

LOS ALAMOS MONITOR CANDIDATE QUESTIONS

1. How do you propose the county proceed with the DOE land transfer?

Each tract of land must be evaluated on how it can best be used to meet county goals. It is shortsighted and narrow to assume that self-sufficiency can only be attained through sale of county land because “only the private sector knows how to put land to its highest and best use.” That catchphrase is often defined as use that makes 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” for public land, however, must apply much broader criteria.

A fundamental purpose of government is to provide services to its citizens. When considering public land-use, service needs and community goals must also be considered. I support the County Council’s decision to not rush into sales of public land. We must take the time needed to make sure the land is used wisely.

We have precious little land suitable for economic development. It must not be squandered; we must think of new, creative ways to utilize it. The current council discussed leasing the land. This is suitable if done under the auspices of a public/private partnership.

2. What is the most important issue facing the county and why?

There is a perception in the community, regardless of its correctness, that the County Council is very dysfunctional; that some councilors truly despise other councilors. This is an especially serious problem when Council votes are based on personalities, not on what is in the best interests of the community. Councilors must find ways to rise above personal animosities in order to address the real issues facing the community.

3. What can be done to ensure that the Comprehensive Plan is representative of the county and fosters growth?

This is a two-part question with the answer to the second part being quite lengthy. Let me first address what can be done to ensure that the Comprehensive Plan is representative community goals that were developed from citizen input.

Development of the new Comprehensive Plan is stalled once again. The reasons for this include a massive (and perhaps questionable) turnover of Planning and Zoning commissioners, lack of knowledgeable and experienced leadership, lack of clear guidance to the P & Z, and just plain bad advice from some one or two professionals who should be helping to facilitate the process.

The way to regain momentum on the Comprehensive Plan process is to interject knowledgeable, experienced, fair, and strong leadership. This is especially important considering the often strongly divergent opinions associated with development of such a document.

The second part of your question asks how the Comprehensive Plan will be used to foster growth. Growth by itself, however, is not the purpose of a Comprehensive Plan. The purpose of the Comprehensive Plan is to guide community development. Growth for growth's sake does not focus on meeting community goals. Community *development*, guided by the Comprehensive Plan, focuses on attaining goals. So, now let's talk about that development.

I suggest the County follow a slightly different development path and it is 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. I believe it implements the ideas citizens contributed to the Comprehensive Plan process.

There are three overlapping groups of community development stakeholders: 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 ballot 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 residents primarily 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 throughout 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.

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.

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,

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.

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. Furthermore, we must not neglect those parts of the Comprehensive Plan, like recreation and open space, that helps us recruit and retain workers.

It is commonly recognized that Los Alamos has a good potential customer base with 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 revenue from gross receipts. This is best achieved through increased economic activity and not by increasing 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 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 blindly followed the 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 question those theories. I raised my questions with local development leaders with whom I have tremendous respect but they could not provide adequate answers. I have now been off the Council for nearly twelve years but during that hiatus I continued to reflect on Los Alamos economic development. 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 include the nearly 50% of the current workforce that commutes daily into Los Alamos. Furthermore, that combined customer base is located on the wrong side of "The Bridge." Generally speaking, commuters leave the Hill at the end of the workday, bypassing our business districts 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, most 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 capture business from this customer base?

There are four concurrent areas of local economic development in which we must focus: (1) improve utilization of our current population and daily commuters in order to increase customer foot traffic in the White Rock and Hill business districts, (2) improve White Rock and Hill business district land use policies so that "non-merchant" type businesses do not need to occupy storefront property, (3) review our local codes for possible updating, and (4) 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 relocating some of its activities into 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 relocating appropriate activities to the White Rock and Hill business districts. This will help meet three community development goals: (1) put people where they need to be in order to increase customer foot traffic, (2) better utilize our *existing* population, both residents and commuters, and (3) avoid disintegration of our small-town, family-oriented quality of life.

Concurrent with relocating appropriate Laboratory activities into the business districts, we must improve land use policies in those districts and update codes so that space is efficiently developed and 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 land in the business districts, including White Rock.

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 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.

4. How can your presence on the council benefit the county and its residents?

- a. I offer experience and knowledge. This will hopefully 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.

5. With Los Alamos National Laboratory reducing its workload, where do you see the county receiving its funds to continue with its current level of spending?

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 The University of California retains the contract. The synergy required for scientific excellence is best achieved through this proven management relationship with academia. That being said, the DOE decision to bid the management contract may have a dramatic impact on County revenue.

By bidding the contract, DOE might have irrevocably, and unfortunately, changed the management relationship from purely academia to business. This might make 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 revenue to the County could be very substantial; perhaps in the tens of millions of dollars per year.

If the contract is indeed subject to GRT, I suggest that a substantial 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 it from the Charter in 1994. I would support its reestablishment. (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.)