

# CITY of ALBUQUERQUE

## TWENTY THIRD COUNCIL

COUNCIL BILL NO. R-19-118 ENACTMENT NO. R-2019-009

SPONSORED BY: Isaac Benton, by request

1 RESOLUTION

2 DECLARING THE INTENT OF THE CITY OF ALBUQUERQUE, NEW MEXICO,  
3 SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, TO ISSUE  
4 METROPOLITAN REDEVELOPMENT BONDS IN AN AGGREGATE PRINCIPAL  
5 AMOUNT NOT TO EXCEED \$26,400,000.00 IN CONNECTION WITH THE  
6 ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE MARRIOTT  
7 SPRINGHILL SUITES PROJECT FOR THE PURPOSE OF INDUCING URBAN  
8 HOSPITALITY NM, LLC, OR ITS SUCCESSORS AND ASSIGNS, TO LOCATE  
9 THE PROJECT IN THE CITY AND TO DEVELOP THE PROJECT IN THE CITY AS  
10 DESCRIBED IN THE PROJECT PLAN.

11 WHEREAS, the City of Albuquerque (the "City"), State of New Mexico  
12 (the "State"), is a legally and regularly created, established, organized and  
13 existing municipal corporation of the State; and

14 WHEREAS, pursuant to the Metropolitan Redevelopment Code, Chapter  
15 3, Article 60A, New Mexico Statutes Annotated, 1978 Compilation, as amended  
16 (the "Code"), the City Council (the "Council") of the City is authorized to  
17 acquire metropolitan redevelopment projects to be located within metropolitan  
18 redevelopment areas; and

19 WHEREAS, the City desires to encourage redevelopment, so as to  
20 promote industry and develop trade or other economic activity by inducing  
21 profit or non profit corporations and commercial or business enterprises,  
22 among others, to locate, expand or remain in metropolitan redevelopment  
23 areas, to reduce unemployment and to secure and maintain a balanced and  
24 stable economy in such areas and to promote public health, welfare, safety,  
25 convenience and prosperity; and

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1 WHEREAS, the City has previously designated the area within which the  
2 Project Site (as defined below) and the Project (as defined below) are located  
3 as the Sycamore Metropolitan Redevelopment Area; and

4 WHEREAS, Urban Hospitality NM, LLC, a New Mexico limited liability  
5 company (together with its successors and assigns, the "Company") has  
6 presented to the City a proposal (the "Project Plan") whereby, in accordance  
7 with the Code, the City will acquire certain land comprised of 1101 Central  
8 Ave. SE, Albuquerque, NM 87106, all within the City (the "Project Site"), upon  
9 which renovation, construction and equipping of the Project Site for the  
10 purpose of providing a hotel project and related amenities will occur (the  
11 "Project") in accordance with the Code; and

12 WHEREAS, The Project Plan proposes the issuance by the City of its  
13 Metropolitan Redevelopment Bonds (Marriott Springhill Suites Project) Series  
14 2019 (the "Bonds") under the Code in an aggregate principal amount not to  
15 exceed \$26,400,000.00 to finance all or part of the costs of construction and  
16 equipping of the Project and certain costs in connection with the  
17 authorization, issuance and sale of the Bonds; and

18 WHEREAS, the issuance of the Bonds by the City to finance all or a part  
19 of the Project will constitute one of the inducements relied upon by the  
20 Company to construct and equip the Project in the City; and

21 WHEREAS, the City desires to indicate its intent, subject to the  
22 conditions provided in Section 6 below, to proceed with the issuance of the  
23 Bonds for the financing of the Project pursuant to the terms of an ordinance  
24 (the "Bond Ordinance") to be subsequently considered for approval by the  
25 Council; and

26 WHEREAS, the Albuquerque Development Commission, which acts as  
27 the Metropolitan Development Commission under the provisions of City  
28 Ordinance 12-1985 (the "Commission") held a public hearing on October 18,  
29 2018 on the Project and the issuance of the Bonds, at which hearing  
30 comments from the public were gathered and considered by the Commission;  
31 and

1 WHEREAS, at the conclusion of the public hearing, the Commission  
2 voted to recommend approval of the Project and the issuance of the Bonds to  
3 the Council and approved the Project Plan; and

4 WHEREAS, the City and the Company understand that the adoption of  
5 this resolution shall not obligate the City to issue the Bonds except in full  
6 compliance with the terms of the Bond Ordinance to be adopted by the  
7 Council prior to the issuance of the Bonds and of related bond documents in  
8 form satisfactory to the City to be approved by the Council prior to the  
9 issuance of the Bonds.

10 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
11 ALBUQUERQUE:

12 Section 1. Ratification. All actions (not inconsistent with the provisions  
13 hereof) heretofore taken by the Council, the Commission and the officers and  
14 officials of the City and the Commission, related to the purposes of this  
15 Resolution, are ratified, approved and confirmed.

16 Section 2. Project. The Council has been informed that:

17 a. The location of the Project is 1101 Central Ave. SE Albuquerque, NM  
18 87106 located within the Sycamore Metropolitan Redevelopment Area.

19 b. The Project consists of up to approximately 1.3 acres of land  
20 together with apartment buildings totaling approximately 92,945 square feet,  
21 and related improvements for the purpose of providing hotel space and  
22 associated amenities.

23 c. The maximum aggregate face amount of the obligations to be issued  
24 with respect to the Project is \$26,400,000.00.

25 d. The Project conforms to the requirements of the Sycamore  
26 Metropolitan Redevelopment Plan and the Code. The Project will remediate  
27 blighted conditions and infrastructure, improving the health, safety and  
28 welfare of the public and will encourage economic and commercial growth  
29 within the area.

30 Section 3. Interest on the Bonds not Federally Tax-exempt. The City  
31 understands that the Company does not intend that the Bonds be "qualified  
32 private activity bonds" as that term is defined in the Internal Revenue Code of  
33 1986, as amended.

1           Section 4. Intent to Issue Bonds. In order to promote the local health  
2   and general welfare, safety, convenience and prosperity of the inhabitants of  
3   the City, it is the Council's intent to take all necessary and advisable steps to  
4   effect the issuance of the Bonds, in a principal amount not to exceed  
5   \$26,400,000.00 in order to defray part or all of the costs of the construction  
6   and equipping of the Project, provided that this expression of intent is  
7   conditioned upon the issuance of the Bonds on or before one year from the  
8   date of the adoption of this Resolution, and further provided that issuance of  
9   the Bonds is subject to the conditions described in Section 6 hereof.

10          Section 5. No Pecuniary Liability of the City. The Bonds shall be payable  
11   solely from the revenues of the Project, by the Company, from proceeds of the  
12   Bonds and from investment earning of Bond proceeds, if any. The Bonds shall  
13   not constitute a debt or indebtedness of the City within the meaning of any  
14   provision of limitation of the Constitution or statutes of the State of New  
15   Mexico or the Charter of the City. In addition, if the Bonds are issued, the  
16   Company shall indemnify and hold the City harmless from and against any  
17   liability that may be asserted against the City with respect to the City's  
18   ownership of, or leasehold interest in, the Project or the issuance of the  
19   Bonds. Nothing in this Resolution or in any other instrument shall be  
20   considered as obligating the City to any pecuniary liability or as constituting a  
21   charge upon the general credit of the City or against its general revenues or  
22   its taxing power, it being understood that no costs are to be borne by the City  
23   and that all costs incurred by the City in connection with the issuance and  
24   sale of the Bonds will be promptly reimbursed by the Company.

25          Section 6. Issuance of Bonds Conditioned upon Full Review and  
26   Approval. The issuance of the Bonds and the execution and delivery of any  
27   documents to which the City is a party in connection therewith shall be  
28   subject to, and specifically conditioned upon, a full review of such documents  
29   and the approval and authorization by the Council of the issuance of the  
30   Bonds pursuant to the Bond Ordinance following reasonable public notice of  
31   the time, date and place of the Council's public hearing relating to adoption of  
32   the Bond Ordinance. In connection with this Resolution, the Council has been  
33   informed that the Company has expressed its understanding that a failure or

1 refusal of the Council, however arising, to adopt the Bond Ordinance will have  
2 the effect of voiding any benefits to the Company under the Code.

3 Section 7. Authorized Actions. The Mayor and other appropriate City  
4 officials are hereby authorized and empowered to take such steps and to do  
5 such things as may be necessary to achieve the purposes of this Resolution.

6 Section 8. Severance Clause. If any section, paragraph, clause or  
7 provision of this resolution shall for any reason be held to be invalid or  
8 unenforceable, the invalidity or unenforceability of such section, paragraph,  
9 clause or provision shall not affect any of the remaining provisions of this  
10 Resolution.

11 Section 9. Headings. Titles of the sections in this Resolution are included  
12 for convenience only and shall not be construed as modifying the text.

13 Section 10. Repealer. All orders and resolutions, or parts thereof, in  
14 conflict with this Resolution are hereby repealed; however, this repealer shall  
15 not be construed to revive any order, resolution or part thereof, heretofore  
16 repealed.

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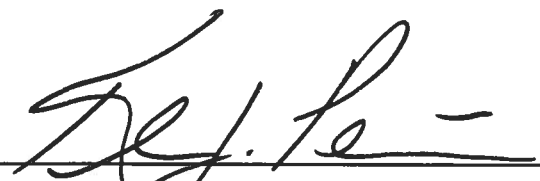
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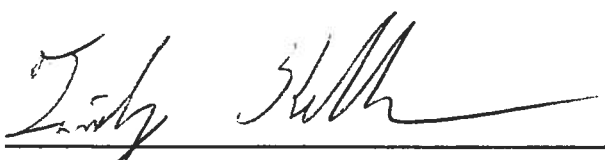
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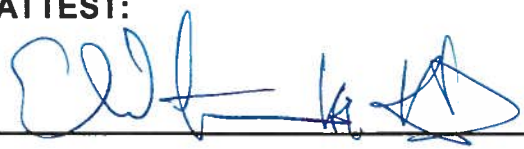
1 PASSED AND ADOPTED THIS 23<sup>rd</sup> DAY OF January, 2019  
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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8 Klarissa J. Peña, President  
9 City Council

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13 APPROVED THIS 30 DAY OF January, 2019  
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18 Bill No. R-19-118

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23 Timothy M. Keller, Mayor  
24 City of Albuquerque  
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27 ATTEST:  
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30 Katy Duhigg, City Clerk  
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