

Council Meeting Staff Report

February 19, 2019

Agenda No.: A.

Indexes (Council Goals):

Presenters: Harry Burgess

Legislative File: OR0848-19b

Title

Incorporated County of Los Alamos Ordinance No. 691; An Ordinance Amending Ordinance No. 592, Which Adopted An Economic Development Project for Public Support of NMC, Inc., A New Mexico Non-profit Corporation Operated, Supervised or Controlled By the New Mexico University Research Consortium, Pursuant to Ordinance No. 543

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Ordinance No. 691; An Ordinance Amending Ordinance No. 592, Which Adopted An Economic Development Project for Public Support of NMC, Inc., A New Mexico Non-profit Corporation Operated, Supervised or Controlled By the New Mexico University Research Consortium, Pursuant to Ordinance No. 543, and ask staff to assure that it is published as provided in the County Charter.

County Manager's Recommendation

The County Manager recommends that Council adopt Incorporated County of Los Alamos Ordinance No. 691

Body

The New Mexico Consortium, Inc. (NMC) was awarded a Local Economic Development Act (LEDA) grant in 2011 consisting of both funding and land to build a facility. The terms of the LEDA grant required that NMC increase their number of employees by 32 positions and maintain at least those 32 plus their original 20 employees in "high-salary" positions for a period of 10 years. During this performance period, the collateral for the County's grant was to be the land and building in Entrada Park, and the liability for potential repayment of the grant/loan decreases over time by an established proration. At present, the remaining liability is \$264,000.

NMC has exceeded their required goal for additional employees during the past 8 years and currently employs approximately 90 persons, a fact which has resulted in a desire for a larger facility and one which has prompted the proposed action. In addition to their direct employees, the NMC facility also houses several other small start-ups, one of which has offered to purchase the current facility. NMC desires to sell the current building and move into a larger facility, and the plans for this potential have already been discussed with the Los Alamos Commerce and Development Corporation, with the potential for the construction of an additional building at Research Park to meet this need.

If the sale of the existing building is completed, the building is no longer available as collateral to the County, and this amendment to Ordinance No. 592 would allow for a modification to the security provided by NMC for the County's grant. The plan is to have NMC place the remaining prorated liability into an escrow account, and this escrow would serve as the required collateral for the remainder of the performance period. The attached ordinance simply makes this potential action possible, and an addendum to the existing project participation agreement enabling this change will be part of the anticipated action at the February 19 meeting when this ordinance has its public hearing.

Alternatives

Council could choose to not approve the ordinance, in which case the actions described above will not be possible, or may be delayed until such changes are enabled.

Fiscal and Staff Impact/Unplanned Item

There is no direct fiscal nor staff impact associated with this action other than the necessary administrative steps. There is, however, potential for additional community investment if the action is approved.

Attachments

A - Publication Notice

B- Incorporated County of Los Alamos Ordinance No. 691