



**Agenda Item Number: 2008-1-10A**

## **BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS**

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**Meeting Date:** January 8, 2008

**Department:** County Manager **Staff Contact:** Daniel Gutiérrez, Economic Development  
Tommy Hughes, Hughes and Strumor Ltd.,  
Inc., Bond Counsel

**TITLE:** Industrial Revenue Bond project for Gibson Medical Center LLC

**ACTION:** Motion to approve Administrative Resolution AR -2008 (Inducement Resolution) concerning industrial revenue bonds in connection with a proposed project for Gibson Medical Center LLC.

### **SUMMARY:**

The Bernalillo County Office of Economic Development has received an application and project plan for Gibson Medical Center LLC (a New Mexico company). The company owns and operates the facility known as Lovelace Hospital located in Bernalillo County. The company seeks up to \$12,000,000 of non-taxable industrial revenue bonds pursuant to 4-59-1 et seq. NMSA 1978. Gibson Medical Center LLC intends to renovate and expand the 559,054 square foot facility known as Lovelace Hospital located at 5400 Gibson SE. It proposes to use these bonds to redevelop the property, construction costs, expand the facility and acquire equipment.

The redevelopment of the facility will retain 200 jobs. In addition, the project will create an estimated 100 direct jobs and 412 indirect jobs for a total of 512 jobs during the construction term of the Project. During the current construction period, it is estimated that a majority of the sub-contractors will be local. Once operational, the Gibson Medical Center expects to have the capacity of up to 400 medical and technical employees during the course of the bond. Gibson Medical Center LLC expects the renovation and expansion of this facility to be a cornerstone of redevelopment in the Southeast quadrant of Bernalillo County. The development of the property will also maintain and expand medical services within this neighborhood and Bernalillo County. Gibson Medical Center LLC will be requesting 2 bonds: (1) An IRB relating to the Project's real property and (2) an IRB relating to expanding and equipping of the Project. Environmental impact is expected to be minimal, as the facility does not produce noise, air, or water pollution.

In accordance with the procedures specified in the County's Revenue Bond Project Evaluation Policies and Procedures (County Code, Article IV, Division 3), the County Manager submits the project plan to the Board for discussion and in conjunction with Bond Counsel also requests approval of an "Inducement Resolution" to publish a notice of intent to adopt an Ordinance authorizing the issuance and sale of Industrial Revenue Bonds for this project. The project plan is also submitted for a complete analysis by an independent consultant at the expense of the applicant. Approving the "Inducement Resolution" will expedite consideration of this project, but does not commit the Board of Commissioners to approve the project.

**ATTACHMENT:**

1. Administrative Resolution AR -2008 (Inducement Resolution)

**FISCAL IMPACT**

None at this time.

**STAFF ANALYSIS SUMMARY**

**COUNTY MANAGER**

Bernalillo County's Office of Economic Development has reviewed the project and met with the developer. Lovelace Hospital was slated for closure and the future of the property was uncertain. This project is critical to the redevelopment of the area. Gibson Medical Center LLC has committed to work with Bernalillo County, the community and local health professionals to attain a quality development in the area. I recommend Board approval. TL 1/2/2008

**LEGAL**

Hughes & Strumor Ltd, Bond Counsel prepared the resolution.

**FINANCE**

**Budget** Approval of this action item, Inducement Resolution, is the first step in obtaining Industrial Revenue Bonds. Second step would be Board approval to adopt an Ordinance to Issue Industrial Revenue Bonds, which would be submitted to the Board at a later date. The County has no financial obligation for the industrial revenue bond indebtedness. The transaction will be disclosed in the County's financial statements. Emily B. Hernandez, Financial Services Administrator I, 1/4/08