

Economic Development Commission Minutes
EDC Room South City Hall
360 Rio Communities Blvd.
April 24, 2019

- Call to Order – Frank Logan called the meeting to order at 10:09 a.m.

Roll Call

- Present- Chairman Frank Logan, Vice Chairman Kuan Tikkun, and Secretary Fran Rossberg
- Absent- Tom Zanotti and Loedi Silva
- Also present - Deputy Clerk Amy Lopez

Approval & signing of minutes

- Kuan Tikkun moved to approve the minutes as submitted. Rossberg seconded the motion. The minutes for the Regular Meeting on February 27, 2019 was approved with a 3-0 vote.

General Discussion

- Kuan Tikkun said the Valencia County Partnership for a Work-Ready Community has had over 1,000 students that have been exposed to employers and mock interviews. She then said she went to the Council meeting and talked with Bob Skerry and he said that he was selling solar panels to municipalities. The discussion continued.
- Fran Rossberg said that the Welcome Neighbors is needing to put together new packets and then they would be able to get them to the new people in the neighborhood. She then said that she has asked Morgan's Bakery for something to add to the packets, like a coupon, but she hasn't provided anything yet. The discussion continued.
- Frank Logan said the construction workers started pulling fences from the back, but the Health Fair is on Saturday.
- Fran Rossberg said that the Health Fair did not have as many vendors this year. The discussion continued.
- Kuan Tikkun said that the Oasis Café is still not open. The discussion continued.
- Frank Logan said that he read the P&Z Meeting Minutes and encouraged EDC to look at them as well. He continued to say he thinks that a meeting with them might be something we need to do, and he would talk to Tom Scroggins. He said that there are topics they discuss that pertain to EDC, like businesses trying to come in, such as the business wanting to come into the Tilery building. He further said the Solid Waste ordinance is with the attorney and they have got to cross that bridge before they finalize it, and if they mandate a single hauler and there will be some fight back on that. The discussion continued.
- Frank Logan said last Tuesday New Mexico Economic Development had a webinar on ICIP's, he missed it, and even though there is a bunch of interesting information from there was nothing that would add a lot to what we are doing. He went on to say that the National Economic Development has a conference in Salt Lake, and we could not justify the expense to go but the publications they produce are fun to read.

Future projects beyond “501's”

- Topic not discussed at this meeting.

Incorporation with 501c “3 or 6”

- Frank Logan said that we are leaning toward the C6, and as far as the corporate structure, whether an S-Corp, a Standard Corp, an LLC, there is a whole section explaining these.
- Kuan Tikkun said that she still has questions between pros and cons of the C3 and the C6, but it seems like everyone likes the C6 better.
- Frank Logan said even though he does not want it to become a political apparatus, a C3 is forbidden to do anything political, the C6 is more business orientated and he thinks the C6 would have more options, even though a C3 would work just fine.
- Kuan Tikkun said that she remembers that the reason why we were wanting to go through a C3 was to obtain private corporation grants and we could get tax deductions for any corporations that donated. She further said that there was nothing in a C6 about going after grants and the focus of it is lobbying and promoting businesses and recruiting businesses, but nothing about going after grants. She said that the City can go after Federal and State grants, but not private corporation grants.
- Frank Logan said that he thought both could go after grants, but that he doesn't have that answer.
- Kuan Tikkun said that in the information that Frank Logan provided for them, she did not find information about a C6 saying they could go after grants.
- Frank Logan said this is what I was leading into, we have run into the end of our expertise on the C3 or C6 and the type of corporation we need. He said that we cannot spend City funding on a private corporation. He then said the corporation we are trying to start is a private corporation and we have to have a legal representative, a corporate lawyer, to ask what our best vehicle is for what we are needing corporation-wise and tax-wise, but the lawyer cannot be paid by EDC money. He further said that we need to take this out of our hands and out of our meetings because it needs to be a separate entity; we need money donated, we need to establish our members of our corporation, and they should be chosen out of Council, P&Z, and EDC, and be listed as corporate member. He then said it should be put together by a lawyer and sent to Santa Fe to be registered.
- Kuan Tikkun said she feels that she doesn't have the knowledge to build rooftops, which is the only way to grow, and where we are at now would be where the pros of a 501C-3 would be beneficial, where we would get grants and tax deductions for corporations, who would become the corporate members, and improvement kinds of things like parks and trails. She then asked if it would be the greatest way to grow the community or is the greatest way to build a community going through a C6 and lobbying Santa Fe, going to trade fairs, and convincing businesses to come in. She further said that there is a confusion about what EDC is or isn't allowed to do.
 - Frank said that as EDC, we can talk to them, but we cannot give them a promise of economic assistance, but with a 501 we could help them financially, as EDC we cannot do that. He continued to say that our only club in that is LEDA and with them we have to go with their regulations, and we have to be very careful, because we can't do something for one that is going to be derogatory to another.
- Kuan Tikkun said that a 501-C6, we will still be handicap because there would be favoritism.
- Frank Logan said that it would be a corporation and can show favoritism, but the question would be whether or not a C3 or C6 has the authority to do what we are trying to do with parks and trails. He then we are at the point where the Peter Principal comes in, and we need a lawyer to say this is what you need and why.

- Kuan Tikkun asked if the best way to grow the community would be to get a C3 and get grants and got trails and parks and grants for computers, and we gave people a tax write-offs, then maybe after a couple of years of that, and people seeing that the City is doing something, maybe then we move into a C6.
- Frank Logan said that that is a legal question and he doesn't know, and that is why we need a lawyer.
- Fran Rossberg said that she believes the C6 can do all those things.
- Frank Logan said that we need to come together and move this out of EDC, P&Z, and City Council and start it on its own and those that are going to be involved in it can have meetings, come up with some money and start putting the structure together, and get some help with whether it will be a 3 or 6 and what kind of corporation it should be. He further said it would be a stand-alone and then the corporation can go to the City and say we would like to see such and such a thing happen and how do we help do that, but to get from where we are to where we need to be is a legal thing, we don't have the expertise to do and we cannot spend City money to hire a lawyer. He continued to say that we need to take it off EDC's plate.
- Kuan Tikkun said that maybe we can find a lawyer that would do it pro bono.
- Frank Logan said that the corporation does not have to be all member from City Committees, it is open to outside members and the more that we have in it and the more that are outside the City government the better off because we are getting more blood into it.
- Kuan Tikkun said she read an article of Axion, a low-income loan group that helped minorities and women get loans and she thought wouldn't it be great to have someone like that on the board, who could answer questions about getting loans and things.
- Fran Rossberg said that as a City, we are more advisory and we can try to get a grocery store, but then we would have to bring it to the City to negotiate the deal.
- Frank Logan said that if it going to be a LEDA thing, it is through our recommendation, but it still had to through the Council.
- Fran Rossberg said that if we are going through the corporation, we don't have to go to City Council.
- Frank Logan said that what struck him was the chapter on how to incorporate a 501 and right way saw the problem, that it costs \$25 to register the corporation and we cannot spend the City's money on the corporation. He then asked where the money will come from.
- Fran Rossberg asked if there would be dues to be part of it to bring in enough money to get started.
- Frank Logan said you would have to vote on it.
- Kuan Tikkun said unless, like Albuquerque Economic Development, we require dues to be members of the corporation, we would have no operating capital, where as if we had we had a 501-C3 we would have grant money to cover administrative cost.
- Frank Logan said that is also a question that we have to have legal counsel on.
- Kuan Tikkun said that there is always so much for administrative costs and that could be part of what is made visible and the rest needs to go for the purpose of the administration. The discussion continued.
- Frank Logan said that Kuan Tikkun's questions are valid, but we need a corporate lawyer to answer them. He went on to say that we need to hand it off to the members of the corporation, we have done everything we can as EDC and now we need to invite members, civilian or City, and make it a stand-alone corporation.
- Kuan Tikkun said the thing that she hears Frank Logan saying is EDC is spending energy developing something that is not part of EDC and should be a separate entity. She then said it is like we are feeling guilty about passing it off like a hot potato, but at the same time passing it off, there has to be people to spearhead it, and is worried about the focus scattering once it is passed off. She then asked how we

keep the focus on what is important and what kind of people are wanted on the board. She said in her mind, there are two different types of people, people that want to promote businesses and people that want to write grants and see parks and trails and promote non-profit and educational purposes, and those groups might want different things. She further said she wonders if the composition of the boards couldn't be determined until it was decided if they want a 6 or a 3.

- Frank Logan said that it has to be decided by the initial members that are invited, whoever the legal advice comes from, and then we will try to broaden the membership, and turn it into a private group and private meeting. He believes that it can have a stockholder's meeting and could possibly have it at City Hall, if we talk to the board and they approve it. The discussion continued.
- Frank Logan said that we need to have corporate meetings.
- Fran Rossberg said that our next step is to organize the group.
- Frank Logan said that we need to move the discussion out of EDC and into the Rio Communities Foundation. He then said we need to talk to a couple of Councilors and a couple from P&Z.
- Fran Rossberg said that Bill Brown might be interested since he has had a foundation.
- Frank Logan said that Bill Brown would probably be willing to join and that he would be willing to talk to Bill Brown and would also talk to Tom Scroggins to see if he or someone in P&Z might be interested in joining.
- Kuan Tikkun said that maybe Paul Baca might be interested, he knows what they did in Belen.
- Fran Rossberg said that Paul Baca has a 501, so he knows that works.
- Frank Logan said that is where we need to start bringing some of these people together, it needs to be divorced from EDC and we need to let the corporation begin. He further said that it is about to start costing money and that has to be part of the corporation.
- Fran Rossberg said that dues are going to initially be our funding.
- Kuan Tikkun said that the only thing she can see that we need some pro bono legal advice as far as a 3 or 6.
- Frank Logan said that we need to start to put together the foundation and talk to someone outside of our circles about this whole thing. HE then said that he would discuss it with Bill Brown.
- Fran Rossberg said that people from within the City are the best because they have similar goals.
- Kuan Tikkun asked where we will go as EDC now, if we take this out of our hands.
- Frank Logan said there are two things that are on our agenda, but we can't get to them today because he didn't know enough about them. He then said that one was on the real estate companies, because we still want to do that; we have been designated as being in an Opportunity Zone, and need to find out more about that because that will help us in the promotion of a lot of things.
- Kuan Tikkun asked who says we are and when did that happen.
- Frank Logan said that is why we need to do some research on it. He then said has been in the news several times. He explained that there are 20 something opportunity zones in the state and has been sponsored by the New Mexico Economic Development.
- Fran Rossberg said that she read something about it in the news paper where EDC will refer people who are interested in certain spots in NM and if you are in the Opportunity Zone they would look at that first to put companies in places where they have an opportunity to have the community to grow.
- Frank Logan said that he read some of the same stuff, he doesn't know enough about it, but thinks it is through the State Economic Development. He then said it may be just the industrial park, but it is a current opportunity offered by the state that we need to piggy back and do something good with it. He further said putting together a board member list of the Rio Communities Foundation of at least 5 or 6

six members and schedule a meeting with them. He further said that would be where our questions will be answered.

- Fran Rossberg asked if RCA was incorporated, they used to do things that were separate from the City but used to do things for the City.
- Frank Logan said that Marilyn Winters would know because she was the President. The discussion continued.
- Frank Logan said that the thing with the corporation we take away the liability on individuals. The discussion continued.
- Frank Logan said our questions about the LLC and the 3 or 6 need to be answered by a lawyer. The discussion continued.

Real Estate lists, companies and availability

- Topic not discussed at this meeting.

Adjourn

- Frank Rossberg moved to adjourn. Kuan Tikkun second the motion and the meeting adjourned at 11:19 a.m. with a 3-0 vote.

Respectfully submitted,

Amy L. Lopez, Deputy Clerk

Approved

Frank Logan, Chairman

Fran Rossberg, Secretary

Kuan Tikkun, Vice Chairman

Loedi Silva

Date: _____