

**CITY OF TUCUMCARI  
CITY COMMISSION  
Work Session Notes  
November 12, 2015**

The Tucumcari City Commission met in a work session on Thursday, November 12, 2015 at 5:00 p.m. in the City Commission Chambers. Members present were John Mihm, Robert Lumpkin, Amy Gutierrez and Rick Haymaker. Ruth Ann Litchfield was absent.

City staff members present were: Jared Langenegger, City Manager; Doug Powers, Assistant City Manager; Dennis Dysart, Finance Director; Viki Riddle, Housing Authority Director; and Angelica Gray, City Clerk.

Guest: JJ Griego, Griego Professional Services, LLC; and Patrick Vanderpool, Director of Economic Development.

**Audit Conference- Executive Session**

Commissioner Mihm made the motion to convene into executive session, pursuant to NMSA 1978, §12-6-5 of the Audit Act to conduct the exit conference for FY 2015 and Commissioner Haymaker seconded the motion. Roll call:

Haymaker	Mihm	Lumpkin	Gutierrez
Yes	Yes	Yes	Yes

Commissioned convened into executive session at 5:01 p.m.

Commissioner Mihm made the motion to reconvene from executive session noting that nothing was discussed other than the exit conference for FY 2015 and Commissioner Gutierrez seconded the motion. Roll call:

Haymaker	Gutierrez	Mihm	Lumpkin
Yes	Yes	Yes	Yes

Commission reconvened at 5:22 p.m.

**Quarterly Report from EDC**

Patrick Vanderpool presented this item to the Commission. He stated that the EDC has been very busy. Mr. Langenegger had some questions and Mr. Vanderpool has addressed some in the report and some he would answer verbally.

Under the Prospective Projects category, Mr. Langenegger asked what the terms Leads, Suspects, Prospects or deals mean. Mr. Vanderpool stated this is standard terminology that is used in the economic development profession in terms of how you evaluate projects and where they are. Leads are contacts that may have been developed through a trade show, sales mission, by word of mouth or the purchase of a business list. It is a potential name that needs to be pursued. A suspect is someone who has expressed an interest in the community but has not been fully vetted. When looking at a project we have to find out if they're viable, if they are who they say they are and if it's good for the community.

Prospects are people that have boots on the ground in the community and have an active project where we are working together to see if it would work in the community. Deals are projects that have been completed or in the process. It is valuable to know what category the projects fit in. There are currently ten projects.

Four projects were included in the previous reports that are not included in the current report, a Mexican food restaurant, trailer manufacturer, construction company and a restaurant. At the point these projects are not public projects so they have been removed from the list, later they may be back on the list. They have all received applications but they have not returned them. Mr. Langenegger commented that the projects currently listed are not public projects either. Mr. Vanderpool stated that they are because they are potential LEDA projects and that is the criteria he is trying to use when listing projects on the report. If the project is potential and needs the Commissions consideration for public funding they will be put on the list. If they are active and a good candidate for participation in a city funded project those will also be listed. The ones that were previously listed are not in that category yet so they were removed but they might possibly be back on the list and there might be other ways we may be able to help those projects. Mr. Langenegger asked if the light manufacturer business that was mentioned in the last report could be a potential LEDA project. Mr. Vanderpool stated that the business is basically a retail business at this point and they notified the owner that if they wanted help they would have to be more manufacturing then retail, but they have not pursued that at this point but the owner said it was something they would consider doing.

Mr. Langenegger asked for information for the small business finance team in the previous report. There is no follow up in this report because the team has not been called to meet because there are currently no applications that need to be reviewed.

Under current projects there is a report for the four current LEDA projects; it was asked where they were on terms of expenditure. Mariposa Herbs started in January. It is a ten month project at this point but the LEDA contract was signed in January. The owner is on track and is not expending money faster then he should. The agreement would be satisfied once the entity has demonstrated beneficial job creation and economic development or has returned to the city in gross receipt taxes and other financial benefits in an amount equal to or exceeding \$10,000. Basically the way to track that would be to ask the businesses to provide a sales report in their annual report which would demonstrate how much in terms of taxes they have paid based on sales and other things that might be calculated in the annual report and that is something they will be requesting from Mariposa Herbs in January. However, it doesn't mean Mariposa Herbs will have returned \$10,000 to the City in its first year, but this will show where the business is at.

Mr. Langenegger had a question pertaining to Rugged Industries in terms of wages paid and whether they have local employees. Their first report is due in January also and we will know where they are in terms of progress with their project. Mr. Langenegger stated that with Rugged Inc. they were to provide five full time jobs by the end of their first year with a pay scale of \$13.49 an hour. He asked if there was a way to find out if they are meeting their agreement at six months so they can make sure they are on track with meeting their requirements. It would be better to know before the year is up then after the fact. Mr. Vanderpool stated that he tries to follow the projects as much as possible but in terms of reporting requirement, it would be provided in the annual report. Based on where they are he has to assume they will meet their current goal. Commissioner Gutierrez commented that the report states that they currently have four employees with additional help as needed, but that still doesn't say much. Their goal is to hire five but with additional help shouldn't there be something more tangible for them at this point. Mr. Vanderpool stated that they have not reached their first reporting requirement

yet; additional reporting requirements can be added. Mr. Langenegger stated that he is not asking Rugged Inc. to report he is asking Mr. Vanderpool to report. Mr. Vanderpool stated he couldn't report unless Rugged Inc. gave him the information, you can't get that information from the Wage Bureau or Workforce. Mr. Langenegger stated that we give these people a contract saying that they have a certain amount of money to work with and they have to provide certain things in a year but there is no way to track their progress and we don't know how they did until the end of the year. Mr. Vanderpool stated that they would ask the business to provide that information. If the Commission wanted to include that as a reporting requirement for the future the project participation agreement would have to be amended but that could be done. Mr. Langenegger commented that since it is not in the current project participation agreement then the businesses won't be asked for that information. Mr. Vanderpool stated that he would ask the businesses for that information if the Commission would like him to but it is not standard practice.

In terms of Buena Vista Labs their annual report is due in April. Mr. Vanderpool stated that we know what we know but as far as a requirement to provide a report theirs is not due until April.

Mr. Langenegger asked as far as local hires are considered is that required in the annual reports. Mr. Vanderpool stated that he could ask the businesses to include that in their reports as well. Mr. Langenegger asked what the definition of a local hire is. Mr. Vanderpool explained that it is someone who is hired within the Tukumcari area. Mayor Lumpkin commented that they were official residents. Commissioner Haymaker commented that they had a physical address within Tukumcari.

Mr. Vanderpool stated there were two questions regarding the Tukumcari Mountain Cheese. One was if the LEDA funds agreement was in place in August of 2014; that is correct however, there was a challenge in terms of the check being cut. Mr. Dysart had hesitations until there were additional safeguards put into place. The check was not received until November. An update report will be requested this month from Tukumcari Mountain Cheese. The second award noted was the \$200,000 through the state that check has not been received yet. They asked for some additional documentation in terms of a promissory note and a commitment on the promissory note from the owner's partner. The owner doesn't want to commit to the state money until he is sure he can meet the hiring goals from the participation agreement. Mr. Langenegger commented that they have two project participation agreements one from the local level and one from state. The local says they will provide ten to twelve assorted permanent jobs and the state one says they will create ten new jobs and retain twenty-eight jobs. He asked if they are responsible for providing both the ten new jobs and the ten to twelve assorted jobs for a total of twenty-two jobs. Mr. Vanderpool stated that yes they are responsible for all twenty-two. He believed that is one reason the owner hasn't committed to the state project participation agreement, he wants to ensure he can meet that goal. Mr. Langenegger stated that the agreement is in place but until he calls for the check he is not responsible for meeting any of the requirements. Mr. Vanderpool stated that was correct, he hasn't received any funds. Mr. Langenegger commented that he could see that causing a potential problem for the City, if they give local LEDA funds to a project and they don't expend them until a certain date that ties up our money and if there was another project interested our money would be tied up. Mr. Vanderpool stated they have a totally different process in place in terms of the way the funds are handled. The funds for existing LEDA projects are in an account to be expended, once they're distributed the clock starts ticking because they have essentially received those funds. As far as state money, the check has not been distributed so it is still with the state. As far as this project is concerned, it is a joint project with the City and the EDC is not involved in this particular agreement. Mr. Langenegger commented that the EDC serves to facilitate the agreement. Mr. Vanderpool stated that they facilitate it but they don't handle the funds. Mr. Langenegger stated that with capital outlay if it is not spent within a certain amount of time then it

is taken back, that hurts us in getting further money in future years. Does this have the same potential if we have that \$200,000 sitting there and not being utilized will that put us in a negative light? Mr. Vanderpool stated he doesn't believe it would put us in a negative light; it would put the business in a negative light but as a city we can't be held accountable for that when the funds have not been distributed.

Mayor Lumpkin commented we mentioned the term LED in manufacturing and retail and if they would qualify for local LEDA funds, he would like to mention as much positive things as possible for a possible business. He commented that Rugged Inc. includes manufacturing, wholesale and retail so they do qualify, the possible business has the same possibilities. He wanted to be able to say something positive to the owners. Mr. Vanderpool stated based on the conversations they had with the owner funding wouldn't be a problem for him but the property and facilities are the main problem. Mayor Lumpkin stated that he believes there is a building available that would be good.

Mr. Langenegger asked for the report to provide potential plans for properties that are listed. There are no plans for the current properties.

Activity report in terms of sale mission and trade shows- Mr. Vanderpool stated there were none that occurred in this quarter.

Retention/expansion of existing business, it was asked for a report on economic base jobs. Mr. Vanderpool stated that the contract calls for the creation of economic base jobs and that is done through the selection of the targets, primarily not retail. Retail are not considered base economic jobs. Reporting on the jobs is a whole other issue in terms of having an economic development strategy for creation of economic base jobs that is one thing and reporting another. The current report has some numbers and he would like to thank Steve Hansen for putting them together. He stated that this is the closest reflection the Commission will have in terms of what economic base jobs would be, there is no other way to report those in terms of the definition of what economic base jobs are. He stated that one concern he has in regards to that list there is a combination of food services there were thirty establishments thirty- four jobs, it is really hard to tell within that category how many would actually qualify as economic base jobs. If food services were related to tourism activities a case could be made that those are base economic jobs. In terms of tracking those jobs this is the closest we can get.

Workforce development information is included in the report and all is related to the work that is being done with the ACT Work Ready Communities program. There has been a lot of activity since the end of the first quarter that is not listed in the report. These are the steps that were taken during the first quarter in terms of workforce development.

Mr. Vanderpool stated that the EDC has agreed to rejoin NEEDO, his concern was originally the funding was provided for planning but no funding for implementation and that has been the case with the organization. They are struggling right now and we see an opportunity to help them and that is why we agreed to rejoin the group.

Mr. Vanderpool stated that he knew that the Commission had a discussion about SPIRIT 54, they have their annual meeting next week the same day as the NEEDO meeting. He stated that he has chosen to attend the NEEDO meeting in Raton because he believes there are more opportunities there. Jack Taylor is going to be retiring from SPIRIT 54 and handing the reins over to someone else. The organization is poorly funded; he anticipates that after their meeting they will still be an organization but primarily volunteer and asking for people from various states to help support the cause. His

concern about SPIRIT 54 is if it's not them then who is it, who is going to carry that banner for us in terms of turning 54 into four lanes he has no word on the progress of that. He asked the Commission to let him know of any tourism opportunities they believe will be good for the EDC to be involved in. He stated that he has struggled trying to find an appropriate project for the EDC, he believe the potential winery/vineyard and the entertainment venue associated with that is a good opportunity for the EDC, but beyond that he inclined to focus on tourism infrastructure and whether that's roads or bridges unless we can find another opportunity.

Mayor Lumpkin commented that the city has always tried to get a four lane road and so has the SPIRIT 54 group but we haven't had any luck in our area. A lot of areas have had four lane roads put in 54 and now they are putting in a two lane bridge so a four lane road doesn't seem feasible. We could just do a lobbying effort, if its federal money and state money we can meet with the legislators and tell them how a four lane road would be beneficial, especially in accidents and tourism.

When talking about tourism, we're looking at a year from now, setting up an event at the Convention Center and at the Train Depot a model train show and they are very big and have a lot of participation. We need help getting that set up but once we get that set up and get on the way, we need a lot of help. The first year we worked on Rockabilly but now we have the producers and people that help set it up so it is well taken care of. He asked Mr. Vanderpool if the EDC would be interested in helping with the model train show. Mr. Vanderpool stated that it is a definite possibility. It has been discussed before with the tourism committee and a major cycling event is in the works and that is something that the EDC wants to be involved in. Mayor Lumpkin stated that would be a good opportunity and that there are people in town that participate in those kinds of events. There are a lot of great ideas; they just needed to be followed up on. He thanked Mr. Vanderpool and all those who are involved in getting the ACT Work Ready Program started. He stated that when speaking with interested business owners wanting to come to Tucumcari they always ask if we have a workforce and when he mentions the program they are impressed. Mr. Vanderpool stated that there was been a lot more work done with that program after the first quarter report was created and that would be presented in the next report.

Commissioner Haymaker thanked Mr. Vanderpool and thanked him for working with the City Manager and presenting a good report.

Mayor Lumpkin asked for a motion to adjourn. Commissioner Mihm made the motion to adjourn and Commissioner Gutierrez seconded the motion. Roll call:

Lumpkin	Gutierrez	Haymaker	Mihm
Yes	Yes	Yes	Yes

Commission adjourned at 5:55 p.m.

Submitted by:

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Angelica M. Gray  
City Clerk