

Santa Fe County

Community Business Plan

Update August 31st, 2007



Santa Fe County Community Business Plan

2007 Update

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Community Business Plan Update

The Santa Fe County Board of County Commissioners adopted the County's Community Business Plan on June 28th, 2005. The Community Business Plan was developed as part of the Certified Community Initiative process and Santa Fe County was designated as a Certified Community in 2005. The Community Business Plan resulted in a document that consolidated the County's variegated economic development plans, goals and objectives.

The Community Business Plan has provided the County with an analysis of the County's existing and potential economic development activities and opportunities. The Plan also provides specific recommendations based on the County's Strengths and Opportunities.

These recommendations have encouraged the County to participate in partnerships with nonprofit organizations and other economic development organizations. The Plan also identified potential target industries to consider as part of the economic development strategy for the County. The County's Community Business Plan recommendations include partnerships to facilitate economic development, targeted industries, and the development of the County Economic Development Business Park.

This update will identify the County economic development strategy based on the County's existing plans and potential economic development opportunities. The County has identified a Media District to target specific Media related business within the County Economic Development Park and has identified the Park as a Media Park. The County Economic development strategy and the creation of a Media Park will allow the County to support the County's Target Industries and the clusters identified by SFEDI, including new media, information technology, financial services, tourism, and outdoor recreation.

The following update provides a summary of the County Community Business Plan recommendations, partnerships and target industries. This update also identifies the County's Economic Development Strategy and provides a summary of the County Economic Development activities.

Partnerships

- Santa Fe County has established partnerships with nonprofit organizations such as Santa Fe Economic Development, Inc. (SFEDI), North Central New Mexico Economic Development District, United Way of Santa Fe County, Santa Fe Business Incubator, Santa Fe Community College, Local Energy, Inc. and the Northern Rio Grande National Heritage Area.
- The County has established Santa Fe Economic Development, Inc. (SFEDI) as the County's economic development partner. SFEDI has been an important ally for economic development for the County by providing individual businesses with services that meet their business and workforce needs. SFEDI also has also developed a business outreach and economic development collaborative for economic development partnerships.
- SFEDI has also developed a monthly Economic Collaborative which brings economic development participants together to discuss economic development opportunities.
- Regional Economic Development partnerships and opportunities:
 - Santa Fe County is participating with Los Alamos County and other local governments on a Regional Economic Development Strategic Plan. This project began with an effort called "Progress through Partnering" and has resulted in Cooperative Agreements and a process to create a Regional Economic Development Strategic Plan.
 - Santa FE County has participated with Santa Fe Community College on the Center for Community Sustainability and has also developed an Memorandum of Understanding relating to the film industry.
 - Santa Fe County has established a Resolution supporting a partnership with North Central New Mexico Economic Development District. NCNMEDD is the organization that administers the Economic Development Administration (EDA) grants for the district.
 - Other potential partnerships include the Greater Espanola Valley Economic Development and Estancia Valley Economic Associations.

Target Industries:

Santa Fe County has identified the development and expansion of five target industries: Film Industry, Energy and Water Technology, Arts and Culture, Publishing and Light Industry. This brief summary provides an update for the County's Target Industries:

Film Industry and Publishing Industry

- Santa Fe County has developed a Media District to attract Media industries to the County Media Park. Santa Fe County is currently in the bid process to purchase the 65.58-Acre County Economic Development Business Park from the State Land Office, which is now identified as the County Media Park.
- The County has developed a strategy for the County's business plan for the County's Economic Development Park. The County has drafted a business plan for the Media Park in order to determine the potential financial options for the Media Park as well as determine potential financial impacts from proposed developments.
- Santa Fe County has proceeded with a process to create a Media District to target specific Media related businesses within the County's Economic Development (Media) Park. With the purchase of this business park and the creation of a Media District, Santa Fe County is now in a proactive position to create economic development opportunities in the Media, Film and Broadcasting Industries.
- Santa Fe County has identified potential infrastructure needs for the media cluster to include expanded broadband infrastructure. The special needs for film studios, digital technology, and other media technology will require expanded broadband infrastructure.
- The County has completed a needs analysis and study for broadband infrastructure to identify the needs and potential options for expanded broadband infrastructure. Santa Fe County is in the process of identifying potential funding sources for broadband infrastructure for the Media District.

Energy and Water Technology

Center for Community Sustainability/TREE (Technical Resources for Energy and the Environment)

- Santa Fe Technical Resources for Energy and the Environment (TREE) Business and Implementation Plan was completed January 2007. The TREE was the result of a feasibility study/analysis. A consortium of economic, business, community, educational, and energy development entities have embarked on a comprehensive, long-term program for the Santa Fe region.
- Santa Fe TREE (Technical Resources for Energy and the Environment), implementation will position the region as a Center of Excellence in the critically important areas of:
 - Renewable energy
 - Energy efficiency
 - Water conservation
 - Sustainability systems
- The TREE concept was designed to meet the objectives of the County, City, and Santa Fe Community College target industries strategies, and their economic development plans.
- The goal of TREE is to develop a thriving economy based on locally produced sustainable energy and efficient water use that saves scarce resources and increases the tax base in Santa Fe and in Northern New Mexico.

Light Industry

- The County has identified a potential site for the proposed community kitchen and has begun a process to identify funding for the Architecture and Engineering and planning for the facility.

Arts and Culture Industry

The Arts and Cultural Industry is a major component Santa Fe County's economy. According to an economic research study completed for the City of Santa Fe, the arts and culture industry has a large impact on Santa Fe's regional economy. Among the findings:

- Santa Fe has the largest per capita concentration of artists, performers and writers of any city in the United States.

- Santa Fe is among the top 10 cities in concentration of museum curators, architects, and graphic designers.
- Santa Fe is the second largest art market in the United States, second only to New York City.
 - 17.5% of total employment in the City of Santa Fe is in Arts and Culture related businesses.
 - 20% of the city's gross receipts tax comes from Art and Culture related businesses.

Agricultural Industry

- Agriculture was not identified as a target industry in the initial business plan. Agriculture does maintain an important role in the County, especially within the Traditional Communities. In addition to farmer's markets, there is a need for value added economic development in the agriculture industry.
- County has supported agricultural economic activities through the Chimayo Chile project and through the support for the proposed commercial community kitchen as well as through the County Extension office programs including the 4-H program.
- Santa Fe County and United Way of Santa Fe County submitted a grant application to New Mexico Economic Development, Inc. for a community commercial kitchen.

Outdoor Recreation

- Outdoor Recreation has been established as a new cluster by SFEDI in 2007.
- Outdoor Recreation includes outdoor gear and apparel includes specialty design and light manufacturing related to outdoor activities such as equipment for backpacking, rock climbing, biking, running, and the many other sub markets of this industry are all included in this industry.
- Outdoor equipment is a fast growing sector and this industry provides economic opportunities for Santa Fe County.

Economic Development Strategy Actions

The County must cultivate Creative industries including Arts and Cultural Industries, Media and Film Related industries, energy and water technologies as part of an overall economic development strategy. A focused economic development strategy will enhance the existing successful economic development and prepare for the new digital technology media developments and alternative energy. The cultivation of these creative industries is part of the economic development action strategy for diversification of the economy. Specific action items include:

Creation of a Media District

1. The purpose for the creation of a Media District will be to provide a specific district where media related businesses and broadcast media can be accommodated to meet the special needs of these businesses.
2. Develop Media Park Business Plan to identify the potential for the County to utilize the County Economic Development Park for the Media District. The Business Plan should provide a cost and revenue analysis for necessary infrastructure improvements and potential lease options, a community benefits analysis, and potential financial impacts for the Media Park.
3. Develop broadband study to determine the options and next steps to provide enhanced connectivity for the Media District and Community College District.

Film and Production

1. Identify film and production activities and locations in the County.
2. Identify financial impact of film production activities in the County.

Music/Entertainment

1. Identify music and other entertainment activities and locations in the County.
2. Estimate financial impact of film production activities in the County.

Arts and Cultural tourism

1. Identify the potential arts and cultural tourism interconnection with other targeted industries.

Summary

The County's designation as a Certified Community by New Mexico Economic Development has helped the County to advance an economic development strategy. Santa Fe County has identified target industries to create economic development opportunities and has begun to build on these industries. The County's strategy to create a Media District will allow the potential for leveraging the State's film incentive programs and provide the County with the potential to create a significant financial impact and create high wage employment opportunities.

Santa Fe County has also recognized the need to collaborate with economic development organizations, educational institutions, non-profit organizations and other government entities. Economic development cannot be successful unless these groups work in a strategic, coordinated and collaborative approach. Santa Fe County has taken proactive steps to collaborate with other economic development, workforce development, and educational institutions.

Significant challenges still exist to provide infrastructure development to enhance economic development in the County. Broadband infrastructure is an important component to enhanced economic development in the County.

Building upon the County's strengths to include the arts and cultural tourism as well as music and entertainment, the development of the media technology and film production and alternative energy and water technology will provide workforce development opportunities and enhance the existing successful economic development activities. The cultivation of these creative industries in combination will result in the diversification of the economy.

Santa Fe County
Community Business Plan

2005-2007



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by Santa Fe County Board of County Commissioners*

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SANTA FE COUNTY COMMUNITY BUSINESS PLAN

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SANTA FE COUNTY COMMUNITY BUSINESS PLAN

BACKGROUND

The Santa Fe County Board of County Commissioners adopted the County Economic Development Ordinance on June 24th, 1996 (Ordinance 1996-7). The Economic Development Ordinance was developed 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 ("Act") NMSA 1978, Section 5-10-1, as amended.

Santa Fe County Growth Management Plan

The Santa Fe County General Plan, adopted on October 26, 1999, includes the following economic development actions and goals:

- Santa Fe County's economic development policy is to pursue a strategy that provides diverse business and employment opportunities in appropriate areas throughout Santa Fe County, within community centers and at locations where transportation and other services are feasible.
- Plan actions include developing and adopting planning strategies and regulations that provide diverse, stable, career-oriented employment opportunities for all citizens including youth and senior citizens.

Santa Fe County Economic Development Plan

The Santa Fe County Economic Development Plan was adopted through the Economic Development Ordinance. The Economic Development Plan includes significant community input including focus groups and community meetings. The plan also incorporated studies by County and City government, and other local economic development studies. The Santa Fe County Economic Development Plan includes the following mission statement and statement of commitment:

Mission Statement Economic Development:

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.

Statement of Commitment:

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.

Santa Fe County Economic Development Plan Goals and Objectives:

Statement of Goals and Objectives:

Workforce Development

Goal 1. To ensure that the development of Santa Fe County's workforce keeps pace with the changing needs of our business community.

- Objective A: Strengthen, extend, and focus Santa Fe County's workforce development..
- Objective B: Pursue community accessible housing options for Santa Fe county citizens which will support the existing workforce.

Infrastructure Development

Goal 2. Develop infrastructure (water, wastewater and roads) which is responsive to the County's business and economic development goals of targeting industries and developing the County Business Park.

- 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.
- Objective B: Develop infrastructure which is specific to targeted clusters.
- Objective C: Ensure economic development projects support the County's goal for a sustainable water supply.

Commitment to the Public

Goal 3. To improve customer service processes.

- 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.
- Improved customer service through better education and communication.
- Identify an individual to coordinate and direct economic development efforts.

Diversification of the Economy

Goal 4. To diversify the economic base of Santa Fe County.

- Objective A: Strengthen the County's base of financial incentives.
- Objective B: Strengthen and develop the County's existing and emerging economic clusters.
- Objective C: Develop Business Parks.
- Objective D: Support the development of a tourism plan.

Coordination of Efforts

Goal 5. 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.
- Objective B: Ensure that future economic activity is appropriate to the Tri-County areas.

Economic Development Reports and Summaries for Santa Fe County

Regional Future Land Use & Growth Management Plan

The “RPA Planning Area” is from the City of Santa Fe boundary to the extent of the five-mile extraterritorial zone. The RPA plan is intended to guide and direct future land use decisions within this area. The RPA “Economic Development White Paper” study identified key potential City and County roles for economic development as follows:

City and County Economic Development Roles:

- *Designate sufficient commercial and industrial sites*
- *Ensure a dependable long term water supply*
- *Provide needed water, wastewater and road infrastructure*
- *Facilitate provision of high-speed telecommunications infrastructure*
- *Streamline development approval processes*
- *Insist on City and County cooperation and coordination*
- *Collaborate with non-profit economic development organizations*
- *Promote education and job training*

Airport Redevelopment District Economic Development Study

Santa Fe County concluded the Airport Redevelopment District Economic Development Study in 2004. The study focuses on the Airport Redevelopment District but also includes an analysis of potential regional markets and supply and demand for nonresidential development. The plan made recommendations for regional cooperation for economic development including:

- Development of Eco and Energy Industrial Parks
- Promotion of Arts in the district
- Development of a cooperative effort to foster the entrepreneurial spirit of the Santa Fe immigrant community

Santa Fe Community College District Fiscal Impact Analysis

The fiscal impact study includes three major phases of work; a market analysis, a fiscal and financial analysis, and implementation recommendations. The market analysis forecasts the amount of commercial development by type expected in the Community College District until the year 2050. The analysis identifies the CCD as a distinct and dynamic development area that is expected to become the fastest growing portion of the County and is expected to have a positive financial impact on the County. Employment growth in the CCD is forecasted to grow at an annual growth rate of 17.3 percent through 2007 and at an annual growth rate of 7.7% from 2007-2020. Non-residential development growth is anticipated to be approximately 130, 000 square feet of non-residential space through the year 2020. The implementation strategy included a recommendation that the County establish a special district to manage and fund road construction and maintenance.

City of Santa Fe Economic Development Plan

The City of Santa Fe adopted their Economic Development Plan, *Cultivating Santa Fe's Future Economy*, in 2004. The Plan includes recommendations in five categories:

- Workforce development and education
- Entrepreneurship
- Sites and infrastructure
- Community development
- Marketing

SWOT ANALYSIS FOR SANTA FE COUNTY

A SWOT analysis is a model used to examine strengths, weaknesses, opportunities and threats to help focus decision-making. The SWOT model contrasts the strengths and weaknesses with the threats and opportunities arising out of the external environment. This SWOT for Santa Fe County is intended to identify strengths, weaknesses, opportunities and threats for economic development in the County.

- Strengths (Positive, Internal): Positive attributes currently present in Santa Fe County.
 - Weaknesses (Negative, Internal): Local issues or characteristics that limit the current or future economic development opportunities for Santa Fe County.
 - Opportunities (Positive, Internal and external): Areas where Santa Fe County can remedy its weaknesses.
 - Threats (Negative, Internal and External): Trends that threaten Santa Fe County's future and attractiveness to new industry.
-

STRENGTHS

Cultural Diversity

- An extremely diverse population along with an extraordinary group of cultural institutions makes the area attractive to tourists, retirees, and many others. This is what really distinguishes the "City Different" and Santa Fe County as an attractive location.

Arts & Culture

- An enormous strength for the regional economy is the concentrations of artists and galleries. Santa Fe is certainly the capitol of Native American Art in the United States. Indian Market, Spanish Market and the Santa Fe Opera are enormous draws to the community.

Climate & Outdoor Recreation

- The high desert climate, with four attractive seasons and abundant sunshine, draws people to the area. The climate and the mountains provide many opportunities for recreational activities. Tennis, hiking, golfing & skiing, all in the same day, are possible.

Internationally Recognized Institutions

- World recognized institutions such as the Santa Fe Institute, Los Alamos National Laboratory, College of Santa Fe, and St. Johns College attract unusually large number of highly educated and creative people to the area. The small informatics companies in the INFOMESA, known internationally for their agent based modeling methods, are drawn here because of these institutions.

Local Institutions Supporting Economic Development

- Local institutions such as the Small Business Development Center (SBDC), Santa Fe Economic Development, Inc. (SFEDI), and the Santa Fe Community College offer strong support for growing businesses in the area. The Santa Fe County Business Park, the Airport Redevelopment District and private business parks offer growth opportunities for both local and relocating companies. Regional Development Corporation supports regional economic development and diversification in alignment with local, statewide, and national initiatives that add long-term value to the regional economy.

Tourism Economic Base

- The large number of visitors not only supports the variety of museums, hotels and restaurants but also the wide variety of Performing arts, such as the Santa Fe opera, Desert Choral and the Santa Fe Symphony.

Emerging New Business Clusters

- Santa Fe County has identified several business clusters. SFEDI has been working with several business clusters including: Publishing, Biotech/Biomedical, Information Technologies, New Media and Environment Technologies. Small businesses in these clusters are beginning to settle in the Santa Fe region and with strong support will grow and expand. The City of Santa Fe's economic development plan also identified these same clusters.

Education Opportunities

- Along with the Public Schools and the Santa Fe Community College, Santa Fe offers over 80 private schools, ranging from pre-school to college. This unusually large number of private institutions provides choices and strengthens the school system as a whole.

Government Employment

- City, County, State and Federal governments provide significant and stable employment throughout the County. This base should provide the foundation for the growth of many support businesses and more entrepreneurial activity.

WEAKNESSES

Water

- Water is both a political issue and a serious problem when considering development in the County. Real world solutions must be found and implemented.

Lack of Cohesiveness

- The very size and shape of Santa Fe County, encompassing 1,909 square miles and stretching from Edgewood in the south to the edge of Espanola in the north and including 6 of the Northern Pueblos. This presents significant problems when developing a cohesive strategy for development. The significant strength of cultural diversity also brings with it a need to coordinate efforts in all areas in the county.

Weak Public Education (Primary and secondary)

- One area of consistency is the recognition of the many weaknesses of the primary and secondary public education in the County. Dropout rates are high per capita, leaving significant remedial work needed to make young people ready for the workforce.

LANL Spin-Offs

- Despite much effort and goodwill at the Los Alamos National laboratory, there are very few successful spin-off companies coming from the lab.

Non Pro-Business Political Climate

- The political climate in the city is not considered pro-business. With approval of the City's new Economic Development plan, there is some hope that this will change.

Infrastructure

- Roads, utility service and other infrastructure is uncertain in some areas of the County.

Affordable Housing

- Affordable housing is a large and fast-growing problem. The average cost of a home is not consistent with the wages, leaving many workers without an opportunity for homeownership.

Workforce Quality

- Some businesses have not located here or have left the area because of the difficulty of recruiting a strong workforce.

Sparse Population and Isolation

- The immense size of the county and the sparse population has made it unattractive to larger employers. The isolation of both the City and the County from other areas in New Mexico makes doing business as a region difficult.

OPPORTUNITIES

Fostering the Arts & Culture Industries

- The Arts & Culture industries have a huge impact on the economy in the County. The Airport Redevelopment District Economic Development Study identified the opportunity for the “City and County to collaborate on fostering the artisan cluster through the development of artisan studios (both day and live/work) as well as allow for the display of arts (e.g. large sculptures) and open air markets.”

Collaboration

- City, County, Pueblo, and Regional collaboration across Northern New Mexico will increase the strength of the region. The Airport Redevelopment District Economic Development Study recommended that the City and County consider creative collaborative projects they can develop for purposes of economic development.

Fostering Cooperative Projects with the Northern Pueblos

- A single joint project with each of the pueblos located in the County could be identified and implemented. This could prove to be a real spark to economic development in the region.

Film Industry

- The state of NM has developed a significant series of incentives to attract aspects of the film industry to the state. The County can use these incentives to develop the film industry and target new businesses in this cluster to relocate.

Santa Fe Community College

- Cooperation with Santa Fe Community College through workforce development and through the Santa Fe Community College Training Center for film industry and alternative energy training are prolific opportunities.

Energy and Water Technologies

- There is a small but rapidly growing cluster of businesses focused on environmental technologies in Santa Fe County. There is a potential to develop the clean energy and water industry to meet the long-term energy and water needs.

Transportation

- The Governor’s strong initiative to establish the commuter rail system between Santa Fe and Albuquerque and places beyond means positive alternatives for transportation in the County and will open up employment opportunities.

Los Alamos National Laboratory (LANL)

- LANL’s support for workforce development and small business mentoring in the region has a potential to develop new technology businesses.

THREATS

Water

- There is a limited supply of water in the region. Planning and future development needs to ensure a sustainable water supply.

Inadequate support for Entrepreneurial Activity

- There is little or no support from elected officials for emerging entrepreneurs; there still remains a concentrated effort on recruitment rather than growth from within.

City/County and Regional Cooperation

- Efforts have begun to do cooperative planning with the City of Santa Fe, but this initiative needs to be strengthened and the scope broadened. In addition, more regional development efforts need to be developed with Edgewood and Espanola.

Roads

- Lack of sufficient funding for road maintenance throughout the County.

Telecommunications

- Lack of existing and redundant telecommunications infrastructure in some areas of the County.

INDUSTRY TARGETS

Film Industry

The film industry in Santa Fe is a growing field and important to the economy of Santa Fe County. Recent movies filmed in the area have affirmed the potential of this industry in Santa Fe County. Major incentives and a favorable environment for film production are factors that have a potential to create a thriving industry. The Santa Fe Community College (SFCC) is currently providing training to students to prepare them to work in the film industry. SFCC also has a working partnership with the local film technicians' union to provide training and mentoring for students.

The NMDOL projects that significant growth, (over 20%) will occur in specific occupations related to film (i.e. writers, editors, entertainers, actors, directors, producers, production, craft and repair occupations, helpers, laborers and material movers) by 2008. IATSE 480 (the local film industry trade union) listed over 60 occupations as needed by the industry and their union that are part of or relate to film industry.

SFCC has also identified the need for an outside facility to provide mobile film production and training capability and film scene design, construction and training options. The Santa Fe County Business Park is a facility that could accommodate the needs for the training center. The film center will need updated fiber optic lines in order to provide the necessary capacity for film production and related activities.

The Santa Fe Community College Training Center was established under authority of New Mexico's University Park Research Act as a nonprofit organization. The training center will allow the SFCC to partner with public and private entities to meet the needs for job training in various industries and is planning on developing their film production, film scene design, construction and training options.

The College of Santa Fe also has a comprehensive program that integrates film, video and digital production with critical studies and writing and has a new documentary studies program.

Energy and Water Technology

Santa Fe County has an opportunity to capitalize on its green values and creative industries through a collaborative effort for economic development. Santa Fe County is in the process of engaging in a public-private collaboration with the City of Santa Fe, the Santa Fe Community College, the Santa Fe Business Incubator, and Local Energy to develop a Center for Community Sustainability (the "Center"). The intent of the collaboration is to develop the Center in accordance with the following goals and objectives:

- to provide a venue for the development of community-based water conservation, renewable energy, water reuse, and other technologies for community sustainability;
- to identify and support businesses that develop and deploy renewable energy and water reuse, conservation technologies and systems that promote greater self-reliance for Santa Fe County;
- to provide comprehensive workforce training and education to create rewarding career opportunities for Santa Fe County's current and future workforce;
- to contribute to the development of a thriving local economy based on renewable energy and efficient water use; and,
- to make Santa Fe County a national leader in the development of sustainable energy and water conservation businesses to meet long-term energy and water needs.

The Santa Fe Community College Training Center will allow the SFCC to partner with the County and other private and nonprofit organizations to establish the potential Center for Community Sustainability. In addition, SFCC intends to create a biomass plant to convert its heating plant to some form of biomass and to provide training opportunities for biomass projects. SFCC also has a training program, Center for a Sustainable Environment, which includes a water conservation technologies certification program and a sustainable energy certification program.

Arts and Culture Industry

The Arts and Culture Industry encompasses the artistic community, cultural institutions, and culturally influenced products, according to the Target Industry Report prepared for the City of Santa Fe Economic Development Plan. A significant component of Santa Fe's economy is the Arts and Culture Industry, which includes occupations such as photographers, musicians, actors, graphic design, jewelry and metal work, etc. According to a 2004 study by the University of New Mexico (UNM) Bureau of Business and Economic Research (BBER), "The Economic Importance of the Arts and Cultural Industries in Santa Fe County", nearly 4 of every 10 dollars that flow into Santa Fe County and one out of every six workers in the county are directly or indirectly employed by this industry. Additionally, the arts and cultural industry is a \$1.1 billion industry in Santa Fe County and accounts for 17% of all employment in the County and attracts 39% of all new capital coming into the county economy. The report further states that Santa Fe's cultural activities are funded principally with revenues that originates outside the county, which result in the creation of new jobs for Santa Fe County. Principal challenges identified by the report include affordability of living and workspaces, the inability to establish new and emerging products and markets, and the reduction of tourism over the last 10 years.

There is an opportunity to support this industry through a new law known as the "quality of life gross receipts tax" enacted by the State Legislature in 2005 through HB336. This bill allows counties and municipalities to enact an ordinance imposing an excise gross receipts tax of up to one quarter of one percent for the purpose of funding cultural programs and activities provided by a local government and cultural programs, events and activities provided by contract or operating agreement with nonprofit or publicly owned cultural organizations and institutions. The imposition of the tax is subject to voter approval.

The quality of life gross receipts tax revenue shall be used to meet the following goals:

- promoting and preserving cultural diversity;
- enhancing the quality of cultural programs and activities;
- fostering greater access to cultural opportunities;
- promoting culture in order to further economic development within the county; and
- supporting programs, events and organizations with direct, identifiable and measurable public benefit to residents of the county.

There is a unique opportunity for collaboration with non-profit and for-profit organizations and other governmental agencies to foster the arts and culture industry. To this end, the County can strengthen this industry through participation with other entities and organizations in initiatives and opportunities related to the development of arts and culture industry in Santa Fe.

Publishing Industry

The Publishing Industry cluster is identified in “The Santa Fe Plan, The Cluster Approach to Economic Gardening” and is comprised of newspaper publisher, book publishers, magazine publishers, periodical publishers, printers, book binders, book distributors, bookstores, literary agents, publicists, writers, photographers and illustrators. The publishing cluster adds to the diversity of the Santa Fe business community, it has the ability to bring dollars into the region, it provides quality jobs, and it maintains and promotes the special character of Santa Fe. *Newspapers, magazine and book publishers employ more than 500 people in Santa Fe. This industry is expanding and 12 new book and twelve new magazine publishing companies have created more than 150 new jobs since 1995.*

Connectivity is a concern for the publishing industry in the County. The industry requires an improved telecommunication capacity. The Publishing Cluster report identified a potential action would be the building of a *Publishers Square* - where interested publishing companies could be located together and share both knowledge and infrastructure.

Light Industry

Santa Fe County has a potential for developing light industrial businesses, which includes the construction industry, plumbing and electrical businesses, warehousing, landscaping and other related businesses. Santa Fe County can promote this industry by providing a regulatory environment to meet the needs for light industry in the County.

Santa Fe County Economic Development Team

The Community Business Plan recommends the creation of an Economic Development team to assist the business community in starting, locating and expanding in Santa Fe County. The purpose of the team will be to identify potential sites and business expansion needs, expedite permitting for quality development and assist the potential applicant in the development process.

The Santa Fe County Economic Development team should include representatives from Santa Fe Economic Development Inc. (SFEDI), the organization designated to partner with the County, and the Santa Fe County Economic Development Committee, which includes representation from all departments involved in the development process (Manager's Office, Land Use, Finance, Public Works, Legal, Projects and Facilities Management, and Water Resources Departments.).

The Santa Fe County Economic Development Committee mission is to identify and implement economic development initiatives throughout the County. The Committee is also developing an application process for the County Economic Development Park. The Committee goals include:

1. Development of the County Economic Development Park.
2. Streamline development process to facilitate applications to be reviewed in a timely manner.
3. Identification of site locations for economic development.
4. Identification of funding sources to promote economic development.

Summary of Business Finance and Incentive Programs:

New Mexico Business Bonds:

Description: Referred to as the “BBB Bond Program”. The State of New Mexico may invest up to \$20 million in bonds, notes or debentures rated Baa or BBB or better of a corporation organized and operating within the U.S. The interest rate shall not be less than the equivalent yield available on U.S. treasury issues of a comparable maturity plus 100 basis points and depends on the financial condition of the borrower and the nature of the investments. Maturity is negotiable, though not to exceed 20 years.

Industrial Revenue Bonds

Description: Industrial revenue bonds (IRBs) may be issued in one of two ways:

1. A municipality or county may issue an IRB to finance privately operated development projects. The private party initiates the process by requesting that the government unit issue the bonds (a political process done in accordance with local and state laws.) IRBs offer property and gross receipts tax relief to a company. The project financed is actually owned by the governmental issuer of the IRBs and leased to the private operator under a finance lease (which allows the private operator to take the depreciation of the project for tax purposes in addition to deduction for interest paid on the IRBs). Tangible personal property (other than building materials and related construction services) purchased with IRB proceeds is deductible for gross receipts tax purposes because it is being sold to a government purchaser.
2. Through the Statewide Economic development Finance Act the Economic Development Department can recommend projects to the New Mexico Finance Authority for issuance of taxable and tax-exempt IRB's.

Eligible Uses: New Mexico municipalities and counties are authorized to issue IRBs to stimulate the expansion and relocation of commercial and industrial projects in state.

Community Development Incentive Act (Property Tax Exemption)

Description: Municipalities and counties may exempt commercial personal property of a new business facility from property tax for up to 20 years.

New Mexico Job Training Incentive Program (JTIP)

Description: The Job Training Incentive Program is designed to provide quick response training to new or expanding businesses. The program provides financial assistance to new or expanding businesses with the expense associated in training employees. Program provisions include training assistance of up to 1,040 hours per trainee. Businesses within the City of Santa Fe are eligible for fifty percent (50%) of the hourly wages multiplied by the amount of hours of training allowed. Businesses outside city limits of Santa Fe will be reimbursed at sixty percent (60%). Trainees must be new hires and must have lived in the state for one year prior to enrollment in the program and

must be eligible under the federal Fair Labor Standards Act. Trainees must have completed the training for the business to receive funding. The program is administered by the New Mexico Economic development Department.

Agribusiness Production Tax Deductions and Exemptions

Description: Gross receipts tax deductions are available for selling to agribusiness. Gross receipts tax exemptions are permitted for feeding, pasturing, penning, handling or training livestock and, for agribusinesses selling livestock, live poultry and unprocessed agricultural products, hides and pelts. Gross receipts tax deductions are also available for warehousing, threshing, harvesting, growing, cultivating or processing agricultural products.

Call Center Capital Equipment Tax Credit

Description: This incentive is a tax credit for the purchase of capital equipment provided to induce in-bound call centers to expand or relocate in rural New Mexico. The credit equals the state gross receipts rate times the value of eligible capital equipment. The equipment must be used in the call center directly in or as an integral part of taking in-bound calls or re-cording or processing messages. An existing call center may qualify if it meets certain criteria. The value of the eligible capital equipment purchases must equal at least \$250,000 over three years. The call center must be located in a "rural area" defined as an anywhere in Santa Fe County.

New Mexico Rural Job Tax Credit:

Description: Eligible employers may earn the rural job tax credit for each qualifying job created after July 1, 2000. The rural area includes the entire County with the exception of a "ten-mile zone" around the City of Santa Fe. The application deadline is June 30, 2006. A qualifying job is a job filled by an eligible employee for 48 weeks in a 12-month qualifying period. The rural area of Santa Fe County is considered Tier 1 which means that for each new qualifying job created, the amount of credit that may be earned is 25% of the first \$16,000 in wages paid to be claimed in installments of 6.25% per year (a max annual credit of \$1,000 per job) for 4 years.

Film Investment Program

Up to \$7,500,000 can be invested in a NM film private equity fund or NM film project. An equity investment can be up to two-thirds of estimated total production costs; a guaranteed debt investment can be up to 100% of estimated total production costs.

Only New Mexico film projects or New Mexico film private equity funds that invest only in film projects that meet criteria of program are eligible. The New Mexico Film Office administers the program.

Film Production Tax Credit

Filmmakers may ask for a credit equal to 15% of the total direct production costs incurred in New Mexico. This is an income tax credit only and is applied to a company's New Mexico income tax return. Film production companies operating in the state can utilize nontaxable transaction certificates to their new Mexico vendors for purchase of most goods and services counted as "direct costs" by industry accounting standards-except food and lodging. This provides gross receipts tax relief at the point of purchase. Certificates are obtained only from the Taxation and Revenue Department.

Companies may apply for either the 15% tax credit or the 6% gross receipt tax exemption, but not both.

Renewable Energy Production Credit

Description: Each qualified energy generator may earn one cent (\$.01) per kilowatt-hour for the first four hundred thousand megawatt hours (=400,00,000 kilowatts) of electricity using a qualified energy source for ten consecutive years. Qualified energy generators are producers with at least ten megawatts generating capacity located in NM that produces electricity to an unrelated person. Qualified energy resource means a resource that generates electrical energy by means of fluidized bed technology (or similar low emissions technology) or zero-emissions generation technology that has substantial long-term production potential and that uses only biomass, solar light, solar heat, or wind.

Investment Tax Credit for Manufacturers (Investment Credit Act)

Description: Manufacturers may take a credit equal to 5% of the value of qualified equipment imported and put into use in a manufacturing plant in the state, provided that the manufacturer meets the criteria of hiring additional workers to earn the credit. The credit is taken through the CRS-1 form on which state and local gross receipts, compensating and withholding taxes are paid to the state. The manufacture simply reduces its payment of those state taxes by as much as 85% of the taxes owed.

Child Care Corporate Income Tax Credit

Corporations providing or paying for licensed child care services for employees' children under 12 years old may deduct 30% of eligible expenses up to \$30,000 in any taxable year from their corporate income tax liability.

Welfare to Work Tax Credit

This credit equals 50% of the federal welfare-to-work credit for which the employer is eligible, up to \$1,750 for the first year of employment and rising to \$2,500 for the second year. The state credit piggybacks on the federal credit of the same name and can be applied to New Mexico personal or corporate income tax.

Cultural Property Preservation Tax Credit

Taxpayers may take this credit on corporate or personal income tax returns for restoring rehabilitating or preserving properties listed on the NM Register of Cultural Properties. Specifically, a tax credit is available where historic structures are certified as having received rehabilitation to preserve and enhance their historic character. The maximum credit is 50% of the cost of restoration, rehabilitation or preservation; \$25,000 credit maximum per project.

Double Weighted Sales Factor

Is an optional formula for calculating New Mexico corporate income tax liability and is available for corporations primarily engaged in manufacturing. This benefits corporations that have significant investments in plant and payroll in New Mexico, but sell most of their product outside the state.

Rural Software Gross Receipts Tax Deduction

Description: A taxpayer whose primary business is providing software development services and who had no business location in New Mexico other than in a qualified area during the period for which a deduction under this section is sought. The company must have been established after 7/1/02. Software development services include custom software design and development and web site design and development, but does not include software implementation or support services. Rural, for purposes of this tax deduction, is defined as statewide except for an incorporated municipality with a population of more than 50,000 (Albuquerque, Las Cruces, Rio Rancho and Santa Fe).

Distilling and Brewing Preferential Tax Rate

Microbreweries producing less than 5,000 barrels of beer annually and small wineries producing less than 560,000 liters of wine per year qualify for a preferential tax rate.

2005 State of New Mexico Business Incentives

- **Energy Efficiency and Renewable Energy Bonding Act**
 - establishes an innovative financing mechanism for state agencies, colleges/universities, and public schools to fund and implement energy efficiency and renewable energy projects at existing facilities; the NM Finance Authority (NMFA) is authorized to issue up to \$20 million in clean energy revenue bonds to fund clean energy projects at state and public school facilities; the NM Energy, Minerals and Natural Resources Department is tasked with developing and implementing a plan for the projects to be conducted; 90% of the energy utility bill savings are “captured” from the participating entities to pay debt service on the bonds, with 10% of the savings retained by the participating agency as an incentive to participate; savings are captured from each participant until their proportional share of the debt service is paid off; the captured savings are more than sufficient to cover debt service.
[Governor Richardson signed this bill into law on April 5, 2005.]
- **Income Tax Exemptions for Certain Taxpayers**
 - expands criteria for eligibility for the Renewable Energy Production Tax Credit (Section 7-2A-19, NM Statutes Annotated); allows a corporate taxpayer that is a member of a partnership which collectively has at least a 5% ownership interest in a qualified energy generator (*e.g.*, wind farm) to be allocated all or a portion of the right to claim the Production Tax Credit. *[Governor Richardson signed this bill into law on April 4, 2005.]*
- **Expand Renewable Energy Production Tax Credit**
 - expands criteria for eligibility for the Renewable Energy Production Tax Credit (Section 7-2A-19, NM Statutes Annotated); allows a corporate taxpayer that is a member of a partnership which collectively has at least a 5% ownership interest in a qualified energy generator (*e.g.*, wind farm) to be allocated all or a portion of the right to claim the Production Tax Credit
- **Biomass-related Equipment Tax Deduction**
 - provides for deductions from the Compensating Tax for biomass-related equipment and biomass materials purchased for the production of biopower, biofuels or biobased products; definitions for “biopower”, “biofuels”, “biomass materials”, and “biobased products” are included in this legislation.
[Governor Richardson signed this bill into law on April 5, 2005.]

Business Development Resources

Acción New Mexico – *Providing access to credit and business training for start-up and existing companies-* www.accionnm.org

**Los Alamos National Labs Industrial Business Development Division
Technology Commercialization Office** – *Assistance for high-tech business start-ups utilizing emerging Laboratory technologies-* www.lanl.gov/partnerships

New Mexico Community Development Loan Fund – *Loans and technical assistance for low-income entrepreneurs. Also administers the Santa Fe Small Business Development Loan Fund.*
www.nmcdf.org

New Mexico Economic Development Department (NMEDD) – *Administers the New Mexico Industrial Development Training Program. Also provides services to assist companies interested in relocating to New Mexico-* www.newmexicodevelopment.com

New Mexico Department of Labor (DOL) – *Information on State & Federal requirements, tax credits, and labor as well as individuals seeking employment-*
www.dol.state.nm.us

New Mexico Internet Professionals Association (NMIPA) – *Internet education, training, and assistance throughout New Mexico -* www.nmipa.org

New Mexico Manufacturing Extension Partnership (MEP) – *Technical assistance for small and medium-sized manufacturers* www.newmexicomep.org

New Mexico On Line Economic Development Directory – *Listing of economic development agencies throughout the world-* www.ecodevdirectory.com

New Mexico Small Business Assistance Program Administered by Sandia National Lab – *Free technical and business assistance to companies of 500 employees or less*
www.sandia.gov/partnerships/smallbusinessprograms

North Central New Mexico Economic Development District – *Resource for several local loan funds for small businesses* www.lgd-nm.net/northcentral/index/html

Regional Development Corporation (RDC) – *New Mexico's headquarters for the Space Alliance Technology Outreach Program (SATOP)-* www.rdcnm.org

Santa Fe Business Incubator (www.sfbi.net)

Description: helps to grow business in our community. Businesses located in the incubator are assisted with all start-up aspects of their businesses.

Santa Fe Chamber of Commerce
www.santafechamber.org

Santa Fe Economic Development Inc. (SFEDI) – *Developing and growing new economic clusters in the Santa Fe business community* - www.sfedi.org

Santa Fe Small Business Development Loan Fund – *Loans and technical assistance for low-income entrepreneurs.* www.nmcdlf.org

Space Alliance Technology Assistance Program (SATOP) Administered by the Regional Development Corporation – *NASA-sponsored program providing free assistance to businesses with a wide variety of technical challenges* www.spacetechnologies.com, www.rdcnm.org

Service Corps of Retired Executives (SCORE) – *Volunteer organization providing free one-on-one counseling on a wide variety of business needs* - www.santafescore.org

Small Business Administration (SBA) – *Business loan programs, 8A contractor certifications, online business planning aids, and assistance center* - www.sba.gov

Small Business Development Center (SBDC) – *Free professional business counseling, training, low cost workshops, and college credit courses.* www.nmsbdc.org/santafe

Technology Ventures Corporation (TVC) – *Free assistance to entrepreneurs seeking commercialization of their technology* - www.techventures.org

Tri-Area Association for Economic Development (TRADE) – *Assistance to existing businesses in the areas of market expansion, financing resources, and improved business practices* www.tradenm.org

WESST Corp – *Low cost assistance for start-up or expansion of women and minority-owned businesses. Several loan programs are also available* - www.westt.org

Santa Fe Workforce Development Directory

Santa Fe Small Business Development Center (www.nmsbdc.org/santafe)

Description: Provides business client counseling, business start-up and accounting workshops.

Santa Fe Community College (www.sfccnm.edu)

Description: Provides certification, training, 2 and 4 year college degrees, certification programs, vocational and working adult courses.

New Mexico Workforce Connection-

Description: Provides Computer courses, resumes and interview skills, job search assistance, training and workforce development courses.

Pueblo of Pojoaque Training Center

Description: Provides workforce-training courses.

Appendix 1: Santa Fe County Business Park

The Santa Fe County Business Park is located on New Mexico Highway 14, south of the City of Santa Fe in the Santa Fe County Community College District. This area is designated as a high growth area for Santa Fe County.

The Park contains approximately 60 acres and is leased to the County from the State Land Office. The County has completed infrastructure improvements for the park. The County has also allocated water for the business park. The County Code provides an administrative approval process for the creation of new lots within the boundaries of an already approved Master Plat. The master plan allows for a maximum of 30 lots to be created administratively.

Permitted Uses

The primary uses of this property shall be a business park with light industry and manufacturing.

The Primary Use List is as follows:

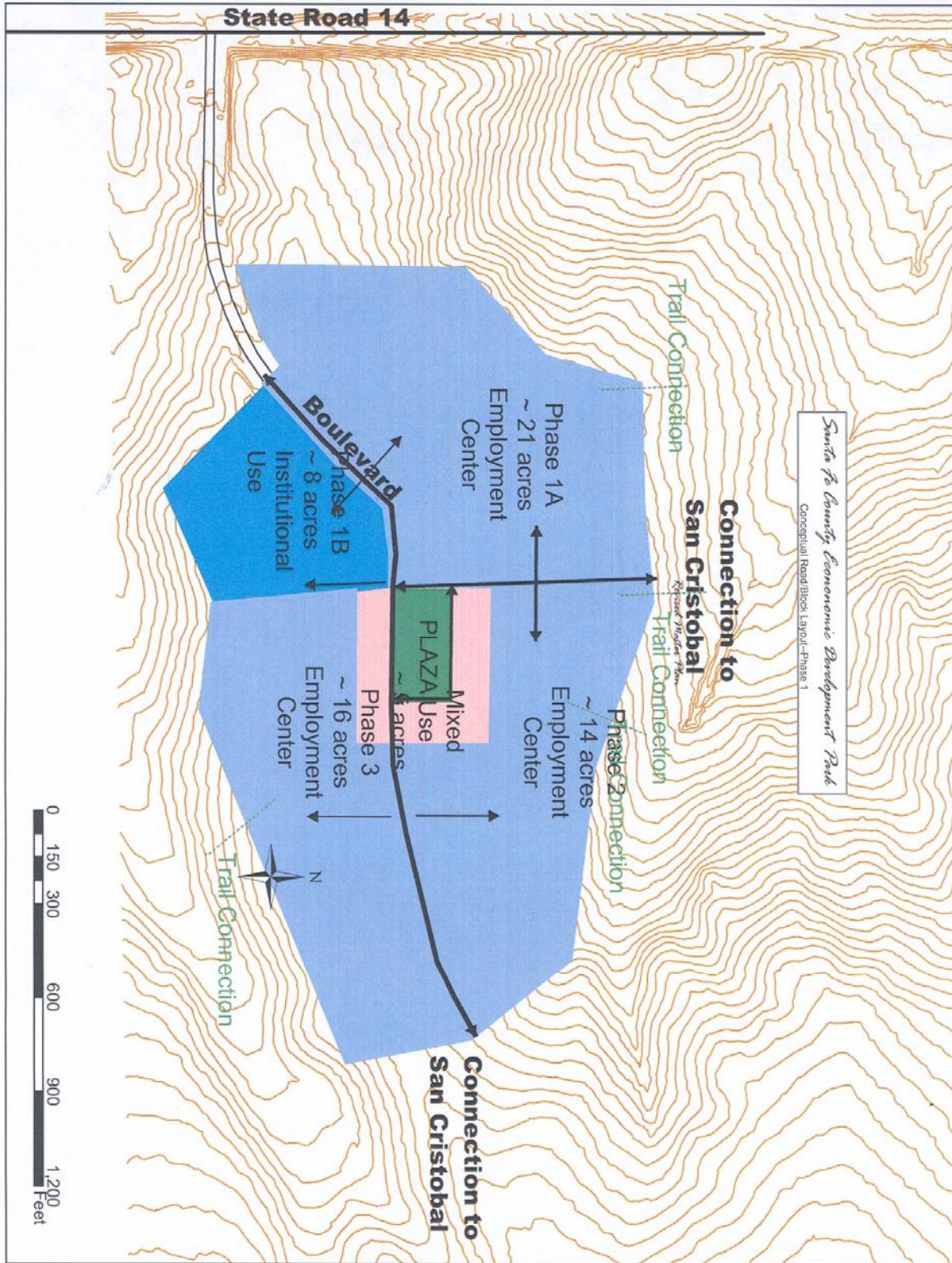
- Research and development businesses and laboratories;
- Business and vocational schools;
- Light industry and manufacturing;
- Wholesale, warehouse, distribution and general industry;
- Corporate and regional offices for financial institutions, business services, and retail industries;
- Governmental offices.

Secondary uses that will provide support for the above uses may be allowed under the following conditions:

- a. Must be part of proposed development of one of the uses listed above;
- b. Must be approved by the Board of County Commissioners on a case-by-case basis.

Prohibited Uses includes bars or liquor stores; gas or service stations and related uses; hotels and motels; commercial indoor recreational uses; commercial parking lots; private clubs and lodges; veterinary hospitals; churches; auto, truck or RV dealerships; art galleries; dwelling units or live in studios; clubs, lodges, or museums; theme parks; shopping centers; college or universities; hospitals, medical or dental clinics; auto salvage and junkyards; noisy or pollutant emission industry; unscreened storage or bulk storage of materials or scrap.

Design and development standards are also part of the approved master plan.



Appendix 2: Inventory of Santa Fe Business Parks

Santa Fe Business Parks

Santa Fe County Business Park

Located east of State Highway 14 near NM 599,
adjacent to the Santa Fe Community College
(505) 986-6200

The Lofts

Located on Cerrillos Road
Zoned: C-2
(505) 474-2600

Naumburg Industrial Park

Located near Airport Road NM 599
(505) 471-6456

Rancho Viejo Village Center

Located in Santa Fe County
Community College District
(505) 989-3900

Office Court Companies Inc. of Santa Fe

Behind Villa Linda Mall
Zoned: I-1 Restricted
(505) 982-0063 www.officecourt.com

Richards Avenue Business Park

Located on Rufina Street, near Cerrillos Road
Zoned: I-1
(505) 438-8575

Rodeo Park Commercial Condo

Located on Rodeo Road & Sawmill Road
Zoned: I-P
(505) 473-3340
Contact: Marc Bertram, SF Brown

Sangre de Cristo Business Park

Located on rodeo Road & Saint Francis Drive
Zoned: Industrial
(505) 988-8818

Valdes Business Park

Located on Camino Entrada at the intersection of
Cerrillos Road and Airport Road
Zoned: I-1
(505) 988-5213

Turquoise Trail Business Park

Located on State Road 14 near Cerrillos Road
interchange and I-25
Zoned: Commercial
(505) 988-8081
Contact: James Wheeler, Commercial Properties

Thornburg Enterprises, Ltd.

Zoned: I-1
(505) 988-1527

Inventory of Regional Business Parks

Business Park	Location	Available Space	Type of Tenant	Utilities
Johnnie A. Roybal Industrial Park	Espanola	40 acres, lot size negotiable	Light Industry	Water, gas, sewer, electric
Los Alamos Research Park	Los Alamos	44 acres, 5 buildings of 50,000 – 70,000 SF	Research & Development, technology	Water, sewer, gas, electric
Pueblo of Pojoaque Industrial Business Park	Pojoaque	60 acres, lot size negotiable	Warehousing, distribution, manufacturing, services	Water, sewer, electric, gas
Santa Fe County Economic Business Park	Santa Fe	60 acres. 1-20 acre, master planned, individual lots.	Research & Development, educational, Light Industry, Manufacturing, warehouse & distribution, office, retail.	Water
Southwest Business Park	Santa Fe HWY 14 & I-25	30 acres	Warehousing, distribution, Light Industry, office, residential	Water, electric, gas, sewer
Turquoise Trail Business Park	Santa Fe HWY 14	34 acres, 20 lots	Light Industry, distribution, warehousing, retail	Water, electric, gas, sewer
Valdez Center Park	Santa Fe at Cerrillos Rd.		Light Industry, office, retail	Water, gas, sewer
Airport Business Park	Santa Fe at Airport / Oliver	38 Acres, 27 Lots	Light Industrial, office warehouse	Water, gas, sewer