



Agenda

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CITY BUSINESS & QUALITY OF LIFE COMMITTEE

City Council Chambers
City Hall, 200 Lincoln Avenue
Tuesday, September 13, 2011
11:00 am – 12:30 pm

I. PROCEDURES

- A. Roll Call
- B. Approval of Minutes – August 9, 2011
- C. Approval of Agenda
- D. Approval of Consent Agenda

II. CONSENT AGENDA (none)

III. UNFINISHED BUSINESS (none)

IV. NEW BUSINESS AND ACTION ITEMS

V. INFORMATIONAL ITEMS

- A. Business License Update - (Sevastian Gurule)
- B. Cerrillos Road Construction Contract Update – (Robert Rodarte)
- C. Santa Fe University of Art and Design – (Gerry Snyder)
- D. Overview of EDRC Process and Priorities – (Nick Schiavo)

VI. ITEMS FROM THE FLOOR

VII. ITEMS FROM THE COMMITTEE

VIII. ITEMS FROM THE CHAIR

IX. ITEMS FROM STAFF

X. NEXT MEETING DATE – October 11, 2011 at 11:00 am

XI. ADJOURN

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CITY OF SANTA FE
BUSINESS & QUALITY OF LIFE COMMITTEE**

September 13, 2011

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**CITY OF SANTA FE
BUSINESS & QUALITY OF LIFE COMMITTEE
City Council Chambers**

September 13, 2011

I. PROCEDURES

CALL TO ORDER

A regular meeting of the City of Santa Fe Business and Quality of Life Committee was called to order by Councilor Rebecca Wurzbarger, Chair on the above date at approximately 11:00 a.m. in the City Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

A. Roll Call

Roll call established quorum as follows:

Members Present:

Councilor Rebecca Wurzbarger, Chair
Mayor David Coss (arrived later)
Luca Ceccarelli (arrived later)
Frederick Warhanek
Dena Aquilina
Kathy Jahner
Alan Austin
Fred Cisneros
Diane Karp
Buddy Roybal

Members Absent:

Stephen Guerin
Kathy Keith

Staff Present

Kate Nobel
Nick Schiavo
Fabian Trujillo

Others Present

Robert Rodarte
Sevastian Gurule
Charmaine Clair, Stenographer

B. APPROVAL OF MINUTES- August 09, 2011

Page 8, seventh paragraph - Ms. Karp said where she cited Mr. Schiavo about the economic development department doing amazing work; she meant to say "despite the fact they weren't Boulder or Austin..." The minutes stated Dallas or LA.

Mr. Roybal moved to approve the minutes of August 11, 2011 as amended. Ms. Karp seconded the motion and the motion passed by unanimous voice vote.

C. Approval of the Agenda- Not discussed.

D. Approval of the Consent Agenda- None.

II. CONSENT AGENDA- None.

III. UNFINISHED BUSINESS- None.

IV. NEW BUSINESS AND ACTION ITEMS- None

V. INFORMATIONAL ITEMS

A. Business License Update - Sevastian Gurule

Mr. Gurule thanked Matt O'Reilly and George Peralta (IT) for their hard work in the process. He outlined the changes to the city website that would help make the process easier and more user-friendly:

- Business owners would be welcomed and given helpful information and phone numbers.
- Steps for starting a new business would be provided with an on-line application that links to the state website to obtain a New Mexico ID number; a click on *federal ID* takes a person to the IRS website; food purveyor information is provided as well as links for the regulations for alcohol and gaming.
- Frequently asked questions was added and categorized under License and Registration Renewal, GRT (gross receipts tax), Inspections for Home Businesses; Food Businesses etc.
- A glossary of terms is provided: What is a business? What is a CRS number? What is a certificate of occupancy? What is a home occupancy? What is considered residential/commercial?

Mayor Coss entered the meeting.

Mr. Roybal asked if anything regarding procurement was done to the website.

Mr. Rodarte said currently the city worked on an RFP (request for proposal) for the website. A separate website for procurement would link to that. He said nothing would be done until the RFP was completed and the interview process would start next week and be completed within 30- 40 days for approval.

Mr. Rodarte said the city currently has a process to makes it easy for vendors to sign up and to see what is coming. A big issue was notice about upcoming city and local projects. He said commodity codes would be linked to the current database of all business licenses in the city and when that happens he would return to show the training and future use.

Mr. Roybal said he was disappointed the website took so long. He thought local businesses should have an opportunity to bid, especially on city projects.

Mr. Rodarte said all of the ongoing city projects were on the general website and available to all users under *doing business with*, etc.

Chair Wurzbarger asked Mr. Rodarte to explain why another website was needed and what the new website would do that wasn't being done.

Mr. Rodarte replied the website would have something in each business category to notify owners. He said currently he was trying to notify companies registered with the city about opportunities under \$50,000.

Mr. Cisneros asked Mr. Gurule if any forms in the business license portion of the website could be filled out on-line.

Mr. Gurule said the forms were downloadable and printable. He was working with the city clerk's office to make the forms more interactive and able to be sent directly to the office/person who requested it. He said that should happen within 8 weeks.

Mr. Austin asked the local preference rate and if the rate was the same for all types of contracts.

Mr. Rodarte said currently the local preference rate is 10% for businesses in Santa Fe County and entails both RFP's and bids. That gave a 10% advantage on the dollar value of a submittal over \$50,000.

Mr. Austin asked what portion of the expenditure for services or goods went to Santa Fe County businesses.

Mr. Rodarte said he had no way to know because many of the companies sub (contract) to other companies. He said the city emphasized that bidding companies hire as many local sub-contractors as possible.

Mr. Austin asked how many local businesses took advantage of the 10% preference.

Mr. Rodarte said it would depend. He said the most important thing was the ability to be bonded but it was tough. He said he is looking at the possibility for local preference on procurement under \$50,000 and thought that the best way to stimulate more local businesses. He said it works well in other cities.

Mr. Austin asked if the bonding requirement would apply to those contracts. He was told it would not; it was strictly for publicly advertised bids and RFPs. Mr. Austin said it is difficult to get bonding, especially as a smaller company and he didn't know if that eliminated local entities doing business with the city.

Chair Wurzbarger said several years ago breaking projects into smaller pieces was looked at so the bonding requirement would be less.

Mr. Rodarte said the city had broken many projects so they could manage them in segments under \$50,000. He said the bonding threshold of \$50,000 had to stay; it would be like building a house without insurance.

Mr. Austin said his question was if the limits were reasonable in terms of the dollar amount of the contract and the type of work etc. He said his experience from the bank side was it was difficult to get bonding. He said that eliminated a lot of potential vendors.

Mr. Rodarte said the City of Las Cruces currently worked to move the bonding threshold to \$100,000 to stimulate their economy and eliminate the need for smaller contractors. He thought it a good idea and wanted to see how it was written and what the changes were.

Chair Wurzbarger asked Mr. Rodarte to bring both items to the October council meeting and then to BQL. She asked that he convey to staff where further information could be found.

Ms. Karp asked if the visitors to the website could be tracked. Mr. Gurule told her the city does track visitors and he could supply a report.

Mayor Coss asked Mr. Gurule if November 1 was reasonable for the business license webpage to be operational and was told it was. He asked when the procurement page would be linked to the city web page. He suggested the people at the workshop be e-mailed a reminder to check the webpage.

Mayor Coss said he was pleased to see the business license streamlined. He said he hated to see people standing in the hall and thought people should feel welcome and good about being in city hall. He suggested that where people got the licenses be taken up with the city manager.

Mayor Coss said a report of the total procurement; how much was local and how much went out of the city, county and state; the total city dollars and total number of contracts would help track progress.

Mr. Roybal said a local contractor could be hired that might hire a sub from Albuquerque. He said it was important to understand how the 10% preference was working and the committee might need to look at procedures. He asked if the people who went outside the city to hire others to do the work could be monitored.

Mr. Rodarte said a lot of local companies acted like brokers and got quotes and it was hard to cut off.

Chair Wurzbarger said if the purpose of the preference bill was not just to create jobs but to create jobs that kept the money in Santa Fe; it would be worthwhile to look at what could be done if someone used people outside the local preference.

Mr. Rodarte confirmed he was being asked by the committee to put a preference on projects under \$50,000 and to add language that a certain percentage had to be local.

Chair Wurzbarger agreed. She said the purpose of economic development was economic development in *Santa Fe*.

Mr. Cisneros said some things couldn't be done in Santa Fe and should be understood there were limits.

Ms. Jahner requested the committee be e-mailed the wording of the local preference as it exists.

B. Cerrillos Road Construction Contract Update- Robert Rodarte

Mr. Rodarte said he understood the committee was interested in how the vendor was selected and would stand for questions.

Mr. Roybal said he had a Cerrillos Road business and it was almost impossible to get to. He said he noticed the men work from 7:30 to 4:30 p.m. and thought at the time of the bid there should have been language that the men could work longer hours, weekends and later at night to shrink the six month project to four months.

Mr. Rodarte said when the project started in December the contractors were pre-qualified because of the demographics. He said 8 top companies submitted and only 4 were approved that had the experience of that environment. He said the language was a CIP related question and Eric could answer that.

Eric said the budget had to be considered. He said there was no specific requirement to work certain hours or days of the week but it wasn't restricted. He said anything to narrow the completion window increased the cost considerably.

Chair Wurzbarger said everyone would respond to the same thing if done competitively; if the requirement wasn't put out in the beginning the city wouldn't receive that.

Eric said in the next phase of the project in several years, the city would put out several bid options and look at different construction windows to see the difference in the bidding and what was affordable.

Mr. Roybal said what was missing was the damage to Cerrillos Road businesses. He said if he lost 20% of his business it was a lot of money but it was also a loss for the tax structure of the city.

Chair Wurzbarger suggested for future CIP that the committee have a narrow definition of the fiscal impact. She said the secondary and the important effects of how businesses were damaged weren't looked at and she wanted that concept to be part of their criteria.

Eric said those things were taken into account from the beginning and it was hard to build a project of this size piecemeal. Ms. Noble and EDRC helped get the word out and extra marketing work and work with Hutton Broadcasting and the Santa Fe New Mexican was done to help the businesses.

Chair Wurzbarger said that was a good reaction to a bad situation and the committee tries to be proactive.

Mr. Ceccarelli entered the meeting.

C. Santa Fe University of Art and Design – Gerry Snyder

Gerry Snyder, Vice President of Academic Affairs said he could answer their questions and provide a snapshot of where the university was currently. He said the university fall semester was their third year from the change of ownership and the first full year under the new name as the Santa Fe University of Art and Design.

A summary of Mr. Snyder's overview follows:

- Fall of 2009 the University had 189 students; 7 full-time faculty and 10-15 contributing faculty. Last fall there were 388 students; 20 full-time faculty and 33 contributing.
- The university now has 600 students; 25 full-time faculty and 68 contributing and includes those who teach one class and private lessons in theater, music, etc. There are 70 full-time and 15 part-time staff positions.
- About 100 network students from their school in Mexico would study ESL.
- The university was talking with a production company about filming a television show in the spring at Garson.
- The name change was positive in the sense that the institution is located around art and design and they were separated from the previous liberal arts/business institution. The downside was the university is a new institution with a new name and not a lot of name recognition.
- Enrollment efforts were improving but the numbers were not met yet; there wasn't a lot of history to relate to and comparisons were against the previous year of operation.
- The Community Resources was open and has 70,000 customers; Garson Theatre put four productions on a year; there are two art galleries, the library, the DFC and the Forum and Alumni Hall is rented for community activities.
- A portal for international education was actively pursued with students that go to Turkey, New Zealand, and Italy. A partnership was written with their school in Milan for students to come for three years with a fourth year at NAVA and receive two degrees.
- To be the portal school for all of their network schools internationally has been looked at; there are a number of institutions where the instruction was English and more were planned.
- One issue is as they get more students a lot of activity is around the University. A shuttle service downtown and to the mall, etc. was something to look at.
- Students worked successfully with local businesses and nonprofits on Community Days.
- How to re-engage the adult learner in northern New Mexico in continuing studies was being looked at. In 2013 a creative writing and photography program would be started for low residency MFA programs and would begin with a site visit next week.
- A formal economic impact study was being discussed. He said this year about \$30 million was spent and revenues were just below ten (million.) The university is a traditional institution and meets the traditional college standards for program credits, credit hours and engagement with the students based on the national accreditation.
- Digital Art would be a new major next year and would have an emphasis in animation, digital publishing and digital illustration.

Mr. Roybal congratulated Mr. Snyder for what the university accomplished from the previous year. He also congratulated Mayor Coss and Chair Wurzbarger for having the vision with the university.

Mr. Austin said he knew of one plan to bring in students from other Laureate campuses around the world. He asked Mr. Snyder if he thought the numbers would grow for enrollment over the next few years or would it be a slower process.

Mr. Snyder said it would be a slower process. He said the university increased their focus on international students outside the network. Students come from ten countries; Chile, Mexico, Costa Rica, Turkey etc. and domestic students from 39 states. The vast majority of schools were in Latin America and had a price point of \$3,000- 5000 annually and the network schools had to scholarship a certain amount and deeply discount.

Mr. Snyder said Doug Becker the CEO of Laureate, had a big commitment to international education but said it was problematic. At a plateau of about 500 network and international students per year they scaled back to 200 as a more reasonable number.

Mr. Snyder said around 100 students would come just for ESL. He said about 95% of students were full-time and degree seeking and there had been only 16 part-time students in the spring.

Mr. Ceccarelli asked how enrollment compared to the heyday of the College of Santa Fe.

Mr. Snyder said there was little to compare historically to where they were heading for the future. Since 2000 the high point for traditional students was primarily the arts and was about 700 students. He said another 1000 to 1400 students were in continuing professional studies and degrees around IT, education and business. The majority of those were taken over by Lewis College in Albuquerque.

Chair Wurzbarger said the initial vision with the purchase of the college was to include a learning center which would provide some courses in conjunction with the community college. She said that was yet to be worked out. She thought some of the students that were lost could be brought back over time. She asked staff to get numbers of the economic development impact of keeping the University.

Ms. Noble asked what the most popular majors and degrees for students were.

Mr. Snyder said the top major was film and theater with over 100 students; creative writing has about 60 plus students and growing; music, started in fall of 2010 has just under 50 students and visual arts students were in the high 50's. Photography students were in the high 40's and graphic design, the newest program was the most heavily prescribed for network students. Next fall the university would bring back a BBA based degree with arts and entertainment management that could cross over the various departments.

Ms. Karp said the amount of money spent by the student body should be kept in mind when considering economic development and impact. The students who came for ESL would not leave campus much. She said a critical piece wasn't just the amount of money the university spends but also the amount of money and engagement the students would provide.

Mr. Snyder said it would be great if the students would not have to leave to find work. The challenge was to continue to bring young people in and keep them in Santa Fe.

D. Overview of EDRC (Economic Development Review Committee) Process and Priorities

Ms. Noble said the EDRC looked at funds for small grants for innovative business ideas. The feedback was to tighten up the criteria and target investments and that resulted in two proposals funded under \$40,000. She said the plan was now to look at a new round of funding through the EDRC process for early next year.

Ms. Noble said the reason to wait until next year was that the current focus is the work plan priorities. With that focus they would learn about areas of leverage for their investment portfolio and be more informed and do a rigorous analysis of where investments could be and develop more focused criteria. She said Mr. Guerin used the phrase *maximizing their goals* and the thought was to be more targeted in that area and get the highest use of every dollar and of economic development funding.

Ms. Noble said another idea was whether the criteria should work on the retention of young creative people. She said EDRC brought up the importance of keeping and cultivating a young creative class for Santa Fe economy rather than an aging economy based on tourism.

Ms. Noble said EDRC also wants to work on the feedback process for people submitting proposals to build in the technical assistance component and tell businesses what worked and what didn't and where they could be stronger etc.

Mr. Roybal asked if she had information on the economic development work plan Ms. Montoya-Rael presented. He asked to have a monthly report on that and Chair Wurzbarger agreed. Staff was asked to add the report to the agenda each month.

Ms. Aquilina asked who the members were on EDRC. She was told Adele Gutierrez (Los Alamos National Bank), Simon Brackley (Chamber of Commerce), Stephanie Spong (venture capitalist) Stephen Guerin, and Lillian Montoya-Rael who was the chair and now off the committee.

Ms. Noble reported AHA (After Hours Alliance) would have a parks and music festival geared at young people on Sunday from 10 a.m. to 11 p.m. She provided history and said MIX had asked in November, 2009 what the problem for young people in Santa Fe was and the response was a lack of nightlife.

Shannon Murphy had an idea to form a coalition to provide mutual support and cooperation and volunteered to work on it. This would be the first major collaborative event with about 60 local artists and music.

VI. ITEMS FROM THE FLOOR

There were none.

VII. ITEMS FROM THE COMMITTEE

Mr. Warhanek asked the reasons for major changes he heard were happening with the caterers at the Santa Fe Convention Center.

Chair Wurzbarger said changes had not been made yet but a recommendation would be considered and a decision made in the next month. She asked that the committee receive a copy of the report.

VIII. ITEMS FROM CHAIR

Chair Wurzburger said she picked up a book by Mark Lautman, When the Boomer's Bail. Mark Lautman is one of the foremost economic developers in the state and chaired the Economic Development Board and helped recruit Intel and many other companies to New Mexico. Chair Wurzburger quoted from the book that "education is the only profession where the ratio of talk to action is worse than economic development."

Chair Wurzburger said she copied some of the chapters and would pass them around. The committee was asked to read them. She said Mr. Lautman argued that the current focus was on the 14 million Americans without jobs and in five to ten years there would be too many jobs and not enough qualified people.

Chair Wurzburger said she wanted to bring the idea to the committee to see what they thought and what might be done. She hoped they could spend some time at the next meeting on the idea and said she would see if Mr. Lautman would spend time with the committee to look at the issue.

IX. ITEMS FROM STAFF- There were none.

X. NEXT MEETING DATE- October 11, 2011 at 11 a.m.

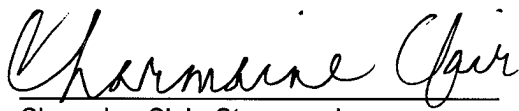
XI. ADJOURN

Having no further business to discuss the meeting adjourned at 12:31p.m.

Approved by:

Rebecca Wurzburger, Chair

Submitted by:


Chamaine Clair, Stenographer