



# City of Las Cruces

## Economic Development Committee July 6, 2016

The following are minutes for the meeting of the Economic Development Committee for July 6, 2016 at 10:00 a.m., at the City of Las Cruces, City Hall, Conference Room 2007C, 700 North Main, Las Cruces, New Mexico.

### Members Present:

Craig Buchanan (D-1)  
Mayra De La Canal, Economic Development Coordinator  
Councilor Jack Eakman  
Irene Oliver-Lewis (D-4)  
Christine Logan (D-2)  
Arlon Parish (D-6)  
Jose Provencio, Acting Utilities Director  
Cruz Ramos, Economic Development  
Loretta Reyes, Public Works Director  
Councilor Gill Sorg  
David Weir, Community Development Director

### Members Absent:

Daniel Avila, Interim City Manager  
Councilor Ceil Levatino  
Davin Lopez (D-5)  
Abby Train (D-3)

### Others Present:

Eric Montgomery, MVEDA  
Orlando Padilla  
Phil San Filippo, CVB Executive Director  
Senator Jeff Steinborn

### **I. Call to Order (10:04 a.m.)**

Chair Gill Sorg called the meeting to order. I would like to introduce a couple of guests we have here, more than one, Philip from the CVB, we have Orlando Padilla, who is a member of the community and behind me is Jeff Steinborn, Representative of the House in New Mexico. The next order of business is the Conflict of Interest Disclosure and Determination.

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

Gill Sorg: Is there any member of the committee or staff that has a conflict of any item on the agenda? Hearing none, we will move on.

### **III. Approval of Regular Meeting Minutes: May 4, 2016**

Gill Sorg: Approval of regular minutes from May 4, 2016.

1  
2 Jack Eakman: So moved.

3  
4 Loretta Reyes: Second.

5  
6 Gill Sorg: Ok, is there any discussion or corrections or additions for the minutes of May 4<sup>th</sup>? If  
7 not, all those in favor of approving the minutes, say aye.

8  
9 All responded aye.

10  
11 Gill Sorg: Those opposed say no. Hearing none, the minutes from May 4<sup>th</sup> have been approved.  
12 Next order of business is By-law Amendment for Call-ins.

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14  
15 **IV. By-law Amendment for Call-ins**

16  
17 Gill Sorg: We all have a copy of the By-laws here, there is nothing in here that has a provision to  
18 allow members to call in when they can't be here in person. So I will entertain a motion to  
19 provide that.

20  
21 David Weir: Mr. Chair, Article VII, Item G: Members may attend meetings via telecommunication  
22 methods.

23  
24 Gill Sorg: Did we pass this last time?

25  
26 David Weir: No, there were some amendments that you wanted or had recommended to make.  
27 So the draft you have now does that. One there was some discussion about closed meetings  
28 and I removed that and then there was some discussion about if something was just talked  
29 about on the agenda, excuse me, if somebody came to me and wanted to talk about something  
30 that wasn't on the agenda, I changed the language to allow that at the discretion of the chair  
31 and just added language that no decisions would be made on the item. Those were the only  
32 changes.

33  
34 Gill Sorg: Which one is that?

35  
36 David Weir: That was...

37  
38 Jack Eakman: Article VIII, Item B.

39  
40 Gill Sorg: 8B? Oh, got it.

41  
42 David Weir: The sentence reads: if a person wished to speak on an issue that is not posted on  
43 the agenda, the Chairman of the Committee may allow the item to be presented but not action  
44 will be taken on the item.

45  
46 Gill Sorg: So it is that last sentence that is added. Ok.

47  
48 David Weir: Yes

49  
50 Gill Sorg: So then I think, a motion to accept these two additions to the By-laws would be  
51 necessary you think? Ok, you all agree? Do I hear a motion?

1  
2 Jack Eakman: I would move those additions.  
3  
4 Gill Sorg: Councilor Eakman moves to add those two parts to the By-laws.  
5  
6 Loretta Reyes: Second.  
7  
8 Gill Sorg: Second by Loretta. All in favor say aye.  
9  
10 All responded aye.  
11  
12 Gill Sorg: Those opposed? (none) Ok, those are passed. The next item is the Soundstage.  
13  
14 **V. Soundstage**  
15  
16 Gill Sorg: You all got a copy of the one RFI, Request for Interest, on the Soundstage. So you all  
17 have had a chance to read it, you have the information on that. Is there any discussion on this?  
18 Anybody want to say a few words about the RFI.  
19  
20 Jack Eakman: If I may Mr. Chairman?  
21  
22 Gill Sorg: Sure.  
23  
24 Jack Eakman: Did I read in the minutes that over a thousand request for this information were  
25 sent out.  
26  
27 Gill Sorg: That's correct.  
28  
29 Jack Eakman: And ten in New Mexico?  
30  
31 Gill Sorg: Was it ten?  
32  
33 Mayra De La Canal: Close to ten.  
34  
35 Jack Eakman: And we received one reply?  
36  
37 Gill Sorg: Right.  
38  
39 Jack Eakman: Ok.  
40  
41 Gill Sorg: Do you want an explanation?  
42  
43 Jack Eakman: I'm trying to get my head around that.  
44  
45 Gill Sorg: Ok. I'll tell you what I know, others know more than me. I know that the people are  
46 very busy. We are, as far as New Mexico goes, very busy and they just don't have time to fill out  
47 such a long form that we sent them. But that is not the only response that we got back, from the  
48 Film Industry in New Mexico. Might as well get Jeff Steinborn, to come and explain or tell us  
49 about the second one that came, it was just a letter, not an RFI response. So I will turn the  
50 meeting over to Jeff here and he will explain that.  
51

1 Jeff Steinborn: If you don't mind handing that out in both directions.

2  
3 Gill Sorg: I don't.

4  
5 Jeff Steinborn: So, Councilor Eakman, the RFI was interesting because the City has a media list  
6 going back a few years and I have looked through this list and I have to tell you it is not, it is  
7 very, very bland. I mean it is like people who work in the video department at MTV, Bob at  
8 MTVvideos.com and it is a very, very random list and it is mostly not a list of people who  
9 operate studios. I was the one who provided our Economic Development folks a list of the actual  
10 New Mexico players of which I am not sure where the number ten comes, there were some  
11 other people who support the film industry, who are film industry clients that I thought might  
12 benefit. In the State of New Mexico, we basically have four commercial soundstages, we have  
13 four studios here in this state. One of which is an academic studio related to Garson's Studios of  
14 College of Santa Fe up north which is used for film but it is part of the film school so we don't  
15 normally think of them as a commercial, we don't normally include them in the mix of the other  
16 stages. They have been packed, not available for lease for the last five years because of the TV  
17 show Longmire. So we have three other studios aside from that: Santa Fe Studios in Santa Fe,  
18 and then two in Albuquerque, being Albuquerque Studios and I-25. Out the three studios in New  
19 Mexico, which we also felt were our prime, were really the people we were targeting by this RFI.  
20 Film Las Cruces (inaudible) sure let's send it to the production assistant at MTV studio and see  
21 if they want to run a Las Cruces studio. Out of the studios in New Mexico, the 2<sup>nd</sup> largest one  
22 wrote a response back interested in working with us on a management relationship. The biggest  
23 one, I-25, excuse me, Albuquerque Studio, wrote us a support letter which you have in front of  
24 you, saying that they would work to support the development of a studio with us. So the way I  
25 would frame the RFI is not that we got one out of a thousand random things we put out in the  
26 world but rather we got basically two out of the three commercial stages in the state expressing  
27 interest in helping us. Santa Fe Studio is the one that didn't, they are fighting, they are going  
28 through their own changes and they are going fighting to be as successful as they can. The City  
29 of Santa Fe and the Santa Fe Film Office just created a \$300,000 joint city/county film office. So  
30 let's keep in mind that the studios are also our competitors. They are people who might want to  
31 make a buck off of Las Cruces, but they are also people that also want to be successful and you  
32 can argue that it is not necessarily in their imminent incentive to help us be as successful as  
33 possible and then be a super viable competitor with theirs. So I think different studios in the  
34 state are in different positions. I-25 Studio, the RFI we got back, is a kind of a management  
35 team who worked for an ownership group that repurposed the former manufacturing building  
36 that for years, that the owners of that building had said we might sell it to a Super Walmart  
37 Distribution Center. It is right on the freeway. So because of that, I think these guys who run that  
38 are more than happy to diversify and look for opportunities. The people who run Albuquerque  
39 Studios is part of a major, major ownership enterprise that manages Calvert City Studios. They  
40 do big time studio projects and I met with them and in response they gave us this support letter  
41 to help us, but I think what we were looking at designing was a little bit small for them to be  
42 honest with you. So, from my way of looking at it, we got the results that we hoped we would get  
43 which is that I-25 who has been mentoring us now for about 3 years, came in with an official RFI  
44 and responded and said they would help us. Albuquerque Studios said, some of the biggest  
45 productions you hear about in New Mexico, Breaking Bad, Better Call Saul, and Independence  
46 Day are three that just filmed there. They have committed to coming here and helping us with  
47 our plans. And then Santa Fe Studios is just going through their own little growing pains and  
48 wants to be left alone. So I think our success was good. We didn't get response from random  
49 people out there that probably wouldn't be in a position to run a film studio in Las Cruces but  
50 when you look at that list, that is not necessarily a bad thing.

51

1 Cruz Ramos: Mr. Chairman?

2  
3 Gill Sorg: Yes.

4  
5 Cruz Ramos: If I might add to what Jeff was saying and to help respond to Councilor Eakman's  
6 question as well. Thanks to the help of Film Las Cruces, we were able to get those names of  
7 people in studios specific to New Mexico. But aside from that, the list that Representative  
8 Steinborn eluded to, is not, was not a City owned media list per se, it was the most current  
9 information available from Dunn & Bradstreet on production, and well recognized, as well as  
10 medium sized and smaller production companies throughout the US. With the idea being that  
11 individuals at those companies would be decision makers that would provide us with valuable  
12 input with respect to what they would want to see and what services they would expect to get  
13 from a studio here. So from our standpoint, that set, rather that population, was important in  
14 terms of feedback. Again, thanks to the help of Film Las Cruces, we were able to get some New  
15 Mexico specific studios involved. But as Representative Steinborn pointed out, those (inaudible)  
16 although we have local friends at those studios, we didn't view that as a population that would  
17 necessary be the studio set, helpful in terms of feedback on the local studio we hope to have  
18 here. But that was not a City list, that was a Dunn & Bradstreet list. It was fairly exhausted and it  
19 was made up of in excess of 1,600 potential respondents, not 1,000, certainly not 2,000 but a  
20 little over 1,600. Are you finished Jeff?

21  
22 Jeff Steinborn: Yes, other than to add that the RFI specifically asked to gauge their interest in  
23 partnering with the City of Las Cruces. So part of the RFI was not just give us your feedback  
24 and the notion of creating a studio, a place far from your home that maybe you have or have not  
25 heard of but would you be interested in partnering with the City. And I think that component  
26 selects out a huge number of people that if they have no interest in playing ball, kind of like a  
27 preamble to a RFP, unless they are interested in doing business with us, why are they going to  
28 fill out that RFI.

29  
30 Mayra De La Canal: If I may Mr. Chair?

31  
32 Gill Sorg: Just one second. I just wanted to note that Eric Montgomery with MVEDA, has just  
33 arrived. Ok, go ahead.

34  
35 Mayra De La Canal: I would also like to add to that list that we created and we sent out to. It  
36 was basically users for the future soundstage, not necessarily managing but using the  
37 soundstage. People that would come and film their production here.

38  
39 Gill Sorg: Ok.

40  
41 Jack Eakman: Thank you, I really appreciate these responses. My question emanates from my  
42 perception was this was the source material for a business plan, hopefully. And I guess that is  
43 where I guess it's up to this committee, is this sufficient information to start a business plan?

44  
45 Gill Sorg: Oh no, absolutely not. More information needs to be acquired. And there is a couple  
46 of people working for Film Las Cruces that are working on that.

47  
48 Jack Eakman: Wonderful.

49  
50 Gill Sorg: Yeah, from SCORE, you know what SCORE is?

51

1 Jack Eakman: Sure.

2  
3 Gill Sorg: They are working on that as we speak. So yeah. It should be in the works here at the  
4 end of July maybe, early August. Probably by the next time we have a meeting I hope.

5  
6 Jack Eakman: Is the business plan working with this committee then?

7  
8 Gill Sorg: Not directly. No. Just with Film Las Cruces. But they will be bringing it through here  
9 eventually. Right Irene?

10  
11 Irene Oliver-Lewis: Yeah, it could. It is an interesting thing that you say that because I think that  
12 the knowledge of this committee, even if it is just a discussion session at first, could be  
13 beneficial to the whole project. So I encourage that as well, that they come and just get certain  
14 input, even just reading the minutes of last meeting which I was unable to attend. I think it is real  
15 important in the major decision that we are making in our community. I do want to make a  
16 comment on the RFI. You know, I always had a problem with it. I stepped out of the process,  
17 Mayra and Cruz are very receptive to edits and to questions, and the initial, I mean the ending  
18 RFI that was sent out was considerably more in depth, narrowed down, not in depth, but  
19 narrowed down to asking some questions of the original RFI that was set up. But I still think the  
20 end product was very difficult to understand what you were asking of me if I received that, in  
21 working in the business. It was information and I think what Councilman Sorg first said, it was  
22 cumbersome. If you weren't going to get anything out of it, why would you reply to it just in  
23 general. Perhaps a different aspect or mechanism, instrument, like a survey like you are  
24 sending out now to find out a lot of stuff on the industry may have been a better instrument to  
25 send out in getting information that would lead to the business plan. I don't necessarily feel that  
26 the RFI was the appropriate document. That is just something personal in reading and being a  
27 little bit in the process of putting it together. The second thing is Representative Steinborn said  
28 that we did get a request from one of the major studios and I read what you sent us and it was  
29 informative and it will add to the discussion and this new letter that Representative got. So we  
30 have two out of the three major studios so that is a great percentage if you look at it instead of  
31 out of 1,600 things that went out you only got one. So I think it needs some further discussion  
32 and if it is a suggestion that it was a failure, I don't think it was a failure. It was the beginning of a  
33 discussion to make sure we are investing our money in the right thing.

34  
35 Cruz Ramos: Chairman Sorg, I'm sorry, Craig Buchanan had his hand raised.

36  
37 Gill Sorg: Oh Craig, yes.

38  
39 Craig Buchanan: Since I came late, I'll make up for it by leaving early. I guess I was unclear  
40 what the RFI is the intension that someone like Mr. Clemente would come down and work with  
41 Film Las Cruces to build a business plan? Cause I know Rick has experience in that but I'm not  
42 sure how connected he is to us or how connected he wants to be at this point but I wasn't sure if  
43 that was for now or if his intention is to work with us later on.

44  
45 Gill Sorg: Can someone answer that?

46  
47 Jeff Steinborn: We were very supportive of doing the RFI and I think the RFI, one intent of the  
48 RFI was to explore what partners out there were interested in working with us to develop a  
49 soundstage. Just as far as the City, Council making the decision to go into this business, were  
50 there some other partnerships out there who are in this business, in our environment, said yes  
51 we would partner with you. In fact, in my edit, I specifically wrote that question in the RFI

1 because I think that is what we wanted to get at, I want to get at that, we want to get good data.  
2 Perhaps that is number one. Number two I think is part of what the staff was trying to get out,  
3 was give us some data on the market place, on how you perceive our capacity for success,  
4 what type of business model relationship. There was a question about how would you structure  
5 a relationship between us, to again, speaking to, the RFI is looking for partners not just  
6 feedback. So Craig, I think it is both, it is looking for potential partners but also information that  
7 can be helpful with the business plan. I will tell you that the people we have contracted to do the  
8 business plan are working extensively with Rick Clemente on the plan and it is their intention to  
9 also work with Albuquerque Studios. They are working with all kinds of folks, they are doing  
10 research for the University and MVEDA, they are in the process of gathering data so it is a;  
11 hopefully that answers your question a little bit. But Rick Clemente is very interested in working  
12 with Las Cruces to play some role in what we are doing here.

13  
14 Gill Sorg: Ok, any other questions. Yes, Orlando?

15  
16 Orlando Padilla: Thank you Representative Steinborn for your clarification. As it ties in to  
17 Councilor Eakman's comments about a business plan. I am interested in the strategic plan so  
18 here we have the soundstages which is great. So what is the bigger picture, what is the vision,  
19 what is the mission of trying to get major studios here like Warner Brothers Entertainment,  
20 Comcast Universal, Fox Entertainment, those kinds of groups to be a part of this and here in  
21 this area in Dona Ana County.

22  
23 Jeff Steinborn: It's jobs, it's opportunity, it's futures for kids here, that is the bigger picture. But in  
24 New Mexico, what you have to understand and this is something that local people in Las Cruces  
25 really aren't aware of. We have almost a billion-dollar film industry that exists already in the  
26 state New Mexico, we have a 50 million-dollar a year state film incentive tax credit program.

27  
28 Orlando Padilla: Fifty-one, five one?

29  
30 Jeff Steinborn: Five zero. It is up to a 30% tax credit on the cost of production of a film or  
31 television show in the State. Right now, New Mexico, as we speak, there are half a dozen  
32 different television shows in production, there is an equal amount of feature shows in  
33 production. A new one was just announced yesterday that is going to happen up in the Santa Fe  
34 area. A new report just came out, Independence Day 3, which shot at Albuquerque Studios had  
35 a \$47 million impact on the state of New Mexico. So our goal here is to take advantage of our  
36 locations, we have two film schools here, we are the second biggest city in the state, we have  
37 road bus service sector, we have direct flights to Los Angeles, we have all the same eco system  
38 that they have up north. What we haven't created here are putting those tools together in an  
39 economic development sense to successfully go after this market. You have one of the best film  
40 incentive programs in the state that exists here. So we have all the ingredients sir, we just  
41 haven't put them together, and put some new ingredients in place to start maximizing that. Why  
42 are we doing, it is just about economic development and jobs. In the City of Albuquerque last  
43 year, they had over a hundred million dollars of direct spending from the film industry to that  
44 community, well over a hundred million. And this one film, Independence Day 3, had 40 some  
45 odd million by itself. So, each of these productions employ anywhere from a hundred to  
46 hundreds of people making well above normal wages, very union industry so good paying jobs.  
47 For every production that comes in, they spend millions on businesses around town, from  
48 hotels, to restaurants, to you know, lumber stores. So it is massive economic development and  
49 it is happening. So that's why we want to do it. And then beyond all of that, we have new media,  
50 digital, gaming, training, medical field, technology, first responder, 3D stuff and this is what is  
51 being imagined right now at the university with our partner endeavor called the Creative

1 Campus that we have been working for several years to develop and expand its film curricula so  
2 that they can expand the enrollment of their schools and then ultimately create new companies  
3 here and entrepreneurs and keep young people in this town which is such a critical target for  
4 future economic vitality and any economic development scenario. How do you keep young  
5 bright people there that will then start companies and not move? And then not to mention  
6 tourism, if you land a big film and everyone want to come to your region, you don't get that with  
7 any other company. So, film can do all of this here but the opportunity is definitely there and  
8 that's what we are going for.

9  
10 Orlando Padilla: Thank you.

11  
12 Jack Eakman: Mr. Chairman? Representative Steinborn is just eloquent, eloquent.

13  
14 Jeff Steinborn: I have my moments; I have my moments Councilor. Thank you.

15  
16 Irene Oliver-Lewis: He knows his subject.

17  
18 Gill Sorg: He's got some experience too; he's been at this for a few years.

19  
20 Irene Oliver-Lewis: Four years.

21  
22 Gill Sorg: If there are no other comments, I would like to point out in the RFI from Rick  
23 Clemente. His last paragraph here, Level of Interest, on the last page. He thinks that the  
24 proposed soundstages that were sent to him; that is the West Mesa site, the Arrowhead site and  
25 also the Convention Center site, he says all three proposals of these sites plans he doesn't think  
26 meets the requirements that he has outlined in the RFI answers. He says that it is very hard to  
27 get anything other than a small independent film when using that facility and also the time  
28 required to build a studio from scratch is problematic and I think we can all understand that. But  
29 he does go on to say, he thinks an extensive search might well turn up an existing building that  
30 would be successfully converted to a full production and I think he mentions in the, if I  
31 remember reading it right, he mentions that their facility there at I-25 has some of the  
32 characteristics that he is talking about, if that is as far as size goes. The square footage; the  
33 square footage for the actual soundstage itself as well as the square footage for the (inaudible)  
34 and parts of the business that needs to be such as a mill and so forth. That leads us right into  
35 the idea that building that Film Las Cruces found, that is the Coca-Cola Bottling building that has  
36 been vacant for some time now. And I would like to have somebody who knows a lot more  
37 about it than me describe this building as a possible 4<sup>th</sup>, should we say 4<sup>th</sup> site that we could  
38 possibly use for this purpose of a soundstage.

39  
40 Eric Montgomery: It is divided into multiple facilities and it has about an 18' clear ceiling height.  
41 That varies in different parts of the facility.

42  
43 Gill Sorg: Right.

44  
45 Eric Montgomery: There is additional acreage behind the facility that has typically been used for  
46 truck traffic, to go in and out of (inaudible), it is adjacent to I-10 so you will have some good  
47 exposure along an interstate, just like I-25 Studios on I-25 in Albuquerque. I think the total  
48 facility size is about 76,000 square feet.

49  
50 Gill Sorg: Ok, good. Any other?

51

1 Eric Montgomery: It was a manufacturing operation previously so you know it has 3-phase  
2 power in it which is a benefit to the film industry.

3  
4 Jeff Steinborn: So if I can tell the rest of the story. Thanks Eric. That was a good explanation.

5  
6 Gill Sorg: That was good Eric.

7  
8 Jeff Steinborn: It is a lot more space than what we were looking at for a design from the bottom  
9 up facility. What we were looking at from the bottom up was around 40 to 45,000 square feet.  
10 This building is about 75,000 square feet and it is literally about half the cost. So it is a value  
11 proposition in terms of square footage and in terms of cost. Rick Clemente of I-25 Studios who  
12 runs the repurpose building up north came down and saw it and he thought it was absolutely a  
13 viable space. That we needed to put a little bit of money in soundproofing it, he has some  
14 recommendations, he has helped give us some costs, he's help kind of scout what some of  
15 what that would be which is very nominal compared to what we thought it would be, some  
16 soundproofing treatments. He thought that would be the way to go. For that matter, the head of  
17 the union, the film union in the state, which is called IATSE, the business agent for IATSE came  
18 and looked at it and he thought it was also very prime for a studio space. And the reason is with  
19 that much space you have enough room where you can build multiple sets, where you can do  
20 construction, where you can have a green screen room, where you can have a storage room.  
21 What is cool about the Coke building is that it has all these spaces. It is massive and it is  
22 sprawling and a major production can utilize every little bit of that space. It needs more office  
23 space; it needs some soundproofing but at \$2M the price is quite right compared what the cost  
24 of \$5M in building what we were planning on before which was half the space. The other benefit  
25 of that building is it is turn-key. You could get it and you could literally have that in operation  
26 within 6 months. Another big thing we need to do here, everyone has worked with training,  
27 which is crucial, so the ability to be able to get students in a soundstage environment training,  
28 get productions going on, get them their union days or union membership will grow your crew  
29 base here is another critical piece growing the film industry here. So the Coke building is very  
30 attractive and I know that, Mr. Chairman, I don't want to preempt where you are at with the  
31 agenda and what we were going to ask from the Committee today with their authorization of City  
32 Staff. Is that appropriate to throw out there now?

33  
34 Gill Sorg: I don't know where you are going with this.

35  
36 Jeff Steinborn: What Film Las Cruces would like to do and what our Board has asked the City to  
37 do and what we have been told by Las Cruces City Management, is that this Committee needs  
38 to, what we would like at this stage, in consideration of the City, looking at this asset is to task  
39 Loretta or the City to help do the due diligence on this building, kind of like an inspection you  
40 would do before buying a home. Ok. There is due diligence that needs to go into even be able  
41 to make a recommendation on this liability to the City along with the business plan and the other  
42 due diligence that is being done to consider in making an investment.

43  
44 Gill Sorg: I get it now. Ok. In that light, if Loretta could tell us what we know about this building  
45 already, pros and cons, what we have done so far with it, all be it small, small, very little.

46  
47 Loretta Reyes: Ok, our city staff has been in the building to take a look at the building itself to  
48 see what it consists of inside. We have done a cost estimate to see what it would take to  
49 soundproof the building and our estimate is around, somewhere around \$150,000 to provide  
50 soundproof, \$166,000 to soundproof it, to put the installation and things of that sort. The  
51 property is within a flood zone which means that basically if there are improvements that are to

1 be made to the building, if the value of those improvements do not exceed the buildings value  
2 by 50%, so if the buildings value is \$100 and the improvements are \$10 then we wouldn't have  
3 to do anything. If it exceeds 50% of the buildings value, then the building has to be flood  
4 proofed. Which would mean at least 1' above the base flood elevation making it a total of 1.6' of  
5 flood proofing around the building. If we choose to do a letter of map change, then an  
6 accompanied hydraulic and hydrology study would have to be performed providing that the base  
7 flood elevation was lower than the lowest inhabitable area of that building or floor of that  
8 building.

9  
10 Gill Sorg: Could you explain that one more time.

11  
12 Loretta Reyes: If we move forward, we could move forward with trying to prove to FEMA that the  
13 base flood elevations that they have determined in that particular area where that building is, if  
14 we feel that they are lower, than the elevation of the floor of the building, then we would have to  
15 do a full out study, hydraulic and hydrology study for that and study that flow path and make our  
16 proof to FEMA and see if they would accept that. So basically that is an issue and that is an  
17 additional expense to the City to do that plus we would be buying a building in the flood zone.

18  
19 Gill Sorg: Right.

20  
21 Loretta Reyes: So that is what I know at this point about the building itself.

22  
23 Gill Sorg: Ok, good, good. That's helpful.

24  
25 Jack Eakman: Mr. Chair, there is a question to that. Is it the assessed value or is it the purchase  
26 fair market value?

27  
28 Loretta Reyes: We use, what my staff has provided me is the assessed value, what the value is  
29 at the Dona Ana County Tax Assessors office. So would start with that. We have had  
30 discussions with others within the flood zone and they have provided us other information so I'm  
31 sure we can have that discussion as well but right now it is the assessed value.

32  
33 Gill Sorg: Ok. So what would the Committee like to do then, with this information we have just  
34 been told.

35  
36 Jeff Steinborn: Mr. Chairman, can I say one more thing?

37  
38 Gill Sorg: Sure.

39  
40 Jeff Steinborn: So right now I think the decision is not, gee, do we buy this thing? It is, do we do  
41 our due diligence. Do we approve a process and ask the City to do due diligence on a facility  
42 when we have already done due diligence on two other locations? The City Council has set  
43 aside money to do this pending a due diligence process of research that includes a business  
44 plan and the RFI. What we are asking for is to add this site to the due diligence list just to be  
45 able to provide good information to the City and the Council. That's all. Otherwise, what we  
46 really, it is not that the Council won't have this in front of them at some point. We are basically  
47 just saying we don't want to do due diligence, we want to put it on our non-profit group, Film Las  
48 Cruces, to do it without taking advantage of the professionals at the City to help with that  
49 process. It is just to do due diligence, not to make a final decision.

1 Jack Eakman: If I understand our role correctly Mr. Chair, we are here to recommend, not to  
2 authorize.  
3  
4 Gill Sorg: Right.  
5  
6 Jack Eakman: And so, I would say, I would move that we recommend to the City of Las Cruces  
7 that they do the due diligence on this property to see if it would be appropriate for the use  
8 proposed.  
9  
10 Gill Sorg: Ok. Is there a second.  
11  
12 Irene Oliver-Lewis: Second.  
13  
14 Gill Sorg: Second by Irene. Any further discussion?  
15  
16 Cruz Ramos: Is it inappropriate to ask to maybe for us to define a little more what due diligence  
17 means? Is it a site assessment on par with what was done with respect to taking a good hard  
18 look at and contracting with architects as we did for the West Mesa Industrial Park location and  
19 the Arrowhead because that involved, just so that is greater clarity, because that was about  
20 \$20,000 so I think that should be factored into the decision, it is not a huge amount of money,  
21 but, to me it is? I just wanted us to be clear on what that meant.  
22  
23 Gill Sorg: We have to be clear. I would say it would include finding out, besides insulation, what  
24 other modifications that building might need. Like for example, your flood issue. I don't know if it  
25 means an architect though, I'm not qualified for that.  
26  
27 Cruz Ramos: The pre-design work, I mean we did contract with ASA and who was the other  
28 one, DPS, what does the acronym stand for.  
29  
30 Gill Sorg: Dekker Perich Sabatini.  
31  
32 Cruz Ramos: Yeah.  
33  
34 Orlando Padilla: Mr. Chair?  
35  
36 Gill Sorg: Sure.  
37  
38 Orlando Padilla: My 2 cents.  
39  
40 Gill Sorg: I need your 2 cents.  
41  
42 David Weir: If you are going to do this due diligence, I think it would be wise to have an architect  
43 look at it, look at the zoning, you need to look at all the building structures and with the particular  
44 use, it is going to be a change in use of some kind. There was a radiator shop, I think Eric, in  
45 there and at that time they did a lot of code upgrading at that time but I think it would be  
46 worthwhile to get a true idea, kind of scope what all needs to be done with the soundstage and  
47 they can do that code analysis and you are going to have to have an architect or somebody in  
48 the building trade do that for you.  
49  
50 Gill Sorg: Ok. Do you have an estimate on how much that might cost?  
51

1 David Weir: I don't.  
2  
3 Gill Sorg: Ok. It is alright, just in case you might now. Does that sound good to everyone?  
4  
5 Christine Logan: One of the major differences between adapting an existing building and  
6 building something new would be the environmental issues. At some point before you bought it  
7 you would have to do an environmental assessment. Are you saying to do that now, because  
8 that is a...?  
9  
10 Jeff Steinborn: It has been done.  
11  
12 Christine Logan: It has been done.  
13  
14 Jeff Steinborn: That is not to say that you would (inaudible – too many talking at once).  
15  
16 Christine Logan: And the other issue is that there were a lot of things in that building, but when it  
17 was vacant, it repeatedly got stripped. So we need to check how much is still in the building. I  
18 know there was a definite problem with that property, every time it got left alone, people took all  
19 the copper off the roof. So it would be something that would have to check very current  
20 information. That building has a bad history of just being vulnerable.  
21  
22 Gill Sorg: Any other discussion?  
23  
24 Loretta Reyes: Well I think maybe, Mr. Chairman, that maybe we could ask staff to put together  
25 an estimate of what it would take for us to do the due diligence. The whole thing is we are, first  
26 step is to see what it is going to cost us, what is it going to cost us to hire an architect to do  
27 something like this. I mean, we had a plan already to look at two locations and we had the  
28 directions to move forward with that and we had the budget to do so. And now we are bringing  
29 another element, or another facility into the mix here and when I look at all of this, I'm looking at  
30 budget, how am I going to get this paid for, what am I going to do with this. And the whole thing  
31 is too, I think too, is the plan, the business plan of where we are going and what we want to do.  
32 We are kind of, we were at Arrowhead, we were at the West Mesa Industrial Park, we had the  
33 third wheel put in with the expansion of the Convention Center which is proceeding because we  
34 would be able to use that space, either way and then now we have something else coming in.  
35 So we are kind of, I don't know, in the dark throwing darts at what, I don't know. So before we  
36 say, I know you want to make a recommendation that the City should do its due diligence and  
37 do this, I don't even know if I have the means or the resources to do that at this point.  
38  
39 Gill Sorg: So how long do you think it would take just to do that part? What you were just saying.  
40  
41 Loretta Reyes: Well I can get staff to work on that to see what it would cost, what is it going to  
42 do.  
43  
44 Gill Sorg: That's what I mean.  
45  
46 Loretta Reyes: I can get them to start looking at that right now, I don't know if I can have  
47 something in two weeks, three weeks or something?  
48  
49 Gill Sorg: A month?  
50  
51 Loretta Reyes: Maybe a month.

1  
2 Gill Sorg: A month is pretty safe?  
3  
4 Loretta Reyes: That might be ok.  
5  
6 Gill Sorg: Ok, that gives us an idea.  
7  
8 Irene Oliver-Lewis: Just a question.  
9  
10 Gill Sorg: Sure Irene.  
11  
12 Irene Oliver-Lewis: So has the City started the plans on the Convention Center for the film  
13 studio?  
14  
15 Loretta Reyes: The Request for Proposals will go before the Selection Advisory Committee for  
16 final review on July 12<sup>th</sup>. At that point it will be advertised for 30 days, and then we will get  
17 proposals back.  
18  
19 Irene Oliver-Lewis: And that proposal is to do the whole thing which would include the extension  
20 of whatever film, film friendly stuff that we can do right?  
21  
22 Loretta Reyes: Yes.  
23  
24 Irene Oliver-Lewis: So that doesn't affect, I guess I'm thinking of the chain reaction that if this  
25 Coke building could achieve what was needed for a soundstage, is it necessary to have the  
26 extension at the Convention Center? Am I convoluting things here? But it is like a scaffolding  
27 and I just needed clarification for staff to also, if there is, if it is being looked at, is the  
28 Convention Center, maybe you don't take that extension at the Convention Center and you put  
29 it into the Coke building? Am I saying that right?  
30  
31 Jeff Steinborn: Yes.  
32  
33 Gill Sorg: I think what you are asking is do you know the difference in cost on the exhibit hall  
34 that is to be built, the new exhibit hall between a film friendly and a non-film friendly building.  
35  
36 Several responded no.  
37  
38 Gill Sorg: You wouldn't know that.  
39  
40 Irene Oliver-Lewis: And that is what would be found out through this RFI.  
41  
42 Phil San Filippo: And the Convention Center expansion was actually planned ahead.  
43  
44 Irene Oliver-Lewis: Before.  
45  
46 Phil San Filippo: So because of the things that we need there anyway. So whether or not it is  
47 used to be film friendly or not, the expansion would proceed. It would be just whether or not we  
48 have to worry about it being film friendly. And as we have discussed there are issues, no matter  
49 how we cut that.  
50  
51 Gill Sorg: Ok.

1 Jeff Steinborn: But I think, if I could add, what is important in Irene's question is that State  
2 Legislature has provided almost a million dollars for this purpose. So when Irene says can we  
3 take that money aside, I think what she is talking about is the million dollars that was state  
4 funding that was brought for this purpose. So when we talk about buying a two-million-dollar  
5 building, half of it, the City has already gotten from the State Legislature. Just to keep that in  
6 perspective and I think if there is a turn-key building we can buy, this question was actually  
7 raised by Daniel Avila, should we then take the million that the Council set towards the  
8 Convention Center and put it towards this. Would that bother Film Las Cruces and we said,  
9 heck no. Because our goal is to build purpose dedicated film production space. That was not  
10 our solution by the way or our recommendation to put money into the Convention Center but it  
11 was a grand bargain so to speak. And in addition to that, with all due respect, Loretta, that  
12 wasn't, again, keeping in mind, that wasn't a recommendation, five million dollars in that same  
13 resolution was set aside for purpose built stage. So there's, it is not an and option it is in  
14 addition to and that is this purpose built facility, which rather than build something, we were  
15 saying, hey let's look at this existing building that can cost the city half as much money and be  
16 twice as much space so that is a good thing.

17  
18 Irene Oliver-Lewis: And going back to the cost of the due diligence, can't some of that money be  
19 gotten from the appropriation that you already have or is that appropriation specifically for  
20 appropriation only have certain ways that you spend money. So I don't know if this due diligence  
21 to get somebody to look at the Coke building can come out of that appropriation. The state  
22 appropriation.

23  
24 Loretta Reyes: It would depend on how it is defined.

25  
26 Irene Oliver-Lewis: That is why, but if it can be, that would settle whatever the City needs in  
27 doing the due diligence, the monies to be able to do the due diligence.

28  
29 Jeff Steinborn: True, the City already has the money, true point.

30  
31 Gill Sorg: As I see it, there would have to be some adjustments in the budget, some money  
32 moved around and that would take some time and obviously some decision making by  
33 management level should we say, if not higher.

34  
35 Jack Eakman: Mr. Chairman?

36  
37 Gill Sorg: Yes.

38  
39 Jack Eakman: Are we back to the original motion that is still on the floor? And a second?

40  
41 Gill Sorg: Yes, it is.

42  
43 Jack Eakman: Could we perhaps leave it in place and not be quite so specific on what we are  
44 looking for and let City staff work this out on our behalf? Because we don't have the authority to  
45 do much of the things we are talking about, all we can do is make a recommendation to the City.  
46 So I wonder if it would be ok to go back to that original motion.

47  
48 Gill Sorg: Yes, yes, so I will go ahead and call for a vote on that motion. All those in favor, say  
49 aye.

50  
51 All responded aye.

1  
2 Gill Sorg: Anyone opposed?  
3  
4 None responded.  
5  
6 Gill Sorg: It is unanimous. So, I think, unless there is further information or discussion on  
7 Soundstage, I think that covers that item on the agenda. Irene?  
8  
9 Irene Oliver-Lewis: I just want to make a point, that indeed, if everything does look appropriate  
10 for the Coke building, the City owns that, the City would own that and would not have to pay for  
11 leases in something that was one of the options in a building at the University. I don't know if  
12 that matters to the City, but to me, it seems to be a pretty important thing to be brought up into  
13 the due diligence of it, it would be a city owned property.  
14  
15 Gill Sorg: Ok. Well if there is no more discussion and by the way, speak now if you have  
16 anything more to say about this.  
17  
18 Jeff Steinborn: Mr. Chairman?  
19  
20 Gill Sorg: Yes, Jeff.  
21  
22 Jeff Steinborn: Can I just ask? Film Las Cruces was funded by the City of Las Cruces to be your  
23 film based Economic Development entity. Can I ask that on the due diligence that we were just  
24 coordinated with, kept apprised, that it be done in tandem with us, could that be part of your  
25 recommendation or we just have a handshake on that just so that the left hand and the right  
26 hand know what is going on because we are obviously doing due diligence on that as part of our  
27 business plan. If we can all be working together on it.  
28  
29 Gill Sorg: Is that good for staff? Answer that question? Keep in touch with Film Las Cruces with  
30 Cruz.  
31  
32 Loretta Reyes: That will be fine. I mean, I just want to make sure that the staff is able to do what  
33 they need to do and that we don't have too many cooks in the kitchen, you know, trying to direct  
34 staff. I think we can do what we have to do and put what we have to do to put everything  
35 together as far as cost and what we need to do to do our due diligence and cost resources and  
36 all of that kind of staff but I just don't want too many cooks in the kitchen.  
37  
38 Gill Sorg: Very reasonable. I understand, very reasonable request. Craig?  
39  
40 Craig Buchanan: One comment I guess and maybe you can address it quickly. You read  
41 something earlier from the RFI about the comment that the three facilities that we are currently  
42 undertaking potentially don't meet the need for what we want to do. So I guess my question is,  
43 attached to doing due diligence on the building, do we attach any particular validity to that  
44 comment since it was brought up for discussion or at least consideration. And if we attach any  
45 validity to that comment, then I think we have got to do due diligence on everything needs to be  
46 looked at very carefully because why spend money to get something that is not particularly  
47 useful for what we want.  
48  
49 Jeff Steinborn: I think that Rick's comment was after, he did that after seeing the Coke building  
50 and when he was saying that what we were looking at building is inadequate, it was what he  
51 was saying, was that the size of it was inadequate, building a 20,000' stage with, you know,

1 some storage as opposed to this building which is 70,000 sq. ft. And he was basically when you  
2 read the RFI, he is saying that we need more space to accommodate the level of production  
3 that we need. Meaning, this is the scale of what we need to be operating from is what he  
4 suggested by not building any ventures inadequate and won't meet the needs of the industry.  
5 That is not what he was saying. He was referring to the smaller size that we were looking at  
6 building from scratch.

7  
8 Craig Buchanan: Ok. To me, I think if you can get more for less that is obviously the best. And if  
9 you can get something that is functional. I would just hate to see us spend millions of dollars to  
10 get something that is not particularly functional.

11  
12 Jeff Steinborn: That's it. I agree.

13  
14 Gill Sorg: And that is what we are going to find out very soon, like next month. Ok, let's move on  
15 to the next item on the agenda, the Retail Attraction Survey Results. Can you take over Mayra?

## 16 17 **VI. Retail Attraction Survey Results**

18  
19 Mayra De La Canal: Right in front of you, you should have a copy of the Retail Attraction Survey  
20 results. The first top sheet is on the first page which is Trader Joe's. And let me say,  
21 beforehand, that this is only half of the results of the survey's that we got. We are going to have  
22 the other half pretty soon now. In total we got about close to 2,500 responses and this is only  
23 half. Now, from the first half, the first option that we have is Trader Joe's. The average visitor is  
24 going to be a female population, the average visits per month is going to be 6, average age 35,  
25 the average amount per visit is \$71.00. And then the second slide shows a total request, we had  
26 679 a total visit per month. Among these 679 people that are going to visit Trader Joe's, among  
27 all of them they are going to visit Trader Joe's 3,263 times a month, zip code most of the  
28 population comes from 88011 and the total monthly expense is going to be \$170,307. That is  
29 what we get for the first options. Any questions on the first option.

30  
31 Cruz Ramos: Mayra, if I may? I didn't look, but I'm thinking that is on the west, that particular zip  
32 code, it is the Sonoma Ranch Blvd. area which would tend to spend.

33  
34 Mayra De La Canal: And by the way, 88011 and 88012 like very close, like one or two, the  
35 difference between them was one or two requests. And then we have the second option which  
36 is Costco. And average visitor again female, average visits per month is four, average age is 35,  
37 amount per visit is \$71.00. The total requests that we had for Costco was 237, total visits per  
38 month among these 237 requests that we got is 1,004 a month. The total monthly expense is  
39 going to be \$63,778 and the zip code most of the population comes from 88012.

40  
41 Cruz Ramos: Does anybody spend any time at Costco because when my wife and I, and we  
42 don't very frequently go to El Paso, we shop mostly local, but we spend well over \$100 in one  
43 trip.

44  
45 Irene Oliver-Lewis: Oh yes.

46  
47 Mayra De La Canal: I do, I go to Costco pretty much twice a month and then it is usually, I try to  
48 keep it under \$80, but it is usually around \$100.

49  
50 Cruz Ramos: That figures, it's probably wishful thinking.

1 Jack Eakman: The name of the book I am going to write is Forty-five miles from Costco. When I  
2 lived in Montana, it was 45 miles from Costco. We go to other places we are always 45 miles  
3 from Costco. And I will second what Cruz has to say, we go at least twice a month and we don't  
4 get out of there for under \$250. You just can't get out of there for under \$250.

5  
6 Phil San Filippo: I thought it was the cover charge.

7  
8 Mayra De La Canal: Ok, and the third option is In-N-Out Burger. Average visitor, female,  
9 average visits per month is 6, average amount per visit is \$25.00, average age is 35 years of  
10 age, the total requests that we had for In-N-Out Burger is 156 people that requested In-N-Out  
11 Burger. Total visits per month is going to be 660 among the 156 request, totally monthly  
12 expense is \$23,976 and the zip code where the population comes from is 88012. So this is only  
13 half of the responses that we got for the Retail Attraction Survey. Next meeting, I should have  
14 the other half.

15  
16 Gill Sorg: Can you explain how this was presented to the surveyors?

17  
18 Irene Oliver-Lewis: I took the survey.

19  
20 Gill Sorg: How was it presented? Ok, you are getting these three choices. Would you go, would  
21 you not go.

22  
23 Mayra De La Canal: No, we asked, where would you go? We did not provide the options. We  
24 just asked the surveyors, where would you go?

25  
26 Phil San Filippo: It was pretty open ended.

27  
28 Gill Sorg: Ok.

29  
30 Mayra De La Canal: And they selected.

31  
32 Gill Sorg: So these were the top three.

33  
34 Mayra De La Canal: Yes, this is the top three for the first half.

35  
36 Irene Oliver-Lewis: Everybody wants Trader Joe's.

37  
38 Craig Buchanan: You would list your top choices and then you would respond accordingly and  
39 follow the questions to those top choices. How often you would frequent them, how much would  
40 you spend.

41  
42 Mayra De La Canal: Right.

43  
44 Gill Sorg: So I'm asking then, will we get choices beyond the top three in the next report?

45  
46 Mayra De La Canal: Yes, and let me explain why I only have half of it right now. The reason is  
47 because we initially started with Constant Contact to perform to do the surveys. Constant  
48 Contact, they provided us with just raw data. So we had to organize the data in the right pattern  
49 so it took us some time. But then, two weeks into the survey, and it was already out, we decided  
50 to switch to Survey Monkey. Survey Monkey, the responses we got from them, they are already

1 set to the way we want them so it is going to be pretty easy. So next meeting, I will have the  
2 second half of them and I am going to include all the other options besides the top three.  
3  
4 Christine Logan: What are you going to do with it?  
5  
6 Gill Sorg: That is my question.  
7  
8 Christine Logan: I mean, interesting story but you say they are options, what are you going to do  
9 with this information.  
10  
11 Craig Buchanan: What is next?  
12  
13 Mayra De La Canal: The intent was, initially, working in conjunction with the Downtown  
14 redevelopment. Since we are trying to attract retail Downtown. Whether it is new retail or  
15 existing retail that is in town that want to expand to Downtown, we want to have this information,  
16 put it in maybe better graphs than this and present it to them to see who is interested to Las  
17 Cruces.  
18  
19 Christine Logan: Present it to who? Downtown Las Cruces or to the retailers?  
20  
21 Mayra De La Canal: The retailers that are selected here. Present this data to them to see if they  
22 would be interested, if there is any interest in them coming to Las Cruces and establish  
23 operations here. That would be the first endeavor.  
24  
25 Craig Buchanan: Mayra, have you talked to any of the companies or to any of the brokers who  
26 might represent these particular companies to compare metrics. Because most of them will  
27 have specific metrics that they are looking for as far as number of household, number of sales  
28 per sq. ft.  
29  
30 Mayra De La Canal: This is only, I know that when retailers are looking for a place to establish  
31 operations, they do a full blown marketing analysis, this is not a full blown marketing analysis.  
32 This is just the intent of the population legitimate interest. But it is not a full blown marketing  
33 analysis. So Downtown Redevelopment, Andy Hume and Tim Pitts, they suggested also that  
34 maybe we should talk to some brokers. This is all the data that we can provide them with  
35 because this is everything that we captured. And then if they want a full blown marketing  
36 analysis, they would have to do it on their own.  
37  
38 Craig Buchanan: Part of my thought process if you could get with those brokers and find the  
39 information you would be able to make some assessment on your own about where in the  
40 community we have the potential fit or start building a case around what their requirements are.  
41  
42 Mayra De La Canal: There was also a service that...  
43  
44 David Weir: When the Downtown folks are working on a new Downtown master plan, and so  
45 they brought in a retail expert to look at the demographics and sq. footage and the buying power  
46 of the social economics of the downtown. So I guess that information could also be tied with this  
47 and the input from the brokers that work here in town.  
48  
49 Craig Buchanan: It is very critical. They look at all of that information, top to bottom, even wage  
50 scale, and they will look at everything. They all have different requirements; you can't make a

1 blanket assessment about who will do what but they tend to be pretty specific about what they  
2 are looking for.

3  
4 Gill Sorg: Money, they are all looking at money.

5  
6 Craig Buchanan: They are.

7  
8 Gill Sorg: That has to be number one. Ok, very good, any other discussion on this, if not we will  
9 move on to the next item on the agenda, Update on Economic Development Plan. How are we  
10 doing on that?

## 11 12 **VII. Update on Economic Development Plan**

13  
14 Mayra De La Canal: Yes.

15  
16 Gill Sorg: I think Community Development was in charge of getting that rewritten.

17  
18 David Weir: We were? I wasn't aware of that.

19  
20 Gill Sorg: That is the way I remember it.

21  
22 Mayra De La Canal: Ok, we prepared an ordinance in order to amend the Local Economic  
23 Development Plan. For the time being, because we have, it is a priority that we make one  
24 change within the Local Economic Development Plan in order to move forward to move with  
25 wage class changes that we have in mind. The one change that we need to do immediately to  
26 the Local Economic Development Act would be adding Arrowhead as an additional location for  
27 qualifying LEDA projects and programs to Las Cruces. So the way the Local Economic  
28 Development Plan right now calls for within city limits so we want to add just Arrowhead Center  
29 because it makes sense. Companies based on Arrowhead located on the New Mexico State  
30 University campus contribute significantly to the economic impact and tax base of the City of  
31 Las Cruces. For example, the majority of employees are Las Cruces residence who shop and  
32 pay taxes in Las Cruces. In addition, each company procures goods and services in the Las  
33 Cruces area. So it makes sense that we integrate Arrowhead Center for business attraction and  
34 expansion into the equation?

35  
36 Christine Logan: Doesn't that same sentence though apply to Mesilla and Mesilla Park? Why  
37 wouldn't you just take out any geographic restriction and allow it to be the Council's choice  
38 without saying it has to be inside city limits or in Arrowhead. Why not just take that out because  
39 it is not a part of state statute? And that way, on a project, if it happened to be just outside city  
40 limits to the east, you know, you could still, because that does apply to anything just outside.

41  
42 Mayra De La Canal: We could, we definitely could. And when we met, there was a Wage Plus  
43 and a Local Economic Development working group and when we met, we determined that we  
44 should include Arrowhead and now it's changing and we can always change it, of course.

45  
46 Christine Logan: Well that does include Arrowhead but it also would include anything that was  
47 approved by the council.

48  
49 Gill Sorg: Thinking about...

50  
51 Jack Eakman: White Sands Test Facility.

1  
2 Christine Logan: Yeah.  
3  
4 Gill Sorg: What's that?  
5  
6 Jack Eakman: White Sands Test Facility.  
7  
8 Gill Sorg: Yes. I am also thinking about a new brewery and bottling company that is going to be  
9 just outside city limits as an example.  
10  
11 Christine Logan: There is a lot of things, a lot of areas that are almost surrounded by the City  
12 like the University is surrounded but not, but my point is that you are putting specifics into your  
13 plan which is already very, very specific and that is not a requirement of state statute. You could  
14 just incorporate state statute into city ordinance and then it would give you the flexibility to do  
15 whatever is allowed by the state statute LEDA ordinance and allow it to be in, you know, you are  
16 not imagining every case.  
17  
18 Gill Sorg: How far away from Las Cruces should we go though?  
19  
20 Christine Logan: Should you go is case by case, can you go is anywhere.  
21  
22 Gill Sorg: We can go anywhere, but the real question is how far should we go.  
23  
24 Christine Logan: It depends on what it is. I mean if it was a business who was going to have its  
25 office headquarters in Las Cruces but they were going to spend some money at the Spaceport  
26 because that is where they were going to do their testing, you could do that. You know, there  
27 has to be something in it for you.  
28  
29 Gill Sorg: Yeah, exactly.  
30  
31 Christine Logan: But the state statute, if you just incorporated state statute into a city ordinance,  
32 replace what you have, which is the whole SWOT and everything, then it is basically already  
33 dropped in because it is state statute, it is what everyone else has adopted. And it is a two or  
34 three page, here is how we implement LEDA. Your current Economic Development Plan has a  
35 SWOT Analysis and goals and all of that, but that does not have to be in your Economic  
36 Development Plan. But, I mean, what you are doing would work, just change the words to say  
37 City and Arrowhead. I'm just seeing where you are then going to have to go back and change it  
38 again and where is Arrowhead also is not defined by the way. There is an office, I mean are you  
39 talking about Arrowhead Park, or are you talking about anything on the NMSU campus.  
40  
41 Mayra De La Canal: Arrowhead Center.  
42  
43 Christine Logan: I think you would have to define that because my office is at Arrowhead Center  
44 and I'm not sure where the edges of that are. Is it everything between the interstate on that  
45 park. Something to think about is make sure you know what it is that you are adding. I know  
46 what the intent is, is if something was associated with NMSU that it would be LEDA eligible.  
47  
48 Gill Sorg: So like you say, we could then decide, who would decide case by case?  
49  
50 Christine Logan: Every LEDA, use of LEDA goes to the City Council.  
51

1 Gill Sorg: What about Wage Plus? Who decides when Wage Plus is used.

2  
3 Christine Logan: I have no idea.

4  
5 Mayra De La Canal: Ok, yes, well then, just to finish with, or to add to the Local Economic  
6 Development plan. There are many ordinances that we have in place right now. Not all of it is  
7 ordinances, so like Christine mentioned, we need to do a number of changes to it and separate  
8 what is ordinance and what is not. So for right now, there is so many other changes that we  
9 need to take care of but for right now we would like to take on this one in order to move forward  
10 with Wage Plus changes.

11  
12 Eric Montgomery: Mr. Chair if I could ask some background to Wage Plus. The intent behind  
13 Wage Plus and setting the program up was to create an administratively controlled program so  
14 that companies would not have to go to City Council every time for approval of the application.  
15 Simply that the program was funded and approved by City Council but then staff would have the  
16 ability to approve the funding if the company was a LEDA eligible company. That's where some  
17 of the, I believe, some of the clarity needs to be provided by the LEDA side because the  
18 company and the location is influenced by the LEDA ordinance which then influences a  
19 company's participation or eligibility to receive the Wage Plus funding.

20  
21 Gill Sorg: Understand.

22  
23 Christine Logan: Well it's an anti-donation thing kind of separate that you can't give money to a  
24 private business unless your LEDA says so. So just because your LEDA specifically says city  
25 limits, then you can't give public benefits to anybody outside city limits because its specifically  
26 prohibited in your LEDA. But the state statute doesn't. It can only be the certain types of  
27 business and certain things like that. But you can add whatever restrictions you want. The City  
28 of Las Cruces put that in and so that is what keeps you from being able to do Wage Plus or any  
29 other incentive or providing services with that exception to the anti-donation, it has to be  
30 consistent with your LEDA. So you can say anything in Wage Plus, you can say it had to be in  
31 any particular geography but you can't say you are going to give Wage Plus to a company in  
32 Texas even if you wanted to because that violates LEDA state statute. So you just kind of get  
33 them in line, the state statute, the city, LEDA statute and then any of the, hopefully, the merit of  
34 incentives you have within that, they all have to comply with the city and they all have to comply  
35 with the state.

36  
37 Gill Sorg: I understand.

38  
39 Jack Eakman: And to clarify Mr. Chair, are we talking about the distribution of city funds  
40 exclusively?

41  
42 Gill Sorg: Well yeah.

43  
44 Mayra De La Canal: It is city funds only; it is not state funds.

45  
46 Jack Eakman: Well I think that is a City Council decision.

47  
48 Gill Sorg: Well to change it for sure it is going to be a resolution to the City Council. But who  
49 decides that Company A will get the Wage Plus and Company B will not. MVEDA and Christine,  
50 I believe.

1 Christine Logan: I was just talking about LEDA. If the City does LEDA, you could now provide  
2 LEDA funds to a film company at Arrowhead. If you make that change. You can't do it now.

3  
4 Eric Montgomery: Conversely, if a company comes and locates at Arrowhead, as far as venues  
5 are concerned for who can handle the LEDA transfer from the state government, the city with its  
6 current ordinance will be in violation of its ordinance to say that it could participate as the  
7 financial pass through of those state funds to the company. The county would have to be the  
8 entity that would partner with the company on that instance.

9  
10 Gill Sorg: For Arrowhead?

11  
12 Christine Logan: Right now, yeah.

13  
14 Eric Montgomery: Because of the way the city ordinance is currently drafted.

15  
16 Gill Sorg: And let me repeat what you are saying and see if I understand it. You are saying that  
17 maybe we shouldn't limit it to just Arrowhead. There are other possibilities outside the city limits.

18  
19 Cruz Ramos: May I suggest something, if it is not already written. Mr. Chairman.

20  
21 Christine Logan: This is the state statute incorporated into a local municipality. You could make  
22 these two pages your whole Economic Development LEDA adoption. That is all I am saying.  
23 Simplify instead of adding more specifics. But you can. You are right, it comes out to should you  
24 really give money outside city limits. That's a decision for the council.

25  
26 Gill Sorg: That will be part of the resolution. But after that is done, not everybody would  
27 necessarily get the Wage Plus or LEDA. It would be a decision by Staff. I mean who gets it and  
28 who doesn't. I mean that could be an administrative decision.

29  
30 Christine Logan: LEDA is not; LEDA is by ordinance.

31  
32 Cruz Ramos: LEDA is going to be brought before the City Council in each instance.

33  
34 Gill Sorg: Wage Plus is the same?

35  
36 Mayra De La Canal: Wage Plus is administratively approved. Now, the current Wage Plus calls  
37 for, we are kind of (inaudible) to the state, to JTIP. So when JTIP comes in, and then we  
38 automatically, if the project is paying 10% above medium county wage and then wage plus  
39 comes in. Now there are certain restrictions that we want to, that we also want to make changes  
40 to the Wage Plus program the way it is right now. And I am going to tell you what they are.  
41 Presently the Wage Plus requires potential companies to locate within city limits. Arrowhead  
42 Center, like I previously mentioned, we would like to add that as part of Wage Plus. Eliminating  
43 prior residency automatically allows companies that are contemplating Las Cruces for  
44 expansion and relocation purposes. They should become a resident as of day one working.  
45 Let's say for instance someone is coming from up north and a company that is establishing  
46 operations here in Las Cruces, he is going to come work for that operation so he needs to be a  
47 resident as of day one. Not prior residency, like a year before when you were in high school. So  
48 residency as of day one. Trainees can choose to live anywhere within the Extra Territorial Zone.  
49 The Wage Plus incentive is to the company, not to the employees. The employees can choose  
50 to live anywhere within the Extra Territorial Zone which I believe is 5 miles, within 5 miles. And  
51 then we need to define a maximum amount of dollars that we are, like a ceiling, a top, that we

1 want to give to each company. Because we only have city funds, we only have a certain amount  
2 and we don't want to give all to just that one company, we want a couple of companies.

3  
4 Gill Sorg: So what is the maximum per company?

5  
6 Mayra De La Canal: We would like to set it up maybe \$70,000, no more than that.

7  
8 Gill Sorg: Ok.

9  
10 Mayra De La Canal: And then, also hiring for talent can be a lengthy process so we don't want,  
11 as long as the company is creating new jobs, they can come in and apply for Wage Plus. So we  
12 want to give them a window of opportunity, especially when they are recruiting, in the recruiting  
13 stage, because we don't want them to come back every week with new, oh, I'll hire ten more  
14 and then ten more and ten more. For staff purposes, in order for us to be more efficient, we  
15 want to give them a six-month window where they can recruit all of their people and they can  
16 come in and say, well I hired my fifty people that I needed to hire and we can conduct the  
17 application process or any other processes involved with Wage Plus so that we can do it all at  
18 once instead of coming back to it every, I don't know every two weeks or so.

19  
20 Loretta Reyes: And might I may add, the maximum amount may be dependent on the analysis  
21 that we do on the company itself.

22  
23 Mayra De La Canal: Well we do analysis on each company and each prospect that wants to  
24 establish operations here or that wants to hire more people, we do an analysis and if I am not  
25 mistaken Loretta, the last time that we met, but it was on a case by case basis maybe?

26  
27 Loretta Reyes: Yeah.

28  
29 Mayra De La Canal: Ok.

30  
31 Loretta Reyes: It would have to be on a case by case basis.

32  
33 Mayra De La Canal: Ok.

34  
35 Loretta Reyes: The last number she used was for a specific business or whatever that we  
36 looked at and we analyzed the data and then we made a determination as to what we could  
37 offer.

38  
39 Gill Sorg: And you found that \$70,000 is...

40  
41 Loretta Reyes: For that particular one.

42  
43 Mayra De La Canal: For that particular one.

44  
45 Loretta Reyes: But it would be a case by case. We would have to look at the business itself.

46  
47 Jack Eakman: May I ask if somebody at Arrowhead Center would pay the city full GRT tax or  
48 would they pay a lower tax?

49  
50 Christine Logan: They would pay county, unincorporated county GRT.

1  
2 Eakman: And I think this all deserves a little discussion because politically I take a lot of heat  
3 from builders for wanting to see an impact fee so that I can protect an existing neighborhood  
4 from paying all those cost that are going for new construction. And so I take a lot of heat for that,  
5 up in the Extra Territorial Zone, there is no impact fees, same thing probably in Arrowhead  
6 Center, there is no impact fees. So I take heat for the GRT tax when what we are trying to do is  
7 protect future revenue flows that is going downhill. And so to give the benefits of being in the  
8 city to people who live outside the city deserves some discussion.  
9

10 Irene Oliver-Lewis: I second that because I've been trying to figure out what my question was  
11 and I was going to ask, if you extend it to other areas, what taxes does the city get from those  
12 areas? If we extend it to Mesilla, we don't get Mesilla taxes.  
13

14 Jack Eakman: No.  
15

16 Irene Oliver-Lewis: You just answered, the university, we don't get those taxes. Is that correct?  
17

18 Jack Eakman: That's what I was asking.  
19

20 Irene Oliver-Lewis: So that is my question. When you, you have to think of the long term income  
21 or extension, what is the benefit of the tax revenue for the city before you make a decision on  
22 this. And I think what you are saying, if you follow the state, if you follow the state perimeters the  
23 city will get what the city can get.  
24

25 Christine Logan: The only instance I have ever seen of a community, but I have seen it several  
26 times, of a community using LEDA outside of their own tax revenue boundary is when they are  
27 passing through someone else's money, state money generally.  
28

29 Jack Eakman: Correct.  
30

31 Christine Logan: So they are spending their staff time to do it but they are not actually giving  
32 their tax revenue to, in cases, you are getting the shopping and the people are still, even if they  
33 live outside city limits, shopping here, they are still using your library and all of those other  
34 services that you have to pay for, so it is a double edge sword, but I was just saying to simplify. I  
35 believe what Mayra was saying with Wage Plus though, if the business is inside city limits, is  
36 one issue and if their employees are city residence is kind of a separate issue.  
37

38 Mayra De La Canal: It is.  
39

40 Christine Logan: So Wage Plus would only go if the business is inside the city but what about  
41 their employees? Do their employees have to be city residents or do their employees have to be  
42 Extra Territorial Zone residents or state residents or US citizens.  
43

44 Mayra De La Canal: Exactly, the company needs to be physically located within the city limits or  
45 Arrowhead, if we go with Arrowhead. But the employees can live anywhere within the Extra  
46 Territorial Zone.  
47

48 Christine Logan: But not El Paso.  
49

50 Mayra De La Canal: 5 miles.  
51

1 Eric Montgomery: Mr. Chair, there are two distinct issues. The first issue is the LEDA ordinance  
2 because that is a pool of money that could be provided by the city directly, without any  
3 assistance from the state. It could be a pass through of fund from the state to the company that  
4 the city has utilized as a fund management component. And LEDA is a qualifier to the Wage  
5 Plus program. One of two main qualifiers for the Wage Plus program. So in discussions on  
6 those implications of changing policies and opening up Arrowhead or other geographies, I think  
7 that should be your focus for one conversation because that has implications on state funding,  
8 or state LEDA funding, the city's use of its own LEDA funding should it pursue that avenue and  
9 qualifying for Wage Plus. And then because of the Wage Plus policy and how that was written,  
10 there needs to be discussion because it is specifically outlined in the Wage Plus program that it  
11 has to be within city limits so there could be a discussion where you remove that qualifier and  
12 have it linked to the LEDA program or the LEDA ordinance that the City Council would have to  
13 pass if there were any changes. Does that make sense? It all begins with the LEDA ordinance  
14 first, and then Wage Plus because it has some specific would have to be addressed separately.

15  
16 Mayra De La Canal: Davin Lopez is a very strong advocate for adding Arrowhead Center to  
17 LEDA, additional to the company physically locating within the city limits and I believe Christine,  
18 you were too the last time that we talked.

19  
20 Christine Logan: My advocate is that your LEDA should not say that, that LEDA should just,  
21 does not need to have a geographical boundary because it does go through an ordinance.

22  
23 David Weir: What do (inaudible) subcommittees do when you talk about the company that may  
24 enter into the LEDA agreement and the funding but then they may put a condition that you have  
25 to annex into the city so they you start getting those revenues. Or I have seen companies enter  
26 into a separate agreement and they pay, they make a payment in lieu of taxes and then the city  
27 can negotiate that if it is lower than the typical thing but I think that is down the road, that is the  
28 discussion you want to have. What are the impacts if we allow LEDA, city LEDA funds to go  
29 outside our city limits and how can you justify saying that it is an overall benefit to the city and  
30 the citizens as a whole?

31  
32 Eric Montgomery: But I think legally that is a council discussion. And certainly the advocacy  
33 component on the policy is whether or not we recommend it to City Council and then for City  
34 Council to say whether or not these past implications are worth the policy change.

35  
36 Jack Eakman: It would probably require a work session.

37  
38 Gill Sorg: I would think so, yeah to understand it all. Can we go with that recommendation? Is  
39 the committee in agreement with that?

40  
41 Irene Oliver-Lewis: Do you have a work session in mind.

42  
43 Gill Sorg: On this particular resolution or ordinances?

44  
45 Christine Logan: On what, the Economic Development Plan or the Wage Plus? We just kind of  
46 meshed them together.

47  
48 Gill Sorg: On both. Didn't you say both?

49  
50 Jack Eakman: Yes, it was the idea of changing the Economic Development Plan.

1 David Weir: Just to a point of clarification. When we say Economic Development Plan, I think we  
2 are really talking about the ordinance and how we are trying to distribute money to companies  
3 that are coming to town, I think plan is kind of a misnomer of what is taking place so I think for a  
4 work session, I think it needs to be the Implementation of the Local Economic Development, is it  
5 Act, because it is an ordinance. And I think that is kind of the problem with the way it is written,  
6 we have all this background information and then like the last two or three pages shows if you  
7 are asking for funds you have to submit an application to the City Manager's office, this is the  
8 information, this is one-way council can review it. We are kind of meshing everything together  
9 and it is kind of confusing.

10

11 Mayra De La Canal: Yeah it is.

12

13 Gill Sorg: Ok?

14

15 Irene Oliver-Lewis: So going back to this ordinance that you are suggesting, Mayra, it is just to  
16 fix the language of the act. Is that what you are asking us to do?

17

18 Mayra De La Canal: Right.

19

20 David Weir: Right, the ordinance and who is eligible for the funding.

21

22 Irene Oliver-Lewis: And you are suggesting that just adding Arrowhead is too limited. If you are  
23 going to bring an ordinance to the City Council, are you then going to bring another ordinance to  
24 include other areas, instead of making it more comprehensive and you go to City Council once.

25

26 David Weir: I think what Christine, help me if I'm wrong, is saying if you take out the language,  
27 then you give the council the ability to review everything on a case by case basis.

28

29 Irene Oliver-Lewis: Yeah. Is that?

30

31 Christine Logan: Yeah, that is what, my suggestion, and this is my suggestion as State  
32 Economic Development Department and not necessarily committee person, is that you replace,  
33 completely replace your current ordinance which is a hundred and some place document with  
34 an ordinance that enacts the power of the State Local Economic Development Act. And then  
35 once you have done that, enacted, given the city the ability to use the State Act, in its simplified  
36 mode, and taking out the two thousand demographic information from your ordinance is just  
37 simplify it all. You can do that one little piece at a time, right now change the Las Cruces, it just  
38 seems like you could update the whole thing in the same amount of time. It's just that the State  
39 Statute, you can do anything in that unless you specifically took it out and you could make it  
40 very simple.

41

42 Gill Sorg: Ok, well let's all discuss it during the Work Session. How is that?

43

44 Irene Oliver-Lewis: Well, I don't know, you mean the Work Session with the Council?

45

46 Gill Sorg: The Council.

47

48 Irene Oliver-Lewis: But, what are you presenting to the Council?

49

50 Gill Sorg: This whole idea we have just been talking about right?

51

1 Mayra De La Canal: Right, making changes to the Local Economic Development Act, LEDA and  
2 Wage Plus.

3  
4 Irene Oliver-Lewis: And not giving it specifics? Or you are giving it specifics?

5  
6 Christine Logan: But updating it is already a purpose of the committee so I don't think we need  
7 to go to the council to say should we do this because it is in the By-Laws, it says update the  
8 Economic Development Act. So I think we need to just, what you are already doing, you put  
9 together an ordinance and take it to them and say this is how we are updating the Economic  
10 Development Act, Purpose A.

11  
12 Gill Sorg: Yeah, but are we just doing these two little things here or are we just changing the  
13 whole act with the State Law.

14  
15 David Weir: Well one way you can look at it is Mayra has this revolution and she has presented  
16 to you. Do you endorse going forward that way, like Christine said, you spend a lot of time or  
17 would you rather see the whole ordinance come back redone, taking out all the background  
18 information and just following the State Statute. Well I think that us as a committee need to  
19 make that recommendation, we need to decide. But let me put the caveat, I don't know what  
20 instructions Mayra has to address these things, if she is to say go at it a piece at a time. I think  
21 we need to act on her proposal or make a recommendation.

22  
23 Mayra De La Canal: No, no, what happened is that, maybe two or one Economic Development  
24 Committee meeting in the back in the past, the suggestion was to move with Wage Plus  
25 changes and in order to do that, there is these particular change that needs to happen within the  
26 Local Economic Development Plan. So we can do that, we can that one change or we can  
27 change the whole plan but then it is not probably going to longer in order to move forward with  
28 Wage Plus changes.

29  
30 David Weir: So if we don't act on the plan, make a recommendation today, it sets back changing  
31 the Wage Plus.

32  
33 Mayra De La Canal: It does, but it doesn't, it is not urgent, there is no sense of urgency on this.

34  
35 David Weir: But what I hear MVEDA saying, it is kind of urgent so they have another incentive  
36 for people they are trying to attract.

37  
38 Mayra De La Canal: Right, well there is.

39  
40 Eric Montgomery: We have a couple of projects where these are active conversations.

41  
42 Mayra De La Canal: Yeah, we are in active conversations for using Wage Plus.

43  
44 Irene Oliver-Lewis: At Arrowhead? At Arrowhead?

45  
46 Gill Sorg: Or anywhere.

47  
48 Irene Oliver-Lewis: Are these things specifically going to Arrowhead? Or anywhere?

49  
50 Mayra De La Canal: No, anywhere.

51

1 Gill Sorg: Anywhere.  
2  
3 Irene Oliver-Lewis: Ok, so that goes back to being comprehensive and looking at that ordinance  
4 that includes more geographical area.  
5  
6 Gill Sorg: No, not necessarily, Irene. That is the way I see it, I think we are talking about  
7 changing Wage Plus for all those business that may come within the city limits but then add  
8 Arrowhead on top of that, right?  
9  
10 Mayra De La Canal: Right.  
11  
12 Irene Oliver-Lewis: To be included as the city limit.  
13  
14 Mayra De La Canal: Right.  
15  
16 Gill Sorg: It is in the city limits already, but we are just changing the way you get the Wage Plus  
17 to make it easier for businesses to use it.  
18  
19 Eric Montgomery: Arrowhead is state land and so it is not part of the taxing jurisdiction, it is not  
20 necessarily serviced, it is not serviced directly though public infrastructure and other items by  
21 the city. There are contracts in place for, if there was a fire in addition that required greater  
22 service than what NMSU has in place then the City of Las Cruces can respond, so those  
23 intergovernmental agreements occur. But it is an independent entity and location. City limits  
24 create this giant triangle around NMSU and so in order for any LEDA, which is a pass-thru,  
25 through a local government entity, NMSU cannot enact a LEDA because it is a state entity so it  
26 is a state to state transfer and that is not how this program was designed under the state  
27 constitution. So in order to create greater flexibility, this is where the approach is coming  
28 through and recognizing an operation at Arrowhead will benefit the city and its resident.  
29  
30 Gill Sorg: Going by some of the language or conversations, I should say, I have heard in the  
31 past with the university in meetings we have had, the university is very eager in developing  
32 Arrowhead and putting new businesses there, which will enhance their revenue. You can  
33 always put it that way, that is one way of putting it. This is just helping them do that. And as far  
34 as I'm concerned it is doing the university a favor and we are trying to be a good neighbor.  
35  
36 Irene Oliver-Lewis: No, no, no, I understand all that, I love Arrowhead. I just think they are  
37 adding so much in so many different ways. But it is a little, it just needs further discussion,  
38 something is missing and I don't know what it is for me.  
39  
40 Cruz Ramos: Mr. Chairman?  
41  
42 Gill Sorg: Yes.  
43  
44 Cruz Ramos: If there is an existing working group, and I believe there is, can I cut to the chase  
45 and simply all of this. The working group that deals with the Economic Development Act, can  
46 that group rapidly get together and go over the plan, as it is and review Christine's thoughts  
47 regarding the more, the leaner, dramatically more condensed, geographically more generous  
48 version, the Act as it is on the state level and see if that is acceptable.  
49  
50 Christine Logan: Personally I am opposed with expanding the geography, I'm just with taking it  
51 out because wording with geography should not be part of your LEDA thing, but yeah. The

1 working group, Dave and I, Mayra and Davin, that was the working group on Economic  
2 Development Planning.

3  
4 Cruz Ramos: Ok, can that group, as opposed to a working session with the Council, at this  
5 point, with great respect, I think we can save time, would it be possible, appropriate and  
6 agreeable for members of the group to look at the Act as it is and then the state version to see if  
7 we can just take the whole sell, the statute itself and consider it.

8  
9 Gill Sorg: I tend to agree with you Cruz. I think we are not 100% understanding what the  
10 implications of all of this will be and I think we need to have that before we can recommend.

11  
12 Loretta Reyes: So, is what you are presenting then Mayra, I'm coming up to speed on all this  
13 myself, is, well is what I thought is a result of your working group. What you all had discussed.

14  
15 Mayra De La Canal: Right, it is a result...

16  
17 Loretta Reyes: Is it though?

18  
19 Mayra De La Canal: ...of the suggestion of the last Economic Development Committee meeting  
20 and then working with the group so we wanted to move forward with Wage Plus changes. So I  
21 prepared something, it is not final, it is just a draft, I prepared something.

22  
23 Loretta Reyes: So I am just asking, is it, was this what, because to me, we broke up into these  
24 working groups and these working groups were supposed to bring back information to the  
25 bigger group as a recommendation for this is what, this is, you asked us to work on this, this is  
26 the result of what we worked on and then we were supposed to vetted it here, right. So is this  
27 the result of that?

28  
29 Irene Oliver-Lewis: That is the result of the Wage Plus working group.

30  
31 Mayra De La Canal: Wage Plus, Wage Plus working group.

32  
33 Loretta Reyes: Wage Plus.

34  
35 Christine Logan: So we have two working group that are dependent, well actually probably all  
36 the working groups, on each other.

37  
38 Gill Sorg: Yeah, it's just the Arrowhead Park wasn't.

39  
40 Mayra De La Canal: The Arrowhead Park wasn't part of the picture at the time and now in order  
41 to move forward with Wage Plus, we wanted to make that change.

42  
43 Cruz Ramos: I'm just saying, we keep saying Arrowhead as if that is the focal point, that might  
44 be an important element in this, but I think, I'm thinking more along the lines of Las Cruces MSA  
45 and the outline area. But it would be quite frankly simpler I think, but I think it is something that  
46 should go back to the working group as one of the considerations to adopting language that is  
47 similar to what the state has.

48  
49 Eric Montgomery: If it goes back to the working group, Mr. Chair, it is possible to ask the rest of  
50 the committee to define what needs to be done in that working group as far as information or  
51 concerns that should be addressed?

1  
2 Gill Sorg: Jack, Irene, would you like to address that question.

3  
4 Irene Oliver-Lewis: I'm going to leave it to Jack.

5  
6 Jack Eakman: I'm going to speak from a political prospective right now. It will be easier to sell  
7 the inclusion of Arrowhead than surrounding communities who aren't paying taxes into this  
8 community and who make money off of us by having lower taxes. So right now, I can sell  
9 Arrowhead but I couldn't, however, sell any more. The simpler the better. That would be my  
10 suggestion right now.

11  
12 Gill Sorg: Christine.

13  
14 Christine Logan: If you update the ordinance that enacts the LEDA to be just the State Statute,  
15 as simple as the State Statute, then you could change Wage Plus to say city limits or  
16 Arrowhead and it would only apply to Wage Plus. Whereas then you could then have some  
17 other program where you help businesses with an Economic Gardening program, you could  
18 define that specifically for that program. So I think that is what you are getting at. It would allow  
19 Wage Plus specifically, could say, and we include Arrowhead, and some other program if you  
20 were going to give funding for land acquisition, that you could restrict to something else. So  
21 each of your programs could do that. They have to comply with the State Statute, right now, it  
22 would just take the extra middle thing out of the Economic Development Plan.

23  
24 Eric Montgomery: And an interesting component to that that has come up in Dona Ana County,  
25 municipalities have the, this goes back to the payment in lieu of taxes discussion, if a company  
26 were to employ an industrial revenue bond, municipalities can go 15 miles outside of their city  
27 limits to employ an industrial revenue bond on a facility that is 15 miles outside their limit. The  
28 benefit then becomes, if you have a flexible LEDA ordinance, if the company has also been  
29 provided state LEDA funds, there is a one entity that can be brought both the industrial revenue  
30 bond, resolution and ordinance and the LEDA ordinance and that could potentially be the City of  
31 Las Cruces, granting the City then, PILT money that it may not have otherwise had and acting  
32 as a state pass-thru for funding it did not originally have.

33  
34 Gill Sorg: So you mean PILT money for bad businesses outside of the city limits.

35  
36 Eric Montgomery: Because what happens is in the IRB, the municipality agrees to own the title  
37 and is then tax exempt and there is one entity, where it is essentially there is no taxes which are  
38 making it a contractual agreement, a business agreement, instead of exempting all taxes, you  
39 are just going to pay that one entity taxes.

40  
41 Arlon Parish: I always say simplicity is the ultimate sophistication, just put this the other way  
42 around. If you are looking at outside corporations and companies wanting to do business in Las  
43 Cruces, don't inundate them with all these complicated elements out here. It's a one stop shop  
44 kind of approach if you can do that, that would be the best possible scenario. But it seems like  
45 there is so many complicated elements here, I understand what you are talking about now, so  
46 thank you for sharing that from your prospective. But I just feel like it is just getting very  
47 complicated with just my first meeting with this one.

48  
49 Eric Montgomery: The reason I point that out is from a simplicity stance, if you shrink the  
50 ordinance for geography purpose, remove geography as a statute, you know create another

1 opportunity for a business that is looking at the area to have a single entity that it can go to for  
2 access for all of these incentives that are available under State Statute.

3  
4 Mayra De La Canal: If I may?

5  
6 Gill Sorg: Yeah, conclude.

7  
8 Mayra De La Canal: Yes, as a result of the working group and the Economic Development  
9 Committee, working on the Wage Plus changes, we met and then I was actually including other  
10 geographic areas besides Arrowhead, but then, because of simplicity, for simplicity purposes,  
11 we said no, just Arrowhead Center because it is a business center, and then it is innovation,  
12 technology and entrepreneurship, and then it also impacts the City of Las Cruces economically,  
13 so that's why we decided to go with Arrowhead Center.

14  
15 Gill Sorg: Ok, I think, from listening I think that is pretty much what we can agree upon here and  
16 we will stick with the Arrowhead and the ordinances or resolutions, resolutions.

17  
18 Mayra De La Canal: This would be an ordinance to add to the Economic Development Plan and  
19 it would be a resolution to make changes to Wage Plus.

20  
21 Gill Sorg: Ok.

22  
23 Jack Eakman: We would recommend that addition to the Council.

24  
25 Gill Sorg: Ok. Any objections? Without any objections, we will move on.

26  
27  
28 **VIII. Update on Wage Plus Changes**

29  
30 Gill Sorg: Wage Plus changes is that we just finished. Any further comments?

31  
32 **IX. Comments**

33  
34 Irene Oliver-Lewis: I just want to compliment Mayra and Cruz on all the publicity you've been  
35 getting lately and bringing attention to the economic development concept of the city and stuff  
36 so I applaud you for just getting out there.

37  
38 Gill Sorg: Any others?

39  
40 David Weir: Mr. Chair, just a comment on our meeting and I know Mayra and Cruz don't have a  
41 designated support staff but on other city committees I am, often times the support staff will  
42 send out about a week before the agenda is done, and say are there any other items you would  
43 like included? It would be helpful for me to get that reminder, like the CIAC does that, because  
44 one thing I would like to do is to go through, show the Comp Plan, do a short presentation, not  
45 any decision making, but to show, these are the elements, this is what policy the Council has  
46 adopted on economic development and have that on the agenda so if we get a reminder  
47 beforehand, we can ask you, as chair, and Mayra and Cruz who put the agenda together to add  
48 that as an item. And then also, if there is any support material, we can provide that to you  
49 beforehand so that they can be distributed a week, a couple of days beforehand to give the  
50 committee a chance to look at that.

1 Gill Sorg: I agree. That's why, the RFI for example, I asked for that to be distributed too. We  
2 need all this information a little ahead of time.  
3  
4 David Weir: And I would be happy to work with the Economic Development office.  
5  
6 Irene Oliver-Lewis: Are we still meeting every...  
7  
8 Gill Sorg: Well that's, we are going to discuss meetings next. But I just want to make a comment  
9 that we have here an Economic Development Plan that hasn't been rewritten yet and I think it is  
10 going to be important that we get that in place because there are some new directions that we  
11 need to have in there. So I think that needs to be on the next agenda for sure. And then, on the  
12 next meeting, can we meet in a month because it looks like we have a lot of business here that  
13 we did not quite cover. Is that objection? Can we meet in August because we started meeting  
14 every other month here a while back? What is the will of the committee, for the committee that is  
15 left now?  
16  
17 David Weir: We still have a quorum.  
18  
19 Christine Logan: That is easy to say.  
20  
21 Gill Sorg: Christine?  
22  
23 Christine Logan: Not on the first Wednesday? But otherwise I can.  
24  
25 Gill Sorg: Not on the first Wednesday. Today, oh today is not the first Wednesday. Yeah it is.  
26  
27 Christine Logan: Yeah, this month it worked but generally it doesn't.  
28  
29 Gill Sorg: Can we just make it the second Wednesday, give you an extra week? How does that  
30 sound to everybody?  
31  
32 Irene Oliver-Lewis: I'm retired, I don't care. The second Wednesday?  
33  
34 Gill Sorg: Let's plan on the second Wednesday in August. I mean, there several members that,  
35 and then make sure to get a notice out to the whole committee that they can call in. Do that  
36 pretty soon and then a reminder before the meeting starts.  
37  
38 Loretta Reyes: You need a phone. Somehow you are going to need a phone, I don't know how  
39 they are going to do that.  
40  
41 Gill Sorg: Just as a final comment too, I think the major role of the City is to help local  
42 businesses, small local businesses. And it has been proven time and time again, that being that  
43 in our city's strategic plan, job creation is high in the priority, proven time and time again, helping  
44 local business expand or at least retain, will give us more jobs in the city than trying to get new  
45 businesses here. That is good, you want to keep doing that and assist that all we can, but I think  
46 our emphasis has to be on helping our local businesses expand. So the new survey you are  
47 putting out is going to go a long way into doing that. We didn't mention that in our meeting at all.  
48 But that is coming out soon. Is that out?  
49  
50 Loretta Reyes: Right, Daniel wants to take a look at it. After speaking with you, I think he spoke  
51 with you about that.

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Gill Sorg: Yeah, yeah, yeah, see if you can get that to him.

Loretta Reyes: I got it to him, I will just follow up with him.

Gill Sorg: Ok, without any objections, I will, can I get a motion to adjourn.

Irene Oliver-Lewis: Adjourn.

Gill Sorg: I think we covered a lot.

**X. Adjournment**

Meeting was adjourned at 11:50 a.m.

  
Chairperson