

Council Meeting Staff Report

May 28, 2019

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

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 introduce, without prejudice, 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, and ask staff to assure that it is published as provided in the County Charter.

County Manager's Recommendation

The County Manager recommends Council introduce 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 (NMC). 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 (44) 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 adjacent acre of land that is privately held and the donation of the County land so that they can develop a new additional laboratory facility and enable Pebble to grow its operations while staying 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 2) newly created 14,286 square feet 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 (IRB) to help them finance the Project, which is addressed as a separate action on this evening's agenda.

The project includes the following key terms:

1. County land will only be released to Pebble Labs upon entering into a Project Participation Agreement (PPA) 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;
4. Pebble Labs will issue the County a Financial Guaranty for the balance of the grant amount (with a time-prorated 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. Pebble Labs agrees to increase its employment by 125 persons at an average salary of \$80,000 during the 10 year PPA.
7. 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. Issuance of an IRB does include a decrease to both property and gross receipts tax collections during the period, however this will be considered under a separate action. The staff impact will be minimal as the performance review metrics will be studied on an annual basis.

Attachments

- A- Ordinance No. 693_Pebble Labs
- B- Map of property location