

Economic Development Commission Minutes
EDC Room South City Hall
360 Rio Communities Blvd.
March 13, 2019

- Call to Order – Frank Logan called the meeting to order at 10:07 a.m.

Roll Call

- Present- Chairman Frank Logan, Vice Chairman Kuan Tikkun, Secretary Fran Rossberg, and Tom Zanotti
- Also present – City Manager Leisa Haynes and Deputy Clerk Amy Lopez

Approval & signing of minutes

- A discussion began regarding the Incubator before the approval of minutes.
- Kuan Tikkun said that Mayor Gwinn’s response to her question about Incubator funding should simply be “no.” This was agreed upon as a change.
- Tom Zanotti motioned that the minutes be approved as amended. The motioned was seconded by Kuan Tikkun. The February 27, 2018 minutes was approved as amended with a 4-0 vote.

General Discussion

- Frank Logan mentioned that Loedi Silva is going to be our new member and is waiting to be sworn in.
- New City Manager Leisa Hayne joined the meeting.
 - City Manager Haynes introduced herself and said that she will be working closely with EDC to improve the City.
- Kuan Tikkun said that she would like to see is the Annexation of the Industrial Park.
 - City Manager Haynes said that the budget is first on her agenda, but she has read the NM annexation laws. Once the City is ready, she would approach the owners.
- Tom Zanotti asked how that would affect the Industrial Park’s tax rate.
 - City Manager Haynes said the Industrial Park would add about half a million to our budget.
- Fran Rossberg asked if all the taxes would go to the City.
- Frank Logan said that when we incorporated the taxes that were being paid to the county, stayed with the county, and if it happens like it did in the past, the county will keep those taxes.
 - City Manager Haynes said that we would get money through the Mill Levy.
- Frank Logan said that the only way to make money in the City is to make our own. He continued by saying that Mayor Gwinn grandfathered in the Mill Levy which is how the City brought in money. The discussion on taxes continued.
 - City Manager Haynes said that she would investigate the taxes of the Industrial Park to get some answers.
- Kuan Tikkun said that another issue is the voting members of the Industrial Park, who are Landowners but don’t have businesses in the park, also own lots in Belen and may not want the annexation.
 - City Manager Haynes said we are actively seeking to put businesses on their vacant land and help them generate money and jobs. She then said that she is an aggressive recruiter and will be able to bring businesses to the City and the Industrial Park, and would get to know the land owners, businesses, and voting members. She said that she is allowed, as the City Manager, to recruit businesses.

- Frank Logan said that Mayor Gwinn and Bob Skerry made a presentation to the Industrial Park about a year ago, but the discussion had been tabled.
- Tom Zanotti asked if the City receives property taxes or output income with PNM and the Solar Farm.
- Frank Logan said that there is something that PNM pays that is above property taxes. He continued to say that if we annex the industrial Park, we pick up the fire department in the Industrial Park, which adds significant money, but also adds significant responsibility because of Haz Mat. The discussion continued.

Future projects beyond “501's”

- Topic was not discussed at this meeting.

Incorporation with 501c “3 or 6”

- Frank Logan said we are beginning the 501 project with new binders containing 501 materials, including Rio Communities Foundation as the name of the foundation. He said the first section explains the difference between 501c3 and 501c6. He believes the foundation will need to be a 501c6. He explained that there are several different sections in the binder on how to Incorporate, a section on State, Federal and IRS, and a section on non-profit by-laws.
- Frank Logan said the IRS accepts them and the 501 is an IRS distinction.
- Tom Zanotti agreed saying the 501 is strictly tax related.
- Kuan Tikkun said that at the last meeting someone mentioned that the hardest part of the 501 was getting the IRS section right. She asked if now they were saying that getting the by-laws right was the hardest part.
- Frank Logan said not necessarily, but the IRS will accept or reject your 501 based on your by-laws. The discussion continued.
- Frank Logan returned to the topic of the binders, explaining that one section is two sets of by-laws that can be used as templates. He said the last section is labeled EDC, but it is a form of organization, including a Code of Ethics, and the Open Meetings Act. The discussion continued.
- Tom Zanotti asked if we incorporated to begin with, what would be the specific advantage of getting a 501c right now, because we don't have any money yet.
- Frank Logan said the money aspect is significant, because we will end up with City Council projects that requires moving or handling money that the City can't do, and because of this, we need to be able to do it through the 501. He continued by saying that the 501 items needed to be moved out of the EDC meetings and do it at the Corporate meeting.
- Kuan Tikkun said that as a 501c3 we can go after grants and receive donations that the City cannot.
 - Loedi Silva said that there are things that the EDC can do that the 501c3 cannot, items will have to be separate as we grow, but the corporation can work along side the EDC to get project done.
- Tom Zanotti said that we will need to get the LLC before we get the 501c3 to protect us from being personally liable. The discussion continued.
- Frank Logan said we need to determine who are officers are going to be and who will be part of th
- Tom Zanotti said that we need to appoint officers first. The discussion continued.
- Kuan Tikkun said the part that is confusing is that a 501c6 is not tax deductible but a 501c3 is. The discussion continued.
- Fran Rossberg thinks that if we are a c6 no one is going to want to give a 501c6 money if the donations aren't tax deductible.

- Kuan Tikkun said we need some clarity between the two 501s.
- Frank Logan explained that the binder has those sections with the information in it to study and from there decide which is best. He said that the LLC needs to be established, and by doing so, it could be the beginning of a name and a mission statement for the corporation.
- Tom Zanotti said that a non-profit LLC might be a possibility for us to explore.
 - Loedi Silva suggested that we break up into teams for the next meeting, one group would bring in the paperwork for the LLC that we will need to complete and other group would research whether the foundation should be a 3 or 6 and why. She continued by saying that there needs to be a meeting where we vote on a 501c3 or 501c6.
- Frank Logan said that he spoke with Tom Scroggins, the head of P&Z, to be part of the 501 and Peggy Gutjahr expressed interest, and he would speak to Bill Brown as well. He said he will have feedback from the Council and P&Z.
 - City Manager Haynes asked if EDC has a budget.
- Frank Logan said that we get \$2500 a year: \$2000 goes to membership for AED, \$200 was spent on brochures, the rest has gone to AED luncheons. He explained EDC is covered until next year which start in June but is not sure if there has been any change in the EDC budget.
- Tom Zanotti said that we need to expand and so should our budget. The discussion continued.
- Frank Logan said that April 21 is the next AED meeting and we leave at 10:30.
 - City Manager Haynes said that she would like to attend. The discussion about AED meetings continued.
- Kuan Tikkun asked if we can do, without breaking the law, as the EDC to encourage developers and real estate. She asked if EDC can do anything to support the Oasis Café and the other shops for the Grand Opening? She said had a conversation with a realtor, who asked to be informed of what is going on in Rio Communities. Kuan asked how she does this legally.
 - City Manager Haynes said that we can put it on Facebook.
- Frank Logan said that she can send out notifications as an individual.
 - City Manager Haynes asked who owns the land next to Dollar General. The discussion continued about the land.
- Frank Logan said that the reason the 501 will be so important is because it would allow us to do more for businesses.

Real Estate lists, companies and availability

- Loedi Silva said the VIA building is sold to be used as a medical facility and wondered how much Rio Communities would benefit. She said Rio Communities cannot support a private entity but at the same time do we need to have a sit down with the owner to have exact parameters. She added that people might be interested but we would not have enough information to supply them.
- Tom Zanotti said that the owner just wants something medical in there, whether a one bed hospital or a private practice. He said that a private practice would be ideal for the area and UNMH would be the best provider. The discussion continued.
 - Loedi Silva is wondering if EDC can track leads and follow up on them. We lose potential buyers because we cannot follow up.
 - City Manager Haynes left the meeting at 11:25.
 - Loedi Silva was asking what the requirements are for the VIA building to have someone bring a Medical Facility. She thought that UNM might be interested in partnering with their nursing

program, or perhaps La Vida might want to come in. She also said we would need to have specific details to be able to find options for medical providers.

- Tom Zanotti said that UNM Medical group might be a good option. He said he has some contacts.

Adjourn

- Kuan Tikkun moved to adjourn. Tom Zanotti second the motion and the meeting adjourned at 11:40 a.m. with a 4-0 vote in favor.

Respectfully submitted,

Amy L. Lopez, Deputy Clerk

Approved

Frank Logan, Chairman

Fran Rossberg, Secretary

Kuan Tikkun, Vice Chairman

Tom Zanotti

Loedi Silva

Paul Baca

Date: _____