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Presentation to Joint Session
Of the
Town of Taos and Taos County Officials

Edited April 9, 2014

Opening Statement

We are grateful that attention is now being paid to this.

We're going to make 3 POINTS TODAY regarding the economic development of our community

- I. Where we have been?
- II. Where are we now? (Observations)
- III. Where are we going? (We are at a crossroad. No Action. Action.)

I. Where have we been?

- Been able to neglect ED because growth occurred despite lack of interest and action.
- Arts, culture, history, natural beauty, creativity, created a unique draw for tourists.
- This grew rapidly and organically.

- Without intention we realized tourism and related business was our primary economy
- 1990's a shift in national economy began to erode our gains
- By 2006 our economy was in a STEEP DECLINE

BR / Overview of the history

I. Quick background

- a. Town received a grant fall 2012...Purpose is to;
 - i.* Update the 2010 Interim CED Strategic Plan
 - ii.* Develop an ACTION PLAN focused on specific recommendations and regional ED goals that have been developed through community participation
 - iii.* Provide objective analysis of Taos Economy
- b. Town hires LeapPartners
- c. LeapPartners began the process. Community participation in the planning process. Here's what happened...
 - i.* **February 2013** two public kick-off meetings to announce the process, invite participation, provide general economic information about the community, and answer questions.
 - ii.* **May 2013** Roundtable Discussion with 13 representatives of government, business and community. Purpose - was find out how the businesses and sectors these people represented were dealing with the economic downturn and what their challenges were; to discuss changes to the local economy that were creating a new NORMAL. Expose to the general community what everybody was experiencing.
 - iii.* **June-August 2013** Creation of Work Groups...they were created by the community from participation in the kick off meetings and the roundtable... whose purpose was to develop realistic goals for each sector they represented. Each group met twice each. , Four groups / each met twice; (give examples of each?)

1. **Creative Industries** / artistic and creative goods, and the provision of artistic and creative services.
 2. **Business retention, expansion, and incubation** / areas of improvement to the business climate for all businesses...i.e. connect a business to resources like SBDC, or, share common resources to reduce prices...
 3. **Tourism and Retail** / accommodations, food and beverage, adventure/guiding and ancillary businesses, and retail primarily focused on the sale of goods and services consumed by visitors.
 4. **Technology** / any business whose primary function is to develop technology, or provide technological services.
- iv. LeapPartners gathered and analyzed economic data to support or dismiss goals of work groups.
 - v. LP writes CED Strategic Plan and submits to the Town on September 27th, 2013.

II. Where are we now?

BR OBSERVATIONS –

You don't have to be an economist to know something is wrong.

Our visual observations about local economy... **Canaries in the coal mine...here is what we see happening to the key areas of the community we rely on...**

A. Areas hit

1. ***TOURISM***

Restaurant /depend on local clientele, won't survive without tourists

- a. Dragonfly
- b. Old Blinking Light
- c. Joseph's Table
- d. Bravo

- e. Varelas
- f. Applebee's
- g. Damon's
- h. Texas Road House
- i. Doc Martin's stopped serving breakfast on weekdays

Recreation

- a. *Rafting season diminished due to drought conditions*

2. IMPACTS TO LOCAL GOODS AND SERVICES

- a. Roads in disrepair
- b. The hospital is contracting...laying people - diminishing number of services offered.
- c. Auto dealerships down from 3 dealerships to 1...Cottam Walker and Scheid Motors
- d. Independent used car dealers are mostly gone...Paseo
- e. Another big indicator is country's unemployment rate is at 6.7% and Taos County is 8.9%)

B. **False Indicators**: We've had some significant events happen lately...

- Siriusware, local software company, purchased by London-based Company
- Taos Ski Valley, family owned business sells
- Sagebrush and Comfort Suites sold to two California investors
- Purchases will make short-term contributions to local economy for their sectors...but not huge change in sustainable job growth. These events are not going solve our economic problems...they may defer problems for a period.

MS / The Hard Number that Back it Up (display PP slides)

- A. Gives the Economic Report Card
- B. What the number s mean? / The graphs and statistics, what they mean and why they matter in Taos

C. Goes through the SLIDES (slides 6 through 11)

- Losing working age population
- Diminishment of business activity
- Income flat for employees / falling for business owners
- 51% of income from inactive sources; 20% interest, rent; 31% government assistance, unemployment, disability, etc.

What is Economic Development?

Sell goods and services outside community/bring money in
Jobs

The Real Taos Economy?

What we think we are

What we really are

Arts, Entertainment & Recreation

Minor part of economy...2.7% of community income

Agriculture, Forestry, Fishing and Hunting

Minor part of economy... % of community income

Accommodations & Food Services

A core business 40% of community income

Wholesale

Almost all Chevron Mine – 16% of community income

Manufacturing

Primarily personal care products & food

Information (Technology)

Robust growth...almost 16% community income

Professional, Scientific and Technical Services (Technology)

Growing sector with 13.7% of community income

II. Where Are We Going?

- **Two Choices:**
 - Do Nothing
 - Do Something

Where to focus our efforts?

- Shore up and stabilize certain sectors
 - Tourism
 - Art, entertainment & recreation
 - Agriculture, forestry, fishing and hunting

Invest substantial time, effort and money into;

- Information (Technology / broadband)
- Professional, scientific and technical services
- Manufacturing of primarily personal care products

Still...Where Are We Going?

Who does the work necessary to capitalize on growing Portions of economy?

No existing capacity among existing organizations

Need for REGIONAL APPROACH

BR / Do We Have Existing Organizations to do this Work?

- A. NO
- B. We have organizations that make important a contribution by performing certain functions that help businesses; **THEY DON'T DIRECTLY CREATE JOBS.**
 1. **TEN** / provide professional services to individuals in need of guidance in starting or growing their business.
 2. **TCCC** / exists to cultivate and sustain a healthy business environment in Taos County.

3. **TCEDC** / work on Community Based Economic Development through educational opportunities, and by providing assets and tools...the community kitchen, mobile Matanza.
 4. **SBDC** / is Part of UNM entity and is funded through SBA, so their parameters are very specific in terms of what they can and can't do...provide small business assistance with planning, marketing, financing, small business start-up, entrepreneur training to help grow and strengthen businesses in New Mexico.
- C. The missing qualities of these organizations;
1. These organizations are important and make contributions to business, however, they don't have;
 - a. Capacity
 - b. Skills
 - c. Is not their vision or mission
 - d. Funding
 - e. Primarily Strictly volunteer organizations

MS - Principal Recommendation

Principal Recommendation; *create and develop a **REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION***

- *Public/Private partnership for oversight & funding*
- *Focus only on community income producing industries & jobs*
- *Annually evaluate, revise & create goals*
- *Work with New Mexico Partnership*

What Can I Do?

- *Town and County work together to fund*
- *Support establishment of a REDO*
- *LEADERSHIP – talk to local, state and national political leaders*

Leadership

It's up to YOU, our government officials.

- Recurring public outcry from all meetings; NO LEADERSHIP
- Recurring question from work groups; WHAT IS GOING TO COME OUT OF THESE MEETINGS?
- There is no more time
- We continue to trend downwards
- You've inherited terrible situation and THIS IS YOUR OPPORTUNITY
- Leadership needs to take it on and champion it.

- *Advocacy*
- *-Networking*
- *-Phone calls*
- *-Talk about economic development*

Engage communities of in Enchanted Circle/create partnership

Work regionally to develop REDO that will;

- Focus on community income and jobs
- Be self-sustaining
- Grow the community without the loss of identity

When you leave this room today, here is what needs to happen

- i. Rhetorical advocacy...networking, phone calls, talking about economic development...flush this out.
- ii. Engaging the communities in the enchanted circle in a partnership...working together...not my way or the highway. among the governmental bodies.
- iii. Work REGIONALLY, to build the REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION can get

that will be eligible for funding CREATE, DEVELOP
AND IMPLEMENT the ORGANIZATION.

BR - Transition to Question & Answer Section

We would like to see the Q & A be about how we go about supporting this plan

A. What do you need to know in order mutually support the COMMUNITY
ECONOMIC DEVELOPMENT STRATEGIC PLAN?

B. Is this is a direction you want to go in?

(HAND OFF TO RICK)