

Council Meeting Staff Report

October 29, 2019

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| Agenda No.: | L. |
| Indexes (Council Goals): | * 2019 Council Goal - Increasing the Amount and Types of Housing Options |
| Presenters: | Joanie Ahlers |
| Legislative File: | 12377-19 |

Title

Amendment 2 to the Purchase, Sale and Development Agreement with LAH Investors, LLC ("The Hill")

Recommended Action

I move that Council approve Amendment 2 to PURCHASE, SALE AND DEVELOPMENT AGREEMENT FOR REAL PROPERTY LOCATED IN THE INCORPORATED COUNTY OF LOS ALAMOS COMMONLY REFERRED TO AS A-13-2 AND A-12 SITES, with LAH Investors

County Manager's Recommendation

The County Manager recommends that Council approve the contract amendment as presented.

Body

In January of 2018 Los Alamos County Council unanimously approved the Purchase Sales and Development Agreement with LAH Investors to purchase and develop a 149-unit apartment complex on parcels A-13 and A-12 (the old LASO site off of Finch Street, map attached). Currently the Closing Date is scheduled for 10/30/19. Delays in the road and intersection engineering and design have occurred, due to both County and NMDOT approval processes(since the design decisions regarding Trinity Drive require NMDOT review and approval). In order to Close and start construction on The Hill apartments, the HUD lender must be provided with the (complete) construction drawings, construction pricing and a Building Permit. The current schedule reviewed now estimates that it will take the engineering and design consultants until mid-December to complete their plans and get final MNDOT approvals. The schedule shows that in order to complete the process of getting full construction drawings, pricing and Building Permit (required by the HUD Lender), the Due Diligence closing date, with then the purchase of the land immediately following, would occur on 4/23/20. Construction is scheduled to start immediately after Closing.

Part of the PSDA required that LAH Investors secure their financing prior to closing. LAH Investors have not been able to get HUD to approve their financing yet. LAH Investors has requested an extension of the Due Diligence Period based upon the reasons stated above. LAH Investors has already obtained Site Plan approval from LAC's Planning and Zoning Commission for the 149-apartment complex project.

The proposed Amendment 2 will extend the Due Diligence Period until April 23, 2020. LAH Investors will purchase this extension for \$25,000 that is non-refundable should the closing not occur. The new closing date for the property purchase will be mid-July 2020, 90 days after the new close date of the Due Diligence Period (04/23/20).

It is important to note that this Amendment 2 will not alter the Completion Date within the original PSDA. In the original PSDA the Project Completion Date was defined as a certain number of days after the Closing Date. If the land purchased closed on October 30, 2019 the Project Completion Date would be 4/27/23. The Amendment sets the Project Completion Date as April 27, 2023. This change therefore makes the Completion Date a "fixed" date rather one that would "float" with

milestones within the Agreement, so the Project Completion Date does not get pushed out with the extension of the Closing Date. In other words, the period of time from the Closing Date to the Project Completion Date will be reduced by approximately six months. Therefore, the Project Completion Date will remain April 27, 2023.

Fiscal and Staff Impact/Planned Item

The fiscal impact to the County will be the \$25,000 that LAH Investors will pay is non-refundable. By approving Amendment 2 LAH Investors is further vested in the property and is working diligently to get this project to market.

Attachments

- A - 13-2 and A-12_PSDA Amendment No. 2_FINAL
- B - Original PSDA LAC and LAH Investors fully executed
- C - Map of A-13-2
- D - Map of A-12