



Agenda

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CITY BUSINESS & QUALITY OF LIFE COMMITTEE

City Council Chambers
City Hall, 200 Lincoln Avenue
Tuesday, July 10, 2012
11:00 am – 1:00 pm

I. PROCEDURES

- A. Roll Call
- B. Approval of Minutes – May 8, 2012
- C. Approval of Agenda
- D. Approval of Consent Agenda

II. INFORMATIONAL ITEMS

- A. Economic snapshot of Santa Fe (Department of Workforce Solutions – Ashley Leach)
- B. CIP Broadband Update (Sean Moody)
- C. Business Ombudsman Report (Fabian Trujillo)
- D. BizMIX Challenge video wrap up (Kate Noble)

III. CONSENT AGENDA

IV. UNFINISHED BUSINESS (none)

V. ACTION ITEMS

- A. A RESOLUTION DIRECTING STAFF TO ENERGIZE SANTA FE TOURISM BY PREPARING A PROCESS FOR FUNDING AND OTHER ASSETS TO ESTABLISH EVENT ATTRACTIONS THAT WILL BRING A NEW GENERATION OF TRAVELER TO SANTA FE. (Councilors Wurzbarger and Ives) (Kate Noble)

VI. ITEMS FROM THE PUBLIC

VII. ITEMS FROM THE COMMITTEE

- A. Shoot Santa Fe update (Luca Ceccarelli)
- B. Grocery Bag Task Force update (Fredrick Warhanek)
- C. Asia Working Group update

VIII. ITEMS FROM THE CHAIR

IX. ITEMS FROM STAFF

- A. Update on St. Mikes Project

X. NEXT MEETING DATE – **August 14, 2012 at 11:00 am**

XI. ADJOURN

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

July 10, 2012

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A. Update on St. Mikes Project	Postponed	10
X. NEXT MEETING	August 14, 2012	10
XI. ADJOURNMENT	Adjourned 12:59 p.m.	10

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

July 10, 2012

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 Wurzburger, Chair on the above date at approximately 11:05 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 Wurzburger, Chair
Councilor Christopher Rivera
Dena Aquilina
Alan Austin
Luca Ceccarelli
Fred Cisneros
Diane Karp
Kathy Keith
Frederick Warhanek

Members Absent:

Stephen Guerin (excused)
Buddy Roybal
Kathy Jahner

Staff Present

Kate Noble
Fabian Trujillo
Nick Schiavo
Matt O'Reilly

Others Present

Simon Brackley
Ashley Leach, Workforce Solutions
Sean Moody
Lillian Montoya-Rael
Charmaine Clair, Stenographer

B. Approval of Minutes- May 08, 2012

Page 2, first paragraph, first sentence "the SWAT analysis should be SWOT

Page 8, last paragraph should be Mr. Marco not Mr. Rand

Page 9, the last paragraph, last sentence, "Mr. Ceccarelli... received from LTAB should be OTAB

Mr. Warhanek moved to approve the Minutes of May 08, 2012 as amended. Ms. Keith seconded the motion and it passed by unanimous voice vote.

C. Approval of the Agenda

Item B and D (informational items) were moved under Action items only to be heard at that time.

Mr. Cisneros moved to approve the Agenda as amended. Mr. Warhanek seconded the motion and it passed by unanimous voice vote.

D. Approval of the Consent Agenda - None

II. INFORMATIONAL ITEMS

A. Economic snapshot of Santa Fe (Department of Workforce Solutions – Ashley Leach)

Ms. Noble said as promised, Workforce Solutions prepared a report around the Santa Fe economic data and Ashley Leach the economist who put the report together, would present her findings.

Ms. Leach said Workforce Solutions with the Bureau of Business and Economic Research prepared a snapshot of Santa Fe's labor market. She had a slide presentation to show comparisons to other New Mexico cities; Farmington, Albuquerque and Las Cruces and the labor market indicators such as employment, taxable gross receipts and commuter patterns and findings on some industries.

A summary of Ms. Leach's presentation follows:

- Three indicators were looked at; first per capita income. Santa Fe has been higher than the other three MSAs (Santa Fe Counties) since 1995 and grew significantly prior to the recession and from 1995 to 2003 grew faster than other MSAs. When the recession hit a decline was seen throughout the MSAs.

Chair Wurzbarger clarified the presentation slides Ms. Leach used were not in the packet and asked for the Committee to receive a copy.

- The Santa Fe real GDP (Gross Domestic Product) increased 16% from 2000-2010 over other MSAs, but in 2008 Santa Fe and Farmington declined.
- The third indicator, new residential building permits declined in every county in New Mexico during the recession in both the number of permits and the value and Santa Fe declined at the same or faster than the state average.
- Much of the analysis focused on employment; Santa Fe saw incremental losses during the recession similar to the employment loss in Albuquerque.
- Santa Fe employment grew beginning 2011 through the third month of 2012 by 2.3 percent and the unemployment rate declined by 12.4 percent.
- In the employment and industry makeup, the largest number of employees/labor is found in Administration followed by Healthcare (typically one of the largest in every county in New Mexico), the Accommodation and Food Services, Retail, Education and Construction.

Arts/Entertainment/Recreation which is typically at the bottom for most counties was in the middle of the list for Santa Fe.

- In 2010 Real estate for Santa Fe produced the largest amount of real GDP followed by other larger employment industries; Government, Retail, Accommodation and Food Services and the Professional/Scientific/Technical Services industry, which is ninth in Santa Fe employment and is a major generator for real GDP.
- The changes in share of real GDP from 2001–2010 saw a decline in Construction and Real Estate percentage of share which includes Mining (only employs about 100 people.) Industries that increased in share (mostly before the recession) were Financial, Insurance, Healthcare and Information; Information includes the film/media/broadcasting and film related.
- Retail generates the most taxable gross receipts as of the fourth quarter 2011 followed by Construction, Accommodation and Food Services and *Other Services* (the Professional/Scientific/Technical and Information. The categories don't employ a lot of people but generate a lot of taxable gross receipts.
- Construction and Retail decreased in share from 2005-2011 but Information's share of taxable gross receipts grew significantly as did Healthcare and Accommodation and Food Services.
- The greatest overall employment growth in Santa Fe during the recession was Healthcare and Social Assistance, local Government and Wholesale Trade. The largest decline was Mining, Manufacturing, Agriculture and Construction. The greatest growth pre-recession was in Information and Administrative and Waste Services (a catchall that includes temporary agencies, call centers, telemarketing, collection agencies, court reporting, travel agencies and tour operations, pest control, landscaping and waste services, etc.)

Ms. Leach said looking at how the industries might change and where industry employment is projected to happen was interesting. Education (fifth in employment) is projected to grow significantly by 2019 and Administrative and Waste Services is projected to grow the fastest at 71.1% by 2019. Healthcare, Social Assistance and Government is projected to grow though not as fast.

Ms. Leach said the last indicator looked at was commuter patterns; about 24% commuted in 2002 from outside Santa Fe and increased to 41 percent in 2010. Residents living in Santa Fe who commute out of the City typically go to Albuquerque, Rio Rancho, Los Alamos and Espanola; workers commuting into Santa Fe typically come from Albuquerque, Rio Rancho, Espanola and Las Vegas.

Ms. Leach said that Workforce Solutions does a 10 year projection annually and uses a Bureau of Labor Statistics approved methodology used by all of the states in the country. Assumptions vary based on the industry but typically include variables such as population and population growth, historic employment growth, income and many other factors. The modeling process follows national trends as well as demographics and employment growth, particularly in population.

Ms. Karp was interested to see how Ms. Leach's future projections compared to the reality of the sectors. She said the area around Santa Fe isn't typical for the nation.

Ms. Leach said the modeling is vetted and typically correct unless there is an anomaly. The program puts out multiple option-based statistical models or variables and economists make adjustments based on their communities. She said she would make a note to look at that.

Ms. Keith asked if education was on the projections for the future because of projected population growth.

Ms. Leach said education typically follows population growth however there is an increase in enrollment statewide. An expansion of curriculum and programs are two key indicators that could be due to the recession as people go back to school. She said the study looks at higher education and secondary but indicators show higher education growing faster.

Chair Wurzburger said she would also like to see the assumptions and variables.

Ms. Leach said the study found Healthcare, the second largest employment industry is projected to grow quickly and the real GDP and taxable gross receipts increased everywhere.

Education, the fifth largest employment industry is projected to grow significantly as well as the Knowledge Based and Technology (Professional/Scientific/Technical services) and sub industries. The overall job loss is mostly related to construction such as architectural, engineering etc. but jobs lost during the recession are projected to come back by 2019.

Ms. Leach said the only sub industries in the category that saw job growth in the recession is the advanced technical operations sub industries that includes computer systems design, scientific research and development, special arts and design services. The category doesn't employ a lot of people but fairs well in the recession, is high wage with some of the highest GDP and taxable gross receipts whose share in gross receipts and real GDP has been increasing.

Chair Wurzburger asked the Committee to hold discussion of the implications until the next session. She said the Committee's challenge is to take the information and analyze what that means for how the Committee would go about their work.

Councilor Rivera asked if cities could be looked at with a similar cost of living to Santa Fe employees that live outside the County. Ms. Leach replied she could although the cities might not be in New Mexico.

C. Business Ombudsman Report (Fabian Trujillo) (Revised Agenda Order)

Mr. Trujillo said he was asked to go into more detail particularly with the challenges in the business licensing. He said the inspection and the business registration are cumbersome because it is separate and other communities across the country couple the registration and inspection process. A business could register and pay a fee and the fee isn't returned if the business didn't pass inspection.

Mr. Trujillo said home based businesses are another challenge and requires a sketch of the floor plan and location, even if the business has no clients or employees. A team effort from the Ombudsman's Office and Finance and business inspections departments is to streamline the home-based applications to one form with attachments; update the business registration form to include e-mails and codes and collect data on industries. An electronic PDF would be developed that businesses could complete online and most forms would be translated into Spanish.

Mr. Trujillo said he was asked to compare the City of Santa Fe business license process, particularly the home-based process, to Rio Rancho. He said a misconception is that Rio Rancho is more streamlined but

the process is the same or slower and Rio Rancho is similar to Santa Fe in inspection and CRS processes although Santa Fe's CRS process is better because he could assist a business.

Mr. Trujillo said Rio Rancho charges annually for business registration and fire inspection and although the fees are lower, Santa Fe charges only once unless the location changed. Rio Rancho fire inspections are two-tiered; hazardous and nonhazardous and have no one to assist businesses with the process; their home-based business process takes the same amount of time as Santa Fe but the business application is more streamlined.

Mr. Trujillo said the Ombudsman Office also does marketing and outreach; press releases were sent to all media outlets, a story ran in the New Mexican, presentations are made to business organizations and he regularly goes to the Santa Fe Hispanic Chamber of Commerce, the Rotary Club, Santa Fe Business Networking Lunch, and the Southside Merchants Association and has participated in a SCORE workshop and the Santa Fe Chamber of Commerce Business Expo and has handouts in the Business Licensing and in Inspection Offices.

Mr. Austin asked if the statute or the process should be changed to make it easier to do business at the City. Mr. Trujillo replied the processes need to be streamlined.

Ms. Keith asked about the slide stating "*businesses couldn't receive licenses until inspections are completed*" and if that could be monitored to show the average time a business could receive a license.

Mr. Trujillo said not at this time but that could be worked on. He said a business with no clients or employees and documents (CRS or EIN number, a sketch of their home/office, etc.) in hand could usually get a business license within 30 to 60 minutes.

Mr. Schiavo asked what percentage of home based businesses would know to bring a sketch of their home/office.

Mr. Trujillo said people don't know and often the plan is sketched in his office and he assists with writing a letter. He said the Inspections Department feels a sketch of the floor plan and location map is necessary but he thought the process cumbersome.

Ms. Keith said it appears Mr. Trujillo is doing a good job to streamline the home business but the other side of that is the inspection time. She said a business needs to understand what time frame to expect.

Mr. Trujillo said he usually schedules the fire inspection before the person leaves and the inspection is usually done within a week and often within a couple of days.

Chair Wurzbarger said Matt O'Reilly has that information and she would like an update and would be appropriate that come from Mr. O'Reilly's office.

Ms. Keith asked how many businesses by industry on slide 13 were home-based.

Mr. Trujillo replied 70 are startups and 20 to 30 percent of those are home-based businesses. He added that some of the businesses are also from the annex on the South side of Santa Fe.

The number of startups was discussed. Ms. Karp said the 70 startups seem more realistic than the numbers from the previous report. Mr. Trujillo replied that the numbers were on pace with what was done last year, which was about 60 startups. Chair Wurzbarger replied that if 70 startups were done in the first four months and 60 were done all of last year, the City was far ahead of pace. Mr. Trujillo agreed and said he would check that.

Mr. Austin asked who would be responsible if a need is identified that would make the process better. Mr. Trujillo replied that ultimately the City Manager would be responsible or it would go through an administrative process and it would involve more than one department.

Mr. Brackley said this is a topic he has been close to for a number of years and he is pleased the position (ombudsman) has been created. He saw two issues; the nuts and bolts of getting a license-not just the license but the fire permits, electrical, etc. and the nuts and bolts of getting a building permit. He said he just went through the process and took seven weeks for internal walls to be built.

He was curious why a floor plan is needed for a home based business. He asked what difference it made where his bedroom/bathroom/office is located or if he works in a coffee shop or his front yard. Mr. Warhanek added, especially if not to scale (the floor plan.)

Mr. Trujillo said the City wants to know that only 25 percent of floor space is used. He thought that could be an affidavit and would be changed in July; if not, the issue would come to the Committee for policy changes.

Mr. Brackley said Mr. Trujillo talked about translating the form into Spanish. The Chamber did that in about three days and was simple and the electronic online PDF process could happen within a couple of days. He wasn't sure what the holdup was.

Chair Wurzbarger made note that Matt O'Reilly had joined the meeting. She said, knowing the number of years *streamlining* was talked about, she doesn't want the word used any more. She said the issue isn't to focus on the process as much as the outcomes and collectively she wants to look at the outcomes.

Chair Wurzbarger said to start the revision she wanted five things from Mr. Trujillo's perspective. She said the time and process of inspections and getting permits has improved and the question is how operations could revise that and whether a resolution is needed or if this should be taken to City Council. She said the Committee has to come up with what those expectations are.

She suggested the home-based issues of the floor plan worked out by July with the items on page 3 of not receiving licenses until inspections are complete, etc. She asked that Mr. Trujillo come back the next meeting with specific recommendations and exact strategies that he and the various departments had worked out and give the Committee direction.

Ms. Aquilina noted page 9 had recommendations to update the registration form.

Chair Wurzbarger said Mr. Trujillo should start with pages 3 & 9 as an exercise.

Mr. Cisneros commented that in creating a process, the people in charge should create the process as if they would be going through it.

Councilor Rivera said he is trying to work at the fire department to get all of the inspectors (fire, city etc.) in one place and it makes sense to have a one stop shop. He said staff was asked to look at how that could be done.

Mr. O'Reilly said there is a plan for a one stop and the fire inspectors and permit issuers from Public Works, Streets and Drainage and Land Use code enforcement were to go to the Rail Yard to create a customer service center. He said that isn't going to happen because the Public Works Department would move to the Rail Yard. He said the one stop shop is still a goal and one of the biggest handicaps of his department is people are all over the place.

Chair Wurzbarger asked him what if there is a way to do that for four hours a week at the convention center. She suggested they rethink the problem and get the ball rolling.

Mr. O'Reilly said he would think about her suggestion. He added that people should know that things are happening and every change isn't in a press release. He said fire inspectors now review plans at City Hall and sit certain days at the front desk; the City Building Permit Department has taken over responsibilities for permits for wastewater and people no longer have to go across town and systems are in place to approve certain things with regard to solid waste.

Mr. O'Reilly explained there were savings involved to move Public Works people to the Rail Yard when the Federal Building was vacated rather than to make multiple moves all over the City.

Chair Wurzbarger said they could talk more about that and look at options. She said it was important to make that happen.

Mr. Brackley asked that the parking be easy with an easy in and out, if a one stop shop is done.

Chair Wurzbarger said a major priority is to make the office as effective as possible and continue the work with concrete outcomes. She thanked Mr. Trujillo for his work. Mr. Trujillo thanked the Committee for their support.

V. ACTION ITEMS

- A. A Resolution Directing Staff to Energize Santa Fe Tourism by Preparing a Process for Funding and Other Assets to Establish Event Attractions That Will Bring a New Generation of Traveler to Santa Fe. (Councilors Wurzbarger and Ives) (Kate Noble)

Ms. Noble said the suggestion was from a member of the OTAB Board which oversees tourism funds. The overall objective of the resolution is to bring in tourism events to get off-season revenue and would target tourists younger than fifty-six; and to build on Santa Fe brand assets and national excitement.

Ms. Karp moved to approve the resolution as presented. Mr. Ceccarelli seconded the motion and it passed by unanimous voice vote.

B. CIP Broadband Update- Sean Moody- Informational (Revised Agenda Order)

Mr. Moody said one million dollars was approved in the CIP bond to improve the high-speed Internet capabilities in the City and the project is about to go to a feasibility study. He said the broad purpose is to encourage economic development and educate Santa Fe. A fiber optic line would be run through the Rail Yard to St. Michaels and possibly toward the airport. A conceptual map was passed around that showed options of how the project would work.

Mr. Moody said the timeline is a feasibility study by the end of August and documents and agreements done by late spring.

Ms. Keith asked if the system would be able to link to REDI-net. Mr. Moody replied it would link to EMR towers that have a direct connection to REDI and the central telephone exchange that Internet service providers and telephone companies currently use.

D. BizMIX Challenge Video Wrap Up (Kate Noble)

Ms. Noble said the \$5,000 grand prize went to *The Way We Grow* that developed a horticultural product. The company has about 3000 ft.² of manufacturing space in Santa Fe and makes the product by hand.

Ms. Noble said many young people attended the business awards and interacted with business leaders. She showed a short video filmed and put together by a video intern who had followed the process.

The date was given for the MIX events: Thursday, September 20, 2012 at Molly's Lounge on Calle Lorca and the "festival" would be Saturday and Sunday, September 22 and 23, 2012.

III. CONSENT AGENDA- None

IV. UNFINISHED BUSINESS- None

VI. ITEMS FROM THE PUBLIC- None

VII. ITEMS FROM THE COMMITTEE

A. Shoot Santa Fe update- Luca Ceccarelli

Mr. Ceccarelli passed around one of the takeaway items given in Los Angeles; a jump drive that contains locations of Shoot Santa Fe partners. He said they were well received and the Expo was crowded with producers, production managers, etc. and a lot of the targeted people. Shoot Santa Fe had a fun splash with media screens and a lot of takeaways from different partners and the delegation worked well with the New Mexico Film Office.

Two parties were held; one VIP industry party in the Palisades and a larger party for AFCI Location Expo attendees and about 150 people were added to the mailing list. An ad was taken in *Variety*, the leading industry magazine for the AFCI Locations Expo. A copy of the ad was passed around.

Mr. Ceccarelli said the delegation had good meetings with HBO, Disney and Sidney Kimmel and others and his partner met with DreamWorks. He said the response has been positive. People didn't know what Santa Fe offers and on that level the mission to get the word out was accomplished. He did interviews with the *Hollywood Reporter* and *Variety* who expressed a lot of interest.

Chair Wurzburger said the objective has been met and there is more work to do. The work would move into two directions 1) working closely with legislators and others to release the regulations. People are ready to come and want the details and the community needs to work together to make that happen. 2) She said to have the regional collaboration has been wonderful and people have come to the table and made things happen. She said it is a wonderful model of how to get something done. The other component would be to continue the broader regional perspective.

Chair Wurzburger said the third part is to look at strategic questions; what is needed to move forward as a sustainable industry and Shoot Santa Fe would look at that next.

Mr. Ceccarelli said he agrees as far as reporting on the actual events but they need to take responsibility. He said right now the industry is floating without a strategic plan and the City has already seen the consequences of that.

Chair Wurzburger thanked Mr. Ceccarelli and Ilene for their leadership. She said they did an amazing job and the event was very successful.

B. Grocery Bag Task Force update (Fredrick Warhanek)

Mr. Warhanek said the subcommittee investigated among other things; what should be outlawed; should both paper *and* plastic be outlawed; should they charge for paper; should large grocery stores and pharmacies discontinue use; what about Kmart and large box stores.

Mr. Warhanek said a handout is in the packet with a report from Los Angeles and Napa Valley on how non-coastal cities answered the question,

He asked on the enforcement issues who would be the "plastic" cops; how this could be enforced and what does that entail. Other questions were how citizens could be educated and if free bags should be provided by the City or retailers or a combination.

He said Mr. Marco researched other New Mexico cities investigating this type of initiative.

Mr. Marco said to date no city in New Mexico has done away with plastic bags and the Recycling Coalition for New Mexico became interested in discussing the issue when that was put out.

Ms. Karp said the City Sanitation Department at Fourth of July on the Plaza gave out wonderful multi-use bags. She thought that could be a partner to the Committee's proposal. She said they need to connect the dots; they suffer from having smart creative projects that are disconnected.

Mr. Warhanek said the goal is to get people that receive the items to do more recycling and ultimately to get the numbers higher.

Chair Wurzburger suggested ideas be given to the Committee. She thanked the task force for their work.

C. Asia Working Group update

Mr. Austin said the group met this morning and would continue to educate themselves on how to aide more tourists from Korea and China, specifically. A group was in town from Incheon, Korea with the rest coming tomorrow in conjunction with the Folk Art Market and a number of other events around their visit. A dual purpose was to discuss tourism and foreign direct investment.

Mr. Austin said the group is reaching out to a gentleman from Washington who helps communities learn more about foreign direct investment and how to garner that. Korea or China would be the first to be looked at because of the existing relationship.

Chair Wurzburger asked Ms. Noble to ensure the Committee received the same invitations to the events.

Ms. Karp said Art Santa Fe is this weekend and has a series of business individuals and several residents from Korea. She said a lot is happening that connects Asia and she would love for the Committee to reach out to all the disciplines and not just businesses and tourism because it all works together.

Ms. Karp asked that the minutes reflect that the Art Institute was excited to have MIX and was a pleasure. She thought it wonderful that so many young people came; 100 were anticipated and over 350 people attended.

Mr. Ceccarelli mentioned an attorney in the film industry is putting together a tour to China for executives etc. He said people are obviously trying to reach out in multiple areas.

VIII. ITEMS FROM THE CHAIR- Postponed

A. Update on St. Mikes Project

VIII. ITEMS FROM THE CHAIR- None

X. NEXT MEETING DATE- August 14, 2012 at 11:00 a.m.

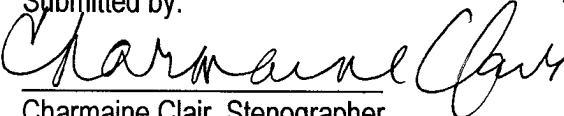
XI. ADJOURN

Having no further business to discuss the meeting adjourned at 12:59 p.m.

Approved by:

Rebecca Wurzburger, Chair

Submitted by:


Charmaine Clair, Stenographer