



AGENDA
October 26, 2010
Regular Meeting
Town Council Chambers - 120 Civic Plaza Drive
1:30 PM

1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

5. APPROVAL OF MINUTES

- A. September 28, 2010 Regular Meeting Minutes
- B. October 1, 2010 Special Meeting Minutes 1:30 p.m.
- C. October 1, 2010 Special Meeting Minutes 2:00 p.m.
- D. October 12, 2010 Regular Meeting Minutes

6. CITIZENS FORUM

7. MATTERS FROM STAFF

- A. Cathy Connelly, Public Relations Director
Presentation by Luis Reyes, Kit Carson Electric Cooperative, Inc.'s Chief Executive Officer. Mr. Reyes will review broadband information as well as Kit Carson Electric's proposed rate increases.

8. PUBLIC HEARINGS

- A. Daniel Miera, Town Manager
Consideration and approval of Ordinance 10-19A; An Ordinance

repealing Ordinance 10-19 adopting a Gross Receipts Tax. This proposed Ordinance would repeal Ordinance 10-19 which the Town Council passed on August 10, 2010 imposing a Gross Receipts tax of one-quarter of one percent (0.25%) on the gross receipts of persons doing business in the Town of Taos. Pursuant to New Mexico Statutes Annotated (NMSA) Section 7-19D-9, the passage of proposed Ordinance 10-19A repealing Ordinance 10-19 would result in the foregoing Gross Receipts Tax not being imposed and a special election contesting the imposition of the tax not being held.

- B. **Loretta Trujillo, Human Resources Director**
Consideration and approval of Ordinance 10-26; An Ordinance amending Chapter 3.32, Section 3.32.040 of the Taos Town Code with respect to Mayor Pro-Tem.
- C. **Matthew Spriggs, Community Economic Development Director**
Consideration and approval of Ordinance 10-27; Approving and adopting the Town of Taos Community Economic Development Interim Strategic Plan, also known as the Interim Community Economic Development Element of the Taos Comprehensive Plan, and said plan complies with the Local Economic Development Act, Section 5-10-6 NMSA 1978 as amended allowing the Town of Taos to enter into project participation agreements for various economic development projects and sunsetting said plan approval and adoption on June 30, 2011.
- D. **Matthew Spriggs, Community Economic Development Director**
Consideration and approval of Ordinance 10-23A; Approving a Local Economic Development Project Participation Agreement between the Town of Taos and Cooking Studio Taos, LLC for the use of a Town commercial kitchen facility, abatement of associated rent, provision of economic benefit to the Town in the forms of employment and expanding the tax base and the safeguarding of public resources.

9. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

10. ADJOURNMENT

APPROVED:

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

- *To request details on an agenda item please contact the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005.*
- *If you are an individual with a disability who is in need of aid or service to attend and/or participate in a meeting of the Town of Taos Council, please contact the office of the Town Clerk at 400 Camino de la Placita, Taos New Mexico, 87571 (575) 751-2005 at least 24 hours in advance.*
- *For copies of this agenda please pick-up at Town Hall.*



October 26, 2010

Title:

September 28, 2010 Regular Meeting Minutes

Summary:

Background:

Attachments:

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APPROVALS:

Date/Time:

10/14/2010 11:21 AM

Approval:

Approved

Department:

Town Clerk



MINUTES
September 28, 2010
Regular Meeting
Town Council Chambers - 120 Civic Plaza Drive
1:30 PM

1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA

The Regular Meeting of the Taos Town Council was called to order by the Honorable Mayor Darren M. Cordova at 1:40 p.m.

2. ROLL CALL

Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.

Those present were:

Mayor, Darren M. Cordova
Mayor Pro Tem, Rudy C. Abeyta
Councilmember, Amy J. Quintana
Councilmember, Michael A. Silva

Also present were:

Town Manager, Daniel Miera
Assistant Town Manager, Abigail Adame
Town Clerk, Renee Lucero
Town Attorney, Allen Ferguson

Absent/Excused was:

Councilmember, A. Eugene Sanchez

3. PLEDGE OF ALLEGIANCE

Councilmember Silva led the audience in the pledge of allegiance.

4. APPROVAL OF AGENDA

Councilmember Silva made a motion to approve the Agenda as presented. Councilmember Quintana seconded the motion. The motion carried

1 unanimously.
2

3 **5. AWARDS AND RECOGNITIONS**

4 A. Presentation of Proclamation for Non-Violence Day in Taos

5 Mayor Cordova presented a proclamation proclaiming September 28,
6 2010 as Non-Violence Day in Taos.

7
8 Nicole Romero, co-sponsor of the Walk for Non-Violence event, invited the
9 Mayor, Council and community to the Walk for Non-Violence on Saturday,
10 October 2, 2010 at 4:00 p.m. beginning at Town Hall. Ms. Romero stated her
11 brother was recently murdered and her uncle was murdered shortly thereafter.
12 She also stated many families in Taos have been affected by violence and
13 asked for the community in join her in bringing awareness to this problem.

14 Gordon Hirsch, co-sponsor for the event, urged the Mayor, Council and citizens
15 to get involved in protecting the community from violence.

16 Mayor Cordova thanked Ms. Romero and Mr. Hirsch for organizing the event.
17 He further thanked Ms. Romero for having the courage to tell her story. He
18 stated violence affects the entire community and everyone must work together
19 to address it.

20 B. Presentation of Proclamation for Walk and Roll to School Day

21 Mayor Cordova proclaimed October 6, 2010 as Walk and Roll to School
22 Day in Taos.

23 Rose Bauhs expressed the importance of walking and exercising to promote
24 health benefits.

25 C. Presentation of Proclamation Honoring Geronimo Lujan

26 Mayor Cordova proclaimed September 25, 2010 as Geronimo Lujan
27 Day in Taos in honor of Geronimo Lujan.

28
29 Mayor Cordova stated Mr. Lujan turned 100 years old on September 25, 2010.
30 He believes it is important to acknowledge the elders of the community and
31 thank them for the wisdom they have shared throughout the years.

32 Mr. Lujan thanked all those present in the audience and stated he is very
33 pleased to be in the Town of Taos Council Chambers sharing this moment with
34 the community.

35 ***There was a brief recess for cake provided by the Lujan family.***

36
37 **6. CITIZENS FORUM**

38
39 - Jeff Northrup stated it is his belief that Town government is overspending and provides
40 too many days off and too many benefits to Town employees. He again spoke negatively
41 about Councilmember Quintana and also stated he will soon begin picketing and expects
42 Town government to ignore the fact that he will be violating the newly adopted Sign Code.

43 - R.G. Wells spoke about the upcoming General Elections and stated the citizens will vote
44 with ignorance because they do not read enough. He recommended several books for the

audience to read in order to education themselves.

- Karel Mirabal invited the Mayor and Council to the Juvenile Justice Board Meeting on October 19, 2010 at 7:30 a.m. at the Kit Carson Board Room.

- Marcia Carter asked the Mayor and Council to consider creating a task force to address the needs of the handicapped in the community.

7. MATTERS FROM STAFF

A. Francisco Espinoza, Public Works Director

Consideration and approval of contract award for Bid No. 10-11-05 for CDBG Project #10-C-NR-I-01-G-27 Reed and Alexander Road Improvements Phase 2 contingent upon New Mexico Department of Finance Administration Local Government Division and Labor Enforcement Fund approval.

Mr. Espinoza stated the bid opening was held on Monday, September 27, 2010 and he recommends awarding the bid to the low bidder - Advantage Asphalt and Seal Coating, LLC.

Councilmember Quintana made a motion to award Bid No. 10-11-05 for CDBG Project #10-C-NR-I-01-G-27 Reed and Alexander Road Improvements Phase 2 and authorization for the Mayor to enter into a contract with Advantage Asphalt and Seal Coating, Inc. in the amount of \$474,476.50 for the base bid plus \$36,035 for additive alternate 1 for a total of \$510,511.50 plus gross receipts tax. This award is contingent upon approval from the New Mexico Department of Finance Administration Local Government Division and the Labor Enforcement Fund. Mayor Pro Tem seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

B. Cathy Connelly, Public Relations Director

Update and overview of the growth of each Thursday's Taos Food Bank by Father Rocky Shuster, St. James Episcopal Church. The church, at the corner of Gusdorf and Camino de Santiago, has organized this successful and growing critical community service.

Father Shuster stated the program has grown tremendously in the past three years and asked the Mayor and Council to volunteer to work the food line any Thursday.

C. Marietta Fambro, Finance Director (with Carol Valade, Fixed Assets Clerk)

Consideration and approval of Resolution 10-51; Approving the intergovernmental transfer of a Unimog to the Village of Taos Ski Valley. The Town is no longer in need of this piece of equipment with attachment, since the purchase of the new snow plow equipment. The Town will be receiving a belt press from the Village of Taos Ski Valley in the near future as an intergovernmental transfer.

Councilmember Quintana made a motion to approve Resolution 10-51 as presented. Mayor Pro Tem Abeyta seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

D. Marietta Fambro, Finance Director (with Carol Valade, Fixed Assets Clerk)

Consideration and approval of Resolution No. 10-52. Approving the disposition of obsolete equipment owned by the Town of Taos. Items include gasoline generator, engine performance analyzer, golf cart-club car, pulse light indicator, fuel separators, 2 inch meter, autofry cooking machine, old bus vaults and canisters, glass distiller, weight bench, IBM typewriter and assorted lab equipment with miscellaneous pieces.

Councilmember Quintana made a motion to approve Resolution 10-52 as presented. Mayor Pro Tem Abeyta seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

E. Allen Ferguson, Town Attorney

Mayor's proposal to the Town Council to consider initiating an ordinance to repeal Ordinance 10-19 Adopting a Municipal Gross Receipts Tax, pursuant to NMSA Section 7-19D-9.

Mayor Cordova stated he requested that this item be placed on the agenda to repeal Ordinance 10-19 Adopting a Municipal Gross Receipts Tax. He stated it appears the Town will be required to conduct an election in order to increase the tax and there is not enough time or money in the budget for it.

Mayor Pro Tem Abeyta stated he supports the Mayor and indicated that property taxes will be increasing by approximately 15% and the Town cannot impose additional taxes on the voters.

Councilmember Silva also agreed and stated the Council can evaluate increasing Gross Receipts Taxes at a later date.

Mayor Pro Tem Abeyta made a motion to direct staff to proceed with the publication of an ordinance repealing Ordinance 10-19. Councilmember Quintana seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

F. Renee Lucero, Town Clerk

Approval of Municipal Clerk's certification of petition for voter referendum election on Municipal Local Option Gross Receipts Tax imposed by Town of Taos Ordinance 10-19 adopted on August 10, 2010. State law requires 5% of the number of voters in the municipality who were registered to vote in the most recent Regular Municipal Elections. During the Regular Municipal Elections 4,293 people were registered voters; therefore, 215 signatures are needed. Out of 383 signatures submitted on the petition, 351 signatures were verified as being qualified electors of the municipality on the list of registered voters

provided by the Taos County Clerk.

Councilmember Silva made a motion to approve the Municipal Clerks Certification of petition for voter referendum as presented. Councilmember Quintana seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

G. Matthew Spriggs, Community and Economic Development Director

Consideration and approval of an application for economic development assistance from Cooking Studio Taos, LLC. If this application is approved, Cooking Studio Taos, LLC will enter into a Local Economic Development Project Participation Agreement which includes a facilities use agreement for the Town's Commercial Kitchen with two years of abated rent and discounted rent in years three and four and full rent in year five. In return Cooking Studio Taos, LLC will provide a specific number of new additional jobs and increase the local tax base.

Mr. Spriggs stated Council approval of this application serves as notice to staff that negotiations of a project participation agreement may begin. Additionally, Mr. Spriggs stated the Legal Department has advised him that an interim economic development plan needs to be adopted before adoption of the project participation agreement.

Councilmember Quintana asked how long it will take for Mr. Spriggs to prepare an economic development plan. Mr. Spriggs stated a simple two year economic development plan can be prepared within three weeks.

Councilmember Silva stated he is not comfortable with acting on this item at this time and wants more time to ask questions and become familiar with the application.

Mayor Pro Tem Abeyta stated staff and the applicant worked very hard over the last several weeks to prepare the application and he is ready to move forward.

Mayor Pro Tem Abeyta made a motion to approve the application for economic development assistance from Cooking Studios Taos, LLC. Councilmember Quintana seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmember Quintana. Voting NAY was Councilmember Silva.

8. PUBLIC HEARINGS

A. Matthew Spriggs, Community and Economic Development Director

Consideration and adoption of Ordinance 10-23; Approving a Local Economic Development Participation Agreement between the Town of Taos and Cooking Studio Taos, LLC for the use of a Town commercial kitchen facility, abatement of associated rent, provision of economic benefit to the Town in the forms of employment and expanding tax base and the safeguarding of public resources.

Councilmember Quintana made a motion to table Ordinance 10-23. Councilmember Silva seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

Mayor Pro Tem Abeyta asked Mr. Miera to ensure that the economic development plan is prepared in a timely manner.

9. MATTERS FROM THE TOWN MANAGER

A. Daniel Miera, Town Manager (with Matthew Foster, Long Range Planner)

Consideration and approval Resolution 10-56. Adopting the 2012-2016 Infrastructure Capital Improvements Plan (ICIP). The ICIP is a comprehensive list of unfunded or partially funded capital projects. Each project is put into a priority list and submitted to the state Department of Finance Administration every year. The Town gets additional points on the Community Development Block Grant application if a project is included in the ICIP. The ICIP also includes a list of legislative priorities for going after legislative appropriations.

Mr. Miera stated the Infrastructure Capital Improvements Plan (ICIP) is being submitted even though it is very difficult to secure funding due to the troubled economy. He also stated preparation of the ICIP assists the Town in planning for the future.

Mr. Foster stated this plan is intended to be updated on a yearly basis. He reviewed last years priorities and asked that Council identify their top five priorities.

The Council agreed on the following five priorities:

1. Architectural Design & Construction of the Police Department Building
2. Salazar Road Extension (Paseo del Canon West to Roy Road Extension)
3. Weimer Area Sewer Line
4. Artspace Affordable Housing for Artists
5. Chamisa Road Water and Sewer Lines

Councilmember Silva made a motion to approve Resolution 10-56 as presented. Councilmember Quintana seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta and Councilmembers Quintana and Silva.

10. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

Mayor Cordova asked the Town Attorney to research the legalities of providing incentives from the buildings department by either reducing building permit fees or waiving building permit fees in an effort boost the construction industry. He stated the construction industry in Taos has declined due to the troubled economy and he believes providing incentives for people to continue construction projects may stimulate the economy.

Mayor Pro Tem Abeyta stated he thinks that is an excellent idea.

Mr. Ferguson stated as long as the incentive is offered for all permits, the anti-donation clause will not be violated; however, he stated he will conduct further research.

11. ADJOURNMENT

A motion was made by Mayor Pro Tem Abeyta and seconded by Councilmember Quintana to adjourn the meeting. The motion carried unanimously and the meeting adjourned at 3:30 p.m.

APPROVED:

Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

PLEASE NOTE: The Town of Taos records most Town Council Meetings via audio, however, only Regular Town Council Meetings and some Special Town Council Meetings, with controversial issues, are video recorded. Copies are available upon request at the Town Clerk's Office located at 400 Camino de la Placita (575-751-2005) at a fee of \$5.00 for audio recordings and \$10.00 for video recordings.



October 26, 2010

Title:

October 1, 2010 Special Meeting Minutes 1:30 p.m.

Summary:

Background:

Attachments:

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APPROVALS:

Date/Time:

10/15/2010 8:45 AM

Approval:

Approved

Department:

Town Clerk

**Special Meeting
Taos Town Council
Town Council Chambers
120 Civic Plaza Drive
Taos, New Mexico
October 1, 2010
1:30 p.m.**

MINUTES

1. CALL TO ORDER: The Special Meeting of the Taos Town Council was called to order by the Honorable Mayor Darren M. Cordova at 1:36 p.m.

2. ROLL CALL: Ms. Francella Garcia, Clerk's Assistant, called roll and a quorum was present.

Those present were:

Mayor	Darren M. Cordova
Mayor Pro Tem	Rudy C. Abeyta
Councilmember	Amy J. Quintana
Councilmember	Michael A. Silva

Also present were:

Town Manager	Daniel Miera
Town Attorney	Allen Ferguson
Clerk's Assistant	Francella Garcia

Absent/Excused were:

Councilmember	A. Eugene Sanchez
Assistant Town Manager	Abigail Adame
Town Clerk	Renee Lucero

3. PLEDGE OF ALLEGIANCE: Councilmember Quintana led the audience in the pledge of allegiance.

4. APPROVAL OF AGENDA:

Councilmember Silva made a motion to approve the Agenda as presented. Councilmember Quintana seconded the motion. The motion carried unanimously.

5. PUBLIC HEARINGS

Marietta Fambro, Finance Director (with Miranda Quintana, Grants Administrator)

Public hearing regarding the progress of the current CDBG project and the submission of an application to the Department of Finance and Administration Local Government Division for a Small Cities Community Development Block Grant

Town of Taos Special Meeting Minutes

October 1, 2010

1 Program (CDBG) grant. To comply with the citizen participation requirements of
2 Section 507 of the Housing and Community Development Act of 1987 CDBG
3 applicants must conduct at least one public hearing on the proposed activities. The
4 purpose of this public hearing is to report on past CDBG program activities and to
5 receive public input on community development needs and suggestions for future
6 CDBG projects.

7
8 Marietta Fambro, Finance Director, and Miranda Quintana, Grants Administrator,
9 gave a project update on the 2010 (No. 10-C-NR-I-01-G-27) Community
10 Development Block Grant (CDBG) to the listening audience. Ms. Quintana stated the
11 timeline moving forward on the Reed/Alexander Phase 2 project is the follows: On
12 October 4, 2010 the contract will be awarded, the Pre-Construction Meeting will take
13 place and the Notice to Proceed will be issued; construction will begin on October 5,
14 2010; and substantial completion will be achieved by November 17, 2010. Ms.
15 Quintana explained the project closeout will transpire from November 18 thru
16 November 24, 2010. She also explained if the Town needs additional time a
17 threshold waiver may be requested and is due on November 19, 2010.

18
19 Ms. Quintana further explained the application process to the Mayor and Council and
20 stated the Infrastructure Capital Improvement Plan (ICIP) was submitted on
21 September 30, 2010. She also explained the Mayor and Council will select the
22 CDBG project today. Furthermore, she stated the following must be completed by
23 November 24, 2010; the environmental review, plans and specifications with cost
24 estimates, and a residential survey must be conducted determining whether 51% of
25 individuals in the proposed target area are of low and moderate income. Ms. Quintana
26 indicated the CDBG application is due on December 17, 2010.

Public Opinion

27
28
29 Mayor Cordova opened the public hearing.

30
31 Amos Torres, Town of Taos Public Utilities Director, was sworn in and
32 recommended water and roadway improvements on Chamisa Road and Este Es
33 Road which is within the Town limits. He explained Chamisa Road is paved from
34 SR-68 to near Salazar Road. He further explained the width of Chamisa Road does
35 not meet minimum standards and the property owners to the south and to the north
36 have agreed to provide additional land along this stretch of road to allow for a more
37 serviceable street. Mr. Torres stated that the Town has started some improvements
38 on the road; however, the Town does not have the resources to pave the road. He
39 further stated the intersection of SR-68 and Chamisa Road does not meet the intended
40 purposes. Mr. Torres asked the Mayor and Council to consider making the Chamisa
41 Road improvement project a top priority.

42
43 Mayor Cordova inquired about Estes Es Road. Mr. Torres responded this would be a
44 combined project and explained Este Es Road would loop into Chamisa Road with a
45 water line. He recommended installing the infrastructure and utilities and possibly
46 improve the roadway, but not paving it. At a later date the Town could evaluate how
47 the entire roadway will be completed.

Town of Taos Special Meeting Minutes

October 1, 2010

1
2 A discussion took place regarding the need to signalize the intersection between Este
3 Es Road and SR-68.
4

5 Carl Colonias, Executive Director for the Rocky Mountain Youth Corps, was sworn
6 in and requested the Salazar Road extension as well as the infrastructure and utilities
7 be completed as an aid to the Rocky Mountain Youth Corps to complete their
8 campus. He further stated Rocky Mountain Youth Corps is continuing their efforts to
9 construct a campus on their ten acres of land that is essentially at the intersection of
10 what will be Este Es Road West and the Salazar Road extension. Mr. Colonias
11 further explained that Rocky Mountain Youth Corps is moving forward in obtaining
12 buildable plans and are hoping to break ground as early as next year.
13

14 Cathy Connelly was sworn in and stated the Town has issues with the smell and dust
15 coming from the composting facility at the Wastewater Treatment Plant and proposed
16 covering it to address the problem. By eliminating these problems it would expand
17 affordable housing and the real estate would be much more attractive for potential
18 continued development. She further stated this has been done very effectively in
19 Santa Fe.
20

21 After closing the public hearing, Mayor Cordova asked for questions from the
22 Council.
23

24 Mayor Pro Tem Abeyta asked Mr. Torres for clarification for the listening audience if
25 the project he proposed is a combination of smaller projects for an overall larger
26 project. Mr. Torres stated yes. Daniel Miera, Town Manager added that funding
27 would be primarily used for the water line. He further stated the Town has easements
28 on Chamisa Road to continue to improve the roadways especially when the Salazar
29 Road extension is completed.
30

31 A discussion took place regarding the easements on Este Es Road and Chamisa Road.
32

33 Mr. Torres stated the priority on Chamisa Road is to install a water line along side of
34 the road leaving the pavement undisturbed. He further stated looping the system will
35 improve the quality of water and the fire protection in that area.
36

37 A discussion took place about conducting a residential survey to determine whether
38 51% of individuals in the proposed area are of low and moderate income.
39

40 Mayor Pro Tem Abeyta asked for the breakdown of the application. Mr. Miera stated
41 the application of \$500,000 would be for the construction of the water line.
42

43 Mr. Miera commended Ms. Quintana for a job well done in working with the Local
44 Government Division despite all the shifts that have occurred at the State level. He
45 further added due to her efforts the Town is probably the only entity in the State who
46 has received the updated forms and application.

Town of Taos Special Meeting Minutes

October 1, 2010

1
2 **This public hearing was held to receive public input and was not voted on.**
3

- 4 **6. ADJOURNMENT:** A motion was made by **Mayor Pro Tem Abeyta** and seconded
5 by **Councilmember Silva** to adjourn the meeting. The motion carried unanimously
6 and the meeting adjourned at **2:13 p.m.**
7

8
9 **APPROVED:**
10

11 _____
12 **Darren M. Cordova, Mayor**
13

14
15 **ATTEST:**
16

17 _____
18 **Renee Lucero, Town Clerk**
19
20
21

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 Town Clerk's Office located at 400 Camino de la Placita (575-751-2005) at a fee of \$5.00
 for audio recordings and \$25.00 for video recordings.



October 26, 2010

Title:

October 1, 2010 Special Meeting Minutes 2:00 p.m.

Summary:

Background:

Attachments:

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APPROVALS:

Date/Time:

10/15/2010 1:08 PM

Approval:

Approved

Department:

Town Clerk

**Special Meeting
Taos Town Council
Town Council Chambers
120 Civic Plaza Drive
Taos, New Mexico
October 1, 2010
2:00 p.m.**

MINUTES

1. CALL TO ORDER: The Special Meeting of the Taos Town Council was called to order by the Honorable Mayor Darren M. Cordova at 2:27 p.m.

2. ROLL CALL: Ms. Francella Garcia, Clerk's Assistant, called roll and a quorum was present.

Those present were:

Mayor	Darren M. Cordova
Mayor Pro Tem	Rudy C. Abeyta
Councilmember	Amy J. Quintana
Councilmember	Michael A. Silva

Also present were:

Town Manager	Daniel Miera
Town Attorney	Allen Ferguson
Clerk's Assistant	Francella Garcia

Absent/Excused were:

Councilmember	A. Eugene Sanchez
Assistant Town Manager	Abigail Adame
Town Clerk	Renee Lucero

3. APPROVAL OF AGENDA:

Councilmember Silva made a motion to approve the Agenda as presented. Councilmember Quintana seconded the motion. The motion carried unanimously.

4. PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was skipped because it was recited during the previous meeting at 1:30 p.m.

5. MATTERS FROM STAFF

Marietta Fambro, Finance Director (with Miranda Quintana, Grants Administrator)

Discussion and approval of project for submission of an application to the Department of Finance and Administration Local Government Division for a Small Cities Community Development Block Grant Program (CDBG) grant.

Town of Taos Special Meeting Minutes

October 1, 2010

1 Mayor Cordova stated based on the information which was received at the Public
2 Hearing he was confident the improvements to the water line at Chamisa/Este Es
3 Road would meet the criteria set forth by CDBG.

4
5 **Mayor Pro Tem Abeyta made a motion to approve the Community Development**
6 **Block Grant project to improve the water line on Chamisa and looping West of**
7 **Este Es Road to serve this underserved, low and moderate income area to**
8 **improve the quality of life. Councilmember Quintana seconded the motion. The**
9 **motion was approved by an affirmative vote. Those voting AYE were: Mayor**
10 **Pro Tem Abeyta, and Councilmembers Quintana and Silva.**

11
12
13 **6. MATTERS FROM THE TOWN MANAGER**

14 Consideration and approval of Contract TT-11-136 with Daniel B. Stephens &
15 Associates Inc. in the amount of \$101,935.69 inclusive of NMGRS for Hydrological
16 Services Phase II per RFP 08-09-21 awarded for Hydrological Services. The overall
17 objective of this project is to ensure that the Town is prepared to provide a viable
18 water supply for current and future residents, both from a legal or water rights
19 perspective, and from a hydrologic and infrastructure perspective. If awarded this
20 would be the second year contract out of a four year contract possibility.

21
22 Mr. Miera informed the Mayor and Council the funds were available in the current
23 fiscal year budget. He further stated the contract will consist of work on the water
24 rights, the forty year water plan and the Abeyta Settlement.

25
26 A discussion took place in regards to the favorable services Daniel B. Stephens &
27 Associates Inc. has provided to the Town.

28
29 **Councilmember Quintana made a motion to approve Contract TT-11-136 as**
30 **presented. Councilmember Silva seconded. The motion was approved by an**
31 **affirmative vote. Those voting AYE were: Mayor Pro Tem Rudy Abeyta, and**
32 **Councilmembers Quintana and Silva.**

33
34 **A motion was made by Councilmember Quintana and seconded by**
35 **Councilmember Silva to adjourn the meeting.**

36
37 For discussion Mr. Miera requested motions to be rescinded so that contract TT-11-
38 136 could be approved in the amount **up to \$101,935.69.**

39
40 **Councilmember Amy Quintana rescinded her motion to adjourn.**
41 **Councilmember Silva rescinded his motion to adjourn.**

42
43 **Councilmember Quintana rescinded her motion to approve contract TT-11-136**
44 **in the amount of \$101,935.69. Councilmember Silva rescinded his motion to**
45 **approve contract TT-11-136 in the amount of \$101,935.69.**

Town of Taos Special Meeting Minutes

October 1, 2010

1 **Councilmember Quintana made a motion approve contract TT-11-136 in the**
2 **amount up to \$101,935.69. Councilmember Silva seconded the motion. The**
3 **motion was approved by an affirmative vote. Those voting AYE were: Mayor**
4 **Pro Tem Abeyta, and Councilmembers Quintana and Silva.**

- 5
6 **7. ADJOURNMENT:** A motion was made by **Mayor Pro Tem Abeyta** and seconded
7 by **Councilmember Quintana** to adjourn the meeting. The motion carried
8 unanimously and the meeting adjourned at **2:13 p.m.**

9
10
11 **APPROVED:**

12
13
14 _____
15 **Darren M. Cordova, Mayor**

16
17 **ATTEST:**

18
19 _____
20 **Renee Lucero, Town Clerk**

21
22
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24 *however, only Regular Town Council Meetings and some Special Town Council Meetings,*
25 *with controversial issues, are video recorded. Copies are available upon request at the*
 Town Clerk's Office located at 400 Camino de la Placita (575-751-2005) at a fee of \$5.00
 for audio recordings and \$25.00 for video recordings.



October 26, 2010

Title:

October 12, 2010 Regular Meeting Minutes

Summary:

Background:

Attachments:

Click to download

 [Minutes](#)

APPROVALS:

Date/Time:

10/20/2010 12:02 PM

Approval:

Approved

Department:

Town Clerk



MINUTES
October 12, 2010
Regular Meeting
Town Council Chambers - 120 Civic Plaza Drive
1:30 PM

1. CALL TO ORDER BY THE HONORABLE MAYOR DARREN M. CORDOVA

The Regular Meeting of the Taos Town Council was called to order by the Honorable Mayor Darren M. Cordova at 1:34 p.m.

2. ROLL CALL

Ms. Renee Lucero, Town Clerk, called roll and a quorum was present.

Those present were:

Mayor, Darren M. Cordova
Mayor Pro Tem, Rudy C. Abeyta
Councilmember, A. Eugene Sanchez
Councilmember, Michael A. Silva

Also present were:

Town Manager, Daniel Miera
Assistant Town Manager, Abigail Adame
Assistant Town Attorney, Jack Clough
Town Clerk, Renee Lucero

Absent/excused was:

Councilmember, Amy J. Quintana
Town Attorney, Allen Ferguson

3. PLEDGE OF ALLEGIANCE

Councilmember Sanchez led the audience in the pledge of allegiance.

4. APPROVAL OF AGENDA

DELETE Item 6.B. - Loretta Trujillo, Human Resources Director; Retirement - The Mayor

and Town Council are pleased to proclaim the retirement of Ray Martinez, Transit Operator effective October 1, 2010.

Mayor Pro Tem Abeyta made a motion to approve the Agenda as amended. Councilmember Sanchez seconded the motion. The motion carried unanimously.

5. APPROVAL OF MINUTES

A. September 14, 2010 Regular Meeting Minutes

Councilmember Silva made a motion to approve the Minutes of September 14, 2010 as presented. Councilmember Sanchez seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

B. September 27, 2010 Special Meeting Minutes

Mayor Pro Tem Abeyta made a motion to approve the Minutes of September 27, 2010 as presented. Councilmember Silva seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

6. AWARDS AND RECOGNITIONS

A. Loretta Trujillo, Human Resources Director

New Hires - 09/30/2010 Chris Cordova - Recreation Specialist, Y&F Center - Temporary assignment through April 15, 2010.

Mayor Cordova stated for the record that he is not related to Chris Cordova.

B. THIS ITEM WAS DELETED

7. CITIZENS FORUM

A. Christopher Maher

Matthew Spriggs, Community and Economic Development Director, explained that Mr. Maher, Cooking Studios Taos, is present to inform the Mayor and Council that he will not be available to attend the Public Hearing scheduled for October 26, 2010 for consideration of the Project Participation Agreement with Cooking Studios Taos; however, he would still like the opportunity to express his gratitude to the Mayor and Council for considering his agreement.

Mr. Maher stated he looks forward to working with the Town of Taos and hopes to see his natural organic food factory grow in the next three to five years. He believes his food factory will contribute to the economic development of the Town of Taos.

B. Allison Arney

Ms. Arney, lives next to the Wastewater Treatment Plant and complained about the smell coming from the composting facility at the September 14, 2010 Council

Meeting. She came to the meeting today to update the Mayor and Council about the conditions at the composting facility and stated the smell is still very bad. She appreciates the Town doing anything possible to close the facility or enclose it.

Mayor Cordova asked Daniel Miera, Town Manager, to continue mitigating these concerns and evaluate closing the facility.

Mayor Pro Tem Abeyta asked Mr. Miera to also consider relocating the composting facility to the Taos Regional Landfill.

Mr. Miera stated it would cost the Town \$1 million by next year to haul the sludge to Rio Rancho. He also stated staff is considering all possible solutions including relocating the composting facility and enclosing the facility.

C. Shelley Bahr

Ms. Bahr asked the Town to consider constructing fields two and three at the Eco Park because she believes one field will not be sufficient to boost the economy in Taos. She stated she supports raising the Gross Receipts Tax in Taos if funding is not available.

Mayor Cordova stated although one field may not completely fulfill the Town's intent for economic development, it will still fulfill the community's needs. He further stated the Council is committed to constructing the other two fields as planned.

8. CONSENT AGENDA

A. Loretta Trujillo, Human Resources Director

Consideration and approval of Resolution 10-60; Waiving the provisions of Town Code 3.80.070 with respect to hiring of an immediate family member of a current Town of Taos employee. The Town proposes to hire Christopher Lucero as a Recreation Specialist at the Youth and Family Center. Mr. Lucero is the son of Town Employee, Claudette Lucero who works within the Judicial Department. The employment of Christopher Lucero would not create a direct or indirect supervisor/subordinate relationship nor a conflict of interest. Christopher Lucero previously worked for the Town as a Recreation Specialist on a temporary basis from July of 2004 through August of 2009.

B. Marietta Fambro, Finance Director (with Carol Valade, Fixed Assets Clerk)

Consideration and approval of Resolution 10-57; Approving the intergovernmental transfer of a fertilizer bagging and scales system to the City of Hobbs, N.M. This property is no longer usable to the Town.

C. Rick Anglada, Chief of Police

Consideration and approval to lease a Workcentre 7755 MFD from Xerox which will replace the two copiers at the police department. The Workcentre 7755 will be leased for 48 months at \$717.21 a month and

print charges will be \$.0095 over 5000 prints (black) and \$.0742 (color). Line item # 11-14-43005 and 11-14-43001.

Councilmember Silva asked to have Item 8.B. removed from the Consent Agenda for discussion.

Mayor Pro Tem Abeyta made a motion to approve the Consent Agenda as amended. Councilmember Sanchez seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

Item 8.B. - Councilmember Silva stated he would like for Town staff to communicate with the City of Hobbs to determine if they have any equipment to trade of equal value. Amos Torres, Public Utilities Director, stated he has had conversations with staff at the City of Hobbs and has determined that they did not have any equipment that the Town could use.

Mayor Cordova agreed with Councilmember Silva that the Town should always make every effort to trade equipment with other entities before transferring equipment.

Councilmember Silva made a motion to approve Item 8.B. as amended. Councilmember Sanchez seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

9. MATTERS FROM STAFF

A. Amos Torres, Public Utilities Director

Consideration and approval of Resolution 10-58; Authorizing the Mayor and staff to apply for grant funding in the amount of \$2.5 million through the Water Trust Board for the purpose of the continuation of the Regional Water System Upgrade project.

Mr. Torres explained the scope of work will include a water distribution system with fire hydrants in the Weimer Hills area, interconnections with Canon, Talpa and El Valle de los Ranchos, SCADA upgrades and pressure reducing valves on existing water distribution, relocation of emergency generators and rehabilitation of the existing 200,000 gallon tank.

Mr. Miera asked that the grant amount on the agenda item and resolution be changed from \$1,650,000 to \$2.5 million in an effort to leverage more state funds to save on matching funds from the Town.

Mayor Pro Tem Abeyta made a motion to approve Resolution 10-58 as amended. Councilmember Silva seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

B. Amos Torres, Public Utilities Director

Consideration and approval of Resolution 10-59; Authorizing the Mayor and staff to apply for grant funding in the amount of \$2.5 million through

the Water Trust Board for the purpose of the continuation of the Wastewater Treatment Plan Rehabilitation project.

Mr. Torres explained this is Phase 4 of the Wastewater Treatment Plant Project that has received both Water Trust Board and ARRA funding.

Councilmember Silva made a motion to approve Resolution 10-59 as presented. Mayor Pro Tem Abeyta seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

C. Marietta Fambro, Finance Director

Consideration and approval of Resolution 10-61; Budget Adjustment Request: 1) 1/4 Municipal GRT Fund (32) - Increase revenues and interfund transfer out to Fund 59 in the amount of \$29,213 to cover a portion needed to award Morgan Road Improvements project; 2) Capital Improvements Fund (51) - Increase revenues and interfund transfer out to Fund 59 in the amount of \$21,909 to cover a portion needed to award Morgan Road Improvements project; 3) 1999 Gas Tax Construction Fund (59) - a. Increase interfund transfer in from Fund 32 in the amount of \$29,213 and \$21,909 from Fund 51 to cover a portion needed to award Morgan Road Improvements project; b. Transfer \$219,462 from underrun of Reed/Alexander and \$10,406 from Bedford design project and increase expenditures to Morgan Road Improvements - Town Match in the amount of \$260,990; \$10,406 from Bedford, \$51,122 from additional GRT revenues and \$199,462 from underrun Reed/Alexander; c. Transfer \$20,000 from Reed/Alexander to NM 68 Enhancement to cover final quantities.

Mayor Pro Tem Abeyta made a motion to approve Resolution 10-61 as presented. Councilmember Silva seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

D. Francisco Espinoza, Public Works Director

Recommendation to award Bid 10-11-02 to Road Construction Southwest, Inc. and authorization for the Mayor in enter into a contract with Road Construction Southwest, Inc. in the amount of \$552,207.30 Base Bid plus additive alternate #2 in the amount of \$36,710.15 plus GRT (8.1875%) in the amount of \$48,217.61 for a total contract amount of \$637,135.07.

Councilmember Silva stated a protest was issued in regards to this contractor and asked for clarification.

Jack Clough, Assistant Town Attorney, explained a protest was issued by a local contractor and was based on two technical matters: one matter was whether the bonding agent was inappropriately identified and bid documents indicated there were several subagents authorized to write the bond; the other matter was whether one of the subcontractors that were listed was not an authorized subcontractor and during negotiations the contractor withdrew the subcontractor and stated they would perform the work themselves. Mr. Clough stated neither

1
2 matter had merit; therefore, a letter denying the protest was issued.

3
4 Councilmember Silva stated Joey Perovich, the contractor who submitted the
5 protest, is in the audience and welcomed Mr. Perovich to comment on the issue
6 if he would like.

7
8 Mr. Perovich stated he received the Town's response to his protest and informed
9 the Mayor and Council that the contractor does not have the GA3 License as
10 required to install culverts. He read the requirements of a GA3 License and
11 stated he did not include this matter in his protest because he just discovered it
12 this morning.

13
14 Councilmember Silva asked if Mr. Perovich's protest can be amended at this
15 time in light of the new information that was received to ensure that all
16 contractors are treated fairly. Mr. Clough stated the protest period has passed
17 and this new concern cannot be added to Mr. Perovich's protest.

18
19 Mr. Miera stated the engineer for the project, Alex Abeyta, with Abeyta
20 Engineering, is certain the contractor's licenses are in compliance with the bid
21 specifications; therefore, the contractor is qualified to perform the work.

22
23 **Councilmember Silva made a motion to award Bid 10-11-02 to Road**
24 **Construction Southwest, Inc. and authorize the Mayor in enter into a**
25 **contract with Road Construction Southwest, Inc. contingent upon the**
26 **contractor being fully licensed and in compliance with the New Mexico**
27 **Construction Industries Division. Councilmember Sanchez seconded the**
28 **motion.**

29
30 For discussion, Councilmember Sanchez stated he does not want to see these
31 contracts coming for approval at the last minute and asked how this could be
32 addressed. Mayor Cordova stated he understands Councilmember Sanchez'
33 concerns and explained that the funding is often state or legislative funding and
34 the Town is forced to meet their deadlines.

35
36 Mayor Pro Tem Abeyta asked Tina Torres, Purchasing Agent, if the licensing
37 criteria was met. Ms. Torres responded yes and explained that a thorough
38 review of the paperwork was conducted and to the best of her knowledge the
39 licensing criteria was met.

40
41 Alex Abeyta, with Abeyta Engineering, stated the contractor was asked to
42 submit a Bidders Qualification Statement and in reviewing the statement it was
43 clear to him that the contractor had all the necessary licenses for this type of
44 work. Upon being questioned about whether the contractor is a local business,
Mr. Abeyta explained the contractor's home company started in Washington
state in 2003 and has been operating in Los Alamos County as an incorporated
contractor since April, 2009; however, they have been doing work in Los
Alamos for more than two years as a foreign corporation.

During Mr. Abeyta's statement, Ms. Torres provided him with
documentation describing the contractor's licenses. Upon reviewing the file, Mr.

Abeyta stated he is confident that the contractor is qualified to perform the work.

Councilmember Silva rescinded his motion to award Bid 10-11-02 to Road Construction Southwest, Inc. and authorize the Mayor in enter into a contract with Road Construction Southwest, Inc. contingent upon the contractor being fully licensed and in compliance with the New Mexico Construction Industries Division. Councilmember Sanchez rescinded his second.

Councilmember Silva made a motion to award Bid 10-11-02 to Road Construction Southwest, Inc. and authorize the Mayor in enter into a contract with Road Construction Southwest, Inc. Councilmember Sanchez seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

10. PUBLIC HEARINGS

A. Manuel L. Pacheco, Buildings & Grounds Director

Consideration and approval of Ordinance 10-24; Flood Damage Prevention Ordinance. The purpose of consideration is for the implementation of the new FIRM ((Flood Insurance Rate Maps) which will go into effect on October 6, 2010. The new maps supersede the most current FIRM maps dated January 5, 1989, along with the flood insurance study for Taos County and the Town of Taos.

Mr. Torres presented Ordinance 10-24 to the Mayor and Council.

Public Opinion

Mayor Cordova opened the public hearing. **No one came forward.**

After closing the public hearing, Mayor Cordova asked for questions from the Council.

Councilmember Silva made a motion to approve Ordinance 10-24 as presented. Councilmember Sanchez seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

B. Matthew Spriggs, Community Economic Development Director

Public hearing regarding the adoption of Ordinance 10-25 amending title 16 of the Taos Town Code with respect to height limitations in the Central Business District (CBD), General Commercial (C-2), and Highway Corridor Protection District (HCPD) zones and set backs, lot sizes, lot coverage, and lot widths of the HCPD, CBD, C-2, C-1, R-14, and R-6 zoning districts to achieve a greater density of development. The ordinance further makes minor alterations to the permitted principal and accessory uses of the CBD zoning district.

Mr. Spriggs presented Ordinance 10-25 to the Mayor and Council.

Mayor Cordova stated the current code does not allow several types of

businesses in the Central Business District (CBD) Zone including hardware stores. He stated the owner of Ace Hardware has an interest in expanding his business to the Pueblo Alegre Mall and this provision would not allow him to do so. Mayor Cordova asked that this be removed from the code so that hardware stores would be allowed in the CBD Zone.

On page four, the last paragraph, Mr. Miera recommended deleting the fourth word "but" because it is a typo.

Public Opinion

Mayor Cordova opened the public hearing. **No one came forward.**

After closing the public hearing, Mayor Cordova asked for questions from the Council,

Councilmember Sanchez made a motion to approve Ordinance 10-25 as amended. Councilmember Silva seconded the motion. The motion was approved by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez and Silva.

11. MATTERS FROM THE MAYOR AND COUNCIL/YOUTH COUNCILMEMBER

- Mayor Cordova stated he had planned to have a discussion about the feasibility of separating bids for construction projects; however, due to time constraints, the discussion will take place at the next Council meeting.

- Mayor Pro Tem Abeyta stated he has asked the Legal Department to amend the ordinance that sets the \$2,300 fee for water rights. He is concerned about users paying this fee along with connection fees. He asked that staff bring an amended ordinance for action within the next three to four months.

Mayor Cordova asked Mr. Miera to address Mayor Pro Tem Abeyta's concerns and to perhaps incorporate those amendments with the restructuring of the water and sewer rates within ninety days.

Mr. Miera stated he will coordinate with staff regarding this matter.

- Councilmember Silva asked Mr. Miera to evaluate the need for speed humps next to Enos Garcia school zone on Valverde Street in an effort to slow down the traffic in that area. He added that he has received complaints from parents about citizens driving too fast.

Mr. Miera stated a petition is required with signatures from 75% of neighbors in the area. He stated he will continue to evaluate the situation.

Councilmember Silva asked if there is any way to place speed humps without asking the citizens to provide a petition since there are already speed humps in that area - just not in the school zone.

Mr. Miera stated he will meet with staff to evaluate the area to determine whether speed humps are needed and if so, whether the speed humps may be placed without the petition

1 requirement.

2
3 Mayor Pro Tem Abeyta stated he does not believe there is a need for speed humps in that
4 area of Valverde since it is used primarily by teachers. He also stated that speed humps
5 impede the flow of emergency vehicles and feels that more law enforcement by the police
6 department could address the problem.

7
8 **12. EXECUTIVE SESSION**

9 Executive Session

10 **Mayor Pro Tem Abeyta made a motion to go into Executive Session to**
11 **discuss limited personnel matters involving the duties of individual**
12 **employees and their assignment, reassignment, classification or**
13 **reclassification, in the context of and in relation to the potential effects of**
14 **the implementation of any previously discussed reorganization proposals**
15 **pursuant to NMSA 1978 10-15-1(H)(2).**

16 **Councilmember Silva seconded the motion. The motion was confirmed**
17 **by an affirmative vote. Those voting AYE were: Mayor Pro Tem Abeyta,**
18 **and Councilmembers Sanchez and Silva.**

19
20 **At 5:20 p.m., Councilmember Silva made a motion to come out of**
21 **Executive Session and stated discussion in the Executive Session was**
22 **limited to the item as it was called for. Councilmember Sanchez seconded**
23 **the motion. The motion was confirmed by an affirmative vote. Those**
24 **voting AYE were: Mayor Pro Tem Abeyta, and Councilmembers Sanchez**
25 **and Silva.**

26 **No action was taken.**

27 **13. ADJOURNMENT**

28
29 **A motion was made by Councilmember Silva and seconded by Councilmember**
30 **Sanchez to adjourn the meeting. The motion carried unanimously and the meeting**
31 **adjourned at 5:20 p.m.**

32
33
34
35 **APPROVED:**

36
37
38
39 **Darren M. Cordova, Mayor**

40
41
42 **ATTEST:**

1
2
3 **Renee Lucero, Town Clerk**
4

5 ***PLEASE NOTE: The Town of Taos records most Town Council Meetings via audio,***
6 ***however, only Regular Town Council Meetings and some Special Town Council***
7 ***Meetings, with controversial issues, are video recorded. Copies are available upon***
8 ***request at the Town Clerk's Office located at 400 Camino de la Placita (575-751-2005)***
9 ***at a fee of \$5.00 for audio recordings and \$10.00 for video recordings.***
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October 26, 2010

Title:

Cathy Connelly, Public Relations Director

Summary:

Presentation by Luis Reyes, Kit Carson Electric Cooperative, Inc.'s Chief Executive Officer. Mr. Reyes will review broadband information as well as Kit Carson Electric's proposed rate increases.

Background:

Attachments:

Click to download

No Attachments Available

APPROVALS:

Date/Time:

Approval:

Department:

10/18/2010 8:51 AM

Approved

Town Clerk



October 26, 2010

Title:

Daniel Miera, Town Manager

Summary:

Consideration and approval of Ordinance 10-19A; An Ordinance repealing Ordinance 10-19 adopting a Gross Receipts Tax. This proposed Ordinance would repeal Ordinance 10-19 which the Town Council passed on August 10, 2010 imposing a Gross Receipts tax of one-quarter of one percent (0.25%) on the gross receipts of persons doing business in the Town of Taos. Pursuant to New Mexico Statutes Annotated (NMSA) Section 7-19D-9, the passage of proposed Ordinance 10-19A repealing Ordinance 10-19 would result in the foregoing Gross Receipts Tax not being imposed and a special election contesting the imposition of the tax not being held.

Background:

Attachments:

Click to download

 [Ordinance](#)

APPROVALS:

Date/Time:	Approval:	Department:
10/18/2010 3:45 PM	Approved	Town Clerk



**TOWN OF TAOS
ORDINANCE NUMBER 10-19A,
REPEALING ORDINANCE NUMBER 10-19 ADOPTING A
GROSS RECEIPTS TAX**

WHEREAS, on August 10, 2010, the Town of Taos Council, pursuant to the Municipal Local Option Gross Receipts Taxes Act (NMSA 1978, Sections 7-19D-1 through 7-19D-12) enacted Ordinance Number 10-19, adopting a Municipal Gross Receipts Tax of one-fourth of one percent (.25%) on the gross receipts of persons engaging in business within the Town of Taos, to become effective January 1, 2010, such tax to be directed toward public safety and economic development; and,

WHEREAS, the Town Council has reconsidered the matter and is of the view that it is an inauspicious time to impose even a very small tax increase particularly in light of the recently disclosed prospect of local property taxes increasing substantially; and,

WHEREAS, the Town Council is also of the view that it would be beneficial to the Town of Taos and its residents to allow more time to present the proposed uses to which such a tax might be put; and

WHEREAS, pursuant to NMSA 1978, Section 7-19D-9.D, where a petition for a referendum election on a municipal gross receipts tax ordinance has been filed, the Governing Body's repealing such an ordinance before it adopts an election resolution results in the tax not being imposed and the election not being held:

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Town of Taos, meeting in regular session on this 26th day of October, 2010, and after having held a public hearing on the matter, that **Ordinance Number 10-19** adopting a municipal gross receipts tax **is hereby REPEALED** and no such tax shall be imposed at this time.

ADOPTED BY THE GOVERNING BODY OF THE TOWN OF TAOS THIS 26th DAY OF OCTOBER, 2010.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, APPROVED, AND RATIFIED this 26th day of October, 2010 by the following vote:

Mayor Pro Tem Rudy C. Abeyta	_____
Councilmember A. Eugene Sanchez	_____
Councilmember Amy J. Quintana	_____
Councilmember Michael A. Silva	_____

TOWN OF TAOS

Darren M. Cordova, Mayor

ATTEST:

APPROVED AS TO FORM

Renee Lucero, Town Clerk

Allen Ferguson, Jr., Town Attorney



October 26, 2010

Title:

Loretta Trujillo, Human Resources Director

Summary:

Consideration and approval of Ordinance 10-26; An Ordinance amending Chapter 3.32, Section 3.32.040 of the Taos Town Code with respect to Mayor Pro-Tem.

Background:

Attachments:

Click to download

📎 [Ordinance](#)

APPROVALS:

Date/Time:	Approval:	Department:
10/14/2010 11:20 AM	Approved	Town Clerk



**TOWN OF TAOS
ORDINANCE 10-26**

**AN ORDINANCE AMENDING CHAPTER 3.32, SECTION 3.32.040
OF THE TAOS TOWN CODE**

**This ordinance amends the Taos Town Code with respect to
Mayor Pro-Tem**

WHEREAS, The Town Council, the Governing Body of the Town of Taos, finds it necessary to amend Section 3.32.040 of the Town Code as it applies to the election of Mayor Pro-Tem.

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Town of Taos, meeting in Regular Session this 26th day of October, 2010, and after having held a public hearing on the matter that the following Ordinance is hereby adopted, approved and ratified:

The Town Code is amended as follows: In Chapter 3.32: Mayor; Section 3.32.040: Mayor Pro Tem; shall be repealed and replaced by the following new description:

3.32.040: MAYOR PRO TEMPORE:

The town councilors shall, at the organizational meeting after the regular municipal election, elect from their own body a mayor pro tempore to act in the absence of the mayor, except as may otherwise be provided by law or ordinance. The town councilors may change the mayor pro-tem at their pleasure at any time. The mayor shall have the power to break a tie vote on the election of the mayor pro tempore.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, APPROVED, AND RATIFIED this 26th day of October, 2010 by the following vote:

Mayor Pro Tem Rudy C. Abeyta	_____
Councilmember A. Eugene Sanchez	_____
Councilmember Amy J. Quintana	_____
Councilmember Michael A. Silva	_____

TOWN OF TAOS

Darren M. Cordova, Mayor

ATTEST:

APPROVED AS TO FORM

Renee Lucero, Town Clerk

Allen Ferguson, Jr., Town Attorney



October 26, 2010

Title:

Matthew Spriggs, Community Economic Development Director

Summary:

Consideration and approval of Ordinance 10-27; Approving and adopting the Town of Taos Community Economic Development Interim Strategic Plan, also known as the Interim Community Economic Development Element of the Taos Comprehensive Plan, and said plan complies with the Local Economic Development Act, Section 5-10-6 NMSA 1978 as amended allowing the Town of Taos to enter into project participation agreements for various economic development projects and sunseting said plan approval and adoption on June 30, 2011.

Background:

Attachments:

Click to download

📄 [Ordinance 10-27](#)

📄 [Interim CED Plan](#)

APPROVALS:

Date/Time:	Approval:	Department:
10/18/2010 8:34 AM	Approved	Town Manager
10/18/2010 8:34 AM	Approved	Town Clerk



ORDINANCE 10-27

AN ORDINANCE OF THE TOWN OF TAOS APPROVING AND ADOPTING THE TOWN OF TAOS COMMUNITY ECONOMIC DEVELOPMENT INTERIM STRATEGIC PLAN, ALSO KNOWN AS THE INTERIM COMMUNITY ECONOMIC DEVELOPMENT ELEMENT OF THE TAOS COMPREHENSIVE PLAN, AND SAID PLAN COMPLIES WITH THE LOCAL ECONOMIC DEVELOPMENT ACT, SECTION 5-10-6 NMSA 1978 AS AMENDED ALLOWING THE TOWN OF TAOS TO ENTER INTO PROJECT PARTICIPATION AGREEMENTS FOR VARIOUS ECONOMIC DEVELOPMENT PROJECTS AND SUNSETTING SAID PLAN APPROVAL AND ADOPTION ON JUNE 30, 2011.

WHEREAS, the Town of Taos enacted the Local Economic Development Act in 2000 in conformance with §5-10 *et seq* NMSA 1978 as amended and was codified into the Taos Town Code at §4.20 *et seq*; and

WHEREAS, §5-10-6 NMSA 1978 as amended requires that the Town of Taos adopt an economic development plan prior to the approval of any project participation agreements with private entities for economic development; and

WHEREAS, the Town of Taos has determined that §4.20.050, entitled Economic Development Plan that was used to undertake prior economic development project participation agreements is wholly insufficient; and,

WHEREAS, the Town of Taos believes that there is sufficient information to adopt an Interim Community Economic Development Strategic Plan, which shall also serve as the Interim Community Economic Development Element of the Town of Taos Comprehensive Plan, that will meet the requirements of 5-10-6 NMSA 1978 as amended and will allow the Town to participate in some immediate economic development opportunities and will also allow the Town to recertify with the State Economic Development Department as a Certified Communities Initiative Participant and will provide the Town with sufficient time to develop the full plan; and,

WHEREAS, the Town of Taos shall end said approval and adoption of this Interim Community Economic Development Strategic Plan/Element on June 30, 2011 or prior to that date upon adoption of the completed Community Economic Development Strategic

Plan, which shall also serve as the Community Economic Development Element of the Town of Taos Comprehensive Plan.

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Town of Taos, meeting in Regular Session, this October 26, 2010, and after having held a public hearing on the matter, the following Ordinance is hereby amended, adopted, and approved:

Section 1: The Town Council of the Town of Taos hereby approves and adopts the attached Interim Community Economic Development Strategic Plan, which shall also serve as the Interim Community Economic Development Element of the Town of Taos Comprehensive Plan.

Section 2: This approval and adoption shall be terminated on June 30, 2011 or by the approval and adoption of the Community Economic Development Strategic Plan, which shall also serve as the Community Economic Development Element of the Town of Taos Comprehensive Plan, whichever occurs first.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, APPROVED, AND RATIFIED this 26th day of **October, 2010** by the following vote:

Councilman Rudy Abeyta _____

Councilwoman Amy Quintana _____

Councilman Eugene Sanchez _____

Councilman Michael Silva _____

DARREN M. CORDOVA
MAYOR

ATTEST:

RENEE LUCERO
TOWN CLERK

APPROVED AS TO LEGAL FORM:

ALLEN FERGUSON
TOWN ATTORNEY



Town of Taos
INTERIM
Community Economic Development
Strategic Plan
&
INTERIM
Community Economic Development
Element of the Taos Comprehensive
Plan

Adopted by the Town of Taos
October 22, 2010
Ordinance 10-27

Town of Taos
Interim Community Economic Development Strategic Plan/Element

INTRODUCTION

The Town of Taos has been working toward a Strategic Plan for Community Economic Development (CED) since the Vision 2020 Master Plan was adopted in 1999. In 2005 the Town of Taos adopted the Local Economic Development Act (LEDA) for Taos which comported with §5-10 et seq NMSA 1978 as amended and in haste the Ordinance adopting LEDA included a section containing a few paragraphs that was then accepted as the Town's required Economic Development Plan under §5-10-4 NMSA 1978 as amended. Today this section of the original Ordinance as the Town's Economic Development Plan is wholly inadequate.

This interim plan/element is intended to bridge from October 2010 until June 30, 2011 to allow the Town to participate in immediate economic development opportunities and to allow the Town, together with the community to have the time develop the full plan. This interim plan will also allow the Town to apply for recertification to the State Economic Development Department as a Certified Communities Initiative Participant.

It should also be noted that this plan, both in its interim and final versions, is not intended to limit how the community might approach community economic development but is instead meant to focus the community on work in key areas that are likely to have the greatest yield. New and previously unrecognized opportunities may arise and the community should remain flexible and avail itself to those new opportunities but not at the sacrifice of projects already underway. In other words, broadening the focus for community economic development may be appropriate and necessary, but refocusing and losing sight of progress, projects already underway, or successful areas of development that promise more future benefits is not advisable.

Basis of Approach

It is important to note that the Town of Taos has chosen to pursue its development from the perspective of community economic development rather than pursuing community development and economic development as separate disciplines. In large metropolitan areas the two are often separated due to overwhelming workload and to manage resources. However, community economic development professionals argue that the two have never been completely separate disciplines and that they are inseparable. Community economic development views these two disciplines as heavily intertwined economic forces; the results of community development, which most specifically addresses quality of life issues and non-basic economic activities, affects the results of economic development which focuses on basic economic activities. Therefore no community can afford to focus solely on one or the other. Recognizing this interconnectedness is especially important in small communities where non-basic and basic economic interaction is more highly pronounced and visible in the local economy.

The Town of Taos is also pursuing community economic development from an industry cluster approach. Industry clusters are groups of businesses that use similar a workforce, infrastructure, and support services and also provide a certain synergy and collegial

Town of Taos
Interim Community Economic Development Strategic Plan/Element

environment that can lead to new business ventures and collaborations. Most business clusters will require a regional approach to achieve a sufficient number of similar businesses to reach a dominant and stable position in the economy, which is also referred to as a critical mass. Once an industry cluster reaches its critical mass, the attraction of new businesses to the area can become self-perpetuating or at least require less effort.

Non-Basic Economic Activities or Community Development

Non-basic economic activity includes both public and private goods and services that are consumed entirely or almost entirely by the local community and support basic economic activities. The community economic development approach assumes that the community must have an essential foundation from which it can grow: housing must be affordable; goods and services such as groceries or a dry cleaner must be available within a reasonable distance; quality education must be available and accessible to the average citizen; health care needs must be met; streets must be maintained; public safety must be adequate; and other essential services must be in place before a community can grow its economic base. These essential services are major components of the quality of life in a community and make up the non-basic portion of the economy. Taos enjoys a fairly robust quality of life for a community that is isolated and has a relatively small population. Because of the high levels of visitation and influx of tourism dollars, Taos has been able to provide amenities that rival much larger communities, but with the current downturn in the economy, Taos' ability to maintain these amenities has been brought into question as tax revenues plummet alongside business revenues. The Town Council has pledged to maintain this level of quality of life and continues to look at efficiencies and new revenue sources so that other quality of life initiatives can be pursued.

Basic Economic Activities or Economic Development

Basic economic activities are those activities that add to the economic base of the community or in other words are those public and private goods and services that are produced and the majority of which are not consumed by the local community. Therefore those goods and services become a net importer of new revenue to the community. Growth of the basic economic sector creates new jobs in both sectors. Each new basic economic job creates a new source of demand for goods and services from the non-basic sector and in turn, with sufficient demand and new revenues, the community can provide a quality of life that is equal to or better than the quality of life prior to the creation of that job. Because the basic economic sector can drive the demand in the non-basic economic sector, many communities have pursued development of the basic sector without focusing on the non-basic foundation of their economy, assuming that the public and private non-basic sector will simply meet the demands of the new basic employment. This assumption is blind to the need for a significant foundation that must be present in the non-basic sector if development of the basic sector is to succeed. Community economic development (CED) practitioners and those communities that adopt the more holistic CED approach, focus equal

Town of Taos
Interim Community Economic Development Strategic Plan/Element

attention on the development of the non-basic foundational sector and the growth and stability of the basic sector.

ORGANIZATION OF THIS PLAN/ELEMENT

This CED Plan/Element uses the terms "non-basic" and "community development"; "basic" and "economic development" interchangeably. While some of the goals of the community could arguably impact both the non-basic and basic sectors they are organized by their major contribution to the community, be it non-basic or basic, but both their non-basic and basic impact, if it is a permanent and continuous impact, will be noted. Both non-basic and basic actions and projects are also split into their regional and local implications. For the purposes of this plan, local is considered any economic activity occurring within three (3) miles of the municipal boundary. Regional is, at a minimum, the "Enchanted Circle" and at its maximum includes Taos County, Los Alamos County, Rio Arriba County, and Santa Fe County. Due to the interim nature of this plan, the primary focus is on those actions that the Town of Taos can undertake immediately and that generally affect the local economy and quality of life. The full plan will then include more medium and long term projects and goals and include more regional projects and goals.

This plan provides statements of general focus for the non-basic and basic goals and the general methods used to develop the economy; followed by a preliminary strategic analysis; specific focus areas and their potential impact; CED goals and policies; financing options; state incentives; local incentives; application, review, cost-benefit, and review criteria; and attachments.

Community Development

Non-basic or community development goals include, but are not limited to affordable housing, education, parks, recreation, public transit, public parking, traffic management, energy independence, food security, medical services, spiritual/religious institutions, natural resource conservation, open space, art and cultural facilities, historic and cultural preservation. Some of these community development activities will directly affect economic development activities but the root impetus for pursuing these projects is to improve the quality of life in the community. For example, tourism can be directly affected by the community's historic and cultural preservation activities, but these activities are deeply rooted in a preservation of the unique identity of the community. Another example is the construction of a sporting venue that fulfills not only a community need but, if done correctly, exceeds the local need and can be leveraged to broaden the attractiveness of the community to outside users of the sports facility. The most important or highest priority actions that will further community development are included in this interim plan.

Economic Development

Basic or economic development activities include business attraction, business retention and expansion, and business incubation. Taos has a number of basic

Town of Taos
Interim Community Economic Development Strategic Plan/Element

economic drivers including, but not limited to, art and craft production, custom furniture manufacturing, alternative energy research and development, gourmet and organic food production, personal care product manufacturing, publishing, software development and services, tourism, events, and festivals.

Business Attraction: Because Taos is isolated by having only a commuter quality airport, no rail service, and over an hour's drive to a major interstate over rural state and federal highways that wind through tight mountain curves or the Rio Grande River canyon, standard methods for business attraction are not productive. Business attraction for Taos instead should focus on the marketing of its quality of life, the non-basic economic environment that it seeks to build, to attract new or relocating businesses and entrepreneurs. The Town of Taos has elected to concentrate on community economic development where the emphasis is placed on creating a community that has such a high quality of life that it will attract small entrepreneurial businesses that are "location neutral", meaning that the type of business that they are involved in can be done in a location of their choosing. These businesses are typically small, as small as a sole proprietor to typically no more than 30 employees and these businesses are almost always knowledge and intellectual property driven; they include editing, technical writing, software development, medical transcription, legal transcription, film production/editing, import and export management, back office support, etc.

Taos' approach for business attraction is to create an environment that is supportive of the creative economy and entrepreneurial development. Once the essential support structures are in place and the creative and entrepreneurial business environment is stabilized, the community will need to market its advantages to key demographic groups. Location neutral entrepreneurs typically come out of three (3) age cohorts that are experiencing a life changing event:

- age 20 to 25 where the young adult is typically graduating from college or graduate school with a degree in a specialized area such as engineering, computer science, art studio, or film or other technical skill and are looking to start their own business or work for a small firm with the intention of eventually becoming a partner or branching out to eventually start their own business;
- age 35 to 40 adult with substantial experience who is starting a family and desires a less formal working arrangement or wants to start their own business continuing to work in their field;
- age 55 to 60 senior adult with significant experience and industry contacts, has become an "empty nester", is able to typically go into semi-retirement and work for themselves or start a small firm providing services to the industry that they exit from.

The common personality trait for entrepreneurs from each of these age cohorts is a high tolerance for change. Unlike most people, major life changing events that occur outside of the entrepreneur's control is embraced as an opportunity for additional change and makes them less resistant to other changes. It is also common for entrepreneurs to be less risk adverse.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Business Retention and Expansion: Retaining and expanding businesses tends to get less attention and emphasis than it deserves. Winning the relocation or attraction of a large location dependent new business tends to get more press and political fanfare. However, retaining and assisting with the expansion of local businesses tends to have a greater return on investment for a community. Relocating and attracting location dependent businesses is often a very expensive undertaking and often requires incentives and concessions by the local community that will take years if not decades for the community to recoup. Community economic development emphasizes the growth and retention of local businesses over attracting location dependent businesses and generally accomplishes its retention and expansion goals by addressing the improvement of the business climate and quality of life of the local population. Business attraction becomes a byproduct of those initiatives.

Taos has intrinsic geographic, artistic, historic, and cultural advantages and for many years has relied on tourism as its main economic engine with little planning or organization. Those same advantages that worked in Taos' favor for years in the tourism industry have also created a unique and high quality of life that has attracted and retained generations of entrepreneurs and creative individuals. Until recently, Taos saw continual growth in both population and economic production. Then in 2006, two years ahead of the Nation, Taos slipped into recession and has been continuously in recession since that time. With the decline in revenues and visitation, many businesses have closed or soon will close and for the first time the community must seriously consider what it can do to prevent further business closures and relocations.

The Town of Taos has begun to actively pursue a business retention and expansion program called *Maintain Taos* that will begin with a baseline survey of all businesses within the local limits of this Plan. The businesses will be sorted between non-basic and basic industries, but regardless of the business' classification as non-basic or basic, the retention, stabilization and hopefully expansion of any business in the area is very important. To remain relevant and accurate the survey should be conducted annually. The results of the survey will allow for the development of interventions that will retain or assist in the expansion of local businesses. A draft of the survey is attached at the end of this plan.

Business Incubation: Taos County Economic Development Corporation (TCEDC) operated a very successful business incubator from the late 1980s to the late 1990s. Since then, TCEDC's mission has shifted from general economic development to a focus on community development and the preservation of land, water, people, and agriculture. TCEDC continues to incubate value added agricultural production and food production businesses through their community commercial kitchen and mobile matanza. Today there is no formal business incubation in the Taos area and starting a business incubator from scratch is cost prohibitive in the current economic climate. The Town and the County, however, own under-utilized facilities that could be leveraged to incubate new businesses.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

STRATEGIC ANALYSIS

A standard and useful tool in strategic planning is to perform a SWOT analysis, or Strengths, Weaknesses, Opportunities, and Threats analysis that succinctly provide a snapshot of the likely environment for any undertaking. The following is a preliminary SWOT analysis that should be revisited during the effective period of this interim plan to arrive at a community verified SWOT analysis.

Preliminary SWOT Analysis	
Strengths	Weaknesses
Natural Beauty History Culture Architectural Integrity Artistic Notoriety Diversity Taos Pueblo Rio Grande River and Gorge Kit Carson National Forest Variety of Restaurants Holy Cross Hospital Altitude Youth and Family Center Community Commercial Kitchen Kit Carson Park Festivals Art/Craft Events	Traffic Congestion Narrow or No Sidewalks Poor Parking Management No Parking Plan High Land Prices Isolation Lack of Affordable Housing Public and Private Maintenance Dominant Service Based Economy Unstable Public Education System Incomplete Way Finding Plaza Economic Mix Lack of Broadband Access Private Investment Inconsistent Electric Power Delivery
Opportunities	Threats
Northern Rio Grande National Heritage Area Art & Cultural District New Mexico MainStreet Eco Park Convention Center Metropolitan Redevelopment Area Tax Increment Financing District Tax Increment Development District Taos Community Auditorium Solar Center Kit Carson Electric Fiber to Home Project Regional Collaboration REDI Historic Taos County Courthouse Police Station Redevelopment Town and County Land and Facilities	Vacant Buildings Absentee Landlords Cannon AFB Low Altitude Training Flights Competing Communities Changes in Spending Patterns Demographic Changes High Rents Declining State and Federal Resources High Land Costs Tight Credit Markets Changes in Travel Choice

The purpose of the SWOT is not to limit the development of the community and is not an exhaustive list but is meant to provide focus and clarity to a particular undertaking

Town of Taos

Interim Community Economic Development Strategic Plan/Element

and to ensure that the community will have a full understanding of the range of influences that can affect the undertaking. It can also provide a focus for community economic development and assist with the prioritization of actions.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

FOCUS AREAS

Focus areas are determined by examining the SWOT analysis and priority is given to the relative perception of success and logical order of implementation. The focus areas are broken into community development, hybrid, local economic development, and regional economic development focus areas and projects.

Community Development Focus Areas/Projects

This section examines the most immediate areas of the non-basic sector that the community should focus on. This is not an exhaustive list, but is meant to be those areas that can realistically be improved or are in such a critical condition that action must be taken immediately to stabilize that aspect of the community.

Affordable Housing: In 2005, similar to the passage of LEDA in 2000, the Town of Taos adopted Ordinance 05-03, the general affordable housing ordinance, and Ordinance 05-04, the Chamisa Verde project specific plan which was also to be considered the Town of Taos' Housing Plan.

Today, the Town is currently amending these ordinances to comply with the amended Affordable Housing Act Statute and the rules promulgated by the New Mexico Mortgage Finance Authority (MFA). The original project specific Ordinance for Chamisa Verde was not only flawed in its approach to affordable housing, it is wholly inadequate as a Housing Plan for the community. The amended ordinances are on track for adoption in December 2010 and the Town of Taos is in the process of developing a housing plan for the community that will be reviewed and approved by MFA and then adopted by the Town of Taos potentially in March of 2011.

Although there are many issues with the original construction and administration of the Town's affordable housing program prior to 2008 and many outstanding issues to be resolved with these properties, MFA, the New Mexico Attorney General's Office, and the Town have reached an agreement that the infill lots in phase 1 of Chamisa Verde may be conveyed to a Qualified Non-Household Grantee (Developer) to begin construction of affordable housing once the Town adopts the MFA approved amendments to the existing ordinances. Any new affordable housing projects must wait until the Town has also adopted the MFA approved Housing Plan.

In addition to resolving the outstanding issues with the Chamisa Verde subdivision in order to proceed with the development of the remaining lots in phase1, the Town of Taos has engaged Artspace, the leading non-profit developer of affordable housing with a preference for people engaged in a creative pursuits, to assist in the planning efforts for the possible construction of a multi-family affordable housing development for individuals engaged in creative pursuits. Artspace completed preliminary feasibility study and market study for such a development and those studies show that that Taos could support up to eighty (80) units of this type of multi-family affordable housing. The Town will explore this project further upon adoption of the amended affordable housing

Town of Taos
Interim Community Economic Development Strategic Plan/Element

ordinances and Housing Plan. In addition to solving a significant deficit in Taos' non-basic economic sector, the project will include some commercial component and/or affordable studio space in addition to the dwelling units. Each unit will be constructed as a live-work unit, allowing for the production of creative goods which when sold will primarily impact the basic economic sector.

The Town is also exploring the development of an affordable housing subdivision in partnership with Earthship Biotechture and Habitat for Humanity. It is anticipated that this subdivision, if developed, will be the first of its kind in the world where the sole utility connection is a sewer line. Earthships are built from primarily recycled materials and can be constructed by volunteers and sweat equity of the qualifying buyer. Such a subdivision would attract national and international attention and bring Earthship Biotechture into the mainstream, blending quality construction with affordability and environmental sensitivity.

Retail leakage: The Town of Taos commissioned a retail leakage study from the University of New Mexico's Bureau of Business and Economic Research in 2007. Anecdotaly the community was aware that most major purchases were being made outside of the Town of Taos. The study confirmed this pattern of behavior however the leakage was far greater than anticipated. Local purchases of retail goods was as low as 44%, meaning a 66% leakage of sales of electronics, office supplies, and clothing to the surrounding communities of Espanola, Santa Fe, and Albuquerque. Communities that have healthy local retail markets capture between 75% and 85% of the retail sales for most goods. It is unreasonable to expect purchases to be made 100% locally in any community as it is not uncommon for consumers to occasionally combine shopping with other activities at a travel destination, but the level of leakage in Taos far exceeds the norm. Internet purchases have further complicated these leakage patterns in recent years since internet retailers have lower overhead, inexpensive shipping, and do not charge sales tax (or gross receipt tax) providing them with the ability for a larger profit margin and/or better pricing, and each transaction can be completed in a manner of minutes without leaving the home or office.

Due to the current statutory constraints within LEDA, government entities cannot assist retail development, further reinforcing retail leakage for rural communities like Taos where retail development is considered to have greater risks than rewards. Because those risks are perceived by retailers as greater than the potential rewards for developing in the community, retailers choose to rely on the continual leakage that has become habitual as exemplified by Taos' level of destination travel and internet purchases. This leakage harms the Town because the revenues imported by basic economic activities quickly exit the local market and support services in distant communities while those same residents continue to demand high level of service from the Town.

Further complicating matters is the lack of mid-level retailing provided in Taos where prices are competitive, merchandise is good quality, and the value of customer service exceeds what one might save by traveling or purchasing over the internet. The Town should explore what changes can be made to the Local Economic Development Act

Town of Taos
Interim Community Economic Development Strategic Plan/Element

(LEDA) that will enable rural communities such as the Town of Taos to legally assist such retail development and lower the risks to entering the local market, be it by a local entrepreneur or regional or national retailer. Introducing competition, particularly in the areas of electronics, office products and clothing where the greatest leakage occurs, could greatly benefit the community. If it becomes possible for the Town to assist with such development, caution should be exercised when supporting the development of some national retailers whose practices have caused them to be labeled as "category killers" - businesses that can wipe out locally based competition through volume purchasing and undercutting of an entire market segment.

Assistance by the Town in resolving the retail leakage problems is currently limited and most of the effort to resolve this issue will have to be addressed by the private and non-profit sectors unless LEDA can be amended to allow for government entities to assist in lowering the risks for retailers to develop in the community. Until such an amendment is passed by the state legislature, the bulk of the solution will have to be undertaken by the Taos County Chamber of Commerce, Taos Entrepreneurial Network, and other private, non-profit, and quasi-public entities that are not similarly restricted.

Education: There are two critical distinctions in the area of education: primary/secondary which focuses on preschool to high school graduation and higher education that includes post-secondary technical/vocational training as well as college and university based education. Primary/secondary education is governed by the school board of Taos Municipal Schools and the Governing Councils of Charter Schools. Although primary/secondary education is not controlled by the Town, its successes and failures greatly impact the non-basic sector of the economy and can often be the deciding factor in attracting workforce and businesses as well as retaining them.

Anecdotal evidence of the inadequacies of our primary/secondary public school system is abundant. Charter schools have been a direct reaction to those inadequacies but the enrollment is limited and all of the charter schools have waiting lists of students trying to enter. The schools' inadequacies have directly resulted in the closure of at least one business in Taos; Taos Mountain Electronics (TME). TME was a successful business in operation in Taos for over twenty (20+) years and when the owner decided to retire he put the business on the market. The employees were given the first option to purchase the business but due to the tight credit market and a lack of equity investment, the employees were unable to purchase the business. When the business was placed on the open market two different buyers from out of town were interested in purchasing and relocating to Taos to operate the business. Both potential purchasers had financing in place and were close to buying the business but during the due diligence phase they both declined to close on the purchase citing the inadequacies of the school system as the main reason for pulling out. As an example of the effect of the school system on retaining families, eight members of the 2009-10 state champion Bantam Taos Coyote Hockey Team, were anticipated to join the Taos High School team. Over the summer five (5) of the eight families relocated out of Taos and all of these families cited the inadequacy of the school system as the main reason for their relocation.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

As a municipal government, the Town can do very little to directly correct the inadequacies of the school district. The Town can and should pursue open communication with school administration and the school board. There may be opportunities to partner on projects with the schools that may help to improve the condition of the schools. The Taos Municipal School Board has been embroiled in very counterproductive politics, but has been willing to work with the Town on the use of school property for the construction of the Eco Park, so perhaps there may be an opportunity to move forward positive collaborations that will improve our primary/secondary education system.

Some steps have been taken to increase collaboration between UNM – Taos and Taos High School to offer more vocational and technical courses as well as college credit courses to high school students. While neither are sufficient to prepare a high school student for immediate entry into higher paying employment upon graduation from high school, they do provide a solid foundation for additional higher education or an entry level position that includes additional on the job training.

Higher Education has been growing in Taos, especially for the University of New Mexico at Taos, due in no small part to the leadership of Dr. Kate O'Neil. Southern Methodist University has also grown in recent years with the winterization of the historic Fort Burgwin campus to allow for year round classes. Other colleges and universities have looked at potentially developing specialized campuses and there may be opportunities for expanded offerings in Taos.

UNM – Taos is the predominant higher education institution in Taos and development of a four year campus is under consideration. The Town and UNM – Taos recently commissioned and have received the results of an affordable and student housing study for Taos. Although state revenues are shrinking, higher education has seen an increase in enrollment in general and UNM – Taos is enjoying more full time students than ever. While this is a great thing for the community, UNM – Taos received a donation of land from the Klauer family for the construction of a college campus. The property is located approximately six (6) miles south of Taos and consists of several buildings. The administrative offices, however, remain in the downtown and several courses are taught within the downtown. Ideally the Town would keep UNM – Taos active in the downtown as well as at the Klauer campus and have student housing within the Town. This project continues to be a priority of the Mayor and Council and could lead to significant development and opportunity for stimulating the local economy.

Infrastructure: The Town of Taos provides a commuter airport, water, sewer, roadways, and downtown public parking and has been working to continually upgrade and provide better infrastructure to the community and the region. The wastewater treatment plant operates on a regional basis and is located nearly eight miles from the Town. The Town also manages the regional landfill and the regional airport located approximately four (4) miles north of the Town. There are multiple jurisdictions that use the airport, wastewater treatment plant, drinking water, and with the exception of the landfill these facilities are managed and funded entirely by the Town of Taos and state

Town of Taos
Interim Community Economic Development Strategic Plan/Element

and federal grants. The policy of the Town has been to allow properties outside of the municipal boundaries to receive water and/or sewer service provided that the Town Council approves the connection and that the recipient pay a fifty percent premium on the service or 1.5 times the standard rate. This practice does not capture the true costs of providing the service outside of the municipal boundary. A better practice would be to require annexation or approval of an annexation development agreement that includes a premium payment until the property can be annexed, prior to receiving Town services. A pre-annexation development agreement functions as a deferred annexation petition that guarantees that the property will annex to the Town once the Town limits reach the property and requires that any development on the property meet the Town standard. Annexation is a concern in the community and has not been supported by a very vocal portion of the community and aggressive annexation should not be pursued, however the practice of providing services to properties outside of the municipal boundary without requiring annexation or an annexation development agreement should be reconsidered.

Transportation is a major challenge for the community. A state and federal highway bisect the community and are not well maintained by the New Mexico Department of Transportation (NM DOT). These highways, as they are currently used, cause severe traffic congestion during peak visitation periods. The Town is often supplementing the maintenance of these highways at its own cost. One potential resolution would be to request a turn back agreement from the US Department of Highways and NM DOT. Such a turn back agreement would require the state and federal governments to bring the roads into compliance with an acceptable level of improvement prior to the Town assuming all maintenance responsibilities. Given the current condition of state and federal funding, they are unlikely to have the funds to make the necessary improvements in the immediate future. This is also likely the reason why the Town has not been approached by state in particular for a turn back agreement. Furthermore the Town lacks defined construction standards and the delay will allow for a complete standard cross section to be developed that will hopefully include landscaping, at-grade and raised medians and special crosswalk treatments within the historic districts, etc.

Traffic management has been a severe problem in Taos. Paseo del Pueblo, both Sur and Norte, become severely congested, particular on the weekends, making it difficult for visitors, locals, and public safety to cross the downtown. The NM DOT examined alternatives for relieving this congestion including construction of a bypass route. Given that the funding for such a bypass route is no longer available and considering the vocal opposition to the construction of such a bypass route, this option is not likely to be considered again anytime soon. The most achievable alternative is to alter the traffic flow so that Camino de la Placita and Paseo del Pueblo become one-way pairings with Camino de la Placita carrying south bound traffic and Paseo del Pueblo carrying north bound traffic. The existing cross streets would remain two-way so that motorists could easily access either direction. This could be accomplished with signage and intersection improvements, greatly increasing traffic flow at a nominal cost. However pedestrian crossings may require traffic calming, preferably stop signs and/or raised crosswalks, also known as speed tables.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Public safety: Public safety is comprised of three major activities: police and fire protection and emergency medical services. The County provides emergency medical service within the Town and surrounding areas in exchange for the provision of fire protection by the Town in partnership with the Taos Volunteer Fire Department.

The Town of Taos Volunteer Fire Department is well staffed with both full-time Town employees and volunteers and is well equipped. One potential opportunity is to develop a fire training facility that would provide training for northern New Mexico and southern Colorado. The Town of Taos purchased an approximately twenty (20 +/-) acre property at the northwest corner of Salazar Road Extension and Chamisa Road that was once used as a gravel pit. The land could be suitable for a training facility and fire station since it is located in an area that is relatively undeveloped and is projected to have growth over the next decade. This property is marginally buildable for other purposes, but due to the Town's current fiscal concerns the property is likely to be placed on the market and sold.

The Town of Taos has a well-equipped police department that is currently short three officers which is causing required overtime and increased officer stress due to a precipitous rise in calls for service. In order for the police to become pro-active in enforcement and to increase community based policing, not to mention the reducing the over-time requirements and stress on its current officers, the Town will need to consider adding additional officers. Due to the increase in calls for service, the Chief of Police estimates that in order for the department to become proactive, emphasize community policing, and meet the current level of demand, up to ten (10) officers should be added to the force. The increase in calls for service appears to be directly related to the current economic conditions in Taos, where the impact of sixteen (16) straight quarters of recession have taken their toll. It is possible that these additional officers may not be needed in the future if the economy improves and people are able to go back to work.

The police department is also hindered by its current location. The facility on Civic Plaza Drive is too small for the current needs of the department and if the department is expanded, a larger and better located police headquarters should be established. In 2008 the then Chief of Police requested that the Town approach the state to clean up and secure the Mary Medina Building on Gusdorf Road near the High School and then ask the state to donate the land and the building to the Town as the new police headquarters. The Mary Medina Building had been vacant for a number of years and had become a haven for gang activity. The state has since cleaned up and secured the building and the Town is in the process of acquiring it from the state.

The other advantage to the Mary Medina Building is that it is at the current center of the community where the roadways are less congested, which should make response times better. It would not, however, be advisable to completely remove the police presence from the downtown. There are currently at least two unused substations on or near the Taos Plaza. The lack of use of these substations is due to the close proximity of the headquarters. With the relocation of the main police headquarters to the Mary Medina Building these substations will receive use and should be properly equipped.

Town of Taos

Interim Community Economic Development Strategic Plan/Element

If the Town does relocate the police headquarters to the Mary Medina Building, there is sufficient land that the Town may consider relocating the Municipal Court to this property in the future in a new building. Both the current police headquarters and the municipal court buildings are prime commercial real estate and would be particularly valuable to information technology businesses since they are only tens of feet from the Qwest central office switch.

Library: The Town of Taos operates the largest public library in the region. This critical cultural and educational asset is heavily used by the Town and the region and is in need of expansion. Due to its regional impact, the Town should not be responsible for the entire cost of providing the library or its needed expansion. Any expansion of the library should be undertaken as a regional partnership and the cost of the ongoing operations should be shouldered by the same regional partnership.

Hybrid Focus Areas/Projects

This section focuses on areas that can be most immediately pursued and will affect the entire Taos economy and cannot be ascribed to just non-basic or basic sector impact. This list, unlike the other sections, is meant to be comprehensive as of the time of the writing of this interim plan. True hybrid or holistic activities are rare but very effective. If other true hybrid areas are discovered they should be added only after careful consideration of their cost and likely return on investment. Most holistic projects can be very costly and realistic cost-benefit analysis should be undertaken before embarking on any costly projects.

Eco Park: The Taos Youth Soccer Association currently has over 700 children playing soccer in the fall and spring, yet the community didn't have a regulation size soccer field until Taos Municipal Schools completed the Anaya Field at Taos High School in the fall of 2009. The Alexander Gusdorf Eco Park was started when a development group donated approximately twenty three (23 +/-) acres of land at the confluence of three arroyos and the Town subsequently received over \$300,000 in state appropriation between 2005 and 2006. The project was stalled until 2008 and it was determined that the park had to be relocated from the original site due to the use of artificial turf fields and the inability to completely protect those fields from flooding. The Town of Taos then entered into a partnership with the Taos Municipal School District to develop a vacant twenty (20) acre parcel less than a quarter mile from the original site. Today the first FIFA regulation sized soccer field of the three (3) field complex is nearly complete. The name "Alexander Gusdorf" has been dropped due to its relocation and is now known as "The Eco Park" for its goals of environmental sensitivity. At full building out the site should only have to import potable water for concessions and restroom use and should be a net producer of electricity through the installation of solar panels.

The Eco Park is the second step toward creating Taos as a high altitude training destination and for hosting sports tournaments, in this case a focus on field sports. The ice hockey rink at the Taos Youth and Family Center and the tournaments that they have hosted over the last six years was the first step and it has proven that Taos can position itself as a destination for sports tourism. The construction of the Eco Park, in

Town of Taos
Interim Community Economic Development Strategic Plan/Element

addition to meeting local needs, was predicated on the potential of similar success for attracting field sports to Taos for tournaments and high altitude training.

The Town is in the process of finding a contractual operator for the field who would also work to coordinate the use of Taos Municipal Schools improved fields when not in use for school purposes.

Of concern is the lack of cost-benefit analysis used prior to initiating this project. Prior to any additional investment of public money to construct the remaining fields, the operations of the first field should be closely monitored and only when the lack of additional fields proves to be detrimental should additional public monies be invested in the build-out of the facility. The first and most important analysis should be made in the first two years of operation to predict when the facility will provide sufficient benefit to the community to offset the \$2.6 million public investment in the first field.

Regardless, the private and philanthropic sectors should be asked to carry a proportionate share of the burden of constructing the next two fields. Similar to the construction of the pool and ice rink at the Youth and Family center, the community should be required to support and fundraise for any additional improvements.

Youth and Family Center: The Youth and Family Center has an additional acre or more of land available for development. A number of concepts have been forwarded for the build out of the property but all of the scenarios involve enclosing at least one sheet of ice so that year round ice time is available. The current environment allows for ice from approximately November 1 until March 31. Due to only a single sheet of ice, tournaments have been constrained, but a second sheet of ice will take time to develop and funds will need to be raised. The most likely scenario is for the current rink to be enclosed while funding for the remainder are raised with the goal of building a new sheet of ice that is fully enclosed. Once the second sheet is constructed the original rink, or perhaps the new facility, would become a convertible space, allowing for arena football, soccer, lacrosse, and other sports to be played in addition to providing a second sheet of ice during major tournaments such as the Thanksgiving Hockey Tournament, High School All-Stars, and the Coyote Classic. A year round skating facility would allow for the community to host training camps in the off-season, including coaching and referee clinics, and would also allow for pre-season high altitude training for teams.

Unlike the first phase of the Eco Park, which was built entirely with public funds, the major source of funding for the skate rink at the Youth and Family Center was private donations and philanthropy. The public investment was minimal. It makes sense for the public sector to fund the interim measures, such as enclosing the existing rink, and fund the design of the new improvements. It would then be appropriate for the community and the Town government to work together to identify capital sources, both public and private, for the construction of any new improvements.

Prior to pursuing any of these improvements, including the most immediate improvement by enclosing the ice rink for year round use, a realistic cost-benefit

Town of Taos
Interim Community Economic Development Strategic Plan/Element

analysis needs to be done which should include, at a minimum, the likely time it will take for the public investment to see a positive return.

Higher Education: Working with UNM – Taos and potentially other schools such as Southern Methodist University to develop a four-year campus that will allow students to pursue their entire educational career in Taos is important for the community, but more importantly would provide a university atmosphere that could positively influence Taos Municipal Schools and attract new youth to Taos who are pursuing a Bachelorette degree. These new college students will demand a certain level of housing, goods, and services not to mention providing new depth to the local work force. A constant issue for northern New Mexico is the lack of a qualified workforce to meet even existing local demands. The lack of a qualified workforce can make attracting even small startup firms with minor personnel needs difficult.

The Town should continue to support and assist UNM – Taos with its goal of becoming a complete four-year degree conferring satellite campus for UNM, provided that UNM keeps its presence within the Town and does not completely relocate to the Klauer campus.

Health care: Holy Cross Hospital, Taos Clinic for Youth and Children, the presence of the US Ski Team orthopedic staff, high quality physicians, physical therapists, and alternative health care providers including acupuncturists, chiropractors, massage therapists, herbalists, etc. has made Taos a regional destination for healthcare, pulling patients from as far away as the San Luis Valley in Colorado. With the possibilities for expanding tourism to embrace, organize, and market Taos and the region for destination sports tournaments and high altitude/hypoxic training there will be an increase in demand for services from the medical sector.

Holy Cross hospital is in the master planning stage for the build out of the remainder of their health campus. This could mean adding additional beds and specialties to the hospital which will meet the needs of a growing demographic of retirees, increasing the appeal of Taos as a retirement location and improving the quality of those retirees. If the Town is willing to pursue positioning itself not only as a moderate to high end retirement location but also as a key partner in the regional sports tourism and high altitude/hypoxic training destination effort, it will have to be prepared to ensure that other key factors are resolved in the non-basic economic sector in order to attract the necessary medical professionals that will be needed to support such efforts.

Artspace: One very exciting possibility is to work with Artspace, the Nation's leading non-profit developer of affordable housing with a preference for individuals involved in creative pursuits, toward the development of a low-income housing tax credit (LIHTC) project in Taos. The Pre-feasibility Study and the Artist Housing Market Survey shows that Taos can conservatively support up to eighty (80) units of affordable live-work units. Artspace projects are unique due to the philosophy of Artspace. Unlike for-profit developers of similar projects, Artspace is interested in providing affordable housing with a preference for people engaged in creative pursuits in perpetuity and not just for the required affordability period. They also have twenty-five (25) LIHTC projects

Town of Taos
Interim Community Economic Development Strategic Plan/Element

completed in thirteen (13) states that were constructed over a thirty (30) year history. Artspace has never defaulted on any of their projects nor have they ever turned back tax credit awards once they have been received.

Over the thirty (30) history of Artspace their projects have shown a strong influence on private investment. Many of the areas where Artspace has built projects are severely economically distressed with little private investment. Artspace projects are often the turning point for neighborhoods and stimulate private investment and activity. Artspace buildings also act as an incubator for emerging creative talent. The affordable nature of the units allows artists to devote more time and resources to their creative pursuits in a collegial environment and provides the opportunity to showcase and even sell their work.

Taos is also in a very advantageous position by being the first community in New Mexico to engage Artspace under contract. Artspace operates, to the best of their ability, on a "first come, first served" basis for constructing their projects. That means that as long as Taos diligently pursues the development of an Artspace project, the Town will receive priority before other communities in New Mexico. Santa Fe recently contacted Artspace and is pursuing a pre-feasibility and artist housing market survey contract with Artspace.

Two other important factors are the strong support of Artspace by the New Mexico Congressional Delegation, particularly Senator Jeff Bingaman who was the champion for Artspace in the recent actions by Congress to protect affordable housing with certain preferences; and a matching grant for predevelopment costs from the Kresge Foundation. If Taos can resolve its roadblocks to providing affordable housing and can quickly begin to pursue this development with Artspace, the predevelopment costs to the community for the project can be significantly reduced.

The projected costs of this project for the Town is around \$200,000 plus the value of the land either in fee title donation or donated long-term land lease, with a total project investment of \$15 million to \$16 million providing a huge return to the community on its investment. Furthermore Artspace will continue to operate and maintain the project with no additional cost to the Town. The Town has currently invested \$44,000 in planning expenses.

Taos Community Auditorium: The Taos Community Auditorium (TCA), operated by the Taos Center for the Arts, is an artistic and cultural cornerstone for the community and a draw for visitors. The TCA hosts national touring companies; live high definition simulcasts of the Metropolitan Opera; theatrical productions; high definition movies; and community events. The TCA not only meets the local need for artistic and cultural shows and events, it draws visitors from as far away as Dallas, Texas.

The master plan for the TCA property includes a smaller theater and a "black box" theater that will allow for additional performances and film work including editing and post-production. These additional spaces are designed and a capital campaign will begin once the economy stabilizes and begins to show at least moderate growth.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Art & Cultural District: The Town of Taos pursued and received designation by the State of New Mexico as an Art & Cultural District (ACD). This designation provides state assistance in stabilizing and expanding the creative economy of Taos as directed by the community. The Taos ACD has completed a Resource Team Report which analyzed the major assets of the community and set the initial ACD boundary and made broad recommendations for development of the District. The Resource Team Report was completed over a three day period of focus groups and community meetings which were well attended with over 250 participants.

After completing the Resource Team Report, the Taos ACD applied for and received the very prestigious National Endowment for the Arts "Your Town: The Citizens' Institute on Rural Design" Charrette grant that is awarded to only two (2) communities a year. The Taos ACD worked collaboratively with UNM's Design Planning Assistance Center to spend two and a half days with thirty six (36) community members from all walks of life to examine the current status of and possibilities for the Taos ACD starting at the Taos Plaza and working outward to the limits of the ACD. The results of the charrette outline mostly physical improvements that could be pursued by the Town in partnership with private entities that will greatly assist with the revitalization of the historic district and the heart of the ACD and community.

Next steps for the ACD include community prioritization of physical improvements, completion of a Cultural Plan already underway, a study of the condition and impact of the creative economy on Taos by UNM's Bureau of Business and Economic Research, and finally a Downtown Master Plan that will pull all of these documents into a cohesive whole that will be adopted by the Town Council as a major portion of the Revitalization Element of the Taos Comprehensive Plan along with a Metropolitan Redevelopment Area Plan that should complete that element of the Taos Comprehensive Plan.

The community's designation as an ACD is unique in that it was one of the first Districts designated in the state and the only ACD that does not have an active MainStreet program. Taos was uniquely situated to become an ACD, but as the ACD evolves the need for the larger and more comprehensive approach provided by a MainStreet program are becoming apparent.

The Taos ACD, through the Resource Team Report, Your Town Charrette, and the ongoing Cultural Plan, has identified its unique approach. Unlike other ACD's in the state, Taos is positioned to stabilize and expand rather than develop its creative economy. The Taos ACD is more about fostering and stabilizing the creation of art, crafts, and other creative goods and packaging and marketing Taos' deep and significant artistic, historic, and cultural assets rather than creating an environment to begin the development of a creative economy.

The Town's investment in the ACD has been minimal, approximately \$30,000 providing coordination and cash match for the projects and the return from the state's investment alone is near \$150,000 to date with another approximately \$150,000 in additional technical assistance to come.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Taos Project: Taos Project was started around 2000 as a community driven downtown merchants association that took the place of the defunct Taos MainStreet. Taos Project has seen a number of successes including downtown pedestrian way-finding and the establishment of the highly successful summer music series "Taos Plaza Live". In 2006 the Taos Project faltered and fell silent as a body. With the designation of Taos as an ACD in late August 2009, the Taos Project was reinvigorated and began to again organize itself as a downtown merchants association and providing some of the services that a MainStreet organization would, although without any assistance or support from the state. The natural evolution of the Taos Project appears to be formally organizing of it into a MainStreet program. The first step would be for the Taos Project to apply for recognition as an "Emerging MainStreet" with support from the Town of Taos. The Town would need to make a certain level of commitment of support and participation in the MainStreet organization including nominal annual financial support that will allow the Taos Project to hire a Manager who would organize and execute the work of the Taos Project as a New Mexico MainStreet organization. In the initial stages the ACD Coordinator could also function as the MainStreet Manager as a full time rather than a part time employee.

If Taos Project does pursue state designation as a MainStreet organization, the Taos ACD would merge with the Taos Project as a single 501(c)(3) charitable non-profit, focusing on downtown Taos and its central business district, including the ACD focus on its district and the support, stabilization, organization, and expansion of Taos' creative economy. By receiving designation as a MainStreet the Town will receive additional state assistance and access to additional state capital outlay funds for improvements in the central business district.

Local Economic Development Focus Areas/Projects

This section examines the areas of basic economic sector activities that hold the greatest potential for positive results. This is not an exhaustive list just as the areas listed in the previous section regarding the non-basic economic sector are not exhaustive. However these areas have the greatest promise for a significant return on investment for the community and are most likely to expand the basic economic sector of Taos.

Location Neutral Business Attraction: Standard business attraction often involves a significant investment in staff, outreach and marketing, and eventually concessions and investment by the community in order to attract a business that is interested in relocating. It is not unusual for large location dependent companies that can provide significant jobs and/or contribution to the tax-base to receive millions in incentives and local concessions. In some cases communities have invested so much into attracting a particular business to the community that they may not see a return on their investment for a decade or longer.

Standard business attraction also uses key elements to put a community on the "radar" for site location consultants. These key elements include many things that an isolated community like Taos could never provide; namely easy interstate access, rail and air transportation, and reasonable land, utility and development costs. Standard business

Town of Taos
Interim Community Economic Development Strategic Plan/Element

attraction which is supported by the state through the New Mexico Partnership is rarely workable for a community like Taos. Instead Taos has chosen to pursue the attraction of "location neutral businesses" which are those businesses, be they composed of a single entrepreneur or a firm of thirty (30) that can, by the nature of their work, be located anywhere in the US or even the world. These businesses often rely on broadband and technology for their work and/or, especially in the case of artistic and craft goods production, they rely a network of support for the creative economy including a collegial atmosphere, educational opportunities and quality primary/secondary schools, affordable and quality housing choices, significant amenities and natural beauty. Taos is well suited to meet most of the needs of these location neutral businesses and can take steps to improve in the areas that can be improved such as education.

As mentioned in the introduction the typical personality trait of location neutral entrepreneurs is a high tolerance for change. Unlike most people, major life changing events that occur outside of the entrepreneur's control is embraced as an opportunity for additional positive change which tends to make them less risk adverse. Most location neutral entrepreneurs that will relocate and therefore can be attracted to Taos generally come out of three (3) age cohorts that are experiencing a life changing event:

- age 20 to 25 where the young adult is typically graduating from college or graduate school with a degree in a specialized area such as engineering, computer science, art studio, or film or other technical skill or creative endeavor and are looking to start their own business or work for a small firm with the intention of eventually becoming a partner or branching out to eventually start their own business;
- age 35 to 40 adult with substantial experience who has or is starting a family and desires a less formal working arrangement or wants to start their own business continuing to work in their field;
- age 55 to 60 senior adult with significant experience and industry contacts who has become an "empty nester" and typically is able to go into semi-retirement and work for themselves or start a small firm providing services to the industry that they exit from.

There is a sort of infrastructure or in this case support structure, that is required for location neutral businesses (LNB). Perhaps the most important part of the support structure is an essential service provider (ESP) who provides support functions and services such as accounting or bookkeeping, legal advice, mailing, mail delivery, fax service, copying, conference space, a gathering spot such as a coffee shop or deli, video conferencing, and occasional "heads down" space when collaboration is needed, all in a single physical location. Unlike the typical business incubator that provides subsidized office space and comingled services in a public facility, the ESP is a private sector business that operates, ideally, a public-private partnership facility that makes services and spaces available on an a' la carte basis after paying a basic membership fee. In addition to basic business services and facilities on an on-demand basis that allow for close control of overhead, the ESP is also needed to address

Town of Taos
Interim Community Economic Development Strategic Plan/Element

another very real need for LNBs – human contact. The need for human contact comes from the relatively isolated nature of LNBs where most of their work is done at their home. Studies have shown that most workers who base their business out of their home need to get out and socialize about every third day or their productivity will suffer.

Another common need, regardless of the type of LNB, is sufficient business class broadband availability at a reasonable price. Taos currently has minimal broadband availability with broadband available primarily within two (2) to four (4) miles of the Qwest switch located on Civic Plaza Drive in downtown Taos. Standard business class broadband access through the sole provider, Qwest, is expensive with very little choice; a T-1 line which averages 3 Mb up and down load speeds is \$500 per month after installation costs and a DS3 line with averages of 15 Mb up and down load speeds is \$5,000 a month after the cost of initial installation. The lack of choice and high cost for effective business bandwidth and the limited geographical reach of these services have hindered Taos' ability to be competitive in attracting LNBs.

Very recently the Regional Economic Development Initiative (REDI), a regional partnership sponsored mostly by funding from Los Alamos County, was able to secure funding for the construction of middle mile service in Santa Fe, Rio Arriba, and Los Alamos County with some last mile construction, and Kit Carson Electric Cooperative in conjunction with REDI secured combination grant and loan financing to provide last mile development of the fiber optic network in Taos. The award for both projects through REDI is critical for Taos; without the funding and deployment of REDI Net, Kit Carson would not have been able to deploy their last mile development plan because the network would not be able to reach the point of presence in Albuquerque. Since the network is being deployed with American Recovery and Reinvestment Act (ARRA) money the network will be an open network instead of a proprietary network. This means that the access to the network must be broadly available to any internet service provider. This will introduce competition to the currently uncompetitive broadband market and that competition should increase the quality and choice of service for residents and businesses. Kit Carson's portion of the network is also unique in that the fiber will be deployed to every home and business that Kit Carson services to make the deployment of smart grid technologies possible. Since the smart grid application will only occupy a small portion of the data capacity of the fiber, each business and home will be able to receive additional information technology services. The deployment of REDI Net and the Kit Carson fiber optic network is critical to Taos' attraction of LNBs.

Air service is often another requirement for a LNB. By providing goods and services outside of the state these businesses require occasional to frequent air travel. The Taos Regional Airport has been trying to get clearance for the construction of a cross-wind runway for over twenty years (20 +) to improve the capacity and safety for air travel to and from Taos but the project has been stalled in the Environmental Impact Statement process, specifically centered on concerns relating to the historic preservation aspects or section 106 compliance as it relates to Taos Pueblo, the cultural gem of the southwest if not the United States. Recently Taos Pueblo and the Town of Taos have made progress toward a resolution to the Pueblo's concerns and the EIS may come to a close in the near future allowing for the construction of the long awaited cross-wind

Town of Taos
Interim Community Economic Development Strategic Plan/Element

runway. The next most available airport is the limited commercial airline service out of Santa Fe or full air service through the Sunport in Albuquerque.

Another common need of LNBs is reasonably affordable high quality homes with a layout conducive to or designed to accommodate the needs of those engaged in a live-work lifestyle. Some of Taos' historic housing stock lends itself well to a live-work lifestyle if more modern amenities can be brought to those homes. Taos has many accomplished designers and general contractors who can certainly design speculative, standard plan, and custom homes that can meet the needs of LNB entrepreneurs, but affordability will continue to be a concern with continuing high land costs. Although ideal housing might be able to be provided to LNBs in sufficient quantities, the natural beauty and community amenities will need to continue to provide a high value to these businesses in order to overcome the high price of housing for newly attracted LNBs.

Taos has made some key investments toward a LNB attraction strategy and as the remaining support structures are developed, the community will need to market to this demographic. The Community Economics Lab has been working with the state on a statewide LNB attraction strategy and has several pilot programs in place. It is advisable for the Town to consider entering into the state program as a pilot community and develop the necessary partnerships to be successful and receive state assistance with marketing and evaluation.

Areas where Taos can begin immediately to grow local LNBs include medical transcription, technical writing, editing, and legal transcription. Taos contracted with AIS Development to complete an economic development feasibility study for medical transcription in the fall of 2009. The results show that these jobs, which can be located anywhere in the US but must be provided on US soil, pay well and are in high demand. The Town of Taos should continue to pursue local LNB creation through medical transcription and similar industries to jump start LNB attraction. The same support systems that will be needed by locally created LNBs are the same as those that may relocate to Taos and local LNBs may be able to support a startup ESP so that support network will be in place and operational, furthering Taos' competitive position for attracting new LNBs to the community.

Business Retention and Expansion Program, Maintain Taos: Taos has never undertaken a formal business retention and expansion (BRE) program. Businesses have generally been able to thrive or at least limp along sufficiently in the past with no formal support or intervention. Today the loose, disorganized, and reactionary approach to BRE is insufficient. Taos has lost a number of emerging companies to competing larger cities who have provided support to their growing business and in some cases provided incentives for them to grow their business in their new location.

First and foremost Taos must execute a baseline survey of all businesses, basic and non-basic alike to understand the condition of the total local economy. The baseline survey instrument has been created and is an attachment to this plan. The survey can be self-administered or can be taken by interview. Interviewing a survey respondent is often

Town of Taos
Interim Community Economic Development Strategic Plan/Element

preferable but is time consuming and manpower dependent. This survey, if completed correctly, would provide valuable information for following up with those businesses that show signs of relocation, shutdown, expansion, or stabilization assistance. The results of the survey must be kept confidential and should be used only by qualified economic development entities and personnel such as the Town Manager, Community Economic Development Director, Taos County Chamber of Commerce personnel, Taos Entrepreneurial Network Coordinator, economic development contractors, etc. To keep the data relevant and current the same survey should be completed on an annual basis but may be limited to basic industries and distressed segments of the non-basic sector.

The baseline survey can be accomplished in several ways including a sole contractor, sole staff member, or a group of volunteers and staff. The single staff member or contractor approach removes the need for training and keeps the data collection consistent but will also be very time intensive and will take much more time to complete. Using volunteers to collect the data will require training of the volunteers, coordination, and management and data collection is likely to be inconsistent although it will likely take less time to complete the survey. The method that will likely yield the best results is a combination of interviews and self-administered surveys using a single staff member or contractor who delivers the survey and arranges with the owner or manager of the business a time to either administer the survey by interview or to be collected from the business allowing them to self-administer the survey.

BRE requires actions both by qualified individuals and by groups of qualified people and organizations depending on the severity and breadth of the business concern. A task group of qualified professionals that can address BRE should be formed. This task group would most likely form out of a subset of the Taos Entrepreneurial Network and the Taos County Chamber of Commerce along with a Town staff member or contractor. The Town staff member or contractor would be responsible for administering and maintaining the BRE survey database and would be the point of contact for any BRE action or recommendation by the task group. The task group will need to be able to meet on short notice and act quickly either individually or by bringing the appropriate entities to the table to take action to retain or assist in the expansion of local businesses.

BRE is not glamorous. BRE rarely grabs headlines or even thanks beyond the business that is saved, retained, or expanded. But although it lacks the glitz and fanfare of business attraction it is the most effective of all basic economic development actions.

Business Incubation: Business incubation is similar to but more resource intensive than business retention and expansion (BRE) efforts. It also generally has a high fail rate given that many startups cannot survive more than 24 to 36 months on average. But business incubation can yield huge results, creating growing businesses who are a part of and committed to the community that supported their start. What distinguishes BRE from incubation is the maturity of the business. Most businesses that are younger than five years can benefit from an incubation approach while those businesses older than five years are most likely to benefit from a BRE approach. Businesses that can be incubated

Town of Taos
Interim Community Economic Development Strategic Plan/Element

are generally split into two maturity categories: startups and mid-development. Startups are usually at the very beginning of their development to around two years of operation. This is the most unstable time for a business and where the most business failures occur and successful interventions are the most difficult to create. Mid-development businesses generally have at least two years of operating history but less than five years of operation. While the business can still be volatile there is some track record of the business to evaluate to determine what will be the best intervention for the business.

The Taos Entrepreneurial Network (TEN) is one of the most effective tools for incubating startup businesses. TEN is a collaborative network of professionals that meet on a monthly basis to provide support and networking opportunities to new business ventures. Members of TEN's network of professionals will often give up to an hour of assistance to a startup or mid-development business in the hopes that they will succeed and eventually become clients. TEN also provides a facilitator who helps connect businesses with the help they need to stabilize or grow their business or even help to gracefully shutdown a business that is failing. The Town should avoid direct incubation of startup businesses and instead should provide TEN with monetary support to ensure that the program continues to meet the needs of startups with little risk or exposure to public assets and funding.

Taos County Chamber of Commerce is an evolving entity that is moving away from its historic emphasis on Fairs, Expos, tourism marketing, visitor information and basic advocacy toward developing educational forums, workshops, and business and economic development services in addition to targeted advocacy and continuing community political forums and networking opportunities. Many Chambers of Commerce have lost their relevancy in the US and the new leadership of the Chamber has moved the organization forward. The Chamber can and should play a role in incubation, alongside TEN, and as a key partner in BRE efforts and a collaborative role in LNB attraction. The Chamber can be most helpful to its startup and mid-development members by matching them to experienced and long standing members that are willing to share their understanding of the Taos business environment.

The biggest role that the public sector can play in business incubation, besides supporting TEN and working collaboratively with the Chamber, is to consider the adaptive reuse of underutilized public assets, particularly the Town of Taos' Convention Center and Taos County's Historic County Courthouse. Often the biggest impediment to a growing business is to stabilize its working capital needs and exponential growth. This is usually evident in mid-development businesses that need assistance with cost reduction in order for receivables to be converted into cash and meet working capital demands. Stabilization can usually be achieved within five to seven years of business operation. One of the easiest ways for the public sector to assist these growing businesses is provide a facility for the business at an initially greatly reduced or abated rental amount and slowly increase the rent over a five year period. After the fourth or fifth year of assistance the business needs to be charged a market rental rate and thereafter be charged a market rental rate plus a rapidly escalating premium to encourage the business to relocate to a private property. Incubation needs to be short

Town of Taos
Interim Community Economic Development Strategic Plan/Element

term and needs to be firmly managed in order for businesses to become self-sufficient and for new growing businesses to have access to the same assistance. Just as any basic economic development action must demonstrate net public benefit through a realistic cost-benefit analysis, any abatement or subsidy of rent must be secured and show that the community will be able to recoup its investment within a reasonable time period either through additional tax base and/or employment.

Tourism Diversification/Stabilization: Tourism has long been the mainstay of the basic economic sector of Taos. Visitors come to enjoy the stunning natural beauty, experience the authenticity of the living cultures, and to be inspired by and a part of the intense creative environment of Taos. The prior success of Taos has been organic and unorganized often fueled by word of mouth, history, and reputation. In the current travel climate Taos cannot remain competitive for tourism dollars without organization and effort to make the visitor experience not only seamless and simple but remarkable.

Tourism and its associated retailing and services are at its heart firmly rooted in the basic economic sector. Instead of exporting goods and services and importing revenues, the lodging industry, and associated tourism retailing and service industries import visitors who consume locally produced goods and services and leave their revenues behind in the community. Other communities have become well organized and make the visitor experience seamless and easy making the current difficulty in visiting Taos less attractive and therefore less competitive.

The highest grossing and growing sectors of the travel industry revolve around four key areas: heritage/cultural tourism; eco-tourism; adventure/experiential tourism; and sporting tourism. All of these tourism interest areas share in common some general demographic traits – these tourist are generally well educated, stay longer or make repeat visits, are willing to spend more for authenticity and unique experiences, and appreciate a strong environmental ethic. The heritage or cultural tourist generally wants to stay in an upscale historic hotel, eat at local restaurants offering traditional local cuisine, and tour and experience authentic historic sites and interpretation. The eco-tourist generally values the opportunity to stay in unusual accommodations that support sustainability and conservation and to participate in activities that allow the tourist to interact with the natural environment in a memorable way and leave no trace of their visitation. The adventure or experiential tourist is less concerned with accommodations and is mostly concerned with having an experience that they can never have anywhere else and are able to take back the thrill, the knowledge, and the skills that they acquired from their visit. The sporting tourist is similar to the adventure or experiential tourist in their focus on the activity that they will be engaged in during their visit be it a tournament or training camp, or other activity. Most importantly they may need sports related medical services and/or equipment during their trip in order for the experience to be positive.

The one attribute that all of these types of tourism exhibit is these tourists have a deep passion for the interest that motivates them to travel. When a person becomes passionate about an experience, they become what is known as “price insensitive”, which simply means that they will scrimp, save, and sacrifice in order to follow their

Town of Taos
Interim Community Economic Development Strategic Plan/Element

passion and are willing to pay a premium for the highest quality, most authentic, and/or impactful trip.

The public sector's role in this area is to facilitate organizing of the private sector tourism industries and forming partnerships among private, public and non-profit sectors that will support an overall effort to increase, diversify, and stabilize Taos' tourism industry. A very key component of that support is the creation of a tourism portal website that will act as a trip planner for visitors that want to travel to Taos. In addition, the designation of Taos as an ACD has created a natural partnership between the state departments of tourism, cultural affairs, and economic development, the Town of Taos, and all segments of the creative economy that is heavily engaged in heritage or cultural tourism and adventure or experiential tourism. The state has also designated Taos as a pilot eco-tourism program and the Northern Rio Grande National Heritage Area is in its final Management Plan Approval stages and will provide yet another non-profit entity and the National Park Service to the enhancement, support, and organization of the heritage and/or cultural tourism segment. Taos is also organizing itself through the Taos Sports Alliance to address the organization of sporting tourism. The Town's role should be to bring these diverse resources together in one virtual location and make it easy for the traveler to not only visit but to have an exceptional experience on their visit. The best way to do this is to create and maintain a portal website that also provides a trip planner.

The need for providing an organized portal with a trip planning function is based on the fact that one of the largest growing segments in travel is family vacations. The tendency is for families to try to combine multiple interests into a single trip where everyone has an opportunity to participate in something meaningful for them. For example, a son may travel to participate in a summer athletic competition, the daughter may take advantage of the opportunity for high altitude training for an upcoming competition while the mother takes a series of art classes from Taos artists and the father takes advantage of the opportunity to fish the Chama River with his son and watch his son's games. Modern family vacations often have multiple purposes and the wider the variety of offerings that can be conveyed the more likely you are to get the tourist to not only come, but to stay longer and make repeat trips.

Perhaps the most important physical improvement that the public sector can make in Taos is the rehabilitation of the Historic County Courthouse on the Taos Plaza and the installation of a heritage and cultural interpretive center in the historic courtroom where the WPA murals are located. Although Taos County owns the building, the County does not have the capacity to make the needed improvements to the building. Instead it will take a partnership effort between Taos County, Town of Taos, Northern Rio Grande National Heritage Area, National Park Service, Taos ACD, and the community to make it possible.

Art/Craft Production: The production of art and crafts, ranging from classical visual arts, to healing arts, to performance arts, to pottery, to jewelry making, to literary arts and all points between, has been a basic economic engine for Taos since its establishment as

Town of Taos
Interim Community Economic Development Strategic Plan/Element

an art colony and a writer's colony starting with the establishment of the Taos Society of Artists in 1915.

With the continually increasing cost of living and sky rocketing home prices in Taos beginning in 2003, many artists have been priced out of the community and live and work outside of the local area of this plan. Part of the results of the Artist Housing Market Survey indicated a significant interest in the construction of affordable studio space. While some additional studio space may be included in a future Artspace project, it is unlikely that the Artspace building will provide enough affordable studio space to meet the current and hopefully growing demand. The Town should give consideration to assisting with the development of additional affordable studio space to retain and attract artists to Taos. In addition to making it possible to retain and attract artists, a development of this type would also provide a natural gathering place for artists to socialize and collaborate and could lead to informally structured mentorships among experienced and inexperienced artists working in similar or the same medium.

The sale of art has also changed dramatically in the last few years. Galleries are no longer limited to their physical location. To be competitive galleries are creating an internet presence, and may even participate in open air fairs and events. This is particularly true of artist owned and operated galleries. Cultural markets and artist cooperative galleries are beginning to become more viable. Changes to the function and regulation of uses on the Taos Plaza have been forwarded through the recent work completed by the Taos ACD, which if implemented could add the Plaza to the list of available venues for selling art and crafts produced in Taos County. What is clear from the Artist Housing Market Survey is that not only are affordable studio spaces needed and desired, but accessible and reasonably priced venues for the sale of art and crafts is a need of the emerging artist.

Events and Festivals: Events and festivals can provide significant increases in visitation and can drive additional activity for the tourism industry and retailing. The most popular and apparently productive festivals and events have been:

- Solar Fest in mid-June
- Music events at the Solar Center
- National touring acts and performances at the TCA
- The growing event and theatrical offerings at the Space and Metta theatres and the Anglada's event center
- The popular Art & Crafts Fairs
- Quickdraw, Wool Festival, Fall Arts, and other open air events usually held at Kit Carson Park
- The fledgling Artwalks and the TAO Artist Studio Tour

These events, festivals, tours, and fairs, despite the controversy over holding open-air art & crafts fairs on holiday weekends at Kit Carson Park, generally generate foot traffic which usually involves lodging, restaurant, and other retail sales in the community in addition to the sales at the event. The number of events does not appear to be an issue. Instead timing and coordination of these events is needed, including possible

Town of Taos
Interim Community Economic Development Strategic Plan/Element

joint advertising of the events to increase market penetration. Regardless of one's personal opinion of the decision to withhold permits for the use of Kit Carson Park and Taos Plaza on Memorial Day and Labor Day weekends for commercial events, the unsuccessful mediation did accomplish a certain level of coordination among event promoters and among merchants. That improved communication, if it is nurtured and maintained, could be a very positive thing.

The Town's role in this should be to facilitate the organization among event, festival, and fair hosting organizations to ensure that there is coordination and mutual support among these organizations. It may also be appropriate for the Town to consider entering into project participation agreements with event promoters to waive use and rental fees provided when an event or events can show direct economic benefit to the community that exceeds the value of the public support and participation that is provided.

Specific Areas of Emphasis for Growing and Diversifying Taos' Basic Economic Sector: In addition to the previous mentioned general areas of focus for economic development in Taos, there are specific areas of basic economic activity that should be considered for support to expand their cluster size in Taos at a minimum on a local level and in most cases as a part of their expansion on a regional level. The areas of specific industry cluster focus include: organic and non-toxic personal care product formulation and manufacture; software development and services; publishing, editing, and transcription; and gourmet and organic food production.

- *Organic and Non-toxic Personal Care Product Formulation and Manufacture*

As one of the few viable areas for possible manufacturing in Taos, organic and non-toxic personal care product formulation and manufacture is small but potentially growing industry cluster. Two significant businesses were established in Taos that form the beginnings of a cluster; Vapour Beauty, an organic and non-toxic cosmetics formulator and manufacturer and Desert Blends, a body and bath product formulator and manufacturer. This industry cluster should be defined and their infrastructure needs identified if the Town wishes to support attracting such businesses to the area and developing it as a local cluster. Unlike some cluster focuses, this cluster can be supported by a local approach.

Despite the manufacturing aspect of this cluster, this specific subset of the personal care product industry is unique and is overly location dependent. Shipping costs are nominal with most products being small quantity containers and easily sent via UPS or similar parcel service. The location dependency of the business involves wild harvesting of certain materials that are present in the Taos region. Other materials are generally light weight and have low shipping costs. A value chain analysis may be useful to fully develop it as a cluster in a deliberate fashion but at a minimum a cluster definition should be made prior to pursuing attraction of new businesses in this sector. These two businesses and other unidentified businesses working in this economic sector should be targeted for retention and expansion efforts at the very least.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- *Software Development and Services*

Taos has had limited success in attracting information technology businesses due to two key limiting factors: marginal, expensive, and limited choice for broadband; and electrical supply instability. The issues surrounding broadband have been the most limiting, but with the broadband deployment through Kit Carson Electric Cooperative in partnership with REDI Net, this critical infrastructure barrier will be greatly reduced if not eliminated. The instability of power is another concern that still needs to be addressed but is less severe of an impediment than broadband. Software companies and service providers need consistent power to keep servers functional and at the correct temperature to ensure they are able to provide their products and services any time of day or night. This is particularly true with the increased globalization and interconnectedness of the world through the internet.

Taos, despite these deficits, has been able to retain and grow Siriusware, a provider of ticketing, point of sale, and resort management software and services. Siriusware has quietly become a significant local employer providing well-paying technically related jobs and contributing to the basic economic sector of Taos. To continue to grow this business and to be able to attract and incubate similar businesses, the deployment of the Kit Carson fiber optic network must be done in a timely fashion and the electrical instability issues must be addressed. Siriusware should be emphasized in the *Maintain Taos* BRE efforts to identify and implement improvements that will ensure the local community takes steps to become more information technology friendly.

The new access to the super computer in Albuquerque via the new fiber optic network and easy access to Los Alamos National Laboratory should also be factored in when pursuing growth in this segment both locally and regionally.

- *Publishing, Editing, and Transcription*

The Town of Taos commissioned a study on the viability of organizing an effort to train and then move into contract employment individuals in medical transcription. During that study it was discovered that in addition to the high demand for medical transcription there is a high demand for editing of technical material, legal transcription, text book editing, etc. that can be done remotely. This area has a huge potential for local incubation with very low costs to the community. The needs of those engaged in these areas, because they are independent contractors working from home, are very similar to the needs of other location neutral businesses (LNB). If the Town were to implement the actions recommended in the AIS study, it would potentially jump start the LNB attraction strategy by providing a sufficient demand to drive the startup of a private essential service provider (ESP).

Publishing is another possibility if the community can meet the needs of independent presses such as Red Wing Book Company, an independent press for professionals engaged in eastern and western traditional healing arts. Small presses are another LNB that can benefit from the creation of a business cluster approach. Determining the needs of Red Wing may enable it to grow while also highlight the needs of similar sized

Town of Taos
Interim Community Economic Development Strategic Plan/Element

publishers that the community might be able to attract. Publishing is a very intellectually intensive industry and with the ever expanding potential for internet and multi-media publishing, the need for a fixed location is rapidly fading. Red Wing Book Company is another potential strong growth business that should receive priority in the implementation of *Maintain Taos*.

- *Gourmet and Organic Food Production*

Taos County Economic Development Corporation (TCEDC) opened a community commercial kitchen to allow for value added agricultural businesses to develop. Constructing and equipping a commercial kitchen is a very expensive venture for any startup company. By providing this community commercial kitchen TCEDC has started many fairly successful food businesses including Pepe's Salsas, Antonio's Salsas, Tina's Burritas, Arabian Nights, and Cooking Studio Taos. The kitchen is at full capacity and is limited in what it can provide for any growing business. In order for these companies to make the transition from production for local distribution to regional distribution and eventually into interstate and national distribution, they will eventually need additional space, either shared or solely occupied by them. The problem is the high cost of the transition. Fortunately the Town of Taos has a commercial kitchen that is underutilized that could be made available for that interim step provided that the Town has a reasonable expectation of receiving benefits in excess of the costs to the public. Other commercial kitchens may also be available from private sources, but the Town is most likely the only entity that can reduce and even abate rent in order for a growing business to have the greatest chance of success in transitioning from the community kitchen to a new facility of their own.

Regional Economic Development Focus Areas/Projects

This section will be more appropriately addressed in the full plan to be adopted by the Town Council on or before June 30, 2011.

Film and Media

Alternative Energy

Solar

Research and Development

Installation, Maintenance, and Repair

Value Added Agriculture

High Altitude/Hypoxic Training

Town of Taos
Interim Community Economic Development Strategic Plan/Element
Community Economic Development Goals and Policies

Non-basic Economic Sector Goals and Policies (Community Development):

- Goal: Ensure that the community is provided housing that is safe, decent, and affordable
 - Policy: The Town of Taos will act as a land developer in partnership with qualifying Non-Household Grantees to provide affordable housing to qualifying grantees in the varieties and types as indicated in the Town of Taos' Housing Plan and Comprehensive Plan Element
 - Policy: The Town of Taos will leverage existing assets to provide innovative affordable housing that will, whenever possible, forward the values and other goals and objectives of the community in addition to the provision of affordable housing
- Goal: Reduce local retail leakage to 15% - 25%
 - Work with regional partners to amend the Local Economic Development Act to allow for limited performance based rural municipal participation in retail development
 - Support and facilitate private and non-profit efforts to improve local retailing by improving local service, adoption of competitive business practices, and encourage local entrepreneurial development of mid-level retailing
 - Revisit limitations on big box development with possible creation of a big box zone
- Goal: Support educational improvement for Taos Municipal Schools
 - Policy: Form a work group between Town of Taos Staff, Taos Municipal Schools and interested non-profit institutions to form partnership efforts to improve public school performance
- Goal: Support the development of a four-year degree conferring college or university
 - Policy: The Town of Taos will examine the potential adaptive reuse of underutilized Town owned buildings where UNM – Taos may be able to hold classes
 - Policy: To the extent applicable, the Town will explore the possibility of combining Town sponsored affordable housing development with the development of student housing for higher education institutions
 - Policy: Support and active assist UNM – Taos with the development of a four year degree conferring campus both at the Klauer campus and in downtown Taos
- Goal: Enact common sense annexations
 - Policy: The Town of Taos will examine the possibility of annexing those properties where services are provided by the Town in order to capture the revenues generated on those sites that will directly support the provision of said service
 - Logical annexations, if possible, include the wastewater treatment plant and associated land, regional airport, and regional landfill
- Goal: Improve transportation throughout the central business district

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- Policy: The Town of Taos will examine the possibility of a turn-back agreement from the New Mexico Department of Transportation and the US highway Department provided that all said highways meet a specific standard prior to the turn-back
- Policy: The Town of Taos will actively pursue improvements to the traffic flow along Paseo del Pueblo from Los Pandos north to the intersection with Camino de la Placita with a focus on converting Camino de la Placita to one-way south bound and Paseo del Pueblo to one-way north bound
- Goal: Provide a proactive community oriented police force
 - Policy: The Town of Taos will examine the benefits of adding additional officers in order to shift from reactive policing to proactive community involvement
 - Policy: The Town of Taos will actively pursue the transfer of the Mary Medina Building from the State of New Mexico to the Town of Taos and will actively pursue the redevelopment of the Mary Medina property to house the headquarters for the Taos Police Department
 - Future development of the Mary Medina property should be considered including the potential for expanding the police department and relocation of the Municipal Court to the site
- Goal: Expand the Taos Public Library to meet current and future needs of the region
 - Policy: Formation of a regional partnership to fund the expansion and operations of the Taos Public Library which should include the possibility of housing the UNM – Taos library

Combined Non-basic and Basic Economic Sector (Hybrid) Goals and Policies

- Improve athletic facilities and opportunities to host sporting events
 - Policy: Make key investments in existing facilities
 - Examine the true productivity of the Eco Park prior to additional public investment in building out the facility
 - Engage the community in actively funding the development of the remainder of the Eco Park
 - Examine and determine the likely pay off period for enclosing the existing ice rink and for building a new enclosed ice rink
 - Make public improvements to the existing ice rink if positive return is possible
 - Publicly fund the master plan of the development of the Youth and Family Center Property and full design of a new ice rink if a positive return is possible in a reasonable time period
- Continue development of Taos as a healthcare destination
 - Policy: Actively participate in the Master Planning of the Holy Cross Hospital Campus
 - Policy: Actively assist in the recruitment of professionals to the community to provide healthcare to the regions growing retirement population

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- Policy: Actively assist in the development of sports medicine services needed for hypoxic training
- Construct a live-work affordable multi-family housing development in Taos with a preference for people involved in creative pursuits
 - Policy: The Town of Taos, after resolving outstanding concerns of the New Mexico Mortgage Finance Authority, will actively pursue a contract with a uniquely qualified affordable housing developer with substantial experience in developing, maintaining, and operating low income housing tax credit projects with a preference for individuals involved in creative pursuits and willing to maintain an affordability period of at least 50 years
- Build out the master plan for the full development of the Taos Community Auditorium
 - Policy: The Town of Taos will actively support the fund raising efforts of the community to construct the remainder of the master plan for the development of the Taos Community Auditorium
- Support the development of the Taos Art & Cultural District
 - Policy: Provide reasonable financial support to the Taos ACD to continue coordination of the activities of the ACD and to continue access to state assistance
- Support the development of Taos Project as a New Mexico MainStreet Organization
 - Policy: The Town of Taos will support and assist in the preparation of an application to the state of New Mexico for recognition of the Taos Project as a NM MainStreet organization
 - Policy: Upon state designation of the Taos Project as an emerging MainStreet organization, the Town of Taos will commit to supporting and actively participating in the Taos Project as a NM MainStreet organization including reasonable financial support to ensure the employment of a MainStreet Manager

Local Basic Economic Sector Goals and Policies (Economic Development):

- Provide performance based assistance to basic economic sectors
 - Policy: The Town of Taos will only participate in performance based assistance to basic economic companies using objective benchmarks to ensure fair and accurate performance evaluation
 - Policy: Any economic development assistance provided by the Town of Taos must show a positive return on the investment of public funds, property, or other public asset within ten years of the provision of public assistance
- Attract location neutral businesses and industry clusters to the Town and the region
 - Policy: The Town of Taos will actively engage in improving the quality of life in Taos
 - Policy: The Town of Taos will develop a marketing plan to market the community in a targeted and effective manner to the most probably location neutral businesses that could relocate to Taos

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- Policy: The Town of Taos will consider how to support the development of a private sector essential service provider
- Policy: The Town of Taos will continue to assist Kit Carson Electric Cooperative with the deployment of the Kit Carson fiber optic network
- Policy: The Town of Taos will develop and adopt a live-work ordinance to allow for mixed use buildings and dwelling units.
- Policy: The Town of Taos will implement the recommendations of the AIS Development Study regarding the development of remote medical transcription and similar location neutral business on the local level to jump start the attraction of other location neutral businesses
- Retain and Expand local businesses
 - Policy: The Town of Taos will annually conduct the *Maintain Taos* business retention and expansion survey
 - Policy: The Town of Taos will create and staff a Business Retention and Expansion Task Group to create recommendations for Town Council action and to create individual and group intervention strategies to retain and to assist in the expansion of local businesses
- Incubate local businesses
 - Policy: The Town of Taos will avoid directly incubating startup companies but will continue to support Taos Entrepreneurial Network to provide support to startup companies
 - Policy: The Town of Taos will consider the use of existing public assets to assist in or directly incubate mid-development companies
 - Policy: The Town of Taos will, to the extent the Taos County Commission desires and the Town Council approves, assist in the renovation of the Taos County Courthouse with the specific goals of developing a heritage and cultural interpretive center in the historic courtroom where the Taos WPA murals are located and development of the remainder of the building as a location for business incubation or other use as determined by the community and supported by the Taos County Commission
- Diversify and stabilize the tourism sector
 - Policy: The Town of Taos will continue to provide appropriate marketing of the community using lodgers tax funds and general tax funds
 - Policy: The Town of Taos will facilitate an effort to develop a tourism portal site with a trip planner to assist in the organization and marketing of the growing segments of the travel industry, specifically focusing on heritage/cultural, eco, adventure/experiential, and sporting tourism
 - The Town of Taos will assist in locating funding to design and establish the internet portal site and trip planner and will contribute to maintaining the portal site and trip planner
 - Policy: The Town of Taos will continue to participate in and help to facilitate the Taos Tourism Council
- Reinvigorate the production of art and crafts in Taos
 - Policy: The Town of Taos will explore ways that the Town can assist with the development of affordable studio space
 - Policy: The Town of Taos will explore ways that the Town can assist in the development of new and affordable venues for the sale of art

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- Policy: The Town of Taos will pursue live-work zoning code amendments to increase the availability of affordable live-work space
- Policy: The Town of Taos will pursue the development of a live-work affordable housing development with a preference for people engaged in creative pursuits
- Organize and enhance festivals, fairs, tours, and events
 - Policy: The Town of Taos will consider actively supporting festivals, fairs, tours, and events that can demonstrate a direct positive economic impact on the community that will exceed the value of the public support provided
 - Policy: The Town of Taos, through participation and support of the Art & Cultural District and Taos Project will assist in the organization and enhancement of festivals, fairs, tours, and events
- Emphasize the definition of and direct assistance with the development of a local cluster for the areas of organic and non-toxic personal care product formulation and manufacture; software development and services; publishing, editing, and transcription; and gourmet and organic food production
 - Policy: The *Maintain Taos* BRE survey will place emphasis on these key areas and the BRE Task Group will make recommendations for steps the community can take to make the expansion, attraction, and retention of these key industry segments in Taos

Regional Basic Economic Sector Goals and Policies (Economic Development):

- These goals and policies will be developed in the full plan.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

FINANCE

To be developed and expanded in the full plan but will, at a minimum, examine the following:

Metropolitan Redevelopment Area

Tax Increment Finance

Tax Increment Development Districts

Business Improvement Districts

Economic Development Local Option GRT

Quality of Life Local Option GRT

Town of Taos
Interim Community Economic Development Strategic Plan/Element

STATE INCENTIVES

To be developed and expanded in the full plan.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

LOCAL INCENTIVES

To be developed and expanded in the full plan.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

APPLICATION, REVIEW, COST-BENEFIT, AND PUBLIC SAFEGUARDS

Per the New Mexico Local Economic Development Act and the Taos Local Economic Development Ordinance, collectively referred to as LEDA, the Town of Taos shall:

1. At an initial intake interview the Town or the Town's representative shall determine if the potential applicant is a qualifying entity as defined in §4.20.040 of LEDA.
2. An application shall be prepared with assistance from the Town or the Town's representative only if the potential applicant is determined to be a qualifying entity under LEDA.
 - a. The application must contain all required information as set forth in the Town of Taos Application for Economic Development Assistance and LEDA
3. Upon completion and submission of a complete application by the applicant, the Town or the Town's representative shall review the application and perform an independent cost-benefit analysis
 - a. Multiplier effects above three (3) shall not be considered.
 - b. All multiplier effects must be reasonably associated with the direct impacts of the proposed project. Indirect effects will not be considered.
 - c. The National Development Council's standard analysis methods or Town approved equivalent shall be used to evaluate the solvency and growth potential of an applicant.
4. Upon completion of the review and analysis of the application, Town Staff or the Town's representative shall forward the application and review to the Town Council for review and approval. Project participation agreements will only be considered for Town Council approved applications.
5. Upon Town Council approval of an application, Town Staff or the Town's representative shall prepare a Project Participation Agreement (PPA) for Town Council consideration.
 - a. All PPAs must be performance based and must include sufficient objective measures to determine performance.
 - b. All PPAs must demonstrate a positive return on the public investment within ten (10) years of the adoption of the ordinance approving the PPA.
 - c. All PPAs must include safeguards for the public investment as required by LEDA.
 - d. All PPAs must contain, at a minimum, the contents required by LEDA.
 - e. A draft of all PPAs shall be made available through the Town Manager to the Town Council prior to adoption.
 - f. All PPAs shall be approved by ordinance by the Town Council.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

ATTACHMENTS

Annual Business Retention and Expansion Survey; *Maintain Taos*

Application for Economic Development Assistance

Standard Review Criteria for Applications for Economic Development Assistance

Model Ordinance for Adopting a Project Participation Agreement

Model Project Participation Agreement

State of New Mexico's Local Economic Development Act

Town of Taos' Local Economic Development Act Ordinance

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Maintain Taos
Business Retention & Expansion Survey

The purpose of this survey is to learn more about companies in the Taos area and about ways the Community can best support our existing companies. In addition to learning information that will help in planning programs and services for area companies, your responses will enable us to identify ways in which we can support your specific company. This survey is being conducted as a part of a business expansion and retention program entitled the *Maintain Taos*. All individual responses to this survey will be held in strict confidence.

Business Profile

Company Name: _____

Contact Person: _____ Title: _____

Address: _____ Phone: _____

Email: _____ Website: _____

Product/Service(s): _____

NASIC code: _____ Number of Employees: _____ Years at Location: _____

Site Size (acres): ____ Building Size (sq. ft.): _____

Parent Company?: Yes No Name: _____

Other Locations: _____

Corporate Contact Person: _____ Title: _____

May we contact him/her?: _____ HQ Phone: _____

Markets/Products

What markets does your company serve? (indicate % of total sales in each market)

____ Local ____ County (outside of town) ____ State (outside of county)

____ National (outside of state) ____ International (Total should equal 100%)

Please provide some information about up to four of your top products:

1. _____

Town of Taos
Interim Community Economic Development Strategic Plan/Element

2. _____

3. _____

4. _____

Product Customers (Industry or demographic type)

1. _____

2. _____

3. _____

4. _____

Outlook for new or additional markets:

1. _____

2. _____

3. _____

4. _____

Would you be interested in assistance in locating local customers? Yes No

If yes, what assistance would you require? _____

Raw Materials/Suppliers

Consider your company's major raw materials. Which goods or services purchased from outside the area would you prefer to purchase locally if available at a comparative price?

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Personnel/Labor

Total Employees: _____ % Union : _____ Union Name(s): _____

What percentage of your labor force is: Skilled _____ Semi-Skilled _____ Unskilled _____

Clerical _____ Management _____

What approximate percentage of your employees live within (miles) _____ 0-5 _____ 6-15
 _____ 16+

Current employment status: _____ Hiring _____ Stable _____ Downsizing

What demand do you anticipate for additional work force during the next five (5) years?

2011 _____ 2012 _____ 2013 _____ 2014 _____ 2015 _____

Number of hourly skilled _____ Number of hourly unskilled _____

Number of clerical _____ Number of supervisory/technical _____

Availability of Workers

Consider the following labor-skill classes, and circle the number that best represents your opinion of their availability for employment locally and the quality of basic skills possessed by new employees:

1=Excellent 2=Good 3=Average 4=Poor 5=No Opinion

	Skill Class Availability	Quality of Skills
Professional/Management	1 2 3 4 5	1 2 3 4 5
Skilled	1 2 3 4 5	1 2 3 4 5
Semi-Skilled	1 2 3 4 5	1 2 3 4 5
Unskilled	1 2 3 4 5	1 2 3 4 5
Clerical	1 2 3 4 5	1 2 3 4 5

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Other _____ 1 2 3 4 5 1 2 3 4 5

If recruiting personnel is difficult, what factors contribute to these difficulties? (check all that apply)

____ Labor supply shortage ____ Skills not adequate ____ Lack of public transportation

____ Affordable housing ____ Available housing

____ Other _____

How do you recruit labor? ____ Newspapers ____ Colleges ____ Job Services

____ Temp Agencies ____ Word of Mouth ____ Other (explain)

What other labor difficulties, if any, have you experienced (turnover, productivity, union activity, trailing spouse, etc.)?

Quality of Skills

Skill needs not met: _____

Has your company participated in any state-sponsored job training programs? Yes No

Results: _____

Have you worked with any of the following to provide customized training for your employees? (check all that apply)

Town of Taos
Interim Community Economic Development Strategic Plan/Element

___ UNM Taos ___ SMU in Taos ___ Highlands University ___ Northern NM College

Would you be interested in job training programs designed to meet your needs? Yes No

If yes, what specific types of training? _____

Community Services/Assistance

Please rate the following community resources for the community in which your facility is located according to their quality and cost, circling the response which best matches your opinion:

1= Excellent 2=Good 3=Average 4=Poor 5=No Opinion

	Service Quality	Cost Rates
<i>Utilities</i>		

Water Sewer	1 2 3 4 5	1 2 3 4 5
-------------	-----------	-----------

Electric	1 2 3 4 5	1 2 3 4 5
----------	-----------	-----------

Gas	1 2 3 4 5	1 2 3 4 5
-----	-----------	-----------

Telecommunications	1 2 3 4 5	1 2 3 4 5
--------------------	-----------	-----------

Internet	1 2 3 4 5	1 2 3 4 5
----------	-----------	-----------

Transportation

Air	1 2 3 4 5	1 2 3 4 5
-----	-----------	-----------

Public Transportation	1 2 3 4 5	1 2 3 4 5
-----------------------	-----------	-----------

Truck	1 2 3 4 5	1 2 3 4 5
-------	-----------	-----------

Community Services

Health Care	1 2 3 4 5	1 2 3 4 5
-------------	-----------	-----------

Entertainment/Recreation	1 2 3 4 5	1 2 3 4 5
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Education (K-12)	1 2 3 4 5	1 2 3 4 5
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Higher Education (colleges, etc)	1 2 3 4 5	1 2 3 4 5
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Approved and Adopted via Ordinance #10-27, October 22, 2010 – Sunsets June 30, 2011

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Police Protection	1 2 3 4 5	1 2 3 4 5
Fire Protection	1 2 3 4 5	1 2 3 4 5
Paramedic/EMT Service	1 2 3 4 5	1 2 3 4 5
Streets & Highways	1 2 3 4 5	1 2 3 4 5
Other _____	1 2 3 4 5	1 2 3 4 5

Comments: _____

Business Activity/Business Climate:

Please list or describe the greatest advantages of operating your business in the following areas?

Town of Taos _____

Taos County _____

State of New Mexico _____

Please list the greatest disadvantages of operating your business in the following areas?

Town of Taos _____

Taos County _____

State of New Mexico _____

Town of Taos
Interim Community Economic Development Strategic Plan/Element

What recommendations do you have for improving the business climate or quality of life in these areas?

Town of Taos _____

Taos County _____

State of New Mexico _____

Does your company plan to establish new or expanded operations outside the Taos County area? Yes No

If yes, where/why? _____

Does your company anticipate a need to reduce or phase out a local facility? Yes No

If yes, when/why? _____

In which of the following areas has your company expanded in the past year? (check all that apply)

____ Facility Approximate Investment: \$_____

____ Equipment Approximate Investment: \$_____

____ Employment # new employees: _____

Town of Taos
Interim Community Economic Development Strategic Plan/Element

In which of the following areas do you anticipate growth in the next year? (check all that apply)

___ Facility Approximate Investment: \$_____

___ Equipment Approximate Investment: \$_____

___ Employment # new employees: _____

At what percent of production capacity is your local facility operating? ____%

Are you planning an expansion or new facilities within the area within the next five years? Yes No

If yes, please explain: _____

Business Assistance

Is your company currently challenged by any of the following issues? (check all that apply)

___ Utilities ___ Physical Space ___ Vandalism ___ Capital Financing

___ Labor ___ Transportation ___ Safety ___ Taxes

___ Government Regulation ___ Environmental Issues

___ Business Mgmt. ___ Drainage ___ Marketing ___ Other (specify) _____

Please describe the most critical issue currently facing your company: _____

How can the community help? _____

Are there any specific challenges your company is facing which the community can assist in resolving?

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Are there any additional industry or other support services that you feel are needed in the area?

What else can the community do to enhance your company's effectiveness or profitability in the Taos area?

Would you like any information regarding any of the programs listed below? (check all that apply)

☐ Federal Financing Programs

☐ Worker Training Programs

☐ State Financing Programs

☐ Industrial Revenue Bonds

☐ State Incentive Programs

☐ Technical Assistance

☐ Other: _____

Thank you for completing our survey. Your assistance in this project is critical as we develop new programs to help make your company more successful. A member of *Maintain Taos* will visit your office in the near future to discuss the results of the survey with you and to obtain any additional input you may wish to provide. In the meantime, if you have any questions, please contact the Town of Taos by telephone at 737-2620 or by email at mspriggs@taosgov.com.

Town of Taos
Interim Community Economic Development Strategic Plan/Element



Town of Taos
Economic Development Assistance Application

The Town of Taos has adopted an ordinance enacting the Local Economic Development Act (LEDA) of the state of New Mexico. The Town of Taos is committed to diversifying, stabilizing, and growing the economic base employment sector of the Taos economy. In order to receive economic development assistance from the Town of Taos, an interested party must complete this application. The application will then be reviewed and if the Town of Taos believes that the application has merit, a Taos Economic Development Project Participation Agreement will be prepared for Town Council consideration.

Please provide the following information:

1. Identification information:
 - a. Complete name and address of the qualifying entity;
 - b. Incorporation papers with bylaws;
 - c. List of board of directors and executive directors, with addresses; and
 - d. Resumes of all directors and officers.
2. Evidence of financial solvency (personal statements of principals):
 - a. Financial statements (income statements and balance sheets) for the past three (3) years;
 - b. Federal tax numbers, New Mexico state taxation and revenue number and town's business license;
 - c. Projected income statement for at least three (3) years.
3. Evidence of organizational capacity:
 - a. Brief history of the qualifying entity;
 - b. Organizational chart of the qualifying entity;
 - c. Business plans for the qualifying entity and proposed project (including cash flow analysis);
 - d. Evidence of ability to manage the project, such as, but not limited to:
 - (1) List and description of previously completed projects; and
 - (2) Resumes of key staff involved with project;
 - e. The qualifying entity shall disclose the following information (if the answer is yes, the entity shall attach a written explanation):
 - (1) Has the qualifying entity or any of its officers ever been involved in a bankruptcy?
 - (2) Has the qualifying entity or any of its officers ever defaulted on obligations on which payments are not current?

Town of Taos
Interim Community Economic Development Strategic Plan/Element

(3) Does the qualifying entity have any loans or other financial obligations on which payments are not current?

4. Funding sources for the proposed economic development project:
 - a. Equity investment of qualifying entity;
 - b. Specific assistance being requested of the town (e.g., specific parcel of land, applicable fees, etc.), with the estimate of value; and
 - c. Funding sources other than the town with letters of commitment of intent to fund.

5. A complete and specific description of the proposed economic development project, including, but not necessarily limited to:
 - a. Business activities to be conducted;
 - b. Management and staffing requirements;
 - c. Property and equipment requirements;
 - d. Markets;
 - e. Transportation requirements;
 - f. Utility requirements, including, but not limited to, electric, gas, and water;
 - g. Solid and liquid waste disposal requirements;
 - h. Infrastructure requirements;
 - i. Regulatory compliance requirements; and
 - j. Environmental assessment.

6. A complete and specific cost benefit analysis. The source and rationale for any multiplier effects shall be identified. The cost benefit analysis shall show that the town will recoup the value of its donation within a maximum period of ten (10) years.

7. A complete and specific description of the proposed economic development project's substantive contributions to the town including, but not limited to, such factors as in-kind services to the town, jobs, expanded tax base, property or other thing or service of value for the expansion or improvement of the economy.

8. A complete and specific description of the employee job training and career development plan for the proposed economic development project.

9. Any other information necessary for the town to make a determination as to whether or not the applicant is a qualifying entity.

10. Any other information required of the applicant by the governing body. (Ord. 00-22 § 7, 2000)

Town of Taos
Interim Community Economic Development Strategic Plan/Element



Town of Taos
Economic Development Assistance Application Review

All applications to the Town of Taos shall be reviewed under the following criteria:

1. Compliance with all requirements for an "economic development project" and a "qualifying entity";

ECONOMIC DEVELOPMENT PROJECT: The provision of direct or indirect assistance to a qualifying entity and includes the purchase, lease, grant, construction, reconstruction, improvement or other acquisition or conveyance of land, buildings or other infrastructure; public works improvements essential to the location or expansion of a qualifying entity; payments for professional services contracts necessary for local or regional governments to implement a plan or project; the provision of direct loans or grants for land, buildings or infrastructure; loan guarantees securing the cost of land, buildings or infrastructure in an amount not to exceed the revenue that may be derived from the municipal infrastructure gross receipts tax or the county infrastructure gross receipts tax; grants for public works infrastructure improvements essential to the location or expansion of a qualifying entity; purchase of land for a publicly held industrial park; and the construction of a building for use by a qualifying entity.

QUALIFYING ENTITY: A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:

- A. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;
- B. A commercial enterprise for storing, warehousing, distribution or selling products of agriculture, mining or industry, but other than provided in subsection D or E of this definition, not including any enterprise for sale of goods or commodities at retail or for the distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;
- C. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than provided in subsection D of this definition, not including businesses primarily engaged in the sale of goods or commodities at retail;
- D. A telecommunications sales enterprise that makes the majority of its sales to persons outside of New Mexico; or

Town of Taos
Interim Community Economic Development Strategic Plan/Element

E. A facility for the direct sales by growers of agricultural products, commonly known as farmers' markets.

2. Feasibility and substantive contribution of the proposed economic development project;
3. Evidence of financial solvency and financial ability to undertake and complete the proposed economic development project;
4. Qualifications of the principals to undertake and complete the proposed economic development project;
5. Stability of the qualifying entity and organizational capacity to undertake and complete the proposed economic development project;
6. Cost benefit analysis that includes:
 - a. The number and types of jobs to be created both temporary construction jobs and permanent jobs (by New Mexico department of labor job category);
 - b. Pay scales of jobs;
 - c. Determination of which jobs are expected to be filled locally and which will be filled by transfers from other facilities or recruited from outside the Taos area;
 - d. Total payroll expected at startup and after one year;
 - e. Anticipated impact of project on local tax base; and
 - f. Anticipated impact on local school system; and
 - g. Anticipated impact on regional environment; and
 - h. Anticipated impact on utilities, water, and other infrastructure; and
 - i. Anticipated impact on the community socioeconomic structure and cultural and historical heritage.

Town of Taos
Interim Community Economic Development Strategic Plan/Element



ORDINANCE 1X-XX

AN ORDINANCE OF THE TOWN OF TAOS APPROVING A LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE TOWN OF TAOS AND XXXXXXXX FOR ECONOMIC DEVELOPMENT ASSISTANCE FROM THE TOWN OF TAOS IN THE FORMS OF XXXXXXXX IN RETURN FOR THE PROVISION OF THE FOLLOWING ECONOMIC BENEFITS TO THE TOWN IN THE FORMS OF XXXXXX.

WHEREAS, the Town Council met in Regular Session this ____ day of ____, 201X; and,

WHEREAS, the Town Council concludes that the attached Project Participation Agreement will stimulate economic development in a manner consistent with the Town's adopted Interim Community Economic Development Strategic Plan and Comprehensive Plan Element; and,

WHEREAS, the Town Council pursuant to the New Mexico Local Economic Development Act, NMSA 1978 §§ 5-10-1, *et seq.*, and the Town's Economic Development Ordinance §§ 4.20.020, *et seq.*, believes it is in the best interest of the Town of Taos and in the interests of economic development to enter into the attached Project Participation Agreement;

NOW, THEREFORE, BE IT ORDAINED, The Town of Taos Council hereby adopts and approves the Project Participation Agreement entered into by and between the Town of Taos and XXXXXXXXXX for the XXXXXXXX and the provision of economic benefit to the Town in the forms XXXXXXXX and the safeguarding of public resources, and dated XXXXXX in substantially the form attached.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, APPROVED, AND RATIFIED this XXXXXX day of XXXX, 201X by the following vote:

Councilman Rudy Abeyta _____

Councilwoman Amy Quintana _____

Councilman Eugene Sanchez _____

Councilman Michael Silva _____

Town of Taos
Interim Community Economic Development Strategic Plan/Element

DARREN M. CORDOVA
MAYOR

ATTEST:

RENEE LUCERO
TOWN CLERK

APPROVED AS TO LEGAL FORM:

ALLEN FERGUSON
TOWN ATTORNEY

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Project Participation Agreement
PROJECT PARTICIPATION AGREEMENT
BETWEEN THE TOWN OF TAOS AND
XXXXXXXXXXXXXX

This Local Economic Development Project Participation Agreement (the “Agreement”) is entered into as of this XXXX day of XXXXX, 201X, by and between the Town of Taos, New Mexico (the “Town”), an incorporated Municipal entity of the State of New Mexico and XXXXXXXX (the “Company”).

WHEREAS, the Town has adopted Ordinance 00-22 implementing the Local Economic Development Act of the State of New Mexico pursuant to §5-10 NMSA 1978; and,

WHEREAS, the Town has approved and adopted the Town of Taos Interim Community Economic Development Strategic Plan which meets the requirements of the Local Economic Development Act (LEDA) §5-10-6 NMSA 1978 which includes the assistance of economic development projects in any legally permissible manner; and,

WHEREAS, XXXXXXXXXX has been determined to be a qualifying entity as required under LEDA and Taos Town Code §4.20.040; and,

WHEREAS, the Town of Taos intends for XXXXXXXXXX provided within this Agreement to be used to generate additional XXXXXXXXXX for the Town of Taos; and,

WHEREAS, the application for economic development assistance has been completed by the Company and reviewed and approved by the Taos Town Council; and,

WHEREAS, the Town and the Company desire to enter into this Agreement without which said economic benefits would not otherwise be possible.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

Section 1: Contributions:

- 1.1 The Town of Taos agrees to provide XXXXXXXXXX
- 1.2 The Company agrees to provide XXXXXXXXXX

Section 2: Performance: The Company shall meet the following performance measures over the ten (10) years that this agreement is effective:

Section 3: Performance Schedule, Review, and Temination: The Company shall meet the following benchmarks by the dates listed in the schedule below:

The Town shall annually review the performance of the Company to the above performance schedule to ensure that the Company is satisfying its obligations set forth in this agreement. If the Company fails to meet its obligations, the Town may require the Company to take corrective

Town of Taos
Interim Community Economic Development Strategic Plan/Element

action according to a schedule as set by the Town at the Company's sole expense. If the Company fails to meet its obligations or take the actions necessary to meet its obligations, then the Town may at its sole option proceed to terminate this Agreement.

Section 4: Security of Public Investment: The Company agrees to the following methods of securing the interest of the public proportionate to the investment of public funds, property, or other means of assistance:

Section 5: Dispute Resolution: The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute by the parties, the President of the Company or a designee and the Director of Community Economic Development or a designee shall meet and attempt in good faith to resolve the dispute. If the dispute remains unresolved the Company representative shall meet with the Town Manager and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any party's right to seek judicial relief.

Section 6: Force Majeure: Neither party shall be liable to the other party for any failure to perform any provisions of obligations of this Agreement if such failure is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide written notice to the other party within five (5) working days of its becoming aware of the Force Majeure or its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations. "Business Climate Changes" are not within the definition of Force Majeure.

Section 7: Notices: All notices or other written communications, including requests for disbursement, that are permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown in this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If notice is hand delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is facsimile or electronic mail, it will be deemed received when printed or written confirmation of the transaction. A party may change its notice address by written notice to the other party to this Agreement. The initial notice addresses for the parties are as follows:

If to the Town of Taos:

Office of the Town Manager
 400 Camino de la Placita

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Taos, New Mexico 87571
 Tel. (575) 751-2000
 Fax: (575) 751-2026
 e-mail: dmiera@taosgov.com

If to the Company:

XXXXXXXXXX
 XXXXXXXXXXX
 XXXXX, XXXXXXX XXXXX
 Tel. (XXX) XXX-XXXX
 Fax: (XXX) XXX-XXXX
 e-mail: XXXXXXXX@XXXXXXXX.XXX

Section 8: Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. In the event and to the extent (and only to the extent) unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the remainder of that provision or part of a provision of this Agreement. The parties agree that should judicial action invalidate this Agreement or related agreements, or any provisions thereof, the parties shall have no further obligation or liability to any other party with respect to the invalidated provisions.

Section 9: Headings: The heading and captions contained in this Agreement are included for convenience only and shall not be considered a part of this Agreement or affect in any manner the construction or interpretation of this Agreement.

Section 10: Counterparts: This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto and thereto were upon the same instrument.

Section 11: Successors and Assigns: This Agreement binds and inures to the benefit of the Town and the Company and their respective successors and permitted assigns. This Agreement may not be assigned without the written consent of the non-assigning party.

Section 12: Entire Agreement: This Agreement represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified only in writing duly executed by both parties and the performance by any party of its obligations under this Agreement may be waived only in a written instrument duly executed by both parties.

Executed by the parties hereto as of the date first above written.

Town of Taos, New Mexico
 An incorporated Municipality of the State of New Mexico

Town of Taos
Interim Community Economic Development Strategic Plan/Element

By: _____
Darren M. Cordova, Mayor

The Company

By: _____

Its: _____

Town of Taos
Interim Community Economic Development Strategic Plan/Element

State of New Mexico's
Local Economic Development Act

5-10-2 Purpose

A. The legislature finds that:

- (1) development of the New Mexico economy is vital to the well-being of the state and its residents;
- (2) it is difficult for municipalities and counties in New Mexico to attract and retain businesses capable of enhancing the local and state economy without the resources necessary to compete with other states and locales;
- (3) municipalities and counties may need to be able to provide land, buildings and infrastructure as a tool for basic business growth and the introduction of basic business ventures into the state;
- (4) it is in the best interest of the state, municipalities and counties to encourage local or regional solutions to economic development; and
- (5) the access to public resources needs to be carefully controlled and managed for the continued and future benefit of New Mexico citizens.

B. The purpose of the Local Economic Development Act is to implement the provisions of the 1994 constitutional amendment to Article 9, Section 14 of the constitution of New Mexico to allow public support of economic development to foster, promote and enhance local economic development efforts while continuing to protect against the unauthorized use of public money and other public resources. Further, the purpose of that act is to allow municipalities and counties to enter into joint powers agreements to plan and support regional economic development projects, including investments in arts and cultural districts created pursuant to the Arts and Cultural District Act [15-5A-1 NMSA 1978].

5-10-3 Definitions

As used in the Local Economic Development Act:

- A. "arts and cultural district" means a developed district of public and private uses that is created pursuant to the Arts and Cultural District Act [15-5A-1 NMSA 1978];
- B. "cultural facility" means a facility that is owned by the state, a county, a municipality or a qualifying entity that serves the public through preserving, educating and promoting the arts and culture of a particular locale, including

Town of Taos
Interim Community Economic Development Strategic Plan/Element

theaters, museums, libraries, galleries, cultural compounds, educational organizations, performing arts venues and organizations, fine arts organizations, studios and media laboratories and live-work housing facilities;

C. "department" means the economic development department;

D. "economic development project" or "project" means the provision of direct or indirect assistance to a qualifying entity by a local or regional government and includes the purchase, lease, grant, construction, reconstruction, improvement or other acquisition or conveyance of land, buildings or other infrastructure; public works improvements essential to the location or expansion of a qualifying entity; payments for professional services contracts necessary for local or regional governments to implement a plan or project; the provision of direct loans or grants for land, buildings or infrastructure; technical assistance to cultural facilities; loan guarantees securing the cost of land, buildings or infrastructure in an amount not to exceed the revenue that may be derived from the municipal infrastructure gross receipts tax or the county infrastructure gross receipts tax; grants for public works infrastructure improvements essential to the location or expansion of a qualifying entity; grants or subsidies to cultural facilities; purchase of land for a publicly held industrial park or a publicly owned cultural facility; and the construction of a building for use by a qualifying entity;

E. "governing body" means the city council, city commission or board of trustees of a municipality or the board of county commissioners of a county;

F. "local government" means a municipality or county;

G. "municipality" means an incorporated city, town or village;

H. "person" means an individual, corporation, association, partnership or other legal entity;

I. "qualifying entity" means a corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two or more of the following:

(1) an industry for the manufacturing, processing or assembling of agricultural or manufactured products;

(2) a commercial enterprise for storing, warehousing, distributing or selling products of agriculture, mining or industry, but, other than as provided in Paragraph (5) or (6) of this subsection, not including any enterprise for sale of goods or commodities at retail or for distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;

Town of Taos
Interim Community Economic Development Strategic Plan/Element

(3) a business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in Paragraph (5) of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail;

(4) an Indian nation, tribe or pueblo or a federally chartered tribal corporation;

(5) a telecommunications sales enterprise that makes the majority of its sales to persons outside New Mexico;

(6) a facility for the direct sales by growers of agricultural products, commonly known as farmers' markets;

(7) a business that is the developer of a metropolitan redevelopment project; and

(8) a cultural facility; and

J. "regional government" means any combination of municipalities and counties that enter into a joint powers agreement to provide for economic development projects pursuant to a plan adopted by all parties to the joint powers agreement.

5-10-4 ED Spending Limitations

A. No local or regional government shall provide public support for economic development projects as permitted pursuant to Article 9, Section 14 of the constitution of New Mexico except as provided in the Local Economic Development Act or as otherwise permitted by law.

B. The total amount of public money expended and the value of credit pledged in the fiscal year in which that money is expended by a local government for economic development projects pursuant to Article 9, Section 14 of the constitution of New Mexico and the Local Economic Development Act shall not exceed ten percent of the annual general fund expenditures of the local government in that fiscal year. The limits of this subsection shall not apply to:

(1) the value of any land or building contributed to any project pursuant to a project participation agreement;

(2) revenue generated through the imposition of the municipal infrastructure gross receipts tax pursuant to the Municipal Local Option Gross Receipts Taxes

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Act [7-19D-1 NMSA 1978] for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act [6-25-1 NMSA 1978]; provided that no more than the greater of fifty thousand dollars (\$50,000) or ten percent of the revenue collected shall be used for promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body;

(3) revenue generated through the imposition of a county infrastructure gross receipts tax pursuant to the County Local Option Gross Receipts Taxes Act [7-20E-1 NMSA 1978] for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act; provided that no more than the greater of fifty thousand dollars (\$50,000) or ten percent of the revenue collected shall be used for promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body;

(4) the proceeds of a revenue bond issue to which municipal infrastructure gross receipts tax revenue is pledged;

(5) the proceeds of a revenue bond issue to which county infrastructure gross receipts tax revenue is pledged; or

(6) funds donated by private entities to be used for defraying the cost of a project.

C. A regional or local government that generates revenue for economic development projects to which the limits of Subsection B of this section do not apply shall create an economic development fund into which such revenues shall be deposited. The economic development fund and income from the economic development fund shall be deposited as provided by law. Money in the economic development fund may be expended only as provided in the Local Economic Development Act or the Statewide Economic Development Finance Act.

D. In order to expend money from an economic development fund for arts and cultural district purposes or cultural facilities, the governing body of a municipality or county that has imposed a municipal or county local option infrastructure gross receipts tax for furthering or implementing economic development plans and projects, as defined in the Local Economic Development Act, or projects, as defined in the Statewide Economic Development Finance Act, by referendum of the majority of the voters voting on

Town of Taos
Interim Community Economic Development Strategic Plan/Element

the question approving the ordinance imposing the municipal or county infrastructure gross receipts tax before June 30, 2007 shall be required to adopt a resolution. The resolution shall call for an election to approve arts and cultural districts as a qualifying purpose and cultural facilities as a qualifying entity before any revenue generated by the municipal or county local option gross receipts tax for furthering or implementing economic development plans and projects, as defined in the Local Economic Development Act, or projects, as defined in the Statewide Economic Development Finance Act, can be expended from the economic development fund for arts and cultural district purposes or cultural facilities.

E. The governing body shall adopt a resolution calling for an election within seventy-five days of the date the ordinance is adopted on the question of approving arts and cultural districts as a qualifying purpose and cultural facilities as a qualifying entity eligible to utilize revenue generated by the Municipal Local Option Gross Receipts Taxes Act or the County Local Option Gross Receipts Taxes Act for furthering or implementing economic development plans and projects as defined in the Local Economic Development Act or projects as defined in the Statewide Economic Development Finance Act.

F. The question shall be submitted to the voters of the municipality or county as a separate question at a regular municipal or county election or at a special election called for that purpose by the governing body. A special municipal election shall be called, conducted and canvassed as provided in the Municipal Election Code [3-8-1 NMSA 1978]. A special county election shall be called, conducted and canvassed in substantially the same manner as provided by law for general elections.

G. If a majority of the voters voting on the question approves the ordinance adding arts and cultural districts and cultural facilities as an approved use of the local option municipal or county economic development infrastructure gross receipts tax fund, the ordinance shall become effective on July 1 or January 1, whichever date occurs first after the expiration of three months from the date of the adopted ordinance. The ordinance shall include the effective date.

5-10-5 Technical Assistance

At the request of a local or regional government, the department shall provide technical assistance in the development of an economic development plan or economic development project or technical assistance to cultural facilities with respect to economic development projects.

5-10-6 ED Plan Contents

Town of Taos
Interim Community Economic Development Strategic Plan/Element

A. Every local or regional government seeking to pursue economic development projects shall adopt an economic development plan or a comprehensive plan that includes an economic development component, and an economic development plan or comprehensive plan may include an analysis of the role of arts and cultural activities in economic development. The plan may be specific to a single economic development goal or strategy or may include several goals or strategies, including any goals or strategies relating to economic development through arts and cultural activities. Any plan or plan amendment shall be adopted by ordinance of the governing body of the local government or each local government of a regional government proposing the plan or plan amendment.

B. The economic development plan or the ordinance adopting the plan may:

- (1) describe the local or regional government's economic development and community goals, including any economic development goals with an arts and cultural component, and assign priority to and strategies for achieving those goals;
- (2) describe the types of qualifying entities and economic activities that will qualify for economic development projects;
- (3) describe the criteria to be used to determine eligibility of an economic development project and a qualifying entity to participate in an economic development project;
- (4) describe the manner in which a qualifying entity may submit an economic development project application, including the type of information required from the qualifying entity sufficient to ensure its solvency and ability to perform its contractual obligations, its commitment to remain in the community and its commitment to the stated economic development goals of the local or regional government;
- (5) describe the process the local or regional government will use to verify the information submitted on an economic development project application;
- (6) if an economic development project is determined to be unsuccessful or if a qualifying entity seeks to leave the area, describe the methods the local or regional government will use to terminate its economic assistance and recoup its investment;
- (7) identify revenue sources, including those of the local or regional government, that will be used to support economic development projects;

Town of Taos
Interim Community Economic Development Strategic Plan/Element

(8) identify other resources the local or regional government is prepared to offer qualifying entities, including specific land or buildings it is willing to lease, sell or grant a qualifying entity; community infrastructure it is willing to build, extend or expand, including roads, water, sewers or other utilities; and professional services contracts by local or regional governments necessary to provide these resources;

(9) detail the minimum benefit the local or regional government requires from a qualifying entity, including the number and types of jobs to be created; the proposed payroll; repayment of loans, if any; purchase by the qualifying entity of local or regional government-provided land, buildings or infrastructure; the public to private investment ratio; and direct local tax base expansion;

(10) describe the safeguards of public resources that will be ensured, including specific ways the local or regional government can recover any costs, land, buildings or other thing of value if a qualifying entity ceases operation, relocates or otherwise defaults or reneges on its contractual or implied obligations to the local or regional government; and

(11) if a regional government, describe the joint powers agreement, including whether it can be terminated and, if so, how the contractual or other obligations, risks and any property will be assigned or divided among the local governments who are party to the agreement.

C. The economic development plan shall be printed and made available to the residents within the local or regional government area.

5-10-7 Regional ED Plans

A. Two or more municipalities, two or more counties or one or more municipalities and counties may enter into a joint powers agreement pursuant to the Joint Powers Agreements Act [11-1-1 NMSA 1978] to develop a regional economic development plan which may consist of existing local plans. The parties to the agreement shall be deemed a regional government for the purposes of the Local Economic Development Act.

B. The joint powers agreement shall require that the governing body of each local government approve each economic development project. The agreement may also provide for appointment of a project manager who shall be responsible for the management of projects and project funds. The agreement may provide for a regional body consisting of representatives from the governing bodies of each local government that is a party to the agreement and may determine the powers and duties of that body in implementing the regional government's plan and projects.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

5-10-8 ED Project Applications

- A. After the adoption of an economic development plan by a local or regional government, a qualifying entity shall submit to the local or regional government an economic development project application.
- B. The application shall be on a form and require such information as the local or regional government deems necessary.

5-10-9 Project Evaluation

- A. The local or regional government shall review each project application, and projects shall be approved by ordinance.
- B. The local or regional government's evaluation of an application shall be based on the provisions of the economic development plan, the financial and management stability of the qualifying entity, the demonstrated commitment of the qualifying entity to the community, a cost-benefit analysis of the project and any other information the local or regional government believes is necessary for a full review of the economic development project application.
- C. The local or regional government may negotiate with a qualifying entity on the type or amount of assistance to be provided or on the scope of the economic development project.

5-10-10 Project Participation Agreement

- A. The local or regional government and the qualifying entity shall enter into a project participation agreement.
- B. The local or regional government shall require a substantive contribution from the qualifying entity for each economic development project. The contribution 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 of the economy.
- C. The participation agreement at a minimum shall set out:
 - (1) the contributions to be made by each party to the participation agreement;
 - (2) the security provided to the local or regional government by the qualifying entity in the form of a lien, mortgage or other indenture and the pledge of the

Town of Taos
Interim Community Economic Development Strategic Plan/Element

qualifying business's financial or material participation and cooperation to guarantee the qualifying entity's performance pursuant to the project participation agreement;

(3) a schedule for project development and completion, including measurable goals and time limits for those goals; and

(4) provisions for performance review and actions to be taken upon a determination that project performance is unsatisfactory.

5-10-11 Project Revenues

A. Local or regional government revenues dedicated or pledged for funding or financing of economic development projects shall be deposited in a separate account. Separate accounts shall be established for each separate project. Money in the special account shall be expended only for economic development project purposes, which may include the payment of necessary professional services contract costs.

B. In the case of a regional government, revenues of each local government dedicated or pledged for economic development purposes shall be deposited in a special account of that local government and may be expended only by that local government as provided by the regional government's economic development plan and joint powers agreement.

C. The local or regional government shall provide for an annual independent audit in accordance with the Audit Act [12-6-1 NMSA 1978] of each special fund and project account. The audit shall be submitted to the local or regional government. The audit is a public record.

5-10-12 Plan and Project Termination

A. At any time after approval of an economic development plan, the governing body of the local government or the governing body of each local government in a regional government may enact an ordinance terminating the economic development plan and dissolving or terminating any or all projects. An ordinance repealing an economic development plan shall not be effective unless the ordinance provides for satisfying existing contracts and the rights of the parties arising from those contracts.

B. Any unexpended and unencumbered balances remaining in any project fund or account upon repeal of a plan and termination or dissolution of a project may be transferred to the general fund of the local government holding the fund or account. In the case of funds or accounts of a regional

Town of Taos
Interim Community Economic Development Strategic Plan/Element

government, the unexpended and unencumbered balances shall be divided among the local governments as provided in the joint powers agreement.

5-10-13 Limitations

Nothing in the Local Economic Development Act shall be construed to affect any other requirements of the constitution or other laws regarding local government debt, issuance of bonds, use of tax revenues or the grant, lease or sale of land or other property.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

Town of Taos
Local Economic Development Ordinance

4.20.020: AUTHORITY:

This chapter is enacted pursuant to the express statutory authority conferred upon municipalities to allow public support of economic development¹. This chapter is adopted as part of the town's economic development plan. (Ord. 00-22 § 2, 2000)

4.20.030: PURPOSE:

The purpose of this chapter is to allow public support of economic development projects to foster, promote, and enhance local economic development efforts while continuing to protect against the unauthorized use of public money and other public resources. Further, the purpose of this chapter is to allow the town of Taos to enter into one or more joint power agreements with other local governments to plan and support regional economic development projects. (Ord. 00-22 § 3, 2000)

4.20.040: DEFINITIONS:

As used in this chapter:

ECONOMIC DEVELOPMENT CONTRACTOR: One or more individuals, corporations, associations, partnerships or other legal entities with whom the town has entered into a written agreement for recruitment of new businesses and job opportunities, the expansion of existing business and industry, and other related services to preserve, promote, diversify, and strengthen the business and general economic base of the town of Taos and its environs.

ECONOMIC DEVELOPMENT PROJECT: The provision of direct or indirect assistance to a qualifying entity and includes the purchase, lease, grant, construction, reconstruction, improvement or other acquisition or conveyance of land, buildings or other infrastructure; public works improvements essential to the location or expansion of a qualifying entity; payments for professional services contracts necessary for local or regional governments to implement a plan or project; the provision of direct loans or grants for land, buildings or infrastructure; loan guarantees securing the cost of land, buildings or infrastructure in an amount not to exceed the revenue that may be derived from the municipal infrastructure gross receipts tax or the county infrastructure gross receipts tax; grants for public works infrastructure improvements essential to the location or expansion of a qualifying entity; purchase of land for a publicly held industrial park; and the construction of a building for use by a qualifying entity.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

GOVERNING BODY: The town of Taos council.

PERSON: An individual, corporation, association, partnership or other legal entity.

PROJECT PARTICIPATION AGREEMENT: An agreement between a qualifying entity and the town whereby the town provides assistance to an economic development project in exchange for the benefits received as set forth in this chapter.

QUALIFYING ENTITY: A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:

A. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;

B. A commercial enterprise for storing, warehousing, distribution or selling products of agriculture, mining or industry, but other than provided in subsection D or E of this definition, not including any enterprise for sale of goods or commodities at retail or for the distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;

C. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than provided in subsection D of this definition, not including businesses primarily engaged in the sale of goods or commodities at retail;

D. A telecommunications sales enterprise that makes the majority of its sales to persons outside of New Mexico; or

E. A facility for the direct sales by growers of agricultural products, commonly known as farmers' markets. (Ord. 00-22 § 4, 2000)

4.20.050: ECONOMIC DEVELOPMENT PLAN:

A. The governing body may assist economic development projects in any legally permissible manner including, but not limited to, provision of land, buildings and infrastructure provided that all the requirements of this chapter are met. The town may provide land, buildings, or infrastructure that it already owns, or it may build, purchase or lease the facilities needed for an economic development project. The town, at its sole discretion, may bear the full cost or contribute a portion of the costs including the waiver of applicable fees. The town, at its sole discretion, may also contribute to the payment of costs for

Town of Taos
Interim Community Economic Development Strategic Plan/Element

professional service contracts such as industry feasibility studies and planning and design services needed to implement a project.

B. The governing body may consider offering all forms of assistance allowed under this chapter and any other legally permissible forms of assistance; however, this does not establish any obligation on the town's part to offer any specific type or level of assistance.

C. The money expended by the town of Taos in any one fiscal year shall not exceed five percent (5%) of the annual general funds expenditure by the town of Taos during that fiscal year. The limits of this section shall not apply to:

1. The value of any land or building contributed to any project pursuant to a project participation agreement;

2. Revenue generated through the imposition of the municipal infrastructure gross receipts tax pursuant to the municipal local option gross receipts taxes act² for furthering or implementing economic development plans and projects as defined in the local economic development act; provided that no more than the greater of fifty thousand dollars (\$50,000.00) or ten percent (10%) of the revenue collected shall be used for promotion and administration of or professional services contracts related to the implementation of any such economic development plan adopted by the governing body;

3. The proceeds of a revenue bond issue to which municipal infrastructure gross receipts tax revenue is pledged;

4. Funds donated by private entities to be used for defraying the cost of a project.

D. The town of Taos shall maintain an economic development fund into which it shall deposit the revenue for economic development to which the limits of subsection C of this section do not apply. (Ord. 00-22 § 5, 2000)

4.20.060: ECONOMIC DEVELOPMENT CONTRACTOR:

At its sole discretion, the governing body may assign to one or more of its economic development contractors the following responsibilities with regards to the economic development plan of the town of Taos:

A. Reviewing and making recommendations to the governing body on applications for assistance for economic development projects;

Town of Taos
Interim Community Economic Development Strategic Plan/Element

B. Reviewing and making recommendations to the governing body on applications for industrial revenue bonds (IRBs); and

C. Performing such other tasks as the governing body may determine necessary or desirable to further the economic development projects contemplated herein. (Ord. 00-22 § 6, 2000)

4.20.070: APPLICATION REQUIREMENTS:

A. Any "qualifying entity" meeting the definition set forth in section [4.20.040](#) of this chapter may propose an economic development project to the town. Meeting the definition of a "qualifying entity" does not create any obligation on the part of the town.

B. Applications from qualifying entities shall be submitted to the office of the town manager.

C. Applications shall contain at least the following information organized in the order listed below:

1. Identification information:

- a. Complete name and address of the qualifying entity;
- b. Incorporation papers with bylaws;
- c. List of board of directors and executive directors, with addresses; and
- d. Resumes of all directors and officers.

2. Evidence of financial solvency (personal statements of principals):

- a. Financial statements (income statements and balance sheets) for the past three (3) years;
- b. Federal tax numbers, New Mexico state taxation and revenue number and town's business license;
- c. Projected income statement for at least three (3) years.

3. Evidence of organizational capacity:

- a. Brief history of the qualifying entity;
- b. Organizational chart of the qualifying entity;
- c. Business plans for the qualifying entity and proposed project (including cash flow analysis);
- d. Evidence of ability to manage the project, such as, but not limited to:
 - (1) List and description of previously completed projects; and
 - (2) Resumes of key staff involved with project;
- e. The qualifying entity shall disclose the following information (if the answer is yes, the entity shall attach a written explanation):

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- (1) Has the qualifying entity or any of its officers ever been involved in a bankruptcy?
- (2) Has the qualifying entity or any of its officers ever defaulted on obligations on which payments are not current?
- (3) Does the qualifying entity have any loans or other financial obligations on which payments are not current?
4. Funding sources for the proposed economic development project:
 - a. Equity investment of qualifying entity;
 - b. Specific assistance being requested of the town (e.g., specific parcel of land, applicable fees, etc.), with the estimate of value; and
 - c. Funding sources other than the town with letters of commitment of intent to fund.
5. A complete and specific description of the proposed economic development project, including, but not necessarily limited to:
 - a. Business activities to be conducted;
 - b. Management and staffing requirements;
 - c. Property and equipment requirements;
 - d. Markets;
 - e. Transportation requirements;
 - f. Utility requirements, including, but not limited to, electric, gas, and water;
 - g. Solid and liquid waste disposal requirements;
 - h. Infrastructure requirements;
 - i. Regulatory compliance requirements; and
 - j. Environmental assessment.
6. A complete and specific cost benefit analysis. The source and rationale for any multiplier effects shall be identified. The cost benefit analysis shall show that the town will recoup the value of its donation within a maximum period of ten (10) years.
7. A complete and specific description of the proposed economic development project's substantive contributions to the town including, but not limited to, such factors as in-kind services to the town, jobs, expanded tax base, property or other thing or service of value for the expansion or improvement of the economy.
8. A complete and specific description of the employee job training and career development plan for the proposed economic development project.
9. Any other information necessary for the town to make a determination as to whether or not the applicant is a qualifying entity.

Town of Taos
Interim Community Economic Development Strategic Plan/Element

10. Any other information required of the applicant by the governing body.
 (Ord. 00-22 § 7, 2000)

4.20.080: APPLICATION REVIEW PROCESS:

A. The governing body shall review each project application in accordance with the criteria set forth hereinafter and all applicable laws, rules, regulations, and policies and shall determine whether the entity and the proposed project qualify pursuant to this chapter and all applicable state laws and regulations.

B. If requested to do so by the governing body, the town's economic development contractor shall review and make recommendations to the governing body regarding the proposed project or projects. (Ord. 00-22 § 8, 2000)

4.20.090: APPLICATION REVIEW CRITERIA:

A. Applications for economic development projects requesting economic assistance from the town shall be evaluated by the following criteria:

1. Compliance with all requirements for a "qualifying entity" and an "economic development project";
2. Feasibility and substantive contribution of the proposed economic development project;
3. Evidence of financial solvency and financial ability to undertake and complete the proposed economic development project;
4. Qualifications of the principals to undertake and complete the proposed economic development project;
5. Stability of the qualifying entity and organizational capacity to undertake and complete the proposed economic development project;
6. Cost benefit analysis:
 - a. The number and types of jobs to be created both temporary construction jobs and permanent jobs (by New Mexico department of labor job category);
 - b. Pay scales of jobs;
 - c. Determination of which jobs are expected to be filled locally and which will be filled by transfers from other facilities or recruited from outside the Taos area;
 - d. Total payroll expected at startup and after one year;
 - e. Anticipated impact of project on local tax base; and
 - f. Anticipated impact on local school system; and

Town of Taos
Interim Community Economic Development Strategic Plan/Element

- g. Anticipated impact on regional environment; and
- h. Anticipated impact on utilities, water, and other infrastructure; and
- i. Anticipated impact on the community socioeconomic structure and cultural and historical heritage. (Ord. 00-22 § 9, 2000)

4.20.100: PUBLIC SAFEGUARDS:

A. All economic development projects receiving assistance from the town shall be subject to an annual performance review conducted by the governing body or its designee. The review shall evaluate whether the project is attaining the goals and objectives set forth in the project participation agreement. This review shall be presented to the governing body for their consideration. The governing body at a public meeting, in a manner consistent with law, may terminate assistance to the economic development project by enactment of an ordinance which terminates the agreement and specifies the disposition of all assets and obligations of the project.

B. The town shall retain a security interest which shall be specified in the project participation agreement. The type of security given shall depend upon the nature of the economic development project and assistance provided by the town. Types of security may include, but are not limited to:

1. Letter of credit in the town's name;
2. Performance bond equal to the town's contribution;
3. A mortgage or lien on property or equipment;
4. Prorated reimbursement of donations if a qualifying entity reduces its work force or leaves the community before the end of the agreed upon term; and
5. Other security agreeable to both parties.

C. Should a qualifying entity move, sell, lease or transfer a majority interest in the economic development project before the expiration of project participation agreement, the town retains the right to deny any and all assignments, sales, leases or transfers of any interests in the economic development project until adequate assurances are made that the transferee, assignee, or lessee is a qualifying entity and that the terms of the agreement will be satisfied by the transferee, assignee, or lessee. At its sole discretion, the town may choose to deny said assignment, lease, or transfer or may negotiate a new agreement with the new operator, or the town may reclaim the facility and enter into an agreement with a new qualifying entity.

D. Any qualifying entity seeking assistance from public resources shall commit to operate in accordance with its project participation agreement for a minimum of ten (10) years from the date the ordinance adopting the project participation agreement is passed by the governing body. (Ord. 00-22 § 10, 2000)

Town of Taos
Interim Community Economic Development Strategic Plan/Element

4.20.110: PROJECT PARTICIPATION AGREEMENT:

A. The qualifying entity shall submit to the town manager for review by the governing body a draft project participation agreement which states the contributions and obligations of all parties in the economic development project. The agreement must clearly state the following items:

1. The economic development goals of the project;
2. The contributions of the town and the qualifying entity;
3. The specific performance objectives;
4. A schedule for project development and goal attainment;
5. The security or securities being offered for the town's investment;
6. The procedures by which a project may be terminated and the town's investment recovered; and
7. The time period for which the town shall retain an interest in the project. Each project agreement shall have a "sunset" clause after which the town shall relinquish interest in and oversight of the project.

B. After reviewing the draft, the governing body or its designee may negotiate any final terms and conditions of the agreement for final approval by the governing body.

C. Each project participation agreement shall be adopted as an ordinance and enacted by the governing body at a public meeting. (Ord. 00-22 § 11, 2000)

4.20.120: PROJECT MONIES:

All project monies shall be kept in a separate account by the entity and the town, with such accounts clearly identified. These accounts shall be subject to an annual independent audit. (Ord. 00-22 § 12, 2000)

4.20.130: TERMINATION:

At any time, the governing body may terminate this chapter, the town's community development plan, and any or all projects. Termination shall be by ordinance. An ordinance repealing an economic development plan shall provide for satisfying existing contracts and rights of the parties arising from those contracts. Upon the repeal of a plan and termination or dissolution of a project, any unexpended and unencumbered balances remaining in any project fund or account may be transferred to the town's general fund. In the case of funds or accounts of a joint or regional government project, the unexpended and unencumbered balances shall be divided among the local governments as provided in the joint powers agreement. (Ord. 00-22 § 13, 2000)

4.20.140: JOINT OR REGIONAL PROJECTS:

Town of Taos
Interim Community Economic Development Strategic Plan/Element

The town may engage in economic development projects involving one or more other governmental entities for projects, which encompass more than one municipality or county. In such instances, a joint powers agreement shall be adopted by the relevant governing bodies. This agreement will establish the application criteria and the terms of all project participation agreements. Criteria established under a joint power agreement shall be consistent with the provisions of this chapter. (Ord. 00-22 § 14, 2000)



October 26, 2010

Title:

Matthew Spriggs, Community Economic Development Director

Summary:

Consideration and approval of Ordinance 10-23A; Approving a Local Economic Development Project Participation Agreement between the Town of Taos and Cooking Studio Taos, LLC for the use of a Town commercial kitchen facility, abatement of associated rent, provision of economic benefit to the Town in the forms of employment and expanding the tax base and the safeguarding of public resources.

Background:

Attachments:

Click to download

[Ordinance 10-23A](#)

[Facilities Use Agreement](#)

APPROVALS:

Date/Time:	Approval:	Department:
10/18/2010 8:33 AM	Approved	Town Manager
10/18/2010 8:33 AM	Approved	Town Clerk



ORDINANCE 10-23A

AN ORDINANCE OF THE TOWN OF TAOS APPROVING A LOCAL ECONOMIC DEVELOPMENT PROJECT PARTICIPATION AGREEMENT BETWEEN THE TOWN OF TAOS AND COOKING STUDIO TAOS, LLC FOR THE USE OF A TOWN COMMERCIAL KITCHEN FACILITY, ABATEMENT OF ASSOCIATED RENT, PROVISION OF ECONOMIC BENEFIT TO THE TOWN IN THE FORMS OF EMPLOYMENT AND EXPANDING TAX BASE AND THE SAFEGUARDING OF PUBLIC RESOURCES.

WHEREAS, the Town Council met in Regular Session this 26th day of October, 2010; and,

WHEREAS, the Town Council concludes that the attached Project Participation Agreement will stimulate economic development in a manner consistent with the Town's adopted Interim Community Economic Development Strategic Plan and Comprehensive Plan Element; and,

WHEREAS, the Town Council pursuant to the New Mexico Local Economic Development Act, NMSA 1978 §§ 5-10-1, *et seq.*, and the Town's Economic Development Ordinance §§ 4.20.020, *et seq.*, believes it is in the best interest of the Town of Taos and in the interests of economic development to enter into the attached Project Participation Agreement;

NOW, THEREFORE, BE IT ORDAINED, The Town of Taos Council hereby adopts and approves the Project Participation Agreement entered into by and between the Town of Taos and Cooking Studio Taos, LLC for the use of a Town Commercial Kitchen Facility, abatement of associated rent, provision of economic benefit to the Town in the forms of employment and expanding tax base and the safeguarding of public resources, and dated September 28, 2010 in substantially the form attached.

This ordinance shall become effective as provided by law.

ORDAINED, ADOPTED, APPROVED, AND RATIFIED this 26th day of October, 2010 by the following vote:

Councilman Rudy Abeyta _____

Councilwoman Amy Quintana _____

Councilman Eugene Sanchez _____

Councilman Michael Silva _____

DARREN M. CORDOVA
MAYOR

ATTEST:

RENEE LUCERO
TOWN CLERK

APPROVED AS TO LEGAL FORM:

ALLEN FERGUSON
TOWN ATTORNEY

**PROJECT PARTICIPATION AGREEMENT
BETWEEN THE TOWN OF TAOS AND
COOKING STUDIO TAOS, LLC**

This Local Economic Development Project Participation Agreement (the “Agreement”) is entered into as of this 22nd day of October, 2010, by and between the Town of Taos, New Mexico (the “Town”), an incorporated Municipal entity of the State of New Mexico and Cooking Studio Taos, LLC (the “Company”).

WHEREAS, the Town has adopted Ordinance 00-22 implementing the Local Economic Development Act of the State of New Mexico pursuant to §5-10 NMSA 1978; and,

WHEREAS, the Town has approved and adopted the Town of Taos Interim Community Economic Development Strategic Plan which meets the requirements of the Local Economic Development Act (LEDA) §5-10-6 NMSA 1978 which includes the assistance of economic development projects in any legally permissible manner; and,

WHEREAS, Cooking Studio Taos, LLC has been determined to be a qualifying entity as required under LEDA and Taos Town Code §4.20.040; and,

WHEREAS, the Town of Taos intends for the use of the commercial kitchen facility and abatement of associated rent provided within this Agreement to be used to generate additional employment and expanded tax base for the Town of Taos; and,

WHEREAS, the application for economic development assistance has been completed by the Company and reviewed and approved by the Taos Town Council; and,

WHEREAS, the Town and the Company desire to enter into this Agreement without which said economic benefits would not otherwise be possible.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

Section 1: Term and Effective Date: This Agreement shall not be executed or become effective unless approved by the New Mexico Departments of Economic Development and/or Finance and Administration or other body as required by the State of New Mexico. The term of the Agreement shall be for ten (10) years effective as of the date of the last party to sign this Agreement.

Section 2: Contributions:

2.1 The Town of Taos agrees to provide the following:

2.1.1 Comparable rental rate was established at \$1,200 per month. The Company will have use of the commercial kitchen facility as contained in the attached Facilities Use Agreement and the Town will abate \$43,794 of rent over a five (5) year period. Total rental value over the five year

period is \$72,000 and the Town will receive \$28,206 in rent over the five (5) year period.

2.1.2 Install bathroom fixtures in the area attached to the kitchen for Company use as a separate restroom within five (5) working days of the receipt of fixtures from the Company for installation. The value of the labor for the installation is estimated to be less than \$1,500.

2.1.3 Parking shall be provided at the Town of Taos Town Hall parking lot and one space at the rear of the property adjacent to the rear entrance of the kitchen shall be provided for loading and unloading only.

2.1.4 The Town of Taos agrees to accept a surplus walk-in refrigerator from Taos Municipal School District if offered. The Town further agrees to allow the Company, at its sole expense, to install said refrigerator upon Town of Taos real property. If the Company purchases a walk-in refrigerator and installs it, said refrigerator shall be deemed the Company's property at the conclusion of the Facilities Use Agreement and the Company shall return the location of the installation to its original condition.

2.2 The Company agrees to provide the following:

2.2.1 A total of seven (7) full time jobs (full-time equivalents (combinations of part-time positions) are allowed) which includes an additional three full time jobs by the end of year five (5) of this agreement and will maintain at a minimum seven (7) full-time jobs for a minimum of ten (10) years with a minimum annual payroll value of \$145,000.

2.2.2 The gross sales of the company will reach \$500,000 annually by year five (5) and will remain at or above \$500,000 per year through year ten (10) of this agreement. The Company further agrees to remain in operation within Taos County for the ten (10) year duration of the agreement.

2.2.3 The CONTRACTOR shall pay a reasonable monthly contribution toward the utility expenses of operating the building during year one and year two of this agreement not to exceed \$200 per month or be less than \$100 per month. Said contribution shall be determined by the parties in writing within thirty (30) days of the execution of this agreement.

2.2.4 Within thirty (30) days of the effective date of this Agreement, purchase and provide to the Town the bathroom fixtures and all related hardware acceptable to the Town's Buildings and Grounds Director, for installation by the Town's Buildings and Grounds Department for the

separate restroom facility within the kitchen area. The estimated value of the fixtures is approximately \$700.

2.2.5 The Company intends to install an exterior walk-in refrigerator at the rear of Bataan Hall adjacent to the alleyway. Said installation shall be at the Company's sole expense and shall be place wholly upon Town of Taos property. Said property must be staked by a licensed land surveyor prior to installation and the installation must meet all applicable Town of Taos Codes and said installation must be approved by the Town prior and after installation.

Section 3: Performance Measures and Schedule: The Company shall meet the following performance measures over the ten (10) years that this agreement is effective:

Year 1:5 FTE (1 new job) with a payroll value of \$80,000 and \$270,000 in gross sales
 Year 2:6 FTE (1 new job) with a payroll value of \$100,000 and \$345,000 in gross sales
 Year 3:6 FTE (no new jobs) with a payroll value of \$115,000 and \$405,000 in gross sales
 Year 4:7 FTE (1 new job) with a payroll value of \$130,000 and \$465,000 in gross sales
 Year 5:7 FTE (no new jobs) with a payroll value of \$145,000 and \$500,000 in gross sales
 Year 6 through Year 10: 7 FTE with a payroll value of \$145,000 and \$500,000 in gross sales

Section 4: Review and Termination: The Town shall annually review the performance of the Company to the above performance schedule to ensure that the Company is satisfying its obligations set forth in this agreement. If the Company fails to meet its obligations, the Town may require the Company to take corrective action according to a schedule as set by the Town at the Company's sole expense. If the Company fails to meet its obligations or take the actions necessary to meet its obligations, then the Town may at its sole option proceed to terminate this Agreement.

Should the Town terminate this agreement, the default remedies shall become effective. If the agreement is terminated for nonpayment of proportionate utilities, said amounts shall become immediately due and payable in addition to any previously abated rent that is due to the Town.

In order for the Town to evaluate the performance of the Company, the Town shall be provided with a statement from a Certified Public Accountant of the Company's gross sales and total payroll expenses for the preceding year no later than April 30 of the following year. The Town's written review of the performance of the Company shall be made available in writing within thirty (30) days of the receipt of the statement from the CPA.

Section 5: Security of Public Investment and Default: The Principals of Cooking Studio Taos, LLC agree to provide a personal guarantee in the amount of \$43,794 in a promissory note secured by personal or business assets to ensure protection of the Town's investment. Should the Company cease operations at any point during the ten

(10) year duration of this agreement the note shall become due and payable in equal monthly installments, plus 5% simple interest, over a period of five (5) years or \$766.40 per month if the full value of the rent abatement is received. If the Company ceases to operate prior to receiving the full rent abatement value, the amount due and the corresponding repayment period will match the period that the benefit was received. For example, the Company ceases operations after receiving eighteen (18) months of the benefit of abated rent. The Company would then owe the Town eighteen (18) months rent plus five percent (5%) simple interest (\$21,600 + \$1,080 = \$22,680) due in equal monthly installments over the following eighteen (18) months, or \$1,260 per month.

Each year the Town will state in its written performance evaluation of the Company the percentage of the performance measures not reached in that year (if any) for annual payroll value and gross sales. The percentage of the performance measure not reached shall become the percentage of deferred rent that will accumulate and be payable beginning in year six (6). For example, in year one if the annual payroll value was \$72,000 and gross sales were \$243,000 the Company will have missed its target payroll value by 10% and its gross sales target by 10%, making 20% of the annual abated rent value (\$14,400), or \$2,880 in rent, plus 5% simple interest, due beginning in year six (6) of the agreement. Said repayment of abated rent value plus interest shall be paid in monthly installments over a twelve (12) month period. Each year that deferred rent may be due to the Town shall be paid in consecutive repayment periods. For example, deferred rent is due from year one and year three; year one deferred rent plus interest shall be repaid over year six and year three deferred rent plus interest shall be repaid over year seven.

Section 6: Dispute Resolution: The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute by the parties, the President of the Company or a designee and the Director of Community Economic Development or a designee shall meet and attempt in good faith to resolve the dispute. If the dispute remains unresolved the Company representative shall meet with the Town Manager and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any party's right to seek judicial relief.

Section 7: Force Majeure: Neither party shall be liable to the other party for any failure to perform any provisions of obligations of this Agreement if such failure is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide written notice to the other party within five (5) working days of its becoming aware of the Force Majeure or its inability to perform and its expectations as to when, if ever, it will

be able to resume its obligations. “Business Climate Changes” are not within the definition of Force Majeure.

Section 8: Notices: All notices or other written communications, including requests for disbursement, that are permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown in this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If notice is hand delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is facsimile or electronic mail, it will be deemed received when printed or written confirmation of the transaction. A party may change its notice address by written notice to the other party to this Agreement. The initial notice addresses for the parties are as follows:

If to the Town of Taos:

Office of the Town Manager
400 Camino de la Placita
Taos, New Mexico 87571
Tel. (575) 751-2000
Fax: (575) 751-2026
e-mail: dmiera@taosgov.com

If to the Company:

Christopher and Valerie Maher
28 Juan Martinez Road
Arroyo Seco, New Mexico 87514
Tel. (575) 776-2665
e-mail: cookingstudiotaos@mac.com

Section 9: Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. In the event and to the extent (and only to the extent) unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable the remainder of that provision or part of a provision of this Agreement. The parties agree that should judicial action invalidate this Agreement or related agreements, or any provisions thereof, the parties shall have no further obligation or liability to any other party with respect to the invalidated provisions.

Section 10: Headings: The heading and captions contained in this Agreement are included for convenience only and shall not be considered a part of this Agreement or affect in any manner the construction or interpretation of this Agreement.

Section 11: Counterparts: This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto and thereto were upon the same instrument.

Section 12: Successors and Assigns: This Agreement binds and inures to the benefit of the Town and the Company and their respective successors and permitted assigns. This Agreement may not be assigned without the written consent of the non-assigning party.

Section 13: Entire Agreement: This Agreement represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified only in writing duly executed by both parties and the performance by any party of its obligations under this Agreement may be waived only in a written instrument duly executed by both parties.

Executed by the parties hereto as of the date of the last signature written below.

Town of Taos, New Mexico
An incorporated Municipality of the State of New Mexico

By: _____ Date: _____
Darren M. Cordova, Mayor

ATTEST:

Renee Lucero, Town Clerk

Cooking Studio Taos, LLC

By: _____ Date: _____
Christopher Maher, Owner

By: _____ Date: _____
Valerie Maher, Owner



FACILITIES USE AGREEMENT BETWEEN
TOWN OF TAOS and TAOS COOKING STUDIO
TT-11-

This Facilities Use Agreement (hereinafter "Agreement") is hereby entered into this _____ day of _____, 2010 by, and between, the TOWN OF TAOS (hereinafter "Town") and Taos Cooking Studio, LLC (hereinafter "CONTRACTOR").

1. Scope & Purpose. CONTRACTOR desires to the commercial kitchen space as shown on the attached floor plan and some exterior space owned by the Town located at Rio Grande Hall 114 Civic Plaza Drive, Taos New Mexico for the purposes of operating a commercial food production business, catering, and culinary education.
2. Term. The term of this Agreement shall be effective until November 1, 2015.
3. Option to Renew. This Agreement may be renewed for additional one year periods for up to a total of seven (7) years, upon such terms and conditions as may be acceptable to both parties. Such renewal shall be in writing and executed prior to the termination date and appended to this Agreement.
4. Compensation. In accordance with the approved Local Economic Development Project Participation Agreement and in consideration of this Agreement, the CONTRACTOR agrees to the following schedule of rent, based on the comparable rental rate of commercial kitchen space of \$1,200 (including utilities) a month:

Year one (1) and year two (2):	\$1 per year
Year three (3):	33% of the rental value, or \$4,752 yr/\$396 mo.
Year four (4):	66% of the rental value, or \$9,504 yr/\$792 mo.
Year five (5):	100% of the rental value, or \$14,400 yr/\$1,200 mo.
Year six and seven (6 & 7):	120% of the rental value, or \$17,280 yr/\$1,440 mo.

CONTRACTOR shall pay rent to the Town at the end of each month. Rent checks shall be made payable and mailed to:

Town of Taos
400 Camino de la Placita,
Utility Billing Department
Agreement #TT-11-
Taos New Mexico 87571.

Any holdover by Contractor past the expiration or termination date, shall be at a daily rate equal to thirty (30%) of the monthly rate. The imposition and collection of this hold-over charge does not affect the right of the Town to require immediate vacating of the premise and /or the right to take possession of any property remaining thereon.

5. Late Payment. A late fee, equal to ten percent (10%) of one month's rent shall be imposed if any month's payment is not received on or before the tenth (10th) day of the month.

In the event Contractor is late in making rental payments for any second consecutive month, the Town may, in the sole option of the Town Manager, declare the Agreement terminated and take immediate possession of the premises and shall be in default of this agreement. All personal property located in said premises shall be held by the Town to satisfy any unpaid amounts. Any excess amounts due shall be paid over to the Contractor. The CONTRACTOR shall hold the Town harmless for any damage and/or injury to property of the Contractor held by the Town.

6. Permitted Uses. The premise(s) shall be used only for commercial food production, catering, and culinary classes as specified above unless CONTRACTOR has received prior written approval, from the Town, of any other use(s). If the CONTRACTOR desires to provide catering services for the Town of Taos at the Convention Center, the CONTRACTOR shall enter into a separate Catering Contract. No illegal act(s) will be done, or allowed to be done, on the premise(s), including the storage of any contraband or other illegal substance or item(s).
7. Utilities. The CONTRACTOR shall pay a reasonable monthly contribution toward the utility expenses of operating the building during year one and year two of this agreement not to exceed \$200 per month or be less than \$100 per month. Said contribution shall be determined by the parties in writing within thirty (30) days of the execution of this agreement.
8. Equipment. It is understood that the CONTRACTOR will provide several specialized pieces of equipment for their personal use within the rental facility. Said equipment shall remain the CONTRACTOR's personal property and agrees to hold the Town harmless for any damage to or loss of said equipment. The CONTRACTOR will provide the Town with a list of all equipment installed for their purposes prior to installation. All said equipment must be portable and easily removed. Any equipment permanently affixed to the facility shall become the property of the Town. The walk-in refrigerator to be installed by the CONTRACTOR shall be temporary in nature and shall be removed at the end of the lease term and any affixing of the unit that causes damage to the Town's property shall be returned to its original condition by CONTRACTOR at the end of the lease period.
9. Limitations on Use. It is understood that the CONTRACTOR shall not have exclusive use of the commercial kitchen space and that the space must be shared with other Town approved catering services that provide food service to renters of the convention facilities. The Town will provide a minimum of 14 days notice to the CONTRACTOR of scheduled use of the commercial kitchen space and said activities of the Town shall take priority. However, under no circumstances shall the CONTRACTOR be provided with less than a minimum of fifty hours of access to the facility between the hours of 8 AM and 8 PM each week.
10. Notices. All notices required to be sent pursuant to this Agreement shall be sent to the parties at the addresses below unless the parties are otherwise advised of a change of address in writing.

Town of Taos Attn: Town Manager 400 Camino de la Placita Taos, NM 87571	Taos Cooking Studio Attn: Valerie Maher P.O. Box 750 Arroyo Seco, NM 87514
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11. Alterations/Improvements. CONTRACTOR may, with prior written permission of the Town, make such alterations and/or improvements to said premise(s) as may be consistent with the permitted use(s) specified above.

Said alterations/improvements, including permits, permit fees, utilities, easements, etc. shall be at the sole cost of CONTRACTOR and CONTRACTOR shall not allow, permit, or otherwise incur a lien of any sort or kind to be filed against said property. Any such lien, if paid by the Town to protect the Town's interest(s), shall be reimbursed to the Town, by the CONTRACTOR, immediately or the Town may use the Damage/Security deposit and/or attachment and, if necessary, the sale, of personal property located on the premise(s).

Said alterations/improvements, if of a permanent nature, shall become a part of the premises and all title and right(s) to said alterations/improvements shall vest to the Town.

If not a permanent nature, said alteration/improvement may be removed by CONTRACTOR, upon termination of this Agreement and the premises(s) restored to its (their) original conditions, excepting normal wear and tear.

12. Standard(s) of Construction. All construction, whether new or renovation, shall be done in a professional manner and meet all building requirements and codes as determined by the Town of Taos Planning Department or other appropriate official/department.

13. Maintenance. CONTRACTOR shall, at its sole cost and expense, maintain the property and improvements in a clean and orderly condition and shall maintain all plumbing, wiring, glass, heating, lighting, and lighting fixtures located on, in, or attached to any portion of the premise(s) and comply with the attached Standards of Maintenance and Use that are based upon the requirements of other users of the commercial kitchen. The Town shall be responsible to replace, if necessary, the plumbing, wiring, glass, heating, lighting, and lighting fixtures of the facility that is not added by the CONTRACTOR.

The Town shall be the sole judge of the quality of the maintenance and, upon written notice by the Town to CONTRACTOR; CONTRACTOR shall be required to perform whatever maintenance is deemed reasonable or necessary. If said maintenance is not undertaken by CONTRACTOR within ten (10) days or completed within the time prescribed in the written notice, the Town shall have the right to enter upon the premise(s) and perform the necessary maintenance and such cost(s) shall be billed to the CONTRACTOR who shall make payment in full within thirty days of said billing. Alternatively, the Town may in its sole discretion declare the Agreement breached and voidable and terminate the Agreement as provided above.

14. Security. CONTRACTOR acknowledges and agrees that security of CONTRACTOR's property is solely the responsibility of CONTRACTOR and will ensure that adequate insurance and/or protective measures are taken to protect CONTRACTOR's property. It is specifically understood and accepted that the Town assumes no responsibility for the security of CONTRACTOR's property.
15. Inspection. The Town reserves the right to enter the premise(s) for the purpose of inspection, to cure maintenance problems, in the interest of public safety, or upon such other good cause. The Town will attempt, where feasible, to advise CONTRACTOR at least twenty-four (24) hours prior to entry.
16. Insurance. CONTRACTOR and/or its sub Contractors shall maintain property insurance with coverage in an amount at least equal to the replacement value of items of personal property located in or on the premises and general public liability insurance naming the Town as an additional insured with coverage amounts at least sufficient to satisfy the limits of liability of the Town as set forth in the New Mexico Tort Claims Act (NMSA 1978, Sec. 44-4-19). CONTRACTOR shall ensure that the Town be named as additional insured on all insurance policies, and shall provide a copy of such policies to the Town Legal Department.

17. Indemnification and AS IS Indemnification. CONTRACTOR agrees to defend, indemnify and hold harmless the TOWN from any and all claims, suits, and causes of action which may arise from its performance under this contract unless specifically exempted by New Mexico law. CONTRACTOR further agrees to hold harmless the TOWN from all personal claims for any injury or death sustained by CONTRACTOR, its clients, employees, agents or other representatives while engaged in the performance of this contract.

CONTRACTOR acknowledges and agrees that use of the Town property and the premises described herein are AS IS and at CONTRACTOR's sole risk. CONTRACTOR, by execution of this Agreement, agrees to defend, indemnify and hold harmless the Town from any and all claims, suits, and causes of action which may arise from CONTRACTOR's performance or use under this Agreement unless specifically exempted by New Mexico Law.

18. Assignment/Subcontracting. CONTRACTOR shall not assign, transfer, subcontract, or otherwise affect any interest in this Agreement without the prior written approval of the TOWN.
19. Breach by CONTRACTOR. In the event that CONTRACTOR fails to comply with any term, condition or obligation required under this Agreement, the Town may consider CONTRACTOR to have breached the Agreement and, in the sole option of the Town, may either terminate the Agreement, or may negotiate a cure of the breach or default on such terms and conditions as may be acceptable to the Town.

If a breach is such s to cause a health or safety concern or to damage or threaten to damage or harm any person or property not belonging to CONTRACTOR, the TOWN may terminate the Agreement immediately.

20. Termination. This Agreement may be terminated at will, by either party, with or without cause upon 90 days written, advance notice to the other party. Termination shall be by written notice which shall be delivered or mailed (certified mail, return receipt) to the other party. If notice is by mail, notice (i.e., the effective date of termination) will be deemed to be received three (3) calendar days from the date of the postmark. If hand-delivered, notice shall be to the Contractor's office or to the Town Manager. In no event shall termination nullify obligations of either party prior to the effective date of termination.
21. Binding Effect. This Agreement shall be binding upon the parties, their heirs, and successor-in-interest or other lawful claimant.
22. Scope of Agreement. This Agreement and the associated Local Economic Development Project Participation Agreement incorporate all of the agreements and understandings between the parties. No prior agreement(s) or understanding(s), verbal or otherwise, shall be valid or enforceable unless embodied and attached to these Agreements.
23. Applicable Law. This Agreement shall be governed by the Laws of the State of New Mexico and the Ordinances, resolutions, rules and regulations of the TOWN.
24. Judicial Enforcement. Any legal proceeding brought against the TOWN, arising out of this contract, shall be brought before the Eighth Judicial District Court, Taos County, State of New Mexico.
25. Severability. In the event that a court of competent jurisdiction finds that any term or provision of this Agreement is void, voidable or otherwise unenforceable, all other terms

and provisions shall remain intact and enforceable where not otherwise inconsistent with the Court's findings.

26. Amendment. This Agreement shall not be altered, changed, modified or amended, except by instrument, in writing, executed by both parties and appended hereto.

CONTRACTOR

TOWN OF TAOS

Christopher Maher, Cooking Studio Taos

Mayor Darren M. Cordova

ATTEST:

Valerie Maher, Cooking Studio Taos

Renee Lucero, Town Clerk

APPROVED AS TO FORM:

Allen R. Ferguson Jr., Town Attorney

Maintenance and Use Standards for the Town Commercial Kitchen

1. The CONTRACTOR will be allowed to use the kitchen and its equipment, provided that the kitchen and equipment are fully cleaned and sanitized immediately after each use, and all refuse is removed and disposed in the refuse containers outside the building. Taos Convention Center staff may inspect all kitchen and facility areas with CONTRACTOR from time to time. CONTRACTOR must comply with Taos Convention Center staff cleanup instructions.
2. The CONTRACTOR must obtain and display all required food and drink/catering permits from the New Mexico Environment Department, and comply with all applicable regulations including use of equipment necessary to insure proper health code temperatures and sanitation for the transportation and delivery of all foods during the term of the contract.
3. The CONTRACTOR is responsible for providing replacement trash bags, breaking down all cartons and removing all trash, garbage, decorations, food and drink from the Taos Convention Center kitchen and depositing trash in the refuse containers outside the facility and washing all trash cans. Additional charges may be assessed for excessive trash or additional trash pick-ups.
4. The CONTRACTOR is responsible to provide equipment and supplies for prompt cleaning and scrubbing of any walls, doors, floor tiles and other areas of the commercial kitchen.
5. The CONTRACTOR shall not block any interior access points and comply with the fire code.
6. At certain times, multiple events may be occurring at the Taos Convention Center which may require more than one CONTRACTOR to use the kitchen facilities. During those events, common courtesies and full cooperation between the CONTRACTORS are required.
7. Parking – All CONTRACTOR'S employees are to park in the Town Hall parking lot. There is no employee parking in the alley between the Convention Center and the Fire Department. Loading and unloading is allowed in the back of the Convention Center, but then vehicles must be removed to regular parking.
8. Delivery of supplies and equipment – Vendor deliveries are allowed between 8:00 a.m. and 5:00 p.m. only, unless other arrangements have been made with the Convention Center Director. CONTRACTOR must be present for all deliveries or delivery will be refused. CONTRACTOR is responsible for notifying all vendors of this schedule. Vendor is not allowed to park in delivery area before 8:00 a.m. or after 5:00 p.m.

Floor Plan

