

# ATTACHMENT C ECONOMIC STRATEGY

**September 5, 2024**

**Planning Commission**

**2024-(7899)(7898)(7900)(8852)(8853)(8854)(8855)**

**Master Plan Amendment, General Plan Amendment &  
Rezoning**

# ATTACHMENT B

Economic Strategy information

1. Angelou Plan
2. Economic Development Strategy for May 21, 2008



# *Cultivating Santa Fe's Future Economy*

## Economic Development Strategy

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April 2004



## Table of Contents

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Introduction.....	1
Acknowledgements.....	3
Executive Summary.....	9
Workforce Development.....	15
Entrepreneurship.....	25
Sites and Infrastructure.....	33
Community Development.....	40
Marketing and Public Relations.....	47
Appendix - Performance Metrics.....	61



## Introduction

This report contains a roadmap for Santa Fe's future economic development efforts. It reflects a planning process that has spanned the past seven months, involved hundreds of hours of research, and collected input from approximately 1,500 people in Santa Fe.

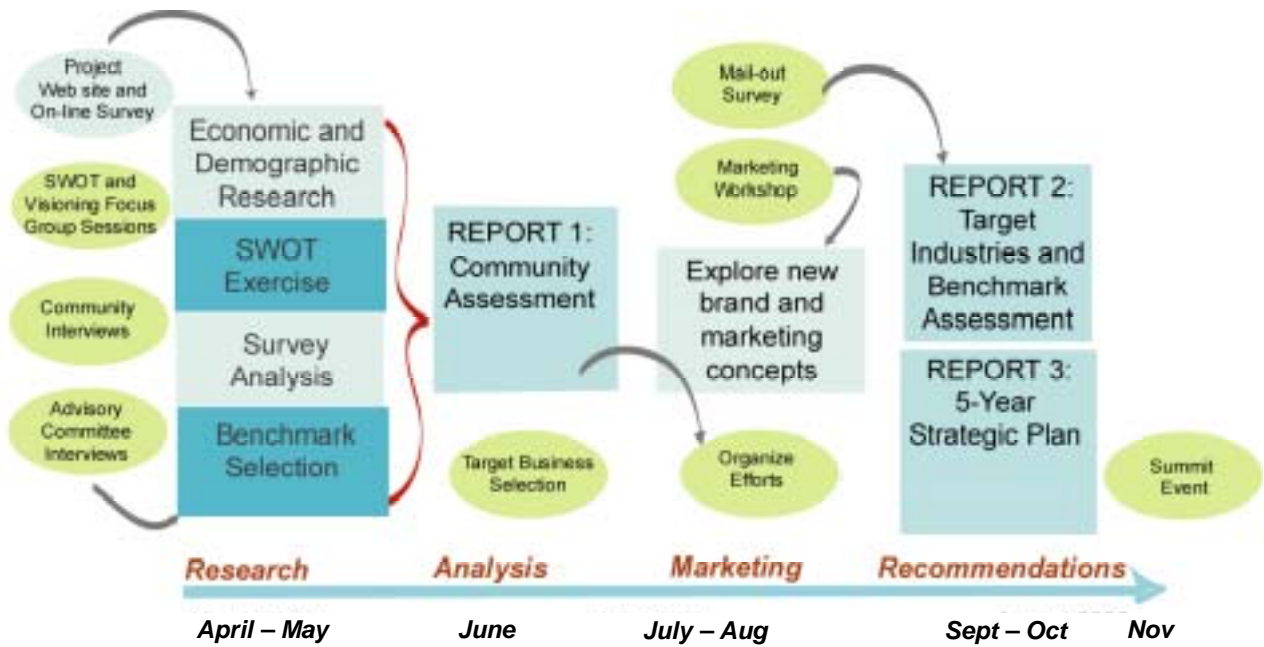
The strategic planning process began with an analysis of Santa Fe's current economic situation. This analysis, contained in *Report One: Community Assessment*, examines the strengths and challenges that Santa Fe faces in five areas that impact the city's effectiveness in economic development: business climate, infrastructure, workforce and education, quality of life, and economic development efforts. For each topic, several issues were examined and Santa Fe's performance was ranked. This report was the first step toward identifying the city's future opportunities and major areas for improvement.

Based on the results of the *Community Assessment* and input received from the community, AngelouEconomics (AE) identified seven major business sectors on which Santa Fe should focus its economic development efforts. These industries are: **Arts and Culture; Design; Hospitality; Water Conservation and Clean Energy Technologies; Software Development; Publishing and New Media; and Outdoor Gear and Apparel.** These industries should become the primary audience for future marketing efforts, and their needs should be considered in all community development activities. A description of the methodology used to identify these targets, a profile of each targeted business sector, and descriptions of the economic development efforts of several benchmark communities are provided in the second report of this project, *the Target Industry Report*. Secondary Target Industries were also identified, and included Health Services (both traditional and non-traditional), Retiree Services and Food and Beverage products.

This is the final report of the strategic planning process. It contains specific recommendations to (1) improve the city's economic health; (2) improve conditions for cultivating new target sector businesses, small entrepreneurial businesses; and (3) provide new opportunities for all Santa Fe families.

*An illustration of the strategic planning process is provided on the following page.*

## Strategic Planning Process



## Acknowledgements

The project team conducted interviews and focus groups with more than 200 individuals and organizations from the Santa Fe region, including those listed below. Their input shaped this strategy, and their future support will be critical to the implementation of the City's economic development initiative and achievement of long-term economic health.

### Focus Group and Interview Participants Santa Fe Economic Development Strategy

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NMSBIC  
Eldorado Hotel  
SER Jobs for Progress, Inc.  
Four Winds Trading Co.  
SF Chamber Music Festival  
Santa Fe County  
SCI/ ZERI-NM  
Consultant  
Santa Fe Film Festival  
Consultant  
Roger Frye Company  
Bank of America  
SF Arts Commission  
City of Santa Fe  
Sage's Coffee Café  
City of Santa Fe  
NM Farmers' Market Assoc.  
Realtor  
SF Community Housing Trust  
Santa Fe Community College  
Industrial Consultant  
Santa Fe Chamber of Commerce  
Santa Fe County  
Beyond the Horizon Consulting  
Living Wage Network  
Redfish Group  
Eldorado Hotel  
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City of Santa Fe  
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Sen. Domenici's office  
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Whirling Rainbow Productions

In addition to the individuals listed above, the consulting team received **survey responses from 1,352 individuals and businesses located in the city**. The survey was a valuable tool used to measure impressions of the city's strengths and challenges and learn more about what residents believe makes Santa Fe special. We offer our gratitude to each individual who took the time to fill out the survey. Your comments helped mold the recommendations we offer in this report.

**AngelouEconomics' core team for this project included Angelos Angelou, Amy Holloway, Chris Engle, Nicole Urbis, and Daniel Kah.**

## Executive Summary

### **What does Economic Development mean for Santa Fe?**

How economic development is defined differs among communities. For many years, cities' economic development activities were focused on recruiting new employers. Recently, the focus of economic development in many cities has shifted, placing a stronger emphasis on community development activities that improve local workforce, infrastructure, and business climate to help local companies grow and new ones to emerge. This latter definition is more appropriate for Santa Fe.

The term "economic cultivation" has been chosen to describe Santa Fe's economic development practices. **The city's focus should be more on creating a climate that is ripe for entrepreneurship and small business success than on recruiting large companies.** The ultimate goal of economic cultivation in Santa Fe is to achieve long-term economic health. A healthy economy benefits all residents and businesses in the region, from the business community to not-for-profit organizations to the arts and to the native populations.

### **Overview of the Economic Development Plan**

During the past seven months, AE has worked closely with Santa Fe leaders to compose an economic development strategy for the region. The driving objective of this strategy is to generate sustainable economic health and prosperity for the citizens of Santa Fe and the surrounding region.

Based on extensive research, the consulting team has developed a series of recommendations to accomplish this objective. All recommendations offered in this report are both (1) sustainable (creating consistent long-term economic growth in a non-damaging way) and (2) strategic (tailored and coordinated for meeting the city's long-term objectives).

The *Economic Development Plan* should be viewed as a living document. The New Mexico Media Strategies Report and the University of New Mexico's Bureau of Business & Economic Research's report on the cultural industries, for example, will be used to develop specific work plans for those clusters when they become available. The *Economic Development Plan* offers guidelines and techniques designed to improve the city's economic health. It provides Santa Fe with a structure to incorporate other activities, particularly specific initiatives within each targeted business sector. Other recommendations might be added or current ones eliminated as economic conditions change.

Recommendations fall into five categories:

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

- **Marketing**

Santa Fe suffers from an increasing gap between local wages and cost of living. The gap can be narrowed through a variety of techniques – from increasing the minimum wage to assisting residents to find and finance affordable housing. These activities have already begun in Santa Fe. The Living Wage Ordinance (Ordinances 2002-12 and 2003-8) demonstrates the City’s commitment to improving the incomes and wage rates of Santa Fe’s citizens.

Economic development provides another approach to making it easier for Santa Feans to afford to live and work in the region. A strong economic development initiative has been laid out in this strategy. It focuses on diversifying Santa Fe’s employment base through new business recruitment, expanding local companies, and supporting entrepreneurship. It contains tools that the City, the Community Development Division, and a wide range of regional organizations can use to increase the range of job opportunities available to Santa Feans. With a greater diversity of employment options comes a greater opportunity for residents to improve and employ their unique talents, generating new wealth for every Santa Fe family.

### **Themes of Santa Fe’s Economic Development Plan**

During the course of this project, several important themes have emerged in our discussions with the community. First, Santa Fe is a unique city and any new development should reflect its creative character. Second, Santa Fe wants to attract a targeted audience of visitors and businesses to the community.

Tourists, for example, must come to Santa Fe with the intention (and financial wherewithal) to shop in local galleries, eat in locally-owned restaurants, and stay overnight in downtown and locally-owned accommodations. Third, Santa Feans feel a strong connection to the region’s heritage. Many people who participated in focus groups and interviews, for example, have a deep desire to preserve the downtown space so that it does not become overly congested and lose its historical presence.

These themes appear throughout the Economic Development Plan. Based on these themes, we offer four overarching recommendations:

1. To be successful in economic development, Santa Fe’s leaders should strive to foster a culture that creates jobs that complement the community’s unique character.
2. Santa Fe cannot avoid change. The City should aggressively direct how those changes occur.
3. The key to economic development in Santa Fe is to ensure that new developments – whether it is a new civic center, new infrastructure project, or new educational program – retain the essence of the community. The essence of Santa Fe lies in its creative people, its strong history, and its core of arts and culture.
4. For the City to support a project, the project must provide new opportunities to Santa Fe’s workforce.

## **Summary of Recommendations**

To be successful, Santa Fe must develop highly integrated networks of businesses, training programs, capital providers, educational institutions, non-profit organizations, labor organizations, and government agencies. Economic development cannot be successful unless these groups work in a coordinated, collaborative fashion.

It is important that City officials adopt a more focused approach to economic development. It starts with City leaders identifying and agreeing to long-term goals. All future City decisions should be checked against these aforementioned overarching goals. Only initiatives that work toward accomplishing the City's long-term goals should be adopted. To jump-start the City's goal-setting activities, we have proposed specific goals for workforce development and education, entrepreneurship, sites and infrastructure, community development, and marketing.

A summary of recommendations is provided below. We have provided detailed action items for each recommendation within the body of the strategy.

### **I. Workforce Development and Education**

**Goal One: The community will place an increased value on education, realizing that education performance increases the quality of life for all Santa Fe residents and makes the community better able to retain a talented workforce. Pre-K - 12 education will be as strong as possible because the community invests in it. (p.15)**

*Strategies:*

1. Help parents place a greater value on education.
2. Promote the value of quality education within the community. Turn Pre-K - 12 education into a "cause" around which the community can rally.

**Goal Two: Educational and workforce development programs will be well-coordinated and in tune with the needs of the city's targeted business sectors. (p.19)**

*Strategies:*

1. Develop an inventory of all workforce training programs in Santa Fe that prepare individuals for skills demanded by the city's targeted business sectors.
2. Closely link local Workforce Development One-Stop Centers with economic development efforts.
3. Enhance Santa Fe Community College's existing programs and start new programs aimed at the needs of Santa Fe's targeted business sectors.
4. Ensure the College of Santa Fe, the Institute of American Indian Arts, St. John's College, the University of Phoenix and branches of

Highlands University and UNM are kept up-to-date and involved in economic development.

## II. Entrepreneurship

**GOAL: Infrastructure, capital, and educational resources for entrepreneurs will be well networked both at the local and state level. (p.24)**

*Strategies:*

1. Financially support the Santa Fe Business Incubator. Help the Incubator expand by offering more customized business resources. Help start-up companies by linking them to local and state financial capital.
2. Make information and training about starting businesses widely available. Celebrate entrepreneurial success stories as inspiration to potential entrepreneurs.
3. Motivate Santa Feans to start new companies.
4. Keep Santa Fe's existing small businesses strong.

## III. Sites and Infrastructure

**GOAL: Improvements to sites and infrastructure will consider the long-term needs of Santa Fe's targeted business sectors and small, entrepreneurial businesses. (p.32)**

*Strategies:*

1. Take steps to make Santa Fe the water conservation and clean energy capital of the U.S.
2. Provide better infrastructure and processes to support creative activities.
3. Partner with Santa Fe County to solve infrastructure and site issues.
4. Approve and construct a new convention center that showcases the unique character of Santa Fe.

## IV. Community Development

**GOAL: Santa Fe's community and economic development activities support an environment that is favorable to (1) talented residents, (2) small, locally-owned businesses, and (3) targeted business sectors. (p.39)**

*Strategies:*

1. Adopt a more business friendly attitude within City government.
2. Santa Fe's City Council should set goals for future development and allow those goals to drive decisions.
3. Provide greater support to the Community Development Division, and, particularly the Economic Development section.

4. Recognize the importance of arts and culture to Santa Fe's economy. Involve arts and culture in economic development.
5. Ensure that Santa Fe contains an atmosphere that is fun and attractive to young, creative people.

## V. Marketing and Public Relations

**GOAL: Santa Fe will engage in a targeted marketing campaign that builds local and national awareness of the city as a place to do business. (p.46)**

### *Strategies:*

1. Establish specific marketing roles for each organization currently involved in economic development.
2. Create and adopt a single economic development brand.
3. Better understand the target audiences.
4. Gain local media support.
5. Launch internal marketing.
6. Implement external campaigns.

Within these strategies, many individual action items are offered. Among these, we would like to point out five activities that are of particular significance:

1. **Construct a new civic center to replace the Sweeney Center.** The new civic center will support all of Santa Fe's target industries. The civic center should be designed to host executive level events, attracting those events that will bring the greatest benefit to Santa Fe's economy. In addition, the City should consider integrating high-end workforce training capacity within the civic center. The workforce training resources, from classrooms to high-tech audio/visual equipment, should be made available to local workforce service activities as well as to executive training events.
2. **Create a National Center for Art and Design Center and an arts incubator.** The National Center for Arts and Design will provide a single location in which multiple arts and design organizations could collaborate on projects of national significance. The one-of-a-kind concept would be modeled after national research consortia or laboratories, only with arts, rather than science, as its focus. As its first major project, the Center should consider developing a first-rate on-line Santa Fe Arts Market for selling locally produced artistic and handmade objects.

This Center should be home to a variety of related activities, with educational programs at the core. Other activities that should be co-located within the facility include: office space for professional arts organizations and guilds; studios; exhibit space; retail shop for selling art. In the future, the campus could also contain loft apartments, a café, and an entrepreneurial resources center.

3. **Lobby the State to pass proposed legislation to create a certification program and network of small-business incubators.** The currently

proposed incubator certification program will possibly increase State funding to the Santa Fe Business Incubator. Lobby State legislators to pass this legislation. Long-term, Santa Fe leaders should work with the State to create a network of entrepreneurship one-stop shops, similar to the system utilized by the New Mexico Department of Labor. This would probably be more of a network of collaborating agencies and programs rather than an additional set of facilities. Santa Fe's leaders should work with the State to create a statewide network of small business incubators. The network of certified incubators could serve as a funnel of investment opportunities for the New Mexico Venture Capital Fund and as a built-in system of due diligence for State investment.

4. **Santa Fe should become the water conservation and clean energy capital of the U.S.** Water conservation technology companies locating in Santa Fe will be in a market with high internal demand for their products and will, therefore, be in close proximity to their customers. Santa Fe should create programs that promote the adoption of energy conservation while promoting a "buy local" campaign that would attract new clean energy providers to Santa Fe. Credits and incentives for consumers can be tied to their purchase from local suppliers. Santa Fe is an ideal pilot market for several technologies and should do what it can to bring those suppliers to the region.
5. **Santa Fe's leaders should agree to goals that will promote the long-term health of the local economy.** The community is widely known as a place that is unfriendly and difficult for business. This distinction makes it difficult for Santa Fe to remedy its suffering economic conditions. The City must take several initial steps before any economic recovery can occur. First, City leaders must agree that all decisions will be driven by one simple goal: To attain healthy economic conditions that will preserve Santa Fe's unique character and open opportunities for all Santa Fe families.

Within City government, several actions will help the city create an easier environment in which to expand and start businesses. First, the City should strengthen and expand the Small Business Ombudsman position. Second, the City should provide strong support to the Community Development Division and Economic Development section. Economic development cannot occur unless this division is stable and well funded. Finally, the City should support a strong internal and external marketing effort. Marketing activities will require financial and human power resources from the City as well as other Santa Fe organizations.

The activities outlined in this strategy will require five years to complete, and the results of these activities may not be immediately apparent. Santa Fe's leaders must stay committed to the overarching goal of creating a healthy economy.

# 1. Workforce Development and Education

This project marks the beginning of a long-term economic development effort to improve the atmosphere in Santa Fe for growth of small to medium-sized businesses. Workforce development and education recommendations have been developed to help Santa Fe achieve the following three goals:

- 1. The community will place an increased value on education, realizing that education performance increases the quality of life for Santa Fe residents and makes the community better able to retain a talented workforce.**
- 2. Educational and workforce development programs will be well-coordinated, providing services that are in tune with the needs of the city's targeted business sectors.**
- 3. Santa Fe's workforce development programs will offer advancement opportunities for individuals from all socioeconomic backgrounds.**

Santa Fe's workforce development programs should offer advancement opportunities for individuals from all socioeconomic backgrounds. Santa Fe's recommended targeted business sectors (see p. one) were selected, in part, because they contain a wide variety of occupations and ample opportunity for workers to advance their careers. (See the Target Industries Report for more detail on the target industries and how they were identified.)

Workforce development and economic development are closely linked. A strong workforce leads to business recruitment. A strong industry base generates a workforce that leads to entrepreneurship and long-term economic growth. Considering Santa Fe's current economic conditions, community leaders should make workforce development a top priority. A strong pool of workers is critical to business expansion and recruitment to the region, industrial diversification, and growing the population of young professionals.

For Santa Fe to experience the greatest possible benefit, education and workforce development activities must be viewed as an integrated continuum that spans from infant care to adult education. We encourage Santa Fe to communicate the workforce skill needs of the targeted business sectors to all educators. Show them how entrepreneurial skills, for example, will help students succeed once they graduate. Provide them with examples of other communities that have integrated entrepreneurship education into the early education curriculum.

Businesses in the targeted business sectors that have been recommended by AE demand that the best possible Pre-K - 12 education system, workforce training, and college programs are in place to prepare the workforce to succeed in targeted industry businesses. This ensures that they will be able to retain and recruit skilled workers, managers and executives who demand that their children

receive an excellent education. It also shows them that the community is willing to invest in itself, its future, and therefore will support them into the future.

Goal One: The community will place an increased value on education, realizing that education performance increases the quality of life for all Santa Fe residents and makes the community better able to retain a talented workforce. Pre-K - 12 education will be as strong as possible because the community invests in it.

Basic education should be considered the foundation of successful economic development. Those regions across the U.S. that have invested in basic education are also the most successful in growing high tech, high wage employers. The two go hand-in-hand.

Before an aggressive economic development campaign is launched, it is essential that Santa Fe invest in the core of the community: local Pre-K - 12 education, the downtown, and infrastructure developed to support new economy businesses. This investment will have much greater pay off in the long term by helping the city retain its current employers and high skilled workers, as well as renew a positive spirit across the community.

**Strategy One: Help parents place greater value on public education.**

### **Actions**

#### **1. *Get parents involved in the schools***

- Adopt a take-home computer program. In this program, schools lend computers to parents for 4-6 weeks at a time. To be eligible for the program, parents are required to take an orientation workshop that teaches them the basics of operating a computer, common software packages, and how to use the Internet.
- Use local school facilities for evening community college or university classes. Courses could be for-credit or continuing education, ranging from computer literacy, self esteem, English as a second language, or literacy. Teachers or other parents can teach classes. Invite a local non-profit to fund a babysitter to be on-site for the duration of the class period.
- Start a cultural orientation program to help parents, teachers, and students understand and appreciate the culture of their peers.
- Use art exhibits and performances by students to attract parents to the schools and enhance cultural understanding.

#### **2. *Provide parents the tools to support learning at home***

- Offer workshops, hands-on training, and home visits that train parents how to teach kids at home. Parents can make educational materials such as flash cards and board games at the workshops that they take home and use with their children. Alamo Navajo Community School provides excellent examples of effective programs:
  - Parents and Teachers as Partners Program – regularly scheduled meal shared by teachers and parents including a workshop on language/math skills development, reading, cooking with children, etc.

- Parent-Teacher meetings and open houses are scheduled at the same time as other community events (e.g. sports events) to attract more parents
- Bilingual home school liaisons make about 25 home visits per month to personalize school communications

**Strategy Two: Promote the value of quality education within the community. Turn Pre-K - 12 education into a “cause” around which the community can rally.**

**Action:**

**1. Launch an internal marketing campaign to inform parents (and students) about the value of Pre-K - 12 education.**

- Each school should adopt a program aimed at keeping parents informed about school events. Consider the following examples that have worked for other communities:
  - Weekly take-home folders that include a parent participation sheet, information on upcoming events, recent curriculum activities, and graded tests. Parents sign and students return to school. One single format could be developed for the Santa Fe School District- with easy ways for each school to customize it. Ideally, take home information would be available in both English and Spanish.
  - Ask for parent volunteers to serve on a phone chain to call other parents with updates about school events, get feedback, and answer questions.
- Create a series of public service announcements aimed at instilling the value of public education in Santa Fe residents.
  - Work with school district to assign an internal marketing task force that meets for six months to one year. The task force will be responsible for organizing and overseeing the communication campaign. Task force members should include: representatives from the local school district, the parent-teacher organizations, education-related non-profit organizations, Santa Fe Community College, and other workforce service providers.
  - The internal marketing task force should seek a local advertising or public relations agency that will provide services pro bono or for a reduced rate.
  - Funding for the communications campaign could come from grants from local, state, or national education-related non-profit organizations and foundations.
  - Announcements should be based around a central theme, but available in various media forms, including radio spots, newspaper advertisements, posters and fliers, or television spots. Both English and Spanish language announcements are necessary.
  - Possible themes include: (1) the importance of staying in school; (2) opportunities for high school graduates other than attending a four-year university; (3) how students can help their families even more in the long term by continuing education or training after high school; (4) post-high school work, training, and education opportunities located in Santa Fe to retain young people; (5) the

benefits of investing in Santa Fe's schools to residents who do not have children in the school system.

- Start a school-by-school campaign to show middle school and high school students the range of alternatives to attending a four-year university.
  - Ask representatives from Santa Fe Community College, apprenticeship programs, SER Jobs for Progress and non-profit organizations to present their programs / non-university alternatives during classes or at after-school events
  - Ask representatives from Santa Fe Community College, apprenticeship programs, SER Jobs for Progress, and non-profit organizations to compile a short, easily understandable brochure on the programs they offer to high schoolers and recent graduates. Provide this brochure to all high school and junior high school guidance councilors. Place in locations where students congregate: libraries, after-school hangouts, shopping malls.
  - Over time, develop a Web site containing resources for non-university bound youth. The Web site should contain information about non-college options, links with training organizations, apprenticeship programs, and the community college. It could also contain job postings.
- Launch an Annual Education Day, a one-day outreach and educational event at which parents, teachers, non-profits, and community leaders share information about local schools, programs, services, and successes. The event could provide training to parents about how to continue the educational process at home.

Possible Funding Sources for Pre-K - 12 Education Improvements

- G&T Dropout Demonstration, Indian Health Services, Title IX
- Parent-Teacher Organization fundraising  
<http://www.ptotoday.com/fundraising.html>
- US Department of Health and Human Services GrantNet  
<http://www.hhs.gov/grantsnet/>
- State of New Mexico Department of Education  
<http://164.64.166.11/fedpro/programs/index.html>
- Edna McConnell Clark Foundation (<http://www.emcf.org/>)
- This site contains links to several good drop-out prevention programs:  
<http://www.dropoutprevention.org/resource/grant/funding.htm>
- The Foundation Center is a good overall Web site for researching grant funding available in the U.S. for a wide variety of causes. Their education page is at  
[http://fdncenter.org/research/grants\\_class/taxb.html](http://fdncenter.org/research/grants_class/taxb.html)

Other resources:

- This site contains a listing of and links to a variety of non-college options for high school students:  
[http://www.nohum.k12.ca.us/ahs/career/non\\_col.html](http://www.nohum.k12.ca.us/ahs/career/non_col.html)

**Goal Two: Educational and workforce development programs will be well coordinated and in tune with the needs of the city’s targeted business sectors.**

The recommended targeted business sectors will determine more than Santa Fe’s audience for its marketing efforts. Rather, the needs of targeted business sectors should drive the infrastructure that Santa Fe develops, the business climate that it fosters, and the workforce development and educational programs that it supports. Economic development efforts will be most successful if all aspects of community development are in tune with targeted business sectors’ needs and are well coordinated.

To target workforce development programs and educational programs, it is important to first understand the skill sets that are required by Santa Fe’s targeted business sectors. The *Target Industry Report* provided a list of each targeted business sector’s predominant occupations. The end of the workforce development recommendations section of this report (page 24) contains a table summarizes the workforce needs of Santa Fe’s target industries and illustrates how they overlap with one another.

In the following section, we offer recommendations for programs at Santa Fe Community College that would help the College, and the community, better train people for targeted business-appropriate occupations. These programs also provide opportunities for Santa Fe residents of all skill levels to improve their education and become better qualified for the city’s targeted business sectors.

**Strategy One: Develop an inventory of all workforce training and college programs in Santa Fe that prepare individuals for skills demanded by the city’s targeted business sectors.**

During public input sessions, one predominant issue that emerged was the difficulty in finding information on workforce development and educational options. Individually, while the community college, College of Santa Fe, the Institute of American Indian Arts, St. John’s College, University of Phoenix, one-stop center, and not-for-profits offer good information about their own programs: no single source of information is currently available.

To involve all Santa Feans in workforce development and education, this single source of information should be available in both print and on-line formats, and available in both English and Spanish.

**Actions:**

**1. *Develop the inventory and make available in print and on-line formats.***

- The inventory should contain a listing of programs. Within each program, include information on eligibility requirements, cost, time required to complete the program, and possible career tracks for individuals completing the program.
- The on-line inventory should allow users to sort based on all criteria: by eligibility requirements, by time to complete and cost, and by potential career tracks.

- Ensure that the inventory's Web site address is simple and memorable. (The inventory could also be made available on SFEDI's Web site. <http://www.sfedi.org/workforce>, for example.)
  - Distribute the inventory and Web site address to a wide range of organizations in Santa Fe, including: One-Stop Centers; local high schools; Santa Fe Community College; the City of Santa Fe; local libraries; faith-based organizations, and; non-profit organizations.
- 2. *Begin a series of informational sessions on workforce training options in Santa Fe neighborhoods and community organizations.***
- Community outreach may be a more effective way to provide workforce service information to Santa Fe residents. Plan a series of informational sessions at local schools, faith-based organizations, and recreation centers.
  - Ask attendees to fill out a brief survey to determine their educational and employment background.
  - Bring one-stop shop employees to the event to provide one-to-one counseling on career opportunities.
  - Follow up with attendees after the session to provide them with additional information. Review survey responses to estimate what services may be more appropriate for each individual, and use this profile to determine the most appropriate course of action.

**Strategy Two: Closely connect local Workforce Development One-Stop Centers with economic development efforts.**

**Actions:**

- 1. *Train One-Stop Center employees on the occupational and skill needs of Santa Fe's targeted business sectors.***
- 2. *One-Stop Center career councilors should direct clients to programs at Santa Fe Community College and other workforce service providers that train workers for targeted business sectors' skills.***
  - Core skill requirements for all targeted business sectors fall into several broad categories, including computer training, design skills, creative skills, small business management, and hospitality.
  - One-Stop Centers should utilize the inventory of targeted skills programs as a tool to assist their clients.
- 3. *Widely promote One-Stop Center services across Santa Fe. Local residents may not be aware that those services are available.***
  - Links to the One-Stop Center and future inventory of targeted businesses' training program Web sites should be widely available on all major community Web sites; including, for example, the City, County, Chamber of Commerce, SFEDI, Santa Fe Community College, public schools, and non-profit organizations.
  - Include the One-Stop Center (<http://www.dol.state.nm.us/wdc15.htm>) and/or targeted businesses' training programs Web site in the (earlier recommended) public service announcements. Consider simplifying the

Web site address to Santa Fe's One-Stop Centers.  
([www.santafejobs.com](http://www.santafejobs.com), [www.worksantafe.com](http://www.worksantafe.com), or [www.traintowork.com](http://www.traintowork.com))

**Strategy Three: Enhance Santa Fe Community College (SFCC)'s existing programs and start new programs aimed at the needs of Santa Fe's targeted business sectors.**

### **Actions**

#### **1. Target SFCC programs around the design industry.**

- The SFCC's campus plan calls for building a performing arts facility on campus. The facility should include a multi-purpose auditorium for theater and musical productions, exhibit, and studio space. Invite the community to utilize the center for Santa Fe film and music festivals, and offer free shuttles to auditorium from downtown during those events.
- Develop a core "design curriculum" that serves all design-related majors.
  - Currently, programs in interior design, introductory architecture, studio arts, and fine woodworking, for example, share similar skill sets.
  - The core design curriculum starts all design-related majors with the same coursework. Electives are used to refine the individual's skills into specific design fields as they progress through the program.
  - The core curriculum helps students engage with other creative individuals and provides them with a set of design skills that are transferable between industries.
  - Illustrate the new economic development marketing theme at the new performing facility by incorporating the theme "Creative Spirit of Santa Fe" into its design.
- Adopt a new curriculum / professional development courses to train film crews and pre- and post- production workers.
  - Identify what infrastructure is needed to support Santa Fe's burgeoning film industry.
  - Meet with Garson Studios and other local film support businesses and ask them what services / training they would like to see emerge at SFCC.
  - The curriculum should be coordinated with advanced film support courses offered at the College of Santa Fe.
  - Explore the potential for SFCC to host a pre- and post-production house. The center would provide on-the-job training for students and would be a valuable resource to professional film crews coming to the Santa Fe area. Between the SFCC, the College of Santa Fe and private business, a full range of pre- and post-production facilities should be available in Santa Fe.

#### **2. Create innovative programs for the hospitality industry.**

- Connect SFCC's hotel and restaurant management and culinary arts programs to growing needs in the film industry. Set catering and limousine services, for example, could be provided to film crews through the community college, providing students with good on-the-job training experience and would meet a demand.
- SFCC could develop a small hotel and restaurant next to the campus.

- Room rates and meal prices would be offered at a discount.
- The hotel and restaurant would employ students, providing training ground for hotel and restaurant management and culinary arts students. It could also offer guests alternative health care and spa services, which could be provided by individuals just entering the field.
- The design of the hotel should integrate water and energy conservation technologies and allow students to contribute to its design.
- Clients of other workforce training providers, such as SER Jobs for Progress, could also work at the SFCC hotel “incubator.”
- If a SFCC hotel “incubator” is not feasible, develop an intensive internship program with local hotels, restaurants and caterers.

**4. *Develop curricula that help Santa Fe become a water and energy conservation role model for other cities.***

- Create a water conservation curriculum.
  - The curriculum would combine water policy studies, a knowledge of water conservation techniques, and tools for students to design their own water conservation methods / technologies.
  - SFCC could reserve space on or off campus for a light manufacturing center or laboratory in which students could develop their own water conservation products.
  - Connect the program to the SBDC so that students with good business ideas can receive entrepreneurial support.
- Adopt an alternative fuels curriculum.
- Professors and students of the program should offer free community workshops that instruct homeowners, business owners, and Pre-K - 12 students about simple methods of conserving water and energy. This EPA Web site provides a good starting point for established curricula: <http://www.epa.gov/teachers/curriculumconservation.htm>
- Encourage local real estate developers and businesses to engage students of the program in design of future developments. As part of the curriculum, require one class in which students form teams and are assigned to local businesses and developers to develop an innovative water or energy conservation technique for their facility.
- Examine top conservation curricula at other US community colleges as models for the SFCC program. This link contains a ranking of the top 50 conservation and natural resource programs at communities and universities across the U.S. <http://www.ccweek.com/top100/pdf/2001/topassoc-9900-cons&rnr.pdf>
  - Tailor Santa Fe’s program to the needs of water conservation and alternative fuels.

**5. *Enhance software and information technology classes to meet the needs of Santa Fe’s targeted business sectors.***

- Survey or organize a forum of Santa Fe bioinformatics and other information technology companies. Ask these businesses to describe the types of workers that they need. Ask them to participate in designing an ideal curriculum for an Associate’s Degree and continuing education programs.

- Entice individuals with high tech skills to serve as part-time instructors. The Community College has a difficult time offering the high salaries demanded by individuals with high-tech skills and computer science knowledge, yet Santa Fe has a large population of these individuals. Rather than seeking full-time professors, ask young professionals and new retirees to teach one class per semester.
- Build computer training programs that teach desktop publishing, commercial design, film and sound editing, graphic design, and animation. These courses can be offered as part of a formal Associate's Degree curriculum and continuing education. These skills will be in demand by Santa Fe's targets, particularly in the arts and culture, design / film, and publishing and new media fields.

**Strategy Four: Ensure that the four-year and graduate colleges and universities in the region, e.g. the College of Santa Fe, the Institute of American Indian Arts, St. John's College, the University of Phoenix and branches of Highlands University and UNM, are kept up-to-date and involved in economic development.**

**Actions**

- 1. Inform the four-year and graduate colleges of the workforce needs of each targeted business sector.***
  - Identify degree programs within each College that fit with target business requirements.
  - Include a description of these degree programs within future economic development marketing efforts
- 2. Work with the four-year and graduate colleges to retain graduates in Santa Fe.***
  - Each semester, meet with students within those degree programs to inform them of the opportunities within Santa Fe for graduates of their programs. Ask local target sector business executives to speak to the students.
  - Ensure the College's career placement centers are fully aware of job opportunities within Santa Fe.
  - One to two times each year, speak at a faculty meeting at all three colleges. Inform professors of economic development activities. Give them information about Santa Fe that increases the attractiveness of the community to 18-25 year olds.
- 3. Invite representatives from the four-year and graduate colleges to participate in prospect visits.***
  - When economic development prospects come to Santa Fe, invite College representatives to meet with the prospect or organize a brief tour of the Colleges' campuses.
- 4. Invite representatives from the four-year and graduate colleges to participate on economic development-related committees and task forces.***

### Occupational Comparison of Santa Fe's Target Industries

Major Occupations	General Work Skills Technical	Industry						
		Art and Culture	Design	Hospitality	Conservation Technologies	Software Development	Publishing and New Media	Outdoor Gear and Equipment
Actors		■						
Administrative support	■		■	■	■	■	■	■
Architects			■	■				
Art directors			■	■			■	
Art, drama, and music teachers			■	■				
Assemblers			■			■		■
Bartenders and waiters			■	■	■			
Bookkeeping and accounting	■		■	■	■	■	■	■
Bus, taxi, and other transportation drivers				■				
Cashiers			■	■				
Chemists	■				■			
Chemical technicians	■				■			
Choreographers			■					
Civil engineering technicians	■		■					
Computer programmers	■					■	■	
Computer software engineers	■					■	■	
Computer support and technicians	■					■		
Customer service representatives			■	■	■	■	■	■
Desktop publishers				■			■	
Editors			■					
Electrical engineers	■							■
Environmental scientists	■				■			
Film and video editors			■				■	
First line production managers								■
Food preparation, chefs			■	■				
Freight movers and handlers				■				■
General operations managers	■		■	■	■	■	■	■
Graphic designers			■	■				
Hotel desk clerks				■			■	
Inspectors, testers, sorters					■			■
Jewelers, precious stone, and metal workers			■	■				
Job printers				■			■	
Machine operators	■		■	■	■			■
Management analysts						■		
Maids and Housekeeping				■				
Maintenance and repair workers				■				
Mechanical engineers	■							■
Musicians and singers			■					
News analysts, reporters, writers				■			■	
Office clerks	■		■	■	■	■	■	■
Packers and packagers, hand								■
Prepress technicians and workers	■		■				■	
Printing machine operators	■		■				■	
Protective services / security				■				
Recreation workers			■	■				■
Reservation ticket agents and travel clerks			■	■	■	■	■	■
Sales managers and representatives	■		■	■	■	■	■	■
Self enrichment education teachers			■					
Sewing machine operators	■							■
Shipping and receiving clerks								■
Teacher assistants			■					
Telemarketers				■			■	■
Tour guides and escorts				■				

*Represents 2% or more of an industry niche's total occupational composition.*

*Source: Occupational Employment Statistics, Bureau of Labor Statistics*

## 2. Entrepreneurship

**GOAL: Infrastructure, capital, and educational resources for entrepreneurs will be well networked both at the local and state level.**

A critical aspect of building sustainable economic competitiveness is linking economic performance to social cohesion. The stimulation of entrepreneurship through the formation and development of new commercial businesses and social enterprises can play a key role in creating a diversity of new jobs and bridging the gap between income levels and cost of living. The entrepreneur in the community is a primary contributor and mobilizer of resources to develop the economy, a provider of employment for others, and a stabilizing factor in the society.

Improvements to the entrepreneurial climate, both in Santa Fe and the state of New Mexico, will benefit not only potential business owners, but also the small businesses that are already in operation. An entrepreneurial climate is well suited for Santa Fe's creative, independent-minded population.

AE recommends that entrepreneurship drive all future economic development activities for the following reasons:

- Entrepreneurial activities are a productive outlet for energies of enterprising and enthusiastic people.
- Small businesses create jobs at relatively low capital cost and low environmental impact, especially in the fast-growing service sector.
- Small businesses develop a pool of skilled and semi-skilled workers who are the base for industrial expansion.
- Small businesses are a source of innovation in products, services and techniques.
- Entrepreneurs can contribute new ideas to economic development initiatives.
- Small businesses serve a social function by creating career opportunities and upward social mobility, and by preserving, in many instances, a set of values.
- Provide information at One-Stop Centers related to entrepreneurship as a career option – linking One-Stop Centers to local SBDC, providing “guide to starting a business in Santa Fe” at one-stop center.
- An entrepreneurial approach to economic development also benefits larger businesses that will be attracted to Santa Fe's unique character.

Small businesses are currently the crux of the Santa Fe economy, and local leaders should support them. The following section offers recommendations for boosting entrepreneurship and small business growth in Santa Fe.

**Strategy One: Financially support Santa Fe’s business incubator. Help the incubator expand by offering more customized business resources. Help start-up companies by linking them into local and state financial capital.**

**Actions:**

**1. *Expand the Santa Fe Business Incubator to provide business resources appropriate to the targeted business sectors.***

The most successful business incubators are those that provide more than just reduced rent office space and furniture for tenants. Like the current Santa Fe Business Incubator, they combine office space with knowledge – such as an SBDC office or other mentoring organizations - and are closely connected with local community colleges and universities. They provide first-rate telecommunications infrastructure, conference facilities, business services, and shared laboratory or manufacturing space. A good incubator will become a gathering place for the community for after hours networking events.

The Santa Fe Business Incubator should also expand its connection to professional business services firms. For example, the incubator could assign volunteer task forces of service providers (e.g. comprised of one accountant, one attorney, and one marketing/advertising firm) to mentor companies during their time at the incubator. This benefits the companies as well as the volunteers, who can view their work with the incubator as business development. Marketing assistance, in particular, should be offered to incubator companies. Assistance should come from local advertising or marketing agencies that offer their services at a pro-bono or reduced rate, or by teams of students from SFCC or the College of Santa Fe.

**2. *Lobby State legislators to pass the current proposed legislation (embedded within the SBDC bill) to certify incubators and to match funding from the State to local incubators.***

- The successful Santa Fe Business Incubator could serve as a model around which other incubators in New Mexico could be developed.
- Incubators should be used as a place that sets standards for small business development.
- The network of certified incubators could serve as a funnel of investment opportunities for the New Mexico Venture Capital Fund as well as serving as a built-in system of due diligence for State investment.

**3. *Work with the State, UNM, the Santa Fe Business Incubator, SFCC-SBDC and SCORE to set up an entrepreneurship one-stop shop center similar to workforce development centers.***

- A one-stop shop entrepreneurship center would offer the same coaching and information services such as an SBDC combined with the business incubator services of the Santa Fe Business Incubator.
- The one-stop shop should be established in a central location to provide the greatest access to all Santa Fe residents.

**4. Establish a Small Business Enterprise Director within the Community Development Division.**

- This individual should be responsible for: overseeing the entrepreneurship center; working with the SBDC and Incubator in keeping the community informed about how to start a company in Santa Fe; promoting Santa Fe as a good location for entrepreneurship; working with SFIBCA on creating a strong “buy local” campaign; developing and maintaining a searchable on-line inventory of all entrepreneurship resources in the region; and helping entrepreneurs and local small businesses navigate City processes and regulations.

**5. Establish an arts incubator at a central location in Santa Fe.**

- The campus should be home to a variety of related activities, with educational programs at the core. Other activities that should be co-located within the facility include: office space for professional arts organizations and guilds; studios; exhibit space; retail shop for selling art. In the future, the campus could also contain loft apartments, a café, and an entrepreneurial resources center.

**Strategy Two: Make information and training about starting businesses widely available. Celebrate entrepreneurial success stories as inspiration to potential entrepreneurs.**

**Actions:**

**1. Involve The Santa Fe New Mexican in covering success stories of local business startups.**

- Potential entrepreneurs will find inspiration from other individuals who have successfully started businesses.
- Celebrate the success of local small businesses by featuring them in local news publications. Propose a schedule of small businesses to feature each month to make it easier for The Santa Fe New Mexican.

**2. Santa Fe’s numerous non-profit organizations are entrepreneurial businesses. Provide these organizations with good information to help them increase their financial capacity.**

- Numbering almost 500 in Santa Fe, non-profits make up an important part of employment and activity in the community.
- Non-profit organizations should be viewed as entrepreneurial small businesses.
- Provide information to non-profits to help them learn how to increase their financial capacity.
- Fund a series of 501c3 training seminars that train managers of non-profits how to be better business people. There are numerous consulting companies that provide non-profit training, as well as on-line guides that provide non-profits with helpful business tools. Check out sites such as: [www.onPhilanthropy.com](http://www.onPhilanthropy.com); [www.npguides.org](http://www.npguides.org); or [www.charitiesusa.com](http://www.charitiesusa.com) which links non-profit to service providers across the U.S.

- Encourage participation in *NGO New Mexico*, New Mexico's central non-profit business association.
  - Collaborate with *NGO New Mexico* to sponsor monthly networking and training events. The training events should be the main vehicle for distributing information about how to make a non-profit profitable.
  - *NGO New Mexico* could create a Web site listing all non-profit organizations, sortable by their service, and containing links to and contact information for each organization's Web site. Examine sites such as [www.GuideStar.org](http://www.GuideStar.org) and [www.envirolink.org](http://www.envirolink.org) as examples of structuring a database of non-profit organizations.
- 3. *Develop a single Web site containing an inventory of Santa Fe's entrepreneurship resources. Make the Web site name simple and memorable. Market the Web site address across the community.***
- The Web site could be developed and maintained by several organizations, such as the Santa Fe Incubator, SCORE, the SBDC, or the (possible future) entrepreneurship one-stop shop.
  - Possible Web site names: [www.ertools.com](http://www.ertools.com) or [www.santafestartup.com](http://www.santafestartup.com)

**Strategy Three: Motivate Santa Feans to start new companies.**

**Actions:**

- 2. *Streamline the City's permitting process for events, new construction, and new business expansions in Santa Fe.***
- Focus groups, interviews, and surveys have revealed that many businesses and individuals have experienced difficulty from the City in getting permits for new ventures – from construction or expansion of new facilities to permits for small weekend festivals.
  - Santa Fe's permitting process needs to be thoroughly reviewed and compared against the requirements of targeted business sectors.
  - Santa Fe's City government should commit to easing and shortening the permitting process within one year.
  - The City of Santa Fe's Web site should contain a page dedicated to simply outlining the permitting process and providing downloadable versions of permitting applications.
  - The City of Santa Fe's web site should be reliable and offer current and accurate information.
- 3. *Consider waiving permitting fees for small businesses locating in targeted areas of Santa Fe (fees are already waived for certain affordable housing projects).***
- Small businesses are interested in saving money at every possible point.
  - Waiving permitting fees is not a cost, but foregone revenue for the City.
  - Waiving permitting fees for small businesses moving into key areas of the city, downtown for example, will help small businesses and make a statement that the City supports them.

**4. Expand the City of Santa Fe's Small Business Loan program.**

- The Small Business Loan program is an important tool for encouraging the growth of local businesses and companies targeted in this economic development plan.
- Leverage the program with additional state and federal funding.
- Restore the program to its original funding levels.
- Take steps to ensure that the entire community is aware of the program and has easy access to it.
- Provide information about the program in the (proposed) entrepreneur resource center.

**4. Utilize the results of the New Mexico Media Strategy Report to develop a work plan for the digital and new media industry cluster.**

- Look at cities that have fostered the film industry. Identify targeted infrastructure improvements, permitting processes, training programs and other incentives that are geared to the needs of the industry. Draft necessary ordinances to implement those inducements in Santa Fe.
- Austin Film Commission and North Carolina (Advantage West) are models.
- Model a one-stop shop permitting process for the film industry after other good examples, such as Rio Rancho, New Mexico ([http://www.riorancho.org/film\\_industry/#One](http://www.riorancho.org/film_industry/#One)); Film in Florida (<http://www.filminflorida.com/prl/perm.asp>);

**Strategy Four: Keep Santa Fe's existing small businesses strong.**

Santa Fe's future economic health will largely be determined by the amount of local spending at local businesses. Every transaction involving a business outside of the area causes money to leak out of the local economy. While seemingly insignificant when considering a single purchase, the sum of these effects is huge across an economy the size of Santa Fe's. *For more information, see AE's Small Business Report, completed for the Santa Fe Independent and Community Alliance.*

A strong tourism economy and large base of unique cultural assets require that city leaders pay particular attention to the role that small businesses play. Eighty-five percent of all businesses in Santa Fe employ fewer than 20 workers. Of these small businesses, over 90 percent are locally-owned. According to the U.S. Small Business Association, 3,900 Santa Fe companies employ fewer than 20 people. This is almost five times the number of all other companies combined.

The last five years, however, have seen a downward shift in the percentage of independently-owned companies in Santa Fe. Almost all industries experienced a decline in independents' share of both employment and number of establishments. The largest percentage drop was in retail, where current levels of independence (approximately 50 percent of all retail firms) are well below that

of the nation (almost 90 percent) and has dropped 40 percent in the past five years. This industry, more than any other, directly affects households and quality-of-life indicators. The change threatens the local diversity found in Santa Fe shopping and endangers the unique character of the area.

**Actions:**

**1. *Initiate a “buy local” campaign.***

- Support the Santa Fe Independent Business and Community Alliance (SFIBCA).
- Provide funding or other resources to the SFIBCA for launching a “buy local” campaign.
- The campaign should educate local residents and businesses on the importance of buying from other local businesses.
- Each campaign piece should contain a different factoid pointing out the economic and cultural benefit of purchasing products and services from independently-owned small businesses.
- AE’s *Santa Fe Small Business Report* provides data and survey results that support the notion of buying local (prepared for the SFIBCA in November 2003).
- To kick off the campaign, prepare a press release highlighting the results of AE’s Small Business Report. Distribute the press release to local newspapers, alternative magazines, radio stations, and television stations. Print a series of flyers and direct mail postcards highlighting the main points of the study. Ask local business owners and community organizations to post the flyers in their establishments and to mail out the postcards to their clients.

**2. *Make downtown and other Santa Fe business districts more accessible to patrons of small businesses.***

- The City should make supporting the needs of small, locally owned business a goal against which future decisions are measured.
- The best way to encourage residents to buy locally is to make access to independently-owned businesses convenient. Allow for mixed use developments where retail and small service businesses are intermingled among residences.
- Make downtown more pedestrian- and cyclist-friendly. Repair sidewalks so that shoppers and business people have a safe place to walk. Create a network of bike paths and lanes. This will encourage more pedestrian traffic and reduce automobile traffic in downtown Santa Fe. It will improve access to small downtown businesses and encourage residents who may have been frustrated by limited downtown parking to start shopping in downtown again.
- Improve parking in downtown. Struggles with parking often drive shoppers from downtown and towards big-box retail and malls. Offer free parking, enhance existing parking, and provide free shuttles around town. Encourage business practices that make parking less important, like home delivery of groceries and large bulky items.
- During the weekdays, most household shopping occurs after work, between 7 and 10 p.m. Encourage downtown businesses to stay open until 9 p.m. If it is difficult for small businesses to stay open that late

every night of the week, ask shop owners to agree to the same one or two evenings a week in which they stay open later.

- Start a monthly downtown celebration. In Austin, for example, every first Thursday of the month, stores in one shopping district stay open until 10 p.m. The sidewalks are filled with local artists and merchant booths selling wares. Local bands provide live music in the street. First Thursday now attracts more than 10,000 people every month.
- Provide adequate security downtown to help nighttime shoppers feel comfortable.

**3. Identify business, historical and cultural districts that are suitable for economic development initiatives.**

- Recommendations for downtown can be applied to any business or cultural districts.
- Support neighborhood/business events such as the Second Street Experience and explore developing similar events in other districts.
- Initiate planning with two districts per year.
- Link “buy local” initiative to district planning.
- Develop programs that highlight the economic benefits of historic preservation and historic districts.

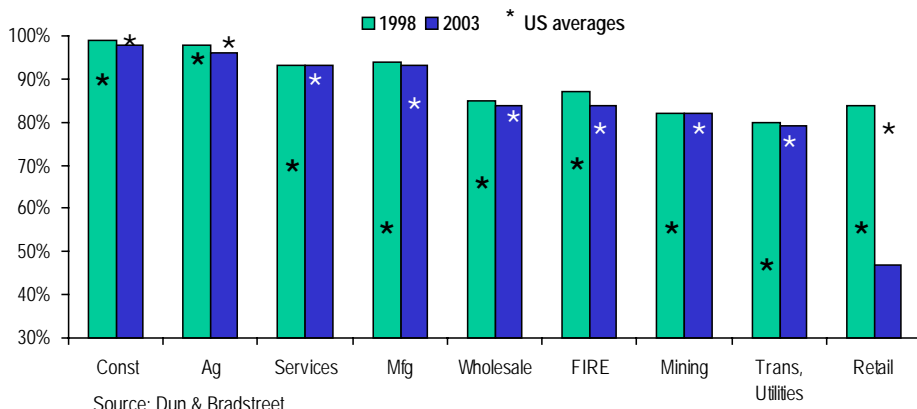
**4. Establish metrics for tracking the success of the “buy local” initiative.**

By determining a set of tangible goals, communities establish clear priorities and are able to assess the performance of their programs, allowing more efficient use of resources. Metrics could include the following:

- *Sales receipts of downtown merchants.* Sales of downtown shops and service providers should increase a minimum of 10 percent each year if the buy local initiative is successful.
- *Percentage of independent businesses in Santa Fe.* For most industries, Santa Fe exceeds the national average in the percent of independently-owned businesses (see below chart). Increasing the percentage of locally-owned retail establishments could become a goal for the city.

**Percent Independent Firms by Industry**

Santa Fe County



- *Percentage of major employers headquartered in Santa Fe.* This figure points to the importance of home-grown successes. These companies tend to be more philanthropic and provide greater

economic independence for the region. The information for this metric could be measured from annual reports of local business activity.

- *Duration of local businesses.* This factor could be measured by counting the number of businesses that were established three years ago and are still in business. This method explicitly measures the ability of local businesses to survive in Santa Fe's economy. Santa Fe will know that it is supporting local, small businesses when the number of businesses surviving longer than three years increases. The City's data on business licenses provides this information.
- *Percentage of companies adding employees in the past year.* Expanding companies are as important to the economic health of a region as new companies. This metric can be easily obtained through government employment statistics and surveys.

## Strategy Three: Sites and Infrastructure

**GOAL: Improvements to sites and infrastructure will consider the long-term needs of Santa Fe's targeted business sectors and small, entrepreneurial businesses.**

When companies are asked to rank the factors that most affect which state or region they select to locate in, workforce and education considerations are the most important, followed by access to customers and suppliers and business climate. The only infrastructure that is often mentioned in a regional context is transportation.

When choosing a specific development location within a state or region, however, the availability of infrastructure grows in importance. As infrastructure is available in almost every city, business prospects will compare a region or city's infrastructure (availability and pricing.)

The reason for the apparent contradiction in the importance of regional infrastructure versus specific sites is that larger areas such as regions or states possess sufficient infrastructure somewhere, so it is not a major corporate consideration until after the general location is picked. Therefore, although not the top priority to get a company to choose a region, once they have chosen the Santa Fe region, it is imperative that adequate infrastructure - water, sewers, streets and mass transit – be available to support business growth and development and that this infrastructure fare competitively with that of another region.

Santa Fe's most significant infrastructure issue (and economic development issue) is the region's water shortage. All economic development activities must consider the area's severe water constraints. The Mayor has stated that "water" is his number one goal and the City is in the process of trying to secure funding for the Diversion Plan, which will address this concern. The purpose of the Diversion Plan is to redirect surface water from the Rio Grande river into Santa Fe. Though the Diversion Plan will provide some relief to the city, preserving water and the area's unique environmental characteristics will be a goal of the city for many years to come. In turn, the target businesses recommended for Santa Fe in the *Target Industry Report*, will be environmentally sound and will require minimal water.

**Strategy One: Take steps to make Santa Fe the water conservation and clean energy capital of the U.S.**

**Actions:**

- 1. Incorporate water conservation and clean energy technologies into the design of all current and future public buildings.***
- 2. Begin an annual student competition for design of water conservation innovations.***

- The winner could receive funding for further development of the innovation, an internship with a local building contractor, or an opportunity to implement it on a test site.

**3. Promote Santa Fe to expanding and relocating water conservation technology companies.**

- The long process of developing the Diversion Plan and tackling the water issue has created a network of local water conservation expertise.
- The desperate water situation provides a good environment in which companies can test new water conservation technologies and techniques.
- Water conservation technology companies locating in Santa Fe will be locating in a market with high internal demand for their products and will, therefore, be in close proximity to their customers.
- Develop a marketing package highlighting Santa Fe's dedication to water conservation, its assets, and incentives.
- Organize a delegation of Santa Fe and State representatives to visit 1-2 communities that have successfully supported water conservation and clean energy usage. Use these trips to learn and to promote Santa Fe to businesses.

**4. Offer incentives for water conservation and clean energy use.**

- Communities around the U.S. are offering incentives to businesses and consumers to adopt clean energy practices. Many utilities already offer their customers rebates or credits for installing energy-efficient equipment for HVAC, lighting, insulation, and windows. In addition, utilities are starting to offer consumers the option to purchase electricity from Green Energy sources such as wind power, solar, and biomass.
- Santa Fe should create programs that promote the adoption of energy conservation while promoting a "buy local" campaign that would attract new clean energy providers to Santa Fe. Credits and incentives for consumers can be tied to their purchase from local suppliers. Santa Fe is an ideal pilot market for several technologies and should do what it can to bring those suppliers to the region.
- Work with State officials to create a package of statewide incentives for clean energy and water conservation companies.
- Good examples include:
  - o Austin, Texas has openly announced its intention to grow the consumption of renewable power and also to promote the development and attraction of clean energy companies and providers. Already, the city-owned utility, Austin Energy, sells 500 million KW-hours to local businesses and consumers and has a goal of fulfilling 5 percent of its energy needs with clean power. In addition, Austin is discussing ways of tying conservation incentives to the use of locally-developed services or products. This connection is the real key to promoting the city's Environmental Technologies cluster.
  - o The state of New York currently offers incentives to both the producers of clean energy and its consumers. By leveraging state funding for energy conservation projects, the state's agency NYSERDA has promoted local job creation. Funding for this program reaches about \$16.5 million per year and funds

approximately 150 projects annually for businesses, municipalities, institutions, and universities. Since 1991, NYSERDA's R&D program has stimulated new product sales of \$200 million for New York companies, created 1,174 permanent jobs, developed 141 new products, processes, or services for commercial use, and leveraged nearly \$2 of funding from outside sources for every dollar invested by NYSERDA.

- o In August 2001, NYSERDA announced the creation of the Saratoga Energy Technology Park, specifically devoted to promoting the development of new, clean energy technologies. NYSERDA, working jointly with the University at Albany and the Saratoga Economic Development Corporation (SEDC), hopes to attract between 1,000 and 1,500 jobs to the Capital Region when emerging, environmentally-friendly energy companies take advantage of the park's resources.

**Strategy Two: Provide better infrastructure and processes to support creative activities.**

**Actions:**

**1. Create a National Center for Arts and Design in Santa Fe.**

- The National Center for Arts and Design will provide a single location in which multiple arts and design organizations could collaborate on projects of national significance. The one-of-a-kind concept would be modeled after national research consortia or laboratories, only with arts, rather than science, as its focus.
- The center would include educational resources, high quality studio space, design-oriented companies and non-profit organizations, exhibit space, and retail.
- The (possible future) arts incubator should become a core component of the Center.
- Consider locating the Center at the Railyards or other central site.
- The Center would invite national and international experts to teach seminars or guide teams of designers and artists on projects.
  - o The Center would provide an environment in which teams of designers or artists could form to, for example:
    - o Bid on architectural design for major projects within the U.S.
    - o Provide creative support to the film industry
    - o Create new artistic works
    - o Provide design services for New Mexico public sector projects
    - o Design unique water and energy conservation techniques
    - o Create a one-of-a-kind program to promote Santa Fe's arts, culture, and design products

**2. Find ways to centralize internet-based information aimed at promoting arts and culture in Santa Fe.**

- Currently, many Web sites – from the Chamber of Commerce to individual galleries – contain information about arts and cultural events in Santa Fe. This is confusing to residents and obscures Santa Fe's image to outsiders.

- Promote links to existing central sites such as santafe.org and nmculturenet.org that are running the statewide calendar of events powered by NM CultureNet.
- Develop one Web site portal for all Santa Fe arts and cultural amenities. Host a contest where local artists and Web design companies submit Web URLs. Promote this contest to the community. Make the Web site name simple and memorable.
- The Web site could contain the following: events calendar; map of galleries and museums; and a searchable database of Santa Fe galleries and arts retail shops by “product” and genre (links to the Web sites of all galleries and shops in the database would be provided).
- Eventually, the Web site could also include a virtual market in which local artists could sell their wares.

**Strategy Three: Partner with Santa Fe County to solve infrastructure and site issues.**

**Actions:**

**1. *Develop a joint City / County strategy focused on the Redevelopment District of the Metro Area Highway Corridor Plan.***

- The Metro Area Highway Corridor Plan was adopted by both the City and County and designates an area to be redeveloped to accommodate economic development around the NM 599 / Airport Road intersection.

**2. *Develop a joint City / County economic development strategy focused on the Community College District to implement programs outlined in this report.***

- The Santa Fe Community College District includes the Santa Fe Community College, housing, and non-residential development.
- The District represents an important outlet for providing more affordable housing to Santa Feans.
- The future development of the District will impact both the City and County.

**3. *Develop a shared City / County business park.***

- Long-term, the City of Santa Fe will run out of developable land for larger business expansions. Most larger businesses will be locating in the County.
- Jointly develop a business park with the County. The City and County will share the cost of infrastructure improvements and land acquisition. In turn, the City and County will share tax revenue that is generated from the site.

**4. *Jointly improve the Santa Fe Airport.***

- The expansion of the Santa Fe Airport will make Santa Fe more accessible to tourists, allow residents easier transportation into and out of the region, and give local companies better travel options.
- A 1-hour or less drive time from an airport is a common site selection requirement for small and large businesses alike. The Airport can

become a major marketing tool for attracting and retaining companies in both the City and the County.

- Upgrade the Airport to Part 139 standards as soon as possible. The Santa Fe City Council should approve the application for Part 139 certification.
- Both the City and County should provide funding for expanding the Airport fire station (shared with the national guard) and upgrading security along the perimeter of the property.

**5. *Develop wireless Internet infrastructure in core population centers in the City and in the County.***

- Encourage local entrepreneurs to develop wireless infrastructure for downtown Santa Fe and countywide in core neighborhoods and future developments such as the community college district.
- The process of wiring Santa Fe with the latest telecommunications infrastructure is already underway. The Santa Fe Light Trail fiber optic network is expected to be completed in 2004. The Plaza renovation (planned to begin in the spring of 2004) will include the installation of a wireless network for the central downtown area of Santa Fe.

**Strategy Four: Approve and construct a new civic center that represents the unique character of Santa Fe.**

The Sweeney Center does not serve the needs of the community and does not convey the high-end image of the city. While the existing facility could be renovated, it is more appropriate that the current building is torn down and a new civic center is built in its place.

The Santa Fe City Council is considering a one percent increase to occupancy taxes and a bond to fund a new civic center. This decision will have an important, positive impact on the City for many years to come. A new civic center will support each Santa Fe targeted business sector while providing a valuable asset to local residents.

Consider the civic center a tool for economic development. It draws visitors into the community. If marketed to the appropriate events, it can attract executives from Santa Fe's targeted business sectors, allowing the City to market on its doorstep. Those individuals visiting the civic center will also spend money in Santa Fe – dining out, staying in hotels, and shopping. Indirectly, these activities inject more money into the local economy and gives a boost to job creation.

As a tool for economic development, and an entry to the city, the design of the new civic center can be used to convey a message. It should embody the city's artistic and cultural heritage, history, and connection to the natural environment. It should reflect the community's strong desire to target the type of higher-end tourist that visits the city. The facility should incorporate modern architectural elements and high-tech equipment into traditional Santa Fe style to help counteract a perception that Santa Fe is unwilling to progress. Finally, the facility should incorporate cutting-edge water and renewable energy technologies to show Santa Fe's dedication to conserving natural resources.

The civic center will benefit Santa Fe's workforce in several ways. First, it creates both direct and indirect jobs. In the beginning, designing, building, and completing the civic center will generate employment. Once construction is complete, entry-level positions will be established in event catering, room set-up, and facility maintenance. Middle- and upper-level positions will be created in audio-visual support, facility management, marketing, and event planning.

In addition to the job impact, the civic center can play another very important role for workforce development. It can provide much-needed, centrally-located space for local workforce training activities. Imagine: A civic center that is fully equipped with the latest in audio visual technology from the central, large auditorium space to smaller classrooms and conference rooms. Not only are these amenities highly attractive to executive level conferences and industry events, but they are also a much-needed resource for local workforce training providers and companies. The community college, the workforce development center, and non-profit workforce organizations could share the civic center for their programs, ensuring that Santa Fe's workforce is being trained in world-class facilities.

**Action:**

***Revisit the proposed civic center design. Ensure that the design adheres to the following guidelines:***

- The new civic center should be designed to appeal to smaller, executive-level conferences. A larger capacity facility will not necessarily lead to a larger indirect job benefit for Santa Fe. As the size of the event gets larger, a higher portion of attendees will either not be able to find hotel rooms in downtown Santa Fe or will not be able to afford them. These individuals will stay in hotels outside of the central district; eat at restaurants outside of the central district (often large chains); and, with so much commuting, have little time to shop at local stores while congesting Santa Fe's roads.
- The true benefit of the civic center is generated when visitors (both from outside events and Santa Fe functions) spend time and money in locally-owned shops, restaurants, and hotels. This injection of money drives business for local proprietors, who then spend their own revenue hiring additional staff, buying locally-made goods, or shopping for themselves. These funds continue to trickle throughout the economy, driving business, and creating new jobs. Smaller, more targeted events attended by executive-level individuals are much more likely to attract attendees who stay in downtown Santa Fe, bring their families, extend their stay, and spend their money with local merchants.
- A new civic center locating in downtown Santa Fe, targeting executive level conferences, and providing attendees technologically-sophisticated audio / visual equipment will allow the City to charge higher rates for use of the facility.
- Santa Fe prides itself on being the "city different;" therefore, the new civic center should radiate what is distinct about Santa Fe. To do so, consider incorporating the following elements into the design of the facility:
  - Arts and culture are the cornerstones of the building design.

- The center includes gallery and / or exhibit space for local artists.
- The center incorporates the latest water and energy conservation technologies.
- The center contains modern elements in combination with traditional Santa Fe style to communicate the City's deep roots yet willingness to progress to the future.
- The center contains high-tech workforce training spaces of various sizes to make the facility truly community-oriented. Consider a facility that, in addition to a large event room (500 person capacity), also contains one large auditorium-style classroom (e.g. 100-200 seats), two-three classrooms (e.g. 30-50 seats), two conference rooms (25-30 seats), and several small breakout rooms (5-10 people).

## Strategy Four: Community Development

**GOAL: Santa Fe's community and economic development activities support an environment that is favorable to (1) talented residents, (2) small, locally-owned businesses, and (3) targeted business sectors.**

The Community Development recommendations offered in this section center on two major topics: improving Santa Fe's business climate and improving the city's quality-of-life amenities, particularly for young and creative individuals.

The most successful economic development regions in the U.S. also contain very high quality-of-life amenities. Quality of life encompasses many attributes, including healthcare, safety, parks and recreation, arts and culture, and environmental cleanliness. A quality environment plays a large part in the choice of young, skilled professionals in deciding where to locate. It also plays a significant role in retaining good citizens.

A high quality of life is also directly connected to the region's ability to attract tourists. Through the choice of investments in quality-of-life amenities, the region will be able to target the specific type of tourist that visits. Tourists should be considered an economic development audience, and they are actual prospects coming directly to you. Ensure that they overlap with the audience you have for your economic development efforts.

One of the easiest ways for Santa Fe to become top of mind for businesses and entrepreneurs in its targeted business sectors is for those individuals to visit the region and enjoy the time they spend there. Therefore, tourist activities should portray a certain image of the city, one that is appealing to those executives and other decision makers. Make sure all tourist attractions showcase the "Creative Spirit of Santa Fe."

### **Strategy One: Adopt a more business-friendly attitude within City departments.**

Santa Fe's unique character has sometimes been a hindrance to business activity. The city is well known externally for its tough ordinances and unfriendly business leadership, characteristics that will damage Santa Fe as it pursues economic development. Even small businesses and entrepreneurs (the city's primary target audience) will not move to a city where it is not welcoming or affordable to conduct business.

#### **Actions:**

##### **1. *Ensure the permitting process is consistent and efficient.***

- During this planning process, numerous businesses criticized the city's permitting process for being too complicated, inconsistent, and time-consuming.
- Consider expediting permits for standard requests. Applying for and receiving permits for, for example, small, after hours or weekend

downtown events should be made as easy as possible with standard application forms and a quick turn around process.

- Be specific and open about permitting requirements. Make this information readily available on City Web sites and in handouts available at City offices.
- Look at other cities' permitting processes for good examples of ways to make Santa Fe's more efficient and consistent.
- Burlington, Vermont's award winning "Doing Business in Burlington" publication offers new and expanding businesses a comprehensive and easy-to-use guide to permitting and city regulations. Sections from this guide are available on the following Web site:  
[http://www.cedoburlington.org/business/doing\\_business\\_in\\_burlington/db\\_b.htm](http://www.cedoburlington.org/business/doing_business_in_burlington/db_b.htm)
- Look at the City of Surrey, located outside of Vancouver, Canada, for a good example of creating a step-by-step guide for local residents on starting their own businesses.  
<http://www.city.surrey.bc.ca/Doing+Business/Business+Development/Starting+Your+Own+Business/default.htm>
- Specifically look at other cities that are fostering the film industry – Los Angeles, New York, Toronto, Austin, for example. How have these cities structured their permitting processes to make it easy for and attractive to film production? Apply these best practices in Santa Fe.

**5. *Strengthen the Small Business Ombudsman Position within the City of Santa Fe offices.***

- The focus of the current Small Business Ombudsman position should be expanded to serve all sizes of businesses.
- The services of the Ombudsman should be expanded to visiting local businesses on a regular basis, listening to their concerns, and reporting back to City officials.
- The Ombudsman should also be the single point of contact for a business having trouble navigating city regulations. He/she should walk businesses through the permitting process and help resolve conflicts between City departments and local businesses.
- The benefits of expanding the role of the Ombudsman are numerous. First, strengthening this position makes a statement that the City is truly interested in supporting local businesses. Second, by regularly visiting with local businesses, the Ombudsman can communicate back to City leaders the current needs of local businesses, giving the City good information on which to base decisions. Finally, it provides a valuable resource to local businesses and helps navigate the permitting processes and acts as a voice for them to City leaders.

**6. *Provide periodic customer service training to City employees who regularly interact with local businesses and residents.***

- Ask the Small Business Ombudsman to lead the customer service training sessions or hire a professional firm to conduct the training.
- Training should include not only customer service training, but also an explanation of Santa Fe's new economic development brand and the role City employees play in economic development.

- A customer service guide containing quick tips on customer service should be developed and distributed among City staff.

**7. Establish incentives that encourage local businesses to expand in Santa Fe.**

- Consider waiving permit and impact fees for local companies that want to expand.
- Incentives should come from both the State and the City, particularly in helping with infrastructure improvements. When Dell was expanding in Tennessee, for example, the State paid 80 percent of the roadway improvement costs while the City of Nashville paid 20 percent.
- Promote incentives to local businesses. Ask the local utility company to help “spread the word” by referring local companies to a Web site with updates on incentives.

**Strategy Two: Santa Fe’s City Council should set broad goals for future development and allow those goals to drive decisions.**

**Actions:**

**1. Invite a moderator to lead a City Council retreat. The retreat should accomplish the following:**

- Identify the positive assets of Santa Fe that cause each individual to feel passionate.
- Identify common threads among all council members. List Santa Fe’s top assets.
- Agree that these common threads represent the essence of the community. Preserving the community’s essence should be the principle that guides all future decisions.
- Set several overarching goals for the city.
- Agree to rules of etiquette among council members that are adhered to in and outside of council meetings.
- Conduct a city council study session prior to each meeting to allow councilors to state their positions on topics that are up for discussion during the upcoming meeting. City Council meetings should not be the first time that councilors hear each other’s positions on topics being addressed.

**2. The first retreat should occur after the spring 2004 election and occur at least every two years, following the election of new city councilors.**

**Strategy Three: Provide greater support to the Community Development Division and Economic Development Section.**

Although only a few organizations in Santa Fe are directly charged with economic development, the community contains many more groups that impact the effectiveness of economic development programs. More than many other communities, Santa Fe is home to a rich diversity of not-for-profit, government, and business organizations, each perceived to have its own unique vision for the

future of the community. The city, and surrounding region, have become polarized into different “camps” of opinions. Each group seems to view itself as being fiercely independent from the others. This often results in a breakdown of internal communication, the very foundation of strong economic development campaigns.

Communication and cooperation in Santa Fe will improve if these various, and seemingly contradictory, opinion groups realize that they have a common bond: their success depends on Santa Fe’s sustained economic health.

Santa Fe’s ability to remain economically healthy is important to every organization and individual in the city and region. For example, while local businesses depend on a healthy economy to create a market for their products, non-profit organizations depend on a strong economy so that they can raise funds from local businesses and residents to keep their programs going. Second homeowners rely on a healthy economy so that their property values are retained and that the City can afford to maintain the quality-of-life attributes that originally attracted them to the region. Ethnic and Native American populations rely on a healthy economy that provides them with job opportunities, a market for their products, and ultimately provides them with income to continue living in Santa Fe. (A complete table of Santa Fe opinion groups and their reasons for supporting a healthy economy is provided in the appendix to this report.)

Improved economic health should be important to every Santa Fe resident and business. Santa Fe’s elected officials should, therefore, ensure that their decisions lead to stronger economic conditions within the city and surrounding region.

A critical component of a healthy economy is ensuring that a strong economic development team serves the City. This team should be supported with financial and staffing resources that provide it the freedom to implement smart, aggressive community development and economic development activities. A strong economic development team will be required to implement many of the recommendations in this strategy. City leaders should view the economic development team as its task force for managing the day-to-day improvement of Santa Fe’s economic conditions.

**Actions:**

**1. Increase funding to Santa Fe’s Community Development Division.**

- Funding should be increased incrementally each year for the next five years. Draw additional funding from the Economic Development Fund.
- Additional funding will be used to do the following:
  - o Expand the Small Business Ombudsman position and responsibilities (described in the Entrepreneurship strategies).
  - o Establish a Small Business Enterprise Director position that will be responsible for setting up and managing an entrepreneurship one-stop shop in coordination with the Santa Fe Business Incubator, the SBDC, and other small business support organizations.
  - o Fund an entrepreneurship resource center. The purpose of the facility is to provide a centrally located office where all Santa

Feans can access a library of helpful information and talk with knowledgeable individuals about starting a business.

- o Increase the City's funding to the Santa Fe Business Incubator (for operations or facility expansions).
- o Provide funding for future incubators, such as an arts incubator.
- Commit funding for a minimum of five years. Longer-term budgets allow the department to conduct better planning and act progressively.

**2. Set specific performance objectives for marketing subcontractors.**

- Continue to set and monitor annual performance benchmarks for marketing contractors.
- Use the marketing recommendations in this report as a guide for establishing performance benchmarks.
- Agree to a three-year or longer contract with the marketing subcontractor. Include terms that allow the city to cancel the contract if the subcontractor repeatedly misses performance benchmarks. Otherwise, do not make the subcontractor re-apply for funding every year.

**3. Clearly define and better coordinate the economic development roles of SFEDI, the Chamber, and the City's economic development team.**

- The Chamber's primary role is that of an advocate organization for existing Santa Fe businesses.
- The Chamber should work closely with the (possible future) business liaison within the City's Community Development Division. The Chamber should introduce the liaison to its members and facilitate meetings between the liaison and local companies.
- SFEDI's role should be external and internal marketing. SFEDI should be responsible for polishing the brand identity and core marketing themes recommended in this strategy and incorporating the brand and themes into its Web site, collateral, and public relations activities.
- SFEDI and the Chamber are both responsible for handling visits by site selectors and potential business recruits. SFEDI should be responsible for managing the prospect's itinerary, while the Chamber should assist in setting up meetings between leading Santa Fe businesses and the prospect.
- Santa Fe's economic development team should be responsible for managing the marketing subcontractor contract, initiating community development activities that will support an overall economic development plan, and facilitating the information flow between City government and local businesses, prospects, and business organizations.

**Strategy Four: Recognize the importance of arts and culture to Santa Fe's economy. Involve arts and culture in economic development.**

Santa Fe's essence revolves around the core of arts and cultural activities occurring within the city. Arts and culture define the city's image and quality of life. Its unique character is founded in its tradition of arts and culture. It is what distinguishes Santa Fe around the world, and it is why creative, intelligent individuals are drawn to the city.

Arts and culture have long been the engine for much of Santa Fe's economic development. Although the "industry" of arts and culture is difficult to define, and even more difficult to quantify, it is undeniable that artistic and cultural activities have a tremendous impact on every aspect of Santa Fe, from its international image to its local products to its workforce skills. Arts and culture are the common threads that run throughout the entire region.

**Because arts and culture have such a large impact on the local economy, it is critical that artists and artistic organizations are invited to participate in economic development activities.** The City must consider the needs of the cultural sector when implementing this Plan. In addition, the City and cultural sector must work together to ensure that the results of the BBER study and the New Mexico New Media Industries Strategy project are incorporated into future activities to grow and promote arts and culture.

**Actions:**

- 1. *Make arts and culture the cornerstone of the new civic center.***
  - Involve local artists in designing the facility.
  - Throughout the facility, integrate space for exhibiting work by local artists.
  - (Additional recommendations have been provided in the Infrastructure section of this strategy.)
  
- 2. *Take steps to ensure Santa Fe's arts and culture will be sustained for generations to come. Ensure that the arts sector is accessible to young people.***
  - Endorse young professionals' arts organizations such as Avant Guard and Intermezzo. Make information on these organizations widely available. Promote these organizations to companies considering Santa Fe as a future business location.
  - Make Santa Fe open and accessible to all New Mexico students. Work with State leaders to initiate a new program in which all New Mexico high school seniors take a senior trip to Santa Fe. The trip would involve a visit to the capital and an introduction to Santa Fe's heritage, artistic and cultural amenities.
  
- 3. *Make Santa Fe's artistic amenities accessible to all Santa Fe residents.***
  - Continue taking steps to make the traditional performing arts more open to the general population, for example, rock operas or free concerts.
  - Ask local businesses to invite local performing and visual artists to perform or display their work at business functions and other community events.
  
- 4. *Increase occupancy tax revenue to support the arts.***
  - Santa Fe provides approximately \$950,000 to arts programs annually.
  - Private foundations fund the bulk of arts and cultural activities in Santa Fe.
  - The city's support for the arts could be increased to support one of many activities, such as funding a future arts incubator or National Center for Art and Design or contributing to the cost of a unified national marketing

campaign to promote Santa Fe's arts and culture to collectors, artists, and cultural tourists.

**Strategy Five: Ensure that Santa Fe maintains an atmosphere that is entertaining and attractive to young, creative people.**

**Actions:**

- 1. *Affordable housing is necessary for retaining young and creative individuals. Make it easy for people to purchase and upgrade their homes.***
  - Continue to offer inducements such as down payment assistance or tax abatements / decreases for individuals within a certain age or income bracket.
  - Consider establishing a fund similar to Austin, Texas' Mayor's Challenge Fund to help young people and people in need of affordable housing to get loans for home improvements and expansions.
  
- 2. *Establish new festivals, expand existing festivals, and widely promote these events.***
  - Santa Fe is an ideal location for festivals, and numerous festivals already take place each year.
  - Festivals help create an entertaining atmosphere in Santa Fe. They provide entertainment for residents from all socioeconomic backgrounds. They also attract people from outside of the region and are, therefore, a good marketing tool for the city.
  - Standardize permitting process for event organizers. Be expedient in responding to their requests.
  - Waive the permit requirement to play music on the plaza.
  - Bolster the annual jazz festival and film festivals. These two events have potential to draw an international audience.
  - Support the new International Folk Art Market. Make it an annual event that compliments Indian Market and Spanish Market. This has the potential to grow to be another important event that extends the tourism season.
  
- 3. *Start an annual winter sports competition for college students in Santa Fe and the surrounding region.***
  - Seven colleges are located in the Santa Fe area. Initially start the competition for students at these colleges.
  - Within five years, begin inviting college students from all New Mexico colleges.
  - Within ten years, begin promoting the competition nationwide.

## 5. Marketing and Public Relations

**GOAL: Santa Fe will engage in a targeted marketing campaign to create local and national awareness of the city as a place to do business.**

Santa Fe faces two marketing challenges. First, the City faces internal communications issues. Throughout this report, we have recommended ways to consolidate information sources about educational, workforce development, entrepreneurship, and economic development activities to make it easier for Santa Fe residents to access. In this section, we recommend techniques for spreading the word about why improved economic conditions benefit all Santa Feans.

Outside of the region, Santa Fe is faced with another issue. While Santa Fe is well-known throughout the world for its southwestern style and arts, little is known about Santa Fe as a business location. The external marketing recommendations in this section are designed to provide the city with a more business-friendly appearance to outside businesses and entrepreneurs. We have suggested a new brand theme under which Santa Fe can promote itself to business investors. The brand theme we recommend ties closely to the city's arts and cultural strengths and existing tourism promotions.

Santa Fe has many opinion groups that serve as a good starting point for addressing internal communication problems. As discussed throughout this report, before the city can launch an effective economic development campaign - whether its focus is local entrepreneurship, expanding current businesses, or recruiting new ones - all organizations related to economic development must commit to a single strategy for the community. Communities benefit from a well-orchestrated marketing strategy that is managed by one organization.

Once Santa Fe opinion groups improve communication and collaboration, the city will be ready to market within the community. Internal marketing informs citizens and business leaders of the economic development vision and trains individuals to promote the community with a single message, rather than numerous ones that may dilute or confuse the core message. Internal marketing builds local awareness and buy-in so that when Santa Fe markets outside of its region, it has a strong team in place to augment its message. The most effective communities not only have a well-integrated economic development organization leading the marketing efforts, but they also have hundreds of community ambassadors as part of the team.

The use of local media and personal meetings are good avenues for “building local awareness.” **With strong internal support, the chances of successful external marketing increase considerably.**

Once Santa Fe succeeds in its internal marketing efforts, it should incorporate external marketing activities aimed at growing targeted businesses and entrepreneurial activity. External marketing, for most communities, should begin one to two years after internal efforts have begun. The trick is then to balance

both internal and external activities to get the most return – awareness and business.

**External marketing is vital to diversifying an economy.**

It can significantly improve a community’s economic health by creating new, higher paying jobs and increasing the tax base. For communities today, it is important to have a Web site as primary collateral and to also have material to distribute at conferences and meetings. An integrated approach to external marketing that includes the right combination and frequency of word-of-mouth, publicity, and personal meetings is the key to successful marketing.

For the city and surrounding region to retain local businesses and cultivate prospects for economic growth, a more proactive targeted campaign is required.

Strong marketing activities will help accomplish the following economic development goals:

- Improve internal knowledge of the resources that are currently available in the city for residents seeking education and training, for expanding businesses, and for potential entrepreneurs.
- Improve external knowledge of Santa Fe as a top location for young, creative individuals and innovative businesses.
- Increase the number of businesses approaching SFEDI, the Chamber, or the City for information about expanding their business in Santa Fe.
- Cultivate target businesses, helping them create new jobs at all skill levels.
- Increase the amount of positive, national and international publicity that Santa Fe receives.

*AE is providing a Marketing Guide (MG) that contains information to assist Santa Fe in implementing the economic development strategies over the next five years. It is meant to be used in conjunction with this report and specifically to support leaders who will execute the marketing campaigns.*

**Strategy One: Establish specific marketing roles for each organization currently involved in economic development.**

The strong opinions, energy, and culture of activism in Santa Fe should become the foundation for unified change and new direction. All Santa Feans have a common goal for their city: **to retain the qualities that make it unique by creating a vibrant and healthy economy.**

Santa Fe is fortunate to have several organizations marketing the city. Santa Fe Economic Development Inc. (SFEDI), Santa Fe Chamber of Commerce, and Santa Fe Convention & Visitors Bureau have made tremendous strides in building a highly recognized tourism brand and in cultivating businesses. External marketing activities, however, should continue to be overseen by one

single organization. All other economic development entities should support this entity's marketing efforts and avoid launching other external efforts that could dilute the city's primary marketing message.

For Santa Fe to reach its desired goals, the city must adopt a marketing strategy and provide specific marketing tasks to the single economic development marketing organization (currently SFEDI). Additional funding of approximately \$50,000 will be required to fully implement this marketing plan.

### **Actions**

- 1. The City and SFEDI should adopt the marketing strategy.**
- 2. The City should commit to a minimum of a three-year contract for its marketing subcontractor (currently SFEDI). Provide SFEDI (or other future marketing contractors) with a set budget for as many years as possible under city law. This provides the organization with the ability to focus on marketing rather than continually concerning themselves with contract renewal.**
- 3. Provide the marketing contractor with specific marketing expectations and goals.**
- 4. Tie the marketing contract to the accomplishment of specific marketing objectives. (Recruiting X number of companies per year, for example, is not a realistic marketing objective. Organizing two to three annual marketing missions to other communities, on the other hand, is a realistic marketing objective. Tie objectives to action rather than quantitative results. Action will yield results.)**

### **Strategy Two: Create and adopt a single economic development brand**

Communities that establish an economic development marketing theme that differentiates them have a greater chance of being recognized and trusted. Santa Fe is marketing to build awareness and clarify that it welcomes creative, entrepreneurial people and is a good place for starting new businesses.

Santa Fe should promote a single economic development brand that complements the recognized tourism brand, creates community-wide buy-in and ambassadors, and reaches targeted businesses through a mix of publicity, direct marketing, and collateral. Direct marketing includes one-to-one meetings, targeted electronic campaign messages, missions, and conferences.

To create an economic development theme, AE reviewed Santa Fe's current brands, unique strengths and characteristics, and analyzed target audience requirements. A marketing focus group was also conducted to gain public input. The proposed theme is meant for all organizations involved in economic development-including the City, SFEDI, Chamber and arts and cultural organizations- to use. A logo that communicates Santa Fe's marketing identity and tag line should be developed and incorporated into all print and on-line collateral materials. The marketing contractor should hire an advertising firm to develop professional logos and marketing collateral.



As the *Community Assessment Report*, the first report of this project, states, one of Santa Fe's biggest strengths is its internationally-recognized tourism brand. Several marketing themes and tag lines have been developed and utilized in marketing promotions in the past, including: "Away. To Santa Fe," "The City Different," and "Untamed." These themes, in conjunction with the State's brand, "Land of Enchantment," have very strong and positive connotations. Santa Fe is already known worldwide as being a "different" destination to visit, as well as a place for distinctive culture and arts.

Because awareness of Santa Fe is so high, and its perception is so deeply rooted, the city's business-oriented theme should complement the existing tourism-related themes.

A brand theme conveys "who," "where," and "what" the city offers. Local leaders describe Santa Fe as being "creative" and "spiritual," having a "rich culture," strong "history," and "distinct" personality. These core themes should be communicated through the economic development brand.



Arts and Culture are the cornerstones of Santa Fe's economy, and they also contribute to its exceptional environment. Santa Fe is an economic engine and attractor of creative people. With Arts and Culture, Design, Hospitality, and Software Development being recommended targeted business sectors, and "creativity" being a key descriptor of the city, we recommend that the new brand theme be the "**Creative Spirit of Santa Fe.**"

When tourists think of Santa Fe, they think of a center of culture and world-class art within a beautiful and spiritual setting. It is truly a "different" place. When business leaders think of Santa Fe, they think of a city with outstanding quality of life amenities, a rich heritage, and a diverse workforce. Most business professionals live in Santa Fe because of the rare and special quality of life they enjoy.

Using the "Creative Spirit" theme in every marketing activity that promotes economic development for the City of Santa Fe, will promote the city's most differentiating characteristic and will appeal to the targeted audiences.

A positioning pyramid is a technique used to determine a community's brand theme. It answers three questions: What is the community's product? What are its unique benefits? What does the community represent? This simple tool lays the foundation for a community's marketing communication program. This diagram illustrates Santa Fe's positioning pyramid.



Secondary messaging tailors a statement for a specific audience and dictates audience-related benefits. For information about the site selection needs of Santa Fe's marketing audiences, refer to the *Target Industry Report*, the second report of this project.

**Actions:**

- 1. The City and SFEDI (or future marketing contractor) should discuss and approve the branding theme.**
- 2. The City should ask the future marketing contractor to hire an advertising or graphic design firm to develop a logo and style guide.**
- 3. The future marketing contractor) should distribute the style guide to the City and the Chamber. The style guide should also be made widely available to other community organizations, including schools, not-for-profit organizations, local media, businesses, workforce service providers, and arts and cultural organizations. Encourage as many organizations in Santa Fe as possible to adopt the style guidelines in their own external promotions. The more consistent that Santa Fe's look appears from the outside, the more effective the new business brand will be.**

**Strategy Three: Gain a thorough understanding of the target audience**

Understanding the internal and external target audiences' needs will help Santa Fe's economic development team in crafting effective secondary messaging. A secondary message occurs after initial inquiry (audience has received primary message), touts quality, and provides detailed information that the target audience desires.

It is important for Santa Fe to first understand the needs of internal audiences and inform them of the city's economic development vision. **Local employers, the current workforce, influencers, and entrepreneurs** are key assets for economic development, and recognizing these sectors as a target audience and understanding their needs is sometimes overlooked. The City, SFEDI, and the Chamber should continue to improve relationships with local businesses and provide additional services that can help them to become more successful. Local media and personal meetings are effective mediums for building awareness and demand for economic development services.

Once the City successfully addresses internal audiences' needs, it should become familiar with targeted business sectors. **The target business sectors include: arts and culture, hospitality and tourism, design, conservation technologies, software development, publishing and new media, and outdoor gear and apparel companies.** Identify target business champions, business leaders with expert knowledge of a particular industry. These individuals understand industry players, trends, challenges and opportunities, and they have powerful connections within an industry. They may also be willing

to meet with site selectors, volunteer to speak at events promoting the county, and share industry knowledge with economic development leaders.

SFEDI has already begun organizing regular meetings of executives from its target clusters. These meetings should continue and expand to include industries that are recommended in this study but are not currently target clusters for SFEDI. Santa Fe should have at least three industry champions for each target business. The *Marketing Guide* (a supplemental report included as part of this project) lists industry associations that can be a resource for target business trends and prospects.

Santa Fe can use the targeted messaging and main “proof points” contained in the MG when crafting secondary messaging for marketing communication.

**Each target business** will be interested in the following:

- Extremely high quality of life
- Ample supply of artistic, technical, and scientific workers
- Proximity to customers and manufactures
- Workforce development programs and incubators
- Close proximity (1 hour) to the Albuquerque International Airport

**Art and Culture, Design, and Hospitality** firms will be interested in the following:

- Embedded artistic community and strong local support for the arts
- World-famous art galleries, museums, Indian Market, Spanish Market and flea markets
- World famous performing arts organizations such as the Santa Fe Opera, the Santa Fe Chamber Music Festival and many other music, dance and theater companies
- Educational offerings in performing and visual artistic disciplines through the College of Santa Fe, the Santa Fe Art Institute, and Santa Fe Community College

**Design, Software Development and Publishing** companies will be interested in the following:

- Santa Fe’s image as an artistic and cultural capital of the Southwest
- Santa Fe’s large cluster of software development, film businesses, and publishing companies
- Renowned southwestern culture, architecture, and cuisine
- The successful Santa Fe Business Incubator
- Federal research facilities at Los Alamos, Sandia, and Kirtland AFB are pioneers in many of the world’s most advanced software development fields
- The College of Santa Fe’s Moving Image Arts Department provides students with access to full range of film production experience
- Santa Fe Institute is a pioneer in the burgeoning complexity systems field
- The National Center for Genome Resources is a leader in bioinformatics research

**Conservation Technology** companies will be interested in the following:

- Santa Fe makes conservation a top priority
- Santa Fe's strong local market for water conservation and clean energy products
- Santa Fe's high quality workforce and area research facilities

**Hospitality** businesses will be interested in the following:

- Santa Fe is known as one the top 10 cities in the world to visit, *Travel + Leisure*
- Santa Fe is investing in a new civic center
- Santa Fe has a dedicated bilingual workforce

**Outdoor Gear and Apparel** companies will be interested in the following:

- Santa Fe offers a creative, active, and artistic workforce
- Santa Fe's mild climate and countless outdoor recreational opportunities make it a strong market for product testing
- Proximity to manufactures and suppliers

**Actions:**

1. ***Based on the results of the Target Industry Report, the marketing contractor and its advertising partner should develop an audience profile for each target business. The audience profile will detail the specific marketing technique that will most effectively reach each audience.***
2. ***The marketing contractor and its advertising partner should consider the audience profiles when developing a new logo and collateral and revamping the Web site. The images, messages, and copy contained in collateral must address the industry needs contained in the Target Industry Report and audience profiles.***
3. ***The marketing contractor, SFEDI should work with the City and the Chamber to identify target business "champions."***
4. ***Invite champions to share their industry knowledge and prospects and assist with economic development improvements.***
5. ***Champions may already exist. SFEDI's board members already serve as leaders for each SFEDI cluster industry. These individuals should be involved in the additional target businesses recommended in this strategy.***

**Strategy Four: Gain local media support.**

As mentioned throughout this project, the need to improve communication throughout the city is an immediate priority. Members of the Advisory Committee of the Cultivate Santa Fe initiative have committed to being media champions.

As the Cultivate Santa Fe project is finalized, Advisory Committee members should **kick off an internal press relations campaign**. Media champions should write and "tell stories" related to economic development to local newspapers, radio stations, company newsletters, and Web sites to inform citizens about Santa Fe's vision. It is imperative that local newspapers, radio,

and television stations provide coverage and speak positively about the city's efforts. This will first create excitement within Santa Fe and will then spread throughout New Mexico. Local media is the first avenue for creating local "buzz."

**Santa Fe's internal press relations (PR) campaign** should focus on stories that discuss what economic cultivation means to Santa Feans. Advisory Committee members are encouraged to contribute articles and editorials (and speaking engagements / interviews) on the following topics: "Growing from Within," "Stay in Santa Fe," "Value of Education," and "The Creative Spirit." Communicate the message that, "for Santa Fe, economic cultivation is focusing on activities that improve workforce services, economic health, and overall community cooperation to help local companies succeed and new job opportunities to emerge for all Santa Fe families."

Additional PR campaigns should discuss Santa Fe's vision, characteristics of target businesses, start-up successes, economic development marketing achievements, and community ambassadors. Over time, the City, SFEDI, and the Chamber should host appreciation and celebration events for small businesses that have made big impacts on the economy.

Economic development leaders should focus additional internal marketing efforts on communicating information about actions the City is taking to improve those issues survey respondents rated as "least satisfactory." Among these issues, the cost of living, housing, growth management, and business growth topics should be continuously discussed so that citizens are informed of progress that is being made in these areas. Supplementary campaign topics should include what Santa Fe is doing to preserve the city "different." Local college professors should be asked to write articles and editorials on new college programs that will provide training for target businesses, and leaders from arts and cultural organizations should be asked to write articles on the importance of culture to Santa Fe's economy. The MG provides more detail on PR campaign topics and contains a media list.

**Actions:**

- 1. Following the completion of this report, the City and SFEDI should reconvene the project Advisory Committee. Ask Committee members to volunteer to serve as "media champions." Assign each volunteer with a topic on which they should write an editorial or conduct a radio interview.***
- 2. Ideally, two volunteers will partner on writing the editorial or conducting the radio interview, with each volunteer coming from an "opposite" field. A local real estate developer could partner, for example, with a representative from an environmental conservation organization. By partnering with an opposite, the community will understand that regaining Santa Fe's economic health is an issue that transcends traditional rivalries.***
- 3. Local media champions should help garner local publicity by personally meeting with editorial boards of local news companies. Present the editorial boards with background information on the Cultivate Santa Fe plan and the subjects on which the volunteer teams will be writing.***

- 4. Encourage local media companies to dedicate a section of their paper or broadcast to one or more of the following topics: (1) news updates on Santa Fe economic development; (2) how to start a company in Santa Fe or what resources are available to entrepreneurs; (3) profile of each target business and current Santa Fe businesses in those industries.**

#### **Strategy Five: Launch an internal marketing campaign.**

With strong internal community support, the likelihood of successful external marketing increases considerably. **For Santa Fe, approximately 70 percent of efforts should be invested in internal activities.** The main goal of internal marketing is to inform citizens of economic development efforts and successes, to garner the community's support for the plan, and to act as promoters. It may take up to two years to see substantial impacts from internal marketing, and Santa Fe should continue this effort indefinitely. City leaders cannot expect overnight results.

**Internal marketing began when AE started this project and has occurred each time AE has presented the Cultivate Santa Fe reports to Santa Fe audiences. The next major activity will be the project Roll Out Event in April 2004.** During the event, AE and the Advisory Committee will unveil the new economic development vision, theme, and goals to the community. The roll out event should be used to communicate both the purpose and benefits of the new goals as well as the next steps in the process, and to request support.

**Publicity, promotion, and collateral are the three vehicles recommended to reach Santa Fe's internal audiences.** The goal is to build awareness within each target audience in a quick, cost-effective manner.

**Publicity is one of the best vehicles to cost-effectively reach internal audiences and generate interest.** To reach its target businesses, Santa Fe should strive to appear in publications and newspapers read by these industries. To reach local businesses, Santa Fe should focus on local and regional newspapers, newsletters, and business publications. To reach businesses outside of Santa Fe, concentrate on industry trade, general business, and lifestyle publications. **Within the next year, a professional public relations firm or new public relations position created within SFEDI should be hired to manage this initiative.**

Other ways to communicate to the public include: delivering newsletters, similar to what is currently done by the Santa Fe Chamber of Commerce; posting news in church bulletins, high school and college papers, regional business journals, on community Web sites and at local business establishments. For instance, SFEDI could create banners with the new logo and Web site address that local establishments can post so that their clientele is informed of the new message and is directed to a Web site to get more information.

A "media outreach" is another PR service SFEDI should consider. It provides economic development leaders with a target media list, press pitch content, and

a distribution list. An excellent PR activity that gains awareness is a bylined article, which incorporates both press stories and advertising into one activity. Lastly, since economic development leaders are in the public eye, it is wise to consider press communication skills training, which teaches individuals how to work with reporters to get the most from your marketing investment.

Being rated by *Travel + Leisure* in August 2003, as the Top 10th World's Best City, is an outstanding accomplishment. This is a strong start to generating awareness with many of Santa Fe's targeted audiences – both internal and external.



**Promotion** includes spreading information by word-of-mouth and through one-to-one meetings, attending regional industry events with local businesses, speaking at business networking events with key influencers, forming relationships with regional economic development teams to sell Santa Fe as a place to do business. It also includes calling prospects to provide information on Santa Fe's unique business climate, available business park space, and the benefits of operating or expanding a business in the city.

The primary **collateral** piece used to promote Santa Fe should be SFEDI's Web site. By revamping the Web site to contain the new marketing message, this can be a strong piece to reach both internal and external audiences. The current Web site offers relevant content for most of the defined target audiences. Santa Fe should ask local businesses to mention the Web site to employees via local business Intranets and in their corporate marketing material when appropriate. These efforts will help build awareness.

SFEDI should consider adding or updating the following components on its Web site:

- Economic and Industry Information
- How to Start a Business in Santa Fe
- Local Company Database
- Sites and Business Parks
- Economic Development Projects
- Job Postings
- News Wire
- Local Company Testimonials
- Quality of Life
- Incentives and Permitting
- Annual Report

The MG provides an explanation of each of these components and also includes examples.

**Actions:**

1. ***The City and the marketing contractor should review and approve the internal marketing recommendations offered in this report.***
2. ***Identify local volunteers to assist with implementation.***
3. ***Ask individuals from the community with a passion for economic development and Santa Fe's future to volunteer and join the marketing team.***

*Please refer to the MG for more detailed recommendations on internal activities.*

In 2004 and 2005, SFEDI should implement activities that increase local awareness and improve internal communication. Local campaign ideas are provided below:

#### **1. Publicity**

- a. Education – “Stay in Santa Fe,” “Value of Education,” “Take Home Computer Program,” and “Make & Take High School Learning Tools Program.” SFEDI should involve local Pre-K - 12 schools and SFCC in this internal communications campaign.
- b. Workforce Development – One-Stop Shop for workforce training and new workforce development program Web site
- c. Entrepreneurship – New Web site database of Santa Fe’s entrepreneurial resources, business incubator expansion, and creation of a Santa Fe arts incubator
- d. Local business success stories – Feature a new company in each issue
- e. Local Businesses – “Buy Local” campaign
- f. Tourism – Address the issue of the importance of tourism to a healthy Santa Fe economy
- g. New Marketing Strategy and Message – Showcase the new brand theme, logo, and new collateral
- h. Press Relations - Conduct training on working with the media, negotiate for reduced rates and budget \$30,000 a year to hire a PR firm.

#### **2. Collateral - Web sites**

- a. Revamp the marketing contractor’s Web site to incorporate new marketing theme (logo) and targeted messaging (*cost of approximately \$10,000*).
- b. Assist other economic development-related organizations in incorporating the new logo (and marketing style) into their own Web sites.
- c. Encourage other economic development-related organizations, hospitality businesses, and on-line arts and cultural resources to include a link to SFEDI on their Web sites.
- d. The City and marketing contractor, together with local economic development-related organizations, should develop new Web sites that are mentioned throughout this strategy. New Web sites would include:
  - i. An Arts & Culture portal to link all local artists’ Web sites and act as a central resource and listing of festivals and events
  - ii. A Santa Fe specific workforce development resource portal
  - iii. A Web site resource for entrepreneurs, containing all information necessary for starting a business in Santa Fe
  - iv. A Santa Fe specific film promotion Web site, e.g. <http://www.wncfilm.net/>

- v. A Santa Fe non-profit organization Web site, containing a searchable database of all non-profit organizations in Santa Fe

**3. Collateral – brochures**

- a. A user-friendly guide to workforce training and educational resources in the Santa Fe region to be made available at schools and public gathering places such as libraries, churches, or social organizations
- b. A simple guide containing entrepreneurial resources. Similar to the Web site, the guide would provide step-by-step instructions on starting a business in Santa Fe. (Examples were provided earlier in this Strategy.)
- c. A SFEDI annual report

*Estimated cost: \$10,000*

**4. Promotion - Speak at regional business association events**

- a. Project Advisory Committee and / or newly created Implementation Committee.
- b. Support such as the Santa Fe film festival, Russian Summer 2004 Exhibit, International Folk Arts Festival, and Annual Jazz Festival and other events throughout the year.

**5. Promotion – Host an annual Economic Development Forum.** During the event, regional leaders can provide an overview of the year’s successful economic development activities and an update of economic data for the Santa Fe and the larger region surrounding the city. The project roll-out event (April 2004) can be the first annual Santa Fe Economic Development Forum.

**6. Promotion – Create a welcome package** for newcomers. Send to new residents when they sign up for utilities.

**7. Promotion - Speak at local business associations** and provide update on Santa Fe’s economic development and marketing efforts.

**8. Promotion - Establish a high school group** to gain a better understanding of what factors are important to teens when considering working in Santa Fe in five years. Consider calling the group “Teens Talk.”

**Strategy Six: Implement external campaigns**

External marketing promotes Santa Fe to identified targeted businesses that reside outside of Santa Fe, complement the current economy and help the city meet its economic development vision. External marketing should begin in year 2006.

**Web sites, publicity, and targeted direct marketing and selling are the most cost-effective methods for communities to convey their messages.** Santa Fe should balance these activities, be consistent in the message it conveys, and

focus on campaigns that will directly reach prospects. The primary vehicle, and one that should be used throughout external efforts, is publicity. Santa Fe should then begin to incorporate collateral (Web site and brochure), marketing missions, and industry associations and conferences.

### **Publicity**

**Publicity may be the most effective form of economic development promotion.** Santa Fe could significantly increase the amount of publicity it receives in publications, and ultimately reach the city's target business companies by having a PR firm on retainer to develop and distribute releases and bylined articles.

### **Collateral (Web site and Brochures)**

Resources should be invested to redevelop the primary Web site that promotes economic development in Santa Fe to more effectively link it with regional economic development Web sites. The main economic development organization's URL and phone number should be incorporated into every activity that promotes the city. See the MG for more Web site recommendations.

### **Marketing Missions**

Santa Fe leaders need to engage in marketing missions to recruit target business companies from other regions and to see first hand benchmark communities' efforts. Santa Fe can learn from benchmark communities by visiting these cities. Schedule marketing missions each year to a region with a high concentration of its target businesses and visit benchmark cities to observe what is effective and what is not within these business communities. *For example, visit regional neighbor benchmark cities such as Boulder, CO and Albuquerque, NM. In the second year, consider visiting national benchmark communities such as Asheville, NC and Santa Cruz, CA. In the third year, visit a large benchmark site such as Savannah, GA.* Volunteer representatives from business, government, and academia should attend marketing missions, which can involve a series of meetings with local companies to sell Santa Fe as an ideal business location.

### **Industry Associations and Conferences**

Industry associations, a trusted source of information for member companies, offer an opportunity to track trends and prospects. SFEDI should consider joining the leading associations of its target businesses, place articles in industry association newsletters and sponsor two industry conferences per year. Industry conferences provide a unique opportunity for Santa Fe representatives to promote business development, and face-to-face marketing is recommended to supplement other marketing efforts. Santa Fe can attend, sponsor, and exhibit at conferences.

### **Actions:**

- 1. The City and the marketing contractor approve the external marketing component of this strategy.**
- 2. Identify Industry Champions, board members, and other volunteers to assist with implementation. Individuals from the community with a**

*passion for economic development and Santa Fe's future can volunteer and become part of the marketing team*

3. ***Volunteers can assist by attending marketing missions or industry events on behalf of Santa Fe, to respond to calls from media, to distribute collateral, and to promote the marketing contractor's Web site.***

Santa Fe should consider implementing activities that increase awareness among external audiences.

1. **Publicity campaign** to targeted national publications
  - a. *Lifestyle publications*
  - b. *Industry trade publications*
  - c. *General business publications (e.g. Business Week, Forbes)*
  - d. *Travel publications*
  - e. *CNBC's Odyssey Media feature. One 5-7 minute story costs \$20,000 and is aired 50 times on national and regional news channels.*

Launch an advertising campaign to support publicity. \$4,000 to develop an ad, ad placement costs between \$5,000 - \$15,000

2. **Direct marketing** – Obtain target business databases and send electronic campaign mail.
3. **Direct marketing** – Sponsor and/or attend 2-3 industry events per year.
4. **Direct marketing** – Once the civic center is complete, promote the facility to executive-level target industry events and training courses.
5. **Direct marketing** – Film a documentary about a well-known Santa Fe artist and submit it to film festivals and public television networks.
6. **Direct marketing – Partner Economic Development teams with Albuquerque and other New Mexico economic development groups and take a mission to a market with a high concentration of target businesses.**

## Appendix: Performance Metrics

An important component of the implementation of Santa Fe's Economic Cultivation Plan is a monitoring system to track the success of the plan in the years to come. AngelouEconomics has identified several data sets that have been used during the strategic planning process that we believe will be good measures of economic performance. These data are easily found at state and national sources, are available at the city and county level, and should be considered good indicators of the overall economic health of Santa Fe and its citizens.

Many state and local economic development organizations already use performance metrics. These data are also called "benchmarks," as local data is usually placed side-by-side state or national data for comparison. By committing to measuring its achievements, Santa Fe will be joining the ranks of communities in Oregon, North Carolina, Minnesota, and Indiana who have developed successful benchmarking systems to monitor their economic performance. The performance metrics proposed in this plan provides Santa Fe's leaders with an excellent opportunity to demonstrate positive results of their efforts and policies and build confidence among the general public that the economy is heading in the right direction.

AngelouEconomics recommends several performance metrics for each major topic of the Cultivation Plan that could be used by Santa Fe's leaders to track progress:

### **Workforce Development and Education**

- Increased job growth in target industry sectors
- Increased household income
- Increased percentage of population with 2- year degree or higher
- Increased average SAT scores for Santa Fe high school students
- Decreased high school drop out rate

### **Entrepreneurship**

- Increased net annual new firm creation
- Increased percentage of companies at Santa Fe incubator classified within a target business sector
- Increased total venture capital funding in Santa Fe
- Decreased retail spending leakage

### **Infrastructure & Sites**

- Successful annual progress and on-time completion of the Water Diversion Plan
- Construction progress and completion of the new Santa Fe convention center
- Increased percentage of new homes and buildings built in Santa Fe that classify as affordable living and/or "green"

### **Quality of Life**

- Increased percentage of total population aged 25-44
- Increased percentage of total graduates from Santa Fe higher education institutions living in Santa Fe 1 year after graduation
- Decreased poverty rate
- Stable cost of living ratio (ratio between Santa Fe's average cost of living and average wage remains stable or decreases)

### **Marketing**

- Increased state or national media mentions related to Santa Fe business activity
- Increased number of qualified target industry leads contacting SFEDI or other economic development-related organization about business expansion, relocation, or start up in Santa Fe (e.g. the City of Santa Fe, Santa Fe County, the Chamber of Commerce, or local real estate agency)
- Increased hotel occupancy, increased hotel occupancy in hotels located in downtown Santa Fe
- Increased visitor spending

AngelouEconomics recommends that performance be measured on a city basis. Benchmark data should be collected for the City of Santa Fe, Santa Fe County, the State of New Mexico, and the U.S. Santa Fe may also choose to include one or more of the comparison communities included in the *Community Assessment* report (Flagstaff, Boulder, Asheville, and Raleigh). Metrics are best used when they are calculated as a share of the U.S. average. For example, Santa Fe's average wage is currently \$27,644 or 76.6% of the U.S. average. Santa Fe will know that it is successfully meeting the objectives of this *Economic Cultivation Plan* as this percentage increases over the next 5-10 years.

Performance metrics should be updated by the city's lead economic development organization on a bi-annual or yearly basis. The following page provides a sample format for tracking performance. This table can be expanded to include other performance metrics within each topic, additional historical data, and information on competitor communities.

## Sample Performance Benchmarks Santa Fe, New Mexico

	Workforce & Education	Entrepreneurship	Infrastructure & Sites	Quality of Life	Quality of Life	Marketing & ED
	Household income County	Venture Capital Funding to SF area companies County	Successful annual progress and completion of Water Diversion Plan City/County/State	Percentage of population 25-44 years old County	Cost of Housing Ratio City	Number of qualified targeting SF ED orgs about biz expansion, relocation, or startup County
<b>Santa Fe</b>	\$ 41,519.00	\$37 million	N/A	28.1%	137.8	Collect data
<b>New Mexico</b>	\$ 37,623.00	\$52 million	N/A	27.8%	N/A	N/A
<b>United States</b>	\$ 45,006.00	\$25 billion	N/A	29.8%	100	N/A
<b>Santa Fe as % of the U.S.</b>	92.3%	NM = 0.2% of US Total	N/A	N/A	N/A	N/A
<b>Santa Fe Target Benchmarks</b>						
Historical						
Performance:						
1997						
2000		\$21.1 million				
2002		\$37 million	5% complete		137.8	
2005	93.0%	\$39 million (5%)	20% complete	28.0%	135	Begin tracking in '05
2006	94.0%	\$43 million (10%)	60% complete	29.0%	133	
2007	95.0%	\$47 million (10%)	80% complete	29.5%	130	
2008	96.0%	\$52 million (10%)	100% complete	29.5%	128	
2009	98.0%	\$57 million (10%)		30.0%	126	
2010	100.0%	\$63 million (10%)		30.0%	125	
2012	102.0%	\$76 million (20%)		32.0%	120	
2015	105.0%	\$100 million (30%+)		33.0%	115	▼



# Master List of Recommendations

# Cultivate Santa Fe

## Summary of Workforce Development and Education Recommendations

<b>Recommendation</b>	<b>Priority</b>	<b>Start Timing</b>	<b>End Timing</b>	<b>Primary Responsibility</b>	<b>Supporting</b>
<b>1. Help Parents place greater value on public education</b>					
<b>a. Get parents involved in schools</b>					
Adopt a take home computer program	Mid term	2005	ongoing	SFPS	SF Bus., Donor
Use local school facilities for evening adult ed classes	Mid term	2005	ongoing	SFPS, SFCC	Other training p
Start a cultural education program	Mid term	2006	ongoing	SFPS	
<b>b. Provide parents tools to support learning at home</b>					
Hands-on teaching training for parents	Mid term	2005	ongoing	SFPS	Parent/Teache
Create "make and take" educational materials	Mid term	2005	ongoing	SFPS	Volunteer
Adopt a Parents and Teachers as Partners program	Long term	2007	ongoing	SFPS	Parent/Teache
Bilingual school liaisons to make home visits	Long term	2007	ongoing	SFPS	Volunteer
<b>2. Promote the value of quality education within the community. Turn K-12 education into a "cause."</b>					
<b>a. Launch an internal marketing campaign to promote the value of public education</b>					
Schools create weekly take-home folders to inform parents	Short term	2004	2005	SFEDI, City, SFPS	
Start a volunteer phone chain to provide parents with school info	Mid term	2005	weekly	SFPS	
<b>b. Create PSAs aimed at promoting the value of public education</b>					
Organize an internal marketing task force	Short term	2004	ongoing	SFPS	Parent/Teache
Seek local ad agencies who will provide service pro bono	Short term	2004	2005	SFEDI, SFPS	Volunteers, Loca
Seek funding from non-profits and foundations to support program	Short term	2004	2004	SFEDI, SFPS	Local Agen
Identify a single message for the campaign and use multiple media sources	Short term	2004	2004	SFEDI, SFPS	Non profits, Four
<b>c. Start a campaign to show students non-college career options</b>					
Invite local workforce development programs to present at school functions	Short term	2004	2005	SFPS, Chamber, SFEDI	
Create a Web site containing resources for non-university bound youth	Short term	2004	2005	SFPS, SFEDI, Local Media	
<b>d. Start an annual Education Day - outreach and educational event</b>					
	Mid term	2005	2008	SFPS	One Stop Ce
	Mid term	2005	ongoing	SFPS	One Stop Ce
	Mid term	2006	2006	One Stop Center	SFPS
	Mid term	2006	annually	SFPS, City, Chamber	Workforce dev

# Cultivate Santa Fe

## Summary of Entrepreneurship Recommendations

Recommendation	Priority	Start Timing	End Timing	Primary Responsibility	Support
<p><b>1. Financially support the Santa Fe Incubator</b></p> <p>a. Expand the Incubator to provide resources for SF's target business sectors</p> <p>b. Lobby legislators to pass incubator certification and funding match program</p> <p>The SF Incubator could be used as a model for incubators in other parts of NM</p> <p>The network for certified incubators could be a funnel of investment opps for the NM VC Fund</p> <p>c. Work with the State, UNM, the Santa Fe Incubator, and the SFCC-SBDC and SCORE to set up an entrepreneurship one-stop shop center similar to workforce development centers.</p> <p>The centrally located center would be a library of info about setting up a business in the region</p> <p>d. Set up an entrepreneurship center similar to workforce development centers</p> <p>The centrally located center would offer coaching and a library of information</p> <p>Use funding from the pending Kaufman grant to help fund the center</p> <p>e. Establish a Small Enterprise Director position within the Community Dev. Division</p> <p>f. Establish an Arts Incubator at a central location in Santa Fe</p>	<p>Mid term</p> <p>* Top 5 *</p> <p>Long term</p> <p>Long term</p> <p>Long term</p> <p>Mid term</p> <p>*Top 5*</p>	<p>2005</p> <p>2004</p> <p>2007</p> <p>2007</p> <p>2006</p> <p>2005</p> <p>2006</p>	<p>2008</p> <p>2004</p> <p>2007</p> <p>2007</p> <p>2007</p> <p>ongoing</p> <p>2008</p>	<p>Incubator</p> <p>Chamber, Incubator</p> <p>City Sm.Bus.Enterprise Director</p> <p>City</p> <p>City Sm.Bus.Enterprise Director</p> <p>City</p> <p>City</p>	<p>SBD</p> <p>SBD</p> <p>SBD</p> <p>SBD</p> <p>SFCC</p>
<p><b>2. Make information and training about starting a business widely available - encourage local success.</b></p> <p>a. Involve the New Mexican in covering stories about local business startups</p> <p>Potential entrepreneurs will find inspiration from the success of others</p> <p>Propose a schedule of small businesses to regularly feature</p> <p>Invite successful local entrepreneurs to speak at community events</p> <p>b. Provide Santa Fe non-profits with information to help them increase their financial capacity</p> <p>Non-profits should be viewed as entrepreneurial small businesses</p> <p>Encourage participation in NGO New Mexico, New Mexico's central non-profit business organization.</p> <p>Provide information and training to non-profits to help them learn how to increase their financial capacity</p> <p>The association should create a searchable Web site listing all non-profits in the region</p> <p>c. Develop a single Web site containing an inventory resources for entrepreneurs</p>	<p>Short term</p> <p>Short term</p> <p>Long term</p> <p>Short term</p> <p>Mid term</p> <p>Mid term</p> <p>Mid term</p>	<p>ongoing</p> <p>2004</p> <p>ongoing</p> <p>2004</p> <p>2005</p> <p>2005</p> <p>2005</p>	<p>ongoing</p> <p>ongoing</p> <p>ongoing</p> <p>2005</p> <p>ongoing</p> <p>2006</p> <p>2005</p>	<p>New Mexican</p> <p>New Mexican</p> <p>All SF organizations</p> <p>Chamber</p> <p>Non Profit Business Assoc</p> <p>Non Profit Business Assoc</p> <p>City Sm.Bus.Enterprise Director</p>	<p>SBD</p> <p>SBD</p> <p>SFCC</p>
<p><b>3. Motivate Santa Feans to start new companies.</b></p> <p>a. Streamline the City's permitting process</p> <p>Review the current permitting process and compare to the needs of startups and target industries</p> <p>City government should commit to easing and shortening the process within one year</p> <p>The City Web site should contain easy to use permitting info and applications</p> <p>b. Consider waiving permitting fees for small businesses locating in targeted areas</p> <p>c. Expand the City's Small Business Loan Program</p> <p>Restore the program to its original funding level</p>	<p>Short term</p> <p>Short term</p> <p>Short term</p> <p>Mid term</p> <p>Mid term</p> <p>Short term</p> <p>Short term</p>	<p>2004</p> <p>2004</p> <p>2004</p> <p>2005</p> <p>2006</p> <p>2005</p> <p>2005</p>	<p>2005</p> <p>2004</p> <p>2005</p> <p>2005</p> <p>ongoing</p> <p>2005</p> <p>2005</p>	<p>City</p> <p>City</p> <p>City</p> <p>City</p> <p>City</p> <p>City</p>	<p>City</p> <p>City</p>

# Cultivate Santa Fe

## Summary of Sites and Infrastructure Recommendations

<i>Recommendation</i>	<i>Priority</i>	<i>Start Timing</i>	<i>End Timing</i>	<i>Primary Responsibility</i>	<i>Support</i>
<b>1. Make Santa Fe the water conservation and clean energy capital of the U.S.</b>					
a. Incorporate clean energy and water conservation into the design of all public buildings	* Top 5 *	2004	ongoing	City	Entire
b. Begin an annual student competition for design of water conservation innovations	Mid term	2005	ongoing	City, County	City, County
c. Promote Santa Fe to expanding and relocating water conservation companies	Long term	2007	annually	SFCC, City	Dev
d. Incentivize water conservation and clean energy use	Mid term	2005	ongoing	SFED, City	City
e. Promote the city's water shortage as an ideal test market for conservation tech and service firms	Short term	2005	2006	SFEDI	
f. Develop a marketing package highlighting SF's dedication to water conservation	Short term	2004	2005	City, County	
g. Organize a delegation to visit other cities that have successfully tackled the water issue					
h. Offer incentives to consumers that purchase energy/water or conservation technologies from local businesses	Mid term	2005	ongoing	Utilities, City	
i. Work with State officials to create statewide incentives for energy and water conservation companies	Long term	2007	ongoing	City, Utilities	
j. Offer rebates or credits to customers of clean energy	Long term	2006	2008	City, County	
<b>2. Provide better infrastructure and processes to support creative activities.</b>					
a. Create a National Center for Art and Design in Santa Fe	* Top 5 *	2005	2008+	City	Art
b. Create a single Web site aimed at promoting arts and culture in Santa Fe	Short term	2004	2005	Arts Organizations	
c. Host a contest in which locals submit Web URLs or site design ideas	Short term	2004	2004	Arts Organizations	
d. Include an events calendar, map, and searchable database of SF arts / culture organizations	Long term	2007	2008	Arts Organizations	
e. Eventually, include a virtual market on the site in which local artists can sell their wares					
<b>3. Partner with Santa Fe County to solve infrastructure and site issues.</b>					
a. Develop a shared city / county business park	Long term	2006	2008+	City, County	
b. Jointly improve the Santa Fe Airport	Mid term	2004	2007	City, County	
c. Develop wireless Internet infrastructure in core population centers in the city and county	Short term	2004	ongoing	City	
<b>4. Approve and construct a new convention center that represents the unique character of Santa Fe</b>					
a. Revisit the proposed design	* Top 5 *	2004	2008	City	Civic
	Short term	2004	2005	City	Civic

# Cultivate Santa Fe

## Summary of Community Development Recommendations

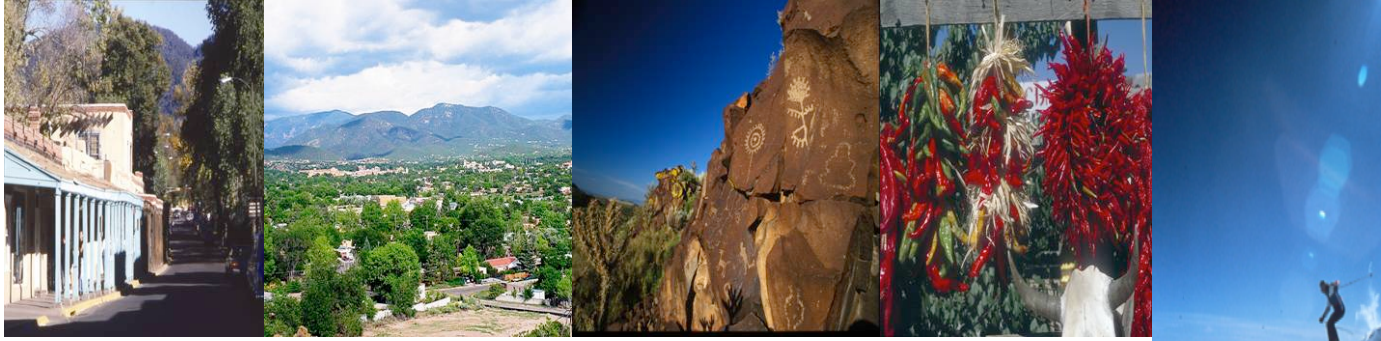
<b>Recommendation</b>	<b>Priority</b>	<b>Start Timing</b>	<b>End Timing</b>	<b>Primary Responsibility</b>	<b>Supporting</b>
<b>1. Adopt a more business friendly attitude within City departments.</b>					
a. Ensure the permitting process is consistent and efficient	Short term	2004	2004	City	
b. Strengthen the Small Business Ombudsman Position within the City of Santa Fe offices.	Short term	2005	2005	City	
c. Provide periodic customer service training to City employees	Mid term	2005	ongoing	City Bus.Ombudsman	City
Ask the Business Ombudsman to organize regular training seminars	Mid term	2005	ongoing	City Bus.Ombudsman	City
Train City employees not only in customer service, but about SF's marketing effort and new brand	Mid term	2005	ongoing	City Bus.Ombudsman	City, SFEDI
Develop a customer service guide and distribute it among City staff	Mid term	2005	2005	City Bus.Ombudsman	City
<b>2. Santa Fe's City Council should set broad goals for future development and allow those goals to drive decisions.</b>					
a. Invite a moderator to lead a City Council retreat	Short term	Summer 2004	annually	City Council	
Identify common thread among all councilors, identify SF's top assets and essence					
Set several overarching goals for the city	<b>* Top 5 *</b>				
Agree to rules of etiquette that are adhered to inside and outside of council meetings					
Conduct a city council study session prior to each formal meeting to discuss topics up for discussion	Short term	Spring 2004	weekly	City Council	
b. Conduct the first retreat after the Spring 2004 election and repeat every year	Short term	Summer 2004	annually	City Council	
<b>3. Provide greater support to Santa Fe's Community Development Division</b>					
a. Increase funding to the Community Development Division	Mid term	2005	2008	City	
Commit to incrementally increase funding each year for the next five years					
b. Set specific performance metrics for marketing subcontractors	Short term	2004	ongoing	City CD Division	SFEDI
Agree to a minimum 3-year contract with marketing subcontractors if they meet performance metrics					
c. Clearly define the ED roles of the Chamber, SFEDI, and the City	Short term	2004	2004	City, Chamber, SFEDI	
<b>4. Recognize the importance of arts and culture to Santa Fe's economy. Involve arts and culture in economic development.</b>					
a. Make arts and culture the cornerstone of the new convention center	Short term	2004	2008	City	Arts organization
b. Ensure that the arts sector is accessible to young people	Short term	ongoing		Arts organizations	Chamber
Endorse young professionals' arts organizations and make info about them widely available					
Work with the State to start a program in which all NM high school seniors take an educational trip to SF	Long term	2008	annually	City, State gov't	NM school dis
c. Make Santa Fe arts amenities accessible to all residents					
Continue taking steps to make traditional arts events to be made open to the public, e.g. free public concerts	Mid term	ongoing		Arts organizations	
Invite local artists or performers to exhibit at business functions and community events	Mid term	ongoing		Entire SF community	
d. Increase occupancy tax revenue to support the arts.	Long term	2006	2008	City	Arts organization
<b>5. Ensure that Santa Fe maintains an atmosphere that is entertaining and attractive to young, creative people.</b>					

# Cultivate Santa Fe

## Summary of Marketing Recommendations

<b>Recommendation</b>	<b>Priority</b>	<b>Start Timing</b>	<b>End Timing</b>	<b>Primary Responsibility</b>
<b>1. Establish specific marketing roles for each organization involved in economic development.</b>				
a. The City and the marketing contractor should adopt this marketing strategy	Short term	2004	2004	City, SFEDI, Cham
b. The City should commit to a minimum 3-year contract with its marketing contractor	Short term	2004	2004	City, SFEDI
c. The City should tie the contract with the marketing contractor to specific performance metrics	Short term	2004	ongoing	City
	Short term	2004	annually	City
<b>2. Create and adopt a single economic development brand.</b>				
a. The City should strongly consider the brand identity "Creative Spirit of Santa Fe"	Short term	2004	2004	City, SFEDI
b. The City should ask its marketing contractor to hire a design firm to develop a logo and style guide	Short term	2004	2004	City, SFEDI
c. Distribute the style guide to all city departments, schools, media, non-profits, and arts organizations	Short term	2004	2005	City, SFEDI
Encourage as many organizations as possible to adopt the style guidelines in their own marketing	Short term	2004	2005	City, SFEDI
The more organizations adopting the same marketing, the more powerful Santa Fe's brand will become				
<b>3. Gain a thorough understanding of the target audiences.</b>				
a. Based on the Target Industry Report, develop an audience profile for each target	Short term	2004	ongoing	City, SFEDI
b. The City, its marketing contractor, and design firm should consider th audience profiles when developing the logo, style	Short term	2004	ongoing	SFEDI
c. The marketing contractor, SFEDI and the Chamber should identify target industry "champions"	Short term	2004	2005	SFEDI, City, Cham
d. Invite target industry champions to share their industry knowledge with the economic development team	Short term	2004	ongoing	SFEDI, Cham
<b>4. Gain local media support for economic development.</b>				
a. Reconvene the project advisory committee	Short - Mid	2004	2006	City, SFEDI, Cham
b. Ask committee members to volunteer to become media champions, to write an article, or interview	Short term	2004	2004	City
c. Meet with local newspaper editorial boards and schedule a series of op/ed pieces on ED	Short term	2004	2004	Advisory Comm
	Short term	2004	2005	Advisory Comm
<b>5. Launch an internal economic development marketing campaign.</b>				
a. The City and its marketing conatractor should review the internal marketing recommendations and Marketing Guide	Short - Mid	2004	2006	SFEDI, City
b. Identify local volunteers to comprise an internal marketing team	Short term	2004	2004	SFEDI, City
c. Design marketing contractor's Web site to incorporate new brand identity, logo, style, and target industries	Short term	2004	2004	SFEDI, City
d. Launch other Web sites recommended throughout this strategic plan	Short term	2005	2005	SFEDI
e. Develop collateral (recommended throughout this strategic plan) and annual SFEDI report	Short - Long	2004	2008	Various organiz
f. Host an annual economic development forum for the region; the roll out event can be the first	Short - Mid	2004	2006	Various organiz
g. Create a Welcome to Santa Fe package for newcomers	Short	2004	ongoing	City, SFEDI, Cham
h. Establish an advisory group consisting of local students to provide info about what teens like/dislike about SF	Mid term	2005	2005	City, Chamb
	Mid term	2005	ongoing	SFEDI, City
<b>6. Launch an external marketing campaign.</b>				
	Mid - Long	2006	2008+	SFEDI, City, Cham





# *City of Santa Fe* Economic Development Strategy for

*May 21, 2008*

Economic Development Division  
Strategy for Implementation



# **ECONOMIC DEVELOPMENT DIVISION**

## **Strategy for Implementation**

### **Table of Contents**

Mission	p. 3
Objectives	p. 3
Background	p. 3
Desired Outcomes	p. 3-4
Division Work	p. 4-5
Methodology	p. 6
Goals and Measures	p. 6
Targeted Sectors	p. 6
Process for Evaluating Projects	p. 9-13
Requests for Proposals	p. 13-14
Definitions	p. 15-17
Diagrams	
Venture Capital Portfolio	p. 18
Target Industry Evaluation Chart	p. 11
City Values Filter Charter	p. 12
Project/Proposal Evaluation Flow Diagram	p. 13

# **ECONOMIC DEVELOPMENT DIVISION**

## **Strategy for Implementation**

### **Mission:**

The mission of the Economic Development (ED) Division of the City of Santa Fe is to achieve long-term sustainable and focused economic growth by building a diverse, innovative economy with high-wage, high-impact jobs that provide opportunity and prosperity for the City's residents, businesses and entrepreneurs.

### **Objectives:**

- Diversify the Santa Fe Economy with an emphasis on high wage jobs<sup>1</sup> and career paths.
- Pursue overall affordability where local wages can support living in Santa Fe (reduce leakage<sup>2</sup>).
- Bolster Santa Fe's leadership position and/or potential in innovation.

### **Background:**

More than four years ago Angelou Economics produced a report for "Cultivating Santa Fe's Future Economy." The implementation strategies in this plan are principally derived from that report. In order to effectively institute the recommendations contained in the Angelou Plan the Economic Development Division has worked to outline a process for vetting potential projects. The process is designed to be fair, easily understood and transparent to members of the community.

Angelou Economics calls for the plan to be a 'living document,' and updated as conditions change. To that end, the Economic Development Division has held a series of key informant interviews and a series of professionally facilitated seminar meetings with input from members of the local business and economic community. The values and priorities outlined in this implementation plan were discussed and approved by attendees at these meetings. The implementation plan is designed to be driven by measurable, achievable outcomes in several of the target industries identified in the Angelou Plan.

### **Desired Outcomes:**

The Economic Development Division will work to foster a creative and innovative cultural economy. Specific economic goals that have been identified are as follows:

- Create and attract a greater number of high-wage jobs. This will not be to the exclusion of supporting emerging business opportunities in focused sectors that would lead to high wage jobs, but may not start out with high paying jobs. This will give more of Santa Fe's population the ability to live and work in the community.
- Ensure that Santa Fe has a skilled and competitive workforce to support innovation and key economic base jobs<sup>3</sup> and primary industries<sup>4</sup>. This includes creating and expanding accessible career paths for local youth. Economic base jobs and primary industries are jobs and industries that derive fifty percent or more of their sales from outside of New Mexico and thus expand the local economy.
- Recruit and retain local talent by making professional opportunities in the area available and better understood in the community.
- Improve the climate for doing business in Santa Fe. This includes streamlining the processes of permitting, licensing and other regulatory requirements. The ED division also intends to celebrate innovation and success in leading local businesses.
- Improve the business infrastructure<sup>5</sup> in Santa Fe. This means working regionally to ensure easy, low-cost access to services, utilities, transportation and other key means of support for success in business and community development.
- Develop stronger working partnerships in the region. This means actively engaging key partners in projects and initiatives on a regular basis in order to maximize community input, expertise, support and communication.
- Promote a green and sustainable Santa Fe.
  - Actively promote and stimulate businesses and services consistent with the Sustainable Santa Fe Plan. This will include clean renewable energy, water conservation and waste reduction technologies.
  - Promote and support projects, developments, and initiatives with sustainable infrastructure<sup>6</sup> and that are consistent with the Sustainable Santa Fe Plan.
  - Cultivate and work to develop a green collar workforce<sup>7</sup> to support the clean renewable energy industry as well as both the new and retrofitting of buildings, sites and infrastructure to be more sustainable.

## **Division Work:**

Staff will work consistently with partners on a regional and collaborative approach to economic development. The Chamber of Commerce, Santa Fe Business Alliance, Santa Fe County, the Museum Foundation of New Mexico, Creative Santa Fe, the Santa Fe Community College, SCORE, the Santa Fe incubator and local venture capital firms will all be key partnerships to maintain and strengthen. A responsive, cooperative, customer service oriented approach will be the guiding principle behind all work done by staff.

Staff work will include:

- Project Management (Site development, workforce training program development, business support program development and management, etc.)
- Business Retention, Expansion<sup>8</sup> and Passive Recruitment<sup>9</sup> (Incentive analysis, site location, funding facilitation consultation, strategic assistance, program referral, etc.)
- Marketing (Outreach, production of collateral materials, workshops, etc.)
- Actively Soliciting Proposals to meet community needs. (Proposals can come via our partners including the SF Chamber, the SF Alliance, the State Economic Development Department, staff, Councilors or from other sources.)
- Streamlining Business Processes (Licensing, permitting, etc.)
- Contract Management (Business support services, advocacy, etc.)
- Community and Business Relations (Staff will make regular visits to businesses to gain a firsthand understanding of the industries operating in the region and the challenges they face. During these visits staff will promote awareness of City and State economic development opportunities, policies and capabilities.)

Staff will visit approximately 50 businesses per year or approximately two businesses per week to discuss potential business development resources with each company. The resources that will be discussed will be but not limited to alternative financing programs (i.e. City's Small Business Loan Fund), technical assistance programs (i.e. SF Incubator, SCORE and SBDC programs) and State incentives.

Staff will provide a quarterly report containing the following information:

- Number of Companies Visited
- Size of Portfolio (Number of Potential Company Expansions, Start-ups and Recruitments)
- Number of Companies Expanded, Started or Recruited
- Overview of Companies Expanded in Target Sectors, Number of Jobs, Average Wage and Capital Investment
- Progress on the Infrastructure Project implementation.

The Economic Development Division will take a proactive role in engaging a wide range of regional partners in collaborative efforts to benefit the economy.

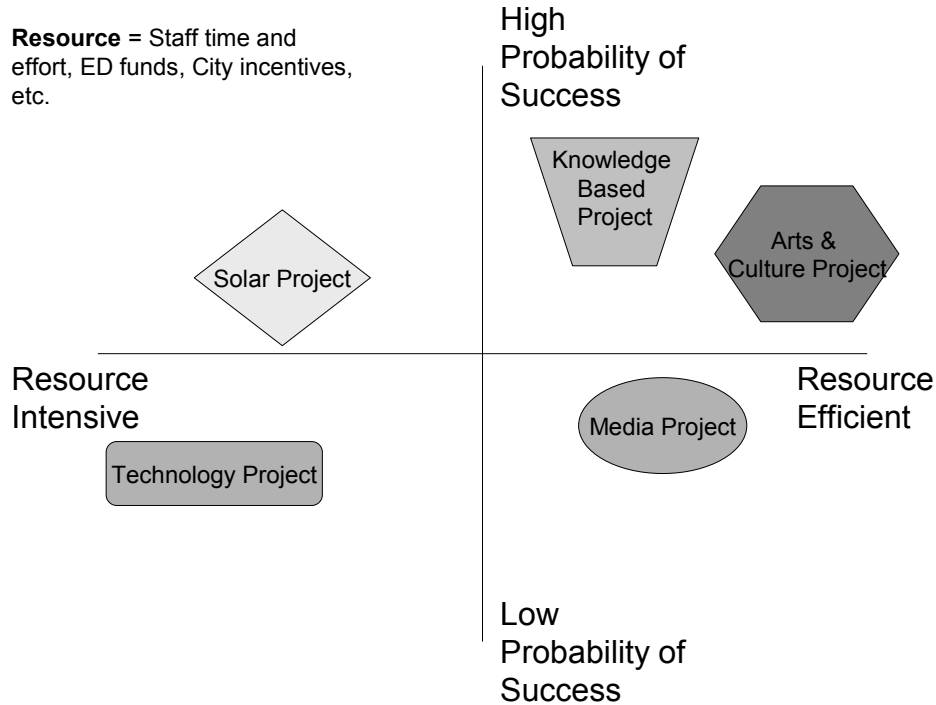
Emphasis will be placed on getting the right partners to cooperate on each project so that work can be focused on achieving measurable outcomes. For example, the Santa Fe Community College will be a key partner in workforce development and the Santa Fe Chamber of Commerce will be a key partner in business development.

## Methodology:

The implementation strategy outlines a process for evaluating projects and proposals that meet agreed upon Economic Development Goals. Staff work will be focused along these guidelines:

- The Economic Development Division will focus efforts in a few strategic areas in order to effectively use limited resources. Projects will be outcome driven<sup>10</sup> with an emphasis on getting the greatest return for the investment of City resources.
- Work will be focused along three tracks – business development, workforce development and site & infrastructure development.
- Staff will work to streamline the process of providing services. Duties and provision of services will be aligned to best utilize resources, time and knowledge of staff.
- Significant effort will be made to provide good customer service and communication. The Division will be accessible to the community and work to ensure clear communication.
- Economic development activities will be regionally oriented with an emphasis on working in partnerships. Anticipated partners will include organizations such as the State of NM, the New Mexico Economic Development Partnership, the Santa Fe Community College, Santa Fe County, the Santa Fe Chamber of Commerce, the Santa Fe Alliance and the Santa Fe Incubator.
- The portfolio of projects will be organized with an investment/venture capital approach<sup>11</sup>. The portfolio will endeavor to balance safe bets and risky bets with an understanding that risky projects have a greater chance of failure but may yield the greatest returns. It is expected that applications for economic development projects, which may or may not solicit funding from the Economic Development fund, will be made throughout the year. All projects will be evaluated within the context of the current portfolio, as well as by taking into consideration pending applications. As staff will be working consistently with potential applications, there will be some preliminary assessment of where new applications will fall within the portfolio management spectrum. It is expected that the investment by the City will fall largely into projects with a high probability of success and efficient use of resources. To manage this portfolio, staff will work closely with projects and continually assess their progress toward meeting agreed upon objectives.

## Venture Capital Portfolio



- Projects will be outcome driven and aligned with SMART Goals whenever possible. That is, goals that are - Specific, Measurable (data), Aggressive but Achievable, Relevant to Mission, and Timebound (not just open ended).
- During the working period and upon completion, each project will be assessed in order to make adjustments and improve outcomes. There will be a continuous feedback loop where project impact, strengths and weaknesses will be analyzed and any necessary corrections will be made.

### Goals & Measures:

The goals and measures will be cumulative and cover a three year period.

- 1) Facilitate and assist in the creation of 900 high wage, economic base jobs (see definitions).

- 2) Facilitate the creation of 36 business expansions, startups, retention or recruitments to the Santa Fe region.
- 3) Increase the average wage in the Santa Fe region from \$14.90 per hour to \$15.90. This approach acknowledges and emerging trend in employment where employees contract to work on specific projects and may not be in salaried positions.
- 4) Complete or develop at least one infrastructure project per year. For example, an Arts & Cultural District<sup>12</sup>, Mainstreet Program<sup>13</sup>, telecommunications network plan, implementation of an Airport Master Plan, and expansion of solar industry capacity.
- 5) Facilitate and assist with the increase and/or creation of workforce career pathways and skill levels in targeted industry sectors by developing up to two workforce development programs. This will largely be accomplished by working with our local partners, including the SFCC, Santa Fe Public School District and the Northern Area Workforce Development Board.

## **Targeted Sectors for Growth and Development:**

Economic development activities will focus on targeted industries identified in the Angelou Plan and refined through the recent economic development seminar meetings. Targeted sectors are identified as follows:

- Media (Film, Publishing, Journalism, Video Game Production, etc.)
- Green – Consistent with Sustainable Santa Fe Plan and including: Clean renewable energy (with a focus on the solar industry), water conservation, waste reduction technologies and outdoor and recreational activities and equipment.
- Technology (Biotech, Nanotech, Software design, etc.)
- Knowledge Based Enterprise (Research and Development, Think Tanks, Financial Services, Consulting, Public Policy, etc.)
- Arts & Culture (Artisans, Fine Artists, and Cultural Heritage as described in the City’s Cultural, Arts and Tourism Plan.)

## **Request for Proposal Versus Unsolicited Proposals:**

The Economic Development Division anticipates two processes to generate projects and programs that will meet the Economic Development Implementation Strategy. These two processes reflect the nature of economic development work. The first will rely on generating proposals in response to an annual request for proposal and the second will allow for unsolicited proposals for economic development projects that may emerge during the course of a year.

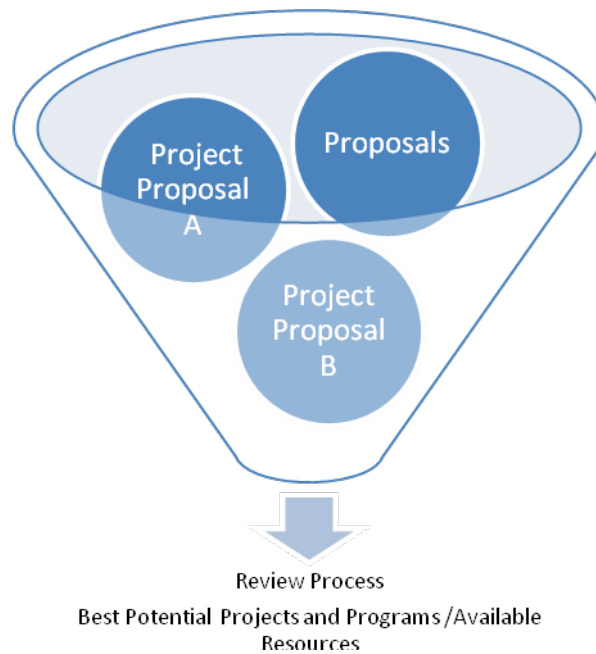
1. *Request for Proposals* – Each year the staff will prepare a Request for Proposal (RFP) for services and/or programs that support local economic development efforts. Typically, these RFP’s will allow for three years worth of contracting, subject to funding availability and successfully meeting the agreed upon outcomes

for a particular Scope of Work. These types of RFP's will focus on support services, such as those provided through the Santa Fe Incubator and SCORE and the management of the Santa Fe Loan Fund. These are services paid through the Economic Development Fund, which uses the 1% of the State's share of the GRT as its funding source.

2. *Unsolicited Proposals* – At any time, proposals may be submitted for projects that must meet the Local Economic Development Act. Such proposals may request funding through the EDF, below market rate rent for buildings and/or other types of incentives. These incentives may include fast tracking through the City's various review processes and/or favorable financing or other incentives such as Industrial Revenue Bonds (IRB's). Staff will work closely with organizations and/or entities seeking such support well in advance of an actual application for assistance. The process for evaluating these applications is the same as for those submitting proposals in response to a Request for Proposal.

## Process for Evaluating Projects, Proposals and Incentives:

The process is designed to make project, proposal and incentive evaluation fast, easily understandable, transparent and accessible to the community. It is a way for staff to fully vet projects or incentive proposals and thereby determine the allocation of money, staff time and effort. The following illustrates how the evaluation process will consider multiple projects and focus efforts to those with the best potential outcome.



### Stage 1 – Economic Development Target and Values Assessment

Staff will assess the project/proposal by applying the following values filters:

- A. Environmental Footprint<sup>14</sup> (water, power, emissions etc)
- B. Wages and Benefits<sup>15</sup> (Is it possible to live and work in Santa Fe?)
- C. Innovative Position/Potential<sup>16</sup>
- D. Local<sup>17</sup> (Does it fit with the City Different? Does it enhance the cultural fabric? Is it homegrown? Does it provide positive impacts to local Santa Fe residents)

The project targets will be assessed qualitatively using a check mark system. When reviewing the project, each target met will be assessed and checked in the project evaluation chart below.

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### **Stage 2 – Initial Business Plan/Proposal Review**

- Staff will meet with representatives of a project/proposal and work to understand the proposed business plan and/or proposal, identify potential problems, discuss potential resources, and answer any questions.
- Staff will perform an initial evaluation to ascertain the plan strengths and weaknesses. Financial solvency, community need, growth potential and environmental footprint will also be evaluated.
- Staff will work with representatives to match them with appropriate economic development resources. Staff will also ensure that all proposals are in compliance with the State's enabling legislation the Local Economic Development Act<sup>18</sup> which in Santa Fe is the Economic Development Plan Ordinance.

**Cost-Benefit Analysis:** Economic Development projects will also include a cost-benefit analysis as required by the city's (11-11.1) Economic Development Plan Ordinance. In accordance with the Economic Development Plan ordinance, the projects and/or incentive proposal must provide a return on investment over a 10-year period that recoups the value of the assistance provided by the city to the project. The return on investment shall be of value and may be paid in money, in-kind services, jobs, expanded tax base, property or other thing or service of value for the expansion or improvement of the economy.

The cost-benefit analysis or impact analysis will measure both direct and indirect impacts in accordance with 11-11.9 of the Economic Development Plan ordinance which will include but is not limited to the following:

- Jobs
- Pay scale of jobs
- Anticipated impact of project on local tax base
- Anticipated impact of project on local school system

- Assistance in providing affordable housing to employees or to the community at large may qualify

If a proposal requires funds of less than \$30,000 staff will make a recommendation to the City Manager and move forward. Quarterly reports will be made to the BQL on these projects. If the proposal requires funds of more than \$30,000 staff will refer the project/proposal to the Economic Development Review Sub-Committee (EDRC) with a recommendation.

**Staff will utilize the following target industry evaluation chart to map the benefits and impacts of a project/proposal, The system of checkmarks is designed to provide a quick overview of the project’s applicability to the target industry areas and the types of program and/or assistance needed for a particular business plan:**

**Target Industry Evaluation Chart:**

	<b>Business Development</b>	<b>Workforce Development</b>	<b>Sites &amp; Infrastructure</b>
<b>Targets</b>			
Media			
Green			
Tech			
Knowledge Based Enterprise			
Arts & Culture			

The project will also be assessed whether it meets the city’s values as defined in the city values filters chart below. The values will be assessed using the following quantitative measures on a scale of 1-3 where three is exceeds values and 1 does not meet values. Use of this scale will provide a quantitative comparison between projects and provide an initial assessment of a proposed project’s ability to address agreed upon local values:

- 3- Exceeds Values Criteria
- 2 – Meets Values Criteria
- 1 – Does Not Meet Values Criteria

### City’s Values Filters Chart:

	Business Development	Workforce Development	Sites & Infrastructure
Values			
Low Environmental Footprint			
High Wages & Benefits			
Innovative Position/Potential			
Local			

**Stage 3 – EDRC Review**

The EDRC will review the staff recommendation and assess the project/proposal against the values filters, desired outcomes and financial feasibility. The EDRC will then make its recommendation to the Business and Quality of Life Committee (BQL).

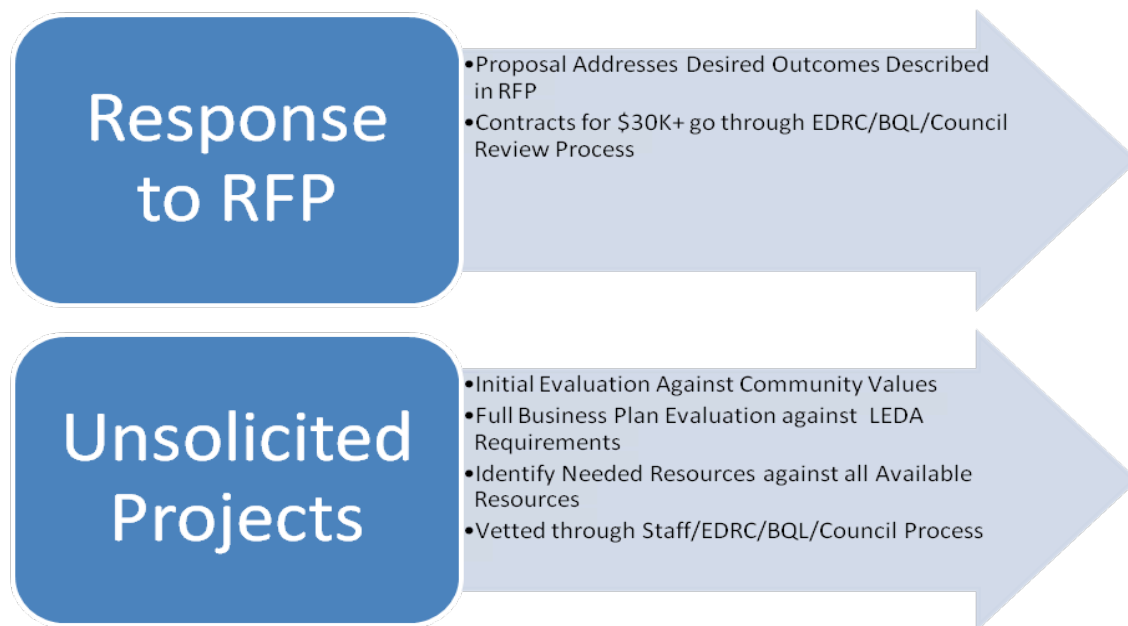
**Stage 4 – BQL Review**

BQL will review the EDRC recommendation and assess the project/proposal against the values filters<sup>19</sup>, desired outcomes and financial feasibility. BQL will then make its recommendation to the City Council OR reject the project/proposal.

**Stage 5 – Council Review**

The City Council will assess the project/proposal against the values filters, desired outcomes and financial feasibility. The City Council will approve or reject the project/proposal.

## Project/Proposal Evaluation Flow Diagram



### Requests for Proposals:

RFPs will be focused on getting results rather than outlining step by step procedures. This will allow for maximum input and creativity from RFP responders. Staff will evaluate RFP responses according to how well each proposal will meet the desired economic development outcomes.

The timeline for RFPs to be issued will be no more than 30 days after approval of the implementation plan by City Council. The RFPs will be reviewed and evaluated by a committee as required under the City's procurement code. The RFPs will be evaluated on how the respondents will meet the desired outcomes. RFP awardees will receive a contract for one year and two one year extensions.

Staff will work with RFP respondents to get more information, clarify how the work will be done and what outcomes need to be reached. For RFPs greater than \$30,000 respondents will present their proposal to the EDRC. Staff will provide the EDRC with a funding recommendation.

Staff will administer contracts according to the scope of work and timeframe agreed upon in each contract. If necessary, at the discretion of the Division Director and Department Director, timeframe extensions and contract revisions may be made.

## DEFINITIONS

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<sup>1</sup> **High Wage Jobs** – In the State of New Mexico these are defined as jobs that pay a salary of \$40,000 and above.

<sup>2</sup> **Leakage** – The loss of revenue in taxes and spending and the loss of talent that occurs when people cannot afford to work and live in the community.

<sup>3</sup> **Economic Base Jobs** - Economic base jobs are jobs in primary industries. An economic base job is any job that produces a product or service that is sold outside the community and thus brings in outside money. Most economists believe that the economic base job is the most important factor to a healthy economy.

<sup>4</sup> **Primary Industries** – Primary industries are defined on the same principle as economic base jobs. They are industries that derive fifty percent or more of their sales from outside of New Mexico and thus bring in new money expand the local economy. Businesses that bring in outside money are called primary industries, and they produce the coveted “economic base” jobs.

<sup>5</sup> **Business Infrastructure** – The basic facilities, services, and installations needed for the effective functioning of businesses in the area. This can include transportation and communications systems, water and power lines, as well as public institutions including schools and post offices.

<sup>6</sup> **Sustainable Infrastructure** – Basic facilities, services and installations which take care of the needs of the present generation without compromising the needs of future generations.

<sup>7</sup> **Green Collar Workforce** – A workforce employed in the environmental segment of the economy. Green collar workers include professionals such as conservation movement workers, environmental consultants, environmental or biological systems engineers, LEED’s certified building architects, holistic passive solar building designers, solar energy and wind energy engineers, alternative energy vehicle engineers, organic farmers, environmental lawyers, ecology educators, and eco-technology workers. They also include vocational or trade-level employment: electricians who install solar panels, plumbers who install solar water heaters, and construction workers who build energy-efficient LEED certified buildings, wind power farms, or other clean, renewable, sustainable future energy developments.

<sup>8</sup> **Business Retention and Expansion** – The retention of local businesses located in the Santa Fe region that may leave the community. Expansion is assisting local businesses in the Santa Fe region in growing their operations, employment or sales which results in more jobs and capital investment in Santa Fe.

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<sup>9</sup> **Passive Recruitment** – Responding to inquiries and opportunities from businesses considering locating in the Santa Fe area but not actively marketing businesses to locate in Santa Fe from outside of Santa Fe.

<sup>10</sup> **Outcome Driven** – Guided by what results are or can be achieved rather than the method or process of working towards results.

<sup>11</sup> **Investment/Venture Capital Approach** - An approach similar to that taken by investment and venture capital managers wherein resources are balanced between calculated risky and safe ventures where safe ventures produces lower returns on investment and higher risk ventures produces higher returns on investment. Investments are also spread across different areas to achieve stability through diversity.

<sup>12</sup> **Arts & Cultural District** – A State program administered by the Mainstreet program which is designed to enhance local economic development opportunities, in designated districts, by placing an emphasis on indigenous arts and culture. Applying communities develop a plan to support, develop and enhance the selected district’s arts and cultural opportunities as a niche for economic development.

<sup>13</sup> **Mainstreet Program** - New Mexico’s MainStreet Program is a grassroots economic development program that assists communities in revitalizing their traditional commercial neighborhoods. Mainstreet works to create an economically viable business environment while preserving local cultural and historic resources.

<sup>14</sup> **Environmental Footprint** – A project/proposal’s potential impact on the local environment and ecology including water and power use, emissions, amount of solid waste generated, impact on local vegetation and wildlife and traffic impact.

<sup>15</sup> **Wages and Benefits** – A project/proposal’s potential impact on or offering of employee pay and benefits including but not limited to retirement, healthcare, educational benefits, flexible scheduling, community service, support and involvement.

<sup>16</sup> **Innovation Position/Potential** – A project/proposal’s potential impact on Santa Fe’s innovation in an industry or the possibility of increasing the creative and/or innovative impact on the industry.

<sup>17</sup> **Local** – A project/proposal’s homegrown origin or its impact on the cultural fabric, identity i.e. how it fits with the ‘City Different,’ and/or provides positive economic impacts to residents of Santa Fe,

<sup>18</sup> **Local Economic Development Act** – The State of New Mexico’s enabling legislation which allows local governments the ability to use public money for private enterprises (including non-profits) in the form of land, building and infrastructure in order to foster economic development. This legislation allows public investment in private enterprises without violating the anti-donation clause of the New Mexico State Constitution

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<sup>19</sup> **Values Filters** – The method for evaluating projects according to what is important to the local community’s priorities.

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## Venture Capital Portfolio

