



City of Las Cruces

Economic Development Committee January 13, 2016

The following are minutes for the meeting of the Economic Development Committee for January 13, 2016 at 10:30 a.m., at the City of Las Cruces, City Hall, Conference Room 2007C, 700 North Main Street, Las Cruces, New Mexico.

Members Present:

Councillor Jack Eakman
Councillor Ceil Levatino
Councillor Gill Sorg
Daniel Avila, Assistant CM/Chief Operating Officer
Irene Oliver-Lewis (D-4)
Christine Logan (D-2)
Davin Lopez (D-5)
José Provencio, Acting Utilities Director
Cruz Ramos, Economic Development
Loretta Reyes, Public Works Director
David Weir, Community Development Director

Staff Present:

David Dollahon, Community & Cultural Services Director
Robert Garza, City Manager
Annette Granado, Recording Secretary
Cruz Ramos, Economic Development
Loretta Reyes, Public Works Director
Mark Winson, Assistant City Manager/Chief Administrative Officer

Members Absent:

Craig Buchanan (D-1)
Abby Train (D-3)
Arlon Parish (D-6)

Others Present:

Matt Byrnes, Dona Ana Community College
Derek Fisher, New Mexico State University
Tim Grattan, Dekker Perich Saratini Architects
Amy Lanaca, New Mexico State University
Wayne Savage, New Mexico State University
Ted Shelton, ASA Architects

I. Call to Order (10:32 a.m.)

David Dollahon called the meeting to order.

1 **II. Conflict of Interest Disclosure and Determination**

2 David Dollahon: As some of you may recall in December we made the Economic Development
3 Committee an official City Non-Standard Board. So as part of that you are subject to all of the
4 restrictions of the City's municipal code including any disclosures of Conflict of Interest with
5 items on the Agenda. So we have Special Election of Chair, Approval two sets of minutes and a
6 Soundstage Site Assessment and then discussion. Does any member of the Committee have
7 any Conflicts of Interest that they would like to disclose?

8
9 Cruz Ramos – No

10 Gill Sorg – No

11 Daniel Avila – No

12 Ceil Levatino – No

13 Jack Eakman – No

14 Christine Logan – No

15 Davin Lopez – No

16 Loretta Reyes – No

17 Jose Provencio – No

18 Irene Oliver – Lewis - Well since our last meeting, I would like to acknowledge that I have been
19 elected Vice-Chair of Film Las Cruces. I feel that that's not a Conflict of Interest it's a, it's a
20 volunteer position and I do not get personal gain or profit from being chair, as a matter of fact it
21 probably makes me a better committee member. But I'm acknowledging that.

22
23 David Dollahon: Anyone else have any other disclosures or any concerns with Irene's
24 disclosure?

25
26 There were none.

27
28 David Dollahon: Alright, we will be moving on.

29
30 **III. Special Election for Chair**

31
32 David Dollahon: We don't have a chair because the previous one was decided not to run for
33 election and Councillor Eakman replaced him and Craig Buchanan the Vice-Chair is absent
34 today. So Councillor Levatino, Board Member Levatino asked that I chair the meeting for today.
35 Is that the will of the committee or does somebody else want to chair this committee for the
36 day? I am not a Committee Member so I will not be voting on any items, but I will gladly chair
37 the meeting if that is the desire of the group.

38
39 Jack Eakman: As a replacement for the former chair, I would like to make a motion if I could.

40
41 David Dollahon: Sure

42
43 Jack Eakman: That Councillor Gill Sorg be appointed the new chair of this committee.

44
45 David Dollahon: That is a motion, do I have a second?

46
47 Irene Oliver-Lewis: Second

48
49 David Dollahon: Councillor Sorg how do you feel about that?

50
51 Gill Sorg: I'm good.

1 David Dollahon: Are there any other nominations? Seeing no other nominations, by acclamation
2 all in favor for electing Councillor Sorg as the new...

3
4 Ceil Levatino: Do we have a quorum?

5
6 David Dollahon: Yes, I counted before we started. Yes, we are missing three members so we're
7 good. I counted ten.

8
9 Ceil Levatino: Just wanted to check.

10
11 David Dollahon: Yes we do have a quorum.

12
13 Gill Sorg: Good call

14
15 David Dollahon: By acclamation

16
17 All responded Aye.

18
19 David Dollahon: Councillor Sorg you're the new Chair of the Committee.

20
21 Gill Sorg: Ok. Alright, very good. First of all, I would like to point out some people that are new to
22 this committee for the first time. In the back row, if you could state your names and your
23 positions starting with the left here.

24
25 Wayne Savage,
26 Derek Fisher,
27 Tim Grattan,
28 Ted Shelton,
29 Amy Lanaca, introduced themselves.

30
31 Gill Sorg: Ok very good. Is there any others?

32
33 Ceil Levatino: Are they new members?

34
35 Gill Sorg: No, no. They're guests, my mistake.

36
37 **IV. Approval of Minutes for Regular Meeting**

38
39 **a. August 14, 2015**

40 **b. August 20, 2015**

41
42 Gill Sorg: Is there a motion to approve?

43
44 Irene Oliver-Lewis made a motion to approve the minutes of August 14, 2015.

45
46 Ceil Levatino seconded the motion.

47
48 Gill Sorg: Any corrections or additions? In that case I'll call for a vote. All those in favor of
49 approving the minutes of August 14, 2015 say Aye.

50
51 All responded Aye

1
2 Gill Sorg: And no opposed? And the next order is the approval of minutes August 20, 2015.

3
4 Loretta Reyes made a motion to approve the minutes of August 20, 2015.

5
6 Ceil Levatino seconded the motion.

7
8 Gill Sorg: Any corrections or additions? Hearing none, all those in favor of approving the
9 minutes of August 20th?

10
11 All responded Aye

12
13 Gill Sorg: Motioned approved.

14
15 **V. Soundstage Site Assessment: Overview Discussion and Recommendation**

16
17 Gill Sorg: Can I turn it over to staff to lead us in that discussion.

18
19 David Dollahon: Thank you Mr. Chairman. I am remiss in making one other introduction before
20 we go too far into the committee meeting. Annette Granado is the new Executive Administrative
21 Assistant for Community & Cultural Services and she will be providing admin support to this
22 committee henceforth. She is also the one doing the recording for today's meeting. So just
23 thought you should recognize the new face in the room.

24
25 David Dollahon: Soundstage Site Assessment, Mr. Chairman, members of the committee. As
26 some of you may be aware the City is soon to be in receipt of close to \$1M in State Capital
27 Outlay Appropriation for what will be the start of a Soundstage here in Las Cruces in support of
28 the film industry. Also as part of that consideration is the use of City Hold Harmless GRT funds
29 to further the construction of that project. Council is scheduled to hear a resolution accepting the
30 first phase of that money from the legislature at next Tuesday's City Council meeting to the tune
31 of \$402,000. The remaining \$550,000, or so, we are still waiting on a contract from Department
32 of Finance & Administration and as we keep hearing it, it can be here any minute. That will
33 require separate action of the Council at a later date to accept those funds but we know this is
34 happening. Next week on the first phase of the money...

35
36 Ceil Levatino: That will be coming from the State?

37
38 David Dollahon: Yes, that was a Capital Outlay Appropriations. I believe this is the 2014
39 appropriation that was done in two parts, 2014 and 2015. The 2014 had to have a correction
40 done to the legislation so that is why it has taken a long time to get us the money. With that
41 anticipated award coming and consideration of Hold Harmless GRT funds for construction of the
42 Soundstage beyond the Capital Outlay, Staff identified the need to create a Soundstage working
43 committee to develop consideration and options for the placement of the Soundstage. We
44 identified two parcels; one is a facility at West Mesa Industrial Park and the second is on the
45 campus of New Mexico State University within the Arrowhead Research Park which is the
46 southern end of the campus of New Mexico State University. That happened relatively in quick
47 order in November and we had meetings in November, December and as of last week with this
48 working Soundstage Committee along with the City's Facilities Department, Staff from
49 Economic Development, Dekker Perich Saratini and ASA Architects who are contracted
50 Architect firms to the City for this project. So we did a very quick and dirty site assessment of
51 the advantages and disadvantages with the Soundstage Committee. They have made their

1 recommendation to the Economic Development Committee and at the end of today's meeting
2 we are going to ask you to make a recommendation to the City Council on a priority of the two
3 sites, one over the other for Council's consideration at a Work Session on January 25th. Things
4 are moving relatively quickly and on behalf of Staff, I apologize for that. So we are going to hit
5 you with a lot of information in relatively short order today.

6
7 Davin Lopez: So clarification? A recommendation has already been made to the Film
8 Committee that was formed.

9
10 David Dollahon: No, the Film Committee is making a recommendation to you as the Economic
11 Development Committee. Staff is going to present that to you. You will be asked to make the
12 recommendation to City Council for their discussion at a January 25th Work Session.

13
14 Ceil Levatino: That is just going to be a discussion on location?

15
16 David Dollahon: It is an informational and discussion and primarily for direction towards Staff.
17 For the new members of Council, you will not know this, when we come before Work Sessions,
18 there is no official action, of course, by the Council. We look for direction from the Council to
19 Staff on implementing priorities. When we have done location studies in the past, we give
20 Council a giant list of options, we've given them for Convention and Visitors Bureau, for those
21 that remember, we started with a list of ten, we narrowed it down to four, we did further
22 assessment of the four and we went back to Council with those four and the Council, through
23 the Mayor's direction, made a priority listing and we are working from that priority listing. Staff
24 anticipates when we are at the Work Session on the 25th, we will handle the same process.
25 Here are the pros and cons, here are the plus and minus', here are the sites and the Council do
26 you have a preference of one of the other. Yes Davin?

27
28 Davin Lopez: You may have just answered the question but I just need the clarification for my
29 own. It has been a long time since we met and there were a variety of different project
30 recommendations given. We've taken a leap to now really talk about an investment in one. This
31 might be more of a question for Mr. Garza but in making a decision about this one, does it take
32 any of those other project financing opportunities off the table.

33
34 David Dollahon: I would answer it does not take any of the others off the table. It moves it
35 forward a little bit in consideration with everything else that was on that list but that is going to
36 be part of our discussion with Council at the 25th Work Session and that needs to be part of our
37 discussion with committee on Next Steps.

38
39 Davin Lopez: And Mr. Chair, will those other project discussion we had be brought back up
40 again for further consideration.

41
42 Gill Sorg: I don't see why not. In order to get the real understanding of the whole picture, the big
43 picture, how does this piece fit in the whole Economic Development work we are doing?

44
45 David Dollahon: I am fairly certain that all of the items that are remaining on the list will be
46 brought to you in some shape or form in the near future.

47
48 Ceil Levatino: So the only thing we're doing to be discussing on the 25th at the Council Meeting
49 will be location?

50
51 David Dollahon: Soundstage site assessment location preference.

1
2 Gill Sorg: Put it this way, if we build the Soundstage this is what we want to do is decide where
3 to go with it.
4

5 Ceil Levatino: Oh obviously, but I just want to make sure there weren't going to be other issues
6 associated with this that we would be discussing that day. It's pretty much going to be, we are
7 going to be focused on where the best location is and making a recommendation to the rest of
8 the Council.
9

10 Gill Sorg: Well, yeah, there are other issues that are related to the site selection too.
11

12 David Dollahon: Realistically where we are, the ED Committee makes a recommendation to
13 Council. Council gives direction to Staff at the Work Session. We work forward based on those
14 recommendations. Realistically, taking both sites into consideration because what happens if
15 you run into an insurmountable problem. We need a plan B. So this is a relatively easy
16 discussion from Staff's perspective to Council. Does not mean it is not complex and it is not
17 important. It is. This is the one we are going with until something stops us and are you ok with
18 number 2. That is the best way to look at it.
19

20 Ceil Levatino: Thank you.
21

22 David Dollahon: So from the Film Soundstage Committee you will have before you one giant set
23 of papers. One is a map and by the way, we are putting everything, we started with West Mesa
24 Industrial Park and the Arrowhead Park property. There is no preference from Staff, we just
25 started when we were working with Committee with West Mesa and Arrowhead. So we are
26 presenting everything in that order. So the first map before you is a preliminary site plan and a
27 general location inset map within the West Mesa Industrial park. Focusing on the aerial
28 photograph, it is on the south side of I-10, west of Crawford Blvd. and what I would say is
29 immediately south of the Alaska Industry Structure building on a vacant parcel that you see the
30 red square box with the word "SITE" on it is that location. This portion of it is what we are calling
31 Phase I and Phase II. We are preliminary calling it Phase I for the West Mesa Industrial Park.
32 This is a commercial soundstage. Phase II is clearly Phase II and may or may not happen and
33 would most likely be focused on an academic-type setting. Focusing on a Creative Campus in
34 dealing with Creative Media Institute at both NMSU and Dona Branch Community College. This
35 is a preliminary layout and this is a site assessment. The next page...
36

37 Ceil Levatino: David, I'm sorry to interrupt again. What is the size of this site, acre, two acres,
38 ten acres? What are we looking at here?
39

40 Wayne Savage: It's 5.
41

42 (Several people speaking at once)
43

44 David Dollahon: 4.3 acres for Phase I, the other is 3.7. The site, I think, has space for other
45 expansion beyond this. I think it is close to 30 acres in that corner.
46

47 Ceil Levatino: Thank you.
48

49 David Dollahon: Ok, second page, and again we are only focusing on Phase I. This is the top
50 portion is a layout floorplan of the building and the bottom portion is a conceptual building cross
51 section to cut the building in half what it would look like if you cut it open from the inside. So it

1 has office space and production/mill space. This is mill space from the back this is soundstage
2 and it is intended to be split two ways, there is opening on both sides in case you have two
3 productions and this is the front and this is additional expansion in the back. Those are
4 production offices and so forth. This would be the the front of the building. On your right, would
5 be the front of the building and then this is the building (inaudible). That's plain and simple, by
6 the way, don't get too excited, one building on one site is the same building on the other site.
7 The next one, aerial photograph of the Arrowhead site. As you will notice, it's on the southern
8 end of the campus adjacent to the interchange between I-10 and I-25 and it has a red square
9 that says the word "SITE" on it. In this instance, Phase I is the southernmost, it is on the bottom
10 of the page. Phase II is at the top of the page. Again, same building, slightly different layout
11 because you have a different parcel. And then the last page. Oh the last page is a Phase II
12 expansion, what is the Academic Studio. We aren't going to spend much time on discussion of
13 Phase II at this point but it is important to the overall scheme of things related to site selection.
14 So that's where we are. Now we have another item. These are for your reference. The key
15 important parts, within the Committee on Soundstage we worked through the Architects, ASA
16 and Dekker Perich Saratini, a summary list of pros and cons for each site. So West Mesa is the
17 first one, Arrowhead is the second. I don't know if you have read them before today's meeting
18 but I'm going to go through both pros and cons on both sites quickly and hopefully if you have
19 any questions do we want to do it after each site or after the review of both sites.

20
21 Gill Sorg: Maybe after each site. But I would like to interrupt just a minute to mention that we
22 have another person that came in here, Matt Byrnes from the community college and these
23 people by the way, back here were on this committee that were doing the site selection. Their
24 input is in here.

25
26 David Dollahon: Quickly going through the pros on the West Mesa site.

- 27 1) The City owns the land, has an option on what/if and if to charge for the use of the
28 building when and if it's built, there's no issue on land deal negotiations, no negotiations
29 between use and the City. The City would own the land and own the building.
- 30 2) No gross receipts tax issues. Any activity that occurs on the site, the City will collect gross
31 receipts tax on the applicable taxable items.
- 32 3) The infrastructure is mostly in place with relatively ease, it's a matter of extension into the
33 site. The City's West Mesa Industrial Park fund has money for needed infrastructure
34 extension to the site. Gas, water, sewer, electricity are really all in the street, it's a matter
35 of extending it into the site.
- 36 4) Not as much budget needed to commit to the aesthetics of the building. Architectural
37 constraints likely afford a less expensive build-out. Not to say that the West Mesa
38 Industrial Park does not have architectural standards, we do. It's primarily focuses on the
39 front facade of the building, however, NMSU and Arrowhead Research Park have
40 different and what I would consider higher standards architecturally.
- 41 5) Convenient to I-10 and the airport.
- 42 6) There's clear room for expansion, future growth potential, back lot potential, outdoor
43 spaces. Views out over valley, as the Committee described it we mostly have 270°
44 unobstructed view.
- 45 7) Clear exterior filming possibilities, that goes back to the backlot potential.
- 46 8) Potential for ancillary business growth for other related industries that may want to locate
47 near there.
- 48 9) Proximity to Corralitos Ranch which may be a filming opportunity for your latest "wild
49 west" film.
- 50 10) It is relatively isolated from residential areas and other big users and the potential for
51 filming special effects and pyrotechnics is easier.

1
2 Some of the cons:

- 3 1) Location is isolated from key partners: NMSU, Dona Ana Community College, the public
4 schools and we had other discussion on others as well. If you are looking to buy lumber,
5 you are going to be driving into town to buy lumber.
- 6 2) Limited engagement with the NMSU community when sitting idle due to distance. There is
7 not going to be a whole lot of opportunities for student classes to come out, they can
8 come out to the West Mesa Industrial Park, but not with relative ease.
- 9 3) Less potential benefit to local economy.

10
11 Jack Eakman: How was that evaluated?

12
13 David Dollahon: This list, because we are trying to work in short order, is just based on
14 anecdotal information.

15
16 Jack Eakman: Somebody's projection.

17
18 David Dollahon: Yes, exactly. We realize that whether we are at West Mesa Industrial Park or
19 Arrowhead Research Park, they are going to be traveling to Las Cruces for amenities, food,
20 supplies and the like. It's just are they willing to pay for the inconvenience of that transportation.

- 21
- 22 4) Further from other city amenities, restaurants, hotels, stores.
- 23 5) Limited transportation options for employees. If you don't your own car or some other
24 form of transportation, we are not running bus out there every day.
- 25 6) Potential concern for highway noise interference.
- 26 7) Industrial park aesthetics. Some people may not consider that the most likeable place to
27 work.
- 28 8) Potential environmental concerns related to odor and air quality. We do get dust storms
29 on the west side of town and the cheese factory, while an important business to our
30 community, does not always have the most attractive smell.
- 31 9) Internet broadband width and access is questionable. I know we do have internet
32 broadband, it's the volume and the reliability.
- 33 10) No potential for creative campus on West Mesa. From my understanding, NMSU is not
34 going to create a creative campus essentially Phase II would not occur out at the West
35 Mesa Industrial Park.
- 36 11) Proximity to airport, potential impact to flight schedules or activity. We would have to be
37 concerned about a pyrotechnic show if it was a charter flight or other scheduled flights
38 just because of the proximity to the airport.

39
40 Ceil Levatino: How would that impact, how would having the film studio on the West Mesa
41 impact just the regular private aircraft community out there.

42
43 David Dollahon: I don't know that it would, I think it's the specialty situation. If you were building
44 a really tall structure and you were going to set it on fire. We do have approach issues with the
45 run-ways, so you're not going build a fake 300' water tower and then have it collapse without
46 coordination with the airport.

47
48 Gill Sorg: I just wanted to point out that these are not ranked on here at all.

49
50 Davin Lopez: I have one question. You raised the issue of less cost because of CC&R's less
51 restricted at Industrial Park, I'm assuming that's because Industrial Park does allow for metal

1 building out on the back side of it. But with the studio and given its proximity to the airport, won't
2 that require a lot more insulation value which is going to probably put that in par with any
3 concrete tilt up built out somewhere else.

4
5 David Dollahon: We are probably talking about a concrete tilt up building period. Its other
6 aesthetic treatments like roofs, windows, doors that are beyond. And that is reflected in the cost
7 estimate that the architects have prepared for us. And we are prepared to go over those.

8
9 Davin Lopez: So maybe for the architects. Is there an insulation difference between sound and
10 metal building between being close to the airport or is it all the same?

11
12 Tim Grattan: It's all the same. There's some concern about noise level at both.

13
14 David Dollahon: As it is because were at Arrowhead, we are at the junction of I-10 and I-25 and
15 I-10 carries a great deal of traffic.

16
17 Davin Lopez: I know when Albuquerque's studios were being built that was a big factor that
18 drove up cost because of the Airport (inaudible, several people talking).

19
20 Jack Eakman: May I add a potential problem.

21
22 David Dollahon: Sure.

23
24 Jack Eakman: Some high level stars might prefer to fly in on a private jet and get out of here on
25 the same day and it would be far more convenient on the West Mesa than anywhere else.

26
27 David Dollahon: Anything else on the West Mesa. We are Moving forward with the pros and
28 cons for Arrowhead Research Park.

- 29 1) At I-25 / I-10 interchange, seen as the Gateway to the community.
- 30 2) High visibility of a building for tourist interest and local pride.
- 31 3) Convenience to NMSU / Dona Ana Community College academic programs, film schools
32 and student populations.
- 33 4) Other enhanced synergy with Arrowhead Park, other commercial endeavors, incubators
34 are already on the site.
- 35 5) Close to amenities, lodging, restaurants, hotels and services.
- 36 6) Better transportation accessibility for employees.
- 37 7) Commitment by NMSU on the Creative Campus, adjacent to the university, future media
38 center.
- 39 8) Room for expansion of additional studios. They might be limited at Arrowhead but NMSU
40 and Dona Ana Community College both have other land available close by for expansion
41 or other outdoor filming potential, particularly east of I-25 where the golf course is, NMSU
42 has other land and off of the East Mesa.
- 43 9) Potential ease for a secured facility. The fencing and the security are the same for both
44 sites; however, the West Mesa Industrial Park is a little more isolated, and NMSU has its
45 own police department that would patrol the facility more regularly than police department
46 does.
- 47 10) Arrowhead Park and NMSU are to provide roadway and utility infrastructure to the site at
48 their own costs. Currently, the site at Arrowhead does not have a street coming to it off of
49 Cholla but NMSU and Arrowhead has committed to building that extension to the
50 property.
- 51 11) Highest bandwidth internet connectivity in region.

1 12) NMSU/Arrowhead pursuing interchange at Arrowhead Drive with I-10 for easier access.

2
3 Daniel Avila: Excuse me, David, did they mention how that's going to take? Is it 2 years, 5
4 years, tentatively?

5
6 David Dollahon: Their commitment and Wayne Savage is here, he is the director of Arrowhead,
7 as soon as possible correct?

8
9 Wayne Savage: The interchange we view as a 5 to 7 year project realistically.

10
11 David Dollahon: I would probably say 7 is probably the sound number. Dealing NMDOT and
12 FHWA. I don't even remember if that's on the NMDOT plans.

13
14 Gill Sorg: It's not. (Inaudible, several people talking), it's been asked for for several years.

15
16 David Dollahon: Cons:

- 17 1) Cost for LC Film Studio land included in total lease/studio operating cost. There is
18 concern because based on a legislation that gives us the capital outlay, the City will own
19 the building. There would have to be a land negotiation with NMSU. Essentially we would
20 be building our building on their land.
- 21 2) Again, item 2, this is no different than out at West Mesa. Concern for highway noise in its
22 relative proximity to I-10 & I-25.
- 23 3) Access and egress issues especially during NMSU special events. It will require special
24 coordination with NMSU and Campus police. I'm going to say in our discussion with the
25 Committee members, none of the cons for either site were seen as insurmountable, none
26 were issues that were going to wipe one out and say it will never happen here. These are
27 just concerns that are realistic at either site. And noise and ease of access are probably
28 the only two important to both of them.
- 29 4) Access that does exist cannot handle heavy traffic.
- 30 5) Limited backlot/exterior filming potential on site. Views are obstructed.
- 31 6) Direct future expansion possibilities on this site are limited.
- 32 7) Likely increased construction costs due to Arrowhead design guidelines.
- 33 8) Concerns with production restraints from NMSU regarding creative content.

34
35 There was a lot of discussion at the Film Stage committee meeting about creative freedoms and
36 being on the campus of NMSU. Movies, starring actors such as Quentin Tarantino, and the
37 such, there is a general concern. I voiced my concern as staff; that's a freedom of expression
38 and we hope that NMSU is committing to resolving those issues but it was brought up by
39 several members of the committee. It is a matter of freedom of expression and freedom of
40 speech. However, they are using what would be a city-owned building on campus of NMSU. I
41 can honestly say that being in the creative cultural environment, there are other creative issues
42 that are important to the City as well in the museums and our libraries, we do deal with creative
43 issues on a City perspective elsewhere so it is not immune to us either.

44
45 Daniel Avila: I have a question.

46
47 Gill Sorg: Yes, go ahead Daniel.

48
49 Daniel Avila: On the cost, are you all able to give a rough estimate on which one is more costly
50 and the amount?

51

1 David Dollahon: Thank you. My next segway, the top half is Phase I Commercial Studio. Does
2 everyone have that? So construction cost estimates assume concrete tilt up exterior wall
3 construction at either location. Phase I because the building is the same at either site, it's just a
4 matter of placing it on there, the building area is 41,000+ sq. ft., 35' clear height film stage, cost
5 of construction is \$6.25 million, \$150/sq. ft., some soft costs and contingencies add another
6 \$1.1 million for a total of \$7.35 million. Realize that this is a very rough estimate. For additional
7 height to 60' add another \$800,000, add for roadway and utilities, that's \$310,000 to extend
8 Industrial Park Avenue and then added at Arrowhead for aesthetics is \$75,000 so that gives us
9 another, subtracting Arrowhead from it, and \$310,000, if you want to raise the building height,
10 \$800,000 to go up to 60'. The industrial average, what we are marketing in the area, from the
11 height standpoint is in the 35' to 40' range for the height of the building. That is what is
12 elsewhere in New Mexico, that's is what our competition is. It goes up substantially as you get
13 taller. But we are really targeting our competition in the 35' to 40' range, because based on the
14 sq. footage of the building and the height, that's realistically what we can target at either site.
15 But you want to go taller, you can but there is a price premium associated with that.

16
17 Cruz Ramos: 35' to 40' is a prevailing clearance.

18
19 Ceil Levatino: This is a preliminary estimate. I'm going to assume that we will be getting other
20 architectural firms involved and getting other estimates.

21
22 David Dollahon: Actually, we can design down accordingly and this is a very rough quick
23 estimate.

24
25 Ceil Levatino: That doesn't answer my question, are we going to get other estimates from other
26 firms.

27
28 David Dollahon: I don't believe so at this point because we have a contract.

29
30 Daniel Avila: I think it depends on the Committee.

31
32 Ceil Levatino: Well, I think we should at least be considering talking to local firms. We have a
33 couple of excellent architectural firms in Las Cruces and I think that they need to be given a
34 chance to give us their opinions.

35
36 David Dollahon: Our lead on this is ASA, who is a local firm.

37
38 Ceil Levatino: We need more than one estimate.

39
40 David Dollahon: And we are very preliminary on this, this is a very rough estimate.

41
42 David Weir: I'm assuming for that reason you were very conservative also, making sure that this
43 was the worst-case scenario.

44
45 David Dollahon: We wanted to give you the worst-case scenario and the opportunity to design
46 down.

47
48 Tim Grattan: You are absolutely correct. And we as architects, ASA and ourselves, working
49 together, we have of course some experience in estimating costs, but we have reached out to
50 the building industry, specifically contractors that build filming studios, that built studios on I-25
51 and gotten direct input from them. These are real costs. So it's not just us going out there and

1 saying we think this is \$150/sq. ft. We have gotten input from a variety of different sources to tell
2 us and then based on our own experience, Ted and ourselves. This is a rough estimate, we
3 hope it is conservative, but there are ways as we go forward with the design, as we further
4 define the design, we will continue to work on this. There are some options, some of which have
5 been identified already. I hope that answers your question.

6
7 Ceil Levatino: I appreciate that.

8
9 Gill Sorg: I'm looking at the estimates that you gave us at the other committee meeting and I
10 thought you were given instructions to give us a lower estimate, something less than the
11 Cadillac version of the building. Yet in this one here you actually up'd the prices.

12
13 Tim Grattan: The base price is up. What we have included in the estimate is at least one major
14 engineering item if you will, if we don't use the tilt up concrete construction and we go to a pre-
15 manufactured metal building with heavy insulation which will still meet the needs of this building,
16 like they have done in Albuquerque and other places, there is deduct price in there, if we go with
17 that option. And again, as we further go forward with our design with more depth and more
18 detail we will identify other options. There is two ways, one we can reduce the size of the
19 building, reducing it 5% is not going to help on an overall. Then you have to look at the
20 functionality and how sellable a smaller building really is. That's one option and that will depend
21 on how much you take out of the building. If we construct a full stage pre-manufacturing
22 building, we are going to save \$700,000 to \$800,000 off of that first number of \$6.25 million.

23
24 Gill Sorg: Any other questions.

25
26 Christine Logan: Would using a manufactured metal building be an option at the Arrowhead
27 location?

28
29 Tim Grattan: It would, there are aesthetics involved at probably both places I would assume. But
30 we have plugged in some numbers there. A metal building can be constructed at Arrowhead.

31
32 Wayne Savage: We have not ever approved one, but we haven't investigated one.

33
34 Christine Logan: And as a gateway to the community, a metal building may not be the gateway/
35 local pride thing we are looking for. So that may not be a good place for it even if it were
36 allowed.

37
38 Tim Grattan: We are not talking about an industrial building with metal siding on it, no, we would
39 have to dress up the exterior of the building. But that is considered in there.

40
41 Christine Logan: But it could be less dressed in the back corner of the West Mesa Industrial
42 Park.

43
44 Gill Sorg: Yes. Daniel did you have something?

45
46 Daniel Avila: I just had a comment. Exactly what the architect mentioned, there is always room
47 for value engineering. Getting other architectural firms involved for value engineering, similar to
48 what you are saying other estimates, other ideas. That's always a possibility.

49
50 Irene Oliver-Lewis: I also want to reiterate what was discussed at the meeting that it was very
51 important that we keep it within what this committee, Economic Development Committee, said,

1 we were looking at a range of \$4M to \$5M, keeping in mind that we only have \$13M to spend on
2 all our projects so it was real important that we look at it, that it is what we want it to be. If we
3 are going to invest in a project and create a whole economic cluster from this, it has to be a
4 quality that it will be used but it also has to be within our constraints. And so at this particular
5 point, I'm speaking from many hats here, but we need to keep this from the City standpoint at a
6 logical amount of money that fits within our economic development needs and if we have to go
7 and seek additional money from other sources, from the state, then we look at that. But we do
8 not want to jeopardize the growth of the industry or what we have to do, but we have to keep in
9 mind that we only have \$13M from this Committee to recommend to the City Council. So I think
10 this is the dream, this amount of money is the dream, it isn't necessarily what our committee
11 may recommend it comes from the City so we may have different phases of making this
12 happen. If all that makes sense.

13
14 David Dollahon: You could phase the building. You could design in such a way, you build the
15 foundation, you have a build-out where you phase in part of the building, come back on your
16 production space, you build half of it the first time and then you add on the second phase when
17 other money comes around. I'm not saying that gives you economies a scale because good
18 planning is good practice, it just, Staff and the architects are running at this project, we are
19 spending a great deal of time with the other committee and with City Staff from Facilities
20 Department, kind of trying to tie down these numbers all the time. It is not for a lack of trying, it's
21 just we are trying to give you a total, if you are wanting to build a Cadillac version, this where
22 you are starting and this is where you have to come down from.

23
24 Ceil Levatino: And I appreciate that. I think it is important that we be wise on how we spend the
25 money and I would like, I really am very insistent that we get opinions on what the Cadillac
26 version is going to cost. Given the constraints that we have with the amount of money we can
27 spend, I cringe when we talk about phases because we have no idea what the economy is
28 going to look at and what kind of money the state is going to have available to us in the future.
29 We need to do this and we need to do this completely.

30
31 David Dollahon: And when we can get back to it, that's the problem with phases.

32
33 Ceil Levatino: Exactly. Phases scare me.

34
35 Gill Sorg: Let me point out that, well if we do get other estimates, will that cost us more money in
36 the beginning.

37
38 David Dollahon: Yes getting other estimates does cost us money.

39
40 Gill Sorg: Just putting that out there.

41
42 Wayne Savage: My only comment, with all due respect to our architect friends here, I think it is
43 important that you look at your total cost. And this is a very preliminary design and it was only
44 requested of the architects for a very preliminary conceptual design and any additional
45 information you can bring in terms of cost could potentially be better sought from a contractor.
46 Architects do excellent estimates but it's an architectural estimate and not a builder's
47 contractor's estimate.

48
49 Gill Sorg: That's what I was thinking too. So this one would have to go out on bid and we could
50 always turn down all the bids that we need to if worse comes to worse. But we are mainly here
51 to select the site so that is what we need to focus on now. Daniel and then Jack.

1
2 Daniel Avila: Just a comment, I'm not sure if I would be ready to select a site given the cost and
3 the comments from Wayne as far as what could be approved by NMSU as far as type of
4 building. I think we are going to need to do a value engineering exercise. I'm not sure we are
5 ready, from my point of view, if we are ready to select the site based on cost. And if there
6 \$6.95M or more, we don't have the money. That's from my point of view.
7

8 Jack Eakman: You are well ahead of me, I don't want to sell you down at all, but no one has
9 showed me performance on this regarding operating costs in the future. I have seen wild
10 estimates of economic multipliers. Georgia just did their study. The economic multiplier is 1.83 to
11 3.67 and no more, on what this brings back to the community so the City is supposed to be
12 evaluating what this does and what it brings to the economy and the local economy, I would
13 really like to that projected so that I can go to my constituents and say this is why we invested
14 \$5M.
15

16 David Dollahon: And that is, again, a work in progress as well. Looking at other studios in New
17 Mexico trying to pin down their actual operating costs. So it's not lost on staff, it's just that we
18 aren't there yet, it is a work in progress. I'm glad you brought that up.
19

20 Cruz Ramos: I just want to be clear on something and that is that throughout the Soundstage
21 meetings we have had to date that have brought us to this point and in particular since our
22 meeting of January 7th, I have been in daily contact with Tim Grattan particularly on the cost
23 estimates and I have relayed to him and have gotten assurances that he would do his utmost to
24 get us accurate numbers in all the particulars as best we can in terms of value engineering
25 items. So again, daily conversations, often more than once, so I just want everyone to know that
26 Tim has done due diligence in getting information, whenever available information that might
27 have been out there to get, he has done utmost to get that information.
28

29 Christine Logan: So backing up a little bit and based a lot of David's intro to the purpose of
30 today, my understanding is that there is still a lot of decision making to be done, as to do we
31 want to do anything, if we did something what would it be, where would it be, what would it cost
32 and how would it get there but at this point, there is \$1M to go to that next step to and figure out
33 all those answers. Do we want to do something, is it something to spend City funds on, but in
34 order to make those decisions and get the further information, you are just looking for priority of
35 these two choices, either could work and you are looking for this committee to prioritize so that
36 you can then get more detail about cost, get more detail about return on investment? There is a
37 thousand questions before do we want to actually dedicate money to this but this point there is
38 money, which way should we prioritize for planning purposes.
39

40 David Dollahon: Christine is actually correct. We have expended and committed local money to
41 this phase of the project to get us to where we are. We haven't been able to receive the capital
42 outlay, we haven't accepted or expended it, so we are spending local money. So we are trying
43 to get these moving parts together to prioritize so that we can turn around to the architects and
44 say, okay, this is our priority number one, this is where we want you to focus, spend your efforts
45 there and then tie-down these costs. They are spending a lot of effort between the differences
46 between costs between two sites that have different impacts that we don't know what NMSU is
47 going to accept from a building standpoint. Is a metal building is allowed? It really is a matter of
48 preference at this time. Do you have a preference of one over the other?
49

1 Daniel Avila: I don't agree with that David. I think it has a lot to do with cost. I think the cost is
2 going to vary a lot, and I don't think it's going to be just Arrowhead or West Mesa. I think the
3 cost difference is going to be significant.
4

5 Davin Lopez: I am agreeing with everything that is being said here. I know we are getting to the
6 final end here, I want to just make a comment on the locational factor which may throw another
7 wrench in. If we are talking about just location, my opinion is West Mesa Industrial Park is not a
8 complimentary use out there first and foremost. At some point when we see growth take place,
9 someone is going to be a bad neighbor, that's just what is going to happen. So that either
10 leaves us at just looking at Arrowhead or is there something else that can be thrown in. If there
11 are good reasons for the City to own the land, then maybe the alternative is the City needs to
12 look at a 5 acre piece of land to purchase and control for this purpose, because that would
13 make more sense. So I'm throwing another wrench in but I am ruling out West Mesa Industrial
14 Park personally just on non-compatible use.
15

16 Irene Oliver-Lewis: I have to get back to the nature as to why we exist as a committee. That's
17 Economic Development and in discussing the West Mesa site and the Arrowhead site, it
18 appears that to create that cluster and that income generated aspects, the Arrowhead site has
19 more potential than the West Mesa site.
20

21 Gill Sorg: Derek?

22
23 Derek Fisher: I just wanted to say that there is some material together that has cost and
24 revenue breakdown that may answer some questions.
25

26 Ceil Levatino: I have to run.
27

28 Gill Sorg: What is your preference of the two sites?
29

30 Ceil Levatino: My preference is for Arrowhead overall. But I'm really concerned, I agree with
31 Daniel that is a tentative first preference on cost. Jack is absolutely right, we really need to have
32 other information before we even can come close to making any final decisions on what to do
33 because I am very concerned about the cost, we have to be very mindful of the fact that we are
34 spending tax payer's money and we have to be wise about it. It is not our money.
35

36 Gill Sorg: That is obviously something we have to be concerned about.
37

38 David Dollahon: Can I add one thing because you do, sitting on the Council. As you are thinking
39 about this and if you have other concerns, please let myself or Cruz know in advance of the
40 Work Session and if there is anything else that you see that may need clarification or missing
41 from the pros and cons lists, please email us. And that goes for all the other Committee
42 members.
43

44 Gill Sorg: I was going to say one more thing. The synergism between this project and the
45 university and the community college has got to be considered as important part because there
46 is a lot of co-workings, a lot of synergy, let's put it that way. And that is something the university
47 is going to have to come forth with. I voted to have it at the Arrowhead myself, on the condition
48 that we have a good agreement with the schools. So that is still to be worked out, so we may
49 not be able to come to a final decision here today but an indication might be worthwhile. So we
50 would like to go around the room and just get your last word.
51

1 Christine Logan: I would say that if the City participates in building a Soundstage, it should be at
2 Arrowhead and actually definitely not at the West Mesa Industrial Park, there may be some
3 other choices but I agree, it is not a compatible use and it would impact future choices in the
4 Industrial Park. I think it is a good fit at Arrowhead.
5
6 Gill Sorg: Jack?
7
8 Jack Eakman: Agreed
9
10 Gill Sorg: Davin?
11
12 Davin Lopez: I agree. The only other comment I would like to hear from the University at some
13 point, I think them being involved adds to the value, I think it's important for the public to hear
14 what the value statement is.
15
16 Gill Sorg: Daniel?
17
18 Daniel Avila: I agree with the comments.
19
20 Gill Sorg: Loretta?
21
22 Loretta Reyes: I agree, I think that just by the mere name of the West Mesa Industrial Park just
23 brings to light for potential for non-compatible uses and then I think the synergy that you talked
24 about is very important to this project being successful.
25
26 Gill Sorg: Irene?
27
28 Irene Oliver-Lewis: Ditto
29
30 Gill Sorg: Joe?
31
32 Jose Provencio: I am here in place for Jorge, but it appears that the discussion and all the
33 pluses and minuses tend to lead towards an Arrowhead location. Utilities are located and would
34 be available at that site from our perspective.
35
36 David Weir: I have to be the devil's advocate. I'm not quite as concerned about the West Mesa
37 Industrial Park. These are large building that can be repurposed if this takes off and goes
38 someplace else. This would provide some energy out there, it's also property that would go on
39 the tax roll and create GRT to the City, so I don't think that is a horrible site. But I can see the
40 synergy with the university.
41
42 Gill Sorg: Well that's all part of the deal with the University. To compensate for loss of taxes or
43 not. If they can do it fine, it not that's fine too.
44
45 David Dollahon: I have assurance from the City Manager, it if goes on the Arrowhead sites,
46 there is no way NMSU (Inaudible – several people talking). We have land-lease deals with
47 NMSU for the loss of GRT on the construction because it is not inside the city limits. The city
48 would be looking for an equitable deal on the land-lease to own the building on the campus of
49 NMSU so that is not a concern. And we realize we that get other GRT incentive elsewhere in
50 the community.
51

1 Gill Sorg: That's in the packet. I have one last question and then I think we better close here for
2 the day. Davin, if this was built on the Arrowhead site, and somehow the film industry collapses
3 here, all the incentives are taken away for example. What is the likelihood of another business
4 being able to rent or buy that building?

5
6 Davin Lopez: I think no matter where it's at, it's a special purpose building. So that might be a
7 better question for Wayne. What type of industry, Wayne, would Arrowhead allow for? That's
8 going to be the most important because it is such a special purpose building. It's going to be a
9 hard sell.

10
11 Gill Sorg: But even on the West Mesa?

12
13 Davin Lopez: Even on the West Mesa.

14
15 Gill Sorg: I see.

16
17 Wayne: I think you have to look at a building that has 35' clear space inside with potential to go
18 back in and build in a second level.

19
20 Gill Sorg: Very good. Last word Christine.

21
22 Christine: Can I just make a quick comment because we are rushing to finish the meeting. It
23 feels like this committee has been very rushed in the last 3 or 4, can we maybe plan for a little
24 longer? It feels like we have had several meetings where by the time we get to discussion we're
25 told but we really don't have time to discuss could you just give us an answer for the next City
26 Council meeting. So if we could plan some longer time and some more discussion.

27
28 Gill Sorg: That's the last thing I was going to say, next meeting, and I would agree we could
29 spend another half hour or so.

30
31 Christine Logan: It's been 3 or 4 meetings where it has been, we aren't going to talk about it,
32 just give us an answer.

33 34 **VI. Discussion / Next Steps**

35
36 David Dollahon: If I may Mr. Chairman. So our discussion / next steps to wrap this up. We can
37 go to an hour and a half, everyone need to look at their calendar, is an hour and a half realistic
38 to fit into your calendars to accommodate this meeting. I am seeing shaking heads so yes.
39 Other topics that we have coming up, we need to get back to the Economic Development Plan,
40 the Economic Development Ordinance, we have a new Economic Development Coordinator
41 starting for the City next week. We still have By-Law issues unresolved. And we have all these
42 other HHGRT projects that are out there. I'm thinking we need to have, rather than a meeting, a
43 work session and start taking bites and getting direction from this committee on all these little
44 topics. So I'm going to ask Cruz to email you, so start looking at your calendar, because
45 January is almost over but let's look for work sessions. Maybe one work session a month and a
46 regular meeting once a month or if we are not having action items, that we turn the actual
47 meeting into a work session so we can get some direction from you.

48
49 Jack Eakman: An alternative may be to have subgroups working on special things.

50

1 David Dollahon: Maybe that's what we have in our first Work Session. And maybe let's plan for
2 that. Make a list of what we need to be working on and start dividing things that we can take in
3 manageable efforts.

4
5 Irene Oliver-Lewis: At one early meeting we did that very thing. We looked at topics and
6 everyone raised their hand of what area they, but we probably have to revisit that.

7
8 Christine Logan: We had that, Davin, Abby Train, Councillor Sorg and I have worked on the
9 Economic Development Ordinance and how to create separate and update with the State.

10
11 David Dollahon: But we also need to bring staff into the dicussion.

12
13 Irene Oliver-Lewis: So what are you presenting to the City Council on the 25th?

14
15 David Dollahon: We are presenting the concerns and the issues and we may not have a
16 definitive answer from the Council Meeting. We have done this before regarding the CVB home
17 not once but twice. It helps us getting your dialogue and it will help us to hear from the rest of
18 the City Council so we can give the architect and other members of the community an
19 opportunity to weigh in.

20
21 **VIII. Adjournment**

22
23 Irene Oliver-Lewis: Move to adjourn.

24
25 Gill Sorg: There's been a move to adjourn.

26
27 Jack Eakman: Seconded.

28
29 Meeting was adjourned at 11:37 am.

30
31
32
33
34
35 
36 Chairperson
37