



County of Los Alamos

Council Meeting Staff Report

June 11, 2019

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| Agenda No.: | A. |
| Indexes (Council Goals): | * 2019 Council Goal - Enhancing Support and Opportunities for the Local Business Environment |
| Presenters: | Joanie Ahlers |
| Legislative File: | OR0854-19b |

Title

Incorporated County Of Los Alamos Ordinance No. 693; AN ORDINANCE ADOPTING AN ECONOMIC DEVELOPMENT PROJECT FOR PUBLIC SUPPORT OF PEBBLE LABS USA, INC., A NEW MEXICO CORPORATION

Recommended Action

I move that Council approve Incorporated County of Los Alamos Ordinance No. 693; AN ORDINANCE ADOPTING AN ECONOMIC DEVELOPMENT PROJECT FOR PUBLIC SUPPORT OF PEBBLE LABS USA, INC., A NEW MEXICO CORPORATION

County Manager's Recommendation

The County Manager recommends Council approve this Ordinance

Body

On June 9, 2009 the Council approved Incorporated County of Los Alamos Ordinance No. 543 which amended and restated the County's Economic Development Plan in compliance with the New Mexico Local Economic Development Act (LEDA). Based upon the guidelines within this program the applicant, Pebble Labs USA Inc., submitted the required materials for consideration of funding.

Pebble Labs is an existing New Mexico corporation located in Los Alamos and a spin-off from the New Mexico Consortium. In the last four years, Pebble Labs has grown to be the largest organization in the NMC. They currently have a total of forty-four employees and plan to grow by 125 new employees in the next ten years. In order to accommodate that growth Pebble Labs has approached the County with a LEDA request for the grant of 6+ acres of land in the Entrada Business Park to create a "corporate campus". The proposed project involves purchasing the existing NMC Bio Lab, an acre of land privately held and the donation of the County land so that they can develop a new additional laboratory facility and enable Pebble to grow all the while staying right here in Los Alamos

The requested public support is a grant of two County owned parcels of land: 1) being Lot 2B of Entrada Business Park and the other would be a newly created 14,,286 sqft proposed Lot 1-C of entrada Business Park having a combined appraised value of \$1,406,500. This County support will be just a portion of an overall \$60 million project. Pebble Labs is also seeking an Industrial Revenue Bond to help them finance the Project.

The project includes the following key terms:

1. County land will only be released to Pebble Labs upon entering into a Project Participation Agreement with the County;
2. Pebble Labs must close on and possess title for the privately held parcels within the project prior to the County land being deeded to Pebble Labs;
3. Pebble Labs must submit and be issued a Building Permit for new construction for the new bio lab within 24 months of the Effective Date of the PPA;

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4. Pebble Labs will issue the County a Financial Guaranty for the balance of the grant amount in decreasing value for the ten (10) year period of the PPA;
 5. Pebble Labs agrees to invest \$60 million over the course of the ten (10) year PPA term in capital investment including but not limited to: private property acquisition; capital improvements, new construction, working capital; infrastructure, and equipment;
 6. The County will consider the issuance of an IRB.

Alternatives

Council could choose not to introduce this Ordinance.

Fiscal and Staff Impact/New Item

The fiscal impact is minimal to the County since the grant is in the form of a land donation. The staff impact will be minimal as the performance review metrics will be studied on an annual basis.

Attachments

- A - Incorporated County of Los Alamos Ordinance No. 693
- B - Publication of Ordinance
- C - Project Overview- Pebble Labs