## CITY of ALBUQUERQUE TWENTY FOURTH COUNCIL

COUNCIL BILL NO. <u>0-20-15</u> ENACTMENT NO.

SPONSORED BY: Pat Davis and Don Harris

#### ORDINANCE

2 RELATING TO THE LOCAL ECONOMIC DEVELOPMENT ACT PLAN OF THE
3 CITY OF ALBUQUERQUE; TEMPORARILY SUSPENDING SECTION 2-14-1-9(D)
4 OF THE ALBUQUERQUE CODE OF ORDINANCES FOR THE LIMITED
5 PURPOSE OF ASSISTING THE STATE OF NEW MEXICO WITH ITS COVID-19
6 RELIEF ZERO INTEREST LOAN PROGRAM

WHEREAS, the City of Albuquerque (the "City") provides public support
of economic development projects to foster, promote and enhance local
economic development efforts within the City pursuant to the Local Economic
Development Act, Sections 5-10-1 through 5-10-13 NMSA 1978, as amended
(the "Act"), and the City's Local Economic Development Act Plan (the "LEDA
Plan"), codified in the City's Code of Ordinances at Sections 2-14-1-1 through
2-14-1-13; and

WHEREAS, the City is permitted under the Act to serve as fiscal agent for the State of New Mexico (the "State") to oversee and administer State local economic development funds committed to qualified entities located within the corporate limits of the City; and

WHEREAS, Section 2-14-1-9 provides for public safeguards related to the expenditure of public funds for eligible local economic development projects, including annual performance reviews, a form of security to protect the City's interest in the public funds provided, and a commitment from the qualifying entity to operate in accordance with a project participation agreement with the City for a minimum of ten years; and

WHEREAS, in response to the COVID-19 pandemic, the State Economic
Development Department created a zero-interest loan program (the "Loan
Program") for qualified entities that meet the requirements of the Act; and

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1 WHEREAS, the State's Loan Program is intended to provide short-term 2 financing for qualified entities with repayment of the loan due within two years 3 and with the loan amount being fully securitized for the protection of the State 4 and public funds; and

5 WHEREAS, the City seeks to support to the State's Loan Program and 6 the related benefit to qualified entities within the corporate limits of the City to 7 help address the economic conditions resulting from the COVID-19 pandemic; 8 and

9 WHEREAS, given the two year maturity of the State's Loan Program, the 10 City LEDA Plan requirement of a ten year commitment from the qualifying 11 entity under Section 2-14-1-9(D) should be temporarily suspended to allow the 12 City to assist the State and local qualifying entities.

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

15 <u>Section 1</u>. Section 2-14-1-9(D) of the LEDA Plan is hereby 16 temporarily suspended for the limited purpose to allow the City to serve as the 17 State's fiscal agent related to the State Loan Program. The temporary 18 suspension of Section 2-14-1-9(D) shall be in effect until June 30, 2022 unless 19 otherwise extended by action of the City Council.

<u>Section 2</u>. If any section, paragraph, sentence, clause, word or phrase of this Ordinance is for any reason held to be invalid or unenforceable by any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of the Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, paragraph, sentence, clause, word or phrase thereof irrespective of any provision being declared being declared unconstitutional or otherwise invalid.

<u>Section 3</u>. This Ordinance shall take effect five days after publication by title and general summary.

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### CITY OF ALBUQUERQUE

## Albuquerque, New Mexico Office of the Mayor

Mayor Timothy M. Keller

#### **INTER-OFFICE MEMORANDUM**

May 8, 2020

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor

**SUBJECT:** Ordinance Temporarily Suspending 10 Year Commitment Safeguard under the City's LEDA Plan Section 2-14-1-9(D)

Attached is an ordinance authorizing the temporary suspension of the City's LEDA Plan Section 2-14-1-9 (D). In response to the COVID-19 pandemic, the State Economic Development Department created a zero-interest loan program (the "Loan Program") for qualified entities that meet the requirements of the Act. The State's Loan Program is intended to provide short-term financing for qualified entities with repayment of the loan due within two years and with the loan amount being fully securitized for the protection of the State and public funds. The purpose of this ordinance allows the City to serve as the State's fiscal agent related to the State Loan Program. The temporary suspension of Section 2-14-1-9(D) would be in effect until June 30, 2022 unless otherwise extended by action of the City Council. The City seeks to support the State's Loan Program and the related benefit to qualified entities within the corporate limits of the City to help address the economic conditions resulting from the COVID-19 pandemic.

Approved:		Approved:	
SM.	£ 11.100	DocuSigned by:	5/11/2020
	511120	Esteban A Aquilar Jr.	
Sarita Nair	Date	Estoban Aguilar	Date
Chief Administrative Officer		City Attorney	
Recommended:			

—Docusigned by: Synthia Jaramillo

5/9/2020

Economic Development Department Date Synthia Jaramillo

#### **Cover Analysis**

#### 1. What is it?

Legislation to approve Ordinance Suspending LEDA Provision Section 2-14-1-9(D).

#### 2. What will this piece of legislation do?

Approves Ordinance authorizing Section 2-14-1-9(D) of the LEDA Plan to be temporarily suspended for the limited purpose to allow the City to serve as the State's fiscal agent related to the State Loan Program. The temporary suspension of Section 2-14-1-9(D) would be in effect until June 30, 2022 unless otherwise extended by action of the City Council.

#### 3. Why is this project needed?

In response to the COVID-19 pandemic, the State Economic Development Department created a zero-interest loan program (the "Loan Program") for qualified entities that meet the requirements of the Act. The State's Loan Program is intended to provide short-term financing for qualified entities with repayment of the loan due within two years and with the loan amount being fully securitized for the protection of the State and public funds. The City seeks to support the State's Loan Program and the related benefit to qualified entities within the corporate limits of the City to help address the economic conditions resulting from the COVID-19 pandemic.

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

There is no cost to the City associated with this Ordinance.

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

No. There is no direct revenue to the City.