

Council Meeting Staff Report

August 9, 2022

Agenda No.: A.

Indexes (Council Goals):

Presenters: Daniel Ungerleider; Paul Andrus

Legislative File: OR0951-22b

Title

Incorporated County of Los Alamos Ordinance No. 718: An Ordinance Terminating the Economic Development Project for Public Support of TNJLA LLC, a New Mexico Corporation.

Recommended Action

I move that Council adopt Incorporated County of Los Alamos Code Ordinance No. 718, an Ordinance Terminating the Economic Development Project for Public Support of TNJLA LLC, a New Mexico Corporation.

County Manager's Recommendation

The County Manager recommends that Council adopt Incorporated County of Los Alamos Ordinance No. 718.

Body

The purpose of this Ordinance is to terminate the economic development agreement with TNJLA LLC ("TNJLA") facilitated by the Local Economic Development Act ("LEDA"). If approved, Ordinance No. 718 (Attachment A) terminates the Project Participation Agreement ("PPA") as agreed to by TNJLA in the executed Waiver and Release Agreement attached with Ordinance No. 718. The Waiver and Release Agreement outlines the process by which TNJLA releases and discharges the County from any future obligations in relation to the original PPA.

Brief History of the Project with TNJLA:

Pursuant to the State's Local Economic Development Act, Sections 5-10-1 through 5-10-17 NMSA 1978 and County Ordinance No. 695 adopted by the Los Alamos County Council on November 16, 2019 (Attachment B), the County and TNJLA entered into a Project Participation Agreement ("PPA") dated November 16, 2019, pursuant to which the County agreed to transfer certain County-owned property located on the 20th Street Extension, platted and recorded in Los Alamos County Records as Instrument Document No. 231237 ("Real Property"), the value of which was appraised at One Million Eight Hundred Twenty-Five Thousand Dollars (\$1,825,000.00).

Pursuant to the PPA, the transfer of the Real Property from County to TNJLA was conditioned upon TNJLA securing a construction financing commitment in an amount sufficient to support the development of an extended stay hotel facility, including a 250 to 300-person banquet-style event center, and a minimum of 1,800 square feet of stand-alone food and beverage space on the 20th Street Extension properties in Los Alamos County (the "Project"). TNJLA was unable to provide evidence to the County of having secured a construction financing commitment in an amount sufficient to support the Project. As such, the County-owned Real Property has not been transferred. Subsequently, TNJLA has requested that the County agree to terminate the PPA. On June 23, 2022, TNJLA and the County executed a Waiver and Release Agreement, in which TNJLA agreed to waive and release County from any and all rights and obligations it has or could exercise under the PPA. In turn, the County agreed to pay, and has paid, the sum of Seventeen Thousand Dollars (\$17,000.00) in consideration of all claims and demands against the County to the date of this agreement.

This Ordinance and attached executed Waiver and Release Agreement provides an orderly path

forward for both parties. If the Ordinance is approved, this fully unencumbers the property a year earlier than would have been provided for in the PPA and enables future planning for the site to move ahead.

Alternatives

Council can not adopt the ordinance and asks staff to return with alternative recommendations.

Fiscal and Staff Impact/Planned Item

There should be minimal staff and fiscal impact.

Attachments

A - Incorporated County of Los Alamos Code Ordinance No. 718

B - Incorporated County of Los Alamos Code Ordinance No. 695

C - Publication Notice