

COUNTY

Council ends project with Elemetric

◆ *Company found to be in violation of terms of Project Participation agreement*

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Special to the Monitor

With a 6-0 vote Tuesday night, the county council passed Ordinance No. 552, which terminated the Economic Development Project for Elemetric Instruments, LLC.

In 2003, Elemetric received a loan of \$73,027.25 from Los Alamos County under the condition that they maintain a physical presence in the county to



MANDY MARKSTEINER/for the Monitor

County Administrator Anthony Mortillaro and County Attorney Mary McInerney addressed council Wednesday night regarding an agreement with Elemetric Instruments, LLC.

County Administrator Anthony Mortillaro and County Attorney Mary McInerney said the company is in violation of the

terms of the Project Participation Agreement, because they moved to a subsidized community in Santa Fe.

According to Mortillaro, the reason the company couldn't settle in Los Alamos was that the rents were too high.

"They wanted us to agree to let them stay out of the county and come back when they're ready," Mortillaro said. "But they could pay the rent when they had our loan money."

Elemetric has already used the funds and, as of Dec. 31, 2009, had a balance of \$59,511.58, which

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they've since paid down to \$51,000.

But the project termination isn't just about the money.

"It wasn't just a straight-out loan," McInerney said.

"They didn't meet any of the conditions. They've been gone for years. We gave public money for this company to do its business here. They chose to leave without even telling us.... The point is the terms of the agreement need to mean something."

Since it is unlikely that the company will re-establish a physical presence in Los Alamos, Councilor Robert Gibson asked before voting, "Are we more or less likely to get our money back if we terminate this agreement? How do we have more leverage?"

According to county information, three out of the five start-ups that received this type of public support in 2003 are in foreclosure.

"We should review the process of how we select companies so that council is comfortable with the way we support start-up companies," Councilor Nona Bowman said.

Councilor Ralph Phelps wanted to place some of the blame for the failed companies on the county.

"We put a program into place and we didn't know how best to implement it," Phelps said. "Elemetric had a business plan and we didn't know how to scrutinize it.... We need to provide the best pathway to success when we make these loans."

Councilor Michael Wheeler blamed the company.

"As soon as they were in trouble they ran off to Santa Fe where they got free rent," he said. "I think it was a despicable business practice and the county shouldn't be held responsible."