

Albuquerque Journal North
General Election Questionnaire
9/1/2004

NAME: Ken Milder

POLITICAL PARTY: Democrat

PLACE OF RESIDENCE: Los Alamos

DATE OF BIRTH: Cleveland, Ohio

EDUCATION: AAEE, BS Computer Science

OCCUPATION: Technical Staff Member

FAMILY: Single

POLITICAL GOVERNMENT EXPERIENCE:

I have over 25 years experience with local government. Political appointments and elected offices:

- Appointed to Los Alamos County Board of Public Utilities, 1980-1984
 - Vice chairman 1982-1984
- Elected to four consecutive (two-year) terms on the Los Alamos County Council, 1985-1992
 - Vice Chairman 1987
 - Chairman 1989-1990
- Appointed to various County Council ad hoc committees after completing term-limited tenure on the County Council.
 - DOE Assistance Buy-out
 - Board and Commission Policy Review Committee
 - Election Canvassing Board
 - Airport Transition Advisory Committee
- Reappointed to Los Alamos County Board of Public Utilities, 1997-present
 - Currently Vice Chairman

1. What are your priorities as a candidate for County Council?

- a. Offer experience and knowledge. This will add an element of depth that the Council currently lacks. No, I do not claim to have all the answers but I can bring corporate knowledge to Council deliberations.
- b. Provide professionalism and openness to Council operations. Make it a more approachable political body for its citizens.
- c. Implement the Comprehensive Plan in a manner that properly balances our need for economic development with our community's goal of maintaining a small town family oriented quality of life.

2. What ideas do you have for encouraging economic development in Los Alamos County, particularly in view of the uncertain future of the University of California contract to run the Lab?

I'll answer the second part of the question first: I am confident that the Laboratory will continue to contribute to the nation's security regardless of the outcome of bidding process. Like most citizens, it is my hope that University of California is awarded the contract. The synergy required for scientific excellence is best achieved through such a proven management relationship with academia. That being said, the DOE decision to bid the management contract may have a dramatic impact on County

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revenue.

By bidding the contract, DOE has irrevocably changed the management relationship from purely academic to business. It makes the contract, in whole or in part, subject to Gross Receipts Tax. This is unfortunate because money will be taken from research and reduces the Laboratory's ability to meet its fundamental national security mission. On the other hand, the impact of increased County revenue could be very substantial; perhaps in the tens of millions of dollars per year.

I suggest that a significant portion of the increased revenue be put into an Operations Permanent Fund for at least five to ten years. Such a fund was established by Charter amendment during my first tenure on the Council, 1985-1992. Based on misguided advice to the Council and public, it was removed from the Charter in 1994. I would support its reestablishment if my revenue projections are correct. (We established a Capital Improvements Permanent Fund at the same time as the first Operations Permanent Fund. That Capital Fund has served the County well during the last eighteen years.)

Now, for the economic development part of your question, I suggest the County follow a slightly different path. I will explain this by expanding on my response to a similar question that you asked during the primary and it is also my hope that this discussion inspires public dialog that directs how we will proceed with implementation of our Comprehensive Plan. My ideas have been well received, so far, by local residents and business people with whom I have spoken. I plan to speak with more citizens and business leaders because I view the details of my proposal as a work in progress.

There are three overlapping groups of stakeholders related to our local economy: residents, current entrepreneurs, and the County government, itself. (Yes, I know I am excluding LANL but, if we can meet the needs of these three groups, the needs of LANL will also be met.)

In numerous surveys, residents have indicated that they support economic development. At the same time they want to protect our small-town, family oriented quality of life. The paradox is that whenever there has been a pro-economic development election question, the question has failed. I believe this is a result of misinterpretation of what the public really means when they say they support economic development. I believe that our residents view economic development as providing more, and better, shopping. If this observation is correct, how do we apply it to our economic development program and help the second constituency, local entrepreneurs, meet the needs of residents, their customers? Furthermore, how do we improve our local economy given a population stabilized at approximately 18,000? (This has been the approximate Los Alamos population during the last thirty years.)

In general, local entrepreneurs need three things: a supportive local business environment without overburdening regulations, a good pool of workers, and, of course, a strong customer base with adequate foot traffic.

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Talking with Los Alamos merchants who have also operated businesses in other regional communities, Los Alamos is, generally speaking, a good place to do business. Yes, there are always opportunities for improvement but, for the most part, Los Alamos has a pretty good regulatory environment for business. One area for improvement, however, would be to provide additional training for County staff. Such training would help staff help guide businesses through the myriad of requirements and avoid the moving targets of perceived ever-changing obstacles. Los Alamos County is blessed with a conscientious, highly dedicated staff that takes its service to the community seriously. We must support our staff and provide them proper training, tools, and guidance to do their jobs.

Providing local businesses a good pool of workers has been an ongoing challenge. First, the Los Alamos unemployment rate is consistently below 2%. In recent years, the rate only exceeded 2% during the year of the Cerro Grande Fire (2.1%)¹. Second, housing for many business workers is exorbitantly expensive. The dream of private home ownership is often out of reach for many. While it is true that there are many commuters who have no desire to live here, the lack of local housing opportunities discourages others from seeking local employment. Although the community has done a fairly good job of providing a variety of housing for early career Laboratory and private business professionals with high earnings potential, we need to do more for average workers without high income.

It is commonly recognized that Los Alamos has a good potential customer base with have significant disposable income. The problem is that those customers leave the Hill to do their shopping. We have tried many approaches, some with minor success, to encourage local shopping. A problem is that our efforts do not provide enough of a marginal increase in local business activity to adequately sustain nor expand shopping opportunities for residents. In turn, we have tried to recruit non-merchant type businesses (Motorola for example) that, while generating little or no local gross receipts tax revenue, provide a growth in population that increases local shopping activity. This is the economists' common approach to economic development, focus on growth. The problem is that in Los Alamos residents perceive this as running counter to our goal of protecting our small town, family oriented quality of life. We must therefore find more creative approaches to economic development that more efficiently utilize our current population.

Local County government, the third stakeholder, has two fundamental goals. First and foremost it must meet its service responsibilities to the first two groups of stakeholders, residents and entrepreneurs. Its second goal is to increase Gross Receipts Tax revenue, achieved best through increased economic activity and not through increases in the GRT rate. So, how do we meet these goals?

For years, at least the over thirty years I have lived in Los Alamos, we have strove

¹ We have also thought of the wider benefits of Los Alamos economic development: providing regional jobs. What I have learned is that elected and economic development officials in neighboring communities view Los Alamos as a competitor. Not surprisingly, those communities have their own economic development programs with a goal of providing jobs for their constituents in their own communities.

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towards economic independence by minimizing the Laboratory's physical presence in our business districts. The problem, however, is that our efforts to diversify have met with either marginal success or downright failure. There is a plethora of debatable reasons for this but I prefer to take a quasi-Jungian approach to the problem; where do we go from here?

During the first five years of my initial tenure on the County Council I adhered to commonly accepted economic development philosophy and theories. It goes something like this: Growth is synonymous with economic development and growth leads only to increased prosperity, services, and quality of life. Growth is the panacea.

In the final three years of my Council tenure I began to have questions concerning that economic development philosophy. I raised these questions with local development leaders with whom I have tremendous respect but they could not adequately answer my questions. I have now been off the Council for nearly twelve years but during that hiatus continued to reflect on Los Alamos economic development. (In fact, I admit that I have probably learned as much, or more, in the twelve years being off the Council as I had learned during the first eight years that I served.) My economic development philosophy *as it applies to Los Alamos* has radically changed.

I fully agree with the local business people with whom I have spoken: we do indeed have an excellent potential customer base. In my opinion, however, we are limiting our view of that customer base to primarily local residents. It is my belief that the customer base must also include the nearly 50% of the current workforce that commutes daily into Los Alamos. Furthermore, that customer base is on the wrong side of "The Bridge." Generally speaking, commuters leave the Hill at the end of the workday, bypassing our business community and local residents only have a half hour, or so, to shop with many stores closing at 5:30 or 6:00 PM (not to mention the fact that, after a hard day's work, those local residents are tired and just head straight home). On weekends, "hill fever" and the lure shopping variety drive local residents off the Hill. So, what can we do to improve our community's economic vitality?

There are four concurrent areas of local economic development in which we must focus: improve utilization of our current population and daily commuters to increase customer foot traffic in the White Rock and Hill business districts, improve White Rock and Hill business district land use policies so that "non-merchant" type businesses do not need to occupy storefront property, review our local codes for possible updating, and improve the transportation infrastructure in business districts.

I have total faith in the longevity of Los Alamos National Laboratory. We must now embrace the economic benefit LANL offers by locating some of its activities in our business districts. Pete Nanos has encouraged the County Council to take decisive actions that will help the Laboratory recruit and retain scientific talent. Well, the Laboratory can help in this effort by locating appropriate activities in the White Rock and Hill business districts. This will help meet three goals: put people where they need to be in order to increase customer foot traffic, better utilize our *existing* population, both residents and commuters, and avoid disintegration of our small-

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town, family-oriented quality of life.

Concurrent with relocating appropriate Laboratory activities into the business districts, we must improve the land use policies in those districts and update codes so that space is developed where office workers are in offices, not storefronts. Storefronts must be for stores, not offices. We must also be willing to explore public/private partnerships for use of strategically located County-owned business district land.

Finally, a friend of mine who works in the downtown district posed a question when we discussed these ideas: How do we expect to successfully develop the downtown area without first developing and implementing a plan to improve its traffic infrastructure? He's right! If we want to put more people in the business districts, it is obvious that the transportation infrastructure must be improved. Think about it. We currently have only a two-lane road for commuters traveling into the town-site. That road is exceedingly congested during critical times of the day.

Before leaving this subject, I want to make one final observation. Herman E. Daly, a former senior economist with the World Bank and proponent of sustainable and steady-state economies, coined the phrase "uneconomic growth." Uneconomic growth occurs when the environmental and social costs exceed the benefits from production and resource consumption. Although Daly applied this concept to globalization, I feel it has some local application as well. We have precious few resources to waste. We must avoid uneconomic growth. We must focus on economic *development* that meets specific, broad-ranging community goals. It does not mean growth simply for growth's sake. As a county councilor, I will base my economic development decisions on objective measures. I want to see indications that a course of action will indeed improve our economic vitality without sacrificing our beloved quality of life.

3. What should the County Council do to improve the development of downtown Los Alamos?

This question was answered as part of question #2. I will add, however, that we must look at improving business opportunities in White Rock as well. One third of the community lives in White Rock and those citizens need a vibrant business district, too.

4. What should be the County Council's philosophy on land-use planning in Los Alamos County?

When referring to land-use policy, the catch phrase always seems to be "highest and best use." This is often defined as a use that will make someone the most amount of money. This is a reasonable objective for private land as long as the land-use complies with established community standards; that is, for example, zoning codes. Highest and best use of public land, however, has much broader criteria.

A fundamental purpose of government is to provide services to its citizens. When

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considering public land-use, service needs and community goals must also be considered. Money-making is not always the prime objective. For example, some people, with whom I disagree, think the highest and best use for land currently used by the airport is for housing and an industrial park. While such use might produce the highest financial return for a few people, I believe the highest and best use for the land is to provide airport services to the community. After the Cerro Grande Fire, the benefit of the airport should be clear to everyone.

- 5. Have you or your business – if you are a business owner – ever been the subject of any state or federal tax liens?**

No

- 6. Have you ever been involved in a personal or business bankruptcy proceeding?**

No

- 7. Have you ever been arrested for, charged with, or convicted of drunken driving, any misdemeanor, or felony?**

Well, because you do include misdemeanors, I have had an occasional speeding ticket but my last one was probably 20 years ago. Other than that, the answer is no.