

CITY of ALBUQUERQUE

TWENTY SIXTH COUNCIL

COUNCIL BILL NO. O-24-66 ENACTMENT NO. _____

SPONSORED BY: Renée Grout, by request

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1 ORDINANCE

2 APPROVING A PROJECT INVOLVING SOLAERO TECHNOLOGIES

3 CORPORATION PURSUANT TO THE LOCAL ECONOMIC DEVELOPMENT ACT

4 AND CITY ORDINANCE F/S O-04-10, THE CITY'S IMPLEMENTING LEGISLATION

5 FOR THAT ACT, TO SUPPORT THE EXPANSION AND MODERNIZATION OF

6 SOLAERO'S COMPOUND SEMICONDUCTOR MANUFACTURING CAPABILITY

7 AND CAPACITY THAT IS BOTH SUFFICIENT TO MEET RAPIDLY GROWING

8 GLOBAL DEMAND AND A SIGNIFICANT IMPROVEMENT OF THE OVERALL

9 ECONOMICS OF COMPOUND SEMICONDUCTOR PRODUCTION AT SOLAERO;

10 AUTHORIZING THE EXECUTION OF A PROJECT PARTICIPATION AGREEMENT

11 AND OTHER DOCUMENTS IN CONNECTION WITH THE PROJECT; MAKING

12 CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE PROJECT

13 INCLUDING THE APPROPRIATION OF FUNDS; RATIFYING CERTAIN ACTIONS

14 TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH

15 **THIS ORDINANCE.**

16 WHEREAS, the City of Albuquerque (the "City") is a legally and regularly

17 created, established, organized, and existing municipal corporation of the State of New

18 Mexico (the "State"); and

19 WHEREAS, pursuant to Sections 5-10-1 through 5-10-13 NMSA 1978, as

20 amended (the "Act"), the City is authorized to provide economic development

21 assistance to eligible entities for certain projects located within the corporate limits of

22 the municipality; and

23 WHEREAS, pursuant to the Act, the City has adopted Ordinance No. F/S O-04-

24 10 (the "LEDA Ordinance"), approving an economic development plan for the City and

25 authorizing the City to assist economic development projects in any legally permissible

26 manner, subject to the terms of the LEDA Ordinance; and

1 WHEREAS, pursuant to the LEDA Ordinance, SolAero Technologies Corporation
2 (the "Company"), has submitted to the Council and the Albuquerque Development
3 Commission (the "Commission") an application (the "Application") requesting certain
4 economic development assistance for the expansion and modernization of the
5 Company's compound semiconductor manufacturing capability and capacity that is both
6 sufficient to meet rapidly growing global demand and a significant improvement of the
7 overall economics of compound semiconductor production at the Company's facility in
8 Albuquerque, which will include the addition of 70 new employees (the "Project"); and

9 WHEREAS, the City will administer and disburse to the Company funds totaling
10 up to \$1,750,000, of which \$1,500,000 is to be received by the City from the State
11 Economic Development Department and \$250,000 are to be City funds; and

12 WHEREAS, the Act and the LEDA Ordinance require that the City and the
13 Company enter into a project participation agreement meeting the requirements of the
14 Act and the LEDA Ordinance; and

15 WHEREAS, City staff has worked with the Company to prepare, and has
16 negotiated the terms of, a project participation agreement (the "Agreement") and related
17 documents that will govern the relationship between the City and the Company with
18 respect to the Project; and

19 WHEREAS, the form of the proposed Agreement has been filed with the City
20 Clerk and presented to the Council; and

21 WHEREAS, the proposed Agreement contains the provisions required by the Act
22 and the LEDA Ordinance and, among other things, provides that the Company will grant
23 to the City a security instrument to secure the Company's obligations under the
24 Agreement; and

25 WHEREAS, the City has obtained a cost-benefit analysis with respect to the
26 Project on the basis of information provided to the City by the Company, which cost-
27 benefit analysis shows that the City will recoup the value of its contribution within ten
28 (10) years; and

29 WHEREAS, the Application, together with the cost-benefit analysis,
30 demonstrates the benefits that will accrue to the community as a result of the donation
31 of public resources and demonstrates that the Company, by completing the Project, will
32 be making a substantive contribution to the community, as required by the LEDA
33 Ordinance; and

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1 WHEREAS, the Commission has considered the Project and the proposed
2 Agreement and has recommended that the Council approve the Company's proposal;
3 and

4 WHEREAS, the total amount of public money expended and the value of credit
5 pledged in each fiscal year in which money is expended by the City for the Project (and
6 any other approved projects) pursuant to the Act does not and will not exceed ten
7 percent of the general fund expenditures of the City in such fiscal year; and

8 WHEREAS, the City anticipates that the State will transfer to it, for subsequent
9 transfer to or on behalf of the Company pursuant to an intergovernmental agreement
10 between the City and the State, certain funds of the State that are available for the
11 Project; and

12 WHEREAS, after having considered the Application and the Agreement, the
13 Council has concluded that the economic and other benefits of the Project to the City
14 will be substantial, that it is desirable and necessary at this time to authorize the City to
15 enter into the Agreement, and that the City's provision of the assistance contemplated
16 by the Agreement will constitute a valid public purpose under the Act; and

17 WHEREAS, there has been published in The Albuquerque Journal, a newspaper
18 of general circulation in the City, public notice of the Council's intention to adopt this
19 Ordinance, which notice was published at least fourteen (14) days prior to hearing and
20 final action on this Ordinance.

21 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
22 ALBUQUERQUE:

23 Section 1. RATIFICATION. All actions not inconsistent with the provisions of
24 this Ordinance previously taken by the Council and the officials of the City directed
25 toward the provision of economic development assistance in connection with the Project
26 be approved and the same hereby are ratified, approved and confirmed.

27 Section 2. GOALS AND OBJECTIVES. The goals and objectives of the
28 Project are, as set forth in the Agreement, to create and support an economic
29 development project that fosters, promotes and enhances local economic development
30 efforts and that provides job growth and career opportunities for Albuquerque-area
31 residents and otherwise makes a substantive contribution to the community.

32 Section 3. THE PROJECT. The Project will consist of the expansion and
33 modernization of the Company's compound semiconductor manufacturing capability

1 and capacity that is both sufficient to meet rapidly growing global demand and a
2 significant improvement of the overall economics of compound semiconductor
3 production at the Company’s facility in Albuquerque, which will include the Company’s
4 obligation to hire 70 new employees, and the Company’s commitment to operate the
5 facility within the City for a minimum of ten years.

6 Section 4. FINDINGS. The Council hereby declares that it has considered all
7 relevant information presented to it relating to the Project and the Agreement and
8 hereby finds and determines that the provision of economic development assistance for
9 the Project is necessary and advisable and in the interest of the public and will promote
10 the public health, safety, morals, convenience, economy, and welfare of the City and its
11 residents.

12 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
13 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
14 and the Agreement, which provides, among other things, that the City will administer
15 and disburse to the Company funds totaling up to \$1,750,000, of which \$1,500,000 is to
16 be received by the City from the State Economic Development Department and
17 \$250,000 are to be City funds, in exchange for which the Company will complete the
18 Project as specified in the Agreement. There is hereby appropriated for the Project up
19 to \$1,500,000 of funds received from the State Economic Development Department and
20 up to \$250,000 of City funds.

21 Section 6. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS.

22 (A) The form, terms, and provisions of the Agreement in the form
23 presented to the Council with this Ordinance are in all respects approved, authorized,
24 and confirmed, and the City is authorized to enter into the Agreement in substantially
25 the form thereof, with only such changes as are not inconsistent with this Ordinance or
26 such other changes as may be approved by supplemental resolution of the Council.

27 (B) The Council authorizes the Mayor or the Chief Administrative
28 Officer of the City to execute and deliver the Agreement in the name and on behalf of
29 the City, with only such changes therein as are not inconsistent with this Ordinance or
30 such changes as may be approved by supplemental resolution of the Council.

31 (C) The Mayor, Chief Administrative Officer, Chief Financial Officer,
32 City Treasurer, and City Clerk are further authorized to execute, authenticate and
33 deliver such certifications, instruments, documents, letters and other agreements,

1 including an intergovernmental agreement with the State Economic Development
2 Department, and any appropriate security agreements, and to do such other acts and
3 things, either prior to or after the date of delivery of the executed Agreement, as are
4 necessary or appropriate to consummate the transactions contemplated by the
5 Agreement.

6 (D) City officials shall take such action as is necessary in conformity
7 with the Act, the LEDA Ordinance and this Ordinance to effectuate the provisions of the
8 Agreement and carry out the transactions as contemplated by this Ordinance and the
9 Agreement, including, without limitation, the execution and delivery of any documents
10 deemed necessary or appropriate in connection therewith.

11 Section 7. SEVERABILITY. If any section, paragraph, clause or provision of
12 this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity
13 or unenforceability of that section, paragraph, clause, or provision shall not affect any of
14 the remaining provisions of this Ordinance.

15 Section 8. REPEALER. All bylaws, ordinances, resolutions, and orders, or
16 parts thereof, inconsistent with this Ordinance are repealed by this Ordinance but only
17 to the extent of that inconsistency. This repealer shall not be construed to revive any
18 bylaw, ordinance, resolution, or order, or part thereof, previously repealed.

19 Section 9. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE
20 DATE. This Ordinance, immediately upon its final passage and approval, shall be
21 recorded in the ordinance book of the City, kept for that purpose, and shall be there
22 authenticated by the signature of the Mayor and the presiding officer of the City Council,
23 and by the signature of the City Clerk or any Deputy City Clerk, and notice of adoption
24 thereof shall be published once in a newspaper that maintains an office in, and is of
25 general circulation in, the City, and shall be in full force and effect five (5) days following
26 such publication.

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