



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 Wednesday, June 17, 2015

ATTENDEES:	STAFF:	GUEST:
Councilor Isaac Benton	Gary Oppedahl	Bob Walton, AED
Vice Chair Deborah Johnson	Deirdre Firth	Dennis Houston, AED
Councilor Trudy Jones	Nicholas Bullock, City Legal	Tom Ageson, Creative Startups
Gilbert Montano	Jenny Walters	Roxanne Blair, Creative Startups
	Dora Dominguez	
	Erin Gentry, Mayor's Office	

Call to Order—the meeting was called to order by Deborah Johnson, Vice Chair at 11:45 a.m.

Additions/Changes of Agenda and/or Minutes—There were no other changes or additions to the agenda.

MOTION: Approval of May 13, 2015 Meeting Minutes by Gilbert Montano
SECOND: Councilor Benton
MOTION PASSED

Expansion of Existing Business Development Program (AED) – Bob Walton and Dennis Houston

Introduction of the presentation was made by Deirdre Firth, Deputy Economic Development Director. AED's Business Expansion and Retention Program was a follow-up to address questions and to provide added detail to the funding request originally presented at the May, 2015 EDA Council Meeting. Questions to be addressed included:

- What are the customers to be served through an enhanced AED Business and Retention Program?
- What are the targeted outcomes the program is proposing to accomplish?

AED helps to delineate the gaps within industry sectors or by business size with regards to underutilized state incentive programs. The program's expertise in New Mexico's statutory tax incentives was an added focal point of the presentation.

A listing of nine targeted industry sectors was distributed for Council review. In terms of education and outreach regarding the JTIP program (one of the state's best incentives), Dennis Houston referenced an increase in more JTIP created/supported jobs in the last six months than Albuquerque has seen in the last ten years.

Education and outreach efforts by AED are open to any business, including startups. Additionally, given accounting expertise the program holds in program provides education and outreach to CPA professionals throughout Albuquerque.

AED Background - 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. In 2002 AED hired of Bob Walton, who has more than 35 years' experience siting manufacturing plant facilities, to lead AED's business expansion program.

To date, the AED team is credited with assisting 1,479 companies. Of the 1,479 companies assisted 376 companies have utilized the Jobs Training Incentive Program (JTIP) as a result of assistance from AED's Business Expansion & Retention Program. The 376 companies, who have utilized JTIP, represent the creation of 8,758 jobs and a total state investment since 2002 of \$61M in existing business expansions.

Dennis Houston, a Certified Management Accountant, was hired in 2005 to support the program. Dennis Houston, who has more than 50 year's business experience, also sits on the NM State Accounting Board. Together the two run AED's Retention and Expansion program. The program is now referred to as Existing Business Development Program.

A breakdown of the program annual budget requested was provided along with program materials.

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%. The EDAct request for funding is not for a new program but for expansion of a successful Existing Business Development program. The proposal is to increase program hours up to an additional 40 hours per week for three years.

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—

MOTION: Fund as requested with quarterly reviews including benchmarks by Councilor Jones

SECOND: Councilor Benton

MOTION PASSED UNANIMOUSLY

Creative StartUps Update—Tom Aageson, Roxanne Blair

As an EDAct funding initiative, Creative StartUps provided an update/overview of Creative Startups. The presentation provided was an expanded version of the presentation made to Albuquerque City Council June meeting. A copy of the impact report was providing to the EDAct Commission.

Creative Startup was created in 2014 impact report the results of the first year of running the creative startup accelerator. The creation of an accelerator focused on creative industries is now a \$3 trillion dollar industry worldwide. Worldwide five percent of the global economy is generated from creative industries. In general creative industries are intellectual property bases and highly exportable.

There were twelve Startups that began the program in 2014. Nine projects have continued on as current companies. Of the three that did not continue; two formed different companies and one project startup entrepreneur took a private sector job. The program is accepting new applications to launch its 2015 Creative StartUp class. The application program deadline is July 10th for new clients.

The presentation included an impact report for the past three-months. The highlight of the impact report was over a \$1M raised by the companies in investment capital from the nine companies that completed the program. Highlights of the company successes representing the nine companies that completed the Accelerator Program were provided.

EDAct funding provided supports all aspects of the Creative Startup accelerator in addition to the programs mentors' network. Creative StartUps clients include a large sector of Albuquerque's community intellectual property and service based startups.

The positive impact the program has had is a direct result of the existence of startup entrepreneurs within the creative industries. For entrepreneurs, the huge gap of missing support programs available for the creative industries was identified as a having a negative impact on the amount of success among creative startups. Creative Startup administers a curriculum designed to bridge gaps and used the curriculum to build the organization's current accelerator program.

World-wide there are four creative startups that are truly defined as serving creative startup. Albuquerque's program is unique in the world and no competitions in the country.

The programs that have spun off from the Creative Startup Accelerator include Creative Mornings, which is credited for forming a business network cohesiveness and collaboration within the creative industries. Creative Mornings offers an opportunity to connect people not only to new programs but also to new parts of the community. Another result of the Creative StartUp Accelerator and Creative Mornings the program is helping "creatives" find each other on both a local (City-wide) and globally.

The way to build an economy today is to start with the entrepreneurs and build it from the ground-up and which is from the ground up.

National Marketing Program - Gary Oppedahl and Deirdre Firth

Research provided to the City in the past and more recently continues to demonstrate that Albuquerque has yet to establish a reputation as a place to start, grow or bring your business to Albuquerque. While the City doesn't have a bad reputation it simply doesn't have a reputation. EDD has been tasked by the Mayor's Office to initiate a request for proposal to conduct a National Marketing campaign.

Through the creation of an aggressive Albuquerque marketing campaign the task to be achieved is to position Albuquerque as a vibrant option for locating a business. Businesses can't choose Albuquerque if they don't know about Albuquerque.

The task for the National Marketing campaign should identify the type of audience. Erin Gentry listed the target audiences to include but not limited to; New York, Austin, Boulder and Silicon Valley. Also utilize social media to sell the message to the national media to attract national site selectors.

The EDAct structure allows the City to accept proposals and award contracts without a formal Request for Proposals. EDAct is the means for the City to administer the task for reviewing proposals. Message on task is to build the private economy. As a founder of a company Albuquerque needs to provide information and message that does not currently exist. Looking to identify the firms that will collect the data about Albuquerque that exists and then craft the education message.

Question about how the EDAct funded program The Loop, contracted to generate a positive buzz about Albuquerque through social media. The idea that The Loop could be a component of the National Marketing Campaign was suggested. Request by Gary Oppedahl to invite The Loop to present at the next EDAct meeting was made.

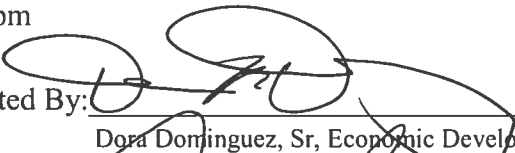
MOTION: To allow EDD Staff to proceed with creation of a proposal to contract \$1M national marketing campaign with funds already set aside by Councilor Jones

SECOND: Deborah Johnson

MOTION PASSED UNANIMOUSLY

Motion for Adjournment and next meeting date set tentatively – July 31, 2015 from 12pm-2pm.

Adjourn—Meeting adjourned at 1:28pm

Minutes Submitted By:  Date 11/24/15
Dora Dominguez, Sr, Economic Developer

Minutes Approved By:  Date 12-8-15
Don Power, Chairman