, 11:00 AM**

I. PROCEDURES

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, July 31, 2019 at Market Station at the Railyard, 500 Market Station, Suite 200, Santa Fe, New Mexico.

MEMBERS PRESENT

Holly Bradshaw-Eakes, Chair
Kate Kennedy
Robert Lurcott
Kim Abeyta-Martinez
Ryan Cordova
John Fiens
Sean O'Shea

MEMBERS ABSENT

Councilor Roman Abeyta, Excused
Dr. Camilla Bustamante, Excused
Helen Brooks, Excused

OTHERS PRESENT

Councilor Michael Harris
Alexandria Ladd, Director of Affordable Housing and Acting Director of Economic Development
Rich Brown, Economic Development Department, City of Santa Fe
Fabian Trujillo, Economic Development, City of Santa Fe
Liz Camacho, Economic Development, City of Santa Fe
Christina Keyes, Finance Department, City of Santa Fe
Andrea Salazar, Assistant City Attorney
Kevin Kellogg, Asset Manager
Daniel Hernandez, Midtown Project Manager
Kelly Egoft, CEO, New Mexico Fresh Foods
Christian Garcia, employee, New Mexico Fresh Foods

Bob and Ellen Vladem, partner/investor
Suzie Owens, partner/investor
Julie Rand, Santa Fe Community Foundation Fund
Charles Dale, partner/investor
David Buchholtz, Rodey Law Firm
Luke Spangler, Santa Fe Community College
Amanda Heathery, Santa Fe Community College
Sonia Leyba, Patricks
Esva Leyba, Patricks
Shawn Patrick, Patricks
Luis Carrasco, Rodey Law Firm
Nick Petrovich, Apogee Spirylina
Ngnyet Tran, partner/investor
Judy Rend, Santa Fe Community College
Elizabeth Martin, Stenographer

**B. APPROVAL OF MINUTES
JULY 10, 2019**

Ms. Abeyta-Martinez said there is a place in the minutes where she is referred to as Mr.

Mr. Fiens said there is one place in the minutes where his last name is misspelled.

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

VOTE The motion passed unanimously by voice vote.

C. APPROVAL OF AGENDA

Mr. Trujillo pulled item 4B from the agenda. It will be heard at the August 14th meeting.

Chair Bradshaw-Eakes said she would like to move item C up to be heard first on the agenda. It will help keep people moving through the meeting.

MOTION A motion was made by Mr. Cordova, seconded by Mr. Lurcott, to approve the agenda as amended.

VOTE The motion passed unanimously by voice vote.

D. APPROVAL OF CONSENT AGENDA

None.

II. CONSENT AGENDA

None.

III. ACTION ITEMS

- A. REQUEST FOR A RECOMMENDATION FOR REVIEW AND APPROVAL OF A RESOLUTION DECLARING THE INTENT OF THE CITY OF SANTA FE TO ISSUE (TAXABLE) INDUSTRIAL REVENUE BONDS IN A PRINCIPAL AMOUNT UP TO EIGHTEEN MILLION DOLLARS (\$18,000,000) TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF A HIGH PRESSURE PROCESSING FACILITY IN SANTA FE, NEW MEXICO, FOR THE PURPOSE OF INDUCING NEW MEXICO FRESH FOODS, LLC OR ITS SUCCESSORS OR ASSIGNS TO UNDERTAKE THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND INSTALLATION OF SUCH PROJECT, AND AUTHORIZING THE GIVING AND PUBLICATION OF NOTICES IN CONNECTION OF SUCH BONDS. Fabian Trujillo**

Mr. Trujillo gave an overview of what IRBs are from the information in the packet.

Mr. Trujillo said we are asking you to approve an \$18 million IRB for this project. The total project is \$26.9 million. It is located in an opportunity zone in an economically disadvantaged census track. There is 11% unemployment there. It is located on 6th Street near Midtown.

Mr. Trujillo said staff recommends approval. It meets the Economic Development Implementation Plan as an innovative, local project. The City will abate \$785,000 in property taxes and will receive \$21 million over a ten year period. It meets the requirements in the Ordinance that we will recoup our investment over ten years.

Ms. Egoff said one of her employees was there and wanted to speak. He needs to leave to go to work so she would like him to speak first.

Mr. Garcia said he came here from Mexico when he was six years old. He graduated from Youthworks two years ago where he got his GED. He worked in the culinary program when he was there. They referred him to Verde Juice Company and he got the job. He was working two jobs at that time. Kelly was then the owner of

Verde Juice. She expanded more into the community and it made him want to invest more in his work too. New jobs in the community makes him happy to help more people do better. Kelly turned his job into a career for him.

Chair Bradshaw-Eakes said thank you for being here.

Ms. Egoff said this is a community development project. It is all about jobs and growing the local food economy. New Mexico lacks transportation and structure to move food. The other piece of the puzzle is we are missing food processing facilities. New Mexico farmers were having to ship their products to California to package. They could not compete with the California farmers. We don't have processing facilities and need to overcome that barrier to start up food companies. Products that go through the HPP process have a longer shelf life without adding preservatives and they taste better and have the same nutritional level. Right now we run our juice product to Denver to run them through the HPP machine. We have just been picked up by Whole Foods and need a quicker turnaround time.

There are 30 of these HPP tolling facilities in the United States. Their job is to run other peoples food through the machine and send it back to them. Right now there is not a single HPP tolling facility in the southwest. Ours will be the first one. It will attract food businesses to Santa Fe to use the process and machine. Food companies making food in New Mexico use New Mexico products. The use of these machines is critical. We will be making a substantial investment in the midtown area. We are looking to pay \$43,000 a year per employee which includes a 401K match and benefits. The Santa Fe Community College is already working on workforce development training. HPP is a water based system. We are capturing that water and recycling it on site with the help of the Community College's design. There is an incredible amount of knowledge at the Community College.

Mr. Vladem said that is why he and Ellen are investors. He is a private equity guy. He has never sold a company. He is interested in long term investment and people becoming wealthy and understanding business people are not evil. This investment is unique and right here in our backyard. We can do it in a way that no one else can. He intends to do more of these impact investments. He is also a philanthropist. He enjoys giving money away. There is more impact in this investment than he could ever achieve in philanthropy. This will cause him to invest more in New Mexico.

Mr. Spangler said at the Community College we have invested in sustainable projects and have received recognition nationally and internationally. He is most excited about the strong, controlled environmental agriculture project now. If you look at the ISNF report 95% of the low hanging money in New Mexico is in food related businesses. We are encouraging people to create resiliency and food processing is a great opportunity. Innovative products will get mixed in. We do not see a negative in this project. We came up with the water treatment facility for this project. There is no reason why the City would not be responsible to grow these relisancy projects. Other food

producers are here. It is more than economic development and is part of our values in this City and is in line with Sustainability Plan for the City.

Ms. Kennedy asked what is the length of the training program.

Mr. Spangler said it takes two weeks of training for the machine. Food technician is already taught. Farmers need to know what to produce and how to wash and package the food. The facility will get it down the stream for consumption.

Ms. Kennedy asked will the training project be paid.

Ms. Egoff said yes. We have used JTIP before and will continue to do so.

Ms. Heathery said she has a small chocolate business that she started from home processing . Kelly helped her and offered her the commercial kitchen and help with permits and that is why she got to be a commercial chocolate maker. She is a great resource for the community.

Mr. Petrovich said his spirulina farm is the only one in the southwest. He is all for this.

Mr. Dale said he has 37 years of experience in food. Most things need to be pasteurized. After he sold his Colorado restaurants he moved to Georgia and started an organic stock business. That was an aseptic packaging system. He learned that very few processes allow you to create fresh food. Bob Vladem called him and asked him if he wanted to meet Kelly and invest. He did so. He is on the Executive Committee as well. This is an extraordinary project for the community.

Ms. Leyba said she and her husband have been in the beverage industry for 13 years. With everything we have done with processing we still feel like Santa Fe is lacking in a huge way. What Kelly is offering will keep the food businesses here. We want to stay in Santa Fe and are grateful to see this finally happening.

Mr. Patrick said we used the kitchen to juice ginger for our ginger soda. Using the HPP process would be great.

Mr. Feins said he worked in food packaging for a few years. He would get calls from a stay at home mom who made a item for her daughter and she was making it in her kitchen and all of a sudden American Airlines wanted the product. This demand will spike and this project is needed to scale businesses. There is real validity to the concept. What are you doing to ensure construction and operational wisdom and excellence in this.

Ms. Egoff said Courtney Rich is the Director of the South Valley Economic Development Center. She is a food entrepreneur herself and food manufacturing

consultant. That is the mixing bowl project. She was brought on with us when we had 10 clients and now we have 90. She has overseen all of the processes and working with USDA and has all the certifications to do so. She is very familiar with the regulations for various food groups. She is our plant operations person.

Mr. Fiens said there is a pretty big space in the farm growing heartland where you could also have a facility.

Ms. Egoff said the map is only showing you the tolling facilities. There are 300 of these machines across the United States. There is one in Phoenix that only handles their own products. She has to go to Denver. There is one in Dallas. This machine here was always our goal. We are going to attract El Paso companies. The machine costs \$2 million and the facility another \$5 million.

Mr. Fiens asked is there anything in our your plan to leverage manufacturing.

Ms. Egoff said our primary function is getting the facility up and open. That does not preclude hand holding. We help small start up businesses all the time. The big gap is an incubator. There is a lot of accelerator work to be done before production. We have talked about partnerships extensively. We could easily put in a 5,000 square foot commercial kitchen if someone wanted to do that.

Chair Bradshaw-Eakes said we have talked about commercial kitchens in the past. She is happy we are getting Courtney in Santa Fe. For Santa Fe to have something like this is great. She is impressed with the collaboration you have put together including the investors. Very rarely are there projects that have this much buy in and support. The last IRB that came before us was \$80 million. This is \$18 million because you have obtained the funding elsewhere. She thinks this is an exciting project.

Ms. Kennedy asked how does the job production blend with our lack of rental housing. Does that impact your ability to hire and house people.

Ms. Egoff said we don't need to bring anyone here. The vast majority of our jobs are jobs our current residents can fill. A lot of the people in the community around us can work and walk to work. We are providing jobs for the people here. We don't have to recruit people from out of state. We are making jobs for Santa Feans.

Ms. Kennedy asked how many employees will come from outside City boundaries.

Ms. Egoff said she can't commit to hire a certain percentage from the City versus the County. We are up for a County grant and they ask the same questions. There is a balance in that. She is not going to turn away a stellar candidate that comes up from Albuquerque either.

Mr. O'Shea asked are you using the opportunity fund.

Ms. Egoff said we were going to locate in Albuquerque and got a phone call from someone asking if we could use the opportunity in Santa Fe, but we were then looking at a location near the Community College which was not in an opportunity zone. We raised our money and that deal fell apart. So most of the money was raised before we moved our project into an opportunity zone. We already made the investment so we were not able to use the benefit opportunity. Our newer ones and additional investors are using it. We are also only 500 feet outside of the St. Michaels overlay.

Mr. Lurcott said this is a compelling proposal. How do you intend to use the money provided by the bonds. There is something in here about a lease.

Ms. Egoff said she doesn't know about the lease. It has always been a purchase.

Mr. Trujillo said the lease has to do with the bond document. It is not about the purchase of the property. They will deed \$18 million of the project back to the City and it comes off the property books for taxes. When the bond is paid off they purchase it back. The lease is in between.

Mr. Buchholtz said Fabian is right. The IRB structure has been used through the State for many years and requires that acquisition by the company be deeded to the City and immediately leased back. They then have the ability to buy out of that lease. The use of this structure affords the tax abatement and GRT tax and money used as an agent of the City. It meets what the statute requires. The pay back of the investment is all private sector money. No City money is involved.

Ms. Egoff said there is no writing us a check, it is a tax abatement.

Mr. Lurcott said someone in here talked about renovation. It does not look like a factory to him and this is a pretty big machine.

Ms. Egoff said the building is 42,000 square feet. It is 275 feet long and is two stories. The second story is offices. The first floor has 18 foot ceilings. We are going to open the building up to its intended use as a warehouse.

Mr. Lurcott said there is a reference to a LEDA grant of \$275,000.

Mr. Trujillo said there is also a request for LEDA funds that has not been acted on yet.

Ms. Kennedy asked how quickly do companies have to get their food pressurized.

Ms. Egoff said we make juice and it goes through a machine within 48 hours. Generally companies are motivated to get their product through the machine as quickly

as possible for freshness and taste.

Ms. Kennedy asked do you anticipate you will have demand that you may have to turn companies away.

Ms. Egoff said it will be slow to get started with the new technology and education. About six months. We have an aggressive plan to onboard additional machines as needed. We will do pre-installation work for the second machine initially. We don't want to turn anyone away, but it will be very capital intensive for the first two years.

Mr. Cordova said he commends them on their partnership with the Santa Fe Community College. What are some of the foreseeable challenges you anticipate.

Ms. Egoff said growing too fast has its risks. Growing too slow has risks as well. We are reaching out now to do education for companies about the process.

Chair Bradshaw-Eakes asked how did the connection with the Community College come about. Was it through the tour.

Ms. Egoff said when we looked at the building within the County, close to the Community College, it made sense and using the water for their greenhouse. We took it from there.

MOTION A motion was made by Mr. Fiens, seconded by Mr. Lurcott, to approve the request.

VOTE The motion passed unanimously by voice vote.

- B. REQUEST FOR APPROVAL OF AN ORDINANCE OF THE CITY OF SANTA FE, NEW MEXICO AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ITS TAXABLE INDUSTRIAL REVENUE BONDS FOR THE BENEFIT OF NEW MEXICO FRESH FOODS, LLC, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTEEN MILLION DOLLARS (\$18,000,000) FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, RENOVATION, INSTALLATION AND EQUIPPING OF A HIGH PRESSURE PROCESSING FACILITY IN SANTA FE, NEW MEXICO. AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE CITY AND NEW MEXICO FRESH FOODS, LLC, AN INDENTURE SECURING SAID BONDS, A BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS, AND SUCH BONDS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS OF THE**

SERIES 2019 BONDS AND MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF THE LEASE PAYMENTS AND OTHER MATTERS RELATED TO THE PROJECT; AUTHORIZING THE SALE OF SAID BONDS AND ANY ANCILLARY AGREEMENTS IN CONNECTION THEREWITH; AND AUTHORIZING OTHER MATTERS PERTAINING TO THE ISSUANCE OF SAID BONDS. Fabian Trujillo

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

VOTE The motion passed unanimously by voice vote.

C. REQUEST FOR A RECOMMENDATION FOR REVIEW AND APPROVAL OF AN ORDINANCE AMENDING SECTION 11-14.5 SFCC 1987 TO ALLOCATE THE PROCEEDS FROM THE SALE OF LEASE OF THE SANTA FE ESTATES TO THE GENERAL FUND. Mary McCoy

Ms. Keyes said she is here replacing Mary McCoy who is at another meeting. This is requesting a recommendation on an Ordinance which is sponsored by Councilor Harris. It changes the direction of the funding going to the City of Santa Fe subject to approval by the Governing Body and a terminology change from municipal to regional.

Councilor Harris said he is behind this and it is not going to the General Fund for the operations of the City. The intention is to use funds from this transaction to support our Midtown property. People in this room have a considerable amount of information on Midtown and the obligation of the City. Debt service, security and maintenance. We are working through that, but it is going to take time and financial support. At the Finance Committee meeting one of the other members suggested using part of it for housing at some point. He proposed an amendment, but it has to go through the full Governing Body for approval. It is already embodied in the Ordinance. Ultimately that asset is going to be put in service of not only economic development, but also housing. Both goals will be met by the use of these funds.

Mr. Fiens said thank you for that. Is there a reason why it says General Fund without specificity and is there any risk in that.

Councilor Harris said he thinks the General Fund is the appropriate vehicle to pass it through. He will be speaking for that and other members of the Council will take that into consideration. We have approved the budget for this year. He is on the Finance Committee as well. We are in good shape there. Where we need support is for the Midtown property.

Mr. Lurcott asked what is the background on the sale of Santa Fe Estates.

Councilor Harris said this goes back to the early decades.

Mr. Kellogg said it was a public/private partnership with the City and the developer and the Santa Fe Estates Corporation. It is still owned by the same family today. They produced the infrastructure on a very large piece of land from Bishops Lodge Road to Ridgetop and on to the City boundary. They have been working on this for almost 90 years. The metrics don't work anymore. There is a minimal amount of land left and it is complicated. Freeway construction and the requirements of development have now have changed. Between taxes and development costs and the market it is a losing battle. They want to deed it back to the City. It is worth \$2.5 million at a minimum. It is 250 acres in 3 or 4 large parcels around Ridgetop and 599.

Mr. Lurcott said so the City gets the proceeds if it is sold. Do you know when.

Mr. Kellogg said we are trying to take title to the property in this calendar year. We will go through the community and land use process to decided zoning so we can achieve better land values. It will be sometime next year.

Chair Bradshaw-Eakes asked what part of the Economic Development Act for Fund precludes this money from going through that fund to the Midtown campus. If we were to leave this Ordinance as written it would go into the Economic Development Fund. What stops it from going to Midtown.

Mr. Trujillo said the Economic Development Fund was created in 1990s as part of land lease and sales and we get 1% of the State share of the gross receipts tax. He would have to ask Kevin, but the leases are the source of revenue we get and also there are 5 or 6 components of land that is exempt. One is Airport and one is the Railyard and a few more. There is a special thing with Tierra Contenta. Housing gets 35% of the sales at Tierra Contenta and economic development received 65% of sales. He was told there have not been sales in a while.

Ms. Ladd said the question is what restrictions are put on the funds to prevent the use for the Midtown campus. On the housing side it is subject to exemption of the anti-donation clause. The use of funds is restricted.

Mr. Trujillo said restrictions of Economic Development Funds are subject to anti-donation. He would have to go through LEAD regulations to check that out.

Chair Bradshaw-Eakes said she is having trouble with the Economic Development Fund being chronically underfunded, and this Department underfunded and yet we are asked to give up any future money from that source to go to what is a very good project, and she thanks Councilor Harris for championing this project, but how do we ensure the Economic Development Fund does not get stunted further.

Mr. O'Shea asked if you wanted this to be used only for the campus why not put

a sunset provision in so that once it is no longer needed there it reverts back to the Economic Development Fund.

Councilor Harris said that is possible. The estimated value is \$2.5 million, but we cover \$4 million annually.

Ms. Abeyta-Martinez asked isn't it true that once it gets put into the General Fund it can get lost and used for any purpose.

Councilor Harris said it is not an arbitrary process. He did propose an amendment that the allocation will be determined by the Governing Body. He knows the members of the Governing Body pretty well and they know where the pressure points are and certainly Midtown is where a pressure point is.

Mr. Fiens said he wants to echo that more budget is needed for Economic Development. He does not understand why the City is not committing more funds to it. He doesn't think this transaction is problematic. This is a huge project and we need to do Midtown right.

Ms. Abeyta-Martinez asked has staff done an analysis on how this would effect the Economic Development Fund.

Ms. Ladd said this is the increased revenue for the sale so it does not effect the fund at this time. It would be coming in in the future.

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

VOTE The motion passed on a roll call vote of 5 yes and 2 no. The no votes were made by Chair Bradshaw-Eakes and Mr. O'Shea. Mr. Cordova, Mr. Fiens, Ms. Kennedy, Ms. Abeyta-Martinez and Mr. Lurcott voted yes.

Mr. O'Shea recused himself from items IV A and B for discussion and vote.

Mr. O'Shea left the meeting.

IV. IN ACCORDANCE WITH THE NEW MEXICO OPEN MEETINGS ACT, NMSA 1978, SECTION 10-15-1 (H)(6), DISCUSSION IN WHICH THE CONTENTS OF COMPETITIVE SEALED PROPOSALS (RFP #19/37/P AND RFP #19/48/P) SOLICITED PURSUANT TO PROCUREMENT CODE AND DISCUSSED DURING THE CONTRACT NEGOTIATION PROCESS.

MOTION A motion was made by Mr. Lurcott, seconded by Mr. Fiens as follows:

I move that we enter an Executive Session pursuant to the Open Meetings Act, Section 10-15-1 (H) part 6, for discussion of competitive sealed proposals solicited pursuant to the City of Santa Fe Procurement Code.

VOTE The motion passed on a roll call vote of 6 yes. The votes were as follows: Mr. Lurcott, Mr. Fiens, Chair Bradshaw-Eakes, Ms. Kennedy, Ms. Abeyta-Martinez and Mr. Cordova voted yes.

The Committee entered into Executive Session at 12:35 pm.

MOTION A motion was made by Mr. Fiens, seconded by Mr. Lurcott, to come out of Executive Session as follows:

Pursuant to the Open Meetings Act, Section 10-15-1 (J), I move that the Committee reconvene in open session and say for the record that the matters discussed in the closed session were limited to those specified in the motion for closure.

VOTE The motion passed unanimously on a voice vote.

A. REQUEST FOR THE APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE TOTAL AMOUNT OF \$325,960 FOR MIDTOWN PROPERTY ECONOMIC DEVELOPMENT AND COMMUNICATIONS ADMINISTRATOR. Liz Camacho

MOTION A motion was made by Ms. Kennedy, seconded by Mr. Fiens, to approve this request.

VOTE The motion passed unanimously by voice vote.

B. REQUEST FOR REVIEW AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT IN THE TOTAL AMOUNT OF \$50,000 FOR THE BUSINESS ACCELERATOR PROGRAM; RFP #19/48/P; GLOBAL CENTER FOR CULTURAL ENTREPRENEURSHIP (GCCE DBA CREATIVE START-UPS). Rich Brown

Postponed.

V. ITEMS FROM THE COMMITTEE

None.

VI. ITEMS FROM STAFF

None.

VI. ITEMS FROM THE CHAIR

None.

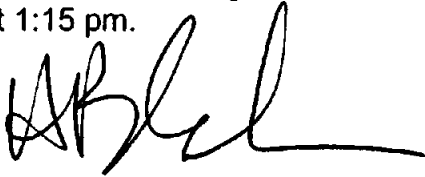
VII. ITEMS FROM THE PUBLIC

None.

**VIII. NEXT MEETING
AUGUST 14, 2019**

IX. ADJOURN

There being no further business before the Committee the meeting adjourned
at 1:15 pm.



Holly Bradshaw-Eakes, Chair



Elizabeth Martin, Stenographer