

CITY of ALBUQUERQUE

TWENTY SIXTH COUNCIL

COUNCIL BILL NO. O-24-47 ENACTMENT NO. O. 2024. 039

SPONSORED BY: Brook Bassan, by request

1 **ORDINANCE**

2 **AMENDING CHAPTER 2, ARTICLE 14, PART 1 OF THE “LOCAL ECONOMIC**
3 **DEVELOPMENT ACT PLAN” ORDINANCE.**

4 **WHEREAS, the Local Economic Development Act (LEDA) was developed to**
5 **support local businesses; and**

6 **WHEREAS, current statute enables the City Council to terminate any**
7 **development plans or project participation agreements; and**

8 **WHEREAS, current statute instructs that any leftover city monies**
9 **associated with a project that has been terminated early shall be transferred to**
10 **the City’s general fund; and**

11 **WHEREAS, any leftover monies are better returned to the LEDA parent**
12 **account rather than the general fund to help fund future LEDA projects.**

13 **BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF**
14 **ALBUQUERQUE:**

15 **SECTION 1. LANGUAGE AMENDED. In Chapter 2, Article 14, Part 1, Section**
16 **12, amend the language as follows:**

17 **§ 2-14-1-12 TERMINATION. The Council may repeal §§ 2-14-1-1 et seq. and**
18 **terminate the City’s community economic development plan and any or all**
19 **project participation agreements undertaken under its authority. Termination**
20 **shall be by ordinance at a public hearing or in accordance with the terms of**
21 **the project participation agreement. If an ordinance or a project participation**
22 **agreement is repealed or terminated, all contract provisions of the project**
23 **participation agreement regarding termination shall be satisfied. Upon**
24 **termination of the ordinance or any project participation agreement, any city**
25 **monies remaining in city project accounts shall be transferred to the LEDA**
26 **parent account.**

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1 **SECTION 2. SEVERABILITY CLAUSE.** If any section, paragraph, sentence,
2 clause, word or phrase of this ordinance is for any reason held to be invalid or
3 unenforceable by any court of competent jurisdiction, such decision shall not
4 affect the validity of the remaining provisions of this ordinance. The Council
5 hereby declares that it would have passed this ordinance and each section,
6 paragraph, sentence, clause, word or phrase thereof irrespective of any
7 provision being declared unconstitutional or otherwise invalid.

8 **SECTION 3. COMPILATION.** Sections 1 of this ordinance shall be
9 incorporated in and made part of the Revised Ordinances of Albuquerque,
10 New Mexico, 1994.

11 **SECTION 4. EFFECTIVE DATE.** This ordinance takes effect five days after
12 publication by title and general summary.

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1 PASSED AND ADOPTED THIS 18th DAY OF November, 2024
2 BY A VOTE OF: 8 FOR 0 AGAINST.

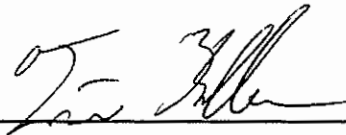
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4 For: Baca, Bassan, Fiebelkorn, Grout, Lewis, Peña, Rogers, Sanchez
5 Excused: Champine
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12 Dan Lewis, President
13 City Council
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16 APPROVED THIS 1 DAY OF December, 2024
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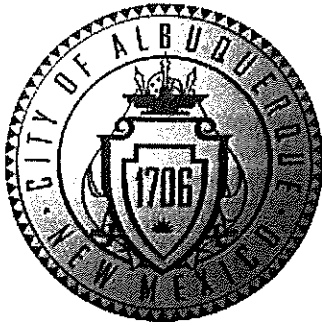
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20 Bill No. O-24-47

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22 Timothy M. Keller, Mayor
23 City of Albuquerque
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26 ATTEST:

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29 Ethan Watson, City Clerk
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CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

August 28, 2024

TO: Dan Lewis, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: Amending the "Local Economic Development Act Plan" Ordinance

Attached for your consideration and approval is an amendment to the "Local Economic Development Act Plan" Ordinance.

This legislation amends Chapter 2, Article 14, Part 1, Section 12 of the Local Economic Development Act ("LEDA"). This section of the ordinance relates to the termination of LEDA projects. Currently, upon termination of the ordinance or any project participation agreement for a LEDA project, any City monies remaining in project accounts are transferred to the City's general fund. The amendment proposes to have any remaining City monies from a closed project to instead be transferred into the LEDA parent account.

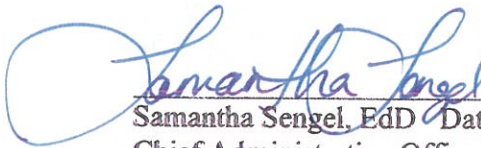
In the past, the Economic Development Department has transferred monies from terminated projects into the general fund and subsequently requested the funds be returned to the LEDA parent account via budget cleanup actions. The returned funds were then applied towards future LEDA projects. Any LEDA monies that are returned to the LEDA parent account, whether through the current process or proposed streamlined process, used for future proposed LEDA projects would still go through the legislative approval process. This amendment simply allows the Economic Development Department to more effectively reuse any unexpended or clawed back LEDA funds in a timely manner and allows the department to be nimbler in responding to economic development opportunities. The amendment allows for funds to still be used for their intended purpose and streamlines an internal process.

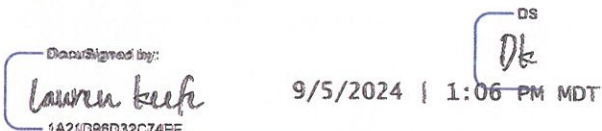
Your consideration and approval is requested.

Amending the "Local Economic Development Act Plan" Ordinance

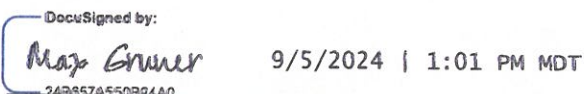
Approved:

Approved as to Legal Form:


Samantha Sengel, EdD Date
Chief Administrative Officer


DocuSigned by:
Lauren Keefe 9/5/2024 | 1:06 PM MDT
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Lauren Keefe Date
City Attorney

Recommended:


DocuSigned by:
Max Gruner 9/5/2024 | 1:01 PM MDT
249657A550B94A0...
Max Gruner Date
Director

Cover Analysis

1. What is it?

This legislation amends Chapter 2, Article 14, Part 1, Section 12 of the Local Economic Development Act (“LEDA”). This section of the ordinance relates to the termination of LEDA projects. This amendment would allow the Economic Development Department to return City monies directly to the LEDA parent account without having to wait for a midyear budget clean up.

2. What will this piece of legislation do?

Currently, upon termination of the ordinance or any project participation agreement for a LEDA project, any City monies remaining in project accounts are transferred to the City's general fund. The amendment proposes to have any remaining City monies from a closed project to instead be transferred into the LEDA parent account.

In the past, the Economic Development Department has transferred monies from terminated projects into the general fund and subsequently requested the funds be returned to the LEDA parent account via budget cleanup actions. The returned funds were then applied towards future LEDA projects. Any LEDA monies that are returned to the LEDA parent account, whether through the current process or proposed streamlined process, used for future proposed LEDA projects would still go through the legislative approval process.

This amendment simply allows the Economic Development Department to return the monies directly to the LEDA parent account without having to wait for a budget clean up. It will allow the department to more effectively reuse any unexpended or clawed back LEDA funds in a timely manner and allows the department to be nimbler in responding to economic development opportunities that may arise. The amendment allows for funds to still be used for their intended purpose and streamlines an internal process.

3. Why is this project needed?

The legislation will allow the Economic Development Department to operate more efficiently, manage its fiscal functions more effectively and reduces the administrative burden on both Council and EDD staff. The amendment allows the department to streamline a budget process with no negative effect on the current LEDA legislation process

4. How much will it cost and what is the funding source?

There is no cost to the City.

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

There is no revenue associated with this amendment.

6. What will happen if the project is not approved?

There is no definite or immediate or negative effects to the City if the amendment is not approved. The department would maintain the current process. However, if the amendment is not passed, there could be potential future LEDA projects jeopardized or we may not be able to provide a robust matching offer of City funds to due to the potential timing issues related to the return of terminated funds.

7. Is this service already provided by another entity?

No.