



ECONOMIC DEVELOPMENT ACTION COUNCIL

CITY OF ALBUQUERQUE

CHAIRMAN: DON POWER
VICE CHAIRMAN: DEBORAH JOHNSON
EX-OFFICIO: GARY OPPEDAHL

MEMBERS: ISAAC BENTON
TRUDY JONES
GILBERT MONTANO

MINUTES from April 14, 2014

ATTENDEES:	STAFF:	GUEST:
Chairman Don Power	Gary Oppedahl	None
Vice Chair Debbie Johnson	Deirdre Firth	
Councilor Isaac Benton	Doris Duhigg	
Councilor Trudy Jones	Jenny Walters	
Gilbert Montoya		

Call to Order—The meeting was called to order by Chairman Power at 12:08 p.m.

Additions/Changes of Agenda and/or Minutes—The order of the agenda was changed to start the meeting with a discussion regarding the purpose of the EDAct Council funds.

MOTION: Approval of March Meeting Minutes By Councilor Benton
SECOND: Vice Chair Deborah Johnson
MOTION PASSED UNANIMOUSLY

There was a general discussion on the original vision for the use of the EDAct funds and whether that is still viable or if the vision needs to change in order to get the highest and best use out of the EDAct funds. Chairman Power recalled at a previous meeting allocating \$1 million and up to \$4 million for a closing fund and asked the council their opinion on this particular allocation. Gary Oppedahl voiced support for the ABQ Innovation District (ABQid) proposal and how it could be good for Albuquerque, especially in regard to creating private/public partnerships. Albuquerque needs to re-position itself as a collaborative, innovative, and communicative city in order to attract these partnerships that will then help grow the Innovate Albuquerque, Job Creation, and Entrepreneurial Ecosystem Initiatives. Gilbert Montano mentioned that it has been his observation that the incentive packages put together for some of the major projects have not included EDAct Closing Funds because they are too small of an amount. Ms. Firth noted that EDAct funds were used in the Eclipse and Canon LEDA projects, and that the EDAct funds have always had four categories for potential funding. Councilor Jones asked whether the Council is interested in supporting something (Innovate Abq) that the City, CNM, and UNM are all putting their energies, efforts, and financial commitments to in order to cause a ripple effect of more innovation, collaboration, and entrepreneurship, and concluded that the answer is yes. Gilbert Montano

observed that some of the shift in funding priorities is due to the leadership change with Gary Oppedahl coming on as the Director of Economic Development.

ABQid update—Bill Bice, Founding Partner Verge Fund

The ABQ Innovation District (ABQid) Project presented at the April EDAct Council meeting. The Council asked for the ABQid Project to re-visit their proposal with some edits and changes. Bill Bice gave an update in regard to those edits and changes. He stated that, while nothing had changed in regard to their goals and what they are going to accomplish, what has changed is the method by which they are going to get funding support for what they are doing. The ability to raise private seed fund money has significantly increased recently, with the potential for City funding for operations.

Chairman Power asked what sort of milestones could be implemented or appropriate in order to have accountability for the \$1.9 million that ABQid is requesting. Mr. Bice gave an example of having Phase I with a list of accomplishments/milestones and, if met, then fund a Phase II with another list of milestones. Chairman Power asked if they felt that Albuquerque has the workforce to support the companies that will come out of this project. Mr. Bice has seen studies that show that the workforce is here, however if we do not start this sort of program then we will lose the workforce to other cities. This program will help take companies who have little chance of being successful to a real chance of building a great business. A company who goes through the ABQid program will come out with a customer validated business model that will make them successful.

There was also a brief discussion regarding UNM's Innovation Academy which plans to funnel interns and work directly with the companies in the ABQid program. CNM is planning their STEMulus Center, and the Maker Space, which will bring additional educational and collaborative opportunities together. Mr. Bice explained that UNM and Professor Chaouki Abdallah (Provost & Executive Vice President of Academic Affairs) is a very significant partner and they are responsible for the academic portion of Innovate Abq. Chairman Power asked if Mr. Bice could give an example of how many jobs could be created coming out of the ABQid program. His response was that the range would be pretty significant. A cycle of 3 years would be about 30 companies going through the Accelerator program, with 1/3 that do not make it, 1/3 create good companies and then 1/3 are successful with one or two superstars that have the potential to produce hundreds of jobs. The huge catalyst that Mr. Bice has seen is that the people that have a successful startup then go and create another company, and that multiplier is where the real success story is.

Discussion on the ABQid presentation—There was discussion on the presentation from ABQid; Chairman Power asked the council to give their thoughts on approving the \$1,900,000 amount that ABQid requested for their project. The council members agreed that the contract will require milestones and performance measures prior to payments, and an update given to the council twice a year. The Council agreed to vote on the requested amount of \$1.9 million.

MOTION: To Allocate Funds for ABQid of \$1,900,000 paid out over a three year period, subject to staff preparing a contract with milestones and subject to City Council approval, by Councilor Jones
SECOND: Gilbert Montano
MOTION PASSED UNANIMOUSLY

EDAct Financials—Deirdre Firth, EDD

- ✦ Initial appropriation: \$5,521,686 minus Administrative (EDD) of \$350,000 leaves \$5,171,686 available for projects.
- ✦ Allocated/spent to date (4/14/14): \$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) Total: \$521,863
- ✦ Reserved for LEDA Projects (Closing Fund): \$1,000,000
- ✦ Remaining Funds: \$3,649,823
- ✦ Proposals (Pending or Anticipated): \$1,900,00 (ABQid); \$225,000 (Existing Industry Expansion/Retention); \$600-800,00 (3-yr. National Media Campaign); Total: \$2,725,000 to \$2,925,000
- ✦ Remainder (if proposals approved): \$724,823 to \$924,823

Adjourn—Meeting adjourned at 1:38 p.m.

Minutes Submitted By: Deirdre Firth Date 10-24-14
Deirdre Firth, Deputy Director
Minutes Approved By: Don Power Date 6-5-14
Don Power, Chairman