

1 CITY OF SANTA FE, NEW MEXICO

2 BILL NO. 2020-19

3 INTRODUCED BY:

4  
5 Mayor Alan Webber

6 Councilor Vigil Coppler

7  
8  
9  
10  
11 AN ORDINANCE

12 RELATING TO THE CITY OF SANTA FE ECONOMIC DEVELOPMENT PLAN  
13 ORDINANCE, SECTION 11-11 SFCC 1987; APPROVING AND ADOPTING A LOCAL  
14 ECONOMIC DEVELOPMENT PROJECT PARTICIPATION LOAN AGREEMENT  
15 BETWEEN THE CITY OF SANTA FE AND LA PUERTA ORIGINALS, LLC. FOR AN  
16 ECONOMIC DEVELOPMENT LOAN FOR LEASE PAYMENTS TO PROVIDE  
17 ASSISTANCE FOR THE NEGATIVE FINANCIAL IMPACTS OF COVID-19.

18  
19 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

20 Section 1. Short Title. This Ordinance shall be known as the "COVID-19 La Puerta  
21 Economic Development Loan Project Ordinance."

22 Section 2. Recitals.

23 A. The Local Economic Development Act, NMSA 1978, Sections 5-10-1 et seq.  
24 explicitly permits municipalities to assist qualifying entities with economic development projects  
25 through the use of public resources; and

1 Development Act by adopting an Economic Development Fund Ordinance (11-14 SFCC (1987)),  
2 incorporating within that ordinance its community economic development plan and its economic  
3 development strategy for implementation dated May 21, 2008; and

4 C. La Puerta Originals, LLC, ("Qualifying Entity") is a manufacturer of hand crafted  
5 doors and cabinets in a primary industry that creates economic base jobs which exports fifty percent  
6 (50%) or more of their services or goods outside of New Mexico, which meets the definition of  
7 Qualifying Entity under the Economic Development Ordinance (§ 11 -14.4 (A) SFCC (1987)); and  
8 (NMSA 1978, § 5-10-3 (K)).

9 D. The State of New Mexico has appropriated Thirty-Seven Thousand Five Hundred  
10 Seventy-Eight Dollars and No Cents (\$37,578.00) from the New Mexico LEDA Fund to loan as lease  
11 payments for the facility during a two (2) year period to assist La Puerta Originals, LLC with the  
12 negative financial impacts of COVID-19. The facility is located at 4523 State Highway 14 Santa Fe,  
13 New Mexico. La Puerta has operated in Santa Fe for over Twenty (20) years. This project identified  
14 as the "Project" is a Manufacturing Headquarters, which will expand the tax base and generate more  
15 taxes, fees, and other revenues for the State of New Mexico and City of Santa Fe.

16 E. The facility manufactures doors, cabinets, and other items from antique woods from  
17 all over the world and is considered a "manufacturer".

18 G. Since January 31, 2020, the COVID-19 pandemic has forced La Puerta to lay off  
19 employees at their current manufacturing operation.

20 H. The project participation loan agreement will be approved to loan La Puerta Originals,  
21 LLC, Thirty-Seven Thousand Five Hundred Seventy-Eight Dollars and No Cents (\$37,578.00) for two  
22 (2) years. The LEDA loan will assist La Puerta in paying its lease and allow La Puerta to maintain a  
23 staff of Thirteen (13) people with a minimum quarterly payroll of One Hundred and Thirty Thousand  
24 Dollars and No Cents (\$130,000).

25 **Section 3. Findings.** The governing body hereby finds:

1           A.     The City of Santa Fe has determined that it is in the interest of the welfare of the  
2 citizens of Santa Fe to enter into an Economic Development Project Participation Loan Agreement for  
3 the purposes of effectuating the city's Economic Development Plan and the Project.

4           B.     In compliance with the City's Economic Development Fund Ordinance, 11-14 SFCC  
5 (1987), this Project Participation Agreement between Qualifying Entity and the City clearly states the  
6 following:

- 7                   (1)     La Puerta Originals, LLC. is a qualifying entity;
- 8                   (2)     The contributions provided by the City as a fiscal agent of the State and of the  
9 Qualifying Entity;
- 10                  (3)     The specific measurable objectives upon which the performance review will  
11 be based;
- 12                  (4)     A schedule for Project development and goal attainment;
- 13                  (5)     The security being offered for the City's investment;
- 14                  (6)     The procedures by which the Project may be terminated and the City's  
15 investment recovered;
- 16                  (7)     The time period for which the City shall retain an interest in the Project;
- 17                  (8)     The economic development goals of the project; and
- 18                  (9)     A "sunset" clause after which the City shall relinquish interest in and oversight  
19 of the project.

20       **Section 4.     Approval and Adoption of the Project Participation Agreement.** The  
21 governing body hereby approves the 2020 PPLA (attached as Exhibit A) whereby the City will continue  
22 to be the Fiscal Agent for the State Legislative appropriation of Thirty-Seven Thousand Five Hundred  
23 Seventy-Eight Dollars and No Cents (\$37,578.00) in State Funds. The City will loan the State's  
24 Legislative appropriation of Thirty-Seven Thousand Five Hundred Seventy-Eight Dollars and No Cents  
25 (\$37,578.00) to the Qualifying Entity and the funds will be used for lease payments, so the Qualifying ...

1 Entity will retain the Thirteen (13) current jobs, maintain the current quarterly payroll of One Hundred  
2 and Thirty Thousand Dollars and No Cents (\$130,000), and expand tax the base and generate more  
3 taxes, fees, and other revenues for the State of New Mexico and City of Santa Fe.

4 **Section 5. Severability Clause.** If any section, paragraph, clause, or provision of this  
5 ordinance, or any section, paragraph, clause, or provision of any regulation promulgated hereunder  
6 shall for any reason be held to be invalid, unlawful, or unenforceable, the invalidity, illegality, or  
7 unenforceability of such section, paragraph, clause, or provision shall not affect the validity of the  
8 remaining portions of this ordinance or the regulation so challenged.

9 **Section 6. Effective Date.** This ordinance shall become effective immediately upon  
10 adoption.

11 PASSED, APPROVED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

12  
13  
14 \_\_\_\_\_  
15 ALAN WEBBER, MAYOR

16 ATTEST:

17  
18 \_\_\_\_\_  
19 YOLANDA Y. VIGIL, CITY CLERK

20 APPROVED AS TO FORM:

21   
22 \_\_\_\_\_  
23 ERIN K. MCSHERRY, CITY ATTORNEY

24  
25 *Legislation/2020/Bills/La Puerta LEDA PPLA*