



## Council Meeting Staff Report

August 6, 2019

<b>Agenda No.:</b>	A.
<b>Indexes (Council Goals):</b>	* 2019 Council Goal - Enhancing Support and Opportunities for the Local Business Environment
<b>Presenters:</b>	Joanie Ahlers
<b>Legislative File:</b>	OR0856-19

### Title

Incorporated County Of Los Alamos Ordinance No. 695; **AN ORDINANCE ADOPTING AN ECONOMIC DEVELOPMENT PROJECT FOR PUBLIC SUPPORT OF TNJLA LLC., A NEW MEXICO CORPORATION**

### Suggested Motion

**I move that Council approve Incorporated County of Los Alamos Ordinance No. 695; AN ORDINANCE ADOPTING AN ECONOMIC DEVELOPMENT PROJECT FOR PUBLIC SUPPORT OF TNJLA LLC., A NEW MEXICO CORPORATION**

### County Manager's Recommendation

The County Manager recommends Council approval of 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, TNJLA LLC., submitted the required materials for consideration of support.

TNJLA is a New Mexico corporation located in Albuquerque, NM. TNJLA is one of several LLAC's that are owned and operated by Tushar Patel and associates, a family run small business. They have many other hotel properties in New Mexico and this would be their first investment in Los Alamos County. TNJLA has made the request for the donation of the County land so that they can develop a new 86 room extended stay hotel with an event center that accommodates 250-300 people banquet style in Los Alamos.

The requested public support is a grant of County owned parcels of land: on 20<sup>th</sup> Street Extension; Lots 1C, 2C, 3C, 4C, 5C, and 6C which has the "Smart House" located on it. The total acreage is approximately 3.0204 acres.

Los Alamos County has been seeking an "event" space for more than 20 years. The concept of "event" or "conference" space appears in many of the County's strategic plans, including the Comprehensive Plan (2016); the Tourism Strategic Plan (2018) and the Economic Vitality Action Plan (in both plans 2010 and 2019). Approximately 8 years ago the County considered contributing as much as \$6 million to a hotel and conference center concept that would have been a Hilton property, however, the market study at the time determined that adding hotel rooms would not be conducive to our existing hotel properties, although the study did extensive research on the event/conference center space and it was abundantly clear that there was necessity and demand for such a space even in that 2012 market. Since then our market has changed/improved and LAC has completed many of the milestones that were reasons why not to move forward with the project at that time.

The current project includes the following key terms:

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1. County land will only be released to TNJLA upon entering into a Project Participation Agreement with the County;
  2. TNJLA must submit and be issued a Building Permit for new construction for the new hotel within 12 months of the Effective Date of the PPA;
  4. TNJLA will issue the County a Financial Guaranty in the form of a subordinated lien for the balance of the grant amount in decreasing value for the ten (10) year period of the PPA and a personal guaranty for the time period from the date of the County conveys the property to TNJLA to six (6) months after the Certificate of Occupancy is issue for the hotel/conference center;
  5. TNJLA agrees to actively and continuously operate the hotel and conference center for the Ten (10) year PPA term;
  6. TNJLA will create and maintain a minimum of 17 full time jobs.

### **Alternatives**

Council could choose not to approve 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- ROI for the County
- C- Publication Notice
- D- Pictures of other TNJLA hotel properties
- E- Elevations
- F- Proposed site map