

**Valencia Association of Local Elected Officials
(VALEO)
Tuesday, February 18, 2020
6:00 p.m.
Los Lunas Transportation Center
101 Courthouse Road, Los Lunas, NM 87031**

Meeting Minutes

CALL TO ORDER:

After inviting attendees to help themselves to the food provided by the Village Los Lunas, Mayor Charles Griego called the meeting to order at about 6:10 p.m.

INTRODUCTIONS:

Mayor Griego invited all present to introduce themselves and state their affiliations. The following individuals were present:

Charles Griego, Mayor, Village of Los Lunas
Cruz Muñoz, Councilor, Village of Los Lunas
Gregory Martin, Administrator, Village of Los Lunas
Peggy Gutjahr, Mayor Pro-Tem, City of Rio Communities
Bill Brown, Councilor, City of Rio Communities
Tom Mraz, Commissioner, Valencia County
Ralph Mims, Economic Development Manager, Village of Los Lunas, Valencia County Business Incubator Board Member
Kekoa Gonzales, Los Lunas Chamber of Commerce President, Valencia County Business Incubator Board President
Christopher Garcia, Business Advisor, SBDC at UNM-Valencia, Valencia County Business Incubator Board Member
Ben Romero, Los Lunas Planning and Zoning Commissioner, Valencia County Business Incubator Board Member
Russell Combs, Consultant, IOTA (by telephone)
Julia Dendinger, Valencia County News Bulletin
Garth Tallman, Esq, President, Pecos Homes
Theresa Mraz
Jim Rickey

NEW BUSINESS:

➤ **Valencia County Business Incubator Project Update**

Mayor Griego introduced the topic and asked the presenters to introduce themselves.

Ralph Mims, Los Lunas Economic Development Manager, and Valencia County Business Incubator Board Member, stated there is a need for a business incubator in Valencia County, and

that it is important for elected officials to be a part of it and to support it. He introduced other Valencia County Business Incubator Board Members present, Ben Romero and Christopher Garcia, and Board President Kekoa Gonzales. Board Member Christopher Garcia, who also serves as Business Advisor for SBDC at UNM-Valencia, stated it is important for the SBDC to be a part of this board and to be involved in the business incubator. Board President Kekoa Gonzales, who also serves as Los Lunas Chamber of Commerce President, stated that the purpose of the incubator is to give people and business owners advice and resources to help them be more successful and teach them about business concepts. He likened owning and running a business to playing the game of Monopoly, in the sense that sometimes there are setbacks and sometimes there are successes, but that everybody can win if you play the game right. He stated that the incubator's purpose and goal is to give people confidence and strategies on how to be successful and work together.

The board members reviewed the status of their formation as a non-profit organization, or 501c3. They stated that they filed the paperwork last week, and anticipate that it should be official in about a month. They stated that once their 501c3 status is set up they can start accepting funding and start helping businesses form and grow.

The board members reviewed the status of their search for a site location. They stated they are looking at leasing a site located at 22 El Cerro Road (Hwy 263) near Los Lunas in unincorporated Valencia County. The building is a 4,000 square foot former warehouse that can be divided into two 2,000 square foot sections. Their plan is to lease 2,000 square feet of space initially, and then expand into the other 2,000 square feet as soon as possible. There is plenty of parking at the site, which is considered to be centrally located, and easily accessible.

Project consultant Russell Combs from IOTA joined the meeting by telephone, and summarized the history of the project and his involvement. He stated he has been involved since its inception about three years ago. He performed the original and subsequent follow-up feasibility studies, which concluded that an incubator could be successful in Valencia County if it were sized and organized properly. He stated that, according to the feasibility studies, the incubator should start out as a mixed-use incubator, with a strong emphasis on food production, which he described as a "hybrid" model, with a future Class 1A commercial kitchen, much like the existing incubator in Albuquerque's South Valley.

The board members then reviewed the funding categories and initial budget for the set up of the incubator. Funding categories include:

- Banks – under CRA participation. (CRA stands for Community Reinvestment Act, and describes a program whereby X amount of dollars of activity must be reinvested back into the community.)
- Local philanthropists, patrons
- Local industries
- National industries
- Federal funding (i.e. USDA)

According to a handout provided by the board, the proposed Valencia County Business Incubator start-up budget would include the following:

- Manager \$ 65,000
- Fringe \$ 12,000
- Facility Rent \$ 12,000
- Utilities \$ 10,000
- Equipment \$ 10,000
- Supplies \$ 10,000
- Legal (501c3) \$ 5,000
- Misc. \$ 5,000
- Total \$129,000

The point was made that right now the project has zero dollars, but that there are current commitments of up to \$100,000. Once the 501c3 designation is received, the board will apply for grants for more funding, such as from USDA. Mayor Griego encouraged the board to reach out to local banks and local entrepreneurs to get them involved and help them succeed.

A question was asked if the incubator will be open to everybody in Valencia County? Yes
A question was asked if there will be training available? Yes, an executive director or trainer will be available to help people, and the partnership with the SBDC will also help provide training.
Finally, it was mentioned that UNM Rainforest will be involved, and will provide help.

A question was asked what the top 4-5 benefits of being involved in the incubator are, to which Russell Combs responded:

1. Intake Process
2. Training
3. Mentoring
4. Graduations
5. Follow-up

Russell Combs stated that, in his experience, incubators that follow this model enjoy a 90% success rate. The South Valley incubator was brought up as an example of a successful incubator; however, they are booked out for a year. The goal is to make this one as successful as that one, or more.

Mayor Griego complimented Russell Combs for being very persistent over the past three years in helping Valencia County get this far in the process. He also thanked the board members for their involvement and enthusiasm, and encouraged all of our sister cities in Valencia County to get and stay involved in the incubator project so that we can all benefit from its success.

OLD BUSINESS:

➤ Future VALEO Meeting Schedule

Mayor Griego reminded everyone that the next VALEO meeting is scheduled on Tuesday, May 19, 2020, hosted by the City of Rio Communities. Other future meetings are scheduled on August 18, 2020 (Valencia County), and November 17, 2020 (Los Lunas).

APPROVAL OF MINUTES:

Mayor Griego asked for a motion to approve the minutes of November 19, 2019. Peggy Gutjahr made the motion; Cruz Muñoz seconded. Motion carried.

Mayor Griego thanked the presenters for their presentation. He also thanked everyone for attending the meeting. Greg Martin reminded everyone to encourage participation in the upcoming 2020 Census in their respective communities.

The meeting adjourned at 7:07 p.m.