



ECONOMIC DEVELOPMENT ACTION COUNCIL

CITY OF ALBUQUERQUE

CHAIRMAN:
VICE CHAIRMAN:
EX-OFFICIO:

DON POWER
DEBORAH JOHNSON
GARY OPPEDAHL

MEMBERS:

ISAAC BENTON
TRUDY JONES
GILBERT MONTANO

MINUTES from Wednesday, May 13, 2015

ATTENDEES:

Don Power, Chairman
Vice Chair Deborah Johnson
Councilor Trudy Jones
Gilbert Montano

STAFF:

Gary Oppedahl
Jenny Walters
Dora Dominguez

GUEST:

Scott Maloney
Chad Person
James Kassemi
Hilma E. Chynoweth

Call to Order—the meeting was called to order by Chairman Power at 11:45 a.m.

Additions/Changes of Agenda and/or Minutes— *Recommendation made by Gary Oppedahl to discuss possible Council conflict of interest on the Expansion of Existing Development Program (AED) project presentation.*

There being no other changes or additions to the agenda.

MOTION: Vice Chair Johnson
SECOND: Councilor Jones
MOTION PASSED UNANIMOUSLY

Growth Of Tech Companies —Scott Maloney, Chad Person and James Kassemi

The project proposal is submitted by Seed Worthy, the creators of BowTie. BowTie is a software platform that allows software developers to launch their creations, validate their market, scale, and manage their customers. Through the BowTie platform software developers are launching more applications into the market, creating more standalone businesses to support those applications, and are positively contributing more economic benefit to the community

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- EDAct funding will enable Seed Worthy to provide a group of licenses (Enterprise Licenses) to the BowTie platform.
- The proposal includes the creation of one full time permanent position specifically tasked with accelerating the success of this program. This person will be directly tasked with the distribution of these licenses among accelerators, organizations, and software developer

clubs via groups and events, recruitment of users and companies to participate in this program, and to technically support the program and all accelerators and users.

- Examples of companies utilizing the BowTie software platform were presented. The companies launched as a direct result of the BowTie software platform included PieFly. Events utilized to support the launch of new companies included the AED Coding Academy.
- The project will track users throughout the user-process and report data and outcome measurements on a quarterly basis
- The proposal aligns with EDAct's key priorities in that (1) it is providing growth resources for existing economic-base businesses in the Albuquerque area, (2) it is providing resources and support to startup businesses that generate economic-base jobs and, (3) it is actively marketing Albuquerque regionally and nationally to entrepreneurs and founders of startups.

Discussion on the BowTie presentation:

Vice Chair Johnson disclosed Coders Academy is a program administered by CNM. The success of the project and its link to the success of a CNM program, of which she is employed, was presented as part of EDAct disclosure guidelines to insure any conflict of interest is disclosed. EDAct Council agreed there was no direct benefit the project represented in this instance.

There was discussion on the presentation. Gilbert Montano asked if there could be a stipulation to the terms of a contract award requiring the project to staff hours at the Epicenter. The Council members agreed the contract should require a City located place for providing services if appropriate.

The billing for services is to be administered on a quarterly billing scheduled and include a required set of performance metrics in the billing process.

Gilbert Montano highlighted that including this proposal, the amount of City assistance/grant support provide to tech-accelerator programs is substantial – \$1.9M

The council members agreed that the contract will require milestones and performance measures prior to payments as well as a requirement to provide a base for offering the services at the Epicenter. The Council agreed to vote on the requested amount of \$197,185 to be administered with the current fiscal year for an initial amount of \$74,000. The remaining \$122,185 to be billed for services provided on a quarterly billing cycle.

MOTION: Approval to fund \$197,185,000 with \$74,000 to be administered within current fiscal year and with stipulations to include; performance metrics, update and reports to EDAct Council; motion by Councilor Jones
SECOND: Gilbert Montano
MOTION PASSED UNANIMOUSLY

Expansion of Existing Business Development Program – Hilma Chynoweth, AED
Prior to presentation – discussion with regards to Council conflict of interest.

AED is a private non-profit corporation founded in 1960 for the purpose of recruiting economic base businesses to the Albuquerque metropolitan area. In 2001, AED expanded its mission of strengthening the area economy by committing to assist existing economic base businesses. AED hired Bob Walton in 2002 to run a Retention and Expansion program, later named Existing Business Development. AED added Dennis Houston as an independent consultant to the program in 2005.

The funding request is \$100,000 per year for three years or a total of \$300,000 and is exclusively for an increase in personnel hours dedicated to the Existing Business Development program. The EDAct proposal seeks to use EDAct funds for increasing AED's Existing Business Development program labor hours by 100%.

AED's Existing Business Development focus is providing timely help to its client companies. AED provides assistance to existing companies through three main mechanisms: 1) state incentives, 2) financing and 3) business-to-business connections.

Discussion on the AED presentation:

Recommendation by Councilor Jones was for additional information that would detail the customers to be served and target outcomes. The opportunity for AED to delineate where they see gaps within industry sectors or by business size with regards to underutilized state incentive programs. What would be the performance metrics utilized to measure success other than tracking the use of the state Job Training Incentive Program (JTIP)?

Other requested information included how companies would access expertise along with how AED works to network with other business resource. How is the AED proposed project different from other business retention assistance being offered by other organization i.e. chambers of commerce? Gilbert Montano asked if EDAct could obtain a copy of AED's annual operating budget. The possibility of AED funding support from outside membership base, City of Albuquerque, Bernalillo County and possible new funding source - Sandoval County was discussed.

Councilor's stressed that the request for added information was not a vote against the project, but cited that without information on the targets or how many are to be served, there was not enough information to support the amount being requested.

MOTION: Requested additional information Vice Chair Johnson

SECOND: Councilor Jones

MOTION PASSED UNANIMOUSLY

EDAct Financials Update—Gary Oppedahl, EDD

Initial appropriation: \$5,521,686 minus Administrative (EDD) of \$350,000 leaves \$5,171,686 available for projects.

- Allocated/spent to date (05/13/15): \$40,655 (DCI); \$20,000 (Thrive ABQ); \$200,000 (Canon LEDA Project); \$238,208 (Eclipse LEDA Project); \$20,000 (LaunchABQ/Startup); \$3,000 (Startup Teen); \$1,900,00 (ABQid); \$125,000(NM Food Producers LEDA Project); \$225,000 (Creative StartUps); \$400,00 (Marketing) Total: \$3,171,863
- Reserved for LEDA Projects (Closing Fund): \$1,000,000
- Remaining Funds: \$1,001,823
- Proposals (Pending or Anticipated): \$ 75,000 (Risk Sense/CAaNES LEDA Project); \$ 300,000 (AED—Existing Business Development expansion); \$197,185 (Growth of Tech Companies); \$150,000 (Rights Free Image Library—Marble Street);\$ 700,000 (TEAM Accelerator); \$200,000 (NM Angels Start Up Factory); \$ 400,000 (Game Development Accelerator); \$200-400,000 (Additional 3-yr. National Media Campaign)
- **Total all pending projects if approved: \$2,222,185- \$2,422,147**
- **Additional potential projects:**
 - \$250,000 (Epicenter)
 - \$ (WESST)
 - \$ 100,000 (City Navigators Program)
 - \$ 75,000 (Regional Transportation/Logistics Hub Study)

Motion for Adjournment and next meeting date set tentatively - June 17, 2015 at 11:30 a.m.

Adjourn—Meeting adjourned at 1:45 p.m.

Minutes Submitted By: Deirdre Firth Date 7-14-15
 Deirdre Firth, Deputy Director

Minutes Approved By: Don Power Date 6/17/15
 Don Power, Chairman