



City Business and Quality of Life Committee

June 11, 2014



Agenda

DATE 6/6/14 TIME 1:32p
APPROVED BY Fabian Trujillo
RECEIVED BY [Signature]

**CITY BUSINESS & QUALITY OF LIFE
COMMITTEE**
Amended

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

**Round House Conference Room
Wednesday, June 11, 2014
11:00 am – 1:00 pm**

- I. PROCEDURES
 - A. Roll Call
 - B. Approval of Minutes – May 14, 2014
 - C. Approval of Agenda
 - D. Approval of Consent Agenda

- II. INFORMATIONAL ITEMS
 - A. Request for approval of a resolution declaring the governing body's intention to bring people to the Santa Fe plaza by providing a safer environment and increased economic development opportunities. (Mayor Gonzales, Councilors Ives and Dimas) (Isaac Pino).

 - B. Business Survey Update - (Fabian Trujillo)

- III. CONSENT AGENDA
 - A. Request for approval of a resolution directing staff to explore potential City of Santa Fe taxpayer empowerment polices related to outsourced city services that would promote transparency, accountability, shared prosperity and competition. (Councilors Dominguez and Rivera) (Marcos Tapia).

- IV. UNFINISHED BUSINESS (None)

- V. ACTION ITEMS
 - A. Request for approval of an ordinance relating to the City of Santa Fe Economic Development Plan Ordinance, Article 11-11 SFCC 1987; Amending Ordinance No 1997-1 for the purpose of approving and adopting an amended local economic development project participation agreement between the City of Santa Fe and Santa Fe Business Incubator, Inc. to amend the financial structure of the Project Participation Agreement. (Councilor Lindell) (Fabian Trujillo).

 - B. Request for approval of Professional Services Agreement, Amendment No 2 – Youthworks – from Workforce Development RFP 13/12/P (Kate Noble).

 - C. Request for approval of Professional Services Agreement - Social Media RFQ 12fps (Kate Noble).



Agenda

- VI. PUBLIC HEARING (None)
- VII. ITEMS FROM THE PUBLIC
- VIII. ITEMS FROM THE COMMITTEE
 - A. SF Global Trade Initiative Work Group Update (Mayor Pro Tem Ives)
- IX. ITEMS FROM STAFF
 - A. Outdoor Recreation Trade Update – (Fabian Trujillo)
- X. ITEMS FROM THE CHAIR
- XI. NEXT MEETING DATE – **July 9, 2014**
- XII. STUDY SESSION

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

Minutes

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

May 14, 2014

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 Lindell, Chair on the above date at approximately 11:00 a.m. at Market Station at the Railyard, 500 Market Station, Suite 200, in the Round House Conference Room, Santa Fe, New Mexico.

A. Roll Call

Roll call indicated a quorum as follows:

Members Present:

Councilor Signe Lindell, Chair
Dr. Almi Abeyta
Miles Dylan Conway
Kim Kelly
Tony Ortiz
Damian Taggart
Bill Sisneros
Diane Karp (arrived later)

Members Absent:

Councilor Peter Ives, Vice Chair
Piper Kapin (excused)
Buddy Roybal
Brad Furry

Staff Present

Fabian Trujillo
Kate Nobel
Ross Chaney

Others Present

Charmaine Clair, Stenographer

B. Approval of Minutes- April 16, 2014

Mr. Sisneros moved to approve the minutes of February as presented. Mr. Ortiz seconded the motion and the motion passed by unanimous voice vote.

C. Approval of the Agenda

Item V. Action Items was postponed to a future meeting.

Mr. Conway moved to approve the agenda as amended. Mr. Ortiz seconded the motion, which passed by voice vote unanimously.

D. Approval of the Consent Agenda

Mr. Sisneros moved to approve the consent agenda as presented. Ms. Kelly seconded the motion and it passed by unanimous voice vote.

II. INFORMATIONAL ITEMS - Not Discussed

- A. Request for approval of the revised 2014 Meeting Calendar. (Fabian Trujillo)

- B. Request for approval of a resolution endorsing the Green Lodging Initiative; and directing staff to explore ways to continue, fund and extend the Green Lodging Initiative to all lodging facilities in the City of Santa Fe. (Councilor Ives) (Nick Schiavo)

III. CONSENT AGENDA-Approved

- A. Request for approval of a resolution directing staff to explore potential City of Santa Fe taxpayer empowerment policies related to outsourced city services that would promote transparency, accountability, shared prosperity and competition. (Councilor Carmichael Dominguez and Councilor Chris Rivera) (Marcos Tapia)

IV. UNFINISHED BUSINESS- There was none.

V. ACTION ITEMS - Postponed until future meeting

- A. Request for approval: a resolution that directs staff to explore potential City of Santa Fe taxpayer empowerment policies to outsourced city services to promote transparency, accountability, shared prosperity and competition. (Councilor Carmichael Dominguez and Councilor Chris Rivera) (Marcos Tapia)

VI. PUBLIC HEARINGS – There were none.

VII. ITEMS FROM THE PUBLIC- There were none.

VIII. ITEMS FROM THE COMMITTEE – There were none.

IX. ITEMS FROM STAFF- There were none

X. ITEMS FROM THE CHAIR- There were none.

XI. NEXT MEETING DATE- June 11, 2014 at 11:00

XII. STUDY SESSION

A. Presentation on Existing Economic Development Plans and Documents (Kate Noble)

Ms. Noble passed out documents with the history of economic development and CBQL and members were given a Summary of Recommendations from the plan.

The Angelou Plan was three reports provided by Angelou Economics involving a community process of 1500 people at the Lencic. The community was given common terms around what the City wanted to do. General targets were established: Arts and Culture, Design, Hospitality, Water Conservation, etc. The plan was adopted by the City Council in 2004.

Ms. Noble reviewed the history of the past decade starting with the Angelou Plan, which is the official City Economic Development Plan. A summary of the presentation follows:

- In 2008: the City embarked on an expedited plan development process, resulting in the Implementation Strategy (the Economic Development Plan). The Plan was done through a series of working groups with the BQL and a select group of community and business leaders. A strategy to implement the Angelou Plan was established and the Economic Development Division still operates under the three areas of work: Business Development, Workforce Development, Sites and Infrastructure. There are five refined target industries: Arts and Culture, Technology, Green, Knowledge and Media.

The 2008 plan also established an investment portfolio approach. The Annual Report shows charts of actual spending and budgeted spending. The Report provides a list of portfolio projects funded this year and categorized into major initiatives. The budget is broken down into work force development, business development and sites and infrastructure in the back. The Annual Report for the current fiscal year is targeted for delivery in August.

- The BQL did outcome based RFPs- one which called for innovative projects. The portfolio was developed and continues to evolve. When the recession hit that changed the gross receipts tax, the economy and the needs of the business community.
- In 2010: Two working groups were organized: the Existing Economy and Future Economy "subcommittees"; officially working groups. Mayor Coss held a forum on job creation in partnership with the Obama Administration and the community was invited to submit ideas. The Existing Economy group *Beyond Survival Roundtable* was organized to get business input.
- In 2011: a consultant sifted through the Angelou and Implementation Plans; the job forum; and the Existing and Future Economy groups and Roundtable forum. The checkmarks represent things accomplished of which many are ongoing such as "*involve arts and culture in economic development*"; "*ensure that Santa Fe has an atmosphere that is fun and attractive to young and creative people*".

Through discussions of the work, business development and entrepreneurship was a common theme. An RFP was developed to ignite the entrepreneurial economy and the Entrepreneurial Fellowship Program, which is now called the Velocity Project, in its second year.

- In 2013: the contract of the Velocity Project included a provision to establish and run an entrepreneurial advisory workgroup. The workgroup is tasked to develop recommendations on key items to develop and strengthen the entrepreneurial economy. A draft is being finalized and would be available at the next BQL meeting.

Mr. Conway asked what the City's economic development involvement was with Thornburgh and how something like that happens.

Ms. Noble said Thornburgh utilized the Industrial Revenue Bond, which uses property tax abatement as an incentive. The City was involved for the campus up north which primarily was around the high wage job creation being done by Thornburgh. The Bond continues to be on the books and Thornburgh pays a fee directly to the schools in lieu of taxes.

Mr. Taggart asked Ms. Noble to speak specifically to what the Velocity Project does.

Ms. Noble explained the Project is an eight week business development boot camp and the idea is to commit for a defined amount of time. The boot camp is intense and the process is a competitive one with an application and companies selected competitively. Twelve companies were selected this year, up from seven last year.

The project is designed to build upon itself and has two primary objectives; 1) to accelerate the companies and create jobs through development and growth of the companies; 2) to create a culture of entrepreneurship. The Velocity Project culminates in Demo Day with a presentation. Many of the mentors and companies and presenters attend who were in the previous class. The businesses learn from each other and there is shared accountability and support.

Chair Lindell asked if the selected companies have an obligation to the City over time.

Ms. Noble said there is an obligation to report on their 100 Day Action Plan, developed during the eight weeks. There is no obligation to report a year later, but the contractor is tasked with tracking each class for a year and there has been no problem complying.

Chair Lindell asked about the number of companies selected and if some companies might be funded that should not be in the program.

Ms. Noble said the natural break was about nine, but this year there might be three companies who were pushed in and might not belong. She said she has asked the contractor to think about what that would do to the money; the contractor would have the same number of workshops and curriculum etc., but contractor coaching hours would be significantly reduced.

Ms. Noble explained the RFP was done in 2012 and the contract was written for three renewals up to a four year term, so RFPs are done every four years.

Chair Lindell asked if a lot of applications had been received with the RFP.

Ms. Noble replied there were two applications. She said there is a lot of work and it is incredibly intense. She noted the contract amount this year is \$190,000 and the first year was 90,000 dollars. She said they realized companies needed more coaching; every business selected will receive a coach to help synthesize all of the information they receive and mentoring is provided by someone that specializes in the company's industry. The coaches are more generalized; the mentors have a specific understanding of the business. The Mentor offers an opportunity to include high-powered people in the community, such as a former CEO of SYSCO Food Distribution who has mentored two different times to food companies.

Chair Lindell asked if possible to select a company based on who the available mentors are.

Ms. Noble said that is possible, but they have found it is better to start where they are. She said they would be wary of any limiting factors. She explained that the first year had a strong design in food, but this year it is about pets. One of the pet companies (Peaceful Pet Sitters) is looking at a franchising nationally, which would make them an economic-based company in a knowledge based industry.

She explained that Velocity has found they want entrepreneurs who have a readiness, willingness, hunger and ability to be coached. The committee selection is based on that and the committee doesn't want to be particular about the business, because ultimately people succeed more than ideas, etc.

Chair Lindell said economic development is a sizable piece of the puzzle and scalability of the proposed business. She said the City would like to see some of the businesses employ 30 or 40 people.

Ms. Noble said that is a consideration before the selection committee.

Dr. Abeyta said regarding the point about promoting value of quality education; she gets phone calls from people wanting to start businesses in Santa Fe. She said people ask about the City's strategic vision, strategy and where the City is heading in the next five years.

She said the schools' perspective is that it is important to improve the schools and without that people will not settle in Santa Fe. She said that is part of her work and it is a challenge, especially for New Mexico, because it is sometimes hard to find high-quality staff with capacity.

Ms. Noble said the Angelou Plan also looked at that.

Mr. Sisneros said there is a lot of information. He asked, assuming BQL develops a strategic plan and narrows the focus, what the history is of what City Council does with The Committee's work.

He said there was a comment at the last meeting that there were too many presentations. He thought the presentations such as Dr. Abeyta's are critical and a college education is not the only thing in the future- it is career development. He would like more presentations so the Committee has a broader context and could help them narrow the list to reasonable and specific elements that would be important to pursue.

Ms. Noble said the three questions that follow are designed to get that information. She said staff had a lot of ideas and opinions about the next strategic plan and what that should look like. The Committee should start with ideas from the brainstorming session and that would hopefully set BQL priorities and provide

direct focus on a strategic work plan. She said a lot of the work has been done and the concepts have been validated. The Committee should start with what they have.

She addressed Mr. Sisneros' earlier question about the history of City Council. She said City Council has taken the Committee's work fairly completely and they adopted the Plan. She only remembers city Council adding one thing for outdoor and recreational activities and equipment under the Green industry. Ms. Noble said the document should stay out of the process. The strategic goals and framework, i.e., should be set and they need to establish values for items like a clear measure. She pointed out that the current document is dated because a level of operational detail was used that is not appropriate for a policy level document. She said new policy document of strategic vision, desired outcomes and key goals for economic development should be developed.

Chair Lindell said in a few days there would be a document that outlines what the Committee has achieved in the last couple of years. The document will help the Committee narrow or expand the scope of work or types of ideas that are appropriate.

She said secondly, having sat on the budget hearings on the Finance Committee; there is a flat budget.

Mr. Trujillo said the City has gone through structural changes and 7500 jobs have been lost since 2007 with only 2100 recovered. He said there is a great need for job creation; the city has gone from 3.2 percent unemployment and now hovers around 5.3% and is still losing jobs. The strategy has to address some of those issues.

He said a book titled Great Reset by Richard Florida talks about three major resets: the long recession in 1873, the depression in the 1930s and the great recession now. In the book Mr. Florida talks about how the economy restructures to new jobs, but that takes 10 to 20 years and currently we are in that process. Mr. Florida states there is a move from the post-industrial, post-information age economy to a creative economy and the creation of primarily service based jobs. Mr. Florida states that communities looking at the creative or knowledge based economies would be the successful communities in the future.

Mr. Trujillo said as the Committee develops the economy plan the committee should look at where their economy is and where it is headed and what their role is in affecting the local Santa Fe economy; what resources they could use going forward to do that.

Ms. Kelly said the idea of Plaza to Plaza is one thing to look at and that coincides with the pedestrianization of the Plaza. She said there is a cross over and by supporting local businesses and drawing people downtown; people would shop and that supports the economy and enhances the quality of life for those living in Santa Fe.

She suggested the City should facilitate and strengthen the resources of what exists, rather than look at spending money on another project. She said there is a tremendous resource in the Santa Fe Rail Yard that is under maximized. She has talked with people with creative ideas who feel they are not facilitated properly and the Rail Yard has a blockage regarding ideas.

Ms. Kelly said on the idea of strengthening the Plaza to draw local people; statistics show that people who walk and bike buy more from local businesses than big box stores. Pedestrianism of the area and providing

outdoor seating would encourage people who buy and eat and that would stimulate businesses and in turn the businesses could hire more people.

Ms. Noble said what Ms. Kelly was talking about is the pedestrianization of downtown and the Rail Yard, including increased support for local businesses. That outlines an operating principle, which is to leverage existing assets.

Ms. Kelly added it is also important to remove the blockage (barriers with management). She said there are creative people who would like to have events in the Rail Yard, but their efforts are suppressed. She said regulatory has to be open to take advantage of those creative efforts.

Mr. Trujillo provided an example of blockage. He said there is a company who performs plays around the country; most recently they gave a free performance at the Pikes Place Market in Seattle. When they tried to do that at the Rail Yard the Rail Yard Corporation would not allow them to perform.

Ms. Karp said the permit process and noise ordinances should be looked at. She mentioned family film night at the Rail Yard and how the film was shut down at 9 p.m. She said signage and planning events at the Rail Yard is also an issue. People have been told that something would be allowed and then the decision is reversed and has caused events to be canceled.

Mr. Sisneros said Mr. Trujillo is talking about a statement of problem. He asked how people could pay attention to what BQL and City Council is doing without building community awareness. He said a statement of the problem at the forefront is incredibly important and without that people see projects but don't know how that relates.

He said another concern is the relationship with the State. He said the State is on a different agenda. He thought a precise statement of the problems, issues and facts would go a long way to change the minds of people to support what the Committee does.

Ms. Noble said looking at the demographics and employment information, the population is shrinking. She said that is why there are large numbers of job losses without a significant uptake in employment. The most significant issue facing the economy is the demographic shifts that affect the employment numbers. She said Reed Liming with Long Range Planning talked about the broad base of the pyramid supporting Medicare, Social Security, benefits, etc. She said now they are looking at a column of the population that is inverting. She said Mr. Liming could be asked to do a presentation.

Mr. Trujillo said Mr. Liming has information about Santa Fe and Mark Lautman has also done a lot of work about the baby boomer generation retirements and the effect on the economy. He said the numbers he has on the analysis of the recovery and recession shows that since 2007 there are 4900 jobs lost in high wage industries: construction, media, technology, and knowledge-based. The recovery is in the lowest paid industry sectors of tourism and retail and the only sector that has gained jobs is the health care industry. He said the City would have to create 5,450 jobs to replace the jobs that have been lost.

Mr. Trujillo said a positive thing is that the City has been diversifying in creative arts, technology and other tech sectors. The average size of the businesses is from 0 to 5 and there are few big businesses. The major private-sector employers are Christus St. Vincent (2000 employees) and Thornburgh (250

employees) and Integrated Genetics (300 employees). Everything being done in diversifying the smaller sector companies is in high tech with a lot of gaming/software/digital media companies and the film industry with editing, postproduction, etc. Mr. Trujillo said the reduction of the film tax credit hurt the economy because it hurt tourism and the start ups for films coming to Santa Fe.

Mr. Ortiz asked if the issue of pedestrianization and the Plaza was off the agenda. He said he was interested in continuing to review that.

Ms. Noble said the resolution to close the Plaza to traffic was passed. She said Councilor Ives requested a public hearing, which was held at the Public Works Committee. There were 20-30 people who spoke and about seven of those were in favor of the closure.

She said the Public Works Committee chose not to make a recommendation and the Mayor decided to take a pause and provide time for Public Works to develop programming. A forum was held Monday night for ideas and staff was tasked to come up with programming and a partnership plan to leverage existing assets in addition to developing a logistics plan to define what the logistics should be.

Ms. Noble said she thought City Council is open to hearing views and the Public Works Committee had a lot of constructive discussion and the concept is still open. She said the resolution may need to be amended and would probably return to the Committee.

Ms. Kelly asked what people's main complaints were about the closure.

Ms. Noble said to summarize, they don't want a ghost town filled with vagrants on the Plaza if the street is closed. People want to know what would go in that place and many merchants are supportive of the idea of beautification, cleanup, paint etc. She said now the order of operation is reversed and the idea is that the plan would move forward with the resolution.

Ms. Kelly said statistics about pedestrianization show that one thing that has been successful is outdoor seating. Mr. Ortiz added that Burro Alley has been a big draw, especially from May to October and he couldn't see why that couldn't transition to the Plaza.

Mr. Taggart asked the process to review the effectiveness of implementing the ordinance.

Ms. Noble said originally the thought was to develop their best set of evaluation and staff would bring that back.

Mr. Ortiz asked about the possibility of closing the Plaza to car traffic for a period of time; in the cold months.

Ms. Noble said an amendment has been introduced to make the Plaza closing effective from Memorial Day to Labor Day.

Mr. Sisneros said getting local people to the Plaza is important and whether on bikes or walking, they need to get the pedestrians there.

Ms. Noble said a General Obligation Bond has been done and one idea is to have a Bike Rodeo on the

Plaza. Ms. Noble said ideas will continue to be collected until Friday. She pointed out that in the 2012 Bond the MPO and Trails engineering staff have been working on a master plan to build out the trail infrastructure.

Ms. Karp said she bikes and walks to the Plaza all the time, but she knows where she's going and where trails disconnect and reconnect. She said there is no signage to show direction and trails often look as though they have ended. She said safety and signage are two critical pieces to get people on bikes and walking and the City should help. She suggested that could be opened up to ask the public how that should be done and use their input to point out crises points and say what they would propose. Ms. Karp said the City shouldn't be Plaza centric; the whole City has to begin to function like a city.

Mr. Ortiz said he is on the Committee primarily because of green issues and if he were to pick a project it would be the expansion of recycling. He said recycling is an ongoing source of frustration for his family of what could be picked up and processed.

Chair Lindell said that Councilor Bushee and she would bring legislation forward to investigate single source recycling. She said that would dramatically expand what the City could take and the ways the City could deal with that.

Mr. Ortiz said the other piece would be to fix and expand the bag ban. He was dismayed by the change in approach with regard to the question of taxation. He said that creates a large consumption of paper bags and the goal was to increase the use of reusable bags. He said without a \$.10 charge people are using paper bags. He said the taxation determination is wrong and is a fight worth having.

He said secondly, he would like to see the ban expanded to include other forms of plastic bags that currently are permitted. He would ban uniformly and fix the taxation issue.

Ms. Kelly said the Sustainable Santa Fe Commission wants to know when that issue could be addressed and are not sure when the ban would be revisited. She said her information is that none of the stores are charging.

Mr. Trujillo said the ordinance states the ban would be in effect for six months (August) and then go to the Sustainable Santa Fe Commission around September/October followed by City Council. He said the ordinance does not prevent Sustainable Santa Fe from addressing the issue sooner, but Environmental Services would not have a report until the fall. They determined that six months is needed to provide the appropriate amount of data.

Mr. Ortiz asked what BQL's role is in the reboot of the ban.

Ms. Noble said she would suggest that the ordinance come back to BQL, because it originated at the Committee.

Ms. Kelly said Sustainable Santa Fe would be happy to do the review sooner than September and there is sufficient data. She said it was more the City Attorney saying what was permissible in the language.

Ms. Noble said City Council is free to overrule the City Attorney; however there could be legal work and a

team approach to look into that. Ms. Noble said the research was done on new ordinances and would be appropriate to look at those again.

Ms. Karp said the need for city composting came up from conversations with her neighborhood about the plastic bag ordinance; as well as the need to restore soil and protect moisture in the ground and save on water.

Ms. Karp asked to talk about festivals; art and music and technology festivals that define the City's culture locally, regionally, nationally and internationally. Ms. Karp said the City needs more concerted effort to build a draw and she thinks of Boulder, Austin, Portland and New Orleans that have that quality. She said pedestrianization and making things greener and cleaner and the piece that is missing is what would bring people to Santa Fe.

Chair Lindell said in thinking about more festivals, there are some starting; the Bike and Brew would be sizable. She said Santa Fe is becoming known for their work with bikes and trails. She mentioned the Creative Santa Fe event held Saturday night and the large amount of people there and the food truck. She suggested adding work on food truck pods to the list and collaborating with Land Use to look at Chapter 14 that deals with that. She said those are things that could be done to affect change quickly.

She said the Committee would get the information from Mr. Trujillo on the accomplishments of the Committee in the last two years. She said that will provide direction for the next year and whether there are subcommittees or the whole Committee that decision could be made at the next meeting.

Ms. Noble said the Implementation Strategy is the primary policy document and is much of the thinking around economic development. She said that drew a line as part of the distinction to say that economic development is a separate effort from tourism, but there is overlap between the two. The Committee's explicit work in economic development is to diversify the economy and build the third leg on the stool of government and tourism.

Mr. Taggart asked how to look at businesses that are better poised for job creation and leverage existing assets and efforts; what exists already that could be furthered to build sustainable, long-term, high wage jobs in Santa Fe. He asked that work be added to the list.

Ms. Noble said that goes to one thing the Velocity Project was designed to do. She said many cities have said they are not trying to recruit 200 jobs they are trying to find 100 businesses to create *two* jobs. She said that is more a ground-up business approach.

Mr. Taggart asked if anyone knew of small businesses who have joined together to get better benefits for employees and get the buying power of a larger corporation.

Ms. Noble said the Chamber of Commerce could talk about what they do; they have worked on that. She said one of the most successful is the Freelancer's Union in New York, created to provide benefits to freelancers primarily in film and TV.

Ms. Karp said the family businesses come to mind that are not doing well. She said they hear about assistance for startups, but there is nothing for existing businesses that are not thriving. She asked what

could be done for businesses that need support, connections and resources. Ms. Karp said the businesses are not storefront businesses in the traditional sense, but usually out of the home or manufacturing, etc. she thought that was an area to consider that deals with what already exists.

Mr. Sisneros said the regulatory environment is an element to that. He gave an example of trying to build a 2,000 square foot room where the County required him to spend \$150,000 for a master plan. He said the regulatory environment is part of the issue and a potential solution could be similar to pooling resources. He said as the Director of the Finance Authority they went after New Market Tax Credit money available for investors. Mr. Sisneros suggested that be looked at to help business expansion. He said to attract new business is difficult and to expand an existing business that is stuck requires a mechanism to be able to expand without overwhelming costs.

Ms. Kelly suggested that the "Buy Local" campaign could be synchronized to bring people to the Plaza and support local business. She talked about Chicago where local businesses have weekends they synchronize a sidewalk sale or give tax incentives to draw people there to shop.

She said secondly businesses could be helped to reduce overhead costs through sustainable practices. She said she saw an item with green lodging that saved \$150,000 a year between 13 hotels on their utility bills. She said SCORE or Velocity should have sustainable programs integrated to reduce overhead costs and those should be offered on a regular basis. She said models of businesses that been successful and sustainable could be promoted.

Ms. Noble said in regard to Ms. Karp's comments, she couldn't think of anything except BizMix that is just for start ups. She said SCORE, the Velocity Project, the Business Incubator and the Business Ombudsman work is all available to existing businesses. She perceived there was misinformation more than truth.

Ms. Karp said the problem is that the information had been what people had received from the Economic Development Department. She said whether communication or reality, the Committee should work on that.

Chair Lindell said the Committee could refine and add to the list and tweak the items and discuss that at the next meeting. She said this list could be a starting point.

Ms. Noble asked everyone to review the materials and particularly the chart summarizing the recommendations. She asked them to think about other items they want to put on the list.

Chair Lindell confirmed with Ms. Noble there would be some items that might be removed from the list when they work on it.

Mr. Conway said he likes the marketing/PR piece and the cultural identity of the City. He said they should continue to focus on other assets of the communities, such as immigrants and the Cerrillos corridor. He asked if the City could capture more with symposiums on world water issues and scarcity to keep feelers out for opportunities that would bring global issues to Santa Fe on issues that the City is good at dealing with, like drought.

Mr. Sisneros said the State does not use Santa Fe as an asset when marketing New Mexico. He said using

Santa Fe would make the marketing more impressive. Mr. Sisneros pointed out that Santa Fe could tout being a safe community, unlike Albuquerque and the City shouldn't forget about public safety. He said he would encourage a marketing program on Santa Fe's culture and their police department and how the officers are trained. He said the issue of safety is very important and City Council should pursue putting out information about what Santa Fe does.

Ms. Karp said Mr. Conway and Mr. Sisneros raised essential issues of how to better tell Santa Fe's story; on all levels with all aspects. She thought that remains a crisis and the City should broaden and diversify the stories.

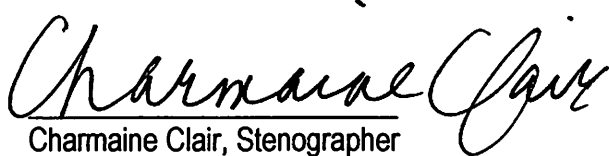
Ms. Karp said she would be out of town for July and August. She asked if possible to attend the meeting either by phone or Skype. Chair Lindell replied they could work on that.

Having no further business to discuss the meeting adjourned at 12:43 p.m.

Approved by:

Signe Lindell, Chair

Submitted by:


Charmaine Clair, Stenographer

Informational Items


Item A

City of Santa Fe, New Mexico

memo

DATE: June 5, 2014

TO: Finance Committee

FROM: 
Isaac J. Pino, Public Works Department Director
Kate Noble, Acting Director *MRE for KN*
Housing & Community Development Department

Staff has been working to develop a logistics and programming plan to accompany the "People to the Plaza" resolution.

LOGISTICS:

Street closures and deliveries - The resolution now provides for closure of the east and west sides of the Plaza, Lincoln Avenue and Old Santa Fe Trail. The southern side of the Plaza, West San Francisco, will remain open. The northwest corner (Palace Avenue and Lincoln Avenue) and southeast corner (West San Francisco and Old Santa Fe Trail) will be open for turns. See traffic routes map for updated flows. The outside lanes (farthest from the Plaza) on Lincoln and Old SF Trail will be accessible for deliveries at any time of day. Planters will be placed in the center of these two streets (they are currently placed on Old SF Trail) to separate any vehicle deliveries and City of Santa Fe parking (three spots for Police, one for Fire) from the pedestrianized area. A portion of Lincoln Avenue will be used for tables and chairs for the comfort of visitors to the Plaza.

Parking, ADA Designated Spaces and Drop Offs - The Parking Division has increased by two the number of ADA parking spaces on the Plaza and in the immediate vicinity. A drop-off spot has been designated on Palace Avenue at the northwest corner.

PROGRAMMING:

Public Input - A public forum was held on May 12, 2014 to invite ideas for programming to bring people to the Plaza. More than 50 people attended and roughly two dozen spoke to audience. Attendees were then given colored dots and asked to vote for their favorite ideas. The ideas collected there and those submitted via email have been collated and are detailed in the attached "Plaza Programming Ideas" document. Music was the favorite programming idea and food was second.

Plaza Schedule - Staff has collated the schedule events for the Summer of 2014 according to the desired programming categories (please see attached Plaza Schedule of Events). This includes 40 music events and nine food events (not including Spanish and Indian Markets). Only eight dates in July and August do not have events scheduled.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014-____

INTRODUCED BY:

Mayor Javier M. Gonzales

A RESOLUTION

DECLARING THE GOVERNING BODY'S INTENTION TO BRING PEOPLE TO THE SANTA FE PLAZA BY PROVIDING A SAFER ENVIRONMENT AND INCREASED ECONOMIC DEVELOPMENT OPPORTUNITIES.

WHEREAS, the Santa Fe Plaza has been the commercial, social and political center of Santa Fe since 1610; and

WHEREAS, in 1960 the Secretary of the Interior designated the Santa Fe Plaza a National Historic Landmark, and subsequently listed the Plaza in the National Register of Historic Places; and

WHEREAS, in 2002 the Governing Body adopted Resolution 2002-50 creating a Plaza Task Force for the purpose of developing specific options for a policy on traffic control in the Santa Fe Plaza area; and

WHEREAS, the Plaza Task Force completed its effort in March 2003 and unanimously approved certain concepts and recommendations related to traffic control in the Santa Fe Plaza area; and

WHEREAS, a safer environment for pedestrians and traffic passing in front of vendors at the

1 Palace of the Governors on Palace Avenue were deemed the two highest priority safety concerns by
2 the Plaza Task Force; and

3 **WHEREAS**, as a result, Palace Avenue in front of the Palace of the Governors was closed to
4 vehicular traffic with the exception of loading and unloading and emergency vehicle access resulting
5 in a safer pedestrian environment; and

6 **WHEREAS**, in 2006 the Governing Body unanimously approved the Santa Fe Plaza Cultural
7 Landscape Report, a joint effort of the City, the State Historic Preservation Office, and the National
8 Park Service; and

9 **WHEREAS**, the scope of the Santa Fe Plaza Cultural Landscape report did not include the
10 streets immediately adjacent to the Plaza Park, and therefore included no treatment recommendations
11 for these streets; and

12 **WHEREAS**, Section 23-5 of the City of Santa Fe Municipal Code (23-5 SFCC 1987)
13 regulates the use of the Plaza, Plaza Park and Plaza periphery area and states that the usage of the
14 Plaza and the Plaza Park should be creative, evolving, and non-institutionalized; and

15 **WHEREAS**, as Section 23-5 SFCC 1987 expressly defines the Plaza, the Plaza Park and the
16 Plaza periphery area as follows:

17 *“Plaza means that inclusive area bounded on the north by the north curbline of*
18 *Palace Avenue running in front of the Palace of the Governors, and on all other sides by*
19 *the facades of the buildings, excluding portals, or property lines lying to the east, south*
20 *and west of the Plaza.”*

21 *“Plaza Park means that inclusive area bounded by the inside back of the curb*
22 *surrounding the Plaza as outlined in the map prepared by the city.”*

23 *“Plaza periphery area means an area outside the Plaza Park, not including the*
24 *Plaza Park, bounded by Sandoval and Grant Streets on the west, Alameda Street on the*
25 *south, Paseo de Peralta on the east and Marcy Street on the north. This area includes both*

1 sides of the boundary streets.”

2 **WHEREAS**, the Plaza is a destination for many visitors interested in Santa Fe history and
3 culture; and

4 **WHEREAS**, the Plaza belongs to all of Santa Fe and is home to many annual events that
5 draw residents and visitors to the Plaza and create social connections, economic development and
6 funding for community non-profits, including, but not limited to, the eight major events authorized by
7 Subsection 23-5.2 SFCC 1987; and

8 **WHEREAS**, the duty and responsibility of the City of Santa Fe is to preserve, protect and
9 maintain the Plaza, Plaza Park and the public places in the Plaza periphery area; and

10 **WHEREAS**, many cities have found that reducing vehicle traffic and creating pedestrian-
11 friendly city centers benefits economies by improving the experience for shopping, dining,
12 sightseeing and other activities; and

13 **WHEREAS**, many cities are reducing vehicle traffic as a way to preserve and protect historic
14 areas; and

15 **WHEREAS**, in an effort to enhance the enjoyment and beauty of the Plaza area, the
16 Governing Body desires to restrict vehicular traffic in the Plaza annually from the observed Memorial
17 Day to the Monday following the annual Fiesta de Santa Fe weekend; and

18 **WHEREAS**, through a public forum, email and social media the community contributed
19 ideas for programming to bring people to the Plaza; and

20 **WHEREAS**, the top programming ideas submitted relate to the provision of music and food;
21 and

22 **WHEREAS**, the Governing Body desires to increase public safety presence in the Plaza and
23 the Plaza periphery area.

24 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
25 **CITY OF SANTA FE** that the Governing Body hereby declares its desire to bring people to the

1 Santa Fe Plaza and provide a safer environment and increased economic development opportunities;
2 provide for creative and evolving usage of the Santa Fe Plaza; and increase public safety presence on
3 the Plaza, the Plaza Park and throughout the Plaza periphery area.

4 **BE IT FURTHER RESOLVED** that the Governing Body hereby authorizes:

5 1. The following street closures to unauthorized vehicular traffic, around the Plaza Park:

- 6 (a) Continuation of the closure of Palace Avenue; and
7 (b) Annually, from the observed Memorial Day to the Monday following the
8 annual Fiesta de Santa Fe weekend, the closure of Lincoln Avenue and Old
9 Santa Fe Trail.

10 Staff is directed to make accommodations for the provision of accessible parking
11 spaces and loading zones for deliveries to the merchants on the Plaza.

12 2. An increased public safety presence in the Plaza, the Plaza Park and the Plaza
13 periphery.

14 **BE IT FURTHER RESOLVED** that the Governing Body directs the City Manager to
15 designate a staff team to:

- 16 1. Analyze the effects of the street closures, which shall include at a minimum:
17 (a) The economic impact of the street closures; and
18 (b) Modifications to fee structures to make downtown parking more practical for
19 the greatest number of residents and visitors and increase the use of
20 underutilized parking facilities.
21 (c) The number of public safety incidents that occurred in relation to the
22 increased public safety presence in the Plaza area.
23 2. Coordinate the purchase tables, chairs and umbrellas for public use and placement on
24 Lincoln Avenue and/or Old Santa Fe Trail or other locations as needed.
25 3. Designate cruise nights which will permit all four streets surrounding the Plaza to be

1 open during the designated cruise nights.

2 4. Analyze current City ordinances related to food sales on the Plaza and recommend, if
3 necessary, ordinance amendments.

4 5. Ensure that the measures authorized by this resolution do not conflict with the eight
5 major commercial events that are allowed on the Plaza pursuant to §23-5.2 SFCC
6 1987.

7 6. Provide opportunities for ongoing engagement and facilitation of community led
8 programming in and around the Plaza area.

9 **BE IT FURTHER RESOLVED** that within six months of adoption of this resolution, the
10 staff team shall bring forward additional recommendations to the Governing Body that would:

- 11 (a) Enhance the experience of the Plaza for residents and visitors;
- 12 (b) Increase economic development and public safety in the Plaza area;
- 13 (c) Provide additional parking opportunities in the Plaza area, if necessary; and
- 14 (d) Ultimately bring people to the Plaza.

15 **BE IT FURTHER RESOLVED** that the authority granted by the adoption of this resolution
16 shall be implemented as soon as practicable and shall extend through the Monday following the
17 annual Fiesta de Santa Fe, September 8, 2014.

18 PASSED, APPROVED and ADOPTED this ____ day of _____, 2014.

19
20
21 ATTEST:

JAVIER M. GONZALES, MAYOR

22
23
24 _____
YOLANDA Y. VIGIL, CITY CLERK

1 APPROVED AS TO FORM:

2

3

 for

4

KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

M/Melissa/Resolutions 2014/People to the Plaza_060414

ACTION SHEET
ITEM FROM PUBLIC SAFETY COMMITTEE MEETING OF 04/15/14

ISSUE: Proposed resolution declaring the Governing Body's desire to bring people to the Santa Fe Plaza by providing a safer environment and increased economic development opportunities; providing for creative and evolving usage of the Santa Fe Plaza; and an increase public safety presence on the Plaza, the Plaza Park and throughout the Plaza periphery area.

PUBLIC SAFETY COMMITTEE ACTION: Recommended approval

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON DIMAS	X		
VICE-CHAIRPERSON HARRIS	X		
MEMBER MIKE MIER	ABSENT		
MEMBER NANCY OWEN-LEWIS	X		
MEMBER PETER MIZRAHI	X		
MEMBER MIKE BOWEN	ABSENT		
MEMBER ERIC JOHNSON	X		
MEMBER DAVID TRUJILLO	X		

5. New Business

A. Santa Fe Fire Department's 2013 Annual Report (Assistant Fire Chief Jan Snyder)
(Exhibit A)

Asst. Chief Snyder explained that this is the second year this report is being presented. It presents a snap shot to City Government and to the Public to share what the Fire Department is all about. Every year there are additions to keep the public informed. The size of this document is not large as the importance is to have the public read through it. Asst. Chief Snyder focused in on some of the accomplishments; the fire department did over 700 home assessments were done last year and they are scheduled to be done again in the Santa Fe area. The NMFA 10 year loan has been paid off which freed up more money for the Fire Department.

Mr. Mizrahi asked if the Fire Department resources are being stretched with the annexation that the city has been going through.

Fire Chief Litzenberg stated that at this time the resources are adequate. Over the next 5 years a request will be placed for a new fire station.

B. Proposed resolution declaring the governing body's intention to bring people to the Santa Fe Plaza by providing a safer environment and increased economic development through the closure of streets to unauthorized vehicular traffic in the plaza area; and through the increase of the public safety presence on the Plaza, the Plaza Park and throughout the Plaza periphery area. (Isaac Pino and Mayor Gonzales)

(Exhibit B) Memo to Public Safety Committee dated April 15, 2014 from Isaac Pino re: People to the Plaza Resolution

It was mentioned as noted in the above memorandum that the first such Plaza closures were instituted in the early 1990s. It was done between Memorial and Labor Day. A lot has changed since then in the Plaza environment; there are now more vendors who also started coming in the early 1990s. A permanent bandstand was constructed. The City Manager and Police Chief are working together to implement Buskers enforcement.

Discussion:

Mr. Johnson noted that his recollection as Chief was that parking in the downtown area is very limited; the parking at the Railyard has increased. He asked about the ADA provisions and shuttle services for special events.

Mr. Gurule from the Parking Division stated that the parking needs at the Railyard have increased steadily and confirmed that there are shuttle services through Santa Fe Ride from the Railyard to the downtown area.

Mr. Harris noted that the description presented tonight did not reflect any parking changes in the downtown area.

Mr. Gurule said that the only change is the relocation of four ADA parking spots from the perimeter streets, corner of Lincoln St., San Francisco Street and Santa Fe Trail. (Referred to last diagram in packet). The proposal is to move 2 along San Francisco Street, 1 on Santa Fe Trail, add one on Lincoln and one on Washington next to the Palace of the Governors.

Mr. Trujillo asked about the public transportation stops, would they still be on Sheridan. Mr. Gurule confirmed that they will remain on Sheridan.

Mr. Pino said that the plan through the Parks Department is to have Planters which are very effective and attractive to meet historic design.

Dr. Lewis asked for additional information related to public safety on the plaza.

The Police Chief responded that historically in and around the plaza there have not been a high volume of vehicular crashes.

The Chair asked; as far as public safety is concerned, will this require more officers on the plaza?

The Police Chief said that historically they staff according to the special event with overtime officers. This initiative does not have additional staffing requirements on the department. The plaza will be staffed from 10:00 am to 10:00 pm, 7 days a week. Any additional calls for service should not affect the staffing at the Police Department.

The Chair asked if 2 officers are going to be enough to staff, more so in the summer months when the pedestrian traffic is heavier.

The Police Chief stated that they have overlapping shifts where at any given time there would be 4 officers. In the evening they are also supported by the PSAs, and one PSA is on the plaza and handles parking concerns.

The Chair provided historical information – in 1984 they were having problems with the cruisers and San Francisco closed at that time. There was a specific incident that took place at La Fonda and it took close to 20 minutes for emergency vehicles to reach the hotel. The Chair shared his concern of cruisers and access for emergency vehicles is reviewed closely.

Public Comment:

The Chair asked if there was any comment in favor of this resolution from the public.
No comments.

Anyone opposed to the resolution from the public.

Rick Martinez

Mr. Martinez reflected back on a fatality that took place on Palace and Washington and they did a closure. Mr. Martinez has participated in the Downtown Visitor Committee, the Downtown Plaza Roundtable Committee and each time we brought this up we were concerned about the lack of pedestrian traffic on the plaza, and there was no recession at that time. Mr. Martinez was concerned about the cost of parking at the Railyard and the time that the SF Ride operates for those that need to get to the downtown area unless the offer is for free parking. He is opposed to this idea.

Mr. Harris moved for approval of the proposed resolution declaring the governing body's intention to bring people to the Santa Fe Plaza by providing a safer environment and increased economic development through the closure of streets to unauthorized vehicular traffic in the plaza area; and through the increase of the public safety presence on the Plaza, the Plaza Park and throughout the Plaza periphery area, second by Mr. Trujillo, motion carried by unanimous voice vote.

6. Matters from Municipal Court
Information in Packet

7. Matters from Police Chief

Referenced the 24/7 drug tip hotline. The information was released to the public on Monday and it is also on the city website. Representatives from each division were present to answer any questions. The representative from the Police Community Relations will also follow up on calls.

The Chair expressed his thanks to the Police Department for getting this on line. The Chair added a compliment to Celina, PIO for the City Police Department in getting this information out. The intent of this was to make Santa Fe an unwelcomed destination for drug dealers and to bring our community together to report any suspicious drug related incidents and to feel comfortable in doing it. This endeavor has been worked on for the last 2 years.

Mr. Johnson asked about other jurisdictions and referrals.

Mr. Ken Martinez, Director of the Santa Fe Regional Emergency Center has met with the Sheriff's Department and the Town of Edgewood as the center is a regional center so they provide dispatch communication services for all agencies in Santa Fe County. Because we can expect this number to be publicized and we will get phone calls from not only within the city but Santa Fe County, he is working with the agencies on how to handle the calls. Anything that is in progress will be dispatched accordingly and anything that is after the fact that requires further investigation or follow up will be forwarded to the appropriate department for investigation. Concurrence from all agencies is positive.

Chair Dimas who was in contact with Mr. Martinez since last year commented to the PSC that his help and information was invaluable. Thank you. It did not cost the city any money to get this going.

Dr. Lewis asked if a progress report would be presented at a 6 month or 1 year benchmark.

Sgt. Michelle Williams will be tracking at the Investigation Division level. There will be a primary intake and follow through with the Street Crime division and the Property Crimes division that work street level type narcotics. Statistics will be maintained.

The Chair stated that he has made it very public that it is time to re-establish a City Narcotics Unit. The seriousness of the drug problem that we have in Santa Fe justifies the need for this unit.

Mr. Trujillo noted that we are 2nd in the nation on overdose.

The Police Chief said that frequently they have EMTs on the scene.

The Chair, Chief of Police and Mr. Martinez reiterated that calls made will remain anonymous.

IV. UNFINISHED BUSINESS- There was none.

Ms. Noble asked to add a brief orientation for the new members on the work done by CBQL.

Chair Lindell asked for members to introduce themselves first. Introductions were made.

Ms. Noble explained that members had received the ordinance under which the Committee operates, along with the Angelou Plan; the City's Economic Development Plan adopted in 2004. She said the Implementation Strategy adopted in 2008, was the last economic development strategy adopted by City Council.

Ms. Noble said Economic Development staff in the past has looked to the CBQL for three things; to be a lens for legislation in the City in business and quality of life issues in Santa Fe. Secondly, to guide the economic development work and the Committee is a sounding board to vet and improve ideas.

She said through the work of the subgroups, issues have come forward. The most recent is the plastic bag ban from a member of the Committee. There was also good workforce development, particularly in the film industry.

Ms. Noble said there are three "swim lanes" of work; business development, workforce development and sites and infrastructure. There are two projects in sites and infrastructure; a broadband project and the St. Francis Drive revitalization Re-Mike project. There are also five target industries that she would discuss another time.

Ms. Noble said members could discuss these further or get more documents; Mr. Trujillo is the primary contact. She encouraged members to ask questions of any staff member and to ask for documents needed. She said she is looking forward to seeing the work of the new group evolve.

V. ACTION ITEMS

- A. Consideration of Resolution No. 2014- _____. Request for Approval of a Resolution Declaring the Governing Body's Intention to Bring People to the Santa Fe Plaza by Providing a Safer Environment and Increased Economic Development. (Mayor Gonzales) (Isaac Pino)

Mr. Pino said that the resolution acknowledges the previous reports, task forces and opinions offered on how the Plaza should be used, although not all of those are included.

Mr. Pino said the resolution is for a safer environment and better public safety and opportunities for economic development for the Plaza. Staff was directed to find proposals for parking to make visiting downtown more palatable and to review the economic affect of closing the Plaza. Staff would report in six months to determine if changes are needed. The resolution would go to the Committees for Public Works and Finance and ultimately the first City Council meeting in May.

Mr. Pino said it is important to recognize the changes in the Plaza; in the mid 80s the Plaza was a place for street vendors and food vendors. The current bandstand/gazebo replaced a temporary stage and two parking garages have gone up within five years in Market Station and the Convention Center and house up to 300 parking spaces. There would be opportunity to utilize those structures with this proposal.

Mr. Pino said some activities and commitments have started; the City manager and Lieut. Polk have created a Public Safety Plan and April 12 was implemented.

Mr. Pino said the Committee was provided an overview of what the Plaza would look like with the closing of all four

legs of the Plaza. Two photographs show the existing parking and what parking looks like after closure. A concern of businesses has been how they would get their deliveries- the loading zones would remain unaffected. A plan would be developed on how to the zones could be utilized.

Mr. Pino said the Parks Division was consulted on the barriers for planters of flowers/shrubs, etc. and a removable bollard that meets historical requirements is being worked on.

Mr. Pino introduced Lieut. Polk from the SFPD (Santa Fe Police Department), Mr. Gurule from the Parking Division and John Romero a City Traffic Engineer.

Lieut. Polk said he is in charge of the SFPD Support Operations Division that encompasses police motorcycles, police bicycles and public safety aides. The plan, effective April 8, called for a permanent police presence and police and public safety aide vehicles for deterrence, including special events at the Plaza or the Rail Yard.

He passed out a sheet with statistics of incidents over the last year at the Plaza and surrounding area. He said statistics show the biggest crime from March, 2013 to March, 2014 is disorderly conduct; people intoxicated and behaving inappropriately. He said he wants to be sure that neither the City nor his officers are sued and that the Department protects and respects everyone's rights.

Lieut. Polk said he met with business owners, street vendors and buskers. The City is not trying to deter or prevent that, but does want to ensure things are done safely and correctly and all liabilities, constitutional rights and civil liberties are observed and protected; which has been a major concern of the meetings he attended.

He said the key is the education of officers and the public of what can and cannot be done. The business owners have a misconception of what the police can do. He said officers are trained and constantly take refresher training and the basic customer service skills are critical to avoid serious discredit on the City. Officers are trained in dealing with the developmentally challenged individuals and that training will continue.

Lieut. Polk said he believes in following the rules and any officer who violates the rules would be held accountable. He said the SFPD Internal Affairs Department takes every complaint seriously.

He said in combination with the Mayors initiative to bring people back to the Plaza; the law enforcement presence is to support the mission by providing a safe and comfortable environment; letting businesses thrive and building economic development by tourists who feel safe in visiting Santa Fe.

Ms. Karp thanked Lieut. Polk for the statistical breakdown of crimes. She asked if there was also a breakdown of the time of day that incidences occurred. She said addressing ordinances was talked about and a dark, vaguely empty Plaza is a different kind of engagement for public safety than a vibrant middle of the day happening. She asked how the resolution would be affected by the current ordinances.

Lieut. Polk offered to check with the statistician to see if she could do statistics on times. He said the plan currently is to staff the Plaza and Rail Yard with active, visible law enforcement from 10 a.m. to 10 p.m. He said April 12 and 13 had a few disorderly conducts and that information would be presented to the Police Statistical Analysis Department to see what could be done to deter issues.

Ms. Kapin asked with the shortage of officers and difficult time recruiting, how hard this would be to staff the Plaza without taking away from the rest of the City.

Lieut. Polk said there are about 24 vacancies and social media, the Internet, word of mouth, etc. is being used and individuals "in the pike" will knock down the numbers quickly. He said what could not be accounted for are

disciplinary issues and officers departing unexpectedly because of personal or family matters and retirements.

Mr. Conway thanked Lieut. Polk for sharing the information. He asked to address the issue of parking and what the disadvantages or merits would be to close the parking except for emergency personnel. He said that would save the problems and headaches of trying to figure the logistics of how to get people in there at 10 in the morning.

Mr. Pino explained that a few businesses have no access from Water Street except for loading and unloading and they rely on the loading zones. He pointed out the Plaza has no authorized parking other than loading zones and ADA spaces. He said trying to eliminate the loading zones would take a bad turn no one wants to deal with.

Ms. Kapin said the drivers bringing food to restaurants are on tight time schedules and asking them to walk around the corner would be an unfair burden.

Mr. Sisneros asked about enhancement to the Plaza and if there were future plans with landscaping, etc.

Mr. Pino said there were no plans. He pointed out Impediments to doing things on the Plaza are tied with grant funding from National Parks, as well as the HDRB (Historic Design Review Board) and SHPO (State Historic Preservation Office). There are three or four layers of bureaucracy before a permit could be obtained.

He said there was discussion about the potential to create a brick theme between the Rail Yard Plaza and the downtown Plaza, but the preliminary estimate was about \$16 million.

Ms. Karp said her concerns are the ordinances on the books that need to be dismantled. She suggested a committee to bring people together that could give insight to what it means to be on the street selling wares. She also mentioned her concern on how to best utilize the free space- the streets- that would now be available for food carts or buskers, etc. and how a coherent plan could be developed.

Lieut. Polk said that law enforcement, the City Attorney, City Manager and Councilor Calvert had attended several meetings with street vendors, buskers and merchants. They presented ideas of the vision and how that could be achieved. He said there is a meeting tonight in reference to the buskers. He noted the final vote on the proposed amendment was scheduled April thirtieth.

Mr. Roybal said he has two concerns; in the evening he does small events- car shows. Four shows are planned for June, July and August. He asked if those would be affected. He was told that none of the permitted events, of which those are part of, would be affected.

Mr. Roybal said the cars create activity and once you close the traffic, the Plaza becomes a place with no activity. He asked now that the Plaza is open, if more events could be done by the City.

Mr. Pino said the Committee could make those recommendations to City Council. He added this is the kind of thing you just put in place and then follow up with actions.

Chairwoman Lindell thanked Mr. Pino for the maps. She noted a loss of one ADA parking space.

Mr. Gurule said in the [first] proposed plan about four ADA spaces were lost, but the second proposal moved the ADA spaces. He said an alternate space would be on the corner of San Francisco and Old Santa Fe Trail and another space near the IAIA building.

Chair Lindell said the City has found that a consistency of officers on the Plaza is helpful so people have a nodding acquaintance of the officers and officers are acquainted with the clientele and characters on the Plaza. She noted

that everyone knew Cecil. Chair Lindell said it wouldn't be helpful to see all of the officers standing in a corner talking. What is helpful is being in the crowd and she hopes that would be what the future looks like.

She said she would hope the part of the resolution to review the economic impact of the street closure would be done. She noted that everyone should be aware of the six month review of whether the plan is working. She said this wouldn't have to be forever; if not.

Councilor Ives asked when there would be a public hearing on the issue; the ordinance under Duties in section (A) states "the committee shall conduct a public meeting regarding such proposed ordinances, resolutions, or regulations as early as possible".

Mr. Pino said the opportunity for a public hearing would exist at the Public Works, Finance and City Council meetings. He said he would recommend to the chairs of the Public Works and Finance Committees to advertise the meeting as a public hearing.

Councilor Ives said he encourages that be done, because he has heard from many people both pro and con. He said he also noticed the resolution has two parts; one allowing the closure. The second is for the follow-up study and to analyze the effects of the street closures and return with recommendations to the Governing Body. He suggested at least present the anticipated affects as this comes back to City Council and as part of the consideration of the other committees looking at this.

PUBLIC COMMENTS

Karen Heldmeyer said she was on the Council the last time the issue came up and she and Councilor Calvert spent two years working on the Plaza ordinance. She said this is a multilayered problem and there are many things going on; safety and parking issues and more importantly issues of vested economic rights; issues of constitutional rights. She said most importantly this is a symbolic consideration for many native Santa Feans. She said when City Council decided not to close the Plaza in 2002; a lot of the decision was about the symbolic and cultural significance meaning for people. That should be taken into account.

Vince Keflavik the founder of Beowulf said even if committees have tried in the past, it doesn't mean they shouldn't try again. He experienced the response of people aged 18-40 as the resolution was announced. He said almost 100% were in support. He thought there would be a lot of support from new, young Santa Fe residents.

He asked that this Committee and future committees also consider the existing regulations regarding bicycles on the Plaza and if the Plaza is closed to vehicle traffic, what *would* be allowed. He said he isn't sure whether there are issues with bicycles, with sports, with dogs at the Plaza, but would ask that they look at current ordinances that might stifle activity.

Mr. Keflavik said lastly to remember that this is a public park and not privatized and freedom of speech issues need to be respected. He said the City has the ability to cultivate positive activity to bring locals back to the Plaza.

He said regarding traditions; the tradition of cruising the Plaza to celebrate car culture; he would go against the argument that car culture is a deeply embedded tradition in Santa Fe. He said to remember that vehicles have only been around the last 100 years.

Councilor Ives moved to approve the Resolution with the recommendation that a public hearing be held at either committee level or Council level and to the greatest extent possible, the effects of the street closures is presented at those subsequent meetings. Mr. Conway seconded the motion, which passed by voice vote unanimously.

~~Councilor Dominguez asked if there was an event schedule for that park. Mr. Gurulé said no.~~

~~Councilor Dominguez explained his motion was a combination of 1 and 2 and for staff to find out what the usage would be and how to keep it open.~~

~~Councilor Dimas was in favor of having public input to find out what the usage was going to be.~~

~~The motion passed by unanimous voice vote.~~

~~Councilor Bushée moved to amend the agenda to reverse items 16 and 17 since most of the people present were here to talk about the Plaza. Councilor Dominguez seconded the motion and it passed by unanimous voice vote.~~

PUBLIC HEARING

17. REQUEST FOR APPROVAL OF A RESOLUTION DECLARING THE GOVERNING BODY'S INTENTION TO BRING PEOPLE TO THE SANTA FÉ PLAZA BY PROVIDING A SAFER ENVIRONMENT AND INCREASED ECONOMIC DEVELOPMENT OPPORTUNITIES (MAYOR GONZALES, COUNCILORS IVES AND DIMAS) (ISAAC PINO)

Committee Review:

Public Safety Committee (Approved)	04/15/14
City Business Quality of Life Committee (Approved)	04/16/14
Finance Committee (Scheduled)	05/05/14
Council (Scheduled)	05/14/14

Mr. Pino said the resolution before the Committee had been in front of the Public Safety Committee where it received a recommendation approval. It had also been at the CBQL Committee where it received the same recommendation. The resolution that was presented to them called for permanent closure to traffic. Mayor Gonzales today announced that he had some amendments that he would like to propose that had been passed out to the members. Essentially, the amendments would provide for a seasonal closure from Memorial Day to the Monday after Fiesta He passed out a schedule of Plaza events so far. The amendment would call for a closure of all four legs of the Plaza as originally intended during that time. The information about parking and traffic was included in the packet people were here from Parking and Public Safety to address concerns.

He noted that Councilor Ives at CBQL hearing asked for this public hearing so it was scheduled for the immediate next meeting which was this one.

Chair Trujillo asked how many speakers there would be. Many speakers raise their hands and lined up in order to speak.

Ms. Gloria Mendoza said she was here for third time about closing the plaza. The other two times they wanted to close it and she would repeat what she said then. "You don't have any business closing the plaza. You opened up a lot of places for people to walk and bike on trails. You spent millions on the trails for walking and probably millions on biking. There were bike trails all over the City. You've spent thousands for dog parks. You have the Railyard - a beautiful place to walk and bike."

I'd like for you once to give the local people one thing. Local people whether they walk, run, in wheel chairs or driving. There was nothing wrong with driving. I want you to let us feel that we own part of the city here downtown. We don't even participate in anything downtown because it has been taken over by change. It is people your age dropping like flies in the winter. It's our time the young people to have the power. Well, I'll be darned if I look at my power to you people. You people have enough. You are constantly asking for everything and it is constantly being given to you - for biking, for walking, for everything. Why don't you concentrate on Mayor Gonzales' night life for you? That was his priority for running for mayor. Do not, because the rest of us everywhere else are asleep and going out to work the next day while you guys are out walking and biking.

For years I've been coming and saying I am getting tired of people trying to save us from ourselves. And trying to continue to remove us from this town, especially downtown. And I'm tired of you guys satisfying these people all the time. And I can't imagine Mr. Dimas, Councilor Dimas that you would ever think of closing the plaza down. That's all we have but we think we possess the downtown area. Now you're telling us we don't. The bikers and the walkers and all these people are going to own it just like they own the Railyard? Just like they own our streets? I'm telling you right now, that by Council, I'm going to organize the neighborhoods to be out here."

My name is Charles Buddy Wilsacker. I live on Santa Rose Drive. We call it the Taco Bell triangle. I'd like to address my participation. This is my town. And it's our town by choice. And those of you who know me realize that both my wife and my extended family go to the music downtown. We go when there's mariachis, at the galleries. We participate in that. I spend money at the plaza, the restaurants, spend a little time at La Fonda. After mass, I walk through town. This is our town but we have to participate in our town. I have lots of children and grandchildren. I can say right now that there are two places that bother me. One is the Cathedral Park. I don't feel safe there. I don't feel safe when I have my little grandchildren with the pit bulls on the plaza or cathedral park. I do participate in downtown but I do feel intimidated somewhat by the bicyclists, dogs - dogs are a big issue. This is the truth. One day we were at the music, a dog had diarrhea. There were worms all over the flagstone. That's crazy. There was not a guard dog or service dog. My position relative to traffic is that we need to keep our plaza open. This is the way I operate on a daily basis my primo and I go out and have a little bit of coffee. And now I have the luxury of being retired. We pass through the plaza. And when we don't, our conversation at night is on whether the plaza was full or empty. We need to enjoy our town. In some respects, I agree with Gloria that there were a lot of special interests in our town. But I love our town. We need to participate in our town. I want to be able to take my grandkids to the plaza and not feel un perro is going to attack us. So my recommendation is - and I talked with Chris the

other day about enhancing the plaza. You know it's wonderful during the seasonal Christmas season to see lights. It gives me a good feeling. Let's enjoy our town. It's a great town.

My name is Jorge Garcia. I was born and raised here in Santa Fé. I'm against what the mayor has done. I think he was the first one to come out and say let's close the plaza to traffic. I was reading here are lots of opportunities to increase... I cannot see... First I'd like to see before we do anything else about closing the plaza - what are we going to do if we close the plaza for traffic? It doesn't say anything. We just want to close it. That's it. What opportunity would we have for jobs? I don't see anything. We just want to close the plaza because we feel like closing the plaza. Most of the people of Santa Fé, they don't come to the plaza. Do you know why? Because there's nothing like there. We don't have galleries so what do we do? They cruise around. They love to cruise around - noontime, the people coming cruise around. They wait for me. I'm a visitor downtown, myself. I mean we can close it down but I cannot see it. I cannot see why we have to close the plaza. For safety? Nothing. I've been here for 30 years. I've never seen anybody run over. One person got killed because that guy wasn't looking at the Burrito Company on Washington seven years ago. But closing it for safety was a bunch of...

Born and raised here, we're supposed to be the City Different. But now it's almost like Sedona, Flagstaff or Albuquerque. ¡Caramba, mis amigos! Mr. Dimas, born and raised here. For people to walk in the street we've got a lot of space, man. Half of this is your space so you can walk downtown. There is not enough tourists. Last year was down. This is going to be more down and even if we close the plaza we have events coming up. I don't see people walking on the sidewalk, I mean in the street. If we close the plaza they never walk on the street. And I see it every day when we have something going. So gentlemen, if we can have not to close the plaza, por favor, help us out. Muchas gracias.

Hello, Vince Cagney Beck, Mr. Chair, rest of the Committee. I took a small unofficial poll on Facebook today amongst people who living here. 26 people wanted the plaza to be closed to traffic, three said no. That's the constituents that I am associating with on a daily basis, people between the ages of 18 and 35 - 18 and 40. I am born and raised here. I'm also a local. I'd like to just take a moment to say that I have a lot of pride in Santa Fé; a lot of pride in being a local; a lot of pride in growing up here. I think a larger issue that we might want to look at down the road just as a community issue is a coded word of "local" and what that means. There's a lot of people who live here, a lot of people who grow a pair who here that when the locals don't want something we feel alienated from that argument. Because I'm a local to. And everybody who answered the survey today on Facebook - they're locals also.

What we're seeing in our generation is a gravitation towards non-automobile usage. I think symbolically for the city it is an important step to take with all of the facts that we have regarding vehicle usage and carbon emissions. I think it's also important to remember that this resolution was meant to bring locals back to the plaza. And the way that we do that is not just by closing the streets but by being creative with how we program the plaza. And I think there can be a lot of improvement there. And I'm not disagreeing with Gloria or the previous speakers on that point. I think there can be a lot of improvement on what we do on the plaza once it was closed. I haven't heard a good argument yet against the resolution, against the idea. There already is no parking on the plaza so the idea that you can drive your car to the plaza and Park - you can't do that already. So anyone going to the plaza who is driving there is driving through it, not to it. I

appreciate economic development, recognizing that young creatives, young entrepreneurs in our town need to be cultivated; need to be preserved; need to be nurtured. Because I think we have identified that that is an issue. And I'm telling you that this is a very lopsided issue when you speak to people under the age of 40. And I hope you guys take that into consideration and I appreciate your time. Thanks.

Thank you councilors for giving us an opportunity to speak on this issue. My name is Clarice Coffey. I own one of the open air tram tour companies on the plaza. I've been in business in Santa Fé for 25 years. In fact April 4 was when I celebrated 25 years of being in business in Santa Fe. And I have owned and operated my trams from our location on the northwest corner of the Plaza for 20 of those 25 years.

Many people are not aware of the fact that the open air trams are the economic engines for the downtown Santa Fé. Almost every visitor that comes to Santa Fé comes to the downtown area to take a tram tour. And then as soon as that tram tour is over they will visit the restaurant, the hotels and retail companies in the downtown area. And this is after they have taken our tours. To close the streets around the plaza would cripple their tram tour companies and also greatly hurts the downtown businesses. Most people that visit Santa Fé are older than 57 years of age and have mobility problems. They wouldn't be able to get to the plaza easily if the plaza were closed. I served on the Plaza Task Force in 2002 and was appointed by then Mayor Larry Delgado to serve on that committee. We studied the traffic flow around the plaza all the way back to when Santa Fé was founded in 1610. We recommended then the closing of one street on the plaza in front of the Palace of the Governors. That was our decision: that was what was implemented, and that is the way it works today and it has worked very well since that decision. I have one client that will bring 55 groups to Santa Fé this year with over 50 people in each of their buses. It has taken me many years to recover my business after the last six or seven years of the downturn. If the streets to the plaza are closed, that client will not be able to get their buses to the class or to our spot there where they can take our tours. This would devastate my business.

I'm required to carry \$5 million of commercial insurance each year and we have never had a ticket and we have never had an accident. But this is a requirement by the Public Regulation Commission. I have to carry as much insurance as if I operated 18 wheeler trucks crossing country at breakneck speeds carrying hazmat materials. We have never had a ticket or an accident but cannot get around this. We have to carry this much insurance. If I don't have traffic to my trams my business is devastated. I urge you to please vote against this issue. Thank you.

My name is Roslyn Stone and I'm here tonight to ask what about people with physical limitations. I have physical limitations. I have a permanent handicapped placard. I use my cane some days. I can't walk so much some days. Sometimes I get stuck in my home, due to my grieving over the death of my precious son, Jeffrey. When I moved to Santa Fé five years ago, the first day I met the Santa Fé Plaza. It was a place that immediately felt like a new home. I found my sanctuary. I have spent uncountable days in the evenings on the plaza. I find great energy and it soothes my mind and soul. I eat at the surrounding restaurants and I shopped the stores. It is even on my way home so I can pass through. Parking has always been an issue even before I earned my handicapped placard. Since using it, parking is still a challenge due to the minimal handicapped designated parking spots, and even though all meters and public parking are free, it still is a challenge to get close enough to where I want to be - my village of the

Santa Fé Plaza. Inclement weather also plays a role on whether I want to park and get out or just cruise through town to check out what's going on. Music is always a big plus. I can be drawn by a two park and get out or just park and roll down my windows and listen and enjoy and feel somewhat better and rejuvenated. The drive up San Francisco with the Basilica Cathedral in the distance is such a visual pleasure. When the moon peaks over it, it is spectacular. Lately my physical limitations have increased. Sometimes my feet swell so I can't wear proper shoes and some days my hands hurt so I can't use my cane. I have not walked and sat on the plaza in weeks. Instead, I get pleasure from cruising the streets around the plaza in downtown with windows down and radio off, just enjoying the sounds and smells and the people - locals and tourists. I see friends that I normally wouldn't run into if I was walking around slowly and not too far. Some don't have cell phones so it sometimes is my only way to contact them. I even have stopped at the popcorn stand and fajita stand for a drive through service on days when I can't get out.

I also have not been able to carry my backpack which makes life harder to manage since my tote bag can only hold so much and I have to be careful because weight is an issue. So having access to my vehicle is of utmost importance in the event I need to retrieve belongings or leave in a hurry. So let me ask again, what about people with physical limitations? I am very sad and have been getting them are panicked feeling of the impending doom of my plaza being inaccessible to me. It is depressing and concerning. I need my plaza, my sanctuary, my link to the world. I know I am not alone in my physical limitations in love of my Santa Fé Plaza. Please don't punish us who live frustrated and in pain already due to our limitations. Dropping a soft at the curb is not a solution. Of course I could go on, but intelligently I know I have made my point and hope the city of Santa Fé New Mexico and Santa Fé County will respect us as humans and not discriminate against us for something out of our control nor did we have to be put in this disabling life situation. We have rights too to be treated as equals. I hope to find solace driving through my plaza sanctuary.

Rick Martínez - person by want to give you guys a little tour of New Mexico of all the plaza's we have. Albuquerque's Old Town - their plaza is full. They have cars parked all around it. Go to Taos and they have cars parked all around it. You go to Las Vegas and its same way. All of our plazas in northern New Mexico are all free to cars. So I worry about that in thinking that we are some European city that has to close the plaza. And in those European cities - what is happened there is they have a high density of people living there and that keeps them vibrant. Here, we don't have that. We don't have the people living here. So if we want to do something we should start looking at St. Michael's Drive and start creating those vibrant areas and do stuff there. We should also take a look at where Target is and Best Buy is There are only two crosswalks there - one on the east end of Rodeo Road and Cerrillos Road. And you've got to get in your car and drive to get to the next one. Maybe that would be a better improvement to make that very pedestrian friendly. And we could start looking at other areas of town. One reason I don't like closing the plaza because I feel I have to pay a toll. And the reason I say that is because if the Plaza is closed I have to go look for a place and put \$2 in the meter to walk to my own plaza just to see it. And that makes me feel like I'm paying a toll for the plaza and it really bothers me.

I sat on the Downtown Vision Committee in 2007. I sat on the Plaza Roundtable Committee in 2009 and each time the recommendations were "Don't close the Plaza." Businesses are hurt and it turns into a dead zone and that's what we don't need. The plaza belongs to the local people to. There's a lot of other

areas when you go back to look at what we discussed in both of those committees, they are just sitting there gathering dust. So open up those books. Let's go through it to see how we can make a better but in each of those committees we did not say to close the plaza. So I hope you guys consider that and maybe put this on hold for a while. But don't put a toll on us to park downtown or two visit our own plaza.

My name is Beverly Spears. I've lived here in Santa Fé for 40 years and I'm an architect and also a landscape architect. Forgive me, but I'm going to read a letter - just a one-page letter that I wrote to the New Mexican on this topic. "The plaza should remain open to cars for many reasons. Not only do most of us Santa Feans like to slowly cruise around the Plaza. Visitors like to do that too. Much more than that, the size and the layout of the Plaza and also its history dictate that it remain open. As a member of the 2002 Plaza Task Force, I and my colleagues studied over many weeks the traffic issues around the Plaza. We did find you recommend the closing of Palace Avenue to traffic to protect the Native American vendors from carbon monoxide exhaust as well as to protect the ancient adobe Palace of the Governors from gradual destructive traffic vibrations. But we recognize the benefits of allowing traffic on the other three streets. The Plaza, the park that is down by the surrounding streets is a large beautiful pedestrian space. There is plenty of room to stroll through and around the Plaza, even with cars on the surrounding streets. Likewise, the sidewalks along Lincoln, old Santa Fé Trail and San Francisco are generous enough not to be too crowded. The paved streets surrounding the Plaza are wide. If these streets were closed to traffic and pedestrians could wander randomly in the streets, this would diminish the attractiveness and definition of the portal covered sidewalks as well as the plaza itself. The moving cars, generally well behaved add vitality in their own right as well as helping to define the pedestrian zones of the portal covered sidewalks and the central plaza Park. Having designed the Plaza gazebo, some years ago, I have thought a great deal about the Plaza. It is undoubtedly the oldest and most beautiful Plaza in New Mexico. And it is just fine the way it is with grass, trees, beautiful baskets of flowers and sidewalks. If the paved streets were emptied of cars and the streets either vacant or filled with vendors, this would only diminish the soul and authenticity of the Plaza as the center of our town. And imagine how bleak it might be on a cold winter day or a windy or rainy afternoon at dusk. Cities that have successfully created pedestrian zones are cities with crowded sidewalks and a boring grid of streets that can be enlivened by dedicating a street or two to a pedestrian zone. Santa Fé does not fit this mold. Caretas, caballeros, wagon trains, cowboys, convertibles, low riders, and SUVs have plied the Plaza sequentially for 400 years through the long Spanish Colonial period, the brief Mexican period and on through the route 66 era to the present. Closing the Plaza to all but walkers would be a sad and misguided turn of events."

My name is Andreta Pecandero and my family owned the plaza >>. I remember back and I can't believe we're even discussing this because I don't think the Plaza should be closed. Although I can relate to the younger generation here that wants Santa Fé green. But Santa Fé does not have the money coming into it right now that we had years back and we cannot afford economically to close the Plaza. If we were to close the Plaza and bring other people in we would have more unemployment because a lot of the shopkeepers are not going to be able to keep the people hired. They would have the unemployment with that. Revenues would go down because a lot of the people will be doing cash only. Elderly and handicapped won't be able to enjoy the plaza. A lot of people are unable to walk and would have to be transported. I remember when I was young I used to drive my father in my Jeep. I had a topless Jeep. And I would take them for a ride around the plaza. And he and Tommy Maccioni would get together in the back

and it was quite a parade. He wouldn't have been able to enjoy that. There's a lot of people who can't enjoy that. They have to be brought in by vehicle in order to enjoy the Plaza. Young, old, it doesn't matter. A lot of people can't do it. Deliveries would be impacted. You have a lot of delivery people that are coming in with the shops. Five and dime, the restaurants - they're going to be impacted. It's going to cause traffic jams. The parking is going to be respected. You're going to have emergency vehicles are going to be caught in traffic if the Plaza is closed off. They are going to have to turn and take other routes and if you have a situation on the Plaza you're going to have backup and we're not going to have emergency vehicles in. We do have a lot of the police department and the fire department to come down and park on the Plaza. It's wonderful and awesome and good for PR. It's good for the city. They are affable. They are there for the public. It looks good on everybody here in the city that we are a welcoming community. You also have people from that really don't frequent the plaza on foot and that have been local cruisers. And there are thing is to come in and cruise their vehicles and it's wonderful because they come in and a lot of tourists enjoy it. They don't see vehicles that are built like the ones we have here in Santa Fé. And so they're able to photograph them or stop them and speak with them. It's a new experience and you would be cutting out so many experiences for so many people. I just don't think that's feasible in my mind.

My name is Philip Crump. I'm a 25 year resident of Santa Fé - a former member of and one-time president of the Old Santa Fé Association and a former member of the City's Planning Commission. So I think I'm sensitive to and somewhat knowledgeable about issues concerning the really special nature of our downtown and the delicate nature of our plaza. I appreciate the Mayor's concern about safety as well as economic development. With regard to safety on the Plaza, I think that given them construction of streets leading to the plaza and the relatively low volume of traffic and the low velocity of traffic, it is probably as safe a collection of streets as you will find anywhere in this city.

With regard to economic development, I don't believe that by closing the streets on them plaza you will suddenly create a vacuum that will draw pedestrians who haven't been there before. I think the question from my perspective is not should the streets be open or closed but under what circumstances - what are the criteria under which it is appropriate to close the plaza streets. And I think that to a certain degree the question has been answered. The streets were closed for special events when there are going to be large populations, lots of pedestrians downtown or when there are going to be booths occupying those streets because there's not space on the plaza itself. To extend the conversation, perhaps at certain times and make it special. Maybe close it on Friday nights. Maybe it would be closed in the summer, on weekends, most of the year it's too cold and there are not enough people there in that plaza would be dead without an occasional vehicle. We hope maybe a low rider or a Harley to create little excitement. So I ask you to be thoughtful of that proposal to close the plaza to traffic.

I am John Dressman. I have a couple of stores on the Plaza. And as an historic know, I had a treehouse on the plaza when I was a child. Reading the paper a couple of weeks ago, Ike Pino had mentioned the idea that streets have been closed and businesses survived. And that became sort of a challenge to me I did something that I hate to do. And that is to look at my bookkeeping. One of the lines in this proposal is to analyze the effects of the street closures, particularly the economic impact of street closures. So I did that. Because I was there. In 2002, a lady was killed over on the corner of Washington and Palace on June 26. So that gave me the ability to look at 2001, 2002 and 2003. There was a large

complicating factor. September 11, 2001 through the economy into a tailspin for at least a year. My books showed that my business was down about 25% during that 2002 - the first six months of 2002. So I took that 25%, subtracted it from the 2003 figures. The 2003 showed me up 44%. So the net was 19% increase and that figure was real. Retail is simple. Those numbers were not absolutely solidly locked. But I think that 19% is a pretty close effect of that closing the plaza cost my business. So for the four months, looking after June, July, August, September, October - those four months cost me \$143,369 in sales. We're merchants, so who cares? But I do have employees and they are on commission based on gross sales. It cost my employees an average of \$948 each to close the Plaza over that period of time.

My name is Elizabeth Perez and I am with the Downtown Merchants Association. I do think that there is a way to deal with this as more of a compromise. I think having the Plaza closed to traffic during bandstand, having it closed to traffic some evenings or even all evenings in the summer is a thought. I'm most concerned about the fact that there are so many businesses that do have to bring in large amounts of merchandise to sell or large pieces of merchandise. I'm not one of them. I'm not actually on the Plaza but we have members who are. We don't have alleys behind - there are no alleys behind these stores. There are no loading docks behind these stores. And if you spend any time on the Plaza you will see that there are trucks coming in and out. A truck coming from California or Kalamazoo or whatever couldn't just wait until 8 o'clock in the morning the next day. That person who bought that truckload of merchandise is going to have to pay to have it merchandise sent all the way back to where it came from and to bring it back again if it cannot be offloaded when it needs to be offloaded. I don't think anyone here wants to put that kind of a burden on anyone.

I personally have fixed feelings, although I think that having the plaza open more certainly during the day is better for commerce. It's better for a lot of things. But I also think closing it in the evenings or some evenings and certainly for bandstand works very well. I don't think it was a piazza like in Italy. I think it's a different sort of activity. And I think if we were to look at it carefully and come up with a compromise that reflect the reality of the way people use the Plaza and in the meantime paint the portals and doing a better job of painting the edges and making curbs safer and look better we would be spending our money better. But maybe experiment with the times we close it and times we don't close it. I don't think it was an age issue. We're going to enjoy it a lot longer than you might think. I do think it is a use issue. And I believe everyone in Santa Fé, visiting Santa Fé, born in Santa Fé or those of us who've only been here since 1980, have a say in this as we should.

And I think there was a way to come up with a compromise that would work historically, functionally, commercially for visitors and for everyone. And I wish we would examine them all and all the safety choices before making a decision.

My name is Rose Asihias and I am an employee of Haagen-Dazs. Haagen Dazs is in support of closing the Plaza and I just had a couple of questions wondering whether or not food trucks I heard about would be coming to the Plaza. And how that would affect businesses like mine. And also when would the Plaza be closed as we have been talking about specific times or maybe holidays or maybe different times like that and also would the building in front of the Plaza be closed? Thank you.

My name is Sonja Leyba and I just wanted to say my husband and I have four children and we go to the plaza for events that the roads are closed because it was a safe environment for my children and I feel safe with them being able to run and experience the Plaza. I just want to address some of the things that people have concerns about such as deliveries not being able to be made on the Plaza. We have to make deliveries to stores and we can't just go and deliver whenever we want. There are set hours that we can go deliver and if those set hours are in place then the Plaza can be open to those delivery vehicles for certain hours and then the Plaza is closed and you can't deliver past those hours. Also in traveling and going to Austin and Colorado and California, there are places there where they roads closes and there are walking areas. And there's tons of people shopping and their stores are thriving. And I think if the store owners would do some research to those areas, they would they be not be so much in fear that give a little more consideration to the possibility of positive change. I think it could be very positive for them. I used to work at an art gallery downtown and everyone I sold artwork to were people who walked there from hotels. Nobody who was cruising the Plaza would go buy \$7000 paintings. They want the people who were cruising the Plaza they were people who were staying at hotels there and walking the plaza. The plaza is a destination place so people will walk to the Plaza if they are not able to drive the. I don't think it's going to stop people from going and shopping there. I think it's going to make it later. I just think that the Plaza is becoming old and tired and all these changes would attract more people to it and will be a positive thing for Santa Fé and people with families. I have a lot of friends with children. Now we go and meet at the Railyard Park instead of meeting at the plaza because there is a lot of traffic here. And I don't personally want my kids to be breathing in the emissions from cars. I am in favor of closing the plaza.

My name is Herb Lotts and I have had the honor of being here for 44 years. When I first arrived in Santa Fé I drove down from Taos and parked on the Plaza, went to La Fonda and had breakfast. And I couldn't believe what I was. Initially, when I heard about the Plaza being closed again I was furious. Because I have very strong opinions and I think my opinions on the right opinions. I still believe. I think it is a mistake to close the Plaza. I had some thoughts that I wanted to run by you all, if I could. What are the origins of a plaza? Why is a plaza even here? And I don't know that specifically. My sense of history is somewhat limited. But I don't think ... I think it tended to be a safe place for people to come. Who would be served by closing the Plaza and who would be served if we leave it open? And by that, I mean with the property owners, the business owners, the tourists, the locals - who is served? Because I think things are rarely what they appear to be. So we always have to look a little deeper when things like this happen. While sitting here I made some notes. I don't tend to go to businesses where no one was parking. I am not a huge whole foods subscriber but when I go there to buy my cola without high fructose corn syrup, the place is jammed. And very few of them are on bicycles for working. Most of them were there in vehicles. If anything, I would like to see more parking at the plaza. I would like to see diagonal parking on the outer edges of the plaza with a way to drive to the Plaza. And obviously you can have temporary parking on the inside of the Plaza. I would love to see someone stationed at the Old Santa Fé Trail - a safety aide at the Old Santa Fé Trail and San Francisco St. To help those tourists who don't understand what a red hand means against the light with a person walking. I wish there were less dogs. I just got bitten by a dog the other day as I was walking by the video shop over there half of Paseo de Peralta. I also want to say that I've run my business here for all these years. I am a photographer, now retired, and I live three blocks from Plaza. To get my Albuquerque Journal and my New Mexican I walked downtown every day. I've been banking at the First National Bank so walked over to the bank and to care of some issues. I'm one of those

people who still lives downtown and I do it the old way. I would like to see the vendors moved off the plaza. I remember when the vendors came on the Plaza and would like to see moved over to Water Street where we have some city property. I have a whole list of things I would like to see done and if I am invited to join a panel I would be. Thanks so much for listening.

My name is a Roland Bloes. I'm an architect in City Planning and I'm almost a local having lived here for the last 16 years. However I have an international practice so I travel a lot and always get a bird's eye view of the city every time I come back. And I have a couple of comments to make. I think it is a big debate whether the roads should be close to the Plaza and this issue could continue to be argued forever. Because everyone has a good point from his or her point of view.

I think, however, what we should not forget is that why Santa Fé is known to be such an attractive city. And especially overseas, when you talk to people, everyone knows about Santa Fé. I personally think that one of the main reasons is the plaza is more than a plaza. It's really a jewel in the crown. You take away the charm of the Plaza, what makes a plaza a vibrant place is the activity and what makes the activity is the people who participate there. You can go around the world and point out the plazas where they have been successful and they are based on people. The reason is people is because they - those areas that are successful have been specially designed to accommodate residences, lots of residences. When you have people they have evening life. It doesn't necessarily mean having bars and loud music and so forth. I think what it means is an activity. So it does not look like an office building that opens at 8 and closes at 5:00. You have a great opportunity of doing both. In an hours' time you can close the doors. You have the ability to close it or keep it open. But you should not forget the larger picture that allows the plaza to impact a much larger area. When I come back into town and sometimes I feel claustrophobic because I think the Plaza is sinking. And I think we need to do just the opposite. We need to expand the plaza so its impact was spread to a larger area and allow some kind of vertical zoning perhaps to expand the residential area that could take advantage of the Plaza. And once people are there, the commerce will come. You cannot have the plaza with empty showroom windows and no business. That is the most depressing thing. So you have to create activity and it doesn't matter what kind of activity because no matter what you do it's never going to outgrow the plaza.

The commercial areas must be there. But not only office buildings. I hope that years from now people are still talking about it. You should take time to evaluate all the pros and cons before making a decision.

Lee Murphy - thank you city councilors. My husband and I own the Kettle Corn stand directly on the Plaza and I suppose I am just very curious about what that might be like if we did close the Plaza so I think, yes, go for it. I'm not real sure what that would look like by saying yes. I have to say before I say the reasons why, we stand to lose by closing the Plaza mainly because we have a lot of drive up traffic. We have people that do a really fast exchange for a little bag of popcorn and then take off. So we do stand to lose by that. But I wouldn't want what we benefit from for what the community might benefit from. And I'm not sure any of us knows what that would look like because we've never tried that. So I don't know whether it would be a compromise but not a permanent thing. But perhaps it would be from 11 to 4 or maybe as some others have suggested on Fridays. But it would be nice to give the Mayor an opportunity. The reason

I say try it is because I have worked on the Plaza and I have also worked across the street for some of our iconic businesses. I work 8 to 14 hours and I watch an enormous amount of animosity among drivers because of the pedestrians. People are trying to get from point A to point B. Tourists are kind of like weevils. They wobble but they don't fall down. But there's a lot of eye candy. There's lot of locals congregating. And we have a lot of drivers that come in there and they are yelling and screaming and using profanity. We have trucks. We have semis. We have skate boarders and bikers. And it just would be nice to give the Mayor an opportunity to try it. I would say try it for 8 months and that would take us up to January. And people could come in here and say, Wow, that was a terrible idea and here's why. Or that was a great idea and here is why it is working.

I am sympathetic to perhaps the tour guides that go through there so maybe you could address how they would do that or the routes that they would take. They're probably needs to be a little bit more discussion. But I'm just really curious and think it would be good to try it and see what it actually would look like. So I think it would be a good idea to give the Mayor an opportunity in some way or another.

Michael Murphy also owner of Kemels Kettle Korn. My wife and I spend roughly anywhere between, depending on the season, 6-10 hours a day on the plaza so we see a lot of what goes on there, whether it's dogs or buskers or cars and traffic or fights or homeless people or whatever it is, we see it all.

For myself, I don't know if completely closing the Plaza is the right way to go. Right now we have Old Santa Fé Trail partially closed off and basically it constricts the traffic down to one lane. What we see a lot of on the Plaza is someone looking around or looking at the Plaza - maybe it's one of our trams which we really appreciate having on the Plaza. I think that's great for the Plaza. And basically, you have some idiot driver who is not patient. Why then have five more minutes getting around the Plaza - there just in a hurry and so they lay on the horn and just fly around whoever it is that's moving slowly and they literally cause a safety issue with people that are pedestrians or even people that are on the sidewalks sometimes because they are moving so quickly. And I just think there is definitely a safety issue down there. I like and I are down there late a lot of times. We really enjoy seeing the different cars coming in whether their classics or low riders. However, we have a lot of low riders that like to show off so they like to get their cars up on three wheels as they come around the corner there in front of the five and dime. And to me that's a safety issue. If they have a tire the blows out or something goes wrong they could easily go into one of the storefronts or hit somebody. So although it was a lot of fun to see but in the right venue. So I think there definitely are some safety issues that need to be addressed by the Council.

Because of the corner we are on, we have Wells Fargo trucks who come in and park in front of the bank and just let their vehicle keep running with lots of exhaust that will just about kill you. It would be nice if those people were just kind of thoughtful enough to shut their vehicle off when they are there.

I think closing the plaza may not be the best idea but there are some safety issues so maybe partial closing down to one lane on each road so that people had to slow down and take the time. It would take longer to the around the Plaza so maybe you wouldn't have as much traffic through there, I don't know. But please think about your choice.

My name is Elizabeth Aland and I went to thank the Council for giving us this opportunity to speak. As has already been pointed out, not all of us can walk to the Plaza. Parking is a problem and I don't think this is going to improve if we are not able to do our shopping and visit our restaurants there for those of us are not able to walking distance. The Plaza is a historic place for all of New Mexicans and for everyone else as well. But I'm not seeing traffic occur that has been a traffic jams. It happens other places too. I don't think it's unique to this area. It was mentioned that plazas in Europe work and I'm sure they do and I'm glad they do. But his isn't Europe. This is New Mexico. We would like to see our Plaza used by the native people here, as well. I strongly urge the Council to veto closing to vehicles. We like it like it is thank you.

I am Jackie Block, a concerned citizen. I'm kind of disappointed the mayor is not here since this was his idea. You would think he would want to hear what this is all about. I am opposed to the closing. For the past 40 years you've seen the slow "Disneyfication" of the downtown area. Closing off the streets would be the final blow in making this another Disneyland. It's bad enough now and I heard the lady say her while ago that people were rude to some of the pedestrians. But what you've got to remember is these pedestrians are just up and down the street, no matter what. Police cars are there but they don't use those crosswalks or anything.

Bus closing or not closing the Plaza, the tourists are still going to come. You close it off and it's going to be the final signal that the city says to the local people you are not welcome here. Whenever I'm downtown, I'd like to just throw a quick cruise just to see who Roque is there - or whoever. But once you close it off there's no way I'll be anywhere downtown. I'll go down for the concerts in the summertime but that's for two months. So don't finish off the Disneyfication of the downtown. Let's keep those streets open and let's get these policeman that are down there to do something besides bullshitting among themselves and tell the people to use the crosswalks and not be walking up and down the middle of the street. The middle of the street should be for traffic. So please keep it open.

I'd like to thank you for allowing us to speak about this issue in front of you. I'm here because I'm also part of the age group that is not often heard. My name is Scott. I'm 30 years old and consider myself a local - a long term local. I family moved here when I was three years old and for my entire life, the plaza has been an important gathering place. It's been a gathering place for people, not automobiles. People come there to enjoy the Plaza. We love to call ourselves the City Different in this might mean many different things to many different people. But what it means to me is we don't follow other people's rules. We are always willing to try new ideas and will do things just because someone else told us to do it that way. The idea of opening up the Plaza - - excuse me closing off the Plaza to vehicle traffic is a unique idea. And it is something I wholeheartedly believe we should try. I believe this will allow more opportunity for vendors, for street performances plus keeping it open during the busy months of the year, during the tourist season there are also safety concerns to keep vehicles off the Plaza when high pedestrian traffic is going to take place.

I feel like we are pretty much an automobile crazed culture. We can go almost anywhere to see automobiles but why in the summer for Plaza? Why not consider this a sanctuary from automobiles? Embrace the antiquity of our city. There was a time when there were no automobiles. It was covered wagons and oxen going through the streets. We won't ever go back there but maybe we can get a little

piece and quietness that we had. Also I don't believe this proposal reduces parking. I've never driven to the plaza - only through it. I've always parked on the outskirts and walked through the Plaza. The only automobile traffic I've seen going through them is not stopping there but only going through.

As far as I know, there is an amendment to suggest that this proposal only take place from Memorial Day through the end of Fiesta weekend. It's not the whole year. It gives us a block of period of time to try this and I think we're closing off an opportunity if we completely say no. I believe in Santa Fé we've always been willing to compromise. This was something we should try to compromise on and see the potential before you close it off.

My name is Paul Hillman unlike most of the speakers previous, I have only been here six months. So I'm looking at the city I guess through virgin eyes. I guess I'm on my honeymoon still. I worked in Manhattan for 45 years and lived outside the city and I watched Manhattan close downtown Times Square to great success. It opened up many new business opportunities in the Times Square area. Vendors that never existed there before came forward. Tourism multiplied incredibly. I just saw it as plus, plus, plus. When I first arrived here one of the first places I was driven to was the plaza and as we approached it the first thing I said to the driver was why are cars allowed here. It seemed to me to be inappropriate for traffic of automobiles. It took effort to maneuver the streets in the area and I just imagined where the streets were grass growing and people being able to walk. More vendors, more music, more of all of those beautiful things that could come forward from closing the streets. I would certainly like to see some type of a trial period as has been suggested. And I think that any problems that would arise from closing the streets and the Plaza could be addressed and could be solved. I don't think we should be afraid of change. I'm here for the long haul now. I love the city. It's really captured my imagination and part of that imagination was not seeing traffic in that beautiful area of the city. I really feel that we can benefit in every positive way and I want to see grass growing in the streets around the Plaza, not pollution from automobiles.

I am Karen Heldmeyer and I was going to come here and give you a history lesson because history in Santa Fé generally remembered better in hundreds of years and this was 12 years ago. But you've heard from a lot of members of the Plaza Task Force from 12 years ago so I don't have to give you a history lesson. You've heard from it. So let me leave you with a couple of questions. Why are we doing this? What is different now than was the case in 2002? What has happened now? We saw this resolution come forward as one of the first resolutions from the new mayor. And it mentioned two things. It mentioned safety and it mentioned bringing local people down to the plaza. You've heard from a lot of local people today. I don't have to speak for them. They've spoken for themselves.

Safety - we've had a few incidents on the Plaza over the period I've lived here. Sorry, I'm not a local. I apologize. I've only been here 25 years. But they've been few and far between. One of the remedies for safety was to put more police on the Plaza. I have to tell you that a week ago I sat in the First National Bank building in a meeting looking out on the Plaza and saw three police officers mostly for that two hours sitting on the corner of Palace and Lincoln on their bikes talking with each other, sometimes joined by one or two safety aides. It wasn't their fault they were doing what they were told to do by the department. But I can't say it made me feel any more safe. I can't say that it made anybody feeling more safe. There are some safety issues on the Plaza that weren't there 12 years ago.

Closing the plaza won't make those issues better; it's going to make them worse. Because if you've got more room to hang around, or room to have street performance, or room to have people panhandling, the things that make people feel unsafe, it's going to be worse. And what's really going to help - and the police have talked about this in the meetings on the buskers and also in the business and quality of life meeting. If you want to make things more safe, you write laws that give the police the power to get rid temporarily of the people who are causing the problems.

If those two things are not what we are considering this now been the other thing we've heard about are the young creatives - people who want to come down to the Plaza and do things. And we've heard about food trucks, street performers of various kinds, we've heard about riding bicycles, which might be okay. We've heard about a lot of things. But if you look at a survey done by CVB, one of the things that it showed was that all age groups were looking for authenticity. And what we need on the Plaza is authenticity that is authentic to Santa Fé. Not what they do in San Francisco or New York or San Miguel Allende but what's authentic for Santa Fé. And I think the people of Santa Fé have stood up here tonight as they stood up here 12 years ago to say what they feel is authentic to the. And that is something I think you need to take that into account both for the sake of the locals and the sake of the tourists who are looking for something real and not fake and not manufactured.

My name is Jeff Green. I'm not sure I have too much more to add to the discussion we've had so far. I do support closing the plaza to vehicle traffic. I don't drive a car. I ride a bicycle. I'm not at the Plaza every day but when I do go down there I often do see unsafe behavior by drivers. Sometimes there is a lot of people, a lot of pedestrian traffic. Sometimes there's not but when there is I've seen drivers who don't wait for the people to cross the street. They become impatient and maybe you're going too fast. So I think that is a huge concern. I've been in Santa Fé for a couple of years. I've traveled around the country. I've been to some places around the world. All of my favorite cities do have an open air pedestrian promenade. A great example is Boulder Colorado has Fall Street and if you've ever been to Boulder you know it is a very vibrant place for tourists. There's all kinds of people hanging out there - different kinds of stores. Santa Fé, unfortunately, has greatly reduced the diversity and vibrancy of our downtown Plaza area in the last couple of decades and has cared more and more to tourists. But I think closing the Plaza to traffic would be good for tourism and it would also be good for the locals. I think it would be good to test it out.

My name is Ezra Leyba and this is my daughter Lillian Leyba. We live here in Santa Fé and we go down to the plaza on special occasions when the Plaza's closed. And I think we would go more often if it was closed to experience the Plaza. I would feel better about it.

We were in New Orleans last fall and we walked around there and the reason I brought Lillian up is that she wanted to tell you one of her favorite things about being in New Orleans. Lillian said it was the horses. They had horse drawn carriages and it was really cool and like to see something like that here in Santa Fe.

There were no other speakers in the public hearing.

Chair Trujillo closed public hearing at 7:01 p.m. and he thanked everyone for speaking up.

Before moving on, he read the proposed amendments to the resolution the Mayor had offered.

1. On page 3, delete lines 15-17 and insert in lieu thereof, "Whereas, in an effort to enhance the enjoyment and beauty of the Plaza area, the Governing Body desires to restrict vehicular traffic in the Plaza, annually from the observed Memorial Day to Monday following the annual Fiesta de Santa Fé weekend; and Whereas, additionally, the Governing Body desires to increase public safety presence in the Plaza and the Plaza periphery area."
2. On page 4, delete lines 1-3 and insert in lieu thereof: "(b) Annually, from the observed Memorial Day to the Monday following the annual Fiesta de Santa Fé weekend, the closure of Lincoln Ave., San Francisco Street and Old Santa Fé Trail."
3. On page 4, line 13, insert the following: "(c) The number of public safety incidents that occurred in relation to the increased public safety presence in the Plaza area."

Councilor Bushee asked if this had gone or would go to the Mayor's Committee on Disabilities.

Mr. Pino said it wasn't on the meeting schedule.

Councilor Bushee asked that it be on the schedule. She enjoyed the comments.

She was one of the main people that wanted to see it closed in 2002 and managed to get enough votes to try it for four months. Why we were seeing what we see on the Plaza now was because every attempt, and Councilor Dimas could talk about an earlier attempt to have it closed in 1984. Why you see the Plaza opened again was that it had not really worked for a variety of reasons. The plaza has always been our center of commerce. He was a strong advocate back then, saying it was cleaner. They did have that accident just off the Plaza where a woman was killed and it raised a lot of concerns. They also had the concerns of the fumes for the folks then that vended under the Palace of the Governors Portal. And after the former closure they saw again that a task force was created and the folks that came together were very thoughtful in their approach and they convinced her at the time. She thought it was a great thing to try. But the plaza still has to function and must allow some traffic. She would be willing to look at it. She would like to see the sidewalk cafés were feasible.

They might look at Lincoln Avenue also for closing at least in the evenings for bandstand and other events. She liked the thought of expanding the idea of the Plaza. There were lots of good comments tonight that she liked.

She had been here just over thirty years and watch the Plaza Rats hang out on the Plaza for a while and then they moved on to other places. The Railyard was supposed to be the next vibrant center for the people. She brought COMMunity Day forward.

She had been on the Council two thirds of her time in Santa Fe. She thought there was some room for compromise but didn't see it as much for just being in the summer. Perhaps with two streets like San Francisco and Old Santa Fé Trail open they could still have good flow. She would like to see more parking. She had been an advocate of the Plaza bandstand and getting the funds for that to happen. She was open to new ideas but learned her lesson in 2002 as far as radical change and what that would really mean.

When Las Cruces closed their plaza they killed their business downtown.

She also didn't want to see the Plaza just be for tourists buying expensive things downtown have it not the same as locals coming downtown.

She noted that just changing a blade of grass on the plaza brings out everybody. A landscape guy had some great ideas for landscaping with corn beds and places where people could sit. She hated it when they had the jail cells as protectors of the grass. They were expensive and unattractive.

Palace was already closed and the changes to Old Santa Fé Trail were based on concerns for safety... The resolution was an interesting mix because it said it was to bring people down on the Plaza and encourage economic development. She would love to see food trucks all the time like the old fiestas and have food there.

Councilor Dominguez said it was obvious this legislation needed some work. To clarify, on the sheet for the calendar of events, he asked if the dates that were blank were open to traffic.

Mr. Pino said no - this was just to show the calendar of events that were already scheduled to take place and with no events, it was open.

Councilor Dominguez understood the way the policy was right now, it was open for traffic. The Plaza was open. He felt the way this resolution was written, it was almost as if they were doing things backwards. It asked for an analysis of economic development impact of the street closures. He asked what would happen at that impact came back negative. There was a lot of political damage from this no matter what position we take.

It almost seemed as though they were doing some of that backwards and didn't know how they could determine the economic impact ahead of time. He said the resolution was to make it so that the Plaza was economically viable and successful without necessarily hurting many of the people who do use the Plaza for cruising. But it was not clearly articulated in this piece of legislation. Line 1 on page 4 would bring a lot of the heartburn to a lot of people - the closure of Lincoln, San Francisco and Old Santa Fé Trail. One option was that it would be heard at the next Finance meeting and let the Mayor try some different language and be brought back to Public Works. Councilor Dimas and Councilor Bushee were not on Finance.

Councilor Dimas said he had some ideas too, back in 1984. The Council did close the Plaza back then. He was the Police Commissioner at the time. They close it because a lot of younger people who wanted

vibrancy there but they had a lot of younger people who were cruising and providing lots of traffic jams downtown because the young people had nothing else to do. It was a real safety issue back then. They ran an experiment to see how long an emergency vehicle would take to get to La Fonda on a Friday or Saturday night. So they supposedly had a man having a heart attack and it took 20 minutes to get an emergency vehicle there so they closed the Plaza. Haagen Dazs really complained early on but appreciated it later. Later it was reopened and he thought he would never see the issue again in his lifetime.

As a lifetime 4th generation resident, he noted that Santa Fe High School was once located right here at City Hall and high school students walked to the Plaza all the time and it was an enjoyable time. And it was all locals back then. He thought they were premature with this resolution and even though he was a cosponsor in this right now, it would be very difficult right now to continue to support it the way it was now written. He thought it needed a lot more work on it.

Councilor Rivera and thanked everyone who came out to speak tonight, regardless of which position they were taking. Everyone cares about the plaza and it was a great place to congregate. He had been here since 1984. The only thing that brought locals back to the Plaza were the events. Since then, the grass became a big issue and that event was moved to Ashbaugh Park where it slowly deteriorated. The only way to bring local people back to the Plaza is to provide more events for locals on free weekends. Most of the Arts and Crafts events were good events but not really free and didn't have much for the kids to do during that time.

He was not sure this plan had been fully thought out. ADA needed to be looked at. So he would support this going back to the Mayor's Committee on Disability and entertain different ideas than were now proposed now even with the amendments.

Councilor Dominguez moved to take no action on this item at this point. It was already scheduled to go to Finance and that it go to the Mayor's Committee on Disability and then come back to Public Works Committee. Councilor Rivera seconded for discussion.

Councilor Dominguez commented that what it came down to was safety - how to make the Plaza safe and also an attractive venue for everyone. Part of the discussion needed to be what the public safety plans were. Were they going to keep an officer on the Plaza all the time - what that safety plan would be and what the traffic plan would be. There was work that needed to be done on this. It was an opportunity for the Council and the Mayor to take a position that was closer to what everyone could deal with.

Chair Trujillo agreed the plaza was very important. The Plaza was for everybody. He remembered cruising there. He was probably the only Councilor who rode a motorcycle. He and his wife cruised around and walked around it. The Plaza was a special place for them to.

How we get people to the plaza was the question. Baseball brings him downtown. He ate downtown and then watched the baseball game. The Plaza belonged to everybody and we want to protect the Plaza. This resolution was not ready. Most who spoke were against closing it. With this motion it would have the

discussion at Finance and Committee on Disabilities and then come back to Public Works.

Councilor Bushee asked that Finance consider whether bicyclists would be allowed on the plaza. She had once heard some people say kick out the skate boarders and kick out the bicyclists. Vibrancy discussion should not just revolve around parking. She felt they came at it backwards by airing at street traffic first. She said they did have a horse drawn carriage and found it was not economically viable. The discussion should be expanded. The bandstand folks were considering a food truck and it would support the bandstand music. Those were things to put in the mix.

Chair Trujillo asked her to come up with a list for the Finance Committee. He reminded them if closed, they would have barricades up to consider if someone had a heart attack on the Plaza.

Mr. Pino said the barricades proposed were such that a movable bollard or chain could be pulled out of the way for emergency access.

Chair Trujillo said last week they closed the bandstand and he understood the reasons but didn't want to stop seeing a child going to the bandstand and having their own concert. There were things we should not be discouraging.

Mr. Pino said park workers needed to be available also.

The motion to forward with no action passed by unanimous voice vote.

16. 2014 CIP BOND ISSUE

- **REQUEST FOR APPROVAL OF THE CIP FUNDING OPTION A FOR \$16 MILLION (ISAAC PINO)**

Committee Review:

Finance Committee (Scheduled)
Council (Scheduled)

05/05/14
05/14/14

Mr. Pino said ever since 2006, Santa Fé has had a CIP bond every other year to have financing for capital projects. For 2007-2008, the CIP was combined into both capital projects and some O & M costs that could no longer be covered by the general fund. So every two years there has been a bond when there was not the ability to service the debt because things were economically that bad. In March 2012 bonds were sold so that the city could proceed with capital projects and with O & M projects. What was being proposed now was the 2014 bond in the amount of \$16 million with a purpose very similar to what it had done in the past. He included for the committee's consideration recommendations broken into categories and referred to the exhibit right behind the memos.

The first category with a budget of \$12.091 million were the regular operation and maintenance costs including things like street repaving, dirt road maintenance, traffic signals, sharrows and things the city had

Item B



**Business Survey Report
CBQL
June 11, 2014**

Business Survey Overview

- ◆ The Business Survey was developed due to a lack of response from SF businesses to participate in a Mexican Trade Mission sponsored by NM Trade Office.
- ◆ The survey contains 21 questions and to elicit responses on business climate and international exporting.
- ◆ The survey was sent to approximately 7,000 businesses from Jan 1 – Mar 31, 2014 in the City business renewal notice and email blasts.
- ◆ Eighty-three businesses responded and completed all or parts of the survey.

Composition of Survey Questions

- ◆ Survey Monkey was used to capture survey responses.
- ◆ Ten questions about company.
- ◆ Six questions on exporting.
- ◆ Five questions on business climate.



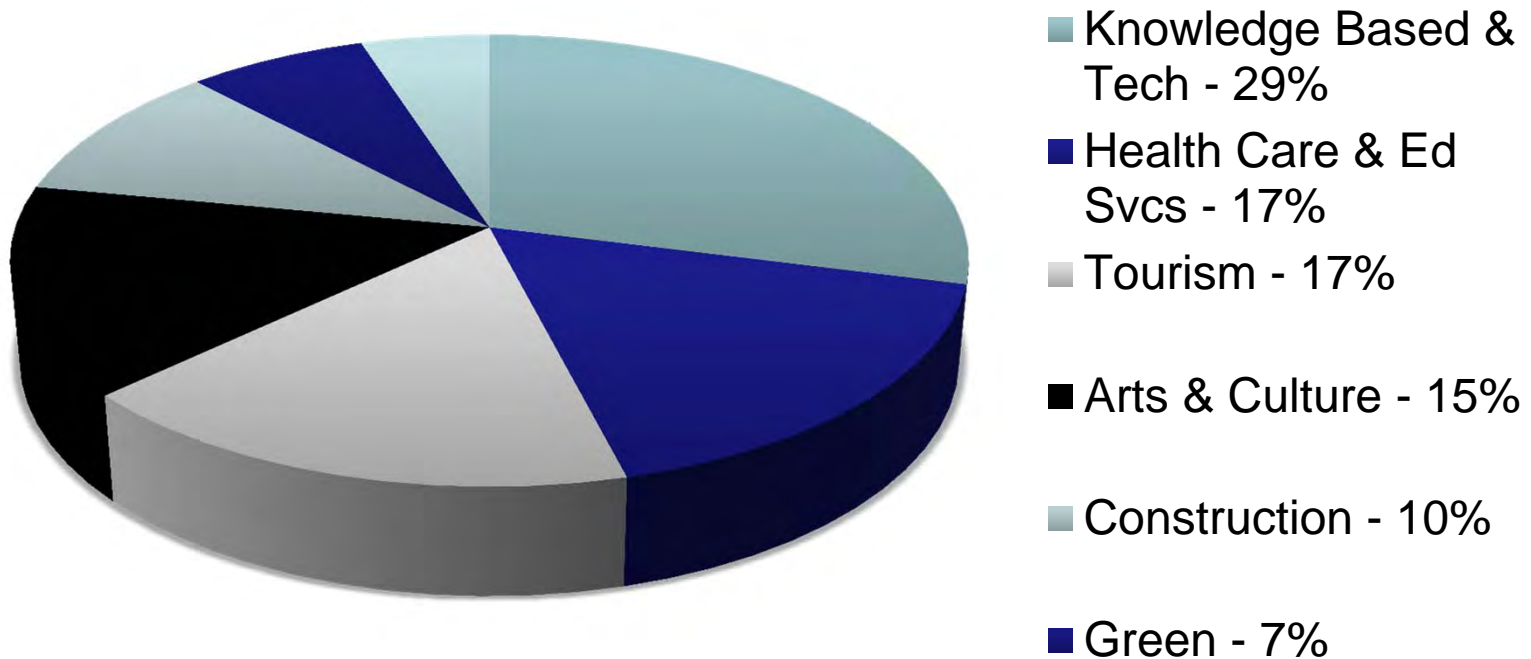
General Survey Results

- ◆ 83 total responses.
- ◆ 75 responses to export questions.
- ◆ 69 responses to business climate questions.
- ◆ 39 responses to exporting questions.
- ◆ Very low response rate.



Profile of Businesses by Industry

Percent



Business Survey Results

◆ Where majority of business comes from:

- Local – 57%
- Outside of City & Statewide – 13%
- National – 26%
- International – 5%

◆ Number of Employees

- 0-4 - 61%
- 5-20 – 21%
- 21-49 - 12%
- 50-249 – 6%

◆ Current Business Environment:

- Stable but not hiring – 74%
- Hiring - 17%
- Downsizing – 9%

Exporting Results

◆ Have you ever sold to customers outside of US?

- Yes – 40%
- No – 60%

◆ Main barriers to exporting (47 responses)

- Don't know about exporting – 36%
- No goods or services exportable – 38%
- Too much time from domestic sales – 23%
- No financing, IP, too costly – 3%

◆ Interested in selling Internationally (70 responses)

- Yes – 59%
- No – 41%



Business Climate Results

Rate Santa Fe's Business Environment (70 responses)

- Excellent – 3%
- Above Avg – 14%
- Fair - 49%
- Below Avg – 24%
- Poor – 10%

Barriers to Growing Business

- ❖ Qualified Employee Base
- ❖ Business Regulations –
“red tape” – permitting,
licensing & impact fees.
- ❖ High Living Wage.
- ❖ High cost of living –
labor and real estate.

Improving Local Economy

- More marketing and promoting of Santa Fe: tourism, recruitment & ED programs.
- Cut Red Tape - reduce regulation – one stop business licensing, streamlined permitting and more business ombudsman services.
- Buy Local for City Procurement
- Lower GRT Taxes
- Stabilize living wage Increases
- Improve infrastructure – roads, electric & broad band.

Summary

- Business survey respondents appreciated being asked their opinion.
- Improve export educational services to increase exporting.
- More marketing, less “red tape”, improved employee base, lower taxes and stabilized living wages will improve economy & reduce barriers to growth.
- Need more participation in business survey.

Thank You!

Questions and Answers?



BUSINESS LICENSING AND REGISTRATION Business Survey

Company Information

Company Name: _____

Business Contact: _____

Phone: _____ Email: _____ Website: _____

Company Product or Service: _____

Please describe the business activities: _____

Number of years in business: _____ Start-up: _____ Year Established _____

Which of the following best describes the industry or sector in which your business operates?

Arts & Culture

- 315 Apparel Mfg (weaving, sewing & fabric crafts)
- 316 Leather & Allied Product Mfg (Leather crafts)
- 321 Wood Product Mfg (furniture, wood crafts)
- 326 Plastics and Rubber Products Mfg (sculptures)
- 331 Primary Metal Mfg
- 339 Misc Mfg (jewelry, tin, copper & other crafts)
- 711 Performing Arts, Spectator Sports & Related Industries
- 712 Museums, Historical Sites & Similar Inst.
- 713 Amusement, Gambling & Recreation Industries

Knowledge Based & Technology

- 334 Computer and Electronic Product Mfg (computer hardware mfg,
- 423 Merchant Wholesalers, Durable Goods (computer software, hard ware, & tech products)
- 518 Data Processing, Hosting & Related Svcs (IT and web design)
- 523 Securities, Commodities & Other Financial Investment Related Activities
- 524 Insurance Carriers and Related Activities
- 541 Professional, Scientific & Technical Svcs (Biotech, Life Sciences, legal svcs, software, professional svcs)

Green

- 221 Utilities (solar, wind, biomass power generation)
- 238 Specialty Trade Contractors (window & environ. systems installers)
- 236 Construction of Buildings (LEED certified)
- 333 Machinery Manufacturing (wind turbine mfg)

- 334 Computer and Electronic Product Mfg (solar panels)
- 335 Electrical Equipment, Appliance & Component Mfg (solar components)
- 423 Merchant Wholesalers, Durable Good (solar, wind, turbines)
- 541 Professional, Scientific & Technical Svcs (environmental and renewable energy)

Media

- 511 Publishing Industries (Except Internet) (print media)
- 512 Motion Picture & Sound Recording Industries (film & tv production & distribution)
- 515 Broadcasting (television)
- 519 Other Information Services (internet publishing & broadcasting)

Tourism

- 721 Accommodations (hotels, motels, B&Bs)
- 722 Food Services & Drinking Places (restaurants & bars)
- 453 Miscellaneous Store Retailers (art galleries, gift shops)

Construction _____ (Please specify)

Manufacturing _____ (Please specify)

Retail _____ (Please specify)

Wholesale and Distribution _____ (Please specify)

Where do you sell the majority of your product (s) or service (s):

Local ___% Outside of City ___% State ___% National ___% International ___%

How many people does your business or organization employ?

- 0-4 Employees
- 5-20 Employees
- 21-49 Employees
- 50-249 Employees
- 250-499 Employees
- 500 or more Employees

What was your total payroll for the most recent fiscal year?

- Less than \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1 Million
- \$1 - \$5 Million
- \$5 - \$25 Million
- More than \$25 Million

Number of jobs added or lost within the past 12 months (please include part-time as fractions, i.e. ½, ¼) _____.

Current Business Environment: Hiring ___ Stable but not hiring ___ Downsizing ___

(If downsizing would you like us to contact you ___ yes ___ no)

Exporting

Please rank each of the following benefits of exporting in order of how important they are or would be to your business, with #1 being the most important and #3 being the least important.

- Increased Sales and Profits
- Diversified and expanded customer base
- Provide increased stability in light of U.S. economic difficulties

Have you ever sold merchandise or services to a customer outside of the United States?

- Yes No

What kind of merchandise or services have you sold to a customer outside the United states?

- Services Only Goods Only Goods & Services

What do you consider the main barrier to selling your goods and/or services to foreign customers? (Check all that apply)

- Don't know much about it and not sure where to start
- I don't have goods and/or services that are exportable
- I'd worry too much about getting paid
- Too costly
- Lengthiness & time consumption of obtaining visas and work permits
- Insufficient protection of intellectual property rights
- Can't get financing to offer foreign customers
- It would take too much time away from my regular, domestic sales
- Other (Please Specify) _____

Would you be interested in selling merchandise or services to a foreign customer in the future, if some of your concerns could be addressed?

- Yes No

Which of the following government exporting programs have you heard of? (Check all that apply)

- U.S. Trade Representative's Office
- NM Office of International Trade

- U.S. Department of Commerce export assistance
- NM Office of International Trade export assistance
- Trade Missions
- U. S. Department of Commerce Gold Key Program
- SBA export lending programs
- U.S. Export-Import (Ex-Im) Bank financing

Business Climate

How would you rate the business environment? On a scale of 1-5 (where 1=poor and 5=excellent – select one)

- Excellent Above Avg Fair Below Avg Poor

What can the City do to improve the local business environment?

What barriers exist in Santa Fe to maintain or grow your business?

Are you familiar with the services offered by Business Ombudsman’s Office?

- Yes No

The Business Ombudsman’s Office is the hub for business services, providing assistance in the licensing and permitting processes; starting a business and helping you to access key business resources such as incentives, location assistance, financing, workshops and much more.

Would you like the Business Ombudsman’s Office to contact you regarding business resources for a confidential business consultation?

- Yes No

Consent Agenda

Item A

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-__ Taxpayer Empowerment Policies

SPONSOR(S): Councilors Dominguez and Rivera

SUMMARY: Taxpayer empowerment policies are put in place to keep taxpayers informed about privatized/outsourced services that their taxpayer dollars are paying for. Such policies promote transparency, accountability, shared prosperity and competition.

The proposed resolution directs staff to:

- Study the provisions of the attached *Taxpayer Empowerment Agenda* and make recommendations to the Governing Body on taxpayer empowerment policies;
- Determine whether the City has such policies, rules or laws in place and if so whether they need to be amended and if the City does not have such policies in place, then explore the feasibility for implementing such policies, rules or laws; and
- Report its findings, recommendations and proposed fiscal impact to the Governing Body within 90 days of the adoption of this resolution.

PREPARED BY: Melissa Byers, Legislative Liaison

FISCAL IMPACT: No

DATE: June 5, 2014

ATTACHMENTS: Substitute Resolution
Original Resolution & Amendment Sheets
FIR
Taxpayer Empowerment Agenda

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014- ____

INTRODUCED BY:

~~Councilor Carmichael Dominguez~~

Councilor Chris Rivera

A RESOLUTION

DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY AND COMPETITION.

WHEREAS, state and local governments across America are handing over control of critical public services and assets to corporations that promise to handle them better, faster and cheaper – this is known as “privatization”; and

WHEREAS, in general, privatization involves handing over control of public functions to private companies; and

WHEREAS, municipalities have historically provided basic services, from waste and sanitation services to street repair to the maintenance of parks and libraries; and

WHEREAS, since the 1980s, the privatization or contracting out of public municipal services has gained popularity; and

WHEREAS, many cities experiencing budget crises look to the private sector to take over

Substitute Resolution with Dominguez and Ives Amendments Incorporated

1 public services, theoretically at a lower cost; and

2 **WHEREAS**, in the City of Santa Fe, the City has privatized certain services such as
3 administration of the Alarm Ordinance, STOP Ordinance, security services throughout the City
4 buildings and also contracts out a large portion of information technology related software, hardware
5 and related maintenance; and

6 **WHEREAS**, on the whole, the City has not privatized the majority of its functions and/or
7 assets; and

8 **WHEREAS**, the City of Santa Fe, unlike other cities in the United States, owns, maintains
9 and operates its water system, library, recreation centers, parks and city buildings; and

10 **WHEREAS**, too often privatization and outsourcing not only fails to keep the promise of
11 handling public services and assets better, faster and cheaper, but undermines transparency,
12 accountability, shared prosperity and competition - the underpinnings of democracy itself; and

13 **WHEREAS**, privatization or outsourcing services may cause the following circumstances:

- 14 ○ A privatized industry is most concerned with profit, so while initial benefits to the
15 consumer may occur, the industry may not be induced to keep prices low;
- 16 ○ The competition fostered in privatized industries may result in questionable business
17 practices;
- 18 ○ Decrease in quality of service may result from private industry trying to cut costs to make
19 a profit;
- 20 ○ Taxpayers have very little say over how tax dollars [~~are~~] spent are allocated and
21 reported and no say many on actions taken by private companies that control our public
22 services; and
- 23 ○ Taxpayers cannot vote out executives who make decisions that hurt public health and
24 safety; and
- 25 ○ Taxpayers are contractually stuck with a monopoly run by a single corporation -- often

Substitute Resolution with Dominguez and Ives Amendments Incorporated

1 for decades; and

- 2 ○ A race to the bottom for the local economy, as wages and benefits fall while corporate
3 profits rise; and

4 [~~*WHEREAS, in general, the arguments for privatization of government resources or*~~
5 ~~*functions to private business are as follows:*~~

- 6 ○ ~~*Government run industries cost more because they have larger bureaucracies;*~~
7 ○ ~~*Government run industries leave people with little choice in the market place; and*~~
8 ○ ~~*Privatizing an industry fosters competition in the market place, which usually results in*~~
9 ~~*lower prices and greater choices for the consumer; and]*~~

10 **WHEREAS**, *In the Public Interest* (“IPI”) is a comprehensive resource center that focuses on
11 privatization and responsible contracting by state and local governments; and

12 **WHEREAS**, the *Taxpayer Empowerment Agenda* is a project of IPI and is crafted to help
13 taxpayers reclaim control of their democracy by proposing various policies related to transparency,
14 accountability, shared prosperity and competition; and

15 **WHEREAS**, IPI helps state and local lawmakers champion these proposals and policies that
16 will stand on the side of taxpayers; and

17 *WHEREAS, the New Mexico Accountability in Government Act, Section 6-3A-1 et seq.*
18 *NMSA 1978 (“NMAG Act”) requires all state agency contracts to have performance measures in*
19 *accordance with the NMAG Act; and*

20 *WHEREAS, the State Appropriations Act contains performance based budgeting; and*

21 *WHEREAS, as defined in the NMAG Act:*

- 22 • *“outcome” means the measurement of the actual impact or public benefit of a program;*
23 • *“output” means the measure of the volume of work completed or the level of actual*
24 *services or products delivered by a program;*
25 • *“performance-based program budget” means a budget that identifies a total allowed*

Substitute Resolution with Dominguez and Ives Amendments Incorporated

1 expenditure for a program and includes performance measures, performance standards
2 and program evaluations;

- 3 • "performance measure" means a quantitative or qualitative indicator used to assess the
4 output or outcome of an approved program;

- 5 • "performance target" means the expected level of performance of a program's
6 performance measures; and

- 7 • "program" means a set of activities undertaken in accordance with a plan of action
8 organized to realize identifiable goals and objectives based on legislative authorization;
9 and

10 **WHEREAS**, the Governing Body desires for the City of Santa Fe to become a local
11 government with taxpayer empowerment policies in place in order to keep the taxpayers of the city of
12 Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

13 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
14 **CITY OF SANTA FE** that staff is directed to:

- 15 1. Study the provisions of the *Taxpayer Empowerment Agenda* and make
16 recommendations to the Governing Body on the following taxpayer empowerment
17 policies:

18 A. Transparency

- 19 • Regularly post online how much taxpayers are spending on private
20 contracts and how many workers are employed by those contracts -
21 the same way government must report these things for public work.
22 • [Require] With the exception of no bid contracts and with respect to
23 taxpayer funded projects, require any company being paid with tax
24 dollars to open its books and meetings to the public, just as
25 government does.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

B. Accountability

- Ensure that every contract [~~allows for~~] subject to regular audits and oversight[~~, and agencies~~] have sufficient agency staffing levels to adequately oversee contracts to make sure taxpayers are getting what they pay for.
- Ensure that every contract includes language that allows government to cancel the contract if the company doesn't live up to its promises of quality and cost savings.
- [~~Prohibit any company that has evaded taxes or broken the law from taking over public services~~] Ensure that potential City contractors are disbarred or suspended from bidding on a contract for taking over public services, if the bidder has violated federal or state tax laws, pursuant to Section 27.2(c) of the City of Santa Fe Purchasing Manual.
- Require a thorough cost analysis of all bids and guarantee taxpayers a minimum 10 percent savings before any service is privatized.

C. Shared Prosperity

- Require companies that privatize public services to pay their employees [~~a living wage and provide reasonable benefits~~] wages and benefits that in total compensation, are no less than what their equivalent public sector employees receive.
- [~~Require a~~] When prioritization is proposed, require an independent study to determine how privatization would affect the larger community and post the results online before any contract is signed.

D. Competition

Substitute Resolution with Dominguez and Ives Amendments Incorporated

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- In accordance with state law, and City ordinances, require competitive bidding when a contract is up.
- Ban contract language that guarantees company profits
- ~~[Ensure]~~ When privatization is proposed, ensure that public service workers have the opportunity to submit their own plan to save money and provide quality services.

2. Determine whether the City has such policies, rules or laws in place and if so whether they need to be amended and if the City does not have such policies in place, then explore the feasibility for implementing such policies, rules or laws, including requirements that all RFPS and contracts of the City shall have performance measures that set forth the outcome and output of the contract.

3. Report its findings, recommendations and proposed fiscal impact to the Governing Body within 90 days of the adoption of this resolution.

PASSED, APPROVED, and ADOPTED this ___ day of _____, 2014.

ATTEST: _____ JAVIER M. GONZALES, MAYOR

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Justine for 6/15/14
KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

M/Melissa/Resolutions 2014/Taxpayer Empowerment w_ amendments

**ORIGINAL RESOLUTION
WITH
AMENDMENT SHEETS**

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2014-___
Taxpayer Empowerment

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2014-___ :

1. On page 2, line 20, *delete* "are"
2. On page 2, line 20, after "spent" *insert* "are allocated and reported"
3. On page 2, line 20 after "on" *insert* "many"
4. On page 3, *delete* lines 3-8
5. On page 4, line 3, *delete* "Require" and *insert* "With the exception of no bid contracts and with respect to taxpayer funded projects, require" in lieu thereof
6. On page 4, line 4, *delete* "and meetings"
7. On page 4, line 6, *delete* "allows for" and *insert* "subject to" in lieu thereof
8. On page 4, line 6, *delete* "audit" and *insert* "audits" in lieu thereof
9. On page 4, lines 6-7, *delete* "and agencies"
10. On page 4, line 7, after "sufficient" *insert* "agency"
11. On page 4, *delete* lines 12-13 and *insert* the following, in lieu thereof:
"Ensure that potential City contractor are disbarred or suspended from bidding on a contract for taking over public services, if the bidder has violated federal or state tax laws, pursuant to Section 27.2(c) of the City of Santa Fe Purchasing Manual"
12. On page 4, line 18, *delete* "a living wage and provide reasonable benefits" and *insert*, in lieu thereof "wages and benefits that in total compensation, are no less than what their equivalent public sector employees receive"
13. On page 4, line 19, *delete* "Require a" and *insert* "When privatization is proposed, require an independent" in lieu thereof
14. On page 5, line 1, *delete* "Ensure" and *insert* "When privatization is proposed, ensure" in lieu thereof

Respectfully submitted,

Councilor Carmichael Dominguez

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2014-___
Taxpayer Empowerment Policies

Mayor and Members of the City Council:

I propose the following amendment(s) to Resolution No. 2014-___:

1. On page 3, line 16, *insert* the following:

“WHEREAS, the New Mexico Accountability in Government Act, Section 6-3A-1 et seq. NMSA 1978 (“NMAG Act”) requires all state agency contracts to have performance measures in accordance with the NMAG Act; and

WHEREAS, the State Appropriations Act contains performance based budgeting; and

WHEREAS, as defined in the NMAG Act:

- “outcome” means the measurement of the actual impact or public benefit of a program;
- “output” means the measure of the volume of work completed or the level of actual services or products delivered by a program;
- “performance-based program budget” means a budget that identifies a total allowed expenditure for a program and includes performance measures, performance standards and program evaluations;
- “performance measure” means a quantitative or qualitative indicator used to assess the output or outcome of an approved program;
- “performance target” means the expected level of performance of a program's performance measures; and
- “program” means a set of activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives based on legislative authorization; and”

2. On page 5, line 5, after “laws”, insert the following:

“including requirements that all RFPS and contracts of the City shall have performance measures that set forth the outcome and output of the contract”

Respectfully submitted,

Councilor Peter Ives

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

Yolanda Y. Vigil, City Clerk

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-____

3 INTRODUCED BY:

4
5 Councilor Carmichael Dominguez

6 Councilor Chris Rivera

7
8
9
10 A RESOLUTION

11 DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER
12 EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT
13 WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY
14 AND COMPETITION.

15
16 WHEREAS, state and local governments across America are handing over control of critical
17 public services and assets to corporations that promise to handle them better, faster and cheaper – this
18 is known as “privatization”; and

19 WHEREAS, in general, privatization involves handing over control of public functions to
20 private companies; and

21 WHEREAS, municipalities have historically provided basic services, from waste and
22 sanitation services to street repair to the maintenance of parks and libraries; and

23 WHEREAS, since the 1980s, the privatization or contracting out of public municipal
24 services has gained popularity; and

25 WHEREAS, many cities experiencing budget crises look to the private sector to take over

1 public services, theoretically at a lower cost; and

2 **WHEREAS**, in the City of Santa Fe, the City has privatized certain services such as
3 administration of the Alarm Ordinance, STOP Ordinance, security services throughout the City
4 buildings and also contracts out a large portion of information technology related software, hardware
5 and related maintenance; and

6 **WHEREAS**, on the whole, the City has not privatized the majority of its functions and/or
7 assets; and

8 **WHEREAS**, the City of Santa Fe, unlike other cities in the United States, owns, maintains
9 and operates its water system, library, recreation centers, parks and city buildings; and

10 **WHEREAS**, too often privatization and outsourcing not only fails to keep the promise of
11 handling public services and assets better, faster and cheaper, but undermines transparency,
12 accountability, shared prosperity and competition - the underpinnings of democracy itself; and

13 **WHEREAS**, privatization or outsourcing services may cause the following circumstances:

- 14 ○ A privatized industry is most concerned with profit, so while initial benefits to the
15 consumer may occur, the industry may not be induced to keep prices low;
- 16 ○ The competition fostered in privatized industries may result in questionable business
17 practices;
- 18 ○ Decrease in quality of service may result from private industry trying to cut costs to make
19 a profit;
- 20 ○ Taxpayers have very little say over how tax dollars are spent and no say on actions taken
21 by private companies that control our public services; and
- 22 ○ Taxpayers cannot vote out executives who make decisions that hurt public health and
23 safety; and
- 24 ○ Taxpayers are contractually stuck with a monopoly run by a single corporation -- often
25 for decades; and

- 1 o A race to the bottom for the local economy, as wages and benefits fall while corporate
2 profits rise; and

3 **WHEREAS**, in general, the arguments *for* privatization of government resources or functions
4 to private business are as follows:

- 5 o Government run industries cost more because they have larger bureaucracies;
6 o Government run industries leave people with little choice in the market place; and
7 o Privatizing an industry fosters competition in the market place, which usually results in
8 lower prices and greater choices for the consumer; and

9 **WHEREAS**, *In the Public Interest* (“IPI”) is a comprehensive resource center that focuses on
10 privatization and responsible contracting by state and local governments; and

11 **WHEREAS**, the *Taxpayer Empowerment Agenda* is a project of IPI and is crafted to help
12 taxpayers reclaim control of their democracy by proposing various policies related to transparency,
13 accountability, shared prosperity and competition; and

14 **WHEREAS**, IPI helps state and local lawmakers champion these proposals and policies that
15 will stand on the side of taxpayers; and

16 **WHEREAS**, the Governing Body desires for the City of Santa Fe to become a local
17 government with taxpayer empowerment policies in place in order to keep the taxpayers of the city of
18 Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

19 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
20 **CITY OF SANTA FE** that staff is directed to:

- 21 1. Study the provisions of the *Taxpayer Empowerment Agenda* and make
22 recommendations to the Governing Body on the following taxpayer empowerment
23 policies:

- 24 A. Transparency
25 • Regularly post online how much taxpayers are spending on private

1 contracts and how many workers are employed by those contracts -
2 the same way government must report these things for public work.

- 3 • Require any company being paid with tax dollars to open its books
4 and meetings to the public, just as government does.

5 **B. Accountability**

- 6 • Ensure that every contract allows for regular audit and oversight, and
7 agencies have sufficient staffing levels to adequately oversee
8 contracts to make sure taxpayers are getting what they pay for.
- 9 • Ensure that every contract includes language that allows government
10 to cancel the contract if the company doesn't live up to its promises
11 of quality and cost savings.
- 12 • Prohibit any company that has evaded taxes or broken the law from
13 taking over public services.
- 14 • Require a thorough cost analysis of all bids and guarantee taxpayers
15 a minimum 10 percent savings before any service is privatized.

16 **C. Shared Prosperity**

- 17 • Require companies that privatize public services to pay their
18 employees a living wage and provide reasonable benefits.
- 19 • Require a study to determine how privatization would affect the
20 larger community and post the results online before any contract is
21 signed.

22 **D. Competition**

- 23 • In accordance with state law, and City ordinances, require
24 competitive bidding when a contract is up..
- 25 • Ban contract language that guarantees company profits.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- Ensure that public service workers have the opportunity to submit their own plan to save money and provide quality services.

2. Determine whether the City has such policies, rules or laws in place and if so whether they need to be amended and if the City does not have such policies in place, then explore the feasibility for implementing such policies, rules or laws.

3. Report its findings, recommendations and proposed fiscal impact to the Governing Body within 90 days of the adoption of this resolution.


PASSED, APPROVED, and ADOPTED this ___ day of _____, 2014.

JAVIER M. GONZALES, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

**City of Santa Fe
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

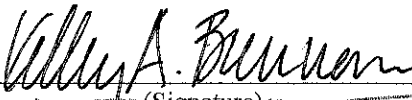
(Check) Bill: _____ Resolution: X
(A single FIR may be used for related bills and/or resolutions)

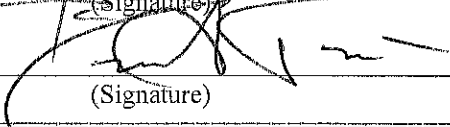
Short Title(s): **DIRECTING STAFF TO EXPLORE POTENTIAL CITY OF SANTA FE TAXPAYER EMPOWERMENT POLICIES RELATED TO OUTSOURCED CITY SERVICES THAT WOULD PROMOTE TRANSPARENCY, ACCOUNTABILITY, SHARED PROSPERITY AND COMPETITION.**

Sponsor(s): Councilor Dominguez and Councilor Rivera

Reviewing Department(s): City Attorney's Office

Person Completing FIR: Rebecca Seligman Date: 3/27/14 Phone: 955-6501

Reviewed by City Attorney:  Date: 3/27/14
(Signature)

Reviewed by Finance Director:  Date: 3/27/14
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The purpose of the resolution is to explore potential City of Santa Fe taxpayer empowerment policies related to outsourced City services that would promote transparency, accountability, shared prosperity and competition.

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

X Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY 13/14	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY 14/15	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 13/14	"R" Costs Recurring or "NR" Non-recurring	FY 14/15	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ 0	_____	\$ 0	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ 0	_____	\$ 0	_____	_____	_____

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

None

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The taxpayers of Santa Fe would not be informed with regard to how their taxpayer dollars are being used for outsourced services.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of.

4. Community Impact:

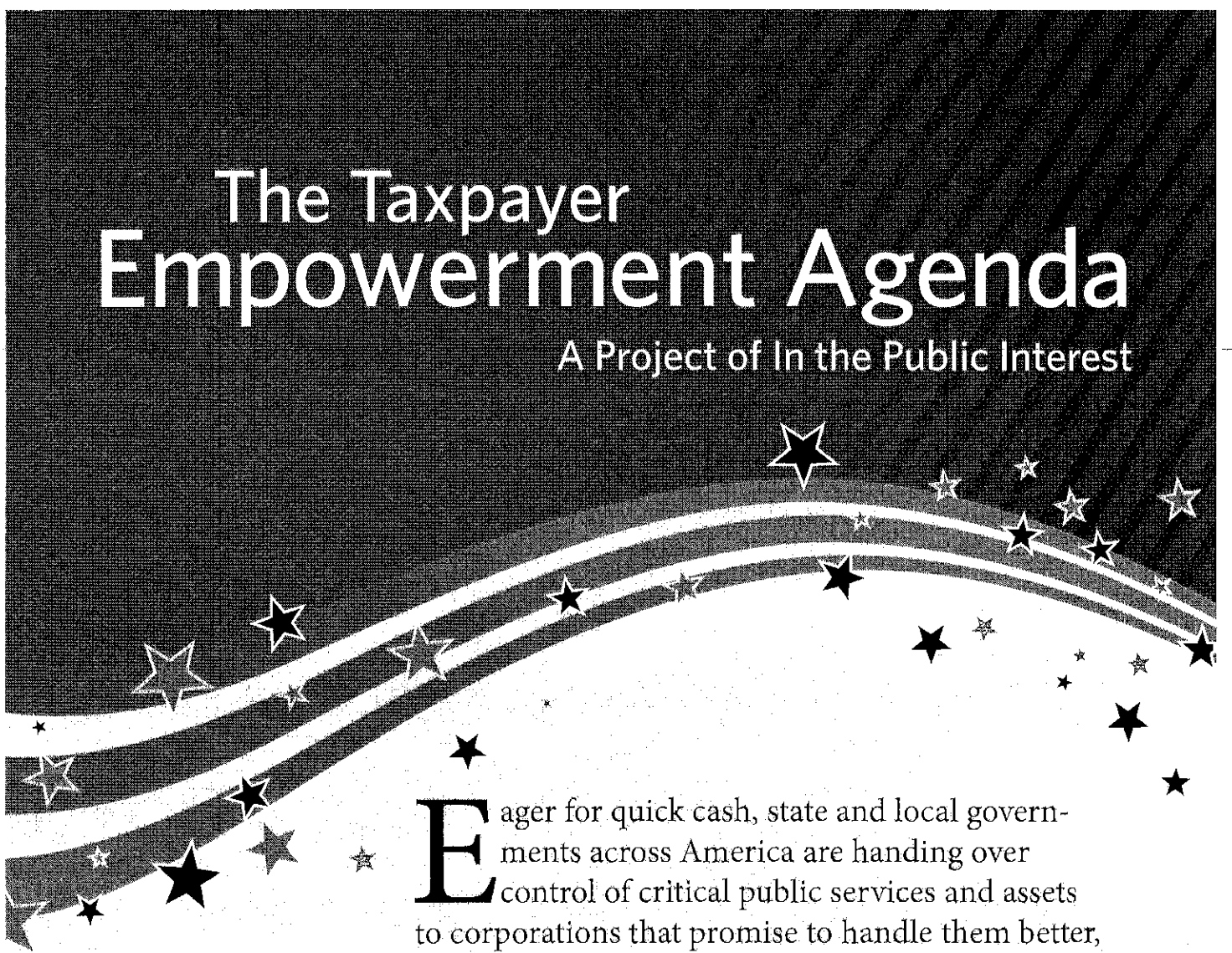
Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, social service providers and other institutions such as schools, churches, etc.

The City of Santa Fe would have taxpayer empowerment policies in place in order to keep the taxpayers of the city of Santa Fe informed about outsourced services that their taxpayer dollars are paying for.

Form adopted: 01/12/05; revised 8/24/05

The Taxpayer Empowerment Agenda

A Project of In the Public Interest



Eager for quick cash, state and local governments across America are handing over control of critical public services and assets to corporations that promise to handle them better, faster and cheaper. Unfortunately for taxpayers, not only has outsourcing these services failed to keep this promise, but too often it undermines transparency, accountability, shared prosperity and competition – the underpinnings of democracy itself.

Outsourcing means taxpayers have very little say over how tax dollars are spent and no say on actions taken by private companies that control our public services. Outsourcing means taxpayers cannot vote out executives who make decisions that hurt public health and safety. Outsourcing means taxpayers are contractually stuck with a monopoly run by a single corporation – and those contracts often last decades. And outsourcing too often means a race to the bottom for the local economy, as wages and benefits fall while corporate profits rise.

In the **Public Interest**



The Taxpayer Empowerment Agenda will help taxpayers reclaim control of our democracy. And state and local lawmakers who champion these proposals will stand on the side of taxpayers - and plain common sense.

TRANSPARENCY

- Regularly post online how much taxpayers are spending on private contracts and how many workers are employed by those contracts - the same way government must report these things for public work.
- Require any company being paid with tax dollars to open its books and meetings to the public, just as government does.

ACCOUNTABILITY

- Ensure that every contract allows for regular audit and oversight, and agencies have sufficient staffing levels to adequately oversee contracts to make sure taxpayers are getting what they pay for.
- Ensure that every contract includes language that allows government to cancel the contract if the company doesn't live up to its promises of quality and cost savings.
- Prohibit any company that has evaded taxes or broken the law from taking over public services.
- Require a thorough cost analysis of all bids and guarantee taxpayers a minimum 10 percent savings before any service is privatized.

SHARED PROSPERITY

- Require companies that privatize public services to pay their employees a living wage and provide reasonable benefits.
- Require a study to determine how privatization would affect the larger community and post the results online before any contract is signed.

COMPETITION

- Require competitive bidding when a contract is up, rather than automatically renewing it.
- Ban contract language that guarantees company profits.
- Ensure that public service workers have the opportunity to submit their own plan to save money and provide quality services.

Action Items

Item A



DATE: June 4, 2014

TO: Finance Committee, CBQL and EDRC SubCommittee Members

Via: Kate Noble, Acting Director, Housing and Community Development Department *KW*

FROM: Fabian Trujillo, Economic Development Division Director. *F.B.T.*

RE: SFBI Amended ED Project Ordinance and Restated Project Participation Agreement

Santa Fe Business Incubator Background:

The Santa Fe Business Incubator (SFBI) was founded in 1997 and is a non-profit corporation that provides incubation services for the City of Santa Fe. In 1997 the city entered into a project participation agreement with SFBI to construct and operate the current incubator building utilizing city, state, federal and commercial financing. This resulted in the construction of phase I of the incubator building.

In 2004, the City of Santa Fe, as the borrower, entered into a loan agreement with HUD utilizing section 108 HUD financing for \$300,000. The purposes of the loan were to provide funding to SFBI to construct the second phase of the incubator building and improve its facility on the property donated to it by the City. As part of the loan agreement, SFBI is the sub-recipient and the city is the borrower. The remaining balance on the loan is \$192,456.26. The HUD loan agreement permits the City to prepay the balance in full on August 1, 2014 with the funds wired before July 24, 2014. No later than June 1, 2014, the City needs to send HUD a letter indicating notice of intent of the Borrower to prepay off loan agreement (Required by HUD be done between 90 and 60 days prior to August 1, 2014). The City's past practice has been that the City makes the loan payments each year at the end of July to HUD in the approximate amount of \$29,192.50 and then SFBI reimburses the City the same amount or the City withholds the money from the City's annual operating contract with SFBI which is currently at \$200,000.

The Santa Fe Business Incubator has been a vital component of economic development in Santa Fe since their inception. SFBI has successfully grown companies and diversified Santa Fe's economy. Approximately thirty seven companies have graduated from the incubator program since 2006 and were still operating in Santa Fe as of 2011. As can be seen, SFBI is the foundation of Santa Fe's entrepreneurial eco-system.

Item and Issue:

SFBI has expressed that it has been financially difficult for it to make the loan reimbursement payments to the City for approximately the last three years due to the effects of the recession. Economic Development Staff reviewed SFBI's finances and the incubator is struggling to cover approximately \$99,186 annually for their operating costs. Currently, they are utilizing their financial reserves to cover the shortfall. City finance staff has also indicated that the structure of the loan with HUD is rigid and makes it difficult for the city to work with the incubator to structure terms that will make repayment easier on SFBI operations.

City staff also identified \$400,000 in funds sitting in escrow from the Monte Serreno development that was set aside as part of a consent/deed in *Tano Santa Fe Partners v City of Santa Fe*. According to the City Attorney's office, these escrowed funds cannot be used for anything else except for a crafts/incubator. The City Attorney's office has also advised that the City can use these escrowed funds to pay off the HUD loan for the SFBI.

Recommendation

Therefore, staff recommends that the city payoff the HUD loan early and enter into an amended project participation agreement with SFBI to support their operations and continue to do their work of assisting entrepreneurs with their start-up operations. Refinancing the loan will make it easier for City to support SFBI's mission and it will also allow the City to recapture funds from the Monte Serreno escrowed monies to be utilized for future economic development projects.

The terms that economic development staff and the incubator are recommending for approval would be as follows:

1. A twenty year loan with a 1% repayment plan with semi-annual payments of \$6,924.37.
2. No payments for the first five years.

This financial structure would allow SFBI and their board to work with the City, County, State and the private sector to develop business operations plan that identifies long term sources of funds to cover the annual operating shortfall and strengthen the financial viability of SFBI.

1 **CITY OF SANTA FE, NEW MEXICO**

2 **BILL NO. 2014-19**

3 **INTRODUCED BY:**

4
5 Councilor Signe Lindell

6 Mayor Javier Gonzales

7
8
9
10 **AN ORDINANCE**

11 **RELATING TO THE CITY OF SANTA FE ECONOMIC DEVELOPMENT PLAN**
12 **ORDINANCE, ARTICLE 11-11 SFCC 1987; AMENDING ORDINANCE NO. 1997-1 FOR**
13 **THE PURPOSE OF APPROVING AND ADOPTING A FIRST AMENDED AND RESTATED**
14 **LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT**
15 **BETWEEN THE CITY OF SANTA FE AND SANTA FE BUSINESS INCUBATOR, INC. TO**
16 **RESTRUCTURE AND ADD TO THE CONTRIBUTIONS AND OBLIGATIONS OF THE**
17 **CITY AND SANTA FE BUSINESS INCUBATOR, INC.**

18
19 **BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE.**

20 **Section 1. Short Title.** This Ordinance shall be known as the "Santa Fe Business
21 Incubator Ordinance to restructure and add to the contributions and obligations of the City and Santa
22 Fe Business Incubator, Inc."

23 **Section 2. Recitals.**

24 A. The Local Economic Development Act, Sections 5-10-1 *et. seq.* NMSA 1978
25 explicitly permits municipalities to assist qualifying entities with economic development projects

1 through the use of public resources; and

2 B. The City of Santa Fe has complied with the requirements of the Local Economic
3 Development Act by adopting an Economic Development Plan Ordinance (11-11 SFCC (1987)).
4 Incorporated within that Ordinance are the City of Santa Fe's community economic development plan
5 and its economic development strategy for implementation.

6 C. On January 8, 1997, the governing body of the City of Santa Fe approved the
7 Economic Development Project Participation Agreement ("PPA") between the City of Santa Fe and
8 Santa Fe Business Incubator ("SFBI") whereby SFBI was designated as a "Qualifying Entity" to
9 receive funding from the City for the SFBI project that would support the City's economic
10 development plan.

11 D. On June 30, 2004, the City of Santa Fe, in furtherance of the 1997 PPA, entered into
12 a Loan Agreement with the Secretary of Housing and Urban Development (HUD/Lender) borrowing
13 \$300,000 for the purposes of providing funding to the Santa Fe Business Incubator (SFBI as Sub-
14 Recipient) to construct Phase II and improve its facility on property donated to it by the City
15 ("Loan"). Currently, the remaining balance on the Loan is \$192,491.29. The Loan permits the City
16 to prepay the balance in full on August 1, 2014 with the funds wired before July 24, 2014. No later
17 than June 1, 2014, the City needs to send HUD a letter indicating notice of intent of Borrower prepay
18 off Loan Agreement (needs to be done between 90 and 60 days prior to August 1, 2014).

19 E. The SFBI is part of the mission of the City's Economic Development Division
20 because the Economic Development Plan supports the creation and maintenance of business
21 incubators in the City to promote and assist startup businesses.

22 F. For this reason, the City would like to prepay the balance of the Loan Agreement on
23 August 1, 2014. The Economic Development Division has identified a source of funds, held in
24 escrow, and is requesting a legal opinion on whether the escrowed funds can be used for the purpose
25 of prepaying the HUD loan in full.

1 G. To accomplish the prepayment of the Loan, the City and SFBI have determined that
2 there is a need to enter into the First Amended and Restated Project Participation Agreement to
3 restructure and add contributions and obligations of the City and SFBI.

4 **Section 3. Findings.** The governing body hereby finds:

5 A. ~~The City of Santa Fe has determined that it is in the interest of the welfare of the~~
6 citizens of Santa Fe to enter into the First Amended Economic Development Project Participation
7 Agreement for the purposes of effectuating its Economic Development Plan and the Project.

8 B. In compliance with the City's economic development ordinance, 11-11 SFCC (1987),
9 the January 8, 1997 Project Participation Agreement and the First Amended and Restated Project
10 Participation Agreement between SFBI and the City clearly state the following:

- 11 (1) The economic development goals of the project;
- 12 (2) The contributions of the City and SFBI, Inc.;
- 13 (3) The specific measurable objectives upon which the performance review will
14 be based;
- 15 (4) A schedule for project development and goal attainment;
- 16 (5) The security being offered for the City's investment;
- 17 (6) The procedures by which the Project may be terminated and the City's
18 investment recovered;
- 19 (7) The time period for which the City shall retain a security interest in the
20 Project; and
- 21 (8) A "sunset" clause after which the City shall relinquish interest in and
22 oversight of the project;
- 23 (9) The designation of SFBI as a qualifying entity.

24 **Section 4. Approval and Adoption of First Amended and Restated Project**
25 **Participation Agreement (PPA) between the City and Santa Fe Business Incubator, Inc.**

1 The governing body hereby approves the First Amended PPA which adds the City's financial
2 contribution of prepaying the Loan balance in full on August 1, 2014 with the funds wired before July
3 24, 2014. Loan is \$192,456.26. No later than June 1, 2014, the City shall send HUD a letter
4 indicating notice of intent of the City to prepay the Loan balance in full (needs to be done between 90
5 and 60 days prior to August 1, 2014). The First Amended PPA restructures the financial obligations
6 of Santa Fe Business Incubator and provides a repayment schedule for reimbursing the City for the
7 prepayment of the Loan balance. The First Amended and Restated Project Participation Agreement,
8 attached hereto as Exhibit "A", is hereby adopted.

9 **Section 5. Severability Clause.** If any section, paragraph, clause, or provision of this
10 Ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder
11 shall for any reason be held to be invalid, unlawful, or unenforceable, the invalidity, illegality, or
12 unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the
13 remaining portions of this Ordinance or the regulation so challenged.

14 **Section 6. Effective Date.** This Ordinance shall become effective immediately upon
15 adoption.

16 APPROVED AS TO FORM:

17
18  A handwritten signature in cursive script, appearing to read "Kelly A. Brennan", is written over a horizontal line.

19 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY



CITY OF SANTA FE

ECONOMIC DEVELOPMENT

FIRST AMENDED AND RESTATED PROJECT PARTICIPATION AGREEMENT

THIS PROJECT PARTICIPATION AGREEMENT is made and entered into this _____ day of _____, 2014 by and between the City of Santa Fe, hereinafter referred to as the "City"; and Santa Fe Business Incubator, hereinafter referred to as the "Qualifying Entity" (Q/E) or SFBI. This First Amended and Restated Project Participation Agreement ("PPA") supersedes and entirely replaces the Project Participation Agreement entered into between the Q/E and the City on January 8, 1997 which has been fulfilled by the Q/E and the City.

WHEREAS, the State of New Mexico has deemed it in the best interest of the citizens of New Mexico to enact the Local Economic Development Act (N.M. Stat. Ann. 5-10-1 et seq. (1978));

WHEREAS, the Local Economic Development Act explicitly permits municipalities to assist qualifying entities with economic development projects through the use of public resources;

WHEREAS, the City of Santa Fe has complied with the requirements of the Local Economic Development Act by adopting an economic development plan ordinance incorporating within that ordinance its community economic development plan (11-11 SFCC (1987)) called the Community Economic Development Plan and Economic Development Strategy for Implementation, dated May 21, 2008;

WHEREAS, the Q/E is paying off the following loan that was used to construct Phase II of the SFBI as follows. On June 30, 2004, the City (Borrower) entered into a Loan Agreement with the Secretary of Housing and Urban Development (HUD/Lender) borrowing \$300,000 for the purposes of providing funding to the SFBI (as Sub-Recipient) to construct Phase II and improve its facility on property donated to it by the City ("Loan");

WHEREAS, the remaining balance on the Loan is \$192,456.26. The Loan permits the City to prepay the balance in full on August 1, 2014 with the funds wired before July 24, 2014. No later than June 1, 2014, the City needs to send HUD a letter indicating notice of intent of Borrower to prepay off Loan Agreement (needs to be done between 90 and 60 days prior to August 1, 2014). The SFBI is part of the mission of the City's Economic Development Division because the Economic Development Plan supports the creation and maintenance of business incubators in the City to promote and assist startup businesses and entrepreneurs. For this reason, the City would like to prepay the balance of the Loan Agreement on August 1, 2014. The Economic Development Division has identified a source of funds, held in escrow, and is requesting a legal opinion on whether the escrowed funds can be used for the purpose of prepaying the HUD loan in full;

WHEREAS, the City of Santa Fe has complied with the requirement of its Local Economic Development Ordinance, 11-11.1 through 11-11.16, by adopting the Original PPA and this Amended PPA and Ordinance 2014 ____ which state the contributions and obligation of all parties in the economic development project. The Original PPA and Amended PPA clearly state the following:

- (1) The economic development goals of the project;
- (2) The contributions of the City and the Q/E;
- (3) The specific measurable objectives upon which the performance review will be based;
- (4) A schedule for project development and goal attainment;
- (5) The security being offered for the City's investment;
- (6) The procedures by which a project may be terminated and the City's investment recovered;
- (7) The time period for which the City shall retain an interest in the project;
- (8) That the SFBI is a qualifying entity; and
- (9) A "sunset" clause after which the City shall relinquish interest in and oversight of the Project.

WHEREAS, the City of Santa Fe has determined that it is in the interest of the welfare of the citizens of Santa Fe to enter into this First Amended and Restated PPA for the purposes of effectuating its economic development plan.

NOW THEREFORE, in consideration of the premises, the following and other good and valuable consideration the receipt of which is hereby acknowledged the undersigned parties hereby agree as follows.

1. **CONTRIBUTIONS AND OBLIGATIONS OF THE CITY AND THE Q/E.**

A. **Economic development goals of the project:** The mission of the Q/E is stated as follows: "In order to promote a diverse and balanced economy for Santa Fe, the incubator will develop emerging businesses to provide future income opportunities for Santa Feans. This Project implements the Community Economic Development Plan (CEDP) because it is a business incubator to provide support for companies which are starting up or have outgrown their home based operations. Business Incubators support the following CEDP goals:

- (1) Implementing comprehensive economic development policies that address both local and regional objectives;
- (2) Directing major economic development initiatives toward creating opportunities for local residents that result in the steady improvement in the standard of living;
- (3) Ensuring that the city's economic prosperity is shared equitably;
- (4) Fostering the region's economic development while preserving its unique and diverse quality of life;
- (5) Using sustainably the region's natural, financial, intellectual, technological and physical resources;

- (6) Diversifying the economic base of the City to support a vibrant and sustainable mix of jobs and opportunities.

B. Contributions of the City and the Q/E:

- (1) **Donation and Services of the City.** The City of Santa Fe shall prepay the Loan balance in full on August 1, 2014 with the funds wired before July 24, 2014. Loan is \$192,456.26. No later than June 1, 2014, the City shall send HUD a letter indicating notice of intent of the City to prepay the Loan balance in full (needs to be done between 60 and 90 days prior to August 1, 2014).

- (2) **Contribution of the Q/E.**

- (a) **Financial Investment:** The Q/E brings the following financial investment to the project: The Q/E has been in existence since 1997 and currently has over \$4,000,000 in assets.
- (b) **Business Formation:** The Q/E shall continue to operate the incubator in a manner that will facilitate the creation and start-up of companies in the industries outlined in the City's latest community economic development plan, implementation strategy or other strategic plan formally adopted by the City using best practices as outlined by the National Business Incubator Association. The Q/E will ensure that the incubator program will maintain a plan for the ongoing exit and graduation of client businesses. The plan will ensure that an average of 2.5 businesses per year will exit the incubator until the end of the term of the loan agreement. This average will be calculated over a rolling three year period.
- (c) **Expanded Tax Base:** Contributions to the City's tax base resulting from this project are enumerated in the *Economic Impact During 2011 of the Santa Fe Business Incubator* analysis, dated April 16, attached hereto as Exhibit "1". Tax revenues generated by this project for the City, including property tax, gross receipts tax and other revenues are estimated to generate approximately \$1.1 million annually.
- (d) **Other:**
 - (i) Q/E will pay back the Loan beginning 5 years from the effective date of the Agreement.
 - (ii) Q/E and the City have agreed to a 15 year loan repayment schedule in the amount of \$192,456.26, plus 1% interest for a total amount of \$207,731.04. See Exhibit "2", attached hereto.
 - (iii) Q/E in collaboration with the City will develop an five year plan of business operations. The business operation plan will outline how the QE will shore its operations to successfully provide incubator services for the City and region for the next life of the loan.

2. **PERFORMANCE REVIEW AND CRITERIA**

A. **Annual Review.** The Q/E will provide annual reports to the City and City Staff shall conduct an annual review of these reports. The annual reports shall clearly indicate how the Q/E has verified the revenue assumptions and other indices contained in the *Economic Impact During 2011 of the Santa Fe Business Incubator* analysis (see Exhibit "1"). The review shall determine whether the project is in compliance with the agreement and is substantially achieving the goals and objectives herein.

B. **Company Formation and Expanded Tax Base.** The annual review shall determine whether the Q/E has substantially achieved the company formation and expanded tax assumptions embodied in the *Economic Impact During 2011 of the Santa Fe Business Incubator* analysis, dated April 16, 2012, attached hereto as Exhibit "1" (2.5 business exists per year) . If, in the opinion of the City, these assumptions are not substantially met, the review shall determine whether the actual expanded tax based achieves a positive benefit-cost ratio, and shall form conclusions and make recommendations regarding continuing under this Agreement.

3. **SECURITY FOR CITY'S INVESTMENT**

The Promissory Note and Mortgage executed by the Q/E with repayment of the Loan over a 15 year schedule, attached as Exhibit "3" is the security is required.

4. **TERM**

This Agreement shall remain in force for 20 years from the execution date of the Agreement or until conditions of the Agreement are performed in full or to the satisfaction of the City. In the event that the Q/E performs or exceeds the required performance levels contained in this Agreement, this agreement may be terminated at that time.

5. **TERMINATION**

This Agreement may be terminated by the City upon written notice delivered to the Q/E at least 45 days prior to the intended date of termination in the event that the Q/E ceases to operate the project in accordance with the terms of this Agreement. If the Q/E is found to not be in substantial compliance with the Agreement, the City reserves the right to terminate the Agreement and recall public funding that was used for prepayment of the Loan in full.

The Q/E may terminate the agreement by pre-paying the loan balance in full to the City without penalty. The Q/E must send a letter to the City giving notice of their intent to pre-pay the balance of the loan in full within 60-90 days prior to the due date of the loan payment.

6. **STATUS OF THE Q/E**

The Q/E, and its agents and employees are not employees of the City. The Q/E, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles or any other benefits afforded to employees of the City as a result of this Agreement.

7. **ASSIGNMENT**

The Q/E shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the City.

8. **LIABILITY**

It is expressly understood and agreed by and between Q/E and the City that Q/E shall defend, indemnify and hold harmless the City for all losses, damages, claims or judgments on account of any suit, judgment, execution, claims, actions or demands whatsoever resulting from Q/E's actions or inactions as a result of this Agreement. Q/E shall maintain adequate insurance in at least the aggregate maximum amounts which the City could be liable consistent with the provisions of the New Mexico Tort Claims Act. It is the sole responsibility of the Q/E to be in compliance with the law.

9. **INSURANCE**

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City will be notified within 10 days of cancellation for any reason. The Contractor shall furnish the City with a copy of a "Certificate of Insurance" as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage of one million dollars (\$1,000,000) per occurrence. The Contractor shall furnish the City with Proof of Insurance as a condition prior to performing services under this Agreement.

10. **NEW MEXICO TORT CLAIMS ACT**

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

11. **THIRD PARTY BENEFICIARIES**

By entering into this Agreement the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Q/E. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

12. **RECORDS AND AUDITS**

The Q/E shall maintain detailed time records which indicate the date and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration and the State Auditor. The City shall have the right to audit billings both before and after payment; payments under this Agreement shall not foreclose the right of the City to recover excessive illegal payments.

13. **APPROPRIATIONS**

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Department of Finance and Administration on behalf of the Q/E to the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Department of Finance and Administration on behalf of the Q/E to the City, this Agreement shall terminate upon written notice being given by the City to the Q/E.

14. **RELEASE**

The Q/E, upon final fulfillment of this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Q/E agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Q/E has express written authority to do so, and then only within the strict limits of that authority.

15. **CONFIDENTIALITY**

Any confidential information provided to or developed by the Q/E in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Q/E without the prior written approval of the City.

16. **CONFLICT OF INTEREST**

The Q/E warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under this Agreement.

17. **AMENDMENT**

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

18. **SCOPE OF AGREEMENT**

This Agreement incorporates all the agreements, covenants, and understanding between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, or understandings have been merged into this written Agreement. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in the Agreement.

19. **REPRESENTATIONS AND WARRANTIES**

The Q/E hereby warrants the Q/E is and will remain in compliance with the Americans with Disabilities Act, 29 CFR 1630.

20. **APPLICABLE LAW**

This Agreement shall be governed by the ordinances of the City of Santa Fe and the laws of the State of New Mexico.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

CITY OF SANTA FE:

Javier M. Gonzales, Mayor

ATTEST:

Yolanda Y. Vigil, City Clerk

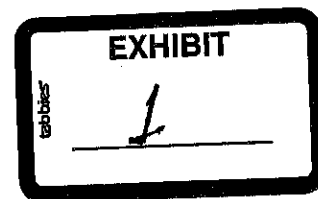
APPROVED AS TO FORM:

Kelley A. Brennan for
Kelley A. Brennan, Interim City Attorney 6/6/14

QUALIFYING ENTITY:
Santa Fe Business Incubator

By: _____
Marie Longmire, Executive Director

Employer ID Number:
City of Santa Fe Business ID Number:



The Economic Impact During 2011 of the Santa Fe Business Incubator

April 16, 2012

Prepared for:
Santa Fe Business Incubator
3900 Paseo del Sol
Santa Fe, NM 87507

Prepared by:
Impact DataSource, LLC
4709 Cap Rock Drive
Austin, Texas 78735
(512) 892-0205
Fax (512) 892-2569
www.impactdatasource.com

ImpactDataSource

TABLE OF CONTENTS

Executive Summary.....	3
The Full Report:	
Introduction.....	7
Description of the incubator.....	7
Funding Received by the Incubator for their Operations.....	8
Tenants Funding and Annual Operations.....	8
Graduates' Operations.....	10
Types of Economic Impacts that the Incubator and their Graduates Provide and Multipliers Used in this Analysis.....	13
Economic Impact during 2011 of Tenants and Graduates of Incubator.....	14
Revenues Generated during 2011 for the State and Local Taxing Districts by Tenants and Graduates of Incubator.....	15
Return on the State's Investment in the Incubator.....	16
Conduct of this Analysis.....	18

EXECUTIVE SUMMARY

The purpose of the analysis was to estimate the annual economic impact during 2011 of the Santa Fe Business Incubator -- one of six certified business incubators in New Mexico.

The economic impact of (1) the operations of the incubator was projected, along with (2) the impact of the firms assisted by the incubator, once they graduated from the incubator and became self-supporting companies.

About the Incubator

The Santa Fe Business Incubator, founded in December, 1997, is a non-profit corporation that helps entrepreneurs grow and succeed in their business. The 30,000 square foot facility offers office and production spaces for technical firms, service companies and manufacturing businesses.

The incubator provides a wide range of business services including on-site technical assistance, training workshops, shared equipment, community resources and access to capital.

Over the past five years, the incubator received \$4.4 million in funding for their operations.

Tenants

During 2011, 16 tenants were assisted by the incubator. In addition, during the year, tenants reported funding of \$18.7 million, including equity injections, revenues, grants and contracts, and research and development grants and contracts.

Graduates Over the Past Five Years

Forty-five firms graduated from the incubator over the past five years. An estimated 78% of these companies are still operating.

Types of Economic Impacts Generated by Tenants and Graduates

Incubator tenants and companies graduating from the incubator generate economic impacts, including jobs, salaries and business revenues.

Further, there are three types of economic impacts of tenants and graduates -- direct, indirect and induced -- and regional economic multipliers were used to determine indirect and induced impacts.

Economic Impact During 2011 of Tenants and Graduates of the Incubator

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are shown below.

Economic Impact During 2011 of Tenants and Graduates of the Incubator			
	2011	2010	2009
Number of Employees	1,234	1,100	1,050
Wages	\$12,345,678	\$11,234,567	\$10,123,456
Benefits	\$2,345,678	\$2,123,456	\$1,987,654
Payroll Taxes	\$1,234,567	\$1,123,456	\$1,056,789
State and Local Taxes	\$3,456,789	\$3,234,567	\$3,012,345
Capital Expenditures	\$4,567,890	\$4,345,678	\$4,123,456
Research and Development	\$5,678,901	\$5,456,789	\$5,234,567
Procurement	\$6,789,012	\$6,567,890	\$6,345,678
Leases	\$7,890,123	\$7,678,901	\$7,456,789
Utilities	\$8,901,234	\$8,789,012	\$8,567,890
Travel	\$9,012,345	\$8,901,234	\$8,789,012
Advertising	\$10,123,456	\$10,012,345	\$9,901,234
Professional Fees	\$11,234,567	\$11,123,456	\$11,012,345
Other	\$12,345,678	\$12,234,567	\$12,123,456
Total	\$60,123,456	\$58,901,234	\$57,678,901

Revenues Generated During 2011 for the State and Local Taxing Districts by Tenants and Graduates of the Incubator

Economic impacts generated by incubator tenants and graduates translate into revenues for the State and local taxing districts. These estimated revenues for 2011 are shown on the following page.

Estimated Revenues Generated during 2011 for the State and Local Taxing Districts by the Incubator Tenants and Graduates	
	\$0
	\$0
	\$0
	\$0
	\$0
Total	\$0

Return on the State's Investment in the incubator

State Funding for the New Mexico Business Incubator Program During Fiscal Years 2007-2010

During fiscal years 2007-2010, the New Mexico Economic Development Department provided \$639,500 in funding for the New Mexico Business Incubator Program, including \$25,000 for the Santa Fe Business Incubator.

Rate of Return on Investment Over Four Years

These funds may be considered a state investment in the state's economic growth and the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generate for the State and local taxing districts, including cities, counties, school districts and special taxing districts.

If this is the case, a rate of return on investment may be calculated on this investment. The average annual rate of return on investment on the State's funding for the Santa Fe Business Incubator is shown on the next page.

Estimated Revenues Generated Over a Four-Year Period by the State and Local Taxing Districts by Incubator Tenants and Graduates

Category	Year 1	Year 2	Year 3	Year 4	Total
State					
Local					
Total					

As shown above, for every dollar of funding that the state provided to the Santa Fe Business Incubator over four years, tenants and graduates of the program may return \$295.22 to the state during a four year period.

Details of this economic impact analysis are on the following pages.

The Economic Impact During 2011 of the Santa Fe Business Incubator

INTRODUCTION

This report presents the results of an analysis performed by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm. The purpose of the analysis was to estimate the economic impact during 2011 of the Santa Fe Business Incubator.

The economic impact of (1) the operations of the incubator was projected, along with (2) the impact of the firms assisted by the incubator, once they graduated from the incubator and became self-supporting companies.

This report includes the following components:

- Description of the incubator,
- Funding received by the incubator for their operations,
- Tenants funding and annual operations,
- Graduates' operations,
- Types of economic impacts that the incubator and its graduates provide and multipliers used in this analysis,
- Economic impact during 2011 of tenants and graduates of incubator,
- Revenues generated during 2011 for the state and local taxing districts by tenants and graduates of incubator,
- Rate of return on the state's investment in the incubator program, and
- Conduct of this analysis.

DESCRIPTION OF SANTA FE BUSINESS INCUBATOR

The Santa Fe Business Incubator, founded in December, 1997, is a non-profit corporation that helps entrepreneurs grow and succeed in their business. The 30,000 square foot facility offers office and production spaces for technical firms, service companies and manufacturing businesses.

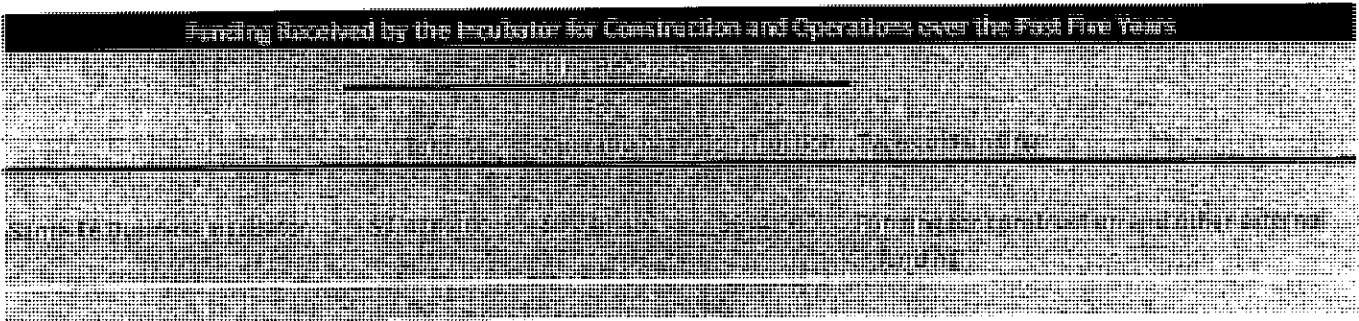
The incubator provides a wide range of business services including on-site technical assistance, training workshops, shared equipment, community resources and access to capital.

In 2011 the facility had 16 tenants and over the past five years has had 45 graduates.

Funding that the incubator received for their operations and construction is discussed next.

FUNDING RECEIVED BY THE INCUBATOR FOR ITS OPERATIONS AND CONSTRUCTION

The incubator received the following funding over the past five years -- 2006 - 2011:



An estimated 55% of the \$3.7 million in funding for the operations of the Santa Fe Business Incubator, shown above, is internally generated. The remaining 45% is funded from external sources.

Funding received by tenants during 2011 and some information on their operations are discussed next.

TENANTS' FUNDING AND ANNUAL OPERATIONS

Funding Received by Tenants during 2011

Tenants at the incubator received the following funding during 2011:



Characteristics of Tenants' Operations

Average tenants at the incubator in 2011 had the following characteristics:

Characteristics of an Incubator Tenant in 2011

Characteristic	Value
Age	
Gender	
Ethnicity	
Education	
Marital Status	
Income	
Home Ownership	
Other	

Total Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases

Total Revenues for Tenants

Total revenues, property added to tax rolls, jobs, salaries and local purchases for tenants at the incubator in 2011 are shown below.

Tenants' Total Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases in 2011

Category	Value
Total Revenues	
Property Added to Tax Rolls	
Jobs	
Salaries	
Local Purchases	

Some information on graduates of the incubator is presented next.

GRADUATES' OPERATIONS

Number of Graduates over the Past Five Years

The following number of firms graduated from the incubator over the past five years:

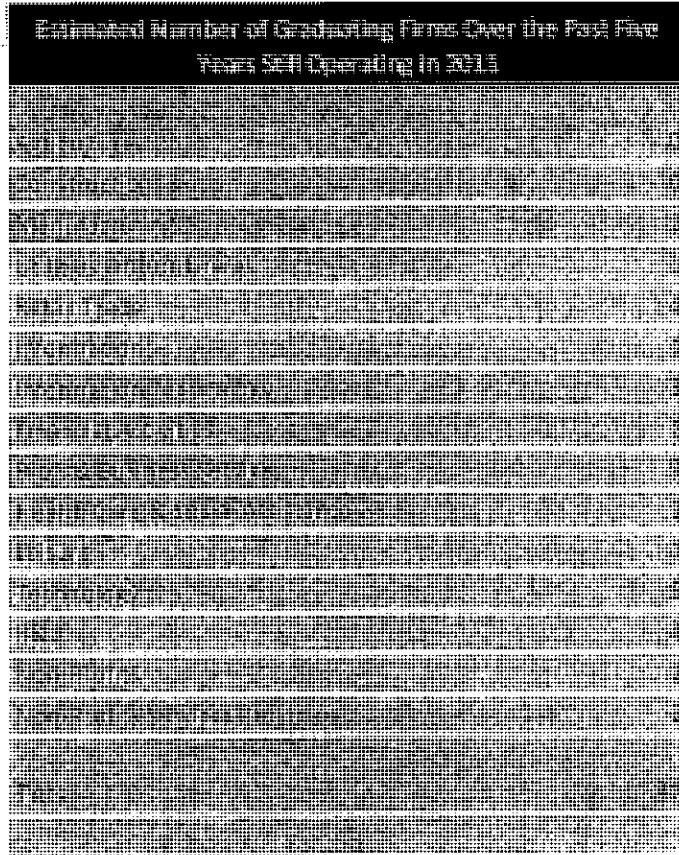
Number of Graduating Firms Over the Past Five Years

Year	Number of Firms
2013	1
2014	1
2015	1
2016	1
2017	1
2018	1
2019	1
2020	1
2021	1
2022	1
2023	1
2024	1
2025	1
2026	1
2027	1
2028	1
2029	1
2030	1

Number of Graduates over the Past Five Years Still Operating in 2011

An estimated 78% of companies graduating from the Santa Fe Business Incubator were still be in business during 2011.

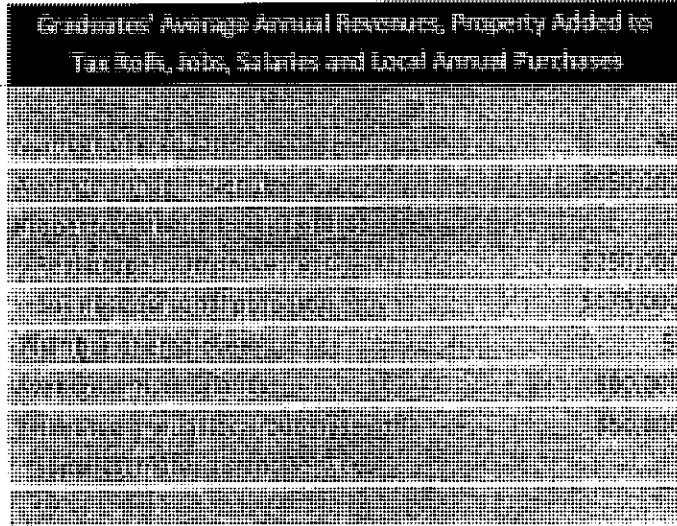
If this is the case, the following estimated number of graduate companies (over the past five years) were still operating in 2011:



Annual Revenues, Property Added to Tax Rolls, Jobs, Salaries and Local Purchases

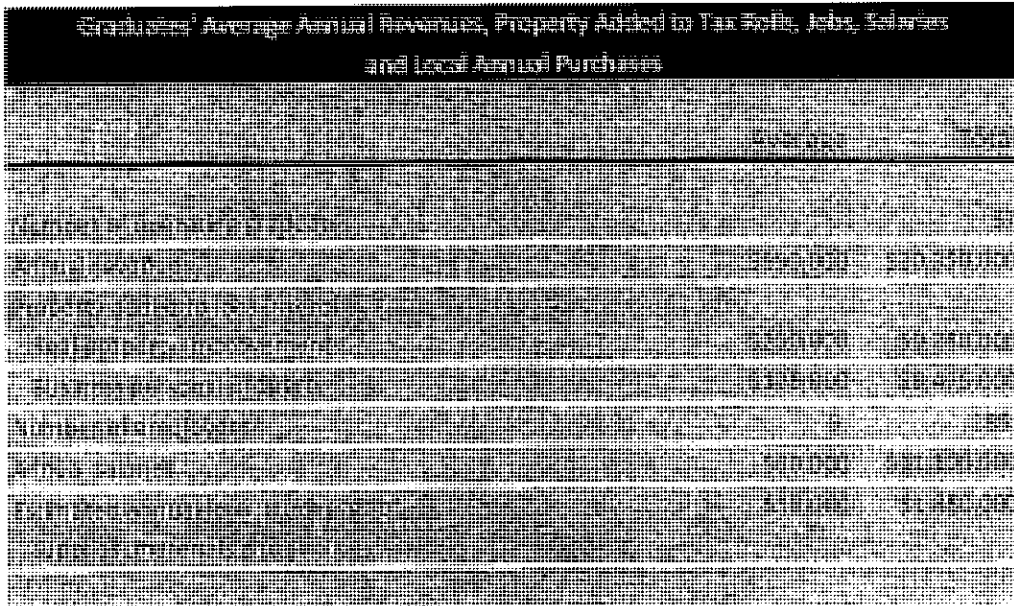
Annual Averages for Graduates

Average revenues, property added to tax rolls, jobs, salaries and local purchases in 2011 for graduates of the incubator are shown below.



Annual Totals for Graduates Still Operating

Estimated total annual revenues, property added to tax rolls, jobs and salaries for all graduates still operating are shown below.



The types of economic impacts generated by tenants and graduates of the incubator are discussed next, along with regional economic multipliers used in this analysis.

TYPES OF ECONOMIC IMPACTS THAT THE INCUBATOR AND ITS GRADUATES PROVIDE AND MULTIPLIERS USED IN THIS ANALYSIS

Types of Economic Impacts

Incubator tenants and companies graduating from the incubator generate economic impacts, including jobs, salaries and business revenues.

Further, there are three types of economic impacts: direct, indirect and induced.

First, direct economic impacts are those that are generated directly by tenants in the incubator and by firms after they graduate.

Second, indirect revenues, jobs and salaries are created in new or existing firms in the state, such as maintenance companies, distributors, and service firms, that may supply goods and services to the tenants and graduate firms.

Third, induced revenues, jobs and salaries are created in new or existing businesses in the state, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to employees of the tenants and graduate firms and their families.

New revenues of direct, indirect and induced firms increase New Mexico's gross state product -- a measure of the economic output of the state in a year. It is the sum of all values added by industries within the state and serves as a state-equivalent to the national gross domestic product or GDP.

Regional Economic Multipliers

To estimate the indirect and induced economic impact of the business incubator on the state, regional economic multipliers were used. Regional economic multipliers for New Mexico are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Three types of regional economic multipliers were used in this analysis: an output multiplier, an employment multiplier and an earnings multiplier.

An output multiplier was used to estimate the indirect and induced output or revenues created and supported in the state. An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the state. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs.

The multipliers show the estimated indirect and induced revenues of other companies in the state for every dollar of revenues generated by tenants and graduates. An employment multiplier shows the number of indirect and induced jobs created for every direct job at the tenants and graduates and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facilities. The indirect and induced multipliers shown on the following page were used in this analysis:

Regional Economic Multipliers Used in this Analysis		
Direct	1.00	
Indirect	0.40	
Induced	0.20	
Total	1.60	

The above multipliers are averages for several industry groups in which tenants and graduates operate.

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are presented next.

ECONOMIC IMPACT DURING 2011 OF TENANTS AND GRADUATES OF THE INCUBATOR

Some of the estimated economic impacts that the incubator generated for New Mexico during 2011 are shown below.

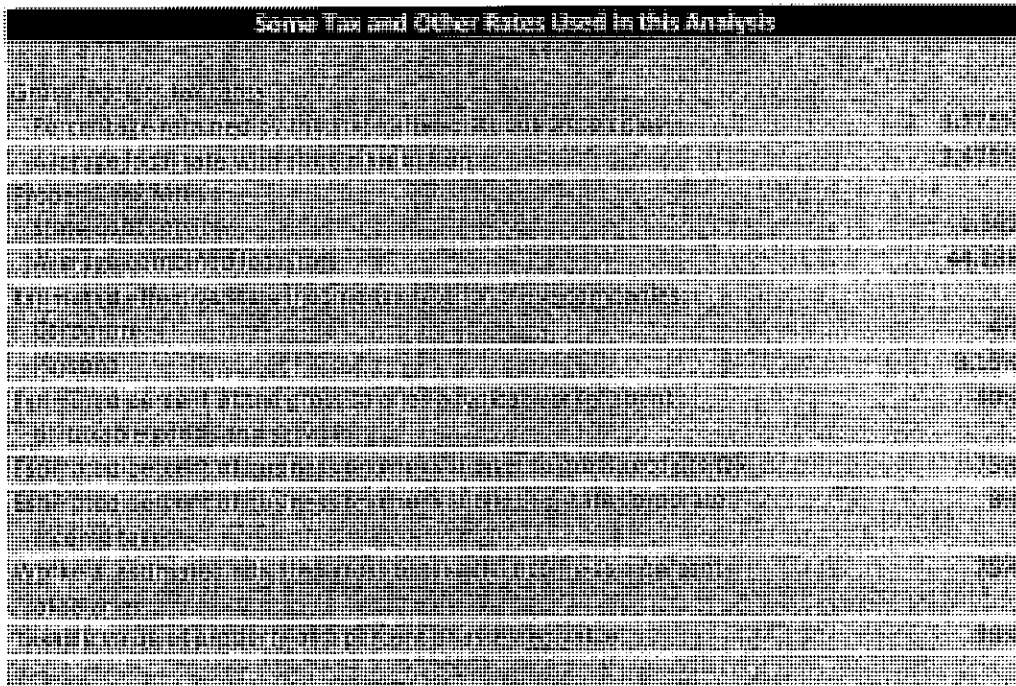
Economic Impact During 2011 of Tenants and Graduates of the Incubator			
Category	Direct	Indirect	Total
Jobs	100	40	140
Wages	\$10,000,000	\$4,000,000	\$14,000,000
Output	\$100,000,000	\$40,000,000	\$140,000,000
Value Added	\$20,000,000	\$8,000,000	\$28,000,000
State Tax	\$2,000,000	\$800,000	\$2,800,000
Federal Tax	\$1,000,000	\$400,000	\$1,400,000
Local Tax	\$1,000,000	\$400,000	\$1,400,000
State and Local Tax	\$3,000,000	\$1,200,000	\$4,200,000
State and Local Tax as % of Value Added	15%	15%	15%
State and Local Tax as % of Output	3%	3%	3%
State and Local Tax as % of Wages	30%	30%	30%
State and Local Tax as % of Jobs	30%	30%	30%

Estimates of revenues generated during 2011 by the incubator tenants and graduates for the state and local taxing districts are presented next.

REVENUES GENERATED DURING 2011 FOR THE STATE AND LOCAL TAXING DISTRICTS BY TENANTS AND GRADUATES OF THE INCUBATOR

Some Tax and Other Rates Used in this Analysis

Some tax and other rates used in this analysis are shown below:



Revenues during 2011 for the State of New Mexico and Local Taxing Districts

Economic impacts generated by incubator tenants and graduates translate into revenues for the State and local taxing districts. These estimated revenues for 2011 are shown on the following page.

Estimated Revenues Generated during 2011 for State and Local Taxing Districts by Incubator Tenants and Graduates		
State	\$1,200,000	\$1,200,000
Local	\$1,000,000	\$1,000,000
Total	\$2,200,000	\$2,200,000

A discussion of the rate of return on the state's investment in the incubator is next.

RETURN ON THE STATE'S INVESTMENT IN THE INCUBATOR

State Funding from the New Mexico Business Incubator Program During Fiscal Years 2007-2010

During fiscal years 2007-2010, the New Mexico Economic Development Department provided the following funding for the New Mexico Business Incubator Program:

State Funding Provided for the New Mexico Business Incubator Program During Fiscal Years 2007-2010	
Fiscal Year	Amount
2007	\$25,000
2008	\$25,000
2009	\$25,000
2010	\$25,000
Total	\$100,000

Of this amount, the Santa Fe Business Incubator received \$25,000.

These funds may be considered a state investment in the state's economic growth and the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generated or may generate for the State and local taxing districts, including cities, counties,

school districts and special taxing districts.

If this is the case, a rate of return on investment may be calculated on this investment.

State and Local Revenues Generated by Incubator Tenants and Graduates over a Four-Year Period

Using estimated revenues generated by the incubator tenants and graduates during 2011 to estimate revenues over a four year period -- a period of time for which state funding was provided -- estimated revenues over four years for the state and local taxing districts are shown below.

Estimated Revenues to be Generated Over a Four-Year Period for the State and Local Taxing Districts by Incubator Tenants and Graduates

Rate of Return on Investment on the State's Investment in the Business Incubator Program

As stated before, if (1) the state's funding for the Santa Fe Business Incubator is considered a state investment in the state's economic growth and (2) the returns on that investment are the additional revenues that the incubator tenants and graduates and their workers generate or may generate for the State and local taxing districts, including cities, counties, school districts and special taxing districts, then this four year investment will have the rate of return over four years of the operations of incubator tenants and graduates as shown on the following page.

Estimated Revenues Generated Over a Four-Year Period for the State and Local Taxing Districts by Incubator Tenants and Graduates

As shown above, for every dollar of funding that the state provided to the Santa Fe Business Incubator over four years, tenants and graduates of the program may return \$295.22 to the state during a four year period.

A discussion of the conduct of this analysis is next.

CONDUCT OF THIS ANALYSIS

This analysis was conducted by Impact DataSource, an Austin, Texas economic consulting, research and analysis firm.

The Santa Fe Business Incubator provided information on data sheets provided by Impact DataSource on the operations of its facility and on current tenants and graduates of the incubator over the past five years.

Using this data, as well as some estimates, assumptions and regional economic multipliers, Impact DataSource estimated the economic impact during 2011 of tenants and graduates.

From these estimated 2011 economic impacts, Impact DataSource estimated revenues that the tenants and graduates of the incubator generated for the State of New Mexico and local taxing districts in 2011.

Impact DataSource is an 18-year old firm specializing in economic and fiscal impact analysis. The firm has conducted over 2,500 economic impact analyses of projects in 26 states, included New Mexico. Overall, the firm has conducted economic impact analyses of over 200 projects in New Mexico for the New Mexico Economic Development for over the past twelve years. The firm's other clients in New

Mexico include the City of Santa Fe, Otero County, Lea County and others.

The firm's Principal, Jerry Walker, performed this economic impact analysis. He is an economist and has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.



SFBI LOAN REPAYMENT SCHEDULE

189,000.00 8/1/14 par due - to be paid 7/23/14
5,367.15 8/1/14 interest due - to be paid 7/23/14
 194,367.15 8/1/14 Balance Due HUD on 7/23/14

-1,910.89 Cash in HUD Repayment Account
192,456.26 Cash Bal City to refinance

SFBI LOAN REPAYMENT SCHEDULE

PAR AMOUNT 192,456.26
 INT RATE 1.00% annual
 TERM 20 years payments starting in year 6 (5 years w/out payment)
 LEVEL
 SEMI-ANNUAL

NO.	FY	DATE	PRINCIPLE	INTEREST	TOTAL PAYMENT	OPENING PRINCIPLE BALANCE	Closing PRINCIPLE BALANCE
	FY 14-15	10/01/2014	\$0.00	\$0.00	\$0.00		
1	FY 14-15	04/01/2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 15-16	10/01/2015	\$0.00	\$0.00	\$0.00		
2	FY 15-16	04/01/2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 16-17	10/01/2016	\$0.00	\$0.00	\$0.00		
3	FY 16-17	04/01/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 17-18	10/01/2017	\$0.00	\$0.00	\$0.00		
4	FY 17-18	04/01/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 18-19	10/01/2017	\$0.00	\$0.00	\$0.00		
5	FY 18-19	04/01/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 19-20	10/01/2017	\$5,962.09	\$962.28	\$6,924.37	\$192,456.26	\$186,494.17
6	FY 19-20	04/01/2018	\$5,991.90	\$932.47	\$6,924.37	\$186,494.17	\$180,502.28
	FY 20-21	10/01/2017	\$6,021.86	\$902.51	\$6,924.37	\$180,502.28	\$174,480.42

NO.	FY	DATE	PRINCIPLE	INTEREST	TOTAL PAYMENT	OPENING PRINCIPLE BALANCE	Closing PRINCIPLE BALANCE
7	FY 20-21	04/01/2018	\$6,051.97	\$872.40	\$6,924.37	\$174,480.42	\$168,428.45
	FY 21-22	10/01/2017	\$6,082.23	\$842.14	\$6,924.37	\$168,428.45	\$162,346.23
8	FY 21-22	04/01/2018	\$6,112.64	\$811.73	\$6,924.37	\$162,346.23	\$156,233.59
	FY 22-23	10/01/2017	\$6,143.20	\$781.17	\$6,924.37	\$156,233.59	\$150,090.39
9	FY 22-23	04/01/2018	\$6,173.92	\$750.45	\$6,924.37	\$150,090.39	\$143,916.47
	FY 23-24	10/01/2017	\$6,204.79	\$719.58	\$6,924.37	\$143,916.47	\$137,711.69
10	FY 23-24	04/01/2018	\$6,235.81	\$688.56	\$6,924.37	\$137,711.69	\$131,475.88
	FY 24-25	10/01/2017	\$6,266.99	\$657.38	\$6,924.37	\$131,475.88	\$125,208.89
11	FY 24-25	04/01/2018	\$6,298.32	\$626.04	\$6,924.37	\$125,208.89	\$118,910.57
	FY 25-26	10/01/2017	\$6,329.82	\$594.55	\$6,924.37	\$118,910.57	\$112,580.75
12	FY 25-26	04/01/2018	\$6,361.46	\$562.90	\$6,924.37	\$112,580.75	\$106,219.29
	FY 26-27	10/01/2017	\$6,393.27	\$531.10	\$6,924.37	\$106,219.29	\$99,826.02
13	FY 26-27	04/01/2018	\$6,425.24	\$499.13	\$6,924.37	\$99,826.02	\$93,400.78
	FY 27-28	10/01/2017	\$6,457.36	\$467.00	\$6,924.37	\$93,400.78	\$86,943.41
14	FY 27-28	04/01/2018	\$6,489.65	\$434.72	\$6,924.37	\$86,943.41	\$80,453.76
	FY 28-29	10/01/2017	\$6,522.10	\$402.27	\$6,924.37	\$80,453.76	\$73,931.66
15	FY 28-29	04/01/2018	\$6,554.71	\$369.66	\$6,924.37	\$73,931.66	\$67,376.95
	FY 29-30	10/01/2017	\$6,587.48	\$336.88	\$6,924.37	\$67,376.95	\$60,789.47
16	FY 29-30	04/01/2018	\$6,620.42	\$303.95	\$6,924.37	\$60,789.47	\$54,169.05
	FY 30-31	10/01/2017	\$6,653.52	\$270.85	\$6,924.37	\$54,169.05	\$47,515.53
17	FY 30-31	04/01/2018	\$6,686.79	\$237.58	\$6,924.37	\$47,515.53	\$40,828.74
	FY 31-32	10/01/2017	\$6,720.22	\$204.14	\$6,924.37	\$40,828.74	\$34,108.51
18	FY 31-32	04/01/2018	\$6,753.83	\$170.54	\$6,924.37	\$34,108.51	\$27,354.69
	FY 32-33	10/01/2017	\$6,787.59	\$136.77	\$6,924.37	\$27,354.69	\$20,567.09
19	FY 32-33	04/01/2018	\$6,821.53	\$102.84	\$6,924.37	\$20,567.09	\$13,745.56
	FY 33-34	10/01/2017	\$6,855.64	\$68.73	\$6,924.37	\$13,745.56	\$6,889.92
20	FY 33-34	04/01/2018	\$6,889.92	\$34.45	\$6,924.37	\$6,889.92	\$0.00
					\$207,731.04	\$192,456.26	\$15,274.78

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: X Resolution: _____
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **An ordinance that shall be known as the "Santa Fe Business Incubator Ordinance to restructure and add to the contributions and obligations of the City and Santa Fe Business Incubator, Inc."**

Sponsor(s): Councilor Signe Lindell and Mayor Javier Gonzales
 Reviewing Department(s): Housing and Community Development - Economic Development Division
 Person Completing FIR: Fabian Trujillo Date: June 5, 2014 Phone: 955-6912

Reviewed by City Attorney: *Justin Morfor* Date: 6/6/14
 (Signature)

Reviewed by Finance Director: *Marcos A. Tapia* Date: 6/6/14
 (Signature) MARCOS A. TAPIA

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution.

The project ordinance and restated project participation agreement (PPA) is to pay off a Section 108 HUD loan that City entered into in 2004 with the SFBI as a sub-recipient. The amount of the loan is \$192,456.26. The purposes of the loan were to provide funding to SFBI to construct the second phase of the incubator building and improve its facility on the property donated to it by the City. The City will then enter into a restructured loan with SFBI which will allow SFBI to make repayment of the loan while easing the strain on their operations. The City will utilize monies from the Monte Serreno development fund that are in escrow as part of a consent/deed in *Tano Santa Fe Partners v City of Santa Fe*. According to the City Attorney's office, these escrowed funds cannot be used for anything else except for a crafts/incubator. The City Attorney's office has also advised that the City can use these escrowed funds to pay off the HUD loan for the SFBI. The terms of the restructured loan will be no payments for the first five years and then a 15 year loan with a 1% repayment plan (See Attached Amortization Schedule).

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

I. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs
 "N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs
 "NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY <u>2015</u>	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
Fringe**	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
Professional Services	\$ _____	_____	_____	_____	\$ _____	_____	_____	_____
PPA	\$	<u>192,456.26</u>	<u>N</u>	<u>NR</u>	\$ _____	_____	_____	_____
Total:	\$	<u>192,456.26</u>	_____	_____	\$ _____	_____	_____	_____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

<u>Loan Interest</u>	<u>\$15,274.78</u>	<u>R</u>	\$ _____	_____	<u>ED</u>
Repayment	<u>\$192,456.26</u>	_____	\$ _____	_____	_____
_____	_____	_____	\$ _____	_____	_____
Total:	<u>\$207,731.04*</u>	_____	\$ _____	_____	_____

*See attached repayment schedule

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The City will utilize \$192, 456.26 from the Monte Serreno escrow development fund. There is \$400,000 in this fund. The escrow fund can be utilized for an Crafts/Incubator. SFBI will begin repayment of the HUD loan in five years or in FY-2019/2020. SFBI will make semi-annual payments for 15 years until the loan is repaid. The loan repayment schedule is attached. The loan repayments will repaid back to the economic development fndd which will generate \$15,274,78 in interest. Once repayment begins, the monies can be used for other economic development projects. The costs of servicing the loan will be absorbed by existing personnel.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

This bill does not conflict with any bill introduced. It would support and protect the City's investment in the incubator and allow SFBI to continue to provide incbnations services to entrepreneurs and start-up businesses.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

The consequences of not enacting this bill would continue to strain the fiscal resource of SFBI and will threaten the long term viability of the incubator. This will also diminish the City's ability to create new businesses and diversify Santa Fe's economy.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

SFBI has successffly grown companies and diversified Santa Fe's economy since 1997. The bill would continue support the City's assets in its entrepreneurial eco-system which allows SFBI to assist entrepreneurs and businesses in forming businesses in our major sectors of Arts & Culture, Green, Knowledge Based, Media and Technology as well as many service sector businesses as well. In addition, to diversifying Santa Fe's economy, this bill will continue to expand its tax base with the creation of jobs, addition of payroll, capital investment and attraction of investment capital to Santa Fe in industries of the future.

Form adopted: 01/12/05; revised 8/24/05; revised 4/17/08

SFBI LOAN REPAYMENT SCHEDULE

189,000.00 8/1/14 par due - to be paid 7/23/14
5,367.15 8/1/14 interest due - to be paid 7/23/14
 194,367.15 8/1/14 Balance Due HUD on 7/23/14

-1,910.89 Cash in HUD Repayment Account
192,456.26 Cash Bal City to refinance

SFBI LOAN REPAYMENT SCHEDULE

PAR AMOUNT 192,456.26
 INT RATE 1.00% annual
 TERM 20 years payments starting in year 6 (5 years w/out payment)
 LEVEL
 SEMI-ANNUAL

NO.	FY	DATE	PRINCIPLE	INTEREST	TOTAL PAYMENT	OPENING PRINCIPLE BALANCE	Closing PRINCIPLE BALANCE
	FY 14-15	10/01/2014	\$0.00	\$0.00	\$0.00		
1	FY 14-15	04/01/2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 15-16	10/01/2015	\$0.00	\$0.00	\$0.00		
2	FY 15-16	04/01/2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 16-17	10/01/2016	\$0.00	\$0.00	\$0.00		
3	FY 16-17	04/01/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 17-18	10/01/2017	\$0.00	\$0.00	\$0.00		
4	FY 17-18	04/01/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 18-19	10/01/2017	\$0.00	\$0.00	\$0.00		
5	FY 18-19	04/01/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	FY 19-20	10/01/2017	\$5,962.09	\$962.28	\$6,924.37	\$192,456.26	\$186,494.17
6	FY 19-20	04/01/2018	\$5,991.90	\$932.47	\$6,924.37	\$186,494.17	\$180,502.28
	FY 20-21	10/01/2017	\$6,021.86	\$902.51	\$6,924.37	\$180,502.28	\$174,480.42

NO.	FY	DATE	PRINCIPLE	INTEREST	TOTAL PAYMENT	OPENING PRINCIPLE BALANCE	Closing PRINCIPLE BALANCE
7	FY 20-21	04/01/2018	\$6,051.97	\$872.40	\$6,924.37	\$174,480.42	\$168,428.45
	FY 21-22	10/01/2017	\$6,082.23	\$842.14	\$6,924.37	\$168,428.45	\$162,346.23
8	FY 21-22	04/01/2018	\$6,112.64	\$811.73	\$6,924.37	\$162,346.23	\$156,233.59
	FY 22-23	10/01/2017	\$6,143.20	\$781.17	\$6,924.37	\$156,233.59	\$150,090.39
9	FY 22-23	04/01/2018	\$6,173.92	\$750.45	\$6,924.37	\$150,090.39	\$143,916.47
	FY 23-24	10/01/2017	\$6,204.79	\$719.58	\$6,924.37	\$143,916.47	\$137,711.69
10	FY 23-24	04/01/2018	\$6,235.81	\$688.56	\$6,924.37	\$137,711.69	\$131,475.88
	FY 24-25	10/01/2017	\$6,266.99	\$657.38	\$6,924.37	\$131,475.88	\$125,208.89
11	FY 24-25	04/01/2018	\$6,298.32	\$626.04	\$6,924.37	\$125,208.89	\$118,910.57
	FY 25-26	10/01/2017	\$6,329.82	\$594.55	\$6,924.37	\$118,910.57	\$112,580.75
12	FY 25-26	04/01/2018	\$6,361.46	\$562.90	\$6,924.37	\$112,580.75	\$106,219.29
	FY 26-27	10/01/2017	\$6,393.27	\$531.10	\$6,924.37	\$106,219.29	\$99,826.02
13	FY 26-27	04/01/2018	\$6,425.24	\$499.13	\$6,924.37	\$99,826.02	\$93,400.78
	FY 27-28	10/01/2017	\$6,457.36	\$467.00	\$6,924.37	\$93,400.78	\$86,943.41
14	FY 27-28	04/01/2018	\$6,489.65	\$434.72	\$6,924.37	\$86,943.41	\$80,453.76
	FY 28-29	10/01/2017	\$6,522.10	\$402.27	\$6,924.37	\$80,453.76	\$73,931.66
15	FY 28-29	04/01/2018	\$6,554.71	\$369.66	\$6,924.37	\$73,931.66	\$67,376.95
	FY 29-30	10/01/2017	\$6,587.48	\$336.88	\$6,924.37	\$67,376.95	\$60,789.47
16	FY 29-30	04/01/2018	\$6,620.42	\$303.95	\$6,924.37	\$60,789.47	\$54,169.05
	FY 30-31	10/01/2017	\$6,653.52	\$270.85	\$6,924.37	\$54,169.05	\$47,515.53
17	FY 30-31	04/01/2018	\$6,686.79	\$237.58	\$6,924.37	\$47,515.53	\$40,828.74
	FY 31-32	10/01/2017	\$6,720.22	\$204.14	\$6,924.37	\$40,828.74	\$34,108.51
18	FY 31-32	04/01/2018	\$6,753.83	\$170.54	\$6,924.37	\$34,108.51	\$27,354.69
	FY 32-33	10/01/2017	\$6,787.59	\$136.77	\$6,924.37	\$27,354.69	\$20,567.09
19	FY 32-33	04/01/2018	\$6,821.53	\$102.84	\$6,924.37	\$20,567.09	\$13,745.56
	FY 33-34	10/01/2017	\$6,855.64	\$68.73	\$6,924.37	\$13,745.56	\$6,889.92
20	FY 33-34	04/01/2018	\$6,889.92	\$34.45	\$6,924.37	\$6,889.92	\$0.00
			\$192,456.26	\$15,274.78	\$207,731.04		

Item B



DATE: June 4, 2014

TO: Finance Committee, CBQL and EDRC Sub-Committee Members

FROM: Kate Noble, Acting Director, Housing and Community Development Department *KN*

RE: Professional Services Agreement – Youthworks Workforce Innovation Program

Background:

In 2008, the City's Economic Development Division contracted with Youthworks! to run a workforce development program which places local youth at local businesses in mentored-internships and provides corresponding education and case management to propel the students forward into careers or further education. The program has been nationally recognized on a number of occasions as a model for workforce development using community partnerships.

The program has evolved over the years, but the core function of it remains the same: placing young people from Youthworks! with local businesses and organizations for on-the-job training and mentoring. In the most recent contract, the program has added an entrepreneurial development component, in response to the desires and interests of the young people which Youthworks! serves.

In 2013, Youthworks! was again selected as the primary workforce development contractor after an RFP process. During the most recent contract (2013-2014), Youthworks! has evolved the program and achieved some of the best measured outcomes in the program history. They exceeded the required contract measurements significantly, highlights include: an increase in program completions (a minimum of 380 hours of training) by 30% over the contract requirements, almost twice as many participants in the Future Entrepreneur training, 60% of participants have secured full-time employment as a result of the program, more than double the number of professional certifications required were achieved, and by leveraging the program, an additional \$418,000 has been brought into the local economy.

Item and Issue:

Staff has renegotiated the contract with Youthworks! which is almost unchanged from the previous contract term. The contract provides for the same program operation including placement at local businesses and organizations, educational planning and training, case management and program tracking. It also includes the same minimum benchmarks: a minimum of 45-50 placements in the program and a minimum of 30-35 completions of the program and engagement of youth in the Future Entrepreneur training. The contract amount has increased by roughly \$11,000 in direct wages in order to cover the increase in the Living Wage. Calculations of the increase of the Living Wage's impact on the program have not been done since the wage was \$10.51. It is now \$10.66 and may increase again in March 2015.

Recommendation

Staff recommends approval of the Professional Services Agreement for \$196,200 with Youthworks! for the Workforce Innovation Program. Funding will be allocated from business unit 22116 and line item 510300.

CITY OF SANTA FE
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and YouthWorks (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

A. Primary Program Goals: The Contractor shall provide workforce development services to the City by executing the Workforce Innovation Program (WIP) for disengaged local youth, as referenced in Appendix A.

B. Desired Program Outcomes: Desired outcomes for the Workforce Innovation Program include:

- (1) Train at-risk youth for stable employment in the community.
- (2) Assist businesses to manage employment of disengaged youth and integrate them successfully into company operations.
- (3) Increase the number of qualified workers in Santa Fe.
- (4) Improve the economic stability for youth in Santa Fe and the greater community.

(5) To promote entrepreneurial efforts and business formation knowledge among the youth and young adult community of Santa Fe.

C. Program Components: Successful execution of the WIP includes but is not limited to the following:

(1) Provide enhanced workforce development through soft skills training (i.e. writing resumes, interview skills, appropriate dress, and timeliness.)

(2) Prepare at-risk youth to work in growing industries by building relevant skills for potential career areas including: science and technology, culinary, health care, building trades, and other areas that offer career pathways and opportunity.

(3) Provide apprenticeship placements with local businesses. A completed apprenticeship placement is defined as 360 hours (avg placement is 12 weeks x 30 hrs/week) to include educational development, job and entrepreneurial training, professional training and on the job hours delivered in apprenticeship placement.

(4) Develop and implement higher education and career pathways for WIP program participating youth in alignment with chosen career tracks through enrollment in community college and/or other certification coursework. A

(5) Provide basic entrepreneurial training and business operation knowledge with the option of assisting participants to start-up entrepreneurial ventures under the fiscal and programmatic guidance of YouthWorks, including the potential need to enlist professional consultants/trainers, to promote small business start-up as a potential career pathway.

D. Deliverables: Upon incremental completion of the services outlined in Article 1.B. above, the Contractor shall provide the following deliverables:

(1) A minimum of 20 hours of soft skills training shall be delivered and completed per participant.

(2) A minimum of 240 and a maximum of 380 hours of direct apprenticeship placement shall be completed per participant (the approximate range of 20 hrs per week up to 32 hrs per week with participating employer).

(3) 45-50 total participants shall be engaged in the services provided through the WIP program throughout the program year.

(4) 30-35 individuals (approximately 70%) shall successfully complete the WIP program in the course of the program year. Successful program completion is quantified as 380 hours of combined educational development, job and entrepreneurial training and direct apprenticeship placement.

(5) 20% (approx. 10 participants) of WIP participants shall be enrolled in at least one community college course or any career or skills oriented certification course within the timeframe of the placement or within the six month program follow-up period.

(6) 12-14 participants may attend WIP Future Entrepreneur Program's entrepreneurial courses as designed. Each enrollee shall receive knowledge and skills to understand simple, small business design and each shall be required to create and submit a business plan by the completion of the course.

(7) Five (5) Future Entrepreneur Program participants may be selected to receive business start-up seed funding in order to launch a small business. Selection criteria shall include, but is not limited to, a viable business plan. These potential five individuals/businesses shall receive one on one and group coaching in product/idea design, marketing and business sustainability through the professional assistance of the Future Entrepreneur Program Coordinator(s).

Additionally, promising entrepreneurial small business ventures may be launched in the creation of eventual youth-run businesses with the assistance/guidance of YouthWorks and necessary professional trainers.

(8) Tracking of participant program

achievements and post program information shall be conducted for a minimum of six months after program exit to include documentation of subsequent educational and/or career steps. This information shall include, but is not limited to, a) number of participants employed, b) number enrolled in higher education or career certification, c) other notable job and career achievements, d) number participating/attending entrepreneurial program workshops, and e) those for whom no information is no longer available.

(9) Narrated results of participant intake and exit skills assessment surveys shall be documented for each participant. Data shall be provided to the City of Santa Fe via quarterly reporting as assessment data is compiled and is available.

E. Quarterly Reports: Provide Quarterly Reports that reflect the contract deliverables and economic development impacts for the City of Santa Fe. The report shall include both quantifiable and qualitative measures.

(1) Number of program participants positively engaged in the WIP program per quarter.

(2) Number of program participants who receive or make progress towards levels of GED attainment and/or any certifications or college credits obtained.

(3) Number of program participant hours completed to date, breakdown of those hours (training, apprenticeship and job type, entrepreneurial) and progress towards completion of program (per participant), as well as distinct progress towards the completion of total WIP contract deliverables.

(4) Quarterly reported data /tracking chart that depicts case management items to be addressed for every participant, depicting a checklist that pertains to resource needs of each apprentice- needs and needs met, any notes as to barriers.

(5) Provide a list of businesses/employers participating in the program including business type.

(6) Provide a list of Future Entrepreneurial Program Workshop dates and number of participants in attendance. Narrated workshop content/subject matter will be attached, as well as any instructional tools or materials that were provided to participants.

F. Final Report: Provide a final aggregate report and summary, upon completion of all services, regarding all WIP activities undertaken and data obtained to support overall program evaluation and effectiveness.

G. Marketing: The Contractor agrees to include on all marketing materials, the City of Santa Fe Economic Development Division program's logo and related branding.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall pay to the Contractor a sum not to exceed one hundred ninety six thousand two hundred dollars (\$196,200) inclusive of gross receipts taxes. Payment shall be made according to the following:

(1) A sum of ninety three thousand fifteen dollars (\$93,015) for program management services. This payment shall be made on a bi-weekly basis in the amount of for twelve months.

(2) A sum of one hundred three thousand one hundred eighty five dollars (\$103,185) shall be made to the Contractor for direct expenses related to participants in the

program. This includes, but is not limited to, wages, tuition, and supplies and contractual Entrepreneurial Consulting fees, and seed funds for up to 5 participants to start small businesses. This shall be reimbursed with supporting documentation of actual expenses.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt of biweekly invoices and approval by the City. Invoices shall include short detailed statements containing a description of work completed for WIP, which shall include but is not limited to staff achievements and accomplishments of WIP participants. This is in addition to the quarterly and final reports indicating satisfactory progress towards deliverables of this Agreement.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as

to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

A. This Agreement shall be effective when signed by the City and the Contractor, whichever occurs last, and terminate amended to June 30, 2015, unless sooner pursuant to Article 6 below.

B. Option to Renew. The City retains the right to renew this Agreement up to three (3) additional one (1) year terms contingent upon parties reaching an agreement as to the terms and conditions. The option may be exercised by the City by notifying Contractor in writing at least 45 days prior to the expiration.

6. TERMINATION

A. This Agreement may be terminated by the City upon 30 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) Compensation is not based upon hourly rates for services rendered, therefore the City shall pay the Contractor for the reasonable value of services

satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this contract.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made

available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any

obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance or other evidence of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of

this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims

Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and

regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:
Housing and Community
Development Department
P.O. Box 909
Santa Fe, NM 87504

Contractor:
YouthWorks
1000 Cordova Place #415
Santa Fe, NM 87505

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

CONTRACTOR:
YOUTHWORKS

JAVIER M. GONZALES, MAYOR

(Name & Title)

DATE: _____

DATE: _____

CRS # 02-471161-006
City of Santa Fe
Business
Registration # 13-0091367

ATTEST:

YOLANDA Y. VIGIL
CITY CLERK

APPROVED AS TO FORM:

Interim for

KELLEY A. BRENNAN, 5/29/14
INTERIM CITY ATTORNEY

APPROVED:

MARCOS A. TAPIA, DIRECTOR
FINANCE DEPARTMENT

22116.510300
BUSINESS UNIT/LINE ITEM

APPENDIX A:

Project Narrative: The Workforce Innovation Program (WIP) is a job training and workforce development program with an entrepreneurial component that will engage forty-five (45) to fifty (50) disadvantaged youth and young adults (ages 16-24) in job training and apprenticeships up to (but not limited to) 380 hours per participant over the course of the 12 month grant period.

The primary goal of the Workforce Innovation Program is to build the skills and labor market preparedness of Santa Fe's workforce through paid mentored, internship placements for disadvantaged youth in partnership with local businesses and professionals. Through the integration of:

- on-the-job training and
- intensive job readiness/soft-skills training,
- skills assessments/educational needs assessments,
- career path interest identification,
- individualized case management,
- specialized skills development through college or professional certification course enrollment, and
- the opportunity to receive entrepreneurial training workshops and consultancy,

the Workforce Innovation Program (WIP) will equip every participant with the entry-level skills needed to transition to either 1) unsubsidized career-track employment, 2) the pursuit of advanced training/education, or 3) apply gained knowledge in regard to entrepreneurialism and business start-up models and initiatives.

Entrepreneurial Program participants will each prepare a small business plan, with the possibility for a select few to receive start-up business seed funds to launch a small income producing operation.

Job placement will include but is not limited to the following areas:

- (1) Health Care and associated Medical Arts
- (2) Trades (Green and Traditional)
- (3) Science and Technology
- (4) Landscaping/Horticulture
- (5) Media Arts and Production
- (6) Culinary Arts
- (7) Newly established Business operations of any nature.

WIP Program Process: Participants will be selected from a pool of applicants that pass through an application process, which includes an interview conducted by trained staff, a week of mental toughness to include pre-placement assessments, and a three-day orientation that includes soft skills training and that provides an overview of program requirements and program expectations.

Apprenticeship Pay Structure: Selected participants will receive stipends of \$10.66 per hour for up to 32 hours per work/training week for up to twelve weeks or any combination of approved program engagement hours totaling up to a minimum of 240 to a maximum of 380 hours.

Participating Program Employers: Employers will participate in a program orientation outlining requirements and expectations. Employers will be eligible to receive coaching and support in the provision of positive mentoring and supervision of participant intern/employees. Employers will be required to commit to contribute \$7.15 per hour for each trainee with additional costs and insurance covered by iYouthWorks!.

Job and Career Coaching: Before placement, the WIP program Coordinator/Job coach will help participants explore job interests through the application of a career interest/skills assessment tool to match career options with their interests. Results will be analyzed and utilized to ensure appropriate apprenticeship placement and to assist in the design of an impactful educational/training plan for use in the future. In addition, the assessments will be administered twice throughout the apprenticeship period to measure all areas of skills gain/improvement over time.

Individualized Case Management: Participants will receive weekly individualized coaching and case management to ensure successful placement. Case managers will work closely with participants to assist to solve personal issues and identify supportive resources & services, such as obtaining a driver's license or finding housing that will enable participants to successfully complete their apprenticeship placement as well as achieve their future with sustained stability. Case management is a critical component in working with this disenfranchised population. Case management delivers a wrap around support system designed to fully engage and support youth and young adults in their employment commitment. Case managers support each individuals' personal growth and community engagement throughout the program, and thereafter. This support delivers measurable positive impact in the lives of participants as well as for the reduction of recidivism and non-productivity among the youth and young adult population of Santa Fe in the community part of the program will prepare students for college and career success by building basic soft and technical skills, including but not limited to: literacy, math, time management, , communication skills and the ability to work as a team member.

Trainee Education: iYouthWorks! will offer staggered educational resources based on the needs of WIP participants measured by The Adult Basic Education Test (TABE), including: GED preparation courses, pre-GED testing assessments, college advisement, college course enrollment, certificate program enrollment, and tutoring services in all subject areas. Additionally, Computer Literacy courses will be offered at the facilities to prepare students for increased technological demands in the workplace. iYouthWorks! will partner with staff at Santa Fe Community College (SFCC) and trades professionals to place participants in appropriate classes and workshops and provide educational support for college and career certification success. By becoming involved with local businesses, professionals and the community college, students will increase their leadership skills and critical thinking abilities while becoming productive members of the community.

Future Entrepreneurs Training: The Entrepreneurial Training Course will educate youth in the concepts surrounding the starting and owning of their own businesses. They will be led through the development of an idea or product by designing a basic business plan. YouthWorks may appropriate funds for up to 5 participants' business plan designs for start-up seed funding. These five participants will receive individualized business coaching, product/idea development and assistance with marketing to launch a small business.

Project Schedule: A series of 12-week apprenticeships and/or "mentored-internship" sessions will be conducted during the 12-month program period. A final report for the City of Santa Fe will be prepared at the end of the 12-month contract period. During each apprenticeship period, iYouthWorks! will deliver 1) an orientation for businesses 2) as well as participants, 3) soft skills training for all participants prior to and as needed throughout placement, 4) administration of two skills assessment tests to take place during the 12 week period, to measure skills gain and progress, and a 5) final employer and 6) apprentice evaluation will be conducted. 7) A bi-annual scheduled Entrepreneurship Training Program coursework will be conducted through contractual coordination of entrepreneurial trainer(s), open to current and potential participants.

Each quarterly WIP session will consist of youth participants working an average of 32 hours per week for 12 weeks or the equivalent of 380 total hours. An estimated total of 45-50 at-risk-youth participants will participate in the WIP; The program will begin in July 2014 and finalize in June 2015.

Planning Phase:

1. Update and create additional program materials, policies, procedures and program structure
2. Create a detailed timeline by which to implement all program components
3. Recruit and retain contractual Entrepreneurship Coordinator(s) for Future Entrepreneurs Program Course and materials design and implementation.
4. Recruit interested employer/businesses for apprenticeship placement.

5. Define apprenticeship program opportunities and employer needs
6. Identify other programs to support apprenticeships
7. Finalize College Course Curriculum and Soft Skills Curriculum
8. Collaborate with Santa Fe Community College to set-up enrollment, registration and administration procedures and processes for potential college or certification course enrollment
9. Plan and develop employer mentoring training for employers

Benchmarks:

1. Initiate youth interviews and participant orientation at the beginning of each program session.
2. Recruit and retain interested businesses and employers.
3. Interview employers and youth to make appropriate placements and matches.
4. Conduct entrepreneurial training courses in collaboration with local professionals such as Santa Fe Business Incubator and other resources.
5. Develop relationships with employers and apprentices to resolve conflicts and provide support
6. Maximize placement of participants for each period
7. Conduct and record assessments and skills attainment for progress reporting
8. Conduct case management and follow up services for each participant

Item C



DATE: June 4, 2014

TO: CBQL and EDRC Sub-Committee Members

FROM: Kate Noble, Acting Director, Housing and Community Development Department

KN

RE: Professional Services Agreement – 12FPS Social Media RFQ

Background:

Talent retention and the flight of young people from Santa Fe has been raised as a critical issue for a number of years. In May 2014, the Economic Development Division released a Request for Qualifications (RFQ) for a social media project with the goals of creating buzz around Santa Fe this summer in order to attract and retain young people. Another key goal was to facilitate ways for local talent to potentially earn some money on social media.

Nine proposals were received in response to the RFQ. A staff team reviewed all the written proposals and four were offered interviews. The staff team then conducted interviews with the four and during the discussion afterwards selected 12FPS for the contract.

Item and Issue:

The contract with 12FPS provides for a social media campaign to be conducted in late summer/fall of 2014. The campaign centers around instagram, one of the fastest growing social media platforms. An 'instameet' will be arranged in late summer/fall 2014 which is a national photographic meetup, and a type of event which has been gaining popularity.

12FPS will build upon a successful pilot campaign of this type done for Ski Santa Fe this winter (#skibueno). The company will leverage its relationships to bring a minimum of five high profile instagrammers (around 500k followers) to Santa Fe to participate and to give them an exceptional time during their visit. These instameets have been gaining in popularity and are generally targeted to photogenic locations. A minimum of two local photographers will be included in the campaign. The photographers will be asked to post a baseline number of photos a day and to use key hashtags (e.g. #howtosantafe) to identify and categorize their photos.

Local Business Partners:

Local business partners will be cultivated to participate in the campaign. These businesses will each receive a social media toolkit designed for a specific industry. They will also receive individual coaching and consulting from 12FPS on how to best utilize social media for their business. These businesses will also have the first access to local talent trained through the campaign and will be encouraged to contract with the local photographers for their business needs. These businesses will be asked to contribute in-kind prizes to be used for the contest and other aspects of the campaign. Forbes has recently profiled the value of instagram for small businesses in a couple of articles.

Local Photographers:

12fps will host a mobile media workshop which will be open to the public. This will be a hands on training opportunity for local talent (photographers) to learn the basics of instagram and how to leverage the social media platform. Attendees will then be encouraged to participate in the campaign and the best performers will be targeted as contractors to be matched with local businesses.

Timeline:

The campaign will kick off with a publicity announcement designed to get the City of Santa Fe maximum exposure for this project. A photo contest targeting locals and engaged visitors will also be announced with prizes contributed by business partners. (July)

The instameet will likely be arranged for late August (Zozobra) and the first half of September when Santa Fe is less crowded and at its most photogenic.

Contest winners will be announced later in the year (October, November), when the company delivers a comprehensive publicity package (including a showcase video) documenting and telling the story of the campaign. The City of Santa Fe will also receive a minimum of five licensed photos for future use. The final report will include documentation of qualitative and quantitative measures and an analysis of the impacts of different types of content (video, photo) and social media platforms.

Action Requested:

Staff requests approval of the Professional Services Agreement with 12FPS in the amount of \$47,000. Funding will be allocated from business unit 22116 and line item 510300.

CITY OF SANTA FE
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and 12 FPS (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall design and execute a social media campaign which shall build excitement and participation of Santa Fe businesses and community members.

A. The campaign should include the following elements:

(1) Provide visibility and create positive buzz on social media outlets around assets in Santa Fe, including events, the environment, people/talent, local businesses and more.

(2) Provide tools and mentorship for local businesses to engage, and effectively utilize social media.

(3) Facilitate local talent development and visibility on social media.

B. The contractor shall achieve the following deliverables:

(1) Phase I:

a. Secure a minimum of ten (10) local business partners and in-kind support for the campaign. These partners shall receive administrative support through the campaign, as well as, individual training and consulting on effective social

media tools and techniques and have preferred access to the cultivated talent pool of the campaign. The businesses shall provide support to the campaign through in-kind contributions.

b. Secure commitments from a minimum of five (5) high profile social media influencers (Instagrammers) to visit Santa Fe and participate in the campaign. This is defined as people who have a large social media fan base (hundreds of thousands of followers).

c. Secure Commitments from a minimum of two (2) local participants identified for their potential benefit from increased visibility and celebrity on social media channels.

d. Provide announcements of the campaign to begin to generate excitement and demonstrate the innovation and leadership of the City of Santa Fe in this campaign.

e. Design and launch the “Instagram photo contest” targeted at locals and engaged visitors interested in participating in the campaign.

(2) Phase II:

a. Design and execute a national photographic meet up (instameet) to provide visibility and amplification of Santa Fe assets.

b. Develop and conduct a mobile media workshop for local photographers and talent, this includes providing social media tool kits and coaching. The workshops shall be open to the public, and feature the two (2) local participants in the campaign.

c. Deliver social media tool kit and individual coaching and recommendations to local business participants.

d. Facilitate connection between local business and social media talent to establish a network and employment opportunities.

(3) Phase III:

a. Provide awards and corresponding publicity for photo contest.

b. Develop a public relations package for the completed campaign. This shall include (but is not limited to):

i. A showcase video that tells the story and demonstrates the qualitative success of the campaign.

ii. A final report and analytics of quantitative measures to include (but is not limited to):

a. Number of likes and comments on campaign content.

b. Number of contest entries

c. Increase in city social media traffic.

d. Number of attendees of the mobile media workshop.

e. Number of business partners participated and key lessons/comments from each of them.

f. Secured engagements/connections between local businesses and local talent.

g. Estimated wages generated as a result of campaign and resulting engagements through 2014.

h. Comparative analysis of the impact of various types of material on social media.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall pay to the Contractor in full payment for services rendered, a sum not to exceed forty seven thousand dollars (\$47,000) inclusive of applicable gross receipts taxes. Payment shall be made for services actually rendered in each phase and according to the corresponding deliverables.

(1) A sum of fifteen thousand seven hundred dollars (\$15,700) shall be paid to the Contractor for Phase I.

(2) A sum of fifteen thousand six hundred fifty dollars (15,650) shall be paid to the Contractor for Phase II.

(3) A sum of fifteen thousand six hundred and fifty (15,650) shall be paid to the Contractor for Phase III.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt, approval and acceptance by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed and accepted by the City.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and the Contractor, whichever occurs last, and shall terminate on December 31, 2014 unless sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the City upon 30 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, therefore the City shall pay the Contractor for the reasonable value of

services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form

and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its “public employees” as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the

laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:
Housing & Community Development
Department
P.O. Box 909
Santa Fe, NM 87504

Contractor: 12FPS

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

BRYAN K SNYDER,
CITY MANAGER

DATE: _____

ATTEST:

YOLANDA Y. VIGIL
CITY CLERK

CONTRACTOR:
12 FPS

APPROVED AS TO FORM:

KELLEY A. BRENNAN,
INTERIM CITY ATTORNEY

By: _____
(Name)

Title: _____

Date: _____

CRS# _____

City of Santa Fe Business
Registration # _____

APPROVED:

MARCOS A. TAPIA, DIRECTOR
FINANCE DEPARTMENT

22116.510300
Business Unit Line Item