



Council Meeting Staff Report

December 3, 2024

Agenda No.:	A.
Indexes (Council Goals):	Economic Vitality - Housing, Economic Vitality - Local Business, Quality of Life - Health, Wellbeing , and Social Services
Presenters:	Anne Laurent
Legislative File:	19365-24

Title

Consideration of Purchase Agreement for Real Property Located at 1183, 1377, and 1399 Diamond Drive in the Amount \$9,850,000 - Continued

Recommended Action

I move that Council approve the Purchase Agreement for real property located at 1183, 1377 and 1399 Diamond Drive and authorize the County Manager to execute the Purchase Agreement, and to take all necessary action, including the execution of necessary documents, in a form acceptable to the County Attorney, to effectuate this purchase.

I further move Council approve Budget Revision 2025-22 and include Attachment B as part of the meeting minutes.

County Manager's Recommendation

The County Manager recommends that Council approve the real property purchase as requested.

Body

The purchase of 1183, 1377, and 1399 Diamond Drive is a strategic purchase to enable progress on some of the Council's goals of Economic Vitality and Quality of Life. Several years ago, the Council funded a Social Services Hub capital project. The project has not moved forward for two main reasons: 1) Not having a site to build a new facility on; and 2) not having the Community Health Plan completed to inform the scope of the facility needed. The purchase of these Diamond Drive properties will enable the vision, public engagement, and design work to coordinate with the almost completed Community Health Plan that will be presented to Council on December 17, 2024. Additionally, housing, small retail or restaurant opportunities or maybe an idea that arises from a public engagement process could be considered. Furthermore, this property is adjacent to the Los Alamos High School and the UNM-Los Alamos campuses and may offer impactful collaboration opportunities.

Details about the properties are included in the presentation (Attachment C).

Since 1183 Diamond Drive has tenants, the existing building will remain while the leases are active. Staff anticipates starting with visioning, public engagement and preliminary designs for developing 1377 and 1399 Diamond Drive - the former Metzger's garage and c-store building and Andersons Market where Morning Glory used to be. This effort could take most of the 2025 calendar year. Step two would be land use entitlements and approvals and design development in 2026 along with detailed design progress assuming the project progress momentum remains. Construction could not start any sooner than 2027 and hopefully before 2029 depending on approvals. Assuming the new development includes a Social Services Hub, this would allow the current Social Services offices, Health Commons, and other Social Services contracted services to move into a new facility and offer enhanced services.

1183 Diamond, commonly known as Boomtown, could be redeveloped once the building is vacated. Since this parcel's redevelopment is at least four to five years away, the future uses and needs may be different than they are today. However, the focus on local business and housing opportunities, or exchanging this property opportunities to create these opportunities elsewhere is supported by Council's goals and the community feedback received in the recent National Community Survey (NCS).

Commentary added for December 3, 2024 continuation:

Within the last ten years, the County has sold or donated 32 acres of land for private development (Mirador subdivision and Canyon Walk, Bluffs, and Hills apartment complexes) for the purpose increasing housing stock in the community. Additionally, the County is under contract to sell 110 Entrada Drive by the Los Alamos Cooperative Market and has previously had 3661 Trinity Drive (36th St and Trinity Drive), 1925 Trinity Drive, 325 and 375 20th Street (20th Street at Trinity Drive) properties under sale agreements that either expired or terminated prior to closing.

In regards to improvements that have recently been made to the Diamond Drive properties and their estimated costs, the County did not issue permits for all the work that has been done to improve the Diamond Drive properties under consideration for purchase. Hazardous material abatement and removal of underground storage tanks require a state permit. Additional flatwork on a site for maintenance purposes does not require a permit if drainage and curb cuts to the public right-of-way are not being changed. For the permits valuations that were issued by the County, those costs would not have captured any change orders from unforeseen conditions of scope changes during demolition.

Attachments D and E were added to provide additional information about initial needs for a new Social Services Hub and an inventory of County owned land - except for the canyons. Should Council decide not to purchase the Diamond Drive properties, staff requests Council's guidance for finding a site for the Social Service Hub capital project. The inventory of County owned land highlights in yellow that only a handful of properties could accommodate a new facility. Of those options, other development plans are either in process or being considered for other use consideration noted in the right-hand column.

Alternatives

Council could choose not to purchase the property.

Fiscal and Staff Impact/Unplanned Item

There is sufficient fund balance in the General Fund for this purchase. The Budget Revision transfers the Fund Balance in the Economic Development Fund where the funds will be expended from at closing.

Attachments

- A - Purchase and Sale Agreement for Real Property (1183, 1377, and 1399 Diamond Drive)
- B - Budget Revision 2025-22
- C - Presentation from November 19, 2024 meeting
- D - Additional presentation slides
- E - County owned land inventory