



Agenda

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ECONOMIC DEVELOPMENT REVIEW SUB-COMMITTEE

Wednesday August 28, 2013

9:00 am

Federal Building

120 S. Federal Place, Room 326

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of minutes –
 - i. June 24, 2013
 - ii. July 2, 2013
 - C. Approval of Agenda
- II. REPORTS
- III. UNFINISHED BUSINESS (none)
- IV. NEW BUSINESS
 - A. Request for Approval of Amendment No. 1 to Professional Services Agreement – Business Incubator Services on behalf of Economic Development; Santa Fe Business Incubator (RFP 12/23/P) (Kate Noble)
 - B. Request for Approval of Amendment No. 2 to Professional Services Agreement- Business Development Services on behalf of Economic Development; SCORE (Fabian Trujillo)
- V. INFORMATIONAL ITEMS
 - A. Sponsorships:
 - i. Homewise Artisan Products
 - ii. Leadership Santa Fe
 - iii. Design Santa Fe
 - B. Services:
 - i. Local Gift Market Impact Analysis
 - C. Community Proposal Process
- VI. ITEMS FROM THE COMMITTEE
- VII. ITEMS FROM STAFF
- VIII. NEXT MEETING DATE - **Meet as needed**
- IX. 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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August 28, 2013**

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**MINUTES OF THE
MEETING OF THE
ECONOMIC DEVELOPMENT REVIEW SUB-COMMITTEE
August 28, 2013**

I. PROCEDURES

A. CALL TO ORDER AND ROLL CALL

A regular meeting of the Economic Development Sub-Committee, was called to order on Wednesday, August 28, 2013, at approximately 9:00 a.m., by Simon Brackley, Chair, in Room 326, at the Federal Building, 120 South Federal Place.

MEMBERS PRESENT:

Simon Brackley, Chair
Alan Austin
Kathy Keith
Stephanie Spong

MEMBERS ABSENT:

Fidel Gutierrez

STAFF PRESENT:

Kate Noble, Economic Development Division
Fabian Trujillo, Economic Development Division
Melessia Helberg, Stenographer [for Carl Boaz]

There was a quorum of the membership in attendance.

B. APPROVAL OF MINUTES: JUNE 24, 2013 AND JULY 2, 2013

MOTION: Kathy Keith moved, seconded by Alan Austin, to approve the minutes of the meeting of June 24, 2013, as presented.

VOTE: The motion was approved on a voice vote, with Alan Austin, Kathy Keith and Chair Brackley voting in favor of the motion, no one voting against, and Stephanie Spong abstaining because she was not in attendance at the meeting of June 24, 2013.

The following correction was made to the minutes of July 2, 2013:

Page 2, paragraph 3, line 1, correct as follows: "... ~~circusing~~ scoping..

Page 2, paragraph 4, line 1, correct as follows: "... ~~circusing~~ scoping..

MOTION: Stephanie Spong moved, seconded by Kathy Keith, to approve the minutes of the meeting of June 24, 2013, as amended.

VOTE: The motion was approved unanimously on a voice vote.

C. APPROVAL OF AGENDA

Chair Brackley said he would like to reverse Items IV(A) and (B) in the interest of time.

Kate Noble said there will be two items from staff to be addressed briefly under Matters from Staff. One is the form for business license and the other is the broadband project which Sean Moody has been managing which will be coming before this Committee soon.

MOTION: Alan Austin moved, seconded by Kathy Keith, to approve the agenda, as amended.

VOTE: The motion was approved unanimously on a voice vote.

II. REPORTS

There were no Reports.

III. UNFINISHED BUSINESS (NONE)

There was no Unfinished Business.

IV. NEW BUSINESS

B. REQUEST FOR APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT – BUSINESS DEVELOPMENT SERVICES ON BEHALF OF ECONOMIC DEVELOPMENT; SCORE (FABIAN TRUJILLO)

Fabian Trujillo introduced Michael Maremont, Chapter Chair, Santa Fe SCORE CHAPTER. Mr. Trujillo gave a brief overview. Please see Mr. Trujillo's Memo of August 23, 2013, for specifics of this presentation.

Mr. Trujillo said the seminars and workshops aren't posted on the website, noting they are working on changing the website at this time. He said they were very well attended and he was very pleased with them.

Mr. Austin asked if the businesses attending are active businesses or businesses being contemplated, and Mr. Trujillo said they are both, noting there is an in-depth report on each of them in the packet.

Mr. Austin said then it is hard to measure outcomes.

Marie Longstreet said they don't keep actual records, but "by and large" they are existing businesses and about 1/3 of them are thinking of starting something new.

Mr. Trujillo said the people to whom he presented were a mixture of entrepreneurs and existing businesses, noting he has had follow-ups with some of them, such as Santa Fe Hard Cider and the film studio.

Mr. Austin asked what is meant by economic-based business.

Mr. Trujillo said these are businesses who are primary industries and export most of their goods out of Santa Fe. He said they try to target the 5 target industries that are in the economic development implementation strategy: media, green, technology, knowledge based and arts and culture.

Chair Brackley asked if there is follow-up at the end of the session to determine peoples' thoughts or recommendations for the future, or any changes.

Mr. Trujillo said yes, noting he asks for is a participant profile. He said SCORE asked them to rate the courses.

Mr. Austin asked who does follow-up if they need further assistance – the City or SCORE.

Mr. Maremont said some sign up for counseling, but not a lot. There is a lot of interaction with the attendants, and they have the opportunity to ask questions. He said the biggest problem last year is that they over-advertised, and a lot of people signed up for everything and then *didn't* attend all of the workshops. He said they have to move forward with the advertising. He said they did too many things last year, noting the types of entrepreneurs have changed as businesses have changed.

Mr. Austin asked if the request is for \$40,000.

Mr. Trujillo said no, the request is for \$20,000 for this year, and the contract is for \$40,000 – \$20,000 per year for two years.

Mr. Austin said then the increase is an extension into another year, and Ms. Noble said that is correct, it is a reauthorization for \$20,000.

Chair Brackley noted the 37% no-shows, which is unfortunate if people aren't showing up and preventing others from participating.

Mr. Maremont said that didn't happen for the workshops, but it *did* for the seminars.

Ms. Longstreet said her staff makes an effort to call ahead of time, and people say they will attend, but still don't show up.

Mr. Trujillo said that happened with the Incentives Workshop which they thought was full, but 10-15 people didn't show up.

Ms. Keith asked if a charge per class has been considered.

Mr. Maremont explained that the program is revenue-neutral and is free to the public, noting SCORE is funded by SBA, and they have to account to the City for every dollar to be reimbursed. He said it would be possible to charge, although they don't particularly want to do that except for the Workshops.

Mr. Austin said the \$10 charge was suggested as an incentive to attend rather than a source of revenue.

Chair Brackley said they are encouraged to focus on economic-based businesses.

Mr. Maremont explained that the major difference between this year and last is the administration, noting it is in the document which was prepared by Mr. Trujillo, and it is in the packet. He said he wants to be clear for the record that this year they hired someone to do the administration. He said the total amount is the same, but they are doing 16 events this year. He said they reduced the advertising a little, and the City is doing the printing.

Mr. Trujillo said also, although there are less seminars, they are longer and more in depth.

Ms. Spong said then they are experimenting with the mix.

Mr. Maremont said yes, noting all of the dates/presenters are confirmed, and 1099's will have to be sent to the presenters. He said the educational portion is being reduced by \$5,000.

Ms. Noble said what SCORE did last year was a major revision, and it burned-out and taxed an all volunteer organization. She said Mr. Maremont, Mr. Trujillo and others have done a reassessment to take in account what they were trying to accomplish and the realities of the volunteer organization to get things done. She said SCORE actively has tried to evolve to make the program sustainable in the future and to continue to offer the services.

Mr. Maremont talked about some of the things they are doing to get the most people to attend the workshops.

Mr. Austin said the workshops "whet the appetite," and the reason he was asking about the follow-up.

Mr. Brackley said he is encouraged by the number of female attendees, noting it may indicate there are more women entrepreneurs or women are more humble about asking for help in starting a business.

MOTION: Alan Austin moved, seconded by Stephanie Spong, to approve Amendment No. 2 to Professional Services Agreement with SCORE.

VOTE: The motion was approved unanimously on a voice vote.

Mr. Brackley that there is talk of moving the Post Office, and asked if SCORE has plans to move.

Mr. Maremont said no, noting they expect Senator Udall's office to stay in this building as well.

Chair Brackley said the Chamber is doing a seminar series in the fall as well, and they will be having an effective elevator speech, as well as to continue the series on health care reform, so feel free to refer people to those presentations.

A. REQUEST FOR APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT – BUSINESS INCUBATOR SERVICES ON BEHALF OF ECONOMIC DEVELOPMENT; SANTA FE BUSINESS INCUBATOR (RFP 12/23/P). (KATE NOBLE)

Alan Austin said he is a member of the Business Incubator Board, and recused himself from participation in this matter.

Kate Noble presented information from her Memo of August 28, 2013, which is in the packet. Please see this Memo for specifics of this presentation.

Ms. Noble introduced Marie Longstreet, President, Santa Fe Business Incubator.

Chair Brackley asked how close the Incubator is to being full to capacity.

Ms. Longstreet said they were getting close, but one business came in yesterday, and gave us their walking papers, and said they are going to expand, and had found a place on St. Michaels, and can accommodate double their capacity for employees. She said she now has 5 new spaces. She said the standard is 70-75% occupancy, and we tend to maintain 80-85 and can get up as high as-95%. She said they have kept in the sweet spot what they call functional capacity consistently since inception.

Ms. Longstreet said there are a variety of very small units, and then double units and larger. She said there are 30 in total, but many companies need more than one. She said over the years they have found that their capacity is as few as 12 and as many as 18, noting it tends to be 15 at any given point..

Ms. Spong asked if the metrics started last year or start this year.

Ms. Noble said the annual metrics for the past year are in the packet. She said basically it's in hand, and they are drilling down a little further.

Ms. Longstreet they are the same key metrics, but they are dividing it into types of businesses more specifically.

Ms. Spong said then these are being tracked, but they aren't set against goals *per se*, and Ms. Longstreet said that is correct.

Chair Brackley said he is pleased to see the collaborations they are doing with western SCORE, e Angels, RDC, TVC and the banks, and so forth, commenting this is excellent.

Ms. Longstreet, responding to Ms. Keith, said the balance of funding, outside that of the City, is about 50%, noting it depends on the vagaries of the market place, which is typical of any business incubation program. She spoke about the difficulties in finding funding in this economy, noting a lot of sources in the private organizations has "tanked as well as some of the contracts." She said they will break even this year, although there will be a deficit if you consider depreciation and capital expenditures and such. She said two years before that, they had to draw heavily on cash reserves, noting the cash reserves are getting low. She said if the cash reserves get too low, the Board will want to look at drastic measures. She said next year she needs to find an additional \$40,000 to \$50,000, and if they can do that, they believe they can come out even next year. She said this isn't a sustainable model, which is the reason they are working hardest in getting funds from the State. She noted the return on the investment is incredibly good for the State and the community.

Chair Brackley asked if she is speaking of the State Legislative Finance Committee or the administration.

Ms. Longstreet said it would be funding through an appropriation to the Department of Economic Development, noting the four players are the Legislature, the Administration, the Department of Economic Development and the DFA and LFC. She said a DFA Analyst just came out with a newsletter, and on the cover it says that the incubators in New Mexico lead the nation.

Chair Brackley asked if the Legislature to open to discussions about future investment in incubators.

Ms. Longstreet said they have approached this for years, and last year they got a lot of traction, and said she probably will be appearing before the Jobs Council Committee very soon. She said in some years they have had the support of the administration and the Department of Economic Development, but not the Legislature. She said this year they have the Legislature, and the Department will get on board if we can show a *rural component*. She said with the South Valley's outreach program for agriculture and food services and such there is a robust model there, plus they are getting a lot of request from small communities. She said the administration is the wild card this year.

Chair Brackley said Ms. Longstreet needs to visit with him, and Ms. Longstreet said she would be happy to do so.

MOTION: Kathy Keith moved, seconded by Stephanie Spong, to approve the request for Amendment No. 2 to the Professional Services Agreement.

VOTE: The motion was approved approve on a voice vote, with Kathy Keith, Stephanie Spong and Chair Brackley voting in favor of the motion, no one voting against, with Alan Austin absent for the vote.

Ms. Longstreet said, although it is a loss of revenue to the Incubator, she is thrilled that the company is graduating, noting they are exiting with 7 full time employees and 3 contract employees, and expect to have 14 employees. The company is merging with a company in Arizona, so they are taking their service area from Northern New Mexico to two states. She said there will be 5 new companies coming into the Incubator in September and October.

V. INFORMATIONAL ITEMS

A. SPONSORSHIPS:

i. HOMEWISE ARTISAN PRODUCTS

Ms. Noble presented information from her Memo of August 28, 2013, which is in the Committee packet. Please see this Memo for specifics of this presentation.

Chair Brackley asked Ms. Noble if she is comfortable with the selection process to select the appropriate local artisans.

Ms. Noble said yes, although she would like to design it herself. She said they have an outreach person doing a lot of the legwork. She said the biggest problem with the artists are whether they can produce the product by the deadline.

Ms. Spong said sometimes it is a big jump to manufacturing for people to make.

Mr. Austin said this is an ongoing project, noting in Las Palomas you will see the Homewise tile on the front of the house and some of the light fixtures, so there are artists already doing this work. He asked if they are trying to do outreach to more artists to get involved – is this the idea of this.

Ms. Noble said yes, this is a scale up. She said there will be a catalog at the end of this project from Santa Fe Homewise which could be exported. She said they have taken step 1 by starting and the catalog will be step 2.

Ms. Spong said these are relatively amounts that are helping do something really great.

ii. LEADERSHIP SANTA FE

Ms. Noble presented information from her Memo of August 28, 2013, which is in the Committee packet. Please see this Memo for specifics of this presentation.

Mr. Brackley said the deadline to get into the program is next Friday, so if you know of anyone who wants to get in this year, to let them know immediately.

iii. DESIGN SANTA FE

Ms. Noble presented info from her Memo of August 28, 2013, which is in the Committee packet. Please see this Memo for specifics of this presentation.

Chair Brackley asked if this is just in Pacheco Park.

Ms. Noble said she doesn't know, noting it is primarily in Pacheco Park, but she doesn't know if it is exclusively for Pacheco Park.

B) SERVICES

i. LOCAL GIFT MARKET IMPACT ANALYSIS

A Memorandum dated August 28, 2013, to the EDRC Sub-Committee and the Business and Quality of Life Committee, from Kate Noble, Acting Director, Housing and Community Development Department, regarding Local Gift Market Impact Analysis, is incorporated herewith to these minutes as Exhibit "1."

Ms. Noble review the information in her Memorandum of August 28, 2013. Please see Exhibit "1" for specifics of this presentation.

Chair Brackley said then this is a wholesale show, and Ms. Noble said yes.

Chair Brackley asked if there are any numbers with regard to the economic impact on the economy from this effort.

Mr. Noble said this is the first time in 18 years this has happened. She said this contract is to evaluate how it can be of the highest impact next year, and to scope how it can happen.

Mr. Austin how much money was the State giving them to do this.

Ms. Noble said she came to us asking for \$100,000 to start, but we told her we couldn't do that.

Mr. Trujillo it is less than \$50,000.

Ms. Keith said the State Economic Development stopped funding 7-8 years ago, and this year the State Agriculture Department also stopped its funding.

Mr. Austin said it doesn't sound as if the economics are real good, and said he assumes the vendors aren't paying any rent.

Ms. Noble said if they do, it is very small. She said these are bigger chunks of money, so they are looking for underwriting from the stores in the reverse trade show.

Mr. Austin said then they will have their booth and the local vendors will go and see them there, and Ms. Noble said yes.

Chair Brackley asked Ms. Noble to keep this Committee posted in this regard.

Ms. Noble said yes, and said this individual would love to come to this Committee and talk about it.

Chair Brackley said once she has the numbers that would be more efficient.

C) COMMUNITY PROPOSAL PROCESS

A copy of *Draft Community Proposal Process*, is incorporated herewith to these minutes as Exhibit "2."

Ms. Noble reviewed Exhibit "2." Please see Exhibit "2" for specifics of this presentation.

The Committee discussed the proposed process, and the breakdown of the funding among the categories.

Responding to Ms. Spong, Ms. Noble said the idea that this is for extremely rapid growth, and it is for a business that needs an injection to "rocket." She said the break-down corresponds roughly to how our portfolio breaks down into business development, workforce development and other. She noted this is a first crack at this, and she needs input from this Committee in terms of businesses that don't meet the criteria.

Chair Brackley asked if this for profit or for non-profit organizations, and Ms. Noble said the staff will take direction from the Committee in this regard.

Chair Brackley said his preference is for profit since it is for economic development.

Ms. Noble said she would think the Workforce category could be non-profit.

The Committee discussed how best to use this \$100,000, and whether the money would be better used for 1-2 businesses, rather than splitting it in small amounts, commenting that businesses need to be big enough to really make a difference.

Ms. Noble said the funds are in the Professional Services line item, so it isn't specifically allocated and the funds can be reallocated. She said the \$400,000 is allocated between SCORE, the Velocity Project and the Incubator, and 50% is for business development services. She said there is a gigantic need for about \$28,000 to \$60,000 cash infusion in businesses in Santa Fe. She said it is a funding gap we have identified and looked at for years and years. She spoke about the use of the funds in the past.

Chair Brackley said the time is right to revisit the criteria, the amount of funding, and where we are going as a community in terms of economic development and what is happening right now.

Mr. Trujillo talked about a company with a Costco contract, but they are having problems financing it, commenting they need \$500,000. He said he and Ms. Noble are trying to help them get funding so they don't lose the contract.

Chair Brackley asked if the BQL has seen this draft proposal process, and Ms. Noble said no.

Chair Brackley asked what are "Talent Development Retention Projects."

Ms. Noble said there is a group that comes out of Monte Del Sol, including Lisa Adler and another woman, Chicanas Por La Causa, and some other non-profit groups, to do a mentorship program City-wide. She said Santa Fe Institute is working on ways to make their social capital as part of that, noting she thinks, Lisa Adler is getting a Ph.D. in regards to that. She said this is related to our efforts to keep our young people in Sant Fe.

Ms. Keith talked about the internships at the Community College, and the need for that kind of program to get the young people connected or people who have gone back to school to be re-skilled.

After further discussion, it was the consensus among the Committee that, rather than splitting the \$100,000 in so many different ways, to recommend that the full \$100,000 go to the growing business category as long as the businesses meet the established criteria, to jump-start extremely rapid growth for economic based or businesses which will become economic based in a short period of time and to create jobs. Other criteria could include being highly leveraged program, and preference of the City to find gold target areas, be green, knowledge based and be for-profit.

Ms. Noble said the suggestion can be taken to the Business and Quality of Life Committee next month and ask them to bless the plan as recommended by the Committee.

The Board discussed how to develop a list of people in the financial community to work with us through the process of selection.

Mr. Austin said there are a whole lot of players in that game that can help to piece together a deal – banks, non-bank lenders, the loan fund, West, Axion, and a collateral support program at the State, and such.

Mr. Trujillo said he believes there is a way to do this, and if we are going to do this, we need to talk with the various lenders and programs, commenting he is sure they could send somebody here to talk about that.

Chair Barkley said he thinks we already have the nucleus of people needed to develop a funding mix for businesses.

Mr. Austin said it would be a matter of scale. He said they refer all the time to the Loan Fund and to West and Axion, depending on the circumstances, and they able to make most of the loans. He said it is a matter of identifying resources for the customers first.

Ms. Noble said a key piece in the last proposal process, which she neglected to include, is basically it grows on referral and a series of recommendations from the Committee, which was done in a very quick way the last time.

Ms. Spong asked if there is a simple, low cost platform which could be done, and spoke about her experience in early stage venture in Angel funding – \$500,000 to \$1 million.

Ms. Noble said this could be framed through the City's Investment Office, noting Mr. Trujillo does that work regularly.

Mr. Trujillo said he visited several of the businesses after the last round of funding. He said the landscaper was funded through one of the micro lenders, Axion or the Loan Fund, so they didn't fall through the cracks. He said this would be a good way to help some of those who don't get funding.

Ms. Spong asked if there would be a way to announce the 3 winners as well as the 10 finalists.

Ms. Noble said we did this number of years ago, and it makes her nervous to return to the rolling grants, commenting they struggled with it, noting OTAB has moved away recently from that as well.

Ms. Spong said it is the best opportunity to get to see them all at once, and Mr. Austin said the trade-off is they're vetted to start with, so there is good and bad on both sides of that equation.

Ms. Noble said the one thing that isn't included is leverage, and she might suggest making explicit that as part of the criteria.

Ms. Spong said VAS has that very much in its criteria – if we give you this money does it move you to a point where you can get your next \$500,000 – it is very much focused on the leveraging, commenting that was missing last time. She likes the idea of being a contest, because it gets the spotlight on it.

VI. ITEMS FROM THE COMMITTEE

There were no items from the Committee.

VII. ITEMS FROM STAFF

Broadband Project

Sean Moody, Economic Development Department, said he is about to spend \$1 million on the internet in Santa Fe to solve the problem of internet costing twice as much here as in Santa Fe which is the essence of the problem. He said there is no wholesale access to competition to internet access by the providers. His project is to create a physical marketplace where all the local providers, all the ways you can get it, can have a choice of getting intel, instead of the one choice they have now.

Mr. Moody said he will be building physical wire and where the providers can plug in, and for the first time they can catch carriers, but there is no way for the carriers to see the providers except by one strand.

Mr. Austin asked if this will be done by hooking into the new regional network.

Mr. Moody said no, there is a place in Santa Fe where most of the cable comes out of the ground, on Second Street by the Brewery in the tracks. He said the place where all of the retail delivery comes in is the telephone central exchange which is about 1½ miles away. He said right now, "To do this in the Santa Fe internet, you come into 'this,' you get out of town 'here,' and you can only do one little string, and get some of the string, which is CenturyLink and they want to sell you the rest of the way too." He said even though several carriers would like to do business with all of the providers, it is so hard to make the connection, that nobody has succeeded – an alternate way out of town from the central office.

Mr. Moody said, "So, I'm going to build essentially a big plug, and the wires that connect 'here' to 'here,' and it'll be operated by the local telephone company. They have to do some business deals. They're the only ones who get to go into the telephone exchange. Nobody else has that right now, and they're good at doing this. So, as it turns out there's one company, happens to be local, it's CyberMesa. They're the one company that already has the string coming out of the telephone exchange. They will need to buy into this so-called 'hub' where all the cable comes out of the ground. They're going to look for deals everywhere, all of the providers and all of the carriers they're going to need to sell to."

Ms. Spong said then "they" are an open access utility, and Mr. Moody said, precisely. Ms. Spong said then we'll have the open access utility versus the incumbent.

Mr. Moody said, "Exactly right. The incumbent has to do some open access on a regulated scale, but they don't have to do open access on the long distance. Qwest actually has separate companies. One is highly regulated on some ratepayers, so, this isn't going to any finished services on the level I'm doing it."

Mr. Moody continued, "I'm using a telephone company. That telephone company can operate the business as it should. It can be in both ends, the central exchange and the place where the fiber comes out of the ground, and they can make deals that I couldn't possibly make with the carriers and the providers. So, we'll fund the physical construction, the pipe, and the structure of the deal that you will see.

I am one step away from a final draft agreement. The structure of the deal is that essentially we'll pay the capital cost. The telephone company, CyberMesa will make it's operating cost off this wholesale provision of services. I'll get to review the contracts. I want the contracts both to fit into the markets so that it will track while the providers and carriers do this, which means below the current market. But I also want it to cover their costs so they want to do business, want to get customers. So it is a very little narrow place we're trying to get to."

Chair Brackley asked the time frame on this.

Mr. Moody said the contract negotiations will be complete within a week, and he will be bringing it through the Committee process in September, including this Committee. He is hoping it can get Council approval by the end of the month if everything goes well.

Chair Brackley asked if the Governing Body is on board with this.

Mr. Moody said he doesn't know, but he has heard the project has had some resistance, which he hopes can be resolved. He said CNSP is on record as speaking to the Council because they felt it would encroach on his business loan, and he is hoping to convince him otherwise. He is hoping he can sell to others, or for them to come in buy it. He said this open access could include Qwest.

Responding to the Chair, Mr. Moody said there is \$1 million included in the 2012 CIP Bond. He said they built a project starting around that budget, but the problem emerged that would fit within the budget. He thinks "all of the ways that we can deal with internet in Santa Fe will need this."

Chair Brackley asked if other cities have similar models.

Mr. Moody said no.

Mr. Austin asked if there is sufficient bandwidth.

Mr. Moody said yes, "colossal over capacity. Yes."

Mr. Austin said we hear people talking about need faster connections, and asked if this enters into that equation.

Mr. Moody said what has come on line in the last few years is a different wireless technology. He said we know about cellular broadband, but there is another technology called fixed wireless, which is very similar to wifi, except it is point to point. He said downtown you might have been limited by Comcast or any service on Qwest. There is a third viable way for getting great speed which is called fixed wireless, which has two providers now in town, CNSP and CyberMesa, each of which delivers that. He said this is delivered with the premise that it solves problems for now in getting any sort of speed, noting it wouldn't have solved the problems 5 years ago.

Mr. Moody said the Committee will see contracts the next go-around, but he doesn't know when the Committee will schedule it.

Chair Brackley said Mr. Austin is co-chair of the Economic Development Committee, and there are interested people on the Committee, and he would like to talk with Mr. Moody about talking to that group in more depth.

Mr. Moody said he would be happy to do that.

Business License Update

Mr. Trujillo said he is getting ready to merge two applications into one, and presented the proposed changed form. He said we will be getting better data, and they will be collecting things through the NAICF Codes. He said people will need to fill out only one piece of paperwork for two divisions. He said they are still working other pieces of the process, but they will implement this form now. He said they are working on streamlining the process. He said the 3 major departments which interface with the business licenses are the Finance Department which collects the money and issues the licenses; Inspections in the Land Use Department and the Fire Department which does the Fire Inspections. He said there is also the Economic Development Division which helps to walk them through the process.

Ms. Keith said on page 2 it gives the category, but it doesn't tell you to circle the one they fit in, and asked if we are trying to get them to do that.

Mr. Trujillo said no, they take the number and put it on the front of the line.

Chair Brackley asked when the new form will be on line.

Ms. Noble said there is work to be done, but they can't wait for IT infrastructure to do this, commenting ideally it would automatically populate a data base.

Ms. Keith asked if people still will have to come into the City in person.

Mr. Trujillo said, yes, for this one time.


VIII. NEXT MEETING DATE – MEET AS NEEDED

The next meeting will be on Monday, September 16, 2013, at 9:00 a.m.

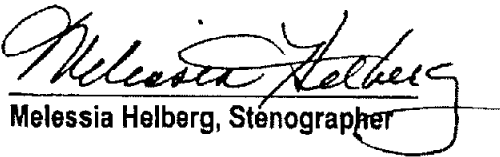
Mr. Brackley offered to hold the meeting at the Chamber of Commerce headquarters.

IX. ADJOURN

There was no further business to come before the Sub-Committee, and the meeting was adjourned at approximately 11:25 a.m.



Simon Brackley, Chair



Melessia Helberg, Stenographer



DATE: August 28, 2013
TO: EDRC Sub-Committee
Business and Quality of Life Committee
FROM: Kate Noble Acting Director, Housing and Community Development Department *KN*
RE: Local Gift Market Impact Analysis

Background:

The New Mexico's Own Gift Market has taken place for the past 17 years. This year because of funding issues primarily from the State of New Mexico it will not take place. As part of efforts to promote and grow the market for local products, the City of Santa Fe's Economic Development Division is investigating the local economic impact of sales of local gift products and the effectiveness of a market/trade show targeted at larger department store markets as well as smaller gift shops.

Santa Fe and the State of New Mexico are home to thousands of retail and tourism related businesses that purchase hundreds of millions of dollars of products from, within and outside of the state. Major department stores sales in NM, result in huge profits for their corporate offices outside the state, but their sourcing and purchasing of locally made products is highly limited. Providing an on-going method of sourcing viable locally made products will result in greater market share for local businesses.

Item and Issue:

Teresa Richlee Sachs, who has run the New Mexico's Own Gift Market for 17 years, is working under a small contract (\$5000) to produce a plan for the most effective way to leverage local gift products to larger markets and to determine the economic impact of these sales.

Exhibit "1"

DRAFT COMMUNITY PROPOSAL PROCESS

Phase 1 - Call for Proposals (roughly 4 weeks):

- Issue criteria and timeline for submissions, review and granting.
- Staff provides technical assistance
- Submission period is open for roughly one-month

Phase 2 – Review, Grant, Contract (4-6weeks):

- Staff vets proposals for compliance and portfolio complement
- EDRC members review proposals and recommend funding
- Staff drafts small contracts and deliverables with each grantee
- Portfolio of projects to BQL for approval
- Contracts to City Manager for final approval and signature

Draft Criteria and Funding Levels – Total possible funding \$100,000:

In ALL categories EDRC can elect to make as many or as few awards as appropriate and may divide the funding available according to the best possible use of funds. Funding awards may not exceed the amount available.

Growing Business – Funding available: \$70,000

Guidelines/rough criteria – Funding should go to business(es) in need of capital in order to jump-start extremely rapid growth. Business(es) selected should be able to grow in a short period of time and create sustainable, high-wage (\$40k/year or equivalent) jobs. This category corresponds to the Business Development category in the annual portfolio.

Improving Our Workforce – Funding available: \$25,000

Guidelines/rough criteria – Funding should go to workforce development, training or talent development/retention projects that will have the greatest possible impact. Project(s) should address a notable gap in the workforce in Santa Fe. This category corresponds to the Workforce Development category in the annual portfolio

Wacky, Wild, but Just Might Work – Funding Available: \$5,000

Guidelines/rough criteria – Funding is explicitly more risk tolerant than other categories. Project(s) should be innovative and capture the imagination of what might just be possible. This is the category for dreaming big but starting small. Funds should be highly leveraged by passion and effort on project(s). This category might be allocated in any category of the annual portfolio (business development, workforce development, sites & infrastructure or miscellaneous).

Appendix "2"