

CITY of ALBUQUERQUE

TWENTY THIRD COUNCIL

COUNCIL BILL NO. O-19-73

ENACTMENT NO. O-2019-027

SPONSORED BY: Patrick Davis, by request

1 **ORDINANCE**

2 **RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A**
3 **METROPOLITAN REDEVELOPMENT PROJECT AND THE ISSUANCE OF**
4 **METROPOLITAN REDEVELOPMENT REVENUE BONDS PAYABLE FROM RENTAL**
5 **PAYMENTS THEREFOR; APPROVING THE METROPOLITAN REDEVELOPMENT**
6 **APPLICATION ENTITLED "BROADSTONE NOB HILL METROPOLITAN**
7 **REDEVELOPMENT BOND APPLICATION"; AUTHORIZING THE ACQUISITION OF**
8 **LAND AND EXISTING IMPROVEMENTS AND CONSTRUCTION OF A BUILDING**
9 **WITHIN THE CENTRAL/ HIGHLAND/ UPPER NOB HILL METROPOLITAN**
10 **REDEVELOPMENT AREA; AUTHORIZING THE DISPOSITION BY LEASE AND**
11 **SALE OF THE CITY'S INTEREST IN SUCH PROJECT TO BROADSTONE NOB**
12 **HILL, LLC, ITS SUCCESSORS AND ASSIGNS; AUTHORIZING THE ISSUANCE**
13 **AND SALE OF THE CITY OF ALBUQUERQUE, NEW MEXICO METROPOLITAN**
14 **REDEVELOPMENT REVENUE BONDS (BROADSTONE NOB HILL PROJECT)**
15 **SERIES 2020 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$21,500,000 TO**
16 **PROVIDE FUNDS TO FINANCE A PORTION OF THE COSTS OF THE**
17 **CONSTRUCTION OF THE PROJECT; AUTHORIZING THE EXECUTION AND**
18 **DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE**
19 **AGREEMENT, THE BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH**
20 **THE ISSUANCE OF THE BONDS AND THE PROJECT; MAKING CERTAIN**
21 **DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE**
22 **PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND**
23 **REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.**

24 **WHEREAS, the City of Albuquerque (the "City") is a legally and regularly**
25 **created, established, organized and existing municipal corporation of the State of**
26 **New Mexico (the "State"); and**

1 WHEREAS, the City desires to promote redevelopment in areas designated
2 as blighted areas so as to promote neighborhood stabilization by providing
3 affordable housing, convenient services, creating new jobs, upgrading area
4 buildings, infrastructure and housing for such areas and to promote public health
5 welfare, safety convenience and prosperity; and

6 WHEREAS, pursuant to the Metropolitan Redevelopment Code, Sections 3-
7 60A-1 through 3-60A-13 and Sections 3-60A-14 through 3-60A-48, New Mexico
8 Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is
9 authorized to acquire, whether by construction, purchase, gift or lease, and to
10 finance, sell, lease, or otherwise dispose of, projects as defined in the Act, and to
11 issue revenue bonds for the purpose of financing such projects; and

12 WHEREAS, the City Council (the "Council") has adopted an ordinance
13 establishing the Albuquerque Development Commission (the "Development
14 Commission") to review projects proposed to be financed with metropolitan
15 redevelopment revenue bonds pursuant to City Resolution No. 16-1985, as
16 amended; and

17 WHEREAS, Broadstone Nob Hill, LLC, a Delaware limited liability company
18 (together with its successors and assigns, the "Company") has presented to the
19 Development Commission and the Council a proposed metropolitan
20 redevelopment project application (the "Plan") whereby the City will, pursuant to
21 the Act, acquire from the Company land and existing improvements located
22 within the City and within the Central/ Highland/ Upper Nob Hill Metropolitan
23 Redevelopment Area for redevelopment by the lessee/purchaser thereof for a
24 multi-family project (the "Project"), and pursuant to which the City would issue its
25 metropolitan redevelopment revenue bonds in order to finance construction of
26 the Project; and

27 WHEREAS, under the Company's proposal, the City would enter into an
28 Indenture (the "Indenture") with the Purchaser (defined below) and a bank
29 exercising trust powers, as trust depositary (the "Depositary"), pursuant to
30 which, together with this ordinance (this "Ordinance"), the City will issue its
31 bonds designated as the City of Albuquerque, New Mexico Metropolitan
32 Redevelopment Revenue Bonds (Broadstone Nob Hill Project), Series 2020 (the
33 "Bonds"); and

1 WHEREAS, under the Company's proposal, the City and the Company will
2 enter into a Lease Agreement (the "Lease"), pursuant to which the Company will
3 lease and agree to purchase the land and improvements comprising the Project
4 from the City, and the Company shall make payments to the purchaser of the
5 Bonds (the "Purchaser") sufficient to pay the principal of, redemption premium, if
6 any, and interest on the Bonds and to pay all other obligations incurred pursuant
7 to the provisions of the Lease and this Ordinance; and

8 WHEREAS, the Bonds, in an aggregate principal amount not to exceed
9 \$21,500,000, will be issued, sold and delivered by the City pursuant to a bond
10 purchase agreement (the "Bond Purchase Agreement") among the City, the
11 Purchaser and the Company; and

12 WHEREAS, the proceeds of the Bonds shall be applied to pay a portion of
13 the costs of the Project and to pay certain costs associated with the issuance of
14 the Bonds; and

15 WHEREAS, the Albuquerque Development Commission has reviewed the
16 Plan, has held a public hearing on the Plan and the Bonds, has determined that
17 the Company has complied with Resolution No. 16-1985, as amended, and has
18 recommended approval of the Plan and the Bonds by the Council; and

19 WHEREAS, the Council has adopted Resolution No. R-19-133, Enactment
20 No. R-2019-026, indicating its intent to take all necessary and advisable steps to
21 effect the issuance of the Bonds subject to full review of the documents to which
22 the City is a party and authorization by the Council of the issuance of the Bonds;
23 and

24 WHEREAS, the Council has held a public hearing on the Plan and the
25 Bonds, after proper notice; and

26 WHEREAS, the Plan meets the objectives of the Act and will benefit the
27 City's efforts to revitalize the Central/ Highland/ Upper Nob Hill Metropolitan
28 Redevelopment Area of the City; and

29 WHEREAS, the Plan has been filed with the City Clerk and presented to the
30 Council; and

31 WHEREAS, there have been filed with the City Clerk and presented to the
32 Council the forms of the following documents:

- 33 1. Lease Agreement

1 2. Indenture

2 3. Bond Purchase Agreement

3 The Lease, Indenture, and Bond Purchase Agreement are collectively referred to
4 in the Ordinance as the "Bond Documents"; and

5 WHEREAS, the Council has determined that it is in the best interest of the
6 City: (i) to issue the Bonds; and (ii) to execute and deliver the Bond Documents,
7 and other documents related thereto; and

8 WHEREAS, the City is authorized to issue the Bonds under the Act and this
9 Ordinance, and has concluded that it is desirable at this time to authorize the
10 issuance of the Bonds to finance the Project and that the City's issuance of the
11 Bonds will constitute and be a valid public purpose; and

12 WHEREAS, there has been published in The Albuquerque Journal, a
13 newspaper of general circulation in the City, public notice of the Council's
14 intention to adopt this Ordinance, which notice contained certain information
15 concerning the Plan and the ownership, purpose, location and size of the Project
16 and the maximum amount of the Bonds to be issued to finance the Project, which
17 notice was published at least fourteen days prior to final action upon this
18 Ordinance.

19 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
20 ALBUQUERQUE:

21 Section 1. RATIFICATION. All actions not inconsistent with the provisions
22 of this Ordinance previously taken by the Council and the officials of the City
23 directed toward approval of the Plan and the issuance and sale of the Bonds
24 should be approved and the same hereby are ratified, approved and confirmed.

25 Section 2. FINDINGS. The Council, after a public hearing held upon proper
26 notice, hereby declares that it has considered all relevant information presented
27 to it relating to the Plan and the Bonds and hereby finds and determines that
28 approval of the Plan and the issuance of the Bonds pursuant to this Ordinance to
29 provide funds for the Project are necessary and advisable and in the interest of
30 and will promote the public health, safety, morals, convenience, education,
31 economy and welfare of the City and the residents of the City. The Council finds
32 that:

1 (1) The Plan and the proposed activities under the Plan aid
2 in the elimination or prevention of slum or blight; and

3 (2) The Plan conforms to the general plan for the City as a
4 whole;

5 (3) The Plan affords maximum opportunity consistent with
6 the needs of the community for the rehabilitation or redevelopment of the area by
7 private enterprise or persons, and the objectives of the Plan justify the proposed
8 activities as public purposes and needs;

9 (4) The Bonds will be issued for the purpose of financing
10 the Project;

11 (5) The aggregate face amount of obligations to be issued
12 with respect to financing the Project is not to exceed \$21,500,000;

13 (6) The developer of the Project property is the Company;
14 and

15 (7) The Project property comprises of 4101 Central Ave. NE
16 Albuquerque, NM 87108, all within the Central/ Highland/ Upper Nob Hill
17 Metropolitan Redevelopment Area.

18 Section 3. THE PROJECT. The City shall acquire the Project for the
19 purposes hereinabove described, and the Project shall be located at all times
20 within the corporate limits of the City and within the Central/ Highland/ Upper Nob
21 Hill Metropolitan Redevelopment Area.

22 Section 4. THE PLAN-APPROVAL. The Plan in the form on deposit in the
23 office of the City Clerk is hereby approved in all respects.

24 Section 6. BONDS - APPROVAL, AUTHORIZATION AND DETAIL.

25 A. Approval and Sale. The issuance of the Bonds in an aggregate
26 principal amount not to exceed \$21,500,000 and the use of the proceeds of the
27 Bonds to finance a portion of the costs of the Project, including payment of
28 expenses relating thereto, are hereby approved and confirmed. The Bonds shall
29 be issued no later than December, 2020.

30 B. Form and Terms. Subject to the limitations set forth in this
31 Ordinance, the Bonds shall (i) be in the form and denominations and shall be
32 numbered and dated as set forth in the Indenture; (ii) be payable as to principal

1 and interest as set forth in the Indenture; and (iii) bear interest at the rates and
2 maturing on the date set forth in the Indenture.

3 C. Execution. The Bonds shall be signed by the Mayor or Chief
4 Administrative Officer of the City of Albuquerque, New Mexico.

5 D. The interest rate and net effective interest rate on the Bonds
6 shall not exceed 5% per annum.

7 Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS;
8 ACTIONS TO BE TAKEN.

9 A. The form, terms and provisions of the Bond Documents in the
10 form on deposit in the office of the City Clerk are in all respects approved,
11 authorized and confirmed.

12 B. The Mayor or Chief Administrative Officer of the City is
13 authorized to execute and deliver in the name and on behalf of the City, and the
14 City Clerk or Deputy City Clerk is hereby authorized to attest, as necessary, the
15 Bond Documents and the Bonds with such changes therein as are not
16 inconsistent with this Ordinance.

17 C. The Mayor, Chief Administrative Officer, Treasurer and City
18 Clerk are further authorized to execute, authenticate and deliver such
19 certifications, instruments, documents, letters and other agreements and to do
20 such other acts and things, either prior to or after the date of delivery of the
21 Bonds, as are necessary or appropriate to consummate the transactions
22 contemplated by the Bond Documents and the Plan.

23 D. The officers of the City shall take such action as is necessary
24 to effectuate the provisions of the Indenture and shall take such action as is
25 necessary in conformity with the Act to finance the costs of the Project and for
26 carrying out other transactions as contemplated by this Ordinance, the Indenture,
27 the Lease, and the Bond Purchase Agreement, including, without limitation, the
28 execution and delivery of any closing documents to be delivered in connection
29 with the sale and delivery of the Bonds.

30 Section 8. DELIVERY OF BONDS. Upon the execution of the Bond
31 Documents, the satisfaction of the conditions set forth in the Bond Documents
32 and upon receipt of the purchase price for the Bonds, the Bonds shall be
33 executed, authenticated and delivered to the Purchaser. No Bond shall be valid

1 for any purpose until such Bond has been properly authenticated as set forth in
2 the Indenture.

3 Section 9. FUNDS AND ACCOUNTS. There are established in the Indenture,
4 and on and after the date on which the Bonds are issued there shall be
5 maintained, the funds and accounts as set forth in the Indenture. Other funds and
6 accounts may be established as are necessary under the Indenture.

7 Section 10. LEASE TERM. The Lease term shall not exceed seven years.

8 Section 11. FINDINGS REGARDING PROPERTY TAX ABATEMENT;
9 PAYMENT OF INTEREST AND PRINCIPAL AND OTHER MATTERS. The Council
10 makes the following determinations and findings in accordance with Sections 3-
11 60A-39 and 3-60A-40 of the Act:

12 A. It shall not be necessary to deposit any amount in a debt
13 service reserve fund or a repair and replacement reserve fund for the
14 maintenance of the Project property.

15 B. The Lease requires that the Company maintain the Project
16 property in good repair and condition (excepting reasonable wear and tear) and
17 carry all proper insurance with respect to the Project property.

18 C. The Lease requires the Company to make payments sufficient
19 to pay the principal of, premium, if any, and interest on the Bonds as principal
20 and interest become due and to make all payments of or relating to the Project
21 property as they become due.

22 D. In accordance with Section 7-36-3.1, NMSA 1978, as amended
23 and supplemented, the Project property shall be exempt from property taxation
24 on the improvements financed by the Bonds for the shorter of the period of time
25 the Bonds remain outstanding or December 31 of the year in which the seventh
26 anniversary of the acquisition of the Project property by the City will occur (i.e.,
27 December 31, 2026 if the Bonds are issued in 2019, and December 31, 2027 if the
28 Bonds are issued in 2020).

29 E. The maximum amount necessary in each year to pay the
30 principal of and interest on the Bonds, assuming issuance of the Bonds as of
31 December, 2020, in the maximum principal amount of \$21,500,000 and bearing
32 interest at a maximum rate of 5%, is as follows:

33 Combined Total

<u>Year Ending</u>	<u>Principal and Interest Payment</u>
December 31, 2021	\$ 1,075,000.00
December 31, 2022	\$ 1,075,000.00
December 31, 2023	\$ 1,075,000.00
December 31, 2024	\$ 1,075,000.00
December 31, 2025	\$ 1,075,000.00
December 31, 2026	\$ 1,075,000.00
December 31, 2027	\$ 22,575,000.00

Section 12. LIMITED OBLIGATIONS. The Bonds shall be special limited obligations of the City, payable solely from the revenues derived from the Lease and payable by the Company as described in the Indenture and any other property or interest of the City specifically pledged under the Indenture, and shall never constitute a debt or indebtedness of the City or the State or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution, statutes or home-rule charter of the City, and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing power. Nothing contained in the Ordinance or in the Bond Documents or any other instrument shall be construed as obligating the City (except with respect to the Project property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contained in the Ordinance, the Bond Documents, the Bonds or any other instrument be construed as obligating the City (except with respect to the Project property and the application of the revenues therefrom and the proceeds of the Bonds, all as provided in the Bond Documents), nor as incurring a pecuniary liability or a charge upon the general credit of the City or against its taxing power, the City having no power to pay out of its general funds, or otherwise contribute any part of the costs of constructing or furnishing the Project property.

Section 13. APPROVAL OF INDEMNIFICATION. The Council specifically approves the provisions of the Lease relating to indemnification which provide

1 that the Company shall indemnify and hold harmless the City and its City
2 Councilors, officials, members, officers, employees and agents against liability to
3 the Company, or to any third parties that may be asserted against the City or its
4 City Councilors, officials, members, officers, employees or agents with respect to
5 the City's ownership of the Project property or the issuance of the Bonds and
6 arising from the condition of the Project property or the acquisition, construction
7 and operation of the Project property by the Company, except to the extent
8 Section 56-7-1, New Mexico Statutes Annotated, 1978 Compilation, applies, and
9 except claims for any loss or damage arising out of or resulting from the gross
10 negligence or willful misconduct of the City or any member, officer, employee or
11 agent of the City.

12 Section 14. ORDINANCE IRREPEALABLE. After any of the Bonds are
13 issued, this Ordinance shall be and remain irrepealable until the Bonds, including
14 interest, are fully paid, canceled and discharged.

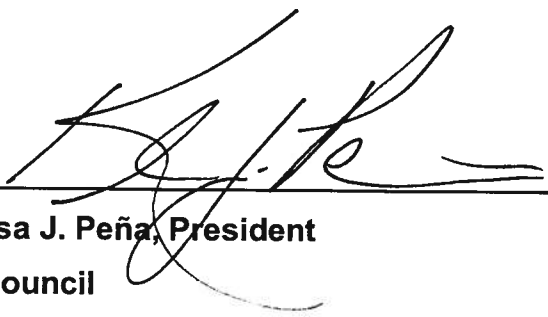
15 Section 15. REPEALER. All bylaws, orders, resolutions and ordinances, or
16 parts thereof, inconsistent with this Ordinance are repealed by this Ordinance but
17 only to the extent of that inconsistency. This repealer shall not be construed to
18 revive any bylaw, order, resolution or ordinance, or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

20 Section 16. SEVERABILITY. If any section, paragraph, clause or provision
21 of this Ordinance shall for any reason be held to be invalid or unenforceable, the
22 invalidity or unenforceability of that section, paragraph, clause or provision shall
23 not affect any of the remaining provisions of this Ordinance.

24 Section 17. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE
25 DATE. This Ordinance, immediately upon its final passage and approval, shall be
26 recorded in the Ordinance book of the City, kept for that purpose, and shall be
27 there authenticated by the signature of the Mayor and the presiding officer of the
28 Council, and by the signature of the City Clerk or any Deputy City Clerk, and
29 notice of adoption thereof shall be published once in a newspaper which
30 maintains an office in, and is of general circulation in, the City, and shall be in full
31 force and effect five days following such publication.

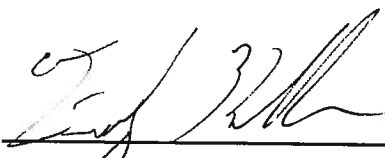
1 PASSED AND ADOPTED THIS 7th DAY OF October, 2019
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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Klarissa J. Peña, President
City Council

APPROVED THIS 24 DAY OF October, 2019

Bill No. O-19-73


Timothy M. Keller, Mayor
City of Albuquerque

ATTEST:


Katy Duhigg, City Clerk

[+ Bracketed/Underscored Material +] - New
[- Bracketed/Strikethrough Material -] - Deletion