

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
SPECIAL CDBG MEETING - ECONOMIC DEVELOPMENT

June 11, 2019

Anna T. Hamilton, Chair - District 4
Henry Roybal, Vice Chair - District 1
Rudy Garcia - District 3
Anna Hansen, Chair - District 2
Ed Moreno - District 5

SFC CLERK RECORDED 07/22/2019

SANTA FE COUNTY

SPECIAL MEETING

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ECONOMIC DEVELOPMENT PROJECTS

BOARD OF COUNTY COMMISSIONERS

June 11, 2019

I. A. This special CDBG meeting of the Santa Fe Board of County Commissioners was called to order at approximately 7:29 p.m. by Chair Anna Hamilton in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

B. Roll Call

Roll was called by County Clerk Geraldine Salazar and indicated the presence of a quorum as follows:

Members Present:

Commissioner Anna Hamilton, Chair
Commissioner Henry Roybal, Vice Chair
Commissioner Rudy Garcia
Commissioner Anna Hansen
Commissioner Ed Moreno

Members Excused:

None

C. Approval of the Agenda

COMMISSIONER HANSEN: Madam Chair, I move to approve the agenda.

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Thank you.

The motion passed by unanimous [5-0] voice vote.

COMMISSIONER GARCIA: Madam Chair.

CHAIR HAMILTON: Commissioner Garcia, are you –

COMMISSIONER GARCIA: Madam Chair, Commissioners, this section, we've already heard this number 3 like four or five different time. I don't know. Do we need to hear this again?

TONY FLORES (Deputy County Manager): Madam Chair, Commissioner Garcia, we do in this case because it's an economic development project, so you'll have this item plus a little bit more.

SFC CLERK RECORDED 07/22/2019

CHAIR HAMILTON: I'm sure we'll be as efficient as possible.

2. **Discussion of Previous Community Development Block Grant (CDBG) Economic Development Projects and Applications**
 - A. **Resolution No. 2019-75, a Resolution Rescinding Santa Fe County Resolution No. 2019-26**

PAUL OLAFSON (Planning Division): Madam Chair, Commissioners, this is a discussion of previous Community Development Block Grant/Economic projects and applications. As you recall, we previously met in February and approved a proposal for New Mexico Fresh Foods to apply through the County for Community Development Block Grant/Economic Development funding for a total of \$500,000. Since then staff has been working with New Mexico Fresh Foods as well as with DFA, Department of Finance and Administration staff preparing the application and getting things lined up.

During that period, New Mexico Fresh Foods has made the determination that their site would change and it would go from the Community College District into the city, to a different property, and there also were some changes in structuring of the project as we understood it, and some of the financing. And with that staff felt it was important to bring this back to the Commission for an evaluation and a discussion. And before you today we have a resolution that would rescind the previous resolution that adopted that project and in the next item on the agenda we'll be talking about new proposals and there are representatives from New Mexico Fresh Foods here to speak to that.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: I move to – I want to make a motion for a resolution rescinding Santa Fe County Resolution No. 2019-26.

CHAIR HAMILTON: Do I have a second?

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Is there any discussion. So I have a motion and a second.

The motion passed by unanimous [5-0] voice vote.

3. **2019 CDBG Project Selection Process**
 - A. **Purpose and History of CDBG Program**
 - B. **Program Objectives**
 - C. **Eligible Applicants**
 - D. **Eligible and Ineligible Activities**
 - E. **Program Requirements**
 - F. **Application Requirements**
 - G. **Current and Past CDBG Projects**
 - H. **Questions and Board Comments**

MR. FLORES: Thank you, Madam Chair. The next item is as

Commissioner Garcia was alluding to is the requirements under CDBG to go through certain program elements. We've heard this three times today. We've heard it probably 20 times over my lifetime here at the County. Typically, CDBG programs as administered by the New Mexico Department of Finance and Administration have to address one of three national priorities: benefit principally low and moderate income families, aid in the prevention of slum or blight, or meet the urgency of community development needs.

Eligible applicants, as the County we are an eligible applicant to apply for CDBG. Cities are also eligible with the exception of the larger cities of Santa Fe, Albuquerque, Las Cruces, Farmington and Rio Rancho.

Under this program an eligible activity for an economic development program or application would assist communities in creating or retaining jobs for low to moderate income persons, or the creation of businesses owned by community residents. In particular the Community Development Block Grant role for economic development program guidelines basically outlines a series of goals and objectives. They include creating or retaining jobs for low to moderate income persons, preventing or eliminating slum or blight, meeting an urgent need, creating or retaining businesses owned by community residents, or assisting businesses that provide goods and services needed by and affordable to low and moderate income residents.

Those eligible activities under an economic development grant application have to directly affect the creation or retention of employment opportunities, the majority of which are made available to low and moderate income persons. Under the economic development portion project requirements include employment commitments – 51 percent of the jobs created or retained must be held or made available to persons of low to moderate income; there has to be a firm commitment for private financial participation in carrying out the proposed project; and there has to be a minimum leveraging ratio of one to one, basically – one CDBG dollar for every one private or local dollar as required for leveraging.

There has to be evidence of the project's feasibility including a business plan, and prior to submitting an application, applicants have to go through a review of credit worthiness. Now those are different than what you heard earlier on the general CDBG infrastructure grant. This is specific to an economic development application which, based upon the resolution you just passed, we've reset the clock, if you will, on economic development grant applications through CDBG.

Other activities are ineligible of course – renovations of municipal buildings, housing payments or expenditures for political purposes, etc. Program requirements are why we're here today. We have to complete or conduct at least one public hearing prior to selection. We have to encourage citizen participation, and again, they have to address as the applicant how they will meet one of the three national objectives.

So why are we here? We reset the clock. We've had previous infrastructure projects such as Nancy Rodriguez, Youth Shelters Phase 1, Marcos P. Trujillo, Glorieta water system that we've done recently. Today we're asking for public input on a new economic development grant application under the CDBG guidelines. Mr. Olafson indicated that we've had a change in location for the project. The project today is similar in the sense that the money they'll be requesting of \$500,000 under CDBG would still be

utilized to purchase a piece of the equipment or a portion of the piece of the equipment. The location has changed. It's still within Santa Fe County, however, now it's within the City of Santa Fe, still within Santa Fe County. The project has been identified as a project or a shovel-ready project and they're working through the financing options that were presented under the old location for the new location.

So at the end of the day, what we're asking for today is to reset the clock, allow public participation of citizen input. The representatives from New Mexico Fresh Foods are here. They can give you the idea of their new plan. There is no action to be taken today. What will happen after today is on June 25th we'll take a second round of public comment and at that time we will ask for the Board to make a decision on a project and there's be a series of resolutions. We will then come back on July 9th and ask for the Board to confirm the acceptance of this project.

So if I've confused everybody like I've done myself, the next step in this process, Madam Chair, would actually be to open it up to citizen input whereby representatives from New Mexico Fresh Food or other could come and give the Board their idea of a potential project.

CHAIR HAMILTON: That sounds good. Commissioner Garcia, do you have a question before we do that?

COMMISSIONER GARCIA: Madam Chair, Mr. Flores, a couple questions I have is the business plan – who actually approves and looks at that business plan, and then also in regards to project management, if this project was to be chosen, who will be project manager for this type of a project?

MR. FLORES: So Madam Chair, Commissioner Garcia, those are two excellent questions. The business plan would be provided at the next meeting if we move forward with any application. They have to provide that. It will be vetted through a committee that's been established on the County's side to take a look at it. The applicants now, by moving locations, have also partnered with the City of Santa Fe and through their Economic Development Office and Mr. Trujillo, who's here today, would actually be part of that team looking at how the financing will happen at the City's level. So there's a series of team members from both government entities that would assist in reviewing and vetting the project to bring forward a recommendation.

The second part of the question had to deal with the project management. This is a Santa Fe County application for CDBG, therefore Santa Fe County would be the grant manager of that grant.

COMMISSIONER GARCIA: So Madam Chair, Mr. Flores, that would be – Santa Fe County would only be management of that \$500,000, correct? Not the entire project.

MR. FLORES: So Madam Chair, Commissioner Garcia, you know CDBG as well as I do because I taught you everything you know, or don't, a dollar of CDBG's makes one project. So we still have to work out the logistics of how the actual grant would be managed.

COMMISSIONER GARCIA: Thank you.

CHAIR HAMILTON: Thank you. So if there are no other immediate questions, because we'll have a further chance to ask questions I'm going to open this up for public comment and input.

3. I. Citizen Input [*Exhibit 1: New Mexico Fresh Foods Application; Exhibit 2: New Mexico Fresh Foods Informational Presentation*]

CHAIR HAMILTON: So if there's anybody here – just randomly asking if there's anybody here who wants to make comments.

COLLEEN GAVIN: Madam Chair, Commissioners, thank you very much for staying so late. I am Colleen Gavin with JenkinsGavin and I am here representing New Mexico Fresh Foods, and I also have here Bob Vladem, who is one of the partners in New Mexico Fresh Foods, as well as David Buchholtz. He is our counsel. And so thank you very much. I know that you guys have already reviewed this project previously in February, it came before you and was accepted as a project. Unfortunately, due to some circumstances that were out of our control, the previous location in District 5 was not resolved and so we had to start looking at a new location. The new location is in Santa Fe County as was mentioned before in District 4, and the exact location is at 1549 Sixth Street. New Mexico Fresh Foods is looking to acquire a 44,000 square foot existing office and warehouse building. The building is going to require about 12,000 square feet to be remodeled for the refrigerated section as a part of the processing function of New Mexico Fresh Foods.

And this application is exactly as you saw it before. Basically, the only difference is the location. So due to that location we were required to reapply, resubmit for this grant. And so we're happy to answer any questions. We do have a handout that we'll go ahead and have Bob hand out. You've seen this before but I'd like to have that on the record. So I don't want to take up any more of your time this evening. I'm happy to answer any questions that you may have for this grant application.

CHAIR HAMILTON: Thank you. So I'll start with one question. So everything's the same and just for the record, there were a lot of great and well appreciated things about the process and having it available in the county and what it would do. It seems like there's a lot of support for that and I certainly felt like this would be a very cool project to have. A great, little small business. The question I have though is there is some difference with respect to changing the location, because now it's within the city limits.

MS. GAVIN: That is correct.

CHAIR HAMILTON: So how do the economic benefits for the county change? I know we're just part of this, with respect to jobs and property taxes? That's all that comes to my mind.

MS. GAVIN: Madam Chair, Commissioners, I'll answer the question as far as job creation and income for those new employees and the training for the facility. I will have David actually answer questions in regards to property tax.

So basically, this facility is going to provide initially 100 new jobs, with an average of \$44,000 annual salary. That's a huge opportunity for economic development for Santa Fe County, which the City of Santa Fe sits in. And so as you know, there's the trickle effect. If you're creating a stable environment for an employee, obviously, that affects their family. It affects their extended family. It extends into their immediate community. So whether somebody, if their job is in District 4, which happens to be

within the city limits, the incorporated area, but they may live in District 5.

So where those dollars go that they're now earning with a quality job, with training that New Mexico Fresh Foods is going to be providing, then that trickles down to our greater community, not just within the incorporated area. I do want David to go ahead and address the property tax.

CHAIR HAMILTON: Well, we can talk about this first, and it's a fair answer. Things that happen in the city benefit the county and vice versa. But I still felt obligated to ask because I think there's a perception that something that was developed in the unincorporated county would stimulate – there's a perception that the immediate stimulus for jobs is based on proximity. And so there would be more county jobs generated, as opposed to city jobs. We're all people and it's important to all of us, so that's not the philosophical level I'm asking. But moving it into the city may tend to generate fewer county jobs. Have you guys thought about that?

MS. GAVIN: Unfortunately, there was – let me just back up. As far as the old location that was basically at BTI's facility, we were looking to partner with BTI in a condo-ization of that structure and actually having this business at that location. And yes, it would be great to have that area, basically the Richards area, the business park that's adjacent to the Community College, have more economic development, have more job opportunities. To be adjacent to the Community College is ideal, because obviously the Community College provides training. They provide education, and it works. But unfortunately, due to circumstances it did not work.

So New Mexico Fresh Foods is trying to create something that is not only good for Santa Fe County it's good for our state as far as what this processing facility will provide for other businesses in the state that would utilize this technology.

CHAIR HAMILTON: Right. I guess I would like to see the opportunities in the county pushed forward as much as possible despite the move. Can we give you an opportunity to answer the second part of my question and then we'll go to other Commissioners.

DAVID BUCHHOLTZ: For the record, my name is David Buchholtz. I'm with the Rodey law firm. I'm representing New Mexico Fresh Foods here today and in particular, they've retained me to work on an industrial revenue bond process. That's what my expertise is. I've been in the state a long time representing both governments like the City of Albuquerque, San Juan County, Guadalupe County, De Baca County, and also large developers such as the Intel Corporation and Facebook. I could speak to you a very long time on this issue but I'm going to try to be brief.

What does an industrial revenue bond do? It helps companies in negotiation with government to abate certain of their property taxes and certain of their gross receipts and compensating taxes. The lay of the land on the law is not particularly rational but it works something like this: except for Bernalillo County, counties can only issue industrial revenue bonds in their unincorporated areas, and cities can issue bonds within their municipal areas and in a 15-mile outside district.

So when this project was initially in the unincorporated area we began very preliminarily discussions with the County Manager and others about whether this body would issue industrial revenue bonds. I'd love to come to you today and say let's still do it with you, but the law does not permit it. The law only permits Bernalillo County to

issue bonds within the City of Albuquerque. Other counties can never issue bonds within a jurisdiction.

All right. So what does that mean? It means that the City has the authority under the industrial revenue bond statute and also under the property tax laws to help companies avoid the payment of property taxes, which go to the school district, the Community College, the County Commission, the County and the City, to avoid the payment of compensating taxes, which only go to the state, and to avoid the payment of certain gross receipts taxes but not all, because construction activities collect gross receipts taxes no matter what. Okay.

So what is the City's obligations to the County and what promises have my client made so far, because the discussions with the City are also very preliminary and the City has not responded in any way in regard to the proposal that they made. The proposal that they made is that they will keep everyone whole – the County, the City, and the school district and the Community College on the current property taxes that are due on this project. As I understand it there's a building there that's worth about \$2.5 million. And so whatever property taxes are being made now on that building, my client has said we will continue to pay those taxes. My client has also said that we will pay all taxes due to the Community College and to the school district, so that there would be a complete payment in lieu of taxes, no abatement of school taxes, no abatement of Community College taxes.

It is asking for relief – but the City has not agreed yet – on the portion of the property taxes that would relate to the improvements that they're going to make, and on the equivalent that's going to be brought in.

Now, what is the City's obligation to the County? The County has to take two actions. It takes first something called an inducement or an intent resolution, and then it is required to notify your body and to notify the County Assessor that it is thinking about doing an industrial revenue bond and the effect that it would have. You then can enter into negotiations, discussion, make your comments to the City about what your expectations may be, but the law does not provide you an approval process in that. It's sort of a compromise, I suppose when they put that all in.

So you get 30 days notice. That notice has to go out before they pass an ordinance. You get information about the deal, although it won't be much more information than what you already have in these other activities, and then you have a chance to participate in comments, discussions and other actions with the City Council as they consider whether to go forward.

So if my client's request was granted by the City – that's a big if right now; nobody's said yes – what they would have would be an avoidance on the increase in the property tax on the facility based on the improvements that they're making, but also an obligation to make the schools whole, to make the Community College whole, and to keep you in the place you are in now that is collecting the property taxes on the building as it now exists and not take that away from you. That's sort of my answer.

CHAIR HAMILTON: So what taxes would actually be abated by going through this process?

MR. BUCHHOLTZ: Most importantly, the compensating tax. A compensating tax is sort of like a gross receipts tax, sometimes it's called a use tax. And it's a tax that a company has to pay when it brings pieces of equipment or other personal

property into the state. It only pays that tax to the state. The County gets no compensating tax; the City gets no compensating tax. So there is that abatement. There will be an abatement on gross receipts taxes for any personal property that was purchased in the state, but it's unlikely that there would be much of that. And the gross receipts taxes on construction and services and other non-personal property activities would still be payable.

In effect what happens is the developer steps into the shoes of the government. So if Santa Fe County is doing a transaction, and it brings in these microphones, equipment, computers, it does not pay any tax on that. But if it's rebuilding this building, or building a new courthouse, it pays gross receipts taxes on the construction of those buildings. So the applicant steps into the shoes of government.

On the property tax side the law says you can be abated of all your taxes, but the government doesn't have to do that to you. And so there's usually a negotiation for something called a payment in lieu of taxes. In this case their ask right now – no one has said yes – is don't make us pay the property taxes on the improvement that we're going to do. We will pay you the property taxes as they are now. We will pay the schools and the Community College all of their taxes including the improvement, but help us not pay on the improvement, help us not pay the state, help us not pay the City, help us not pay you. All those people get notice before the City acts on that.

CHAIR HAMILTON: Okay. That sounds good. Thank you.
Commissioner Hansen.

COMMISSIONER HANSEN: Thank you. I see in your application, it states here that in order to ensure that job opportunities are extended to residents of the unincorporated area of the county we plan to conduct job fairs at the Nancy Rodriguez Community Center in Agua Fria Village and at the Community College. I think that in reality jobs are going to come from the city and the county. There's not one place or the other. You have to find skilled employees and you're going to find whatever skilled level employees you need. And I'm very happy that you're having those job fairs at the Agua Fria Village.

I also want to – I don't know if this is the appropriate time but Representative Linda Trujillo called me and expressed her strong support for this project and I think that economic development in the county is incredibly important and if it's in the city, it's still important. We still need jobs everywhere and I hope that this can move forward.

CHAIR HAMILTON: Thank you. Commissioner Moreno.

COMMISSIONER MORENO: The original plan was, as I understood it, that students at the Community College would be first in line if they were trained there. Is that going to continue?

MS. GAVIN: Yes, Madam Chair, Commissioners, yes. The program with Santa Fe Community College is going to continue with the workforce training that's currently being worked on with the Community College and so yes, that partnership is still in place.

COMMISSIONER MORENO: Thank you.

CHAIR HAMILTON: For further edification, can somebody speak to how this fits in with the County's economic development plan? I think we may have addressed this to some extent previously.

MR. FLORES: So thank you, Madam Chair, yes. The economic development plan that Santa Fe County has is currently going through or getting ready to go through a rewrite. This application for economic development, there is a nexus to the plan, both for agricultural and growing new businesses. So there is some connectivity to our existing Santa Fe County economic development plan. I don't want to speak for the City but Fabian can say yes and it would comply with the City of Santa Fe's economic development plan as well.

FABIAN TRUJILLO: I'm not authorized to speak today.

MR. FLORES: Okay, on behalf of the Santa Fe County economic development plan there's a nexus for it.

CHAIR HAMILTON: If you can answer the question you can come up so we can hear you and it can get recorded. Welcome Fabian. How are you?

MR. TRUJILLO: I'm doing good. Good evening, members of the Commission. My name is Fabian Trujillo and I'm here to speak on behalf of Representative Linda Trujillo. She asked me to speak tonight. One of the things is that Representative Trujillo is a big supporter of economic development. She has supported several projects, both city- and countywide. Some of them are today Meow Wolf, Marty's Meals, and she's a big supporter or bringing all kinds of different incentives for economic development projects.

One of the things that she asked me to tell you about is New Mexico Fresh Foods is an incredible economic development project that she strongly supports. It's going to be bringing into the community a high pressure processing of food. It is going to be locally grown food that is going to stimulate the growth of agriculture in Santa Fe County and within 500 miles out of New Mexico. And so the project over ten years is going to generate 169 jobs with an average wage of \$44,000. It is going to be located in an opportunity zone, which is an economically disadvantaged part of the city and the county where wages are below the median average wages in Santa Fe. It is a \$26 million capital investment and she supports investment of the CDBG funds into this project.

Now, speaking on behalf of myself as an economic development professional, I would tell you that economic development is not located to just one area of any type of a community. It's regional, so the money flows back and forth. So Santa Fe is one area, whether you're in the city or the county, you're going to get people that are going to be commuting back and forth from wherever they were for the jobs. This particular project is going to impact positively both the community in a very positive way and it will be great to work with the County, and as part of the economic development team for the City, to work collaboratively to get a project like this. The City and the County have done a lot of good projects together and I think this is another good example of one where we can collaborate and work together to make this happen. So if you have any other questions I'll be happy to answer them.

CHAIR HAMILTON: That's great. Very much appreciated. Are there other questions? I think we certainly learned a lot about the details of the project the first time and this project holds a lot of interest for me because it links with a lot of things. To me that increases the likelihood of its success and the way it can potentially stimulate other business – food processing and agricultural undertakings which the County is certainly trying to promote. Mr. Flores.

MR. FLORES: Madam Chair, just for procedural, just ask if there's any more interested applicant to present any project plans to the Commission. If there's not you can close the public input and then this is a non-action item tonight.

CHAIR HAMILTON: Yes. Thank you. So are there other questions here on this particular project? And I know I don't see anybody, but I have to ask, is there anybody else here who wants to speak to another project in this regard? Okay. So if there are no further questions I can close the public comment on this and I very much appreciate you coming and giving us this information and reapplying. And best of luck with this. Mr. Flores or Mr. Olafson, is this –

MR. FLORES: That includes this portion of it. The next item on the agenda would be to call for adjournment.

4. Concluding Business
A. Adjournment

Upon motion by Commissioner Hansen and second by Commissioner Roybal, and with no further business to come before this body, Chair Hamilton declared this meeting adjourned at 8:00 p.m.

SFC CLERK RECORDED 07/22/2019



Approved by:

Anna Hamilton
Board of County Commissioners
Anna Hamilton, Chair

ATTEST TO:

Geraldine Salazar
GERALDINE SALAZAR
SANTA FE COUNTY CLERK

Respectfully submitted:

Karen Farrell
Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 18

I Hereby Certify That This Instrument Was Filed for Record On The 22ND Day Of July, 2019 at 08:37:51 AM And Was Duly Recorded as Instrument # 1891691 Of The Records Of Santa Fe County



Deputy *Estrella Martinez* Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

**Santa Fe County
2019 Community Development Block Grant (CDBG)
Project Request Form**

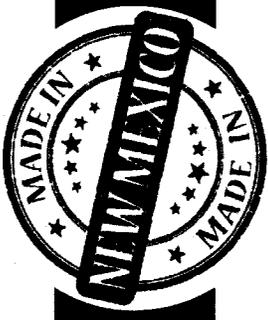


Project Name:	New Mexico Fresh Foods - Food Processing Facility in Santa Fe County		
Project Location:	1549 Sixth Street, Santa Fe (County Commission District 4)		
Requestor Name:	New Mexico Fresh Foods, LLC	Phone Number:	505-780-5151
Address:	851 W San Mateo, Santa Fe, NM 87505	Email Address:	Kelly@verdefood.com
Project Type: (Road, building, park, etc.)	Equipment purchase for economic development project	Total Project Cost:	\$8.966 million
		CDBG Funds Requested:	\$500,000.00
Project Description: Please describe the project details including the type of project, size, equipment/furniture needed and location.			
<p>New Mexico Fresh Foods, LLC (NMFF) will open a food processing facility in an existing 44,000 square foot office/warehouse building at 1549 Sixth Street (County Commission District 4). A business-to-business model, the facility will provide services to other food producers that naturally extends the shelf life of fresh products through High Pressure Processing (HPP). HPP uses cold pressure to extend shelf life without the use of pasteurization or preservatives. Fresh New Mexico products, such as salsa and green chile, can be distributed more widely and compete regionally and nationally after they have been preserved naturally with HPP. This technology is a highly sustainable way to preserve fresh food after it has been pre-packaged. Food products will be manufactured off site in other food production centers, including non-profit kitchen incubators, where they are fully packaged and then transferred to the HPP facility. The project involves the purchase of a 44,000 square foot office/warehouse building for \$2.9 million, conversion of 12,000 square feet of warehouse space to refrigerated storage, and the procurement of food processing equipment, including the \$2million HPP machine.</p>			
Project Benefits: Please describe the need for the project, public benefits, and any urgent issues. Please explain how the project will improve existing conditions.			
<p>The project will directly create 100 new jobs with an average annual salary of \$44,000.00, 50% health care match, paid vacation, 401K, and professional development opportunities. The majority of these new jobs are lower-skilled and appeal to the low- and medium-income population. The project will also indirectly create 500 more jobs in the regional food economy. Over time, food companies will begin to locate in Santa Fe County to increase proximity to the HPP service. A partnership with the Santa Fe Community College is in place to develop workforce training programs and expand food science STEM programming to support a robust food economy centered in Santa Fe County. In order to ensure that job opportunities are extended to residents of the unincorporated area of the County, we plan to conduct job fairs at the Nancy Rodriguez Community Center in Agua Fria Village and at the Santa Fe Community College.</p>			
Project Readiness: Please describe if and how the project is part of a planning process/approved planning document and when construction can start.			
<p>The project is shovel ready. NMFF is acquiring an existing office/warehouse building at 1549 Sixth Street. The requisite interior modifications of the building will only require City approval of a building permit application. Construction is expected to begin October 2019 with anticipated launch of operations in Q1 2020.</p>			

SEC. CLERK RECORDED
 07/22/2019

Project Cost Details* (Planning, Design, Land Acquisition, Construction)	Project Cost per Year					
	2019	2020	2021	2022	2023	Total
Planning / Design / Land Purchase	\$2,900,000	\$	\$	\$	\$	\$2,900,000
Construction	\$2,106,000	\$	\$	\$	\$	\$2,106,000
*Additional project costs include \$3.16 million of equipment costs and \$800,000 of working start-up capital.						
Other Funding Source: Will requested funds be used with other funding? If yes, please describe amount and source of funding.						
<p>\$500,000.00 of start-up funding will come from impact investment loans through the Santa Fe Community Foundation and other private foundations. An application for a Taxable Industrial Revenue Bond for real and personal property has been submitted to the City of Santa Fe. In addition, an application is being prepared for \$150,000 of LEDA funding from the City of Santa Fe, which will be a combination of fee waivers and infrastructure assistance. Bank loans will finance the purchase of the building and the improvements. Most of the equipment will be financed through private equity. The requested CDBG funding would be applied directly to the purchase of food processing equipment.</p>						
Fiscal Impact	Operational Cost per Year					5 year Average
	Year 1	Year 2	Year 3	Year 4	Year 5	
Operations & Maintenance	\$606,000	\$2,330,000	\$3,405,000	\$4,523,000	\$5,370,000	\$3,246,000

NEW MEXICO FRESH FOODS
A food processing facility in Santa Fe County



97% of NM's agricultural products leave the state, but the state imports more than \$4 billion in food products annually.

Over ten years, NMFF expects to process nearly 500 million pounds of fresh food products, generating \$2.5 Billion of gross revenue for NM food producers.

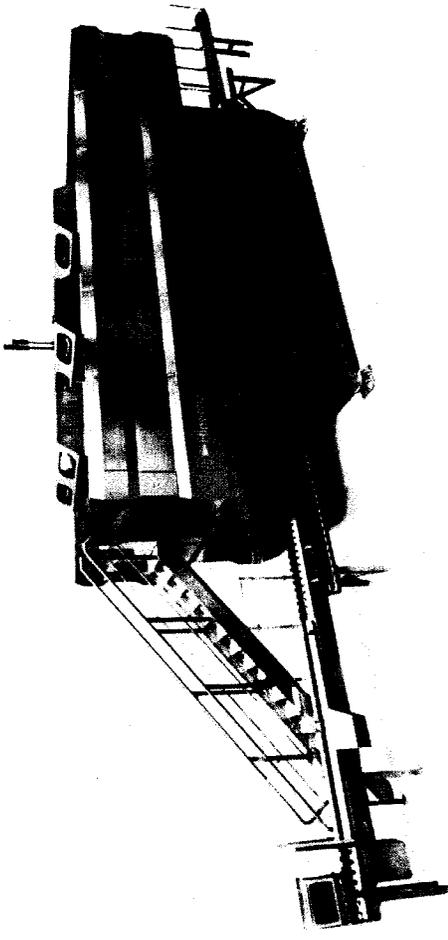
At least 70% of this revenue will be from exported food products.

NEW MEXICO FRESH FOODS
A food processing facility in Santa Fe County



- HPP kills harmful bacteria, leaves healthy probiotic bacteria intact.
- It is the preservative-free way to increase shelf life for fresh, refrigerated foods.
- Color, taste, texture and nutrition are unaltered. The difference cannot be perceived.
- Processing happens after food is sealed, which reduces up front equipment costs for small food companies.

HIGH PRESSURE PROCESSING MACHINE, 300 LITER





NEW MEXICO FRESH FOODS
A food processing facility in Santa Fe County

APPLICATIONS FOR HPP TECHNOLOGY



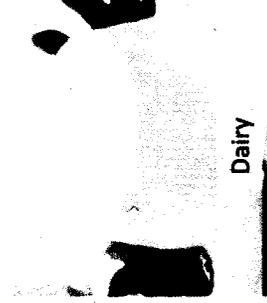
Beverages & Juices



Salads



Baby Food



Dairy



Vegetable & Fruit



Prepared Meals



Dips



Salads & Sandwich Filling



Pharma-Cosmetic

NEW MEXICO FRESH FOODS
A food processing facility in Santa Fe County



NEW MEXICO FRESH FOODS IS AN ECOSYSTEM BUILDER

“Within our existing programs, we at SF Community College are well positioned to incorporate curriculum that will build knowledge around food processing, food safety and sanitation, HACCP, and other aspects of food production.”

– Camilla Bustamante, Dean for the Schools of Trades, Technology, Sustainability; and Business and Professional Studies, and Education

NEW MEXICO FRESH FOODS

A food processing facility in Santa Fe County



CDGB Eligibility Requirements

- Create **permanent** jobs for low to moderate income individuals
- For every \$35,000 of CDBG funds, at least one FTE must be created *14 jobs required for \$500,000 CDBG*
- At least 51% of these jobs must be for LMI persons
- Minimum 1 new private investment dollar to every 1 CDBG dollar
- Project must be feasible and well documented

New Mexico Fresh Foods, LLC

- 12,000 sq ft refrigerated facility at 1549 Sixth Street
- Will create 100 new jobs
- 74% of jobs will target LMI persons
- Private investment = \$8 million
CDBG investment = \$500,000 *\$16 to \$1 ratio*
- Shovel ready project expected: construction expected to begin October 2019