

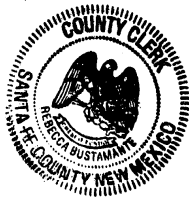
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SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS

STUDY SESSION

May 19, 2003

Jack Sullivan, Chairman
Paul Duran
Michael Anaya



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COUNTY OF SANTA FE
STATE OF NEW MEXICO
I HEREBY CERTIFY THAT THIS INSTRUMENT WAS FILED
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PAGE 419-420 OF THE RECORDS OF

SANTA FE COUNTY
WITNESS MY HAND AND SEAL OF OFFICE
REBECCA BUSTAMANTE
COUNTY CLERK, SANTA FE COUNTY, N.M.

DEPUTY

Santa Fe Board of County Commissioners

Commission Chambers

County Administration Building

**Special Meeting
Study Session on the Santa Fe County Economic Development Park
Public Safety Complex
May 19, 2003
9am to 12pm**

Agenda

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- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
 - a. Amendments
 - b. Tabled or Withdrawn Items
- IV. Power Point Presentation on the History of the Santa Fe County Economic Development Park - Roman Abeyta, Sophia Collares & Daniel Razatos
- V. Tour of the Site - Laura Epler, Daniel Razatos
- VI. Continuation of Power Point Presentation -
 - a. Management Methods - Options and Pros and Cons of Each Approach
 - i. Private Effort
 - ii. Public Effort (Santa Fe County)
 - iii. Private/Public Partnership
 - iv. Relinquishment of the Lease
- VII. Commission Direction to Staff Moderated by Chairman Jack Sullivan
- VIII. Adjournment

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS

STUDY SESSION

2569414

May 19, 2003

This study session of the Santa Fe Board of County Commissioners was called to order at approximately 9:15 a.m. by Chairman Jack Sullivan, in the Public Safety Complex, Santa Fe, New Mexico.

Roll call indicated the presence of a quorum as follows:

Members Present:

Jack Sullivan, Chairman
Paul Duran
Mike Anaya

Members Absent:

Paul Campos
Harry Montoya

Staff Present:

Gerald Gonzalez, County Manager
Roman Abeyta, Land Use Administrator
Jack Kolkmeier, Planning Director
Dan Razato, Finance Department
Virginia Vigil, Manager's Office
Susan Lucero, Finance Department
Sophia Collaros, Assistant County Attorney
James Lujan, Public Works
Laura Epler, Manager's Office
Mark Rodriguez, Manager's Office
Gary Roybal, Utilities Department
Rob Yardman, MIS
Chad Oisen, MIS

Others Present:

Don Britt, NM SLO
Lou Bachrach, SCORE

APPROVAL OF AGENDA

Upon motion by Commissioner Anaya and second by Commissioner Duran, the agenda was unanimously accepted as published.

INFORMATION: History of the Santa Fe County Economic Development Park

Mr. Abeyta said the purpose of this study session is to provide the Commission with information to facilitate providing direction on the Economic Development Park and

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authorize the County Manager to proceed as he deems necessary to implement such direction.

Mr. Abeyta provided the following history of the park: On June 24, 1996, the Santa Fe County Board of County Commissioners adopted the Economic Development Ordinance (1996-7). The primary purpose of the ordinance was to: 1) Improve the per capita income of County residents by developing a higher level of knowledge-based job skills. 2) Diversify the economic base by developing good, well paying local jobs which have a minimal impact on our natural resources. 3) Allow the County to play a pro-active role as a major player in the economic development cycle.

On July 1, 1997, the BCC entered into a 25-year lease agreement with the Commissioner of Public Lands of the State of New Mexico to lease 75 acres of land off State Road 14, adjacent to the Santa Fe County Public Safety Complex, within the San Cristobal Master Plan. (The approved site plan of San Cristobal was displayed.) The master plan is approximately 1,700 acres and the Economic Park is zoned under the Community College District Ordinance as an employment center. A master plan for the County leased property was developed creating four large lots for business park uses and an intersection with the possibility of commercial uses.

The following infrastructure was installed: 1) A 16-inch water line (\$70,587), 2) An 8-inch sewer line (\$47,728), 3) 1,300 linear feet paved roadway \$215,612 4) 1,680 feet of 6-inch gas line (\$10,179). Total: \$344,106. In addition to the infrastructure, the County has set aside 22 acre-feet of water for the park.

Mr. Abeyta said the County advertised to lease the park and found that businesses could not obtain financing for less than 25 years. The County sought to obtain a long-term lease with SLO and the following was obtained effective September 24, 2002. 1) Terminates September 23, 2101. 2) 75 acres. 3) Base rent due yearly \$1,000/month for years 1 through 4 and increases thereafter, 4) Percent rent, based on appraised market value of subleased lot(s), 5) State Land Office has a revised Master Plan Requirement which needed by June 23, 2003, 6) All proposed uses require State Land Office approval.

Commissioner Duran expressed concern that SLO wants a master plan amendment by June 23. Mr. Abeyta said the proposed layout may not fit with the SLO's master plan. Ms. Collaros said the County has already received an extension on the revisions and the lease could be voided if the stipulation is not met.

SLO representative Don Britt said the SLO wants to see the County's economic park developed. However, if it is not going to happen, the new Land Commissioner may want the property back. The SLO wants the County's plan to conform with the current zoning and to benefit the County for greater economic development.

In the event the revised master plan is not completed, Commissioner Duran asked whether the State would reimburse the County for the infrastructure expense. Mr. Britt responded no. Ms. Collaros said if the County defaults on the lease, all costs would be the County's.

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Commissioner Duran advised staff that it was critical a revised master plan is developed and submitted to the SLO. Commissioner Anaya agreed and said he thought it was possible to retain a firm to update the plan within the month period.

Mr. Abeyta said an RFP was issued November 25, 2002 in which the County sought partnership with a private entity to assist in the development and management of the Economic Development Business Park. The County received 28 requests for the RFP locally and nationwide. One proposal was received and deemed non-responsive.

[Staff and the Commission recessed to view the Economic Development Park and inspect improvements and the location.]

Continuing with his presentation, Mr. Abeyta stated at this point the County did not have a coherent vision for the park: The following has been expressed by present and former BCC members as visions for the development of the Business Park. 1) Attract large employers with high paying jobs, 2) Provide space for small local businesses ready to expand, 3) Increase County's tax base, 4) Attract business with long-term investment in economic development, 5) Provide location for businesses that interface with Santa Fe Community College and other higher educational institutions.

He pointed out that there was a potential for grant/loans for economic development; Economic development is highly dependent on creating conditions within communities and the State that encourage development. Good comprehensive and strategic planning is a prerequisite.

Commissioner Duran remarked that the City of Santa Fe provides seed money to businesses coming into the community. He asked that the County review the City's criteria for the park. Chair Sullivan remarked that the City has hired a consultant to conduct an economic development study update, and he suggested the County piggy-back on that exercise.

Mr. Abeyta reviewed the four management options discussed by staff: Private, Public (County), Private/Public, and Lease Relinquishment. He reviewed the pros and cons of each scenario. He noted that the County would have little control if a private company took over. Commissioner Duran said the County could develop a lease stipulating considerable County control.

Private: A BCC Vision Statement is needed. County Manager's Office should conduct a fiscal impact study. After the findings are reported to the BCC, it should be determined who the responsible department for contract oversight will be, and this department will develop an RFP for a managing partner. The positive to privatization is there is more money and skilled professionals in the private sector. However, the County would have little control in the project.

Chair Sullivan said there would be a financial impact to the County even if the park were built out by a private entity because the County will still have oversight.

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Commissioner Duran said the lease can be arranged so the private entity pays for the County's oversight employee.

Public (County): A Vision Statement is also needed, along with a fiscal impact study. Recruit and hire an Economic Development Specialist, and EDS prepares and implements management plan. Mr. Abeyta reviewed the positive components to the County handling the park which included control issues and financial potential. The negative was there was no one currently on staff to handle the lease and marketing and expertise is lacking in that area. The County would carry all legal liabilities and there is a long-term risk.

Commissioner Duran suggested that the County hire an expert in a term position.

Ms. Collaros said the County could still issue IRBs even if the property were held by a private entity. She noted that the original RFP contained a 5-year lease. Commissioner Duran said five years appeared a very short period of time to build out an economic development park.

Mr. Britt mentioned that the decision of who will develop the park relates back to the County's mission statement. If the ideal is to have start-up companies then the goal would be served better by the County having control.

Commenting that the prison situation loomed over the Commission, Chair Sullivan expressed concern that the County does not have the resources to manage the park. Mr. Britt said there are grants for economic development available. Chair Sullivan said grants have strings attached and are mercurial in nature. He recommended a tighter economic plan for the park.

Commissioner Duran favored getting a lease with a private entity and at the end of the lease period investigate whether the County wants to take it over. He said the lease has to be attractive enough that someone will get a return on their investment at the same time that the County minimizes its risk.

Mr. Abeyta said the County would incur a loss of the \$344,000 infrastructure investment if the lease were relinquished. There would be a loss of the man-hours already invested in the project and the County would lack a role in an economic development park.

Mr. Abeyta said whatever avenue is chosen, the County needs a current vision statement and an Economic Development Specialist.

In the event a private entity took over the property, Commissioner Duran said he favored having a local preference in the RFP and Chair Sullivan said that would require a home rule government. Mr. Gonzalez said the Attorney General has issued comments on local preference and staff would review the issue. Ms. Collaros said she would provide the information back to the Commission.

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Mr. Abeyta said staff supported the Private/Public partnership. Again, a BCC Vision Statement is needed, along with a fiscal impact study and recruitment of an Economic Development Specialist who will develop an RFP and oversee the contract.

Mr. Abeyta mentioned that there were a number of interested businesses: Clean Air Systems, Motorola, Atlas Equipment, Portage, Ethel Concrete Co., Sun Sol Systems and Hydrogen Power Plant Project.

Commissioner Duran said he appreciated staff's recommendation of a joint partnership with the private sector but had concern that it would burden the general fund. Mr. Abeyta remarked that each of the options included a fiscal impact statement which will help the County make a determination.

Commissioner Duran said the first priority is to get an extension on the lease. He and Commissioner Anaya volunteered to meet with the Land Commissioner about the lease. Chair Sullivan said the process of hiring and developing an RFP would take more than a few months. He asked whether revision to the master plan was the first task of the EDS.

Commissioner Duran asked Mr. Britt whether he would recommend to the Land Commissioner extension of the lease based on the County's desire to move forward. Mr. Britt advised the County to draft a letter outlining the intended direction of the project for the Land Commissioner, adding that he would support that.

None of the Commissioners supported the option of relinquishing the lease. However, Chair Sullivan said it may be an option later down the road: "You got to know when to hold them and when to fold them."

Chair Sullivan asked how the County would quantify how many new jobs were being created rather than moving jobs from one part of the City to another. Commissioner Duran said the idea of the park was to attract new businesses providing new jobs to the community; however, if the business was already in existence they had to prove they were going to expand and provide more jobs. He noted that Clean Air wanted to move out there to accommodate their expansion.

Chair Sullivan said he has been asked whether the County was prepared to pass a living wage ordinance. Commissioner Duran responded, "And end up in court?"

Commissioner Anaya acknowledged the issues raised by staff and the Commissioners and favored hiring a full-time staff member dedicated only to this issue. He said he was confident there was a candidate for the position.

In keeping with Commissioner Anaya's recommendation, Chair Sullivan said the County could hire the specialist who would prepare the plan, work with the State Land Office, and implement the plan.

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Chair Sullivan remarked that the Commission needs to prioritize the County resources and determine whether this is an item they want to support and fund.

Commissioner Duran proposed the following motion: The County Manager is instructed to develop a job description and fill the position of Economic Development Specialist within the next 30 days. The term of the contract and pay scale are within the Manager's discretion. This position will be included in the budget process with the understanding that expenses may be cut in another area. [See page 7 for amendments to the motion.] Commissioner Anaya seconded.

Under discussion, Commissioner Duran said the EDS would study the situation, determine whether grant money was available and put it on a fast track. Immediately, a letter should be sent to the Land Commissioner explaining the Commission's action and requesting a six-month extension.

Ms. Collaros indicated it will be difficult to write an RFP and hire within 30 days. Commissioner Duran encouraged staff to do their best and report back if additional time was required.

Commissioner Duran clarified that the position he was recommending was "term contract" or professional services contract.

Commissioner Anaya said he envisioned a full-time county employee rather than a contractor who has other jobs on the burner. Chair Sullivan said if it were a contractor, the County would need quantifiable deliverables.

Stating the County will need an EDS into the future, Commissioner Anaya recommended hiring as an employee from the start. Commissioner Duran agreed that a full-time County employee was preferable over a contractor.

Chair Sullivan instructed staff to analyze the cost of the employee including benefits and where those funds will come from.

Commissioner Duran mentioned that the County has been discussing the creation a position for an EDS for years. He surmised that the specialist would require the salary of a department head and he was prepared to support it.

With the concurrence of the second, Commissioner Duran revised his motion as follows: Direct the County Manager to develop a job description -- which includes seeking grant money -- and pay scale for an Economic Development Specialist and present it to the Commission at the budget hearing for review. The amended motion passed by unanimous voice vote.

Commissioner Duran excused himself from the remainder of the meeting and the quorum was lost at this point.

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Chair Sullivan said the Commission has not made a declaration in terms of which management method the Commission prefers and neither was a decision about an RFP made. Commissioner Anaya recommended holding off on these decisions until the EDS is hired and has had an opportunity to study the issue.

Commissioner Anaya said obtaining an extension on the lease with the Land Commissioner was the top priority and the RFP can be developed following thorough study by the EDS.

Chair Sullivan requested that staff write a narrative of what the ED Specialist will do and present it to the entire Board under "Matters from the Commission" at the next BCC meeting.

Responding to the Chair's concern of who would conduct the fiscal impact study, Mr. Abeyta suggested that staff can work with the EDS to delineate what the County wants to see.

Chair Sullivan said the ED Specialist must be more than a contract administrator and should have good people skills.

ADJOURNMENT

Chairman Sullivan declared this meeting adjourned at approximately 11:25 a.m.

Approved by:

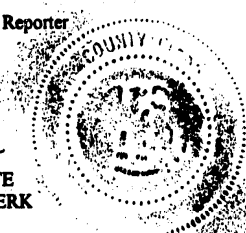

Jack Sullivan, Chairman
Board of County Commissioners

Respectfully submitted:


Karen Farrell, Commission Reporter

ATTEST TO:


REBECCA BUSTAMANTE
SANTA FE COUNTY CLERK



Study Session: Economic Development Park
Santa Fe County Board of County Commissioners: May 19, 2003