

CITY of ALBUQUERQUE

TWENTY-FOURTH COUNCIL

COUNCIL BILL NO. O-21-48 ENACTMENT NO. O-2021-004

SPONSORED BY: Pat Davis, by request

ORDINANCE

1
2 APPROVING A PROJECT INVOLVING SOUTHWEST PATTERN WORKS
3 INCORPORATED PURSUANT TO THE LOCAL ECONOMIC DEVELOPMENT ACT
4 AND CITY ORDINANCE F/S O-04-10, AS AMENDED, THE CITY'S IMPLEMENTING
5 LEGISLATION FOR THAT ACT, TO SUPPORT THE OPERATIONS OF SOUTHWEST
6 PATTERN WORKS INCORPORATED, A BUSINESS OPERATING IN
7 ALBUQUERQUE, NEW MEXICO; AUTHORIZING THE EXECUTION OF A PROJECT
8 PARTICIPATION LOAN AGREEMENT AND OTHER DOCUMENTS IN CONNECTION
9 WITH THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS
10 RELATING TO THE PROJECT INCLUDING THE APPROPRIATION OF FUNDS;
11 RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL
12 ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

16 WHEREAS, the City provides public support of economic development projects
17 to foster, promote and enhance local economic development efforts within the City
18 pursuant to the Local Economic Development Act, Sections 5-10-1 through 5-10-13
19 NMSA 1978, as amended (the "Act"), and the City's Local Economic Development Act
20 Plan adopted pursuant to Ordinance No. F/S O-04-10 (the "LEDA Plan"), codified in the
21 City's Code of Ordinances at Sections 2-14-1-1 through 2-14-1-13; and

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

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

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

7 WHEREAS, the City is not providing any City funds for the qualified entity
8 pursuant to the State's Loan Program and is solely serving as the State's fiscal agent
9 consistent with the requirements of the Act; and

10 WHEREAS, pursuant to City Ordinance No. O-20-15, adopted on June 1, 2020,
11 the City temporarily suspended the requirements under the LEDA Plan requiring a
12 qualified entity to remain in operations in the City for a minimum of ten years as related
13 solely to those projects receiving funding under the State's Loan Program; and

14 WHEREAS, pursuant to the Act, the LEDA Plan and the Loan Program,
15 Southwest Pattern Works Incorporated (the "Company"), has submitted to the Council
16 and the Albuquerque Development Commission (the "Commission") an application (the
17 "Application") requesting certain economic assistance to help sustain business
18 operations and the retention of eight (8) employees and the addition of 2 employees
19 within the 2-year term of the loan. The minimum monthly payroll will be \$25,000 for
20 year 1 and \$30,000 for year 2 (the "Project"); and

21 WHEREAS, the City will administer and disburse to the Company loan funds
22 totaling \$100,000.00 from the State Economic Development Department through the
23 Loan Program, in disbursements of \$74,000 for eligible tenant improvements and
24 \$26,000 in mortgage payments; and

25 WHEREAS, the Act and the LEDA Plan require the City and the Company enter
26 into a project participation loan agreement meeting the requirements of the Act and the
27 LEDA Plan; and

28 WHEREAS, the State, City and Company have negotiated the terms of a project
29 participation loan agreement (the "Agreement") and related documents that will govern
30 the relationship between the City and the Company with respect to the Project; and

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

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1 WHEREAS, the proposed Agreement contains the provisions required by the Act
2 and the LEDA Plan and, among other things, provides that the Company will grant to
3 the City a security instrument to secure the Company's obligations under the
4 Agreement; and

5 WHEREAS, the Application, together with the cost-benefit analysis,
6 demonstrates the benefits that will accrue to the community as a result of the donation
7 of public resources and demonstrates that the Company will be making a substantive
8 contribution to the community, as required by the LEDA Plan; and

9 WHEREAS, the Commission has considered the Project and the proposed
10 Agreement and has recommended that the Council approve the Company's proposal;
11 and

12 WHEREAS, the City anticipates that the State will transfer to it, for subsequent
13 transfer to or on behalf of the Company pursuant to an intergovernmental agreement
14 between the City and the State, certain funds of the State that are available for the
15 Project; and

16 WHEREAS, after having considered the Application and the Agreement, the
17 Council has concluded that the economic and other benefits of the Project to the City
18 will be material, and that it is desirable and necessary at this time to authorize the City
19 to enter into the Agreement; and

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

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

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

30 Section 2. GOALS AND OBJECTIVES. The goals and objectives of the
31 Project are, as set forth in the Agreement, to create and support an economic
32 development project that fosters, promotes and enhances local economic development

1 efforts and that provides job security and career opportunities for Albuquerque-area
2 residents and otherwise makes a substantive contribution to the community.

3 Section 3. THE PROJECT. The Project will consist of economic assistance to
4 the Company through the State's Loan Program to help sustain the Company's
5 business operations within the City and the retention of eight (8) employees and the
6 addition of 2 employees within the 2-year term of the loan. The minimum monthly
7 payroll will be \$25,000 for year 1 and \$30,000 for year 2.

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

14 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
15 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
16 and the Agreement, which provides, among other things, that the City will administer
17 and disburse State funds to the Company through the Loan Program in the amount of
18 \$100,000.00, in exchange for which the Company will complete the Project as specified
19 in the Agreement. There is hereby appropriated for the Project \$100,000.00 of funds
20 received from the State Economic Development Department through the Loan Program.

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 Plan 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.

1 PASSED AND ADOPTED THIS 1st DAY OF February, 2021
2 BY A VOTE OF: 8 FOR 0 AGAINST.

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Excused: Harris

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Cynthia D. Borrego, President

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City Council

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APPROVED THIS 5 DAY OF February, 2021

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Bill No. O-21-48

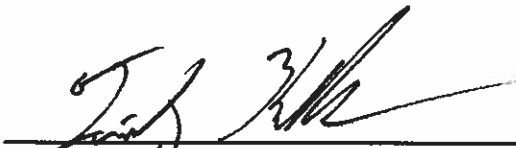
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Timothy M. Keller, Mayor

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City of Albuquerque

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ATTEST:

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Ethan Watson, City Clerk

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