

**CITY OF ALAMOGORDO, NEW MEXICO
CITY COMMISSION REGULAR MEETING MINUTES
6:30 P.M., COMMISSION CHAMBERS
April 25, 2017**

**RICHARD BOSS, MAYOR
JASON BALDWIN, COMMISSIONER
NADIA SIKES, COMMISSIONER
JENNY TURNBULL, COMMISSIONER
SUSAN PAYNE, COMMISSIONER**

**AL HERNANDEZ, MAYOR PRO-TEM
ERICA MARTIN, COMMISSIONER
MAGGIE PALUCH, ACTING CITY MANAGER
LAUREN TRUITT, CITY ATTORNEY
RACHEL HUGHS, CITY CLERK**

CALL TO ORDER / ROLL CALL / INVOCATION / PLEDGE OF ALLEGIANCE

Mayor Boss called the meeting to order at 6:31 p.m. Roll Call was taken by the City Clerk. Clerk Hughs announced there was a quorum present. Invocation was given by Pastor Timothy Green and the Pledge of Allegiance was led by Commissioner Martin.

APPROVAL OF AGENDA

Mayor Pro-Tem Hernandez moved to approve the agenda.
Commissioner Baldwin seconded the motion.
Motion carried with a vote of 7-0-0.

PRESENTATIONS

1. Presentation of the Housing Authority Advisory Board. *(Leroy Copeland, Chairperson and Evelyn Huff, Staff Liaison)*

Chairman, Leroy Copeland spoke on behalf of the Housing Authority Advisory Board. He said the purpose of the Housing Advisory Board is to make recommendations to the City Commission on all Housing Authority related matters including: HUD Annual Plans, Five Year Plans, rules, regulations, bylaws, bonds, grant applications, disposition and acquisition of real property, Annual Operating Budget, and further development of affordable housing opportunities. The composition of the Board is composed of five Board members. Four members are chosen from the community and 1 member must be a Housing Authority resident. Preference for one spot is given to a member of a non-profit community based organization. Preference for two spots is given to members with a background in residential construction, real estate or real estate lending. We are short one member at this present time. He said I serve as Chair, Rhonda Devine as Vice Chair, Colleen Lenart is a Resident Member and Anna Blanch Rabe. He said our Activities for 2016 included: recommended the approval of new utility allowances for both complexes, recommended the approval of new community service hours and fraud on the application policy, reviewed goals and objectives for 2016, recommended the approval of Fiscal Year 2017 Operating Budget, recommended the approval of leasing the Plaza Hacienda Learning Center to the Otero Hunger Coalition, and reviewed the progress on all Housing Authority projects. Anticipated activities for 2017 include: recommend the approval of a new Admissions and Continued Occupancy Policy, recommend the approval of a new lease, and recommend the approval of the new HUD mandate, No Smoking Initiative to make all public housing 100% smoke free, review goals and objectives for 2017. Housing Authority Advisory Board meetings are held every third Thursday of the month at the Housing Authority office, 104 Avenida Amigos. The meetings begin at 5:00 p.m. We do not hold meetings if there are no current items to discuss. All members of the public and residents are always welcome to attend. (See Blue Book for Power Point)

2. Presentation of the Alamogordo Promotion Board. *(Bob Flotte, Chairperson, Jan Wafful, Staff Liaison, and David Hayduk, Hayduk and King Advertising & Marketing PR)*

Special Events Manager, Jan Wafful spoke on behalf of the Alamogordo Promotions Board. She said the purpose of the Promotions Board is to make advisements and recommendations on advertising with

the lodgers' tax portion that is dedicated to garnering "Heads in Beds" and more advertising for lodgers' tax and special events for the City. There is a City side of 60 percent to that and there is also a 40 percent side that's for advertising. The board consists of 5 persons that are appointed by the Mayor and the City Commission and there is one vacancy on the board. They meet on the second Wednesday of each month. She introduced both David Hayduk, with Hayduk and King Advertising, and the Chairperson Bob Flotte.

Mr. Hayduk said what we do on our Promotions Board and through our advertising is we are introducing Alamogordo to travelers about the exciting things we have in Alamogordo. He said Hayduk and King (HK) Advertising turned 35 this year. In the 35 years I have been in business doing tourism advertising for New Mexico, this is the first time that we have a Cabinet Secretary that really understood what branding is all about. Cabinet Secretary Jacobson is from New Mexico and worked for Pepsco for 10 years, so she knew what branding was all about. She built the New Mexico True brand. When she went to CYFD, Cabinet Secretary Latham stepped in. Cabinet Secretary Latham knew well what branding is all about and how the True Brand is working for New Mexico. He said Secretary Latham sends her best wishes and sent this information that we want to share with you tonight: the True brand speaks to the authentic experience that you can have in New Mexico. What makes it so unique is our adventure and our culture that is what separates us apart from Colorado, Texas and Arizona. The other thing we do in advertising is about site doing. He said as travelers, we always want to know what I can do when I go there. All of the imagery and everything that we produce is site doing, and not site seeing. We are going to give them exactly what they can experience here in Alamogordo. At the time Cabinet Secretary Jacobson came into Office there was 2.2 million, now the Department of Tourism has 9.3 million granted by the Legislature that goes into advertising. Cabinet Secretary Latham has said here is what we are now experiencing with the True piece; visitor spend is up, and what is great about that is the more visitor spend the less our tax burden is. Right now it has reduced our tax burden by \$826 per person. Tourism jobs are up. First quarter of this year, the hospitality tourism jobs surpassed medical. He said it has been proven through research that for every \$1.00 spent, we are receiving \$7.00 back. (See Blue Book for Power Point)

Chairman, Flotte announced the members of the Promotions Board as Vice Chair Beverly Coble, Tony Mandalia, and Pete Desai. The Board does have a vacancy which may be filled soon. He said our income ending on June 30, 2017 is just over \$211,000. Our Lodgers' tax increase is on a 3 percent increase level. Some of the events we are promoting or sponsor is: the Annual Cottonwood Festival, White Sands Burger and Brew Festival, Spring Fling, Flickinger Center Premier Series, White Sands Pupfish games, Military Appreciation Day, Fourth Friday events and the Desert Lakes Film Festival. We have advertising placed all around in adjoining states to us. We try to attract people from other states to come to New Mexico, not to just pass through, but to stay and play and spend their hard earned money and invest it right here in our community. We want to make Alamogordo the place where people come to bring their families, not only to come the one time but to come back again. It is important to have those repeat visitors. We have to give credit to Jan Wafful. She works hard, she works weekends, she works holidays and she works nights to get the job done.

Mr. Hayduk explained some of the brochures and advertisement that were circulated. He said we continue to shoot photography and new video to give the traveler more feeling of the experience that we have here in Alamogordo. Our brand position aligns perfectly with the Department of Tourism. Our campaign objectives are to target the traveler. Our creative strategy lines up, we are going to build awareness of Alamogordo as the ultimate destination for outdoor enthusiasts. We use television on what we can induce: sight, sound and emotion. Our drive markets are Texas, Arizona and California. We are in AARP, Triple A, the New Mexico True Adventure Guide, as well as New Mexico Magazine. We have a new mobile app. It is always important to develop new assets. The New Mexico Tourism Department has a development grant that goes and helps our communities when you want to develop signage, key and mersible experience, as well as any new events. Today, more and more people are using their phones to get information and to travel with, so we are going to serve up more digital video ads to them.

Commissioner Sikes asked what the most visited tourist attraction in New Mexico is. Mr. Hayduk said he knows that Carlsbad Caverns gets about 400,000 people. Mr. Flotte said White Sands.

Mayor Boss said he has seen the ads on TV and they are awesome. He thanked Mr. Hayduk for what they have done. He also said he had the opportunity on a couple of occasions to meet with Secretary Latham. She is a dynamic woman and I can see why we are doing well in New Mexico. He said to tell her this Commission and the City thanks her for the work she has done. He also thanked the members of the Board for the work they do.

Special Events Manager Wafful said if you have not downloaded the mobile app, there are six of these ads available on the mobile app. Acting City Manager Paluch asked Jan Wafful to explain the brochures that were passed out to the commission. Jan Wafful said they passed out some of the new table tents. These table tents have instructions on how to download the mobile app and these will be sitting on the tables at all the restaurants in Alamogordo.

Mr. Hayduk and Mr. Flotte, on behalf of the Promotions Board, presented Mayor Boss with Plaques for Support and Dedication of the Bataan Memorial Death March for 2016 and 2017.

PUBLIC COMMENT

None.

CITY MANAGER'S REPORT

Acting City Manager Maggie Paluch made the following remarks:

1. She announced City Attorney Truitt was honored into the New Mexico Bar Association. City Attorney Truitt is listed in the Fourth Volume. She is now a lawyer in New Mexico, but also in Oklahoma as well.
2. She said it was with great pleasure and honor to introduce Jim LeClair as our New Fire Chief. She said Jim has already moved the Department forward in ways that you can not imagine. We are absolutely blessed that he is our Fire Chief.

REMARKS AND INQUIRIES BY THE CITY COMMISSION

Mayor Pro-Tem Hernandez made the following comments:

He thanked Chief of Police Syling for helping with a security issue at the Hospital.

CONSENT AGENDA

3. Approve the minutes for the April 11, 2017 Regular meetings. *(Rachel Hughs, City Clerk)*
4. Approve the statements related to the Executive Session held on April 11, 2017. *(Rachel Hughs, City Clerk)*
5. Consider, and act upon, award of RFQ No. 2017-01, Professional Geotechnical Engineering Services, to Amec Foster Wheeler. *(Bob Johnson, Engineering Manager)*
6. Consider, and act upon, award of IFB No. 2017-05 to multiple vendors, in the amount not to exceed \$109,958.20 related to Miscellaneous Foods, Dairy Products & Items for the Alamogordo Senior Center Nutrition Program. *(Veronica Ortega, Community Services Director)*
7. Consider, and act upon, Change Order No. 3, RFQ 2014-05, to Bohannon Huston, Inc. related to the engineering and design services for the Bonito Lake Restoration project, in an amount not to exceed \$7,256.94, including tax. *(Bob Johnson, Engineering Manager)*

8. Consider, and act upon, Ordinance No. 1535 consenting to the annexation of one acre requested by owners Clifton and Barbara McDonald located at Lot 2, McDonald Road Subdivision. Located west of the City at the northwest corner of 10th Street and McDonald Road. Case A2016-0001(A). *(Stella Rael, Planning and Zoning Administrator)* Roll Call Required

9. Consider, and act upon, approval of amendment 4 in the amount of \$8,802.67 (including NMGR) to the Engineering Professional Services Agreement to OCCAM Engineers, Inc. related to the Realignment of Florida Avenue at First Street. *(Nancy Beshaler, Project Manager)*

10. Consider, and act upon, travel authorization number 17292, for Mayor Richard Boss to travel to Washington, DC, from May13, 2017 May 16, 2017 for National Police Week. *(Richard Boss, Mayor)*

Mayor Pro-Tem Hernandez asked to remove Item # 9 from the Consent Calendar.

Mayor Pro-Tem Hernandez moved to approve items 3, 4, 5, 6, 7, 8 and 10 of the consent calendar.

Commissioner Martin seconded the motion.

Roll call was taken for items No. 8

Motion carried with a vote of 7-0-0.

ITEMS REMOVED FROM CONSENT AGENDA

9. Consider, and act upon, approval of amendment 4 in the amount of \$8,802.67 (including NMGR) to the Engineering Professional Services Agreement to OCCAM Engineers, Inc. related to the Realignment of Florida Avenue at First Street. *(Nancy Beshaler, Project Manager)*

Project Manager Beshaler said this is an addendum for the Design Engineer. This \$8,000 added to their contract based on additional work they had to do for the negotiations between the City and the property owners. The negotiations required additional meetings and exhibits and different concept plans in order to come to an agreement with one of the property owners. Mayor Boss asked if this is within budget. She answered it is.

Mayor Pro-Tem Hernandez asked if the negotiations were done prior to approving the project. Project Manager Beshaler said yes, it was done during design, it was done before the contract. Mayor Pro-Tem Hernandez said "so, this is late billing, kind of". Project Manager Beshaler said we knew there was additional work done; we just recently got that dollar amount from the Design Engineer. Mayor Pro-Tem Hernandez asked if the total amount budgeted was \$10,000. Program Manager Beshaler said for negotiations with the property owners.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Martin seconded the motion.

Motion carried with a vote of 7-0-0.

NEW BUSINESS

11. Consider, and act upon, approval of amendment 2 in the amount of \$43,896.20 (including NMGR) to the Engineering and Professional Services Agreement to Smith Engineering Company related to the McKinley Channel Phase 8 Utility Relocation design. *(Nancy Beshaler, Project Manager)*

Project Manager Beshaler said the current phase of the McKinley Channel Project is Phase 8. It takes the core channel from First Avenue all the way up to the Basin of the mountains near Thunder Road. As part of the agreement with the Corps of Engineers, our responsibility is to pay for the design and the relocation of City owned utilities. We hired Smith Engineering to do the design of the utility relocation and in parallel with the design of the Corps project. We are going to incorporate the utility design into the Corp's contract, so it is done by the same contractor. Smith Engineering proceeded with the design

based on the Corps of Engineer's thirty-five percent design of the channel. The Corps put the channel design on hold in December, and picked it back up in January. They revised some of the profile of the channel. Not so much vertical, but horizontally throughout the two miles of the channel. As a result of that, Smith Engineering has to go back and do some redesign of the utility relocation work. This is what this amendment will pay for.

Commissioner Baldwin said they had citizens concerned about the opening of it right at the base of the mountain. There was a comment made that the Corps of Engineers was going to have a meeting with some of the citizens, has that happened yet. Project Manager Beshaler said that has not. I just meet with them last week; the Corp does plan on having several public meetings. I did emphasize to them that neighborhood is particularly interested in knowing what is going on with the project.

Commissioner Baldwin moved to approve.

Mayor Pro-Tem Hernandez seconded the motion.

Motion carried with a vote of 7-0-0.

12. Consider, and act upon, acquisition of property located at 1338 N. Scenic Drive and 3001 Thunder Road related to the Corps of Engineers McKinley Channel Phase 8 project. (Lauren Truitt, City Attorney)

City Attorney Truitt said there are two contracts on this agenda item. The property is comprised of two tracts, so there are two separate contracts. She said related to Phase Eight of the McKinley Channel Project, we met with the property owners about two weeks ago and they were agreeable to the appraised value.

Mayor Pro-Tem Hernandez moved to approve.

Commissioner Turnbull seconded the motion.

Motion carried with a vote of 7-0-0.

13. Consider, and act upon, Ordinance 1537 for first publication for a map amendment to the official zoning map of the City of Alamogordo to rezone the properties located at 2310 & 2400 Collins Ave. from M2 Industrial District to R4 Multiple Family Dwelling District. Case Z2017-001(A). (Darron Williams, City Planner) Roll Call Required

City Planner Williams said the property owners have petitioned the City to change the zoning. The property in question is northwest of the Airport. In 1969, this property was zoned as R1 or single family, there was a case to change it from R1 to industrial. Then in 1983, another petition came in to change it from light Industrial to Mobile Home One or MH1 minus five acres, which happens to be these two properties and the property just north of it. The multi-family district or R4 is across the street. The petition of the current land owners is to change it to R4 and make it commensurate with the buildings that are already on the property. We have not been able to determine why in the 1980s they approved construction of apartments on the land when it was zoned Industrial. He said what we are doing is correcting the zoning to meet with what is already on the property. The Planning and Zoning Commission agreed with staff's recommendation to approve. (See Blue Book for Power Point)

Commissioner Baldwin moved to approve.

Mayor Pro-Tem Hernandez seconded the motion.

Roll call vote was taken.

Motion carried with a vote of 7-0-0.

14. Appointments to Boards and Committees. (Richard Boss, Mayor)

Mayor Boss read the openings and appointed Doris V. Neasham and Barbara Jo Telles to the Mayors Committee on Aging, David A Gonzalez to Planning & Zoning Commission, and John Ely to the Senior Volunteer Programs Advisory Council. No one was opposed.

WORKSESSION

15. Work session with Mark Roper from the New Mexico Economic Development Department. A presentation will be made demonstrating how the City of Alamogordo can use our increments of the New Mexico GRT for economic development. (Julianne Hall, Finance Director)

Finance Director Hall said back in 1996 the City adopted an Economic Development Plan. She said that plan is probably in need of updating. In 2000, we implemented two, one-sixteenth percent increments of Municipal Infrastructure Gross Receipts Tax for the purpose of furthering our Economic Development Plan and projects. Since, there have been some questions on how exactly we can use these funds, she has invited Mark Roper and Therese Varela from the New Mexico Economic Development Department to give us some information about that. Mayor Boss thanked Finance Director Hall and said we have had a lot of questions regarding that, so this is going to be helpful.

Team Leader for the Community and Business Rural Development Team, Mark Roper introduced Division Director for Economic Development, Therese Varela. Mr. Roper gave a brief work history before he went to work for Economic Development. He said in 1988 he was elected to a City Council and he sat on the Board of Directors for the New Mexico Municipal League from 1988 to 1992. He understands the challenges of trying to balance budgets and do the things for the citizens when Gross Receipts tax isn't always what you hoped to be. This is what got him involved in Economic Development. He has worked on the private side of Economic Development, and now he is currently with the State of New Mexico. He said New Mexico Economic Development Department is there to help businesses connect to resources. They help communities grow and prosper. He referred to Article 9 Section 14 of the New Mexico Constitution which is commonly referred to as the Anti-Donation Clause. This put everyone in a situation that was difficult to do the things of economic development. From this LEDA was born. He said LEDA or Local Economic Development Act was established in 1994 as an amendment to the Constitution Article 9, Section 14. It basically allowed local government to enter into agreements to invest in land, building and infrastructure, specifically for the purpose of economic development of economic based businesses. Economic based businesses or ebased businesses are businesses engaged in adding value to any projects. It can also mean a non-retail service related business that derives over 50 percent of the revenue from outside of the borders of New Mexico. It also includes agriculture as long as the agriculture product is having the value added. He used an example of: we will not help you grow the chili, but we will help you make the salsa. This also goes for the extractive industry: oil, gas, pot ash, coal, silver. In 2002, the Local Economic Development Act was amended by increasing the amount of monies that a local government could put into an economic development project. It increased the number from five percent to ten percent of General Fund monies. In 2013, the act was again amended, to allow smaller communities to invest land, building and infrastructures for the purpose of retail. The act was amended again last year, to keep the under 10,000 as it was, but also add a clause to allow communities over 10,000 and under 35,000 to invest in retail with a couple of caveats: (1) is that state economic development resources, commonly referred to as the LEDA fund, would not be utilized for that purpose, and (2) it would not be a competitive business. An important note, is if you are considering retail there are two things that you need to consider; first, on your local Economic Development Ordinance, you would have to go in and amend it to allow retail, and second, on your local option Gross Receipts Tax, this was not an option when it was voted on by the people, so you would have to go back to the vote of the people. He said clawbacks have always been in the LEDA Ordinance. Five years ago the New Mexico Legislature made it statutory that all projects are required to hold security equal to the amount of the award. The Public Participation Agreement (PPA) is required for all LEDA projects. The PPA basically outlines the parameters of what the project or entity will do. It will also lay out what the City will do on their side, so the company understands what the City will provide. If it is State monies, there is an additional document called the Intergovernmental Agreement which will outline how the State of New Mexico moves the money to the local community, and then this local community will move that money on to the qualifying entity. (See Blue Book for Power Point)

Mayor Boss asked on the Clawbacks, when did that take affect where you had to have the lien or the proper security. Mr. Roper said if I am not mistaken, it was the Legislative Session of 2012. He also said there was some loose clawback language in there, but it was not statutory specific to the amount.

Mr. Roper said under the local option Gross Receipts Tax, which Alamogordo has enacted both sixteenths, so they have enacted their entire one-eight. It is allowable to spend out of those monies on an annual basis; \$50,000 or 10 percent of the monies collected, whichever is greater. The promotion administration of your Economic Development Plan can be done through a Professional Services contract or other mechanisms and this is specific for the implementation of the Local Economic Development Plan. This is not related to the 10 percent General Fund allowance. This is only specific to the local option Gross Receipts Tax special fund.

Commissioner Baldwin said let me ask you a question, just to make sure I understand you correctly; or 10 percent of all proceeds collected annually. Mr. Roper answered correct. Mr. Roper also said if you haven't done that traditionally, I think you can say 10 percent of what we have collected over the past five years. This would be acceptable and legal. Finance Director Hall noted the two one-sixteenth percent increments of GRT generate approximately \$800,000 per year.

Mr. Roper said you need to have an Economic Development Plan when you adopt your Ordinance and you did so when you first adopted LEDA. We at the Department are ready and willing to assist in developing economic development plans, and offering technical assistance on such things. He said I think it was stated earlier that your plan might be in need of some update. Mr. Roper asked the Commission, when you look at your plan, do you think there is a need to update that plan. Commissioner Baldwin said I believe that over the last five and a half years we have had multiple discussions about it, but nothing has come to fruition yet. The business community has started to ask things in reference to what we should be doing Otero County Economic Development Council (OCEDC) money and what it is, and also is why you are here to help explain it to us. I think there will be a revision or updating that plan. Mr. Roper said I read your plan and when it was developed it was a very good job. There are a whole lot of things that are very pertinent in Alamogordo that was pertinent 20 years ago when that plan was developed. With any plan, a periodic review is a good thing. Updating would be the proper term for that plan. I don't think a complete redo is needed, because the basis is still very, very good. That would be my recommendation is to do an open public process, involve the community and let's figure out what is right about the plan and the new things we need to add to it.

Mr. Roper spoke on executing the plan. Government entity or private entity is a common discussion amongst governments as to which is the best way. You have to make your decisions based on what you believe is best for your community. Most communities of this similar size that have a really good core business base have found that a private entity in charge of executing their economic development plan gives them a better return on their investment and gives them a better opportunity to push that plan forward.

Mr. Roper said reason number one is a private organization has much more flexibility in working with a potential or existing client. A private entity is not bound by Article 9 Section 14 of the New Mexico Constitution. This gives them a huge advantage.

Commissioner Baldwin said the financing or funds used by a private economic development company are still applicable to the New Mexico Constitution. Mr. Roper said it may or may not be public monies. They are a private contractor at that point, so they are not bound by those parameters. This is exactly why the State of New Mexico utilizes the New Mexico partnership, which is a private not for profit corporation, that we contract with to do our advertising, promotion and recruitment.

Mr. Roper said reason number two is a private organization is not subject to the Inspection of Public Records Act (IPRA). This becomes really important when you are dealing with a client and relocation or expansion. They have propriety information that they do not want their competitor to know about.

When you are a public entity and subject to IPRA, everything you do in these meetings is public and you have to provide that information. You cannot protect that propriety information, where a private entity can. If you tell a private company that their information is going to become public, there is a 99 percent chance they are not coming here.

Mr. Roper said perception is reality. He said to be honest business in general is wary of government. What a private entity can do for you is; it's a business to business relationship. Although in New Mexico, government is a key component of economic development because the resources do come from the public sector side. By utilizing the private sector, you create that buffer.

He said nationally, not just in New Mexico, local communities have decided that this is a good approach. Virtually, every state in the Union uses some sort of private contractor to do their economic development and recruitment. The private entity can provide a little more stability. Nationally speaking, the average life expectancy of a City or County Administration is 3.4 years. Ultimately what happens when those City Administration change, then priorities change. This creates a little bit of instability. A private entity has an easier time raising private funds to help with the efforts of economic development. Most communities also discovered that a private entity has a tendency to have longer tenured employees and more subject matter experts. Projects can take a really long time. It can be up to six years before you actually see a job being created.

He said a private entity can lean on fellow businesses. They can utilize the local banker or local CPA that can give you some guidance at looking at a company or a project coming in. This is probably something you are not going to have at the government level. They have more flexibility and not as many items of red tape.

Mayor Boss asked how do you know the resources that you are giving are being expended. Mr. Roper said you are contracting for Professional Services. You can layout the items in a contract. If you want to as a City, you can layout the parameters of the contract; to monitor or measure what you expect to be the outcome of this investment. Mayor Boss said this is purely hypothetical, but what about financial responsibility, how do you monitor that. Mr. Roper clarified by asking, how they are spending your money. Mayor Boss said exactly. Mr. Roper said I think you can lay that out in the contract.

Division Director, Therese Varela said if the entity is established as a 501 entity, then typically the Governing Board is responsible for review of the financials. Then typically there is an annual review of the financials. She said it is two-fold, Mr. Roper was indicating your performance measures that you outline in your contract as you want to see as the outcome, and in economic development practice, usually we'll see the number of leads, prospects, site visits, job creation, private sector investment. As Mr. Roper eluded to, is that economic development takes a long time to see the results. Economic development is a lot of face to face relationship building. The financial responsibility is the Board's responsibility, but then the Board answers to the City who gives them the money.

Commissioner Payne asked if Mr. Roper could explain ebased businesses. Mr. Roper said it's anything that takes a raw product and adds value to it. Manufacturing of any widget is automatically an ebase business. Taking a natural resource, agriculture resource and adds value to it would be considered an ebased business. The other item was a non-retail service provider that receives an excess of 50 percent of their revenues from outside the State of New Mexico. He said that is a real fancy name for a call center.

Commissioner Baldwin asked Mr. Roper if he had any suggestions. Is there something in other communities that seems to be working well, that maybe we are not doing. Mr. Roper said I looked at your overall setup and outside the need to update your Economic Development Plan; you have a really good structure. Overall on the structure, I think you are in really good shape. I would greatly encourage you to enter into that public process of updating your plan.

Commissioner Baldwin asked what would be a good measurable. I've heard some statistics in the past that if an economic development, even a private entity or a government entity, in a community gets one manufacturing business to come in every five years. That's a pretty decent measurable. Mr. Roper said that would be really good. Commissioner Baldwin said managing people's expectations of what economic development is and can be in a community is just as important as it is the economic development as well. What I have seen in my five years of being here is good as possible management, but I think there are expectations that the money the citizens have allowed us to use for economic development, we should be getting more business. It has always been my understanding that a good business every four or five years or even six or seven years is kind of norm, considering how many site visits a community like us would regularly get. Mr. Roper said if you were to get one manufacturing business every five years, you would be the poster child for success of rural communities. It is a difficult process to land manufacturing companies. You do have some successes here that you can point to. To say you have not been successful, probably not as successful as you wanted to be, but you do have some successes you can point to. I do think it is reasonable to have some expectations for the public money.

Commissioner Payne said listening to what Commissioner Baldwin said and what you just said if we see a new manufacturer every five years we would be the poster child for success, but there has to be something in between. Mr. Roper said there is. He said I am talking about widget making when I talk about manufacturing. To say there are not opportunities associated with the Department of Defense, because of you neighbors to the south. Definitely, that could be an economic driver for Alamogordo, although, it might not necessarily meet our definition of ebase. That does not mean it is not important to Alamogordo. You are in a unique position located next to the Missile Range and the Air Force Base. There are economic drivers that you need to target within your Economic Development Plan. It may not necessarily fit that ebase criteria, but they are definitely important to the City of Alamogordo.

Mr. Roper spoke on existing business expansion. He said business retention and expansion is a key component of real economic development, especially at the rural local level. You know what you are and what you have. Helping those businesses grow and expand is a key portion of it. That would be another reasonable measurable. The number of business retention and expansion visits made on an annual basis. There are no new jobs with this, but it will help that company get over a regulatory hurdle or finding their raw material and maintain the number of jobs they currently have.

Mayor Boss said we have a unique situation here with Holloman Air Force Base. There are a lot of young Airmen out there, and I think one of the big problems is the limitations we have is not being able to use those funds for retail business. They don't care about a manufacturer coming here when they are stationed here. They want another place to shoot pool or another restaurant, some place to hang out. That's the situation that makes it difficult for Alamogordo. We are so restricted on the retail part of it. I understand why the restrictions are there, but still it makes it very awkward for us. Mr. Roper said I sure don't disagree with you. The issue they had with the expansion to 35,000, in my opinion, the secondary clause is difficult for a community of your size to deal with. Whether it be a private mom and pop business or a national chain wanting to come in and put a new restaurant with a bar, you still couldn't do it with the competition clause that is there. You have some pretty powerful Legislators that you could talk to. They are the ones that write the law.

Mayor Pro-Tem Hernandez said another issue is the actual knowledgeable workforce. Back in my younger days we used to say, we couldn't find good help and now we say we can't find any help. This is another obstacle we have in bringing in these other companies. Do we have the workforce to fill the jobs. Mr. Roper said I don't think you are unique in that, I think it is a national problem.

Division Director Varela handed out a brochure on programs, services and incentives. Mark Roper also gave the Commission their business cards. Division Director Varela said as Mayor Pro-Tem Hernandez mentioned about workforce development, we have a Job Training Incentive Program that many of your companies in your community have taken advantage of. I think all of the incentives working together is a perfect storm for a business. Some of the measurables that we were talking about

earlier, those are very similar to what we have as a State. We are still struggling coming out of the recession and to create our job numbers as well. Mayor Boss said that was very informative and thanked Finance Director Hall for arranging this work session.

Commissioner Baldwin thanked staff for bringing this presentation and Mike Espiritu for the work he has done. He said most of the Commission was able to sit in on a planning meeting for economic development a couple of weeks ago. We saw a big push to go a very aggressive direction or slightly different direction with economic development. Not really straying from the core values of what economic development is, but to do something a little more aggressive for Alamogordo and our particular situation with our Military contracts and other businesses in town. It is my hope that we continue to work with our private contractor. I don't think that we need to bring it in house or within the City because that was talked about. I want to make sure that OCEDC gets the tools and financing they need. One of the things said is, how can we use this tax money and Mr. Roper answered those questions right off the bat. With the change in the Ordinance in going back to the citizens to vote, new wording into it or new leeway within the way it is currently written, is a legal way to go and probably a way to loosen up a little bit of funding for economic development in our community. I think what happens all the time is we get told by outside agencies, outside businesses, citizens, local businesses in town that deal with recruiting that our workforce is an issue, our hospital is an issue, our education is an issue and when you actually get down to the numbers it is not as bad as you would think. There is a lot of pressure is being put on economic development to our branch of economic development, in Otero County, to have the answers to all those particular questions. It is my hope that we as a Commission to come up with a plan to change the Ordinance, to change our ability to use some of that money as long as our local economic development is protected and they have the funds to do what they need to do with it. Work closely with them to come up with what we need to do for this community. Personally, I hate saying this term, but I am ready to think outside the box, I am ready to do something different for this community that can secure its future. I want to be extremely aggressive with how we go about the economic development over the next whatever the plan comes about. It's my hope that everybody else wants to as well. As long as we don't start dabbling on the retail side, I don't want the City of Alamogordo to be in the business of doing most anything retail other than helping them out within the legal bounds with what we can do.

Mr. Roper said I was recently asked by OCEDC about the potential of using the LEDA fund for a specific promotion related to Holloman Air Force Base. I have provided that legal opinion from our legal counsel to Mr. Espiritu. In essence, yes it would be a legal expenditure. The other thing I would say is I would compliment Alamogordo. You were the first community to do the Gross Receipting Incentive Program (GRIP) Ordinance, which is a way to help retail get off the ground without LEDA. You guys have thought outside the box, you were the first ones to do that.

Mayor Boss said everyone knows that we have some F-16s coming in from Hill Air Force Base, Utah. They are bringing them down here for two and a half to three years, and then they will make a decision as to whether or not to make this the permanent base for those jets. The major concern this community should have right now, is not retail, not factories, not anything, but making sure those F-16s stay here. That is where we need to put all our efforts. Unfortunately, we cannot spend the money that is set aside for infrastructure for that. There are other areas that we need to deal with, other than economic development to assure that they do come. That is where we need to be directing our attention. If there is any way we can support that with public relations funds or something like that, we need to do it. Right now, the only thing on the agenda is making sure those F-16s stay out here and they do not get them in Arizona or San Antonio.

EXECUTIVE SESSION (Roll Call Vote Required)

16. Recess into Executive Session in compliance with Section 10151(H), NMSA 1978 (as amended), to discuss threatened and pending litigation: Medeiros proposed condemnation and APD Facebook issue and Limited Personnel Matters (City Manager contract). (Roll Call Required)

Commissioner Baldwin moved to recess into Executive Session at 8:11 p.m.

Mayor Pro-Tem Hernandez seconded the motion.
Roll call vote was taken.
Motion carried with a vote of 7-0-0.

RECONVENE INTO OPEN SESSION

Commissioner Baldwin moved to reconvene into at 10:23 p.m.
Mayor Pro-Tem Hernandez seconded the motion.
Motion carried with a vote of 7-0-0.

Mayor Boss said there would be no action taken at this time.

ADJOURNMENT

Commissioner Turnbull moved to adjourn at 10:24 p.m.
Mayor Pro- Tem Hernandez seconded the motion.
Roll call vote was taken.
Motion carried with a vote of 7-0-0.



Mayor Richard Boss


ATTEST:


City Clerk Rachel Hughes

(Prepared by Eric Barraza, Deputy City Clerk)
Approved at the Regular Meeting held on May 9, 2017.