

Agenda

DATE 2/12/13 TIME 8:58am

PREPARED BY Maria Vigil

RECEIVED BY [Signature]

CITY BUSINESS & QUALITY OF LIFE COMMITTEE

**City Council Chambers
City Hall, 200 Lincoln Avenue
Tuesday, February 12, 2013
11:00 am – 1:00 pm**

I. PROCEDURES

- A. Roll Call
- B. Approval of Minutes – January 8, 2013
- C. Approval of Agenda
- D. Approval of Consent Agenda

II. INFORMATIONAL ITEMS

- A. Collateral Support Program Overview - (John Brooks – NMFA/Juan Torress - NMEDD)
- B. Santa Fe SCORE Update - (Michael Maremont – SF Chapter Chair)

III. CONSENT AGENDA (none)

IV. UNFINISHED BUSINESS (none)

V. ACTION ITEMS (None)

VI. ITEMS FROM THE PUBLIC

VII. ITEMS FROM THE COMMITTEE

- A. Santa Fe Global Trade Initiative Work Group Update – Kathy Keith
- B. Reusable Bag Ordinance Update – Frederick Warhanek

VIII. ITEMS FROM THE CHAIR

IX. ITEMS FROM STAFF

X. NEXT MEETING DATE – **March 12, 2013**

XI. ADJOURN

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

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

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

February 12, 2013

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 indicated a quorum as follows:

Members Present:

Councilor Rebecca Wurzbarger, Chair
Alan Austin
Dena Aquilina
Kathy Jahner
Diane Karp
Kathy Keith
Frederick Warhanek

Members Absent:

Luca Ceccarelli (Excused)
Fred Cisneros (Excused)
Buddy Roybal (Excused)
Councilor Christopher Rivera

Staff Present

Fabian Trujillo
Nick Schiavo
Juan Torres

Others Present

John Brooks, NMFA
Sanjiv Doreswamy, NMFA
Michael Maremont, SCORE
Charmaine Clair, Stenographer

B. Approval of Minutes- January 8, 2013

Ms. Jahner moved to approve the Minutes of January 8, 2013 as submitted. Mr. Austin seconded the motion and it passed by unanimous voice vote.

C. Approval of the Agenda

Mr. Warhanek moved to approve the Agenda as published. Ms. Keith seconded the motion and it passed by unanimous voice vote.

D. Approval of the Consent Agenda – None

II. INFORMATIONAL ITEMS

A. Collateral Support Program Overview - John Brooks/NMFA/ Juan Torres/NMEDD

Mr. Trujillo introduced John Brooks with NMFA and Juan Torres from the Economic Development Department. He said they would provide information on the Collateral Support Program, an up-and-coming finance program in New Mexico.

Mr. Torres said he is with the NMEDD Finance Development team. The EDD supports other teams in the department such as the Film Office and Office of International Trade and Business Affairs as well as regional representatives and local and regional economic development organizations such as RDC.

Mr. Torres said the financial development team provides existing businesses and startups with: financial analysis, consultation, customized incentive analysis and information on state and federal incentives; debt, equity, financing programs; and help in the location and access of federal and state grants and loan programs such as USDA, EDA, etc.

Mr. Torres said his department was contacted by Val Alonzo and they developed a program they call REAP (Rapid Economic Assistance Program.) The idea is to approach geographically clustered industries that have been identified and schedule sequential resource team site visits. The team follows up with additional resources identified on the site visit and continues to monitor the businesses.

Mr. Torres said the previous week the team went to northern New Mexico to visit six businesses in the Taos area and spent an hour with each business. From the visit, more than half of the businesses took advantage of JTIP (Job Training Incentive Program) and opportunities were identified for the manufacturing extension program and potential debt financing. The department recently sent an e-mail update and followed up and they hope to reproduce the program in other places.

Mr. Torres said the money for the Collateral Support Program (CSP) came from the State Small Business Credit Initiative under the Federal Small Business Jobs Act of 2010. The Act was created to provide direct support to states to increase credit availability to small businesses.

Mr. Torres explained that CSP is a loan participation program in partnership with private banks and over \$13 million was received from the federal government. The money must be fully committed to loans by October, 2013 and in addition, the government requires the \$13 million be leveraged on a 10 to one basis; 10 private dollars for every dollar (a total impact of \$130 million) by December 2016.

Mr. Torres turned the presentation over to John Brooks and Sanjiv Doreswamy at this time.

Mr. Brooks said the Finance Authority believes the programs they design help communities, attract new

businesses and workforce, create permanent jobs and increase the tax base. The MFA hopes to bring new goods and services to the rural and underserved portions of New Mexico and work as partners with the cities to get more business activities within city limits.

Mr. Brooks said more importantly they want to get more capital investments into the City through the Collateral Support Program. He introduced Mr. Doreswamy to talk about the program.

Mr. Doreswamy said the CSP conducted a study that found a need for more collaborative support and subordinate positions in New Mexico. The Finance Authority would take a second position on the collateral. Rural businesses need more access to credit and revolving lines of credit; short term lending of construction loans or "working capital" loans for equipment.

He said the Finance Authority would work hand in hand with lending institutions across New Mexico and the Program would fill a need and could be implemented quickly. He said the interest rates are competitive and tied to the US Department of Treasury rate and the MFA underwrites their loans. Currently there is a concentration on construction loans and working capital lines of credit to revolve the money quickly back to them and out again.

Mr. Brooks added that the Collateral Support Program has no fees for borrowers and has a single point of application. The Finance Authority wants the process to access the capital to be simple and easy and more importantly, to get the capital into businesses in New Mexico, especially in Santa Fe, at a low cost.

Mr. Brooks pointed out that the packet had projects the Committee might not be aware of such as BTI. He said the bank had a problem with the value of the land and the new warehouse to be built, because of the value to the loan. With the participation of the Finance Authority, who agreed to take a subordinate position to the bank, the building was constructed and the project would bring 36 full-time jobs in the next few years. He said this is a business from another area that would stay in Santa Fe.

He said a great thing about the Collaborative Support Program is the collaboration of multiple funders in one financing package. The program is designed to take on more risk, be flexible and get job creation in the community.

Mr. Brooks explained why NMFA should be used; no additional costs for the borrower/business; MFA partners with the bank and helps the bank develop their client; the application process is simple and all costs associated with the transaction are covered for the borrower and that helps keep costs lower.

Ms. Keith asked how much of the \$13 million is out that has to be encumbered by October, 2013.

Mr. Brooks said \$4 million has been allocated and the goal is to get the other \$8 million out by October, 2013 so MFA could go after other New Mexico dollars. He asked that members send him projects they were aware of.

Chair Wurzbarger asked if there were any projects currently in the pipeline for Santa Fe. Mr. Brooks replied MFA is working on several projects with Washington Federal and one with Wells Fargo with potential of about \$2 million.

Chair Wurzbarger asked how the program is advertised; the point of entry.

Mr. Torres said that the program has been marketed on the fly and the team went to 12 cities in the fall and talked with economic developers. He said the problem is that most people don't know about the program and EDD is trying to get the word out.

Chair Wurzbarger asked if it would be helpful to do a special City TV/radio show to announce the program. Mr. Torres agreed that would help.

Mr. Trujillo said a lot of businesses in Santa Fe get access to the program through the Business Ombudsman's Office. He said his office works with the EDD and financial institutions to structure the loans; not just with the Collateral Support Program, but with SBA 504 programs and incentives.

Chair Wurzbarger asked Mr. Trujillo to follow up on a TV and radio show.

Chair Wurzbarger asked about the process and who would make the decisions on financing.

Mr. Doreswamy explained it was a three prong process that starts with an interim committee of employees of MFA who have accounting and finance backgrounds. Secondly is the external, which is EDD and last is the MFA Board sign off and approval. The timeline is usually a month.

Chair Wurzbarger asked about MFA's collaboration with the Chamber of Commerce.

Mr. Torres said he would like to give a presentation to the Chamber of Commerce members, but the biggest problem is they are busy trying to make money. He said that is why Mr. Alonzo suggested visiting regions and they are thinking about visits within the City.

Chair Wurzbarger said the Committee could work businesses to visit. She suggested the New Mexican as a possible format in addition to a presentation and encouraged Mr. Torres to talk with Simon Brackley.

B. Santa Fe SCORE Update - Michael Maremont, SF Chapter Chair

Mr. Trujillo said the City has a \$20,000 contract with SCORE to provide workshops in the spring and the fall. He introduced Michael Maremont, chair for the Santa Fe chapter of SCORE, who would give an update.

Mr. Maremont said SCORE is a national organization with over 20,000 people across the United States and is divided into districts and funded through the Small Business Administration (SBA) and free for residents. Three SCORE chapters are in New Mexico: Santa Fe, Las Cruces and Albuquerque.

Mr. Maremont said SCORE has been trying new things. He noted that the Committee's material show 20 presentations planned this year (four have been given) on a variety of topics. He said the roundtable programs designed for senior management were tried and eliminated for more interactive things.

The Ombudsman's Office would participate; a seminar would be given by the Northern New Mexico Human Resources Association; Peter Donager with the Community College Tax Aid Program would do Tuesday evening seminars; and programs such as "Growing Your Business" and "Quick Books" would be repeated.

Mr. Maremont said social media workshops are well attended and "Contracts" would be added this year. Several SCORE members would give Budgeting and Cash Flow Analysis workshops and "Pitching Your Ideas Effectively in Growing Your Business" would be taught by an author who previously worked for MGM.

Mr. Maremont said seminars would be added on "Incentives" and "Financing" this year and the New Mexico HR would teach "Hiring/Firing. He noted the attendance information was summarized at the beginning of the material and includes comments on the workshops and seminars and all of the information is on the SCORE website.

Chair Wurzbarger thanked Mr. Maremont and said she is impressed with the programs. She said in her experience out in the community; there is a buzz about SCORE and the changes made were well received.

Chair Wurzbarger asked about a breakdown on business industries. She said the information is helpful in terms of what the Committee believes should be priorities for the City. Mr. Maremont said the information would be provided in the future.

III. CONSENT AGENDA- None

IV. UNFINISHED BUSINESS- None

V. ACTION ITEMS –None

VI. ITEMS FROM THE PUBLIC- None

VII. ITEMS FROM THE COMMITTEE-

A. Santa Fe Global Trade Initiative Work Group Update- Kathy Keith

Ms. Keith reminded everyone the focus of the Asian Working Group was broadened and is now called the Global Trade Initiative Work Group. The two areas of focus now are Asia and Mexico and Brazil is being discussed.

She said the strategy is first to look at the area of biggest interest in visitors who come to Santa Fe and overlap that with possible trade missions. She explained that a trip to Asia to talk about tourism could possibly take along a Santa Fe business interested in trading in that market.

Chair Wurzbarger said as a result of her trip to Taiwan, she met with travel agents and spent a few days talking with businesses interested in buying commercial property and green energy. She said a couple from Taiwan committed to bringing ten people to Santa Fe this summer or fall.

She noted the importance for economic development. She said the average expenditure for a person from

Taiwan is \$6,000, compared to the national tourist average of 650 dollars.

Ms. Karp suggested the Committee consider the value of the nonprofits and the arts community. She said that could be an additional layer.

B. Reusable Bag Ordinance Update – Frederick Warhanek

Mr. Trujillo said the group met with the Chamber of Commerce and received suggestions and a meeting is being considered with the Sustainable Santa Fe Commission. The ordinance has been re-drafted with suggestions already provided and once more input is received, would move forward.

Chair Wurzbarger asked Mr. Trujillo to set up the meetings with Sustainable Santa Fe in the next two weeks.

Ms. Jahner suggested a roundtable that includes Santa Fe Beautiful, Sustainable Santa Fe, the Solid Waste Advisory Council, and the Santa Fe Chamber of Commerce. The intent would be to look at increasing commercial recycling. She suggested the Chamber of Commerce could coordinate getting the groups to the table.

Chair Wurzbarger said that was something they could explore. She noted that over half of the groups mentioned were at previous meetings.

Ms. Jahner said everyone should be at the table to hear the same input and to develop a plan that everyone would be involved in.

Chair Wurzbarger said she just came back from a meeting called the Verde Exchange in Los Angeles, which is in their seventh year. She said she has information on energy and recycling and a lot is happening that they could learn from.

She said having someone come as a keynote for a forum could be discussed. She thought someone like Marion Nichols, the head of EPA (Environmental Protection Agency) in California who has worked in the industry for 25 years, could be brought in.

Chair Wurzbarger asked if members had other Items from the Committee.

Ms. Karp said the Art Institute is the major partner for the Snow Poems project and all of the Snow Poems would be illuminated on Friday, February 22nd in the evening.

She said secondly, the Art Institute proposes to bring in author Michael McGuire, president of Los Angeles Metropolitan Water Department, for the Scientists and Mortar Specialists tour in April.

Chair Wurzbarger said for those who read that Ms. Karp is leaving; she is not leaving *Santa Fe* or the *Committee*.

VIII. ITEMS FROM THE CHAIR

Chair Wurzbarger said earlier in the year CBQL took action on the Committee Workforce Agreement, which

has become a contentious issue. Chair Wurzburger said she wanted to provide an update and a decision would be made on the bill on the 27th of February.

She said four revisions are currently going forward. She said the process has been difficult, but she thought the Committee had taken a clear position. She encouraged Committee members, as the representatives of the business community, to attend the public hearing.

Chair Wurzburger provided an overview of the four options: 1) to rescind the bill immediately and have the bill apply only to the Rail Yard project; 2) a compromised bill by Councilor Bushee that would raise the limit and provide insurance for domestic partners among others. 3) A bill she initially introduced after the public hearing that was followed by a meeting in which the bill was reviewed line by line. She introduced two bills as a result: 4) a resolution bill which merged the resolution into the rescind bill and stated one project be done and evaluated.

She said the compromise was not accepted by the proponents of the bill and she is now promoting the bill that is to be rescinded.

Chair Wurzburger said as a City Councilor, she has received a lot of input about the living wage from the business community in the last few months. She said the dialogue often goes "it is just the business community; it is just the Chamber of Commerce again who are opposed..." She said they need to move away from that level of debate.

She said the living wage would go up March first and she is concerned about the impact of the living wage on the employability of youth. She wanted public dialogue of what is happening to businesses that primarily employ youth and now say they can't.

Chair Wurzburger asked the Committee to consider cosponsoring a public forum in the evening around the first of March. She said members should know that an additional meeting in late afternoon or early evening could be required.

IX. ITEMS FROM THE STAFF

Mr. Trujillo said a JTIP meeting was held last week and three companies from Santa Fe were funded and average wages are above \$16 an hour: Jack Rabbit Systems (seven jobs); National Water Services (one job) and Santa Fe Brewing Company (three jobs.)

Mr. Trujillo said about \$150,000 was received from the State JTIP Program. He thanked Val Alonzo, the RDC, the EDD and the City of Santa Fe for bringing the companies to the JTIP Board.

Chair Wurzburger thanked Mr. Trujillo for his work to make that happen and asked that he prepare a press release.

Ms. Keith said it was important to know that **all of the jobs created by the companies were new jobs** and they are above and beyond their employment numbers.

Ms. Karp said when looking at the Future Economy/Present Economy Committees, they often do amazing

things but no one knows. Ms. Karp said there is a habit of spending all their time and energy on making the projects happen. She said it is essential that they create a reliable, consistent mechanism so the effective successes could be recognized.

Chair Wurzburger asked Ms. Karp to start that taskforce and include Simon Brackley.

Chair Wurzburger said a problem for the Committee is that there is no press at the CBQL meetings. She said they need to do that and figure other ways to get the word out.

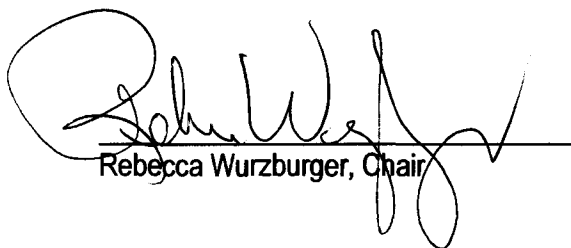
Chair Wurzburger said sometime between March first and 30th the Committee could have another meeting.

X. NEXT MEETING DATE- March 12, 2013 at 11 a.m.

XI. ADJOURN

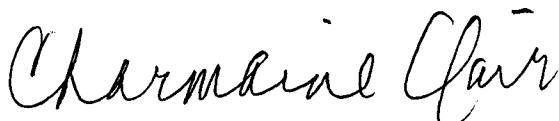
Having no further business to discuss the meeting adjourned at 12:06 p.m.

Approved by:



Rebecca Wurzburger, Chair

Submitted by:



Charmaine Clair, Stenographer