



County of Los Alamos

Council Meeting Staff Report

November 14, 2017

Agenda No.:	B.
Indexes (Council Goals):	2018 Council Goal – Quality of Life – Housing – Promote the Creation of a Variety of Housing Options for all Segments of the Los Alamos Community, including infill Opportunities as Appropriate
Presenters:	Joanie Ahlers
Legislative File:	OR0784-17

Title

Incorporated County Of Los Alamos Ordinance No.673, An Ordinance Authorizing The Sale Of Certain County-Owned Real Property within Site A-13-2 and A-12 To LAH Investors, LLC.

Recommended Action

I move the Council adopt Incorporated County Of Los Alamos Ordinance No. 673; An Ordinance Authorizing The Sale Of Certain County-Owned Real Property within Site A-13-2 and A-12 To LAH Investors, LLC and ask staff to assure it is published in summary form.

County Manager's Recommendation

The County Manager recommends adoption of this Ordinance as presented.

Body

This Ordinance authorizes the sale of County-owned property identified as the A-13-2 and A-12 sites located approximately on the south end of 35th Street. The parcels sit just east of Los Alamos Medical Center, west of Mountain View condos and south of Alpine Laser Dental offices. This property is the site of the former Los Alamos Site Office building, and was transferred to the County after that facility's demolition.

Tract A-13-2 is generally described to encompass the southern portion of A-13 (excluding the northern portion known as A-13-1) and consists of approximately 7.5 acres. The parcel known as A-12 is a complete parcel and consists of approximately 4.5 acres. The parcels that are proposed to be sold to the buyer when combined yield approximately 12 acres. The property was included in a bulk parcel of land that was transferred from the DOE to Los Alamos County in the fall of 2010. Tract A-13 was subdivided into two separate tracts. The result of that Subdivision includes A-13-1, ownership to be retained by Los Alamos County, which is zoned PL- Public Land and A-13-2 and A-12 which are currently zoned MU-Mixed Use and being considered for sale to LAH Investors, LLC.

The proposed buyer for this site is LAH Investors, LLC, which is managed by Santa Fe Properties Real Estate Company, Gerald Peters, president. With Council's approval of this Ordinance, LAH Investors LLC will enter into a Purchase, Sale and Development Agreement with Los Alamos County.

The Purchase, Sale and Development Agreement (attached to the Ordinance) outlines the details of the development of A-13-2/A-12, which will consist of a Class A market rate apartment community of approximately 150 units. LAH Investors LLC will conduct the development of all on-site utilities, roadways and other infrastructure to serve the project. LAH Investors LLC will also, on behalf of Los Alamos County, oversee and perform the construction of off-site utilities and road work as proposed within "Exhibit C" of the Purchase, Sale and Development Agreement.

Council is authorized to sell county-owned real property and interests in real property through Chapter 14 of the Los Alamos County, New Mexico - Code of Ordinances. An appraisal dated

February 23, 2017 estimated the market value of parcels consisting of Tract A-13-2 along with A-12 to be \$2,175,000. The proposed purchase price for the site is \$2,175,000 and the proposed terms of the sale are outlined within the Purchase, Sale and Development Agreement attached to the Ordinance. The key terms are:

(1) Effective Date: The Effective Date of the Agreement shall be the date the Agreement is fully executed by both the Purchaser and the Seller.

(2) Purchase Price: TWO MILLION ONE HUNDRED SEVENTY FIVE THOUSAND AND NO 00/100 DOLLARS (\$2,175,000.00), to be paid in cash at closing, subject to the closing cost allocations and proration set forth herein.

(3) Earnest Money: TWENTY-FIVE THOUSAND AND NO 00/100 DOLLARS (\$25,000.00) to be delivered to the Escrow Agent within five (5) business days from the Effective Date.

(4) Additional Earnest Money: TWENTY FIVE THOUSAND AND NO 00/100 DOLLARS (\$25,000.00) to be delivered to the Escrow Agent in order for the Purchaser to exercise its one-time option to extend the Closing Date by ninety (90) days.

(5) Due Diligence Period: The Due Diligence Period shall begin on the Effective Date, and continue for no more than four hundred fifty (450) days from the Effective Date.

(6) Closing Date: The Closing Date shall be a date within ninety (90) days after the end of the Due Diligence Period unless extended as outlined in #4 above.

Fiscal and Staff Impact/Planned Item

There should be minimal staff impact as a result of the sale of these parcels. The fiscal impact to LAC will be in the form of the off-site utilities, roadway, and possibly up to one-half of the cost of any intersection signal improvements. The current estimate for the total of these items is \$1.2 million. The FY 2018 budget included a placeholder amount of \$800,000, so if the sale and development proceed as outlined in the agreement, this budget would need to be amended in the future. The sale of the land will gross the County \$2,175,000. The FY 2018 budget included a placeholder of \$2,066,250. The expected timing of closing is such that these proceeds would be expected in FY 2019. In addition the project is estimated to generate one-time GRT revenue of approximately \$500-750K and annual property tax revenue of approximately \$50-75K, as well as increase the housing units within the county by approximately 150.

Alternatives

Council could choose to not adopt the Ordinance and the sale and development would not proceed, or Council could direct staff to amend the proposed ordinance and related agreement.

Attachments

A - Ordinance No.673

B - Notice of Publication

C - Project Concept