

Ordinance No. 1996-7

ECONOMIC DEVELOPMENT ORDINANCE

THE SANTA FE COUNTY BOARD OF COMMISSIONERS HEREBY FINDS THAT:

It is in the public interest of Santa Fe County ("County") to recognize and support economic development opportunities in the County.

It is in the public interest of the County to afford reasonable assistance to obtain new economic and industrial development projects in the County.

The provisions of the Local Economic Development Act, NMSA 1978, Section 5-10-1, as amended ("Act") afford economic and employment opportunities by allowing the County to furnish new means of income, and by improving the overall economic health of the County.

The Board of County Commissioners support economic development efforts within the County while continuing to protect against unauthorized use of public money and other public resources.

The County has adopted the following vision statement:

Santa Fe County government strives to be a responsive, cutting-edge organization which has integrated the vision of its citizens, employees and elected officials. The Santa Fe County Commission is strongly committed to protecting and preserving our cultural traditions, pristine resources, and diverse communities. Our administration is dedicated to the health, safety, and welfare of the public we serve and to ensuring the quality of life and preservation of resources for future generations. Citizen involvement is an essential and integral component to the success of Santa Fe County government. The Santa Fe County Commission is committed to work collectively with constituents to solve problems confronting our communities as we move into the twenty-first Century.

The County, through public input, community forums, and focus groups in numerous economic development planning processes, developed the Santa Fe County Economic Development Plan ("Plan").

Through the development of the Plan, the following economic development mission statement has been proposed:

Santa Fe County Government's role is to facilitate a favorable governmental atmosphere for enriching the quality of life of our citizens through a healthy economy.

Also through the development of the Plan, the following statement of commitment to community has been proposed:

Santa Fe County government recognizes that the needs of each of its communities may be different. We seek economic development which is supportive of these needs, enriches our community life and promotes our values of self-reliance, individualism and entrepreneurship. We seek high quality jobs which will enhance salaries and career development. Growth in Santa Fe County will be integrated and balanced to preserve our quality of life - economically, environmentally and socially. Economic activity in Santa Fe County will allow our children to remain in our communities and to contribute to community growth.

BE IT THEREBY ORDAINED by the Santa Fe County Board of County Commissioners:

I. Title

This Ordinance may be cited as "County Economic Development Ordinance."

II. Authority

In accordance with Article 9, Section 14 of the New Mexico Constitution and pursuant to the express statutory authority under the Local Economic Development Act, NMSA 1978, Section 5-10-1, as amended ("Act"), this Ordinance is adopted to allow the County to exercise all powers afforded under law to support, foster, promote and enhance local economic developments efforts while continuing to protect against the unauthorized use of public money and other public resources. This Ordinance shall be adopted as, and considered a part of, the County's Economic Development Plan.

III. Economic Development Plan

The Santa Fe County Economic Development Plan ("Plan") and such other forms, policies and procedures as are deemed necessary by the County in order to implement this Ordinance are hereby adopted as a part of this Ordinance and the County's Plan; and all are hereby incorporated by reference.

IV. Economic Development Goals and Objectives

The goals and objectives set forth in the Plan were developed from public input, community forums, and focus groups in numerous economic development planning processes. The Plan is also based on numerous studies which have been done in the past and which served to form the foundation of this plan. All actions taken under this Ordinance shall be in conformance with the goals and objectives set forth in the Plan.

V. Qualifying Economic Activities

Santa Fe County will consider offering any and/or all forms of assistance to qualifying entities under Section 5-10-3 (B) of the Act.

In particular, the County may provide to a qualifying entity direct or indirect assistance which could include the purchase, lease, grant, construction, reconstruction, improvement or other acquisition or conveyance of land, buildings or other infrastructure; public works improvements essential to the location or expansion of a qualifying business; and payments for professional services contracts necessary for the County or regional governments to implement any plan or project.

However, this consideration by the County shall not establish any obligation on the County's part to offer any specific type or level of assistance.

VI. Qualifying Entities

Santa Fe County will consider all entities that qualify under Section 5-10-3 (G) of the Act. However, merely meeting the definition of a qualifying entity shall not create any obligation on the part of the County or grant any right to a qualifying entity.

The County will give priority to those qualified entities which:

- A. Encourage private companies to expand, build or relocate facilities which support new or expanding businesses;
- B. Assist with business start-ups;

- C. Create new job opportunities;
- D. Assist with the development of economic clusters as identified in the economic development plan; and/or
- E. Add value to the knowledge base of the labor force.

VII. Eligibility Criteria

In order for a qualifying entity to be determined eligible to participate in a Project Participation Agreement with the County ("project") by the County, the qualifying entity must be able to follow the goals and objectives of the Plan. The County will consider each project based upon the suitability of the project, conformance with the provisions of the Act and the Plan.

VIII. Project Requirements for Financial Solvency

Every qualified entity seeking to participate in a project must report or submit information and/or responses to the following:

A. History and Background

1. Does the applicant have a good record with projects of this type?
2. Does the applicant commit to manage, as well as build, the project?
3. Disclosures (explain in writing):
4. Has the applicant or any of its officers ever filed for bankruptcy?
5. Has the applicant or any of its officers ever defaulted on any loans or financial obligations?
6. Does the applicant have any loans or other financial obligations on which payments are not current?

B. Funding Sources for Project

1. Does the bond amount requested reasonably represent the money needed to complete the project?
2. What is the equity investment of applicant?
3. What is the estimated value of assistance requested by the applicant of the County?
4. What are the other funding sources other than the requested assistance of the County? (Show letters of commitment or intent to fund for all additional funding sources)

Application for participation in a project shall also contain the following information:

C. For Established Businesses:

1. Financial statements with independent audits if available, or tax returns for the past two years;
2. Federal tax number, New Mexico State Taxation and Revenue number and County business license number (if operating in the State of New Mexico at the time of application);
3. Three year projected income statements;
4. Business plans complete with detailed assumptions for business and proposed project. Include pro-forma cash flow analysis; and/or
5. Any other document or record that pertains to the financial solvency of the qualified entity that the County deems necessary.

D. Start-Up Businesses

All of the above may or may not apply in a start-up business environment. Business plans and personal credit histories will play an important role in determining the feasibility of start-up proposals.

IX. Project Requirements for Community Commitment

A. Community Commitment

Every qualified entity seeking to participate in a project must report or submit information and/or responses to the following:

1. What are the entity's infrastructure needs?
2. What are the number and types of jobs to be created by the entity?
3. What is the proposed pay scale and payroll proposed by the entity?
4. Describe efforts made or to be made by the entity to providing employment opportunities to people within the local employment pool.
5. What efforts are being or will be made towards job training and/or career development?
6. What are the impacts to the local tax base, the school system and the environment?
7. Describe efforts made or to be made by the entity to procure materials and services from local markets.
8. What efforts are being or will be made towards housing in the area?

The County may consider any of the information provided in response to the requests above in determining the feasibility of any proposed project.

B. Cost Benefit Analysis

All qualified entities seeking to participate in a project will show as a part of their application how the proposed project will benefit the Santa Fe County in relation to the relative costs of the project. The County reserves the right to specify the form, format and methodology for any cost benefit analysis for any proposed project. County staff shall be responsible for review and approval of the form, format and methodology used in consideration of any proposed project. Any multiplier effects, including source and rationale, which are used in any analysis must be explained by each applicant.

X. Application Verification

The County may verify any of the information submitted for any application by ordering personal and or Dun & Bradstreet credit checks. Additionally, an independent analysis of all required financial statements may be conducted at the sole discretion of the County.

Site visits may also be conducted to previously developed projects and or to the applicants headquarters. The local Chambers of Commerce and any Consumer Protection Agencies may also be contacted for personal references.

XI. Application Process

The following steps shall be followed by every qualifying entity for any project:

- A. Each applicant will meet with the County Economic Development Department or designate to discuss the criteria which the County will look at in evaluating each application.
- B. Each applicant will be required to complete a project application form and make all submittals required under this Ordinance.
- C. Each application will be reviewed by a staff review team consisting of representatives from the County Manager Office and the Finance, Legal, Land Use, and Water Departments.
- D. The staff review team shall determine whether the applicant and the proposed project qualify under the Act and this Ordinance.
- E. County staff shall then coordinate with the applicant to develop a project as set forth in Section XII, below.
- F. The application, along with all recommendations, the project, and any other pertinent information shall be noticed and held for a public hearing before the Board of County Commissioners for final consideration of any aspect of the project.
- G. The Board of County Commissioners, at the same or any subsequent public hearing, shall consider the adoption of an ordinance approving the project.

- H. If the project is approved by ordinance, the County and the applicant shall execute and enter into a Economic Development Agreement. An Economic Development Agreement shall be, in all respects, a project participation agreement as defined and set forth in the Act.
- I. After execution of an Economic Development Agreement, and only if it is determined by the County that an application requires Land Use approval(s), the qualifying entity shall proceed through the Land Use process. The County agrees that it shall cooperate with the qualifying entity in an Economic Development Agreement to expedite and shorten the Land Use process where applicable and lawful.

At any point in the application process and after consultation with the County staff, the applicant may be advised to meet with neighborhood groups, other governmental agencies, or other persons or groups.

XII. The Project Participation Agreement

The Project Participation Agreement shall, at a minimum, set out the following:

- A. Any and all contributions to be made by each party;
- B. The security provided to Santa Fe County by the applicant in the form of a lien, mortgage, or other indenture and the pledge of the qualifying applicant's financial or material participation and cooperation to guarantee the applicants' performance pursuant to the Project Participation Agreement;
- C. A schedule for project development and completion, including measurable goals and time limits for those goals;
- D. Provisions for performance review and actions to be taken upon a determination that project performance is unsatisfactory; and
- E. Specific procedures to determine success and methods for recouping investment in the event an economic development project is determined to be unsuccessful, or if a qualifying entity seeks to leave the area.

XIII. Safeguarding of Public Funds

Financial controls, which provide for the safekeeping of public funds, will be documented in writing with each request for assistance and be contained in the project participation agreement.

To protect against potential losses if the business quits or leaves the area or otherwise fails to live up to contractual or implied obligations, each Project Participation Agreement will be required to detail a pro-rata reimbursement for workforce reduction or closure. Santa Fe County will also

place a lien on buildings and assets to secure its investment. Santa Fe County may require that a business place a surety in a form acceptable to the County such as an irrevocable line of credit, a performance bond, cash or a certificate of deposit, to secure its long term commitment. Santa Fe County retains all rights to hold any new operator to the terms of the original agreement until its terms are satisfied. The County also may negotiate new agreements, or reclaim the facility. Santa Fe County will also retain a security interest and it will be written as part of the Project Participation Agreement.

XIV. Project Funds

Revenues from each and every project shall be kept in a separate fund and be expended only for that project. Revenues from any project may be used for payment of professional services. For every separate fund established for every project, the County shall provide for an annual independent audit of each special fund in accordance with the Audit Act (NMSA 1978, §12-6-14). Any such audit constitutes a public record open to inspection under the Inspection of Public Records Act, NMSA 1978, §14-2-1, as amended.

At any time after approval of a plan, the County may enact any ordinance terminating the plan or any or all projects. This ordinance will provide for satisfying existing contracts and the rights of the parties arising from those contract. Any unexpended and encumbered balances in any project fund will be transferred to the general fund.

XV. Regional Projects

Santa Fe County remains open and committed to developing any regional opportunities with any other county or municipality, and in so doing, shall comply with all requirements of the Act.

XVI. Severability

Should any provision of this Ordinance be found invalid or illegal for whatever reason, all other terms and provisions of this Ordinance shall remain in full force and effect.

XVII. Termination

The County may terminate this Ordinance and the Plan and/or any or all Economic Development Agreements undertaken and approved under this Ordinance. Termination of this Ordinance shall be done pursuant to and in accordance with state law. Termination shall occur and be by ordinance and after a public hearing.

XVIII. Effective Date

This Ordinance shall become effective, thirty (30) days from June 24, 1996.

PASSED, APPROVED AND ADOPTED THIS 24th DAY OF JUNE, 1996.

SANTA FE COUNTY BOARD OF COUNTY COMMISSIONERS

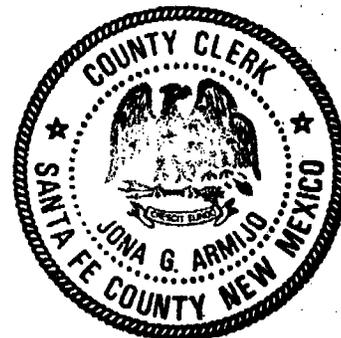
Richard O. Anaya
RICHARD ANAYA, Chairperson

ATTEST:

Jona G. Armijo
JON G. ARMIJO, County Clerk

APPROVED AS TO FORM:

Steven Kopelman
STEVEN KOPELMAN, County Attorney



951,968
COUNTY OF SANTA FE)SS
STATE OF NEW MEXICO)
I hereby certify that this instrument was filed
for record on the 9 day of July A.D.
19 96 at 1:18 o'clock Pm
and was duly recorded in book 1286
page 577-585 of the records of
Santa Fe County.
Witness my Hand and Seal of Office
Jona G. Armijo
County Clerk, Santa Fe County, N.M.
Jona G. Armijo
County

**Santa Fe County
Economic
Development
Plan**

-adopted June 24, 1996-

Workforce Development

Goal I: To ensure that the healthy development of Santa Fe County's workforce keeps pace with the changing needs of its businesses.

Objective A: Strengthen, extend, and focus Santa Fe County's workforce development.

Action 1. Conduct a study to identify available and needed workforce skills for current and future businesses.

Action 2. Promote cooperation between the public and private sector in providing effective core education and lifelong learning for all residents. Work with media to improve the public appreciation and demand for such education.

Action 3. Align the workforce development goals of the County's Economic Development Plan with the long-range plans of the Santa Fe Public Schools, County General Plan, City, State and Federal Governments, Santa Fe Community College, St. John's College, College of Santa Fe, University of New Mexico, Los Alamos National Laboratories and Independent Economic Development Organizations.

Action 4. Develop an incentive program which will include among other things, in-plant training, rapid response training, job training partnerships and education vouchers to encourage the hiring and upgrading (training) of the local workforce.

Action 5. Lobby for favorable business legislation which will improve support for human resource development.

Workforce Development

Goal I: To ensure that the healthy development of Santa Fe County's workforce keeps pace with the changing needs of its businesses.

Objective B: Pursue community accessible housing options for Santa Fe County citizens which will support the existing workforce.

Action 1. Expand the use of housing assistance programs where feasible such as home buyer training, waiving impact fees for affordable housing, or fast tracking development projects with affordable housing components.

Action 2. Establish a revolving loan fund to help qualified, first time home buyers.

Action 3. Coordinate economic development plans with the County and City General Plans and Capital Improvement Plans to better link economic development projects.

Action 4. Tie economic development incentives with housing opportunities.

Infrastructure Development

Goal II. Develop infrastructure which is responsive to business development goals.

Objective A. Publish and keep updated a database of all business, commercial and industrial sites throughout Santa Fe County based upon current zoning and current and planned infrastructure.

Action 1. Develop an assets inventory.

Action 2. Communicate and coordinate with TRADE and other organizations to determine future needs.

Objective B: Develop infrastructure which is specific to targeted clusters.

Action 1. Identify infrastructure requirements and possible inventory for each economic type.

Action 2. Coordinate new business parks/clusters with County General Plan and attendant neighborhood and sector plans, transportation plans, capital improvement and water company plans.

Action 3. Promote private development of transportation systems such as ride share programs.

Action 4. Promote private development of telecommunication services.

Infrastructure Development

Goal II. Develop infrastructure which is responsive to business development goals.

Objective C: Ensure a water resource infrastructure that stabilizes the water resources of Santa Fe County.

Action 1. Identify and secure alternate source(s) of water.

Action 2. Build a water supply infrastructure that moves the water to where it is needed in the County, utilizing imported water whenever possible.

Action 3. Stop aquifer mining where possible (limit new wells, limit use of existing wells in some areas).

Action 4. Protect the groundwater aquifer from further contamination.

Action 5. Recharge the aquifer (packaged wastewater treatment recharge, surface water recharge, terrain modification)

Action 6. Promote conservation and water supply pricing programs that encourage conservation.

Action 7. Develop a regional water plan that supports existing and new economic development.

Commitment to the Public

Goal III: To improve customer service processes.

Santa Fe County strives to preserve and enhance the quality of life for current and future citizens and to create an exceptional business climate through its commitment to excellence in government.

Three aspects of government services which contribute to the business climate and will be a focus area for improvement in Santa Fe County are:

- I. Taxation and regulation*
- II. Economic resources (workforce and infrastructure)*
- III. Cultural, community and natural resources.*

A successful Santa Fe County economic development strategy must measure success and improvements against all three of these aspects.

Objective A: Establish a positive governmental climate which continually monitors and assesses regulatory, economic and community improvements by following the practices set forth in Quality New Mexico (a non-profit organization dedicated to making New Mexico the "Quality State").

Action 1. Prepare a strategic plan which will link public and private entities to specific future economic opportunities in Santa Fe County.

Action 2. Begin to measure and report performance standards on each aspect as follows:

Taxation and regulation -

- Dollar value of industrial revenue bonds issued
- Dollar value of tax credits and tax abatements
- New housing starts
- New business permits/licenses
- Gross receipts and lodgers' taxes

Economic resources (workforce and infrastructure)

- Level of workforce training
- High school graduation rate
- Availability of needed infrastructure
- New jobs created and expected in the future
- Per capita income
- Land use plans which encourage mixed-use development

Cultural, community and natural resources/ quality of life indicators.

- Develop a specific and measurable set of criteria which can be used to monitor quality of life
- Compliance with Environmental quality standards

Commitment to the Public

Goal III: To improve customer service processes.

Objective B: Improved customer service through better education and communication.

Action 1. Provide all employees with an introduction to customer relations training.

Action 2. Conduct briefings with the public on business and land use application procedures.

Action 3. Communicate the progress of economic development effort on a regular basis to the community and elected officials.

Objective C: Identify an individual to coordinate and direct economic development efforts.

Action 1. Provide a single point of contact for all potential clients, from small business expansion to new business recruitment.

Action 2. Streamline the commercial and business permitting process.

Action 3. Develop a new business information fact sheet.

Action 4. Prepare promotional materials and conduct proactive, targeted recruiting to develop and strengthen clusters and exports.

Action 5. Develop an economic development legislative agenda each year and coordinate with other local efforts.

Action 6. Establish and maintain detailed information on business financing and incentive programs and make available to business prospects.

Action 7. Promote and develop public/private partnerships.

Action 8. Develop a relationship with an outside economic development organization to review project proposals.

Action 9. Conduct labor research to improve available labor data (low unemployment rate is misleading).

Action 10. Increase access to Santa Fe County information to businesses through the Internet.

Diversification of the Economy

Goal IV: To increase the economic base of Santa Fe County.

Objective A: Strengthen the County's base of financial incentives.

Action 1. Develop and implement an Industrial Revenue Bond Program.

Action 2. Develop proposals for a Community Development Block Grant to provide gap financing for small businesses.

Action 3. Work with local banks, mortgage companies, venture capital programs, the Small Business Administration and others on strategies for providing capital and assistance to county businesses.

Objective B: Strengthen and develop the county's existing and emerging economic clusters (see Appendix C).

Clustering businesses concentrates specific types of businesses in designated geographic locations. Clustering provides a concentration of common businesses which reinforces and strengthens the competitive position of each business. Existing employment opportunities could be available without the necessity of relocation.

Action 1. Identify current, emerging, and potential cluster businesses or industries, and, in partnership with the private sector, provide strategic leadership in cluster development.

Action 2. Carry out targeted recruiting to strengthen cluster development.

Action 3. Recruit suppliers and supporting businesses for targeted business clusters.

Action 4. Continually assess whether workforce and infrastructure are adequate to meet the needs for cluster expansion and development.

Diversification of the Economy

Goal IV: To increase the economic base of Santa Fe County.

Objective C: Develop business parks.

Santa Fe County recognizes that improving per capita income of all its residents means that we need to develop a higher level of knowledge-based job skills. It is important to diversify our economic base and to develop good, well-paying local jobs which have a minimal impact on our natural resources.

Action 1. Participate in efforts to develop one or more business parks and supporting infrastructure.

Action 2. Maintain working relationships with arts and crafts, agricultural, media and defense and other technology transfer efforts.

Objective D: Support the development of a tourism plan.

Tourism plays an important role in importing dollars into Santa Fe County. Tourism also provides networks for global markets for many of our small businesses and craftspeople. It can provide new markets for the "Santa Fe Style" and bring in outside investment to the local economy. Recent downturns in tourism have helped to clarify the need to diversify our economy and to ensure a vital tourism base.

Action 1. Actively participate in communicating Santa Fe County economic development priorities to the Lodgers' Tax Advisory Board.

Action 2. Coordinate tourism development efforts with the Cities of Santa Fe and Albuquerque.

Action 3. Assist communities throughout the County to provide input into a tourism plan.

Coordination of Efforts

Goal V: To coordinate and cooperate on a regional basis, to increase the benefits of a diversified economic base.

Objective A: Ensure that future economic activity is appropriate to each community within the County.

Action 1. Support local, community economic development planning.

Action 2. Coordinate and communicate rural community needs to economic development organizations and agencies such as the State Economic Development Office.

Action 3. Provide support for business development in all areas of the County.

Action 4. Research and implement, where feasible, teleconferencing capability to the more remote locations of the County.

Objective B: Ensure that future economic activity is appropriate to the Tri-County areas.

Action 1. Communicate and coordinate with other county, city, state and federal economic development agencies on a regular basis.

Action 2. Further develop relationships with the neighboring Pueblos.

Action 3. Participate in regional planning efforts such as defense Adjustment Task Force.

APPENDIX C

ECONOMIC CLUSTERS

Santa Fe County

The December 1995, Los Alamos Defense Adjustment Planning Project identifies 5 target industrial clusters. The criteria used to select the clusters included:

- potential for business and job growth
- regional presence of the industry
- active industry organization
- strong existing or potential linkages with industrial resources and State economic development projects
- the target industry can draw upon research and technical assistance of the state's universities and institutes.

The 5 clusters identified were:

- 1) **environmental technology**
- 2) **biomedical industry includes alternative healing traditions**
- 3) **multimedia industry**
- 4) **food industry; and**
- 5) **furniture and related home furnishings.**

All 5 targeted clusters which were identified by the Los Alamos Defense Adjustment Planning Project were also identified in the development of the Santa Fe Economic Development Plan (through previous studies and focus groups). Additional clusters which were identified in the Santa Fe Economic Development Plan include:

- 1) **publishing**
- 2) **tourism**