

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Tuesday, April 2, 2019**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of December 20, 2018.
4. Discussion and action regarding renewal of statistical data and website property database, Chase Gentry.
5. Discussion and action regarding Community Branding, Chase Gentry.
6. Economic Development Fund Financial Report, Justin Howalt.
7. Update on projects/quarterly report, Chase Gentry
8. For the good of the order.
9. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Tuesday, April 2, 2019 in the Assembly Room of the Bert Cabiness City of Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Vince Tyson, CIDC
Raymond Mondragon, District 4
Hoyt Pattison, Industry
Megan Palla, Bank/Finance/Accountant
Jason Felty, Bank/Finance/Accountant

ABSENT:

Linda Robles, District 3
John D. Gutierrez, Utility Service Provider
Brett Johnson, Count Representative

EX-OFFICIO PRESENT:

Chase Gentry, CIDC Director
Ernie Kos, Chamber Director

EX-OFFICIO ABSENT:

Dr. Becky Rowley, President CCC

ALSO PRESENT:

Vicki Reyes, Administration
David Richards, City Attorney

Mr. Howalt called the meeting to order at 7:30 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of December 20, 2018

Mr. Mondragon made a motion to approve the minutes of December 20, 2019 as presented; Mr. Tyson seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Discussion and action regarding renewal of statistical data and website property database

Mr. Gentry advised the website is to offer properties throughout the city and this is the third year they have offered it. The cost is \$9,200 for 12 months. It allows a company to look at all of the properties available and create a packet to use in their analysis. The NM Partnership has used and it ties into the national database. Mr. Mondragon advised the NM Partnership wants the communities to keep up with their inventory. He asked if they have had any hits. Mr. Gentry advised they have a Retail Committee with the Chamber and they discussed listing some of the vacant buildings on the site as well. They are looking at different retail establishments that are looking at Clovis. It also helps realtors. Mr. Tyson asked if they track any statistics. Mr. Gentry advised he doesn't.

Mr. Mondragon moved for approval; Mr. Tyson seconded the motion, which passed by acclamation.

Agenda Item No. 5 - Discussion and action regarding Community Branding

Mr. Gentry advised they discussed different targets in their plan. Mr. Tyson advised one thing they discussed was now that Plateau has fiber built in a large percentage of the city is there a way to leverage that in economic development. Suddenlink also has the same thing. He asked if there are any technology orientated companies. One they thought of was at Cannon and there are other potential opportunities. Mr. Howalt advised they are trying to broaden the market that they are trying to entice to come to Clovis. With the companies located at Cannon they have an opportunity to tie into those. They are one of 25-30 communities in this country that are a gigabit city. They are in the infancy stages of this but can diversify themselves.

Mr. Mondragon advised Senator Udall hosted a broadband summit in Santa Fe and one of the discussions they had was technology connectivity within the rural markets. HB 175 was discussed and Plateau was mentioned as one of the premiere telecom companies in New Mexico that do offer good broadband in rural communities.

Mr. Gentry advised one thing they looked at was creating an interest in the area by branding and offering Clovis in a new light. In the future they will bring back what they find out and where they think they can go with this. They have put some things on their website for now and will look at tradeshow. They will also look at how they can connect with Cannon and their contractors. Mr. Howalt advised if they can expand the economic base they can employ the military spouses at Cannon. Mr. Gentry advised the current commander is leaving in June but said Cannon would be able to ascertain what the spouse's talents were.

Agenda Item No. 6 - Economic Development Fund Financial Report

Mr. Howalt advised they have \$1.297 million cash in bank, which is down from \$2.6 million previously. They have purchased the Snell property and closed on that. Cummings met their obligations so the city has paid out to them for their performance. Expenditures through March 31 were \$22,000 and for the year \$2.3 million. Revenue for March 31 were \$75,000 and for the year \$921,000.

Agenda Item No. 7 - Update on projects/quarterly report

Mr. Gentry advised they expect to have Cummings building finished this month. They should come in right at budget and will hopefully be able to occupy the building in May or June. They have started their new line of remanufacturing engines and this is a military contract. They have hired 8 new employees. Pattern Energy are in the process of finalizing their turbine installations in Grady. Pattern is a very community orientated company and were asking what they can do to help in the community. Ms. Kos advised they had a marketing company with them and will try to promote a look back at what happened in Broadview and Grady. Mr. Gentry advised they would do an economic impact study and let everyone know what the impact has been and what it will be. Apex Energy are working on finishing their transmission line and getting PRC approval. They still have various solar projects that are interested in the area.

Agenda Item No. 8 - For the good of the order

Mr. Howalt advised they are looking for representatives from Districts 1, 2 and 3.

Agenda Item No. 9 - Adjournment

There being no further business to come before the board the meeting adjourned at 7:52 a.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Tuesday, July 30, 2019**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of April 2, 2019.
4. Discussion regarding Community Branding, Chase Gentry.
5. Economic Development Fund Financial Report, Justin Howalt.
6. Update on projects/quarterly report, Chase Gentry
7. For the good of the order.
8. Adjournment.

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STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Tuesday, July 30, 2019 in the Assembly room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Vince Tyson, CIDC
Raymond Mondragon, District 4
Hoyt Pattison, Industry
Megan Palla, Bank/Finance/Accountant
Jason Felty, Bank/Finance/Accountant
Gail Tarson, District 1
Kevin Cass, District 3
Brett Johnson, County representative
Latriece Brooks, District 2

ABSENT: John D. Gutierrez, Utility Service Provider

EX-OFFICIO PRESENT: Chase Gentry, CIDC Director
Ernie Kos, Chamber Director

ALSO PRESENT: Claire Burroughes, Assistant City Manager
Vicki Reyes, Assistant City Clerk
Jared Morris, City Attorney
Jim Glover, Once a Day Marketing

Mr. Howalt called the meeting to order at 7:31 a.m. and established the presence of a quorum. He advised there were various new members to the board and asked everyone to introduce themselves.

Agenda Item No. 3 – Approval of the minutes of April 2, 2019

Mr. Mondragon made a motion to approve the minutes of April 2, 2019 as presented; Mr. Pattison seconded the motion, which passed by acclamation.

Agenda Item No. 4 – Discussion regarding Community Branding

Mr. Gentry introduced Jim Glover. They have worked with Mr. Glover for 15 years. They have been in conversations with Mr. Glover regarding imaging and branding for Clovis. Mr. Glover advised Once a Day Marketing is based out of Santa Fe. He gave a brief presentation regarding branding. Elements of a successful brand are community experience, tourism and economic development. There are three parts to community branding: brand positioning, brand identity and brand integration. They are involved in community engagement, business and talent attraction and tourist and visitor attraction. They have worked with the Village of Los Lunas “Small Community Big Possibilities”, City of Farmington “Jolt Your

Journey", Town of Gallup "Real True", Village of Los Alamos "Where Discoveries are Made", and the City of Alamogordo "Alamogordo Adventures for Life".

Mr. Glover advised he loves "Clovis Rocks". Everything could align with the brand if that doesn't change. Mr. Mondragon asked if multiple branding would confuse everyone. Mr. Glover advised it just depends on where they want to go, but it can be confusing. Mr. Howalt advised they could have one brand for the community, and then different brands for the various organizations.

Mr. Howalt asked how important it was to get local businesses engaged in a process like this. Mr. Glover advised it is critical. The City of Alamogordo had three major businesses invest their own money and then the city put funds towards this.

Mr. Mondragon asked if they had open public forums. Mr. Glover advised they did have community surveys. Ms. Burroughes advised "Clovis Rocks" has been the brand, but what are they doing to get people to stay in Clovis and work in Clovis. A lot of money has been spent implementing the Parks Master Plan to improve the recreation programs, and the City has worked very hard with the Chamber on making this a place people want to call home.

There will be a stakeholder lunch today. They will look at the Chamber mission, the Retail Committee. Mr. Glover has been given a copy of the Comprehensive Plan so he can see what the Chamber is doing, and implement it. Mr. Gentry advised the Chamber and CIDC are committed to funding this work.

The first phase will take 6 months.

Agenda Item No. 5 - Economic Development Fund Financial Report

Mr. Howalt advised for the City of Clovis' Economic Development Fund there was \$1.7 million Cash in Bank, Revenue received was \$1.3 million for the year, and \$1.2 million was distributed for the purchase of the Snell land adjacent to Cannon AFB.

Agenda Item No. 6 - Update on projects/quarterly report

Mr. Gentry advised Pattern had finished their third phase. He was working with Grady regarding their IRBs. He and Ernie Kos attended a trade show in Houston where they met with Pattern officials. Mr. Gentry will have been with CIDC 17 years in September. He advised David Petty had been a tremendous help with the Cummins development. He is also doing the analysis for a brewing company who is looking at locating downtown. There are 3 active biogas companies looking at Clovis (biomanure). There is a biotech company looking at existing facilities with a local business to maybe come in. The Chamber and CIDC met with Advanced Air who is planning to respond to the EAS. Ms. Burroughes explained the Essential Air Service to the group. Kit Foreman is the new staff member with NM IDEA. Pattern Energy is sponsoring a Back to School event at the Civic Center.

Mr. Howalt asked if there were any current prospects for the Industrial Park. Mr. Gentry advised there were not any.

Mr. Gentry advised the Racino had been back to square one. They talked with the Governor's Chief of Staff last week. One of the Racing Commission members (from Ruidoso) had been removed and a former member, who is a pharmacist in Albuquerque and who they have worked with before, has been put back on the Commission by Governor Lujan Grisham. He has placed an item on the agenda for this

Thursday's Racing Commission meeting and they will have representation at that meeting. They are trying to get a unified letter with Tucumcari encouraging the Racing Commission to move forward. The former law suit had been dismissed.

Mr. Mondragon advised the EPCOG had their annual meeting tomorrow and Wesley Shafter would be getting the Cry of the Wilderness Award.

Mr. Pattison suggested fire plugs along the Ute pipeline project which would help farmers. Mr. Howalt advised the current line is a transmission line, but they could come off the distribution lines when they are built. The new line will end one half mile north of Cannon.

Agenda Item No. 7 - For the good of the order

None.

Agenda Item No. 8 - Adjournment

There being no further business, the meeting adjourned at 8:50 a.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Wednesday, November 13, 2019**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of July 30, 2019.
4. Discussion and action regarding Bandolero Brewing, LLC project, Chase Gentry.
5. Economic Development Fund Financial Report, Justin Howalt.
6. Update on projects/quarterly report, Chase Gentry
7. For the good of the order.
8. Adjournment.

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STATE OF NEW MEXICO)
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The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Wednesday, November 13, 2019 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Vince Tyson, CIDC
Raymond Mondragon, District 4
Megan Palla, Bank/Finance/Accountant
Gail Tarson, District 1
Brett Johnson, County representative
Latriece Brooks, District 2
John D. Gutierrez, Utility Service Provider

ABSENT:

Hoyt Pattison, Industry
Jason Felty, Bank/Finance/Accountant
Kevin Cass, District 3

EX-OFFICIO PRESENT:

Chase Gentry, CIDC Director

EX-OFFICIO ABSENT:

Ernie Kos, Chamber Director

ALSO PRESENT:

Claire Burroughes, Assistant City Manager
Vicki Reyes, Assistant City Clerk
Johnnie Jones, Western Bank
Andrew Logan, Bandolero Brewery
Robin Kuykendall, CCC

Mr. Howalt called the meeting to order at 7:30 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of July 30, 2019

Ms. Tarson made a motion to approve the minutes of July 30, 2019; Mr. Tyson seconded the motion, which passed by acclamation.

Agenda Item No. 4 - Discussion and action regarding Bandolero Brewing, LLC project

Mr. Chase Gentry introduced Johnnie Jones, Western Bank and Andrew Logan, Bandolero Brewery. Mr. Logan advised this is a startup company that he started and their goal is to open Clovis' first microbrewery. Their site will manufacture all of their beer on site. He has been working with Western Bank who has funded this project and they are in the process of starting construction on the facility at 421 Main Street. When they open they will have the manufacturing equipment on site and will also put in a restaurant. Ms. Jones advised Western Bank took an interest because it is local business and they are interested in developing downtown. They have also been working with the state where they

secured additional collateral. They are looking for sustainable growth specifically for the downtown area. They think this will draw in other businesses and help with revitalization. The brewery is ultimately looking at distribution as well. They believe in the project and the bank has the largest investment in the brewery.

Mr. Gentry advised the CIDC board recommended investing \$20,000 in the project with a 12-18 month start up time for them to get finished and operating. They will have a 3-year contract where the city would pay up to four months of \$6,666.67 per year. The minimum wage would be \$11.50 per hour. The State of New Mexico funded projects in Lovington and other communities through the LEDA program. Under LEDA they can do manufacturing but not retail.

The policy manual talks about manufacturing but does not designate a requirement for out of state sells. The ordinance that is in place from the city describes that the business should have 50% of their business revenue coming from a customer based outside of the State of New Mexico. There is no timeline built into the ordinance and they feel they are in compliance with the ordinance in place with the City of Clovis. This is not a requirement of the state, but something they put in. As for the immediate future there will not be distribution outside of the state but they plan to in the future.

Mr. Mondragon advised they toured Bosque Brewing at the New Mexico Idea Group meeting and they had a warehouse full of beer that they sale. Santa Fe Brewing also has their own brand. He asked if that was what Bandolero is planning to do. Mr. Logan advised it was. Mr. Mondragon advised he read that Mr. Logan had a lot of experience. Mr. Logan advised he is a current employee at Southwest Cheese and managed the maintenance department where he had 65 employees reporting to him and was in charge of a \$12.5 million budget. He also worked at the Ethanol Plant in Portales for five years. They made beer there and separated the alcohol out for fuel. They made 170,000 gallons batches of beer there. He has been through Bosque Brewery's facility and they are distributing outside of the state. Mr. Mondragon advised he liked the idea of the brewery downtown. Mr. Logan advised they plan to have growerls and cans available. The first step in distributing to other facilities will be keg beer and plan to partner with other breweries.

Mr. Mondragon asked how he would deal with critics opposing another brewery downtown. Mr. Logan advised breweries spark other businesses downtown. They are not bars and do not attract people that create problems in a community. There is a huge following of people that like to experience what breweries have to offer.

Mr. Mondragon advised he mentioned the new breweries at the newcomers briefing at Cannon Air Force Base and it received a huge response. Mr. Logan advised he spoke with a lot of people at the events that have been held downtown and the support and positive aspect has been overwhelming.

Mr. Howalt advised he was all for job creation and new businesses. There are state statutes but this is a home rule municipality so they need to be sure they follow the ordinances set forth by the City Commission. The State of New Mexico through LEDA funding has funded other breweries and they do feel this is an appropriate use based on the state statute. The part that hangs him up is that 50% of production has to be sold outside of the state. Right now while the business is a startup business and they are going to be manufacturing for sales locally he didn't think they could assume that 50% of their revenues are going to come from outside of the State of New Mexico on the sales side. He realizes there is no timeline. He asked if this group was going to give them money in hopes that they would be

manufacturing and distributing sales outside of the State in the next 5, 10, or 15 years. There would be opportunity in the future if they did need to expand because they are allowed to fund infrastructure and equipment. He asked Mr. Logan if he was 100% funded already. Ms. Jones advised it was a fully funded project, but they were hoping the community would help. There is nothing that has gone in downtown that has sparked other businesses to move in downtown. The bank sees this as a turning point for downtown to spur development. Mr. Howalt advised this is a great project but they want to make sure they are adhering to what the commission has set forth.

Ms. Palla asked if that rule was in the paperwork they received. Ms. Burroughes advised it was in the packet that was given to them when they started on the board. Mr. Howalt read "the city or corporation limited liability company, partnership, joint venture, syndicate, association or person who creates economic based jobs with a minimum of 50% of business revenue coming from a customer based outside the State of New Mexico". Mr. Tyson advised they have a large traffic base that drives through Clovis. He asked if they were going to have advertising telling people to stop here. Mr. Logan advised they would like to partner with the other breweries showing a beer and wine trail. They will also have billboards. Ms. Tarson asked if that would meet the 50% rule. Mr. Howalt advised it wouldn't. Ms. Palla stated it says "You cannot import a customer". Ms. Tarson advised there was no timeline which does not give them any ability to manage it. She asked if they could have some sort of agreement that says they will be exporting 50% by a certain date/year. Mr. Howalt advised what was being proposed was a post-performance grant, which means they are fronting it and then will prove to the city that they created those jobs. He asked if the board was going to put a post-performance grant that would come into effect in 5-6 years when he creates those jobs.

Ms. Brooks asked if Roosevelt Brewery was similar to Bandolero. Mr. Logan advised it was but they do not distribute and their location is half the size of his. Ms. Brooks asked what the timeline was for other breweries that distribute. Mr. Logan advised Bosque started distributing within their first year and about 80% of what they produced is distributed. They have two breweries and two tap rooms. Ms. Brooks asked if five years would be feasible. Mr. Logan thought so.

Mr. Howalt asked what has been funded. He doesn't see a distribution line that has been funded. Mr. Logan advised the distribution of kegs doesn't require additional equipment. A canning line would fit within the footprint of the building. Ms. Tarson asked if that was part of the funding that he has received. Mr. Logan advised it was not. Ms. Tarson asked if this money would assist with that. Ms. Jones advised this would help with the canning line. Mr. Howalt asked what the cost was. Mr. Logan advised the cost of the kegs is \$34,000 for 300 and they can either purchase or lease the kegs. The canning line would cost around \$60,000.

Mr. Gentry advised in the plan it says they will support MainStreet and the intent was if there is money that will come in from the State they would be able to use it. He did not think the intent was to limit what the brewery is doing. They took the job training incentive manual from the state and modified it to be used for the policies and procedures for EIB. They did not build in any requirements of the timeline.

Mr. Johnson asked if the 50% was volume or sales. Mr. Gentry advised it says revenue. Mr. Johnson asked if they could amend this ordinance. Mr. Howalt advised they would have to review the ordinance and it would take a couple of months because they would have to introduce a new ordinance and then

adopt it. If Mr. Logan needs to expand for the distribution portion then he could come back and reapply while they discuss this with the commission.

Ms. Tarson advised they don't need to lose sight of realizing the value to the economic growth and stamina of what this business can do. The LEDA funds are there for this very thing. She advised they can show the importance of growth by approving this. Mr. Mondragon advised there was a claw back if something was to happen. He agreed with Ms. Tarson that they need to move forward.

Mr. Howalt advised if they are concerned about the 50% then they are in violation of the ordinance. Mr. Tyson advised they all agreed this was something to invest in. He was not aware of anything concrete in the business plan showing it will happen. If they approve this they are setting a precedence that the next time someone comes in with a similar situation they do not have to present any concrete information to substantiate that 50% of the revenue will come from out of the state. He asked if there was an option to say he could come back and reapply when he's ready to do the canning part. A canning operation shows that he is going to distribute outside of the community.

Ms. Burroughes asked if they have applied to the state for LEDA funding. They said they could do this as far as the state was concerned but it could only be used for remodeling. Ms. Jones advised she spoke with them and there was nothing other than the remodeling so there was no real benefit there. It also would have been a hindrance in his opening. Mr. Gentry advised the state could stay they would fund it but the city's rules apply to that funding because they transfer the money to the city. If they get any LEDA money from the State of New Mexico then the city's ordinances will apply to the guidelines. The money has to be controlled by the city and go through all of the audits and procedures. The state has no authority to give money to any business under the state LEDA law. The only people in the state constitution and the LEDA ordinance that can give money is a municipality or county.

Mr. Mondragon read 320.80.20, page 8 of the ordinance "business means the city, a corporation, limited liability company, partnership, joint venture, syndicate, association, or person that creates economic state jobs with a minimum of 50% of business revenue coming from a customer base outside the state of New Mexico." Ms. Tarson asked if they have distributed LEDA funds to another business in the past that did not immediately have 50% of that distribution. Ms. Burroughes advised she has not seen that happen. She advised when the golf course was privately owned they gave money, but it was prior to the guidelines. The commission changed everything after BHSI. Mr. Howalt advised theses were set up because there was concern of not adhering to checklists. He advised he fully supports this project and revitalization of downtown.

Ms. Burroughes asked why they decided on the 50%. Mr. Gentry advised there was a similar definition in the JTIP manual to help fund training projects. The intent was to protect the fund. There has always been a push to make retail eligible and the state made a small endway saying if someone was under 10,000 in population then they could fund retail development if it doesn't compete with another business. Ms. Burroughes advised Lovington was eligible for funding because they were between 10,000 and 35,000, but the Clovis is over the 35,000 population threshold. He advised a brewery like Red Door or Roosevelt would not be available because they are not manufacturing.

Mr. Mondragon asked if they could recommend tabling until the commission can look at the ordinance. Mr. Howalt advised timelines and schedules need to be addressed during that time as well. Mr. Gentry advised there is intent in the ordinance and in the plan that MainStreet can be part of the plan and the

process. He asked if they could include that if someone was in the MainStreet district then they would not need the 50%.

Mr. Tyson asked what the process was to move on this. Mr. Howalt advised this board would make a recommendation to the change the ordinance. Ms. Burroughes advised she did try to do what Mr. Gentry mentioned and the committee at the time did not agree to it. Mr. Howalt advised he could visit with the city commission on this matter and see if there is some appetite on changing the ordinance. Ms. Tarson advised it needs to be better defined. Ms. Burroughes advised she would pull the minutes from the committee meetings. Mr. Gentry advised they could better define it without going through the ordinance. They could just modify the policy manual. Mr. Howalt advised they couldn't because it's in the ordinance. Mr. Gentry advised regarding the timelines they wouldn't have to do that in the ordinance.

Mr. Mondragon made a motion to table the Bandolero Brewing, LLC project application and recommend the city commission review the city ordinance on the 50% revenue distribution issue. Ms. Tarson asked if they wanted to make a recommendation to the commission what they wanted to do. Mr. Mondragon amended his motion to table the Bandolero Brewing, LLC project and recommend that the city commission make necessary changes on the minimum 50% of business, defined in section 3.28.020, based on revenue coming from a customer based outside the State of New Mexico; Ms. Tarson seconded the motion. Mr. Gentry advised they could strike that language in the ordinance and put it in the policy manual. The last paragraph of the policy manual says "the commission can waive the policy manual or portion of the policy manual based upon intent". Mr. Tyson asked what the point would be in having an ordinance.

Ms. Tarson advised they should be making the recommendation as to what they want the commission to consider. Mr. Howalt advised they are asking the commission if they even want to look at the definition. Mr. Gentry asked how they were going to get that answer. Mr. Howalt advised he would meet with them. Mr. Gentry asked if he could be involved. Mr. Howalt advised he could.

Upon a roll call vote, with all voting in the affirmative, the motion carried unanimously.

Ms. Palla advised they are very excited for the project and will be there to support it. Mr. Logan advised he felt this was more to support large manufacturing but they shouldn't lose site that they are trying to promote business on MainStreet. Mr. Howalt advised he fully supports Mr. Logan. Ms. Burroughes advised the commission adopted a metropolitan redevelopment area in the downtown district and those funds were used to help with the Hotel Clovis. She advised she can look into that. Mr. Tyson advised economic development is about growth. The ordinance is too restrictive but they have to be careful they don't set precedence.

Agenda Item No. 5 - Economic Development Fund Financial Report

Mr. Howalt advised they have \$1.7 cash in the bank, the month ending October they earned \$90,526 in revenue and year to date is \$449,921. The expenditures in October were \$2,492 and year to date total expenditures are \$20,341.53.

Agenda Item No. 6 - Update on projects/quarterly report

Mr. Gentry advised they are continuing to work on Apex Energy with the solar project by Grady. They are also working with Cannon Air Force Base on a solar project that will serve Cannon. Mr. Johnson has been meeting with a company that is by Cannon and Clovis. They have several biogas companies that they have been talking to and are in the process of working on one project. There is a larger biogas company that is looking at Clovis and Dairy Farmers of America also brought in another biogas company. There is a call center company that is hiring people to work at home and they have hired 28 people so far. They have a 35,000 square foot facility next to the Civic Center that is on the market and it has been submitted to the New Mexico partnership. There are three existing call centers in NM that are available so the state is working on promoting those. They are also working on the branding initiative. They have started the focus group process that will begin in December and will be doing a public survey.

Mr. Howalt advised they had a conference call on the bioscience designations. Mr. Gentry advised he got them in touch with Mark Roper. Mr. Howalt asked if there were any leads on the industrial park.

Agenda Item No. 7 - For the good of the order

Mr. Mondragon advised January 22 will be the New Mexico Idea Legislative Reception at Hotel Santa Fe. He advised he would be taking over as the 2020 New Mexico State President for the New Mexico Idea Group and Mr. Gentry is on the Board of Directors.

Mr. Howalt advised the City of Clovis has recently selected Contour Airlines as the next alternate EAS airline provider. They are proposing two routes a day into DFW and as part of that they will need TSA to establish at CVN. Once they figure out what needs to be done to the terminal there will be a potential application to make infrastructure improvements at the terminal. Ms. Tarson asked when they officially take over. Mr. Howalt advised under the contract it will be February 1. However, in working with Contour and DOT it may take longer than that to get TSA established at CVN so DOT will continue to work with Boutique to extend their contract month to month. Ms. Burroughes advised a request has been submitted to the federal delegation to encourage TSA to get a move on. It can take up to six months to get TSA in and the city has been having conversations with Contour. Contour can go into sterile or non sterile at DFW the preference would be to push the whole program live into the sterile area. Mr. Mondragon asked how many TSA agents they would bring in. Ms. Burroughes advised there would be 14.

Mr. Gentry advised they had a company that was here two months ago to put in a test facility in Clovis. They are a company out of New Mexico and are working with All Tech.

Agenda Item No. 8 - Adjournment

There being no further business to come before the board the meeting adjourned at 8:45 p.m.

**CITY OF CLOVIS
ECONOMIC INCENTIVE BOARD
AGENDA**

**7:30 a.m.
Wednesday, December 11, 2019**

**Assembly Room
Bert Cabiness City Government Center
321 Connelly Street
Clovis, New Mexico**

1. Call to Order.
2. Roll Call.
3. Approval of Minutes of November 13, 2019.
4. Discussion and recommendation regarding change to Definition of “Business” in Section 3.28.020 of City of Clovis Ordinance Number 2053-2015, and City of Clovis Applicant Eligibility Qualifications and Requirements in Program Management Administration Section 2 relating to 50% revenues coming from a customer base outside the State of New Mexico eligibility requirement, Mr. Justin Howalt.
5. Discussion and action regarding Bandolero Brewing, LLC project, Mr. Justin Howalt.
6. For the good of the order.
7. Adjournment.

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the City Clerk at 321 Connelly at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk at 321 Connelly if a summary or other type of accessible format is needed.

STATE OF NEW MEXICO)
COUNTY OF CURRY) ss.

The City of Clovis Economic Development Board met in regular session at 7:30 a.m., Wednesday, December 11, 2019 in the Assembly Room of the Bert Cabiness City Government Center, 321 N. Connelly, in full conformity with the laws of the State of New Mexico and the ordinances and resolutions of said city with the following members present:

Justin Howalt, Chairman
Vince Tyson, CIDC
Kevin Cass, District 3
Raymond Mondragon, District 4
Jason Felty, Bank/Finance/Accountant
Megan Palla, Bank/Finance/Accountant
Hoyt Pattison, Industry

ABSENT:

John D. Gutierrez, Utility Service Provider
Latriece Brooks, District 1
Brett Johnson, County, Vice Chairman
Gail Tarson, District 2

EX-OFFICIO PRESENT:

Ernie Kos, Chamber Director
Chase Gentry, CIDC Director

EX-OFFICIO ABSENT:

Robin Kuykendall, CCC Interim President

ALSO PRESENT:

Commissioner Taylor-Sawyer
Claire Burroughes, Assistant City Manager
Jared Morris, City Attorney
Kevin Wilson, ENM News

Mr. Howalt called the meeting to order at 7:32 a.m. and established the presence of a quorum.

Agenda Item No. 3 - Approval of minutes of November 13, 2019

Ms. Burroughes advised regarding a change to the minutes of November 13, 2019. Mr. Mondragon moved for approval of the minutes of November 13, 2019 as amended; Mr. Pattison seconded the motion which carried by acclamation.

Agenda Item No. 4 - Discussion and recommendation regarding change to Definition of "Business" in Section 3.28.020 of City of Clovis Ordinance Number 2053-2015, and City of Clovis Applicant Eligibility Qualifications and Requirements in Program Management Administration Section 2 relating to 50% revenues coming from a customer base outside the State of New Mexico eligibility requirement

Mr. Howalt said at the November 13 EIB meeting there was a recommendation to go to the commission to see if they were interested in changing the definition of a business with 50% of revenue coming from outside the state of New Mexico. The Commission met on November 21 and felt the EIB should be the working group to make a recommendation regarding the policies and procedures changes. Commissioner Taylor-Sawyer was there when these policies were developed and she came to the meeting today to provide some background and history.

Commissioner Taylor-Sawyer thanked the EIB for their service to the City of Clovis. She advised when they did this process they decided as a commission that neither the mayor nor any city commissioner would sit at or attend any EIB meeting, by design caused by the history that created the change in format. She had been asked to come and provide a background. If they have any questions she would be happy to address the questions if she could and then she would leave. The commission decided not to put in the ordinance or policies and procedures that no commissioner would attend the meeting. It was understood “gentlemen’s commitment” that they had. She asked that this be put in the minutes.

Commissioner Taylor-Sawyer said not to bring up any trash as to why they were here, there was an incident that happened that effected the City, and it was really important that the City came and looked at the process of how they use their economic development money to really improve or give support to existing as well as new business in the area while still protecting the city. When she came on the commission in her first term she and David Lansford were newly elected to the commission and it was decided because she was new to the process and because of that she would lead the ad hoc committee. They met for over a year and CIDC Chase Gentry was a big part of that of the ad hoc committee. They looked at many documents, the process, and other communities and what they are doing and what the state is doing, and how the city can support business in their economic development endeavors. It was determined there were three documents that are important to the EIB’s decision making as a committee. The first is the ordinance as listed on the agenda. The second is the policies and procedures manual which is a very important document that ties in with the ordinance. With legal counsel – Dave Richards attended every meeting - and with his guidance and the discussion of the ad hoc committee, they decided not to duplicate the two documents, but they need to work in tandem together. The third document is the checklist which is important to lay out who is going to do what. In her eyes it was set out in detail.

Mr. Tyson said he did not get the EIB documents. Mr. Howalt said they could send it out again.

Commissioner Taylor-Sawyer said the application to the City is the number 4 on the checklist. Number 5 on the checklist is the EIB meeting. It is a project management checklist. The city manager, who is the chair, will confirm the complete application, and check with CIDC staff for agenda items before the agenda goes out. City staff informs the EIB of the meeting including the agenda, project application and project report. City staff informs media/company of the meeting date, giving the agenda, and CIDC staff company officials confirm to attend EIB meeting. She said she was sharing this to show they took pain to say what needs to take place and when it needs to take place. The three documents need to be considered together.

Commissioner Taylor-Sawyer said the discussion is with the 50% revenue coming from outside the State of New Mexico. The thought behind this was they as the ad hoc committee and commission agreed they wanted new dollars coming into the community. Any time new dollars are coming in it has to be from customers outside the community. If not all they are doing is taking the existing pie they have here and cutting it up and not creating new dollars that can benefit the city. To say outside the State of New Mexico they felt they did not want to compete with Portales, or Albuquerque. They wanted to be an advocate and supporter of the entire state of New Mexico. They are losing jobs in the state of New Mexico and whatever Clovis can do to support the job gap, they want to do. They felt the 50% outside the state of New Mexico could give them just another level of saying they are supporting the state of New Mexico in bringing new dollars in.

Commissioner Taylor-Sawyer advised most of them may know, and Chase may offer more information, that the state of Texas has a lucrative - and that is really a great description - packet that they can give, that the state of New Mexico cannot compete against. There was some discussion of doing a 60 mile radius to not compete with the close neighbors in Texas. Their packet is way much better than Clovis'. She asked them to keep that in mind when thinking about a 60 mile radius which would include Texas.

She said that was the background she wanted to share with them. They met for over a year, often for two hours twice a month. She said she was passionate about it, but open to any recommendation that clearly needs to be stated or changed. With the points brought up, that was what she wanted to bring up.

Chase Gentry said CIDC was reinitiated in 2000. Ernie and the Chamber handled economic development until they separated. The ordinance approving it in 1999 approved a GRT for economic development. Ernie and Julian Moreno led the charge. In the question and ordinance it is a protected fund. Some communities don't have a protection, like Tucumcari. Since 1999 until the present CIDC has worked with the city and state to protect the money to make sure it goes towards job creation. In the ad hoc committee ordinance they further restricted the money to make sure it is not diluted. In state statute in the last 15 years there have been 5-6 amendments. Their tax was passed in 2000. If you passed your tax ordinance before a certain period you have to go back to the voters. Some small communities pushed for use for retail restaurants and hotels which is limited to under 35,000 people. Under 10,000 can do retail. The legislature is trying to enter law to not create competition. There are a lot of things that are further defined in the city's ordinance that is not in state law.

Mr. Mondragon thought competition was good on a free society and free enterprise. They beat Plainview, Texas for SWC. Clovis and Plainview were the finalists. He asked for a correction to page 4 of the November minutes which should read 3.28.020. He advised he attended the commission meeting and made some remarks regarding what was discussed at the EIB meeting. He said it was difficult as a starting business – how are they going to figure out what is the outbound manufacturing and inbound on the percentage? He said he was struggling with that. Based on what he has heard, he has the feeling from the commission that there might be an appetite to not change the 50%. He said it may be best to leave it alone.

Commissioner Taylor-Sawyer said there is a project participation which they did with Gavilon Grain where they actually get the sales and then show the city they came from outside the area. There is a way to assist start ups and existing business.

Chase Gentry said there is an auditing process in the PPA. They certify and provide the information back. He did not think there had been a big question on this in the past as they knew how businesses were operating. Bandalero was the only one. Mr. Howalt said it would be past performance as they would have to show they earned their funds.

Mr. Mondragon said Mr. Gentry reports on performance.

Commissioner Taylor-Sawyer said in the commission meeting as the commissioners, and she said she knew they could not speak for them, but felt they were for small businesses and for growth. By the policies and ordinances put in place, she did not want anyone to think they were not for small business. Mr. Mondragon said she made the statement at the Commission meeting and appreciated that.

Commissioner Taylor-Sawyer left the meeting.

Mr. Howalt asked if there was any appetite by the group to look at the 50%. He said they could leave it the same and continue with the current procedures in place. Mr. Mondragon said they could look at increasing or decreasing, or look at 60 mile radius, and consider Curry and Roosevelt County as an area. The first decision that needs to be made is whether they want to continue to investigate and research options for this particular definition.

Mr. Tyson said when they look at the limits as some sort of radius, what they have chosen to do is some sort of boundaries which can be a city, county, state or country. He felt outside the state of New Mexico is an arbitrary decision and it is an emotional decision. In the end what they have to do is look at what is in the best interest of the community and that is where he is struggling. He agrees they don't want to shift the peas on the plate which will cause animosity. To him it is outside their economic area of interest. It could be the state but he would love to bring Albuquerque money into Clovis. He didn't feel they gained a whole lot if coming ten miles from Muleshoe or Farwell. Outside the state was more restrictive. He first heard from David Robinson about the microplex. They and Muleshoe have a lot in common.

Mr. Tyson advised he would be open to consider within Curry and Roosevelt. If they bring money in from Albuquerque he was okay with that and did not see it as different from Phoenix. Megan Palla agreed and thought the 50% outside the state of New Mexico was too extreme. The money comes from the city and they needed to look at what was best for the city, and outside the state of New Mexico was too large of a hurdle for most people.

Mr. Pattison said he manufactures funnels and sells them in England and Canada and most of the market is outside New Mexico. They are not about to apply for the funds anyway as it is a family developed business and he got his patent in 1988. When his patent expired they lost half their business and John Deere was their largest customer and they get them from China. Gebos was a big customer and they now get them from China. The way to compete is the freight costs from China to Los Angeles etc. because it is the customer pays the freight. They can compete with foreign made clean funnels. The name is registered. They are a small business and have

two employees and just need more customers which is where their efforts are. As a businessman it makes no difference if 50% outside New Mexico. It is what is best for the town.

Mr. Mondragon said with Bandalero – they made the application – how can they get his guarantee as to whether he would know if 50% would come from outside the state even if they lowered it to 40%. He understood what Megan Palla was saying about the 50%.

Ms. Palla liked the 50% but felt they should relook at the boundaries.

Mr. Howalt asked Mr. Gentry when they looked at other community's ordinances did they have restrictive boundaries. Mr. Gentry did not recall. They chose to look at what the state was doing and looked at their model in developing their policies.

Mr. Pattison said Bandalero is a brand new business and he doesn't know what his customer base will be. It is the language of the ordinance that might be causing the problem. He might ship the beer all over the country. If he was making the application, would he be willing to stretch the language and say he would get as much from outside the state.

Mr. Howalt said Bandalero is the second agenda item, and whatever they do with the ordinance comes first before they consider Bandalero's rules.

Mr. Mondragon moved to they leave the 50% alone, and recommend Megan Palla, Vince Tyson and another member to look at the boundary issue. Mr. Tyson felt it was too early to make a motion from his perspective. Mr. Pattison seconded the motion for three committee members to look at it.

Mr. Pattison said this is a really important decision that will change things.

Mr. Howalt said they could table the definition of businesses and pull other communities information and then make a recommendation regarding that definition. Anything that happens between now and the change in definition would be based on the current ordinances in place. They could vote or the members that made the motion can withdraw the motion.

The motion will allow staff to look into this. Through the municipal league they can get this information. Staff can come back to the EIB. Mr. Gentry said he did not think they would find that in most municipalities. Most ordinances will follow the state law for their plan. You might find one or two. Mr. Howalt said it would not hurt to do due diligence so this group is fully apprised regarding the matter. Mr. Mondragon said once they found more information and exemplified Santa Fe Brewing who they talked with, and there was no information regarding the process. Fabian Trujillo handled Santa Fe. Mr. Gentry said there would be a small amount of business that would cross into this line.

Mr. Howalt recommended based off the motion a friendly amendment that they leave the 50% in place with city staff bringing information regarding geographical boundaries and research to the next EIB meeting.

Mr. Mondragon asked counsel what to do. Mr. Morris advised they needed to vote on the motion on the table. Mr. Howalt said the current motion was to leave 50% and create a small

group with Vince Tyson and Megan Palla to look at the geographical boundary. All voted against the motion.

Mr. Tyson asked for some clarity on not importing a customer. The proposed racino is importing customers. By the way it is written, they could not support the racino with economic development funds because you cannot import customers. He felt that was more restrictive and asked to evaluate that also.

Mr. Mondragon thought if they build between Texico and Clovis and ask for annexation into the city to collect the taxes they would be a qualifying entity under the ordinance. Mr. Howalt said regarding the customer base what is the definition of the business – is it a retail business and service based, if so, it would not qualify.

Mr. Morris said the impetus is job creation as far as the state is concerned. Mr. Gentry said it did not have to be in the city limits. Mr. Tyson said there were entities they should consider investing in as this would clearly create jobs, notwithstanding the restrictive nature of the ordinance and the moral debate. He felt the ordinance was too restrictive in that sense.

Ms. Palla said the items they were discussing were in the policy manual on Page 11. Mr. Gentry said they could ask for a waiver from the commission for this. There is leeway in the policy to allow for this. Even if it is in the policy and not in the ordinance, it can be waived. Mr. Howalt said they had to look at what a qualifying entity is as defined in the ordinance and that is where they would need clarification regarding the eligibility of a business. State statute does not allow funding for a retail business and that is where they would need to dig to make sure they were not creating definitions that were not in conflict. Mr. Tyson asked if a service business was a retail business. Mr. Howalt said ordinance number 2053-2015 under definitions and qualifying entity advisers regarding this. He read this to the group.

Mr. Pattison said after 22 years in the legislature you can word smith anything and they need to have someone word smith this.

Mr. Pattison moved for a committee to look at the specific language that needed to be changed. Mr. Mondragon said they just killed that recommendation (in the previous vote). Mr. Gentry asked if the recommendation could include CIDC as well as City staff. Mr. Howalt said he did not want to exclude anyone from participating.

Mr. Mondragon moved to leave the 50% alone, that Megan Palla and Vince Tyson serve with city staff and Chase Gentry and come back to the committee with recommendations regarding the definitions. Mr. Howalt asked if Mr. Tyson would be willing to be involved with this. Ms. Pallas said she would. Mr. Cass seconded the motion which carried by acclamation.

Agenda Item No. 5 - Discussion and action regarding Bandolero Brewing, LLC project

Mr. Howalt said this item was tabled to go to the commission in regard to the previous discussion as they needed to make a decision regarding current policies. The applicant is fully funded and under construction. They applied for funding with CIDC's recommendation for \$20,000 in a post performance grant based on the number of jobs created. At the time the

applicant did not know how much manufacturing would be going on and did not have a plan in place to bottle/can/distribute.

Mr. Tyson said given the existing rules it is feasible to recommend proceeding as it is post performance. The owner has to demonstrate from some audit process that some of his revenues come from outside the state. After reading through the PDF that was sent out under eligibility for the benefit was the applicant providing healthcare benefits and given the type of employer he is, does he comply with that requirement? Mr. Gentry said that requirement is not in the ordinance and could be waived. Mr. Tyson said if it was a job creation, is it reasonable paying jobs, he liked having a certain level of job requirement.

Mr. Howalt asked if in the original recommendation from CIDC was to put a time limit in which to perform. Mr. Gentry said in the policy manual on a small project they can go longer in an agreement. SWC is to be audited for 30 years and they are in year 11. They learned that was not a good way to do business. Under the PPA if they said they are going to get in and out in 3 years, you would check them at the end. It is subjective to the agreement.

Mr. Howalt felt if the applicant does not think he can manufacture at the end of year one he does not qualify, and again in year two. Mr. Gentry said they were trying to give a ramp up time. In his situation he does not know when the applicant will start the process. Within 3 years is probably not feasible. Mr. Mondragon said that made him nervous. When advised Bandalero has to still buy the conveyers to start the manufacturing piece and that could take 2-3 years. Separating the piece from the manufacturing, it all encompasses into one. He has to show the number of jobs created. He was nervous about this.

Mr. Gentry said all the beer is manufacturing, but the restaurant is retail.

Mr. Tyson asked if they could have a five year agreement for when he meets the 50%. Ms. Palla suggested the applicant come back to the committee when he has the manufacturing in place when he is ready to move, even if he doesn't have the equipment so they have a more concrete deadline. Mr. Mondragon said that was the conversation to come back.

Mr. Howalt suggested denying the application and ask him to reapply when he is ready to manufacture and distribute. Ms. Palla moved to deny the application and ask the applicant to reapply when they are ready to manufacture and distribute. Mr. Felty seconded the motion which passed by acclamation.

Agenda Item No. 6 - For the good of the order

None.

Agenda Item No. 7 - Adjournment

There being no further discussion meeting adjourned 8:32 a.m.