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1 WHEREAS, pursuant to the LEDA Ordinance, Curia New Mexico, LLC (the
2 “Company”), has submitted to the Council and the Albuquerque Development
3 Commission (the "Commission") an application (the "Application") requesting certain
4 economic development assistance for the renovation, expansion, improvement and
5 relocation of pharmaceutical manufacturing and training facilities for the Company,
6 which will include the addition of 174 new employees, within the City (the "Project"); and

7 WHEREAS, the City will administer and disburse to the Company funds totaling
8 up to \$5,500,000, of which \$5,000,000 is to be received by the City from the State
9 Economic Development Department and \$500,000 are to be City funds; and

10 WHEREAS, the Act and the LEDA Ordinance require that the City and the
11 Company enter into a project participation agreement meeting the requirements of the
12 Act and the LEDA Ordinance; and

13 WHEREAS, City staff has worked with the Company to prepare, and has
14 negotiated the terms of, a project participation agreement (the "Agreement") and related
15 documents that will govern the relationship between the City and the Company with
16 respect to the Project; and

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

19 WHEREAS, the proposed Agreement contains the provisions required by the Act
20 and the LEDA Ordinance and, among other things, provides that the Company will grant
21 to the City a security instrument to secure the Company's obligations under the
22 Agreement; and

23 WHEREAS, the City has obtained a cost-benefit analysis with respect to the
24 Project on the basis of information provided to the City by the Company, which cost-
25 benefit analysis shows that the City will recoup the value of its contribution within ten
26 (10) years; and

27 WHEREAS, the Application, together with the cost-benefit analysis,
28 demonstrates the benefits that will accrue to the community as a result of the donation
29 of public resources and demonstrates that the Company, by completing the Project, will
30 be making a substantive contribution to the community, as required by the LEDA
31 Ordinance; and

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1 WHEREAS, the Commission has considered the Project and the proposed
2 Agreement and has recommended that the Council approve the Company's proposal;
3 and

4 WHEREAS, the total amount of public money expended and the value of credit
5 pledged in each fiscal year in which money is expended by the City for the Project (and
6 any other approved projects) pursuant to the Act does not and will not exceed ten
7 percent of the general fund expenditures of the City in such fiscal year; and

8 WHEREAS, the City anticipates that the State will transfer to it, for subsequent
9 transfer to or on behalf of the Company pursuant to an intergovernmental agreement
10 between the City and the State, certain funds of the State that are available for the
11 Project; and

12 WHEREAS, after having considered the Application and the Agreement, the
13 Council has concluded that the economic and other benefits of the Project to the City
14 will be substantial, that it is desirable and necessary at this time to authorize the City to
15 enter into the Agreement, and that the City's provision of the assistance contemplated
16 by the Agreement will constitute a valid public purpose under the Act; and

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

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

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

27 Section 2. GOALS AND OBJECTIVES. The goals and objectives of the
28 Project are, as set forth in the Agreement, to create and support an economic
29 development project that fosters, promotes and enhances local economic development
30 efforts and that provides job growth and career opportunities for Albuquerque-area
31 residents and otherwise makes a substantive contribution to the community.

32 Section 3. THE PROJECT. The Project will consist of the renovation,
33 expansion and improvement of pharmaceutical manufacturing and training facilities for

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1 the Company, which will include the addition of 174 new employees within the City and
2 the operation of the facility within the City for a minimum of ten years.

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

9 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
10 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
11 and the Agreement, which provides, among other things, that the City will administer
12 and disburse to the Company funds totaling up to \$5,500,000, of which \$5,000,000 is to
13 be received by the City from the State Economic Development Department and
14 \$500,000 are to be City funds, in exchange for which the Company will complete the
15 Project as specified in the Agreement. There is hereby appropriated for the Project up
16 to \$5,000,000 of funds received from the State Economic Development Department and
17 up to \$500,000 of City funds.

18 Section 6. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS.

19 (A) The form, terms, and provisions of the Agreement in the form
20 presented to the Council with this Ordinance are in all respects approved, authorized,
21 and confirmed, and the City is authorized to enter into the Agreement in substantially
22 the form thereof, with only such changes as are not inconsistent with this Ordinance or
23 such other changes as may be approved by supplemental resolution of the Council.

24 (B) The Council authorizes the Mayor or the Chief Administrative
25 Officer of the City to execute and deliver the Agreement in the name and on behalf of
26 the City, with only such changes therein as are not inconsistent with this Ordinance or
27 such changes as may be approved by supplemental resolution of the Council.

28 (C) The Mayor, Chief Administrative Officer, Chief Financial Officer,
29 City Treasurer, and City Clerk are further authorized to execute, authenticate and
30 deliver such certifications, instruments, documents, letters and other agreements,
31 including an intergovernmental agreement with the State Economic Development
32 Department and any appropriate security agreements, and to do such other acts and
33 things, either prior to or after the date of delivery of the executed Agreement, as are

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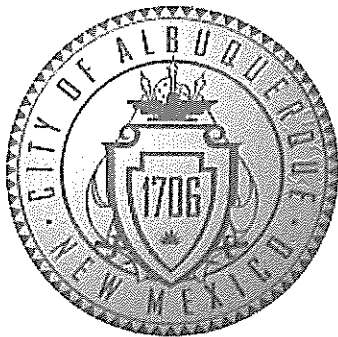
1 necessary or appropriate to consummate the transactions contemplated by the
2 Agreement.

3 (D) City officials shall take such action as is necessary in conformity
4 with the Act, the LEDA Ordinance and this Ordinance to effectuate the provisions of the
5 Agreement and carry out the transactions as contemplated by this Ordinance and the
6 Agreement, including, without limitation, the execution and delivery of any documents
7 deemed necessary or appropriate in connection therewith.

8 Section 7. SEVERABILITY. If any section, paragraph, clause or provision of
9 this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity
10 or unenforceability of that section, paragraph, clause, or provision shall not affect any of
11 the remaining provisions of this Ordinance.

12 Section 8. REPEALER. All bylaws, ordinances, resolutions, and orders, or
13 parts thereof, inconsistent with this Ordinance are repealed by this Ordinance but only
14 to the extent of that inconsistency. This repealer shall not be construed to revive any
15 bylaw, ordinance, resolution, or order, or part thereof, previously repealed.

16 Section 9. RECORDING; AUTHENTICATION; PUBLICATION; EFFECTIVE
17 DATE. This Ordinance, immediately upon its final passage and approval, shall be
18 recorded in the ordinance book of the City, kept for that purpose, and shall be there
19 authenticated by the signature of the Mayor and the presiding officer of the City Council,
20 and by the signature of the City Clerk or any Deputy City Clerk, and notice of adoption
21 thereof shall be published once in a newspaper that maintains an office in, and is of
22 general circulation in, the City, and shall be in full force and effect five (5) days following
23 such publication.



Mayor Timothy M. Keller

CITY OF ALBUQUERQUE

Albuquerque, New Mexico

Office of the Mayor

INTER-OFFICE MEMORANDUM

April 12, 2022

TO: Isaac Benton, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: Approving an Ordinance for Curia New Mexico, LLC Pursuant to the Local Economic Development Act

Attached is an ordinance for your consideration and approval authorizing the Curia New Mexico, LLC ("Curia") Project pursuant to the Local Economic Development Act ("LEDA").

Curia, a Delaware limited liability company registered to do business in New Mexico ("Curia"), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds, and for the City to directly contribute LEDA funds, to be used for the construction and improvement of their pharmaceutical production facilities (the "Project"). Curia is seeking LEDA funding, in the amount of \$5,500,000. The State has agreed to provide \$5,000,000 and the City proposes to provide \$500,000. The City will act as fiscal agent for the State's LEDA funds. Curia will be eligible for reimbursement for costs of the renovation, expansion and improvement incurred following execution of the Project Participation Agreement ("PPA").

Curia is a global contract research, development and manufacturing organization, offering products and services across the drug development spectrum. The expansion adds additional sterile injectable capacity to Curia's Albuquerque sites. The investment centerpiece will be two new filling lines. The first line is a BSL-2, high-speed isolated vial line with lyophilization capability installed in an extension onto an existing building. The second vial line is a flexible isolated sterile injectable line retrofitted into an existing space in their facility.

The proposed project 1) expands Curia's aseptic sterile fill finish manufacturing capacity, 2) relocates their training center, and 3) hires and trains employees at their Albuquerque facility. The Albuquerque facility, central to this proposal, is currently working with customers whose products are related to the pandemic response and other critical medicines. The Albuquerque campus has a training facility where Curia has created a training program for new employees that also provides continuing education and professional development for all manufacturing and

quality staff. Construction will be complete in approximately 24 months with the new lines ready to use within approximately 36 months of project start.

The ordinance allows reimbursement of approved Project costs so Curia can undertake certain construction and improvements of its pharmaceutical facilities located in Albuquerque. Curia has been in the Albuquerque market since 2008. Curia previously operated under the name Oso BioPharmaceuticals Manufacturing, LLC. In 2014, Oso was acquired by Albany Molecular Research, Inc. (“AMRI”). In 2021, AMRI renamed the company Curia.

Curia anticipates increases in employment approximated at 174 employees for a total employee count of 587. The newly created positions will pay from \$43,000 to over \$170,000 and all of them come with a robust benefits package. Curia will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.


This expansion is a direct result of a cooperative agreement with the Biomedical Advanced Research and Development Authority, part of the Department of Health and Human Services Office of the Assistant Secretary for Preparedness and Response, the Department of Defense Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense and the U.S. Army Contracting Command to support the domestic production of injectable medicines.

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, utilizing the IMPACT DataSource economic impact model, as required given the project is a recipient of City funds. The Project will generate additional benefits and costs for local taxing districts. The source of specific benefits and costs are provided in the fiscal impact analysis in greater detail for each taxing district. Overall, the City will receive approximately \$9,337,500 in net benefits over the 10-year period and the Project will generate \$46,492,100 in total for all local taxing districts.

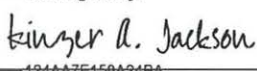
Approved:

Approved as to Legal Form:

DS
RLR




Sarita Nair Date
Chief Administrative Officer 4/21/22

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Esteban A. Aguilar, Jr. Date
City Attorney

Recommended:

DocuSigned by:


45456A6CODE6477... 4/14/2022 | 4:23 PM MDT
Charles Ashley Date
Director

**ALBUQUERQUE DEVELOPMENT COMMISSION
LEDA Hearing**

April 5, 2022

Case #2022-10

LEDA 22-6: Curia New Mexico, LLC Project

REQUEST: Approval of \$5,000,000 from the State of New Mexico and \$500,000 from the City of Albuquerque is requested.

PROJECT SUMMARY: Curia New Mexico, LLC (“Curia” or “Company”), has been in the Albuquerque market since 2008. The company previously operated under the name Oso BioPharmaceuticals Manufacturing, LLC. In 2014, Oso was acquired by Albany Molecular Research, Inc. (“AMRI”). In 2021, AMRI renamed the company Curia. Curia is a global contract research, development and manufacturing organization, offering products and services across the drug development spectrum. The Company’s growth has led them to expand their operations in Albuquerque. Curia is a major employer in Albuquerque’s pharmaceutical industry with over 400 current employees..

The proposed project 1) expands Curia's aseptic sterile fill finish manufacturing capacity, 2) relocates their training center, and 3) hires and trains employees at their Albuquerque, NM facility. The Albuquerque facility, central to this proposal, is currently working with customers whose products are related to the pandemic response and other critical medicines. The Albuquerque campus has a training facility (“Sterile University”) where Curia has created a training program for new employees that also provides continuing education and professional development for all manufacturing and quality staff. Overall, both government and industry have recognized that additional U.S.-based fill/finish capacity is essential to better respond to future demand surges such as that experienced during the current pandemic, while maintaining supply of pharmaceuticals for other critical healthcare needs. Construction will be complete in approximately 24 months with the new lines ready to use within approximately 36 months of project start.

The expansion adds additional sterile injectable capacity to Curia's Albuquerque site. The investment centerpiece will be two new filling lines. The first line is a BSL-2, high-speed isolated vial line with lyophilization capability installed in an extension onto an existing building. The second vial line is a flexible isolated sterile injectable line retrofitted into an existing space in their facility.

The Company is seeking LEDA funding, in the amount of \$5,500,000. The State has agreed to provide \$5,000,000 and the City proposes to provide \$500,000. Curia will be eligible for reimbursement for costs of the renovation, expansion and improvement incurred following execution of the Project Participation Agreement (“PPA”). The Company will need to hire 174 additional employees for a total employee count of 587.

Curia was recognized on Forbes list of America’s Best Employers 2022. The newly created positions will pay from \$43,000 to over \$170,000 and all of them come with a robust benefits package.

Modernizing the manufacturing capacity will add additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The additional skilled labor will raise the income base resulting in improved local economic conditions. The majority of the workforce will be required to work onsite and regular traffic will benefit local businesses. Curia corporate oversight and business development activities will also increase, adding additional benefits to the local service infrastructure. The property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

This expansion is a direct result of a cooperative agreement with the Biomedical Advanced Research and Development Authority, part of the Department of Health and Human Services Office of the Assistant Secretary for Preparedness and Response, the Department of Defense Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense and the U.S. Army Contracting Command to support the domestic production of injectable medicines.

The local community will benefit from the investment at 4401 Alexander Blvd and 4272 Balloon Park Road. The project adds additional construction investment revenue to the community during the project. The investment also modernizes the manufacturing capacity adding additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. According to State statute, qualifying entities for these projects include:

“A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:

- (1) An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**
- (2) A business in which all or part of the activities of the business involves the supplying of services to the general public or to the governmental agencies or to a specific industry or customer, but, other than as provided in subsection (5) of this definition, not including businesses primarily engaged in the sales of goods or commodities at retail;”**

The LEDA application, as shown in Exhibit 1, provides details of the project and the number and types of jobs to be created.

Exhibit 2 delineates the required Project Participation Agreement (“PPA”) between Curia and the City. The PPA is summarized in Section V, below.

This project includes a fiscal impact analysis provided to the City from the New Mexico

Economic Development Department, utilizing the IMPACT DataSource economic impact model. The fiscal impact determination of the project is derived from information the Company provided. Overall, the City will receive approximately \$9,337,500 in net benefits over the 10-year period and the Project will generate \$46,492,100 in total for all local taxing districts.

FINDINGS:

1. LEDA 22-6 is a qualified project as defined by the State’s Local Economic Development Act and the City’s enabling legislation (F/S O-04-10); and
2. LEDA 22-6 would make positive substantive contributions to the local economy and community by maintaining a 587 employee headcount in year ten; and
3. Subject to the development of acceptable security documents, LEDA 22-6 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 22-6 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

PROJECT ANALYSIS: The project, as proposed in the project application, will be analyzed in accordance with the City’s LEDA project evaluation criteria.

I. PROJECT ELIGIBILITY

1. QUALIFYING ENTITY

The City’s enabling legislation (F/S O-04-10), as well as the State Local Economic Development Act, establishes a definition for a “Qualifying Entity” eligible for LEDA funding assistance. Curia qualifies under the Act and the Ordinance by meeting the following definition:

As stated in the Summary, qualifying entities for these projects include:

A corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:

- (1) An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**
- (2) A business in which all or part of the activities of the business involves the supplying of services to the general public or to the governmental agencies or to a specific industry or customer, but, other than as provided in subsection (5) of**

this definition, not including businesses primarily engaged in the sales of goods or commodities at retail;

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

The City's enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City's community economic development plans, shall receive priority. Curia qualifies as the type of project that meets the City's identified economic development priorities under (F/S O-04-10) in the following categories:

- (1) Private companies seeking to build, expand, or relocate facilities;**
- (2) Manufacturing firms (including intellectual property such as computer software);**

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

4401 Alexander Boulevard NE Albuquerque, New Mexico 87107

Tract B, Block 5, Sundt's Industrial Center, City of Albuquerque, New Mexico, as the same is shown and designated on the Plat filed in the Office of the County Clerk of Bernalillo County, New Mexico, on April 27, 2007, in PLat Book 7C, Page 102.

4272 Balloon Park Road NE Albuquerque, New Mexico 87109

Lots 1 and 2 of Balloon Field Industrial Park, City of Albuquerque, New Mexico, as the same is shown and designated on the Corrected Plat filed in the Office of the County Clerk of Bernalillo County, New Mexico, on March 15, 1984, in Plat Book C23, Page 95.

Prevailing Site Conditions

The sites are located within the Non-Residential General Manufacturing (NR-GM) District Zone. Permissible uses this zone include Light and Heavy Manufacturing. The sites will be maintained for the manufacture of pharmaceutical regulated finished products. Future improvements include the installation of security fencing at the 4401 Alexander Blvd NE site. Overall, the company will be investing \$110,000,000 in capital expenditures, of which \$18,293,966 in the land, building and improvements.

Present Assessed Value

4401 Alexander Blvd NE: \$7,090,400

4272 Balloon Park: \$3,981,300

Present and Proposed Zoning

The parcels are currently zoned as NR-GM (Non – Residential – General Manufacturing), and will not require a Conditional Use or Zoning Change as its current operations are a permissible use recognized by the City of Albuquerque IDO. The project fits within the permitted uses.

2. LAND USE/INFILL/DESIGN AND CONSERVATION:

The project site is an existing building and is already in-fill. The sites are being used by the company currently. The infusion of millions in purchasing, developing and improvements will greatly enhance the area.

Demolition: No major external demolition is planned.

Relocation: No individuals, families, or businesses will be displaced by the activities outlined in this plan.

The project also conforms to the City's Economic Development strategies:

Smart Recruitment, Retention, and Expansion – The Economic Development Department (EDD) is focused on recruiting companies from specific industries that build upon Albuquerque's existing assets. The EDD supports new enterprise creation, cluster development, and strategic attraction and recruitment of businesses that align with and complement existing strengths.

The company has stated that modernizing the manufacturing capacity will add additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The additional skilled labor will raise the income base resulting in improved local economic conditions. The majority of the workforce will be required to work onsite and regular traffic will benefit local businesses. Curia corporate oversight and business development activities will also increase, adding additional benefits to the local service infrastructure. The property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

The growing number of staff will frequently patron local food establishments, entertainment and supply-based businesses. The Company will pursue any viable and economically feasible means to support this effort which, in turn, would be a win-win situation for both the Company and the City.

Infrastructure

- A. This is an existing in-fill development project, as discussed above. The existing buildings have no historic properties/elements.
- B. Both buildings currently accommodate the kind of employee and business uses projected by the Company.



4272 Balloon Park Rd NE



4401 Alexander Blvd NE

III. ECONOMIC BENEFITS

This project will have numerous positive economic benefits across the community and the state. First, we will be retaining and expanding a valued Albuquerque employer that does well for its employees, customers, suppliers, the community and the tax base. In addition to the 413 employees they had at the time of application, they will be adding another 174.

Competition

To Curia's knowledge, no known local competition exists in the city of Albuquerque.

Effect on Existing Industry and Commerce during and after Construction

The Company has stated that the expansion will allow them to continue to grow and innovate in Albuquerque. The proposed project 1) expands Curia's aseptic sterile fill finish manufacturing capacity, 2) relocates their training center, and 3) hires and trains employees at their Albuquerque, NM facility.

Overall, both government and industry have recognized that additional U.S.-based fill/finish capacity is essential to better respond to future demand surges such as that experienced during the current pandemic, while maintaining supply of pharmaceuticals for other critical healthcare needs. Construction will be complete in approximately 24 months with the new lines ready to use within approximately 36 months of project start.

The salaries for the jobs should meet or exceed the average for similar positions within the community. In a review of positions from the NM Dept. of Labor, it appears that the salaries for the jobs profiled are comparable for similar positions within the community.

1. Net new jobs and employee ramp over the next ten years are as follows:

Year	Cumulative Full Time Job Creation	Minimum Job (90% of target new jobs)	Job Determination Period		%-Clawback
1	413+50=463	417	Ordinance Date	1/31/22	100%
2	463+10=473	426	01/01/22	1/31/23	100%
3	473+50=523	471	01/01/23	1/31/24	100%
4	523+50=573	516	01/01/24	1/31/25	100%
5	573+14=587	528	01/01/25	1/31/26	75%
6	587	528	01/01/26	1/31/27	50%
7	587	528	01/01/27	1/31/28	50%
8	587	528	01/01/28	1/31/29	25%
9	587	528	01/01/29	1/31/30	25%
10	587	528	01/01/30	1/31/31	25%
Total	413+174=587				

2. Salary rates for each of the positions

Direct Labor HC ⁽²⁾	\$	43,360
Overhead Staffing		
Engineering, EHS and Maintenance	\$	95,000
Operations Support	\$	95,500
Supply Chain	\$	95,000
PMO and Business Dev Support	\$	106,000
Technical Services (MS&T)	\$	87,600
Operations Management	\$	172,000
Quality Management	\$	160,000
Quality Systems	\$	88,000
Quality Control - Chemistry	\$	70,000
Quality Control - Mico	\$	56,800
Quality Validation	\$	83,500
Quality Assurance	\$	82,000
SG&A	\$	72,000

3. Estimated net new payroll - \$165,781,000 total over the 10 year project
4. Confirmation the company pays at least 50% of the employee's health insurance premium - Confirmed

Year	Jobs Added	Total net new jobs
2022	50	50
2023	10	60
2024	50	110
2025	50	160
2026	14	174
2027	0	174
2028	0	174
2029	0	174
2030	0	174
2031	0	174
2032	0	174

* Minimum required jobs will be 90% of target new jobs at 174 employee headcounts.

1) What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere? The company expects the majority of the positions to be filled by locals, but did not provide an exact percentage.

2) Will jobs benefit low- and moderate-income residents?

Yes

3) Will the jobs meet or exceed median wages for the industry within the community?

Yes

4) Will the jobs match skills of current city residents?

Yes

5) Will new employees be trained to fill the positions?

Yes

6) What stated advancement opportunities are there?

Curia has a history of mentoring and helping their employees to advance their careers. The Company will continue to foster the growth and advancement of their employees during this project.

7) Will “Job Training Incentive Program” or other job training programs be used?

Yes, Curia will partner with the State of New Mexico to develop adequate training and recruiting capabilities as Curia increases its job creation commitment over the next several years.

8) Will at least 50% of health insurance premiums be covered for employees?

Yes

Corporate Citizenship Policy/Plan

Curia is working to finalize its Environmental, Social, and Governance Report. Once finalized, a copy will be provided.

With that said, Curia believes a sustainable and responsible long-term strategy must include criteria and metrics that demonstrate our commitment as a global corporate citizen, including our commitment to employees, customers, suppliers, and investors, along with the communities where we work and live.

Local Purchases

The Company is in the process of determining the amount of anticipated local spending. The impact on existing industry and commerce after construction is anticipated to be favorable.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

Funding is subject to City Council approval. Curia intends to self-fund the improvements through their own working capital, and they are responsible for their own and the City’s fees related to the LEDA applications and associated legal or other administrative fees, including the fiscal impact analysis.

10. DEVELOPER’S RECORD:

Curia has been in operation for three decades. The company has steadily grown over that time and has over 30 facilities across the globe. Their proven track record of expansion and growth illustrates a strong record.

Additional information is available on <https://curiaglobal.com/>

11. EQUITY:

The applicant intends to invest a total of \$110,000,000 in the project.

12. MANAGEMENT:

The Company appears to have a strong, experienced management team. The project will be executed using an integrated project approach with an architectural and engineering (A&E) firm for design services, and a construction management (CM) firm to support procurement and construction management services, respectively. Curia will actively manage the project from a PMO perspective and will have active long-term involvement.

Information of Company senior personnel can be found at <https://curiaglobal.com/>

Based on the description given in the project plan, management appears to be qualified to manage the project. Based on financial information provided, the Company appears capable of managing and completing the Project.

13. FISCAL IMPACT ANALYSIS

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, utilizing the IMPACT DataSource economic impact model, as required given the project is a recipient of City funds. The Project will generate additional benefits and costs for local taxing districts, as provided herein. The source of specific benefits and costs are provided herein in greater detail for each taxing district. Overall, the City will receive approximately \$9,337,500 in net benefits over the 10-year period and the Project will generate \$46,492,100 in total for all local taxing districts.

The fiscal impact analysis demonstrates that the City will recoup the value of its investment within the ten year LEDA requirement.

FINDINGS:

1. LEDA 22-6 is a qualified project as defined by the State's Local Economic Development Act and the City's enabling legislation (F/S O-04-10); and
2. LEDA 22-6 would make positive substantive contributions to the local economy and community by maintaining a 587 employee headcount in year ten; and

3. Subject to the development of acceptable security documents, LEDA 22-6 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and

4. Subject to the development of acceptable security documents, LEDA 22-6 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of LEDA 22-6 as proposed in the project plan application.

Charles Ashley, Director
Economic Development Department

Project Participation Agreement
City of Albuquerque and Curia New Mexico, LLC
Local Economic Development Act Project

This Project Participation Agreement is made as of this ____ day of April, 2022 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and CURIA NEW MEXICO, LLC, a Delaware limited liability company, with a place of business at 4272 Balloon Park Road NE, Albuquerque, New Mexico 87109 (“Curia”).

WHEREAS, it is the policy of the City to aid and encourage the location of desirable business enterprises in the City and to facilitate a favorable governmental atmosphere for enriching the lives of its citizens by supporting the development of a healthy economy; and

WHEREAS, pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 (“LEDA”), the City has adopted Ordinance No. F/S O-04-10 (the “LEDA Ordinance”), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

WHEREAS, Curia has submitted to the City an application in the form attached to this Agreement as Exhibit A (the “Curia Application”) proposing that, in exchange for certain LEDA assistance described below, Curia will undertake and complete a certain project, which is defined to include the following elements (the “Project”):

Curia shall renovate, expand and improve its pharmaceutical manufacturing and training facilities located at 4401 Alexander Boulevard NE and 4272 Balloon Park Road NE in the City (collectively, the “Facility”);

Curia shall occupy and operate the Facility for continued work with drug product manufacturers related to pandemic vaccines and other critical medicines;

Curia will agree to operate the Facility for a minimum of ten (10) years from _____;

Curia shall hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in Section 7.A herein; and; and

WHEREAS, the City Council approved the LEDA Project on _____, 2022; and

WHEREAS, Curia estimates a total investment of approximately \$110,000,000 for renovation, expansion and improvement of the Facility; and

WHEREAS, the Curia Application proposes that in exchange for Curia undertaking and completing the Project, the City funds obtained from the State Economic Development Department (the “State EDD”), pursuant to LEDA, in addition to local City LEDA funds, will be used to reimburse a portion of Curia’s renovation, expansion and improvement expenses related to the Project, on the terms set forth herein; and

WHEREAS, the City has determined that the cost benefit analysis with respect to the Project, based on assessments obtained by the City on the basis of information provided to the City by Curia, shows that the City will recoup the value of its contribution within ten (10) years; and

WHEREAS, the Curia Application clearly demonstrates that Curia, by completing the Project, will be making a substantive contribution to the community, as required by the LEDA Ordinance; and

WHEREAS, the City has determined that total amount of public money expended and the value of credit pledged in each fiscal year in which that money is expended by the City for economic development projects pursuant to LEDA does not and will not exceed ten percent of the general fund expenditures of the City in that fiscal year; and

WHEREAS, the City anticipates receiving an appropriation of funds allocated from the State EDD with the direction of the State EDD to convey these funds to the benefit of Curia via LEDA; and

WHEREAS, LEDA and the LEDA Ordinance require the parties to enter into a Project Participation Agreement meeting the requirements of LEDA and the LEDA Ordinance; and

WHEREAS, the City adopted Ordinance No. O-22-_____ on _____, 2022 (the “Project Ordinance”) (i) finding that Curia is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Curia Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$5,000,000 in funds to be received from the State EDD (the “State Contribution”) and \$500,000 in funds to be committed by the City (the “City Contribution”), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement of renovation, expansion, and improvement of the Facility, and (iii) approving this Agreement as meeting the requirements of LEDA and the LEDA Ordinance;

NOW, THEREFORE, in consideration of these premises and the agreements by the parties set forth herein, Curia and the City further agree as follows:

1. Goals and Objectives. The goals and objectives of the Project are to create and support an economic development project that fosters, promotes and enhances local economic development efforts. The goal is that the Project will provide job growth and career opportunities for Albuquerque-area residents and otherwise make a substantive contribution to the community as set forth in this Agreement and in the Curia Application.

2. Company Contribution. Curia will renovate, expand and improve the Facility; will fully occupy and operate the Facility and, will continue to use the Facility for work with drug product manufacturers related to pandemic vaccines and other critical medicines; and will hire and retain

employees as required by this Agreement. Curia will maintain the Project's operations in Albuquerque for a minimum of ten (10) years from _____. Curia will comply with all applicable laws in connection with the operation of the Project and will timely pay all personal property taxes with respect thereto.

3. The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of up to \$5,000,000 will be delivered to the City for subsequent disbursement to Curia, following enactment of the Curia LEDA ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Curia in the manner as follows:

- 1) \$1,000,000 upon execution of this Agreement.
- 2) \$1,000,000 upon obtaining an Occupancy Permit for the Facility
- 3) \$1,000,000 for hiring sixty additional full-time employees within three (3) years of the project start date as determined by Curia, bringing total employment to 473
- 4) \$20,000 for each additional employee hired, and retained for at least six months, in excess of 587 employees on or before January 31, 2029, up to a maximum LEDA contribution of \$2,000,000.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$500,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispersed upon Curia obtaining an Occupancy Permit for the Facility.

5. Time Commitment. Curia intends to invest approximately \$110,000,000 for the renovation, expansion and improvement of the Facility and completion of the Project. Increased operations at the Facility are expected to begin following completion of renovations, expansion and improvements or as soon thereafter as possible. Curia will continue to occupy the Facility and conduct operations in the Facility in the manner contemplated by this Agreement at least through January 31, 2032.

6. Use of Public Contributions. Curia will be eligible for reimbursement of up to \$5,500,000 for costs of the renovation, expansion and improvement actually incurred and paid after the date hereof, subject to the receipt by the City of the State Contribution. The City will make payment to Curia following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy operations, and job creation targets as set forth in Section 3. Such requests for disbursement may be made from time to time as the milestones set forth in Section 3 are achieved, and with respect to the fourth milestone in Section 3, until the earlier of January 31, 2029 or until the entire \$2,000,000 of the maximum LEDA contribution has been paid to Curia.

No Project funds will be used to reimburse expenses from any individuals or a company that has a financial interest in Curia or its employees.

7. Job Commitment and Clawbacks.

A. Number of Jobs. Curia will increase employment at the Facility, above the current level of 413 full-time employees, by (i) at least fifty additional full-time employees as measured as of close of business on January 31, 2023 for a total employment of 463, (ii) at least ten additional full-time employees as measured as of close of business on January 31, 2024 for a total employment of 473, (iii) at least fifty additional full-time employees as measured as of close of business on January 31, 2025 for a total employment of 523, (iv) at least fifty additional full-time employees as measured as of close of business on January 31, 2026 for a total employment of 573, and (v) at least fourteen additional full-time employees as measured as of close of business on January 31, 2027 for a total employment of 587. Thereafter, Curia will maintain at least 570 total full-time jobs through January 31, 2032 as measured on average for the preceding calendar (January 1-December 31) year on an annual basis beginning January 31, 2027 (the “Jobs”). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Curia employees from time to time. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 7.A.

B. Wages and Benefits. Curia anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B or the total estimated increase set forth in Section 7.A. shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. B. It is Curia’ intent to create and sustain the number of Jobs at the Facility set forth in the table below under the column captioned “Annual Full Time Job Creation Target” at the end of each of the Job Determination Periods as set forth below (a “Job Target”). If Curia does not achieve the Minimum Full-Time Job Creation set forth in the table below on or before the conclusion of each of the specified Job Determination Periods (or the required average for years 6-10) described below (and after expiration of the applicable Cure Period (as defined below)), then Curia shall be required to pay a Clawback Penalty (as defined below) to the City which will be applied in the percentage set forth in the table below:

Job Creation Commitment and Schedule						
<u>Year</u>	<u>Annual Full Time Job Creation Target</u>	<u>Minimum Full-Time Job Creation</u>	<u>Cumulative Payroll for New Jobs</u>	<u>Job Determination Period</u>		<u>%-Clawback</u>
1	413 + 50 = 463	458	\$40,933,601	Ordinance Date	1/31/23	100%
2	463 + 10 = 473	467	\$41,720,786	1/1/23	1/31/24	100%
3	473 + 50 = 523	512	\$45,656,709	1/1/24	1/31/25	100%
4	523 + 50 = 573	557	\$49,592,632	1/1/25	1/31/26	100%
5	573 + 14 = 587	570	\$50,694,691	1/1/26	1/31/27	75%
6	Maintain 587	570	\$50,694,691	1/1/27	1/31/28	50%
7	Maintain 587	570	\$50,694,691	1/1/28	1/31/29	50%
8	Maintain 587	570	\$50,694,691	1/1/29	1/31/30	25%
9	Maintain 587	570	\$50,694,691	1/1/30	1/31/31	25%
10	Maintain 587	570	\$50,694,691	1/1/31	1/31/32	25%
<i>Total</i>	413 + 174 = 587					
Add'l Notes: Starting Headcount 413 as defined by ES903A or its						
equivalent shown as Exhibit B						

For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Curia will be required to pay to the City upon Curia’s failure to meet the Job Target on or before the conclusion of the applicable Job Determination Period, if such Job Target is not otherwise reached by Curia during the Cure Period. The Clawback Penalty shall be equal to the product of the Percentage Hiring Shortfall (as defined herein), multiplied by the total amount of funds paid under this Agreement to Curia as of that time. For purposes of this subsection, the “Percentage Hiring Shortfall” shall be the quotient of (i) the Minimum Full-Time Job Creation for the applicable Job Determination Period, minus the actual number of jobs Curia maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Period. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Curia exceed the total amount of funds paid under this Agreement.

(ii) “Cure Period” is the period of 180 days after the end of each Job Determination Period during which time Curia shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Curia meets the Minimum Full-Time Job Creation at any time during the Cure Period, Curia shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Curia fails to reach the Minimum Full-Time Job Creation during the Cure Period, Curia shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Curia fails to employ the required full-time employees as identified in Section 7.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, Curia will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of Curia, in the segment of the manufacturing industry in which Curia operates, that cause a significant decrease in the ability to perform its obligations under this Agreement. The shifting of Curia’s operations to another facility, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

Curia may request modifications to the job creation schedule related to the Business Change Climate, and the City may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Curia of its decision or the decision of the State EDD. If Curia does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within thirty (30) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Subject to the below, should Curia cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2031, Curia shall, within ninety (90) days of the cessation of operations, pay to the City an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Curia):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2026	100%
From January 1, 2027 through December 31, 2029	60%
From January 1, 2030 through December 31, 2031	25%

For purposes of this Agreement, a failure to produce a product for a period in excess of 90 business days or more or the failure to occupy the Facility shall be considered a cessation of operations; however,

cessations for reasonable periods for the repair, replacement, recalibration or refitting of the Facility, damage and/or destruction to the Facility, labor disputes, strikes, riots, Force Majeure (as defined in Section 13 below), or for any other reason beyond the reasonable control of Curia, or under similar circumstances will not constitute a failure of Curia to comply with this Agreement.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be the actual amount of the City Contribution and/or State Contribution actually disbursed to Curia not to exceed \$5,500,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

8. Security. To secure the performance of its obligations under this Agreement, prior to the payment of any portion of the State Contribution or the City Contribution to Curia, Curia shall provide the City an acceptable form of security in favor of the City in the form of (i) an annually renewable surety bond/letter of credit; and/or (ii) UCC financing statement in a form and with collateral of a type and of a value reasonably acceptable to the City. If Curia chooses to provide an annually renewable surety bond/letter of credit, non-renewal by the surety company/bank does not constitute a claim under the surety bond or letter of credit, as applicable. The amount of the security posted will be equal to the amount of funds provided by the State and the City or the liability of the clawbacks as provided in Section 7, herein, whichever is less.

9. Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Curia to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify Curia in writing, and Curia shall have thirty (30) days in which to cure such Event of Default, unless otherwise provided herein. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

10. Fees. Curia will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with the performance of this Agreement and the Project, provided, however, that Curia shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third party expenses during the term of this Agreement, such expenses could include expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any amendment proposed by

Curia to this Agreement or any necessary enforcement action with respect to this Agreement; provided, however, that Curia shall not be liable for any third-party expenses or reasonable legal fees relating to enforcement unless Curia is found to be in breach of the Agreement, and Curia shall not be liable for any third-party expenses relating to amending this Agreement if such amendment is proposed by the City. For the avoidance of doubt, Curia shall not be liable for any third-party expenses relating to negotiation and execution of this Agreement, except for reasonable legal fees.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Curia will provide to the City and to State EDD the company's Form 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding its workforce and such other information reasonably necessary for the City or its independent contractor to determine whether Curia has met its obligations under this Agreement; provided, however, Curia shall not be obligated to divulge information or documents it considers confidential or proprietary in its sole discretion, without an agreed upon nondisclosure agreement between the parties. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. Pursuant to § 2-14-1-9 of the City of Albuquerque Ordinances, This review shall be presented to the City administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Curia has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

12. Dispute Resolution. The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute between the parties, the Chief Executive Officer of Curia, or his/her designee, and the Director or Deputy Director of the City's Economic Development Department shall meet and attempt in good faith to resolve the dispute. If they are unable to resolve the dispute, the Chief Executive Officer of Curia and the City's Chief Administrative Officer shall meet and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any party's right to seek judicial relief.

13. Discrimination Prohibited. In performing hereunder, Curia shall not discriminate against any person on the basis of race, color, religion, gender, sexual preference, sexual orientation, national origin or ancestry, age, physical handicap, or disability as defined in the Americans With Disabilities Act of 1990, as now enacted or hereafter amended, and agrees to meet all the requirements of the Americans with Disabilities Act of 1990 which are imposed directly on Curia.

14. Indemnity. Curia agrees to defend, indemnify and hold harmless the City and its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from Curia's performance under this Agreement or by reason of any asserted act or omission, neglect or misconduct of Curia or Curia's agents or employees, in an amount not to exceed \$500,000 in aggregate.

15. Force Majeure. Neither party shall be liable to the other party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, pandemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a party to perform its obligations under this Agreement. Nothing contained in this paragraph shall be construed to require either party to prevent or settle a strike against its will. The party unable to perform its obligations due to Force Majeure will provide notice to the other party within fifteen (15) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

16. Notice. All notices or other written communications, including requests for disbursement, that are required or permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown in the signature block of this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If a notice is hand-delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is sent by facsimile or electronic mail, it will be deemed received upon printed or written confirmation of the transmission. A party may change its notice address by written notice to the other party to this Agreement.

17. Assignment by the Company. Should Curia move, sell, lease or transfer its leasehold or operation duties in the Project before the expiration of this Agreement and desire to transfer its right hereunder to such assignee, the City retains the right to deny any and all assignments, sales, leases or transfers of any interests in the Project until (1) adequate assurances are made that (i) the transferee, assignee or lessee is a qualifying entity, and (ii) that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee, or (2) Curia terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date. Notwithstanding the aforementioned, all rights and title to any physical property, real property, equipment, materials, or supplies acquired by Curia as part of the Project shall vest exclusively with Curia.

18. Miscellaneous. This Agreement, together with the Letter or Credit as referenced in Exhibit C hereto, represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico. The venue for actions arising out of this Agreement is Bernalillo County, New Mexico.

19. Severability. If any part or provision of this Agreement is found to be or becomes unenforceable or illegal for any reason, such part or provision may be modified as necessary to render this Agreement enforceable and legal. If such part or provision cannot be modified as such, the part or provision shall be severed from this Agreement, and the remaining parts and provisions of this Agreement shall remain in full force and effect.

20. No Collusion. Curia represents that this Agreement is entered into by Curia without collusion on the part of Curia with any person or firm, without fraud and in good faith. Curia also represents that no gratuities, in the form of entertainment, gifts or otherwise, were, or during the term of this Agreement, will be offered or given by Curia or any agent or representative of Curia to any officer or employee of the City with a view towards securing this Agreement or for securing more favorable treatment with respect to making any determinations with respect to performing this Agreement.

21. Further Assurances and Mutual Cooperation. Each Party agrees to deliver and execute any and all notices, certificates, instruments and other such documents and take any and all actions as any Party hereto reasonably may require to carry out this Agreement and such transactions hereby contemplated, and no Party will take any action that may deprive the other Party of the enjoyment of the rights this Agreement secures. Each Party further agrees to select its own legal counsel and to retain such legal counsel at that Party's expense.

22. Effective Date. This Agreement will be effective on _____, 2022 (the "Effective Date").

[Signature Page Follows]

CITY OF ALBUQUERQUE,
NEW MEXICO

CURIA NEW MEXICO, LLC, a Delaware Limited
Liability Company

By _____
Name: Sarita Nair, JD, MCRP
Title: Chief Administrative Officer
Date: _____

By _____
Name:
Title:
Date: _____

Address for notice:
One Civic Plaza NW
Albuquerque, NM 87102
Attention: Economic Development Director
Tel: (505)768-3000
Email: synthiaj@cabq.gov

Address for notice:
Attention: Melissa King
Curia New Mexico, LLC
4272 Balloon Park Road NE
Albuquerque, New Mexico 87109
Tel: (515) 315-8882
Email: melissa.king@curiaglobal.com

With a copy to:
City Attorney
One Civic Plaza NW
Albuquerque, NM 87102
Tel: (505)768-3000
Email: eaj@cabq.gov

With Copy to:
Curia Global, Inc.
Attn: Legal Department
26 Corporate Circle
Albany, New York 12202
Email: legal@curiaglobal.com
Tel: (518) 512-2000

Mailing Address:
P.O. Box 1293
Albuquerque, NM 87103

Exhibits

Exhibit A	Application for LEDA Assistance
Exhibit B	Wages and Benefits
Exhibit C	Security
Exhibit D	Clawback Example

FY22 LEDA Application-ABQ

Applicant	Spencer Tuttle
Applicant ID	APP-014986
Company Name	Albany Molecular Research, Inc.
Email	spencer.tuttle@amriglobal.com
Status	Submitted
LEDA PPA Job Count Target	274

Contact Information

Question: Legal Company Name

Curia New Mexico, LLC

Question: Trade Name (dba)

Not Answered

Question: Project Name

N/A

Question: Company Street Address

4272 Balloon Park Road

Question: Company City

Albuquerque

Question: Company State

New Mexico

Question: Company Zip

87109

Question: Phone

505-923-1500

Question: Website

<https://curiaglobal.com/>

Question: Primary Contact Person First Name

Spencer

Question: Primary Contact Person Last Name

Tuttle

Question: Federal Tax ID #

26-2564265

Question: NM State Tax and Revenue Identification Number

03136790009

Question: City/County Business License Registration will be pursued

Yes

No

Question: NAICS Code(s)-North American Industry Classification System

325410

Question: DUNS # (preferred but not required)

26-2564265

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

Question: Incorporation Papers

[Formation Cert.Oso.pdf](#) (10/20/2021 7:32 AM)

Question: Resumes of all principals (owners, partners, directors or officers; required for businesses 1 years or younger)

No Attachments

Question: Company Contact for Project Administration (if different from above)

Melissa King

Question: Title

Director - Finance

Question: Telephone

515-315-8882

Question: Cell Phone

515-315-8882

Question: Email

melissa.king@curiaglobal.com

Project Information

Please include detailed information such as:

- Executive Summary; Business description and history
- Infrastructure Development/Needs
- Market analysis and strategy
- Summary of competition
- Tax Reporting Status
- Effect on Existing Industry and Commerce during and after Construction
- Land Acquisition
- Local Purchasing

- Water Conservation
- Relocation of Individuals or Businesses
- Construction Schedule
 - Target Close Date
 - General Contract Signed
 - Construction Start
 - Construction End
 - New Facility Operational Date
- Operations plan; Organizational chart
- Any document or record that the local governing body, in its sole discretion, deems necessary.

Question: Description of the Proposed Development, its product and its timeline.

The proposed project 1) expands Curia's (f.k.a. AMRI) aseptic sterile fill finish manufacturing capacity, 2) relocates our training center, and 3) hires and trains employees at our Albuquerque, NM facility. The Albuquerque facility, central to this proposal, is currently working with customers whose products are related to the pandemic response and other critical medicines. The Albuquerque campus has a training facility ('Sterile University') where Curia (f.k.a. AMRI) has created a training program for new employees that also provides continuing education and professional development for all manufacturing and quality staff. Overall, both government and industry have recognized that additional U.S.-based fill/finish capacity is essential to better respond to future demand surges such as that experienced during the current pandemic, while maintaining supply of pharmaceuticals for other critical healthcare needs. Construction will be complete in approximately 24 months with the new lines ready to use within approximately 36 months of project start.

Question: Provide a detailed scope of work that is specific to the funding request/award and what the funds will be used for.

The expansion adds additional sterile injectable capacity to Curia's (f.k.a. AMRI) Albuquerque site. The investment centerpiece will be two new filling lines. The first line is a BSL-2, high-speed isolated vial line with lyophilization capability installed in an extension onto an existing building. The second vial line is a flexible isolated sterile injectable line retrofitted into an existing space in our facility.

Question: Business Plan (required for businesses 1 year or younger)

N/A

Question: Supporting Documentation

No Attachments

Financial Information

*Upload sources and uses chart; enter N/A and zero for questions that do not apply to your business

Question: Provide detailed assumptions for your project including three years of projected cash flow income statements. If the applicant has been in business less than one year, you may be requested to provide additional financial information after review .

[ABQ Expansion P&L NM LEDA Application 10.20.2021.xlsx](#) (10/20/2021 7:38 AM)

Question: Provide financial statements (balance sheet, profit and loss and cash flow) or tax returns for the past three years. Also provide interim statements within 90 days of application date.

[UIC Holdings LP 2020 Financial Statements 3-15-21.pdf](#) (10/20/2021 8:50 AM)

[UIC Holdings LP 2019 Financial Statements 4-17-20.pdf](#) (10/20/2021 8:50 AM)

Question: What is the collateral/security to be pledged to the funds awarded?

- Letter of Credit
- Surety Bond
- Mortgage Security
- Security Agreement/Escrow
- Security Agreement/Lien
- Security Interest/Lien

Question: What is the method of appraisal for stated security (if Security Mortgage or Lien were selected above)?

N/A

Question: What is the equity investment from the applicant?

\$110,000,000.00

Question: External Equity Investment Sources

0

Question: External Equity Investment Amount

\$0.00

Question: City/County Funding Source

Bernalillo County

Question: City/County Funding Amount

\$500,000.00

Question: Bank Loan Source (financial institution names), type (commercial, USDA, SBA 504, etc.), and stage (applied or approved)

N/A

Question: Bank Loans Amount Total

\$0.00

Question: Other Loans Source

0

Question: Other Loans Amount

\$0.00

Question: Other Sources

0

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$110,000,000.00

Question: Supporting financial documentation

No Attachments

Company History and Background

Question: How long has the company been in operation, as of the date of application?

30 years

Question: At the time of this application, how many full-time employees do you currently employ? Please provide the most recent Department of Workforce Solutions report below. If no employees, disregard report. Enter 0.

413.00

Question: List owners with more than 20% ownership stake in the company. Additionally, please list principal directors and/or officers.

Ultimate Owners: The Carlyle Group & GTCR

Owners: Curia New Mexico Holdings LLC

Officers/Directors: Stacie Phillips, Mariesa Coppola, Diane Beno

Question: Are owners and/or officers current with financial obligations/payments to the State of New Mexico or any other Federal or State entity? If no, please explain.

Yes

Question: Does the applicant have any loans or other financial obligations on which payments are not current? If yes, please explain.

No

Question: Please identify any financially affiliated/associated companies in which any of the applicant's owners have a 20% stake.

Curia Global, Inc.

Community Aspects

Question: At the community level, what are the infrastructure needs not yet in place or in process that will affect this project's application?

The Curia (f.k.a. AMRI) Albuquerque, NM facility at 4401 Alexander Blvd. is currently a single-story commercial/industrial building used for inspection, labeling, packaging, warehouse, storage and shipment (upper). After addition of the the BSL-2 fill/finish line, secure entrance the floorplan will be two levels and expanded on the existing plot of land.

At the community level, infrastructure requirements for the 4401 Alexander and 4272 Balloon Park Road facilities will be reviewed in detail during subsequent design phases to determine impacts to the sites' and the local infrastructure. Required infrastructure improvements will be detailed and presented to Code Enforcement and other relevant Authority Having Jurisdiction (AHJ) for permitting. Curia will seek to build a relationship with the local Albuquerque, N.M. Code Enforcement and AHJ offices to facilitate an efficient permitting process.

Question: What specific incentives are being REQUESTED from the COMMUNITY? Please explain where the applicant is in this process and provide an idea of a timeline for incentives' deployment.

In addition to statutorily available incentives, Curia is requested \$5.5M in LEDA funding. The timeline for deployment will be finalized through negotiations.

For the avoidance of doubt, Curia is requesting incentives at the State and Local Levels; including JTIPs, High Wage Jobs Tax Credits, Manufacturers Investment Tax Credits, LEDA's and assistance on construction and development related reviews, inspections, approvals and fees (e.g. expedited permits, etc).

Question: What specific incentives will be PROVIDED from the COMMUNITY? (e.g. parcel of land, building lease, waiver of fees, utility access/extension)?

Curia will partner with the State of New Mexico to develop adequate training and recruiting capabilities as Curia increases its job creation commitment over the next several years.

Curia will also look to partner with City and State authorities to effectively support our companies future growth; including process, permits, utilities, etc.

Job Creation / Performance

Please download the job creation worksheet to work up the required information for this section.

- [Job Creation Worksheet](#)

Question: Outline the number and types of jobs to be created.

At run-rate, we expect an increase of 274 jobs mixed between direct and in-direct labor. These range from skilled and unskilled positions.

Question: Outline the proposed pay scale and payroll proposed by the entity.

Our intent is to remain competitive with current market conditions in order to attract and retain the critical skill levels to support our operations; including total compensation and employee benefits.

Question: Outline the benefits offered to the employees, including but not limited to health care and retirement.

Health & Wellness

- Medical, Dental, Vision coverage (employee/company contribution)
- Prescription Drug Plan
- Employee Assistance Program
- Employee Wellness
- 24/7 Tele-Health Services

Financial Health

- Retirement/401k Plan; matching company contributions
- Health Savings Account (HSA)
- Health Care Flexible Spending Reimbursement
- Dependent Care Reimbursement

- Educational/Tuition Reimbursement
- Insurance Protection
- Basic Life Insurance
- Optional Life Insurance
- Accidental Death & Dismemberment
- Voluntary Benefit Plans
- Short Term Disability
- Long Term Disability
- Life, Work & Family
- PTO – Holidays, Vacation, Sickness
- Leave of Absence
- Maternity & Paternity Leave
- Business Travel Assistance Program
- Employee Incentives and Discounts

Question: Outline any efforts being made or proposed by the applicant to hire people within the local employment pool.

Radio Ads
Billboards
On-site Job Fairs (compliant with COVID protocols)
Swag given during on-site interviews and job fairs
Dedicated on-site recruiters
Facebook Targeted Ads
LinkedIn Targeted Ad campaigns
Referral bonuses
Signing bonuses (role specific)

Note: Some Curia provided employee benefits and wellness programs may vary by site or local country practices and will be coordinated via local statutory requirements.

Question: Attach job creation worksheet

[HC Ramp-up Analysis \(Job Title & Salary\).pdf](#) (8/5/2021 6:22 AM)

Question: Starting Headcount (from worksheet above)

413.00

Question: Total new jobs to be created Year 1 (from worksheet above)

0.00

Question: Total new payroll Year 1 (from worksheet above)

\$0.00

Question: Total number of new jobs to be created Year 2 (from worksheet above)

0.00

Question: Total new payroll Year 2 (from worksheet above)

\$0.00

Question: Total number of new jobs to be created Year 3 (from worksheet above)

0.00

Question: Total new payroll Year 3 (from worksheet above)

\$0.00

Economic Impact Analysis

NMEDD will perform an Economic Impact Analysis to address the impact to the local tax base, the school system, etc. using the Impact Data Sheet provided by the applicant.

Question: Outline any impacts to the environment, positively or negatively.

An Environmental Impact Analysis will be performed during the early engineering phase of the project for the 4401 Alexander and 4272 Balloon Park Road facilities to determine pollution control measures and requirements.

The Project has completed a Conceptual Engineering design level effort. Engagement with local Code Enforcement, Zoning, and Environmental agencies will be undertaken during the later engineering phases when sufficient details have been made available for review.

Attachments

Please download the authorization for examination and release of information template and the example employer quarterly wage and contribution report.

- [Authorization for examination and release of information form](#)
- [Employer quarterly wage and contribution report example](#)

If you are a new business, please apply for a NM Tax Identification Number here:

<http://www.tax.newmexico.gov/Businesses/wage-withholding-tax.aspx>

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

[Click here](#) to view a filled out sample.

Question: New Mexico Economic Development Department authorization for examination and release of information.

[Authorization for examination and release of information \(2\).pdf](#) (2/16/2022 9:38 AM)

Question: Latest New Mexico employer's quarterly wage and contribution report submitted to the Department of Workforce Solutions.

[New Mexico_Q3_W33.pdf](#) (11/9/2021 7:17 AM)

Question: Affirmation and any other supporting documents

[2020 LEDA App Affirmation.pdf](#) (2/16/2022 8:30 AM)

City of Albuquerque Project Information

This section of the NMEDD LEDA Application contains information required by the City of Albuquerque Ordinance 0-04-10 and conforms with and complements the policies established for the Local Economic Development Act pursuant to the Council action. This documentation is presented to demonstrate to the City of Albuquerque the public benefits of this project and to help the City evaluate its merit in comparison to other projects submitted.

Question: Project Supporting Documents: City Zone Atlas Map of Location, aerial/satellite picture of area, conceptual overview of finished location, Fiscal Impact Analysis from UNM BBER (if requested by City ED Director), Conceptual Site Plan and Elevation.

[Curia LEDA Response \(Engineering's Comments 2021.11.29\).pptx](#) (12/16/2021 8:40 AM)

Question: General Description-Statement of benefit to be gained by the Albuquerque community from this development

The local community will benefit in three main ways with this investment at 4401 Alexander Blvd and 4272 Balloon Park Road. The project adds additional construction investment revenue to the community during the project. The investment also modernizes the manufacturing capacity adding additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

Question: Site and Existing Conditions: Legal Description-Give both the precise and complete legal description and address or identification of location.

4401 Alexander Boulevard NE
Albuquerque, New Mexico 87107

Tract B, Block 5, Sundt's Industrial Center, City of Albuquerque, New Mexico, as the same is shown and designated on the Plat filed in the Office of the County Clerk of Bernalillo County, New Mexico, on April 27, 2007, in PLat Book 7C, Page 102.

4272 Balloon Park Road NE
Albuquerque, New Mexico 87109

Lots 1 and 2 of Balloon Field Industrial Park, City of Albuquerque, New Mexico, as the same is shown and designated on the Corrected Plat filed in the Office of the County Clerk of Bernalillo County, New Mexico, on March 15, 1984, in Plat Book C23, Page 95.

Question: Prevailing Site Conditions: Describe the present use and development of the site, including any improvements, vacant land, etc.

The site located within the Non-Residential General Manufacturing (NR-GM) District Zone. Permissible uses this zone include Light and Heavy Manufacturing. The sites will be maintained for the manufacture of pharmaceutical regulated finished products. Future improvements include the installation of security fencing at the 4401 Alexander Blvd NE site.

Question: Present Assessed Value: According to the Bernalillo County Assessor's office.

4401 Alexander Blvd NE: \$7,090,400 4272 Balloon: \$3,981,300

Question: Present Zoning of Property

NR-GM

Question: Proposed Zoning: If change in zoning is required for the proposed use, enter the proposed new zone.

N/A

Question: Status of Permitting/Regulatory matters needed for project.

Land Use

Planning Board / Zoning Environmental, Traffic, Structural, Construction types and Usage Group

Sewer

Domestic Water

Storm Water

Natural Gas

Electric

Building

Building Structural, Architectural, Foundations, Concrete

Mechanical Piping, Ductwork, Refrigerants, Utility Services and Equipment

Electrical High Voltage, Low Voltage, Sub-station, Transformers, Facility Electrical Panels

Plumbing Domestic Water, Storm, Sanitary, Chilled Water, Condensate, Heating Water

Fire Suppression Sprinkler & FM2000 System

Regulatory

Hazardous Waste

Air Permit Boiler / AHU / Refrigeration

Water Permit Waste water discharge from equipment

Question: Sustainability Initiatives: Describe any sustainability initiatives or programs the company already has and/or plans to use in its facility operations and processes.

Water Preservation

Fill finish cleaning machines

Water recycling station and monitoring - 10% to 30% less water consumption

Single Use Equipment

Reduction of water consumption due to cleaning, CIP & SIP not required

Fill Finish Equipment

Single use product pathways via RTP

Formulation Equipment – mixers, totes, etc...

Single use mixers and tool

Isolator Technology

With new isolator technology, room hygiene classification can be class C, previously class A / B (RABS)

Gowning requirements and waste is less

Cleaning requirements and agents is reduced, consuming lower volume of cleaning chemicals

Question: Renewable Energy: Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology.

Currently no plans to include the creation, production, or use of renewable energy or renewable energy technology.

Question: Products and Process: Will the proposed development generate air, noise or waste pollution or traffic congestion? If so, what plans are in place for the reduction and disposal of waste and/or project emissions?

The additional products and processes will be similar to the current products and processes approved and permitted for manufacturing today. The activity and throughput at 4272 Balloon Park Road is not expected to increase the generated air, noise, waste or traffic. The activity and throughput at 4401 Alexander Blvd is expected to increase traffic and liquid process and sanitary waste. The facility will be designed to comply with State and Local requirements and fully permitted to comply with air, water and noise requirements.

Question: Competition: The Development Commission and City Council do not wish to make public funds available for projects with local competition. Describe any competition in the same area of commerce or industry existing in the City.

To Curia's knowledge, no known local competition exists in the city of Albuquerque.

Question: Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business in the City.

Effects from the project can be summarized in three areas:

1) Increased sales due to capacity and capability expansion

The high speed BSL-2 line will provide capacity for up to 35M vials per year, but this is highly dependent upon multiple factors, including: vial size/fill volumes, batch campaign length, compounding time, and product mix ie. change-over impact). 35M units is based on assumptions of manufacturing a 10R multidose vial, 6.5 mL fill volume, 1250 L batch size, with a 95% yield, at a rate of 4 batches/week across the full year as a campaign (48 weeks + 4 weeks for shutdowns and media fill qualifications).

2) Increased Employment

Project construction and headcount will increase to 18 jobs and upon completion of construction and occupancy of the new facility, Curia will create 275 new jobs by 2027 of which an estimated 100-110 will qualify as high-wage jobs.

3) New Industrial Base

Upon completion of the project, to the best of Curia's knowledge, this will be largest BSL-2 aseptic fill/finish facility and only BARDA CDMO network facility in the city of Albuquerque.

Question: Proposed Development: Describe any construction to be undertaken in the project, including square footage, construction type, location of construction on project site.

4401 Alexander Blvd.

New Front Entry – 2170 ft²
North side construction

Large Scale Manufacturing
Remediation in current footprint
APR. 13,300 ft²
North-east side construction

New Mechanical Room – 3780 ft²
North-east side construction

New Packaging Building – 25,000 ft²
North side construction

4272 Balloon Park Dr.

Small Scale Manufacturing
Remediation within current footprint
APR. 1,000 ft²
South side construction
No major changes structurally

Question: Proposed Development: Will existing buildings will be rehabilitated or incorporated in the construction?

4401 Alexander Blvd.

New Front Entry – 2170 ft²
North side construction

Large Scale Manufacturing
Remediation in current footprint
APR. 13,300 ft²
North-east side construction

New Mechanical Room – 3780 ft²
North-east side construction

New Packaging Building – 25,000 ft²
North side construction

4272 Balloon Park Dr.

Small Scale Manufacturing
Remediation within current footprint
APR. 1,000 ft²
South side construction
No major changes structurally

Question: Proposed Development: Detail any demolition required and indicate whether it involves any identified historic properties.

No identified historic properties on-site to be considered

4401 Alexander Blvd.

New Front Entry – Minor rearrangement of interior spaces to improve personnel flow

Large Scale Manufacturing – Selective demolition / raising of roof to allow for equipment / utilities

New Mechanical Room – Selective interior rearrangement of interior spaces for interior personnel flow and equipment

New Packaging Building - Selective interior rearrangement of interior spaces for interior personnel flow

4272 Balloon Park Dr.

Small Scale Manufacturing – Remediation of internal filling suite, no changes structurally to building

Question: Infrastructure: Indicate if the project will require any extension or relocation of utility or road systems and if so, what cost sharing agreements have been reached between the applicant and the City.

Additional infrastructure includes plant steam, compressed air, nitrogen, chilled water; water pre-treatment and purification, clean steam and HVAC systems. Additional natural gas, municipal water and sewer services would likely be required but the exact needs are not known until we finish detailed design with our engineering firm. The existing road system was originally designed to support retail traffic for a Price Club, therefore it is not anticipated that the additional designed traffic will exceed the original design.

Question: Area Enhancement: Describe how project design and placement will enhance the area.

Modernizing the manufacturing capacity will add additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The additional skilled labor will raise the income base resulting in improved local economic conditions. The majority of the workforce will be required to work onsite and regular traffic will benefit local businesses. Curia corporate oversight and business development activities will also increase, adding additional benefits to the local service infrastructure. The

property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

Question: Local Purchasing: Provide and estimated annual expenditure on goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.

TBD

Question: Water Conservation: Estimate average daily and monthly water consumption and include any plans for reduction or re-use of water.

Plans for water conservation will primarily include the use of Single-Use equipment and recirculation of water for cleaning. The final estimates for daily average and monthly water consumption will be developed during the detailed design phase. This consumption rate will be based on Final Equipment Selection, Single-Use Process Equipment, and Site Operational Requirements. The overall waste water discharge will align with current permitted limits.

The diversified average daily water consumption for the new expansion is estimated at 9,000 gallons per day. The equipment design will utilize the techniques that conserve water. Examples include water recycling for our filling line glass washing equipment and using single use components that minimize the equipment cleaning requirements between batches. These are the two main water consumption processes planned for the factory.

Question: Relocation of Individuals or Businesses: No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.

No individuals, families, or business will need to be displaced due to this project.

Question: Corporate Citizenship Policy/Plan: List any company policies/plans regarding community charitable and civic donations and volunteerism.

Curia is working to finalize its Environmental, Social, and Governance Report. Once finalized, a copy will be provided.

With that said, Curia believes a sustainable and responsible long-term strategy must include criteria and metrics that demonstrate our commitment as a global corporate citizen, including our commitment to employees, customers, suppliers, and investors, along with the communities where we work and live.

Question: Positive Contributions: List all positive contributions that the project will make to the neighborhood.

Modernizing the manufacturing capacity will add additional high quality pharmaceutical sector jobs in Albuquerque as well as additional indirect community revenue and economic activity as a result. The additional skilled labor will raise the income base resulting in improved local economic conditions. The majority of the workforce will be required to work onsite and regular traffic will benefit local businesses. Curia corporate oversight and business development activities will also increase, adding additional benefits to the local service infrastructure. The property at 4401 Alexander Blvd also will have the façade refreshed adding a modern look to the facility increasing curb appeal.

Question: Management: If the project will not be managed by the applicant, who will manage it and does the applicant have any long-range involvement?

The project will be executed using an integrated project approach with an architectural and engineering (A&E) firm for design services, and a construction management (CM) firm to support procurement and construction management services, respectively. Curia will actively manage the project from a PMO perspective and will have active long-term involvement.

Question: Indicate the estimated appraised value of the project after completion.

TBD

EXECUTIVE SUMMARY

A REPORT OF THE ECONOMIC IMPACT OF AMRI IN ALBUQUERQUE, NM

March 4, 2021

Prepared by:

Ryan Eustice

New Mexico Economic Development Department

Joseph Montoya Building

1100 S. St. Francis Drive

Santa Fe, New Mexico 87505



Prepared using Total Impact



PURPOSE & LIMITATIONS

This report presents the results of an analysis undertaken by the New Mexico Economic Development Department using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model is a customized software program licensed to the New Mexico Economic Development Department. The model includes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in New Mexico Economic Development Department's Total Impact User Guide.

The analysis relies on prospective estimates of business activity that may not be realized. New Mexico Economic Development Department made reasonable efforts to ensure that the project-specific data entered into the Total Impact model reflects realistic estimates of future activity.

No warranty or representation is made by New Mexico Economic Development Department or Impact DataSource that any of the estimates or results contained in this study will actually be achieved.

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Introduction

This report presents the results of an economic impact analysis performed using Total Impact, a model developed by Impact DataSource. The report estimates the impact that a potential project in the Albuquerque may have on the state and local economy and estimates the costs and benefits for the state and local taxing districts over a 10-year period.

Description of the Project

The project will expand AMRI's sterile fill finish manufacturing capacity and capability in our site located at 4401 Alexander Blvd NE in Albuquerque, NM. The project will add additional sterile vial fill and finish capacity including lyophilization inside a new BSL-2 level facility. The 11,000 square foot filling facility will be constructed inside the current warehouse space and a new 12,000 square foot addition will be added to the warehouse to house the necessary support utility equipment. The project is expected to take approximately 24 months to complete with a total investment of approximately \$60M.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing company in the Albuquerque. The existing operations currently support 470.0 direct jobs in the community and 434.0 indirect and induced jobs. The direct workers earn \$79,000 per year and the company supports \$14.2 million per year in taxable sales and spending in the community. Additionally, the company supports taxable property valued at \$52.7 million annually. The table below illustrates the company's economic impact over the next 10 years - including both the existing and expanded operations.

Table 1. Economic Impact of Existing and Expanded Operations Over the Next 10 Years

	Existing Operations	Expansion	Existing & Expanded Ops
Economic Output:			
Direct	\$1,487,849,678	\$693,692,012	\$2,181,541,690
Indirect & Induced	\$692,147,670	\$322,705,524	\$1,014,853,194
Total	\$2,179,997,348	\$1,016,397,536	\$3,196,394,884
Jobs			
Direct	470.0	274.0	744.0
Indirect & Induced	434.0	253.1	687.1
Total	904.0	527.1	1,431.1
Salaries			
Direct	\$406,563,141	\$165,781,000	\$572,344,141
Indirect & Induced	\$317,281,874	\$129,375,491	\$446,657,365
Total	\$723,845,015	\$295,156,491	\$1,019,001,506
Taxable Sales			
Direct	\$79,654,315	\$290,605,223	\$370,259,538
Indirect & Induced	\$62,162,227	\$25,347,394	\$87,509,621
Total	\$141,816,542	\$315,952,617	\$457,769,159

The table below illustrates the company's fiscal impact - the net benefits for local taxing districts - over the next 10 years - including both the existing and expanded operations.

Table 2. Fiscal Impact of Existing and Expanded Operations Over the Next 10 Years

	Net Benefits		
	Existing Operations	Expansion	Existing & Expanded Ops
State of New Mexico	\$70,038,742	\$32,271,214	\$102,309,956
Albuquerque	\$5,450,290	\$9,337,521	\$14,787,811
Bernalillo County	\$2,795,556	\$3,077,923	\$5,873,480
Albuquerque Public Schools	\$1,407,290	\$1,631,202	\$3,038,491
Special Taxing Districts	\$1,292,003	\$174,192	\$1,466,195
Total	\$80,983,881	\$46,492,052	\$127,475,933

The remainder of this report will focus on only the economic and fiscal impact associated with the expanded operations.

Economic Impact Overview

The Project's operations will support employment and other economic impacts in the state. The 274.0 workers directly employed by the Project will earn approximately \$77,000 per year initially. This direct activity will support 253.1 indirect and induced workers in the state earning \$65,000 on average. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately \$295.2 million over the next 10 years.

Accounting for various taxable sales and purchases, including activity associated with the Project, worker spending, and visitors' spending in the state, the Project is estimated to support approximately \$316.0 million in taxable sales over the next 10 years.

Table 3. Economic Impact Over the Next 10 Years Statewide

	Direct	Indirect & Induced	Total
Economic output generated by direct, indirect, and induced activity	\$693,692,012	\$322,705,524	\$1,016,397,536
Number of permanent direct, indirect, and induced jobs to be created	274.0	253.1	527.1
Salaries to be paid to direct, indirect, and induced workers	\$165,781,000	\$129,375,491	\$295,156,491
Taxable sales and purchases	\$290,605,223	\$25,347,394	\$315,952,617

The project is not expected to result in a consequential increase in the state's population. A majority of newly hired employees would likely be current New Mexico residents. However, it is estimated that approximately 24.0% of the new direct workers may be new residents to Bernalillo County. The local population impacts may result in new residential properties constructed in the county and increase the enrollment of local public schools.

Table 4. Population Impacts Over the Next 10 Years for the County

	Direct	Indirect & Induced	Total
Number of direct, indirect, and induced workers who will move to the County	65.7	40.2	105.9
Number of new residents in the County	170.8	104.5	275.3
Number of new residential properties to be built in the County	6.6	4.0	10.6
Number of new students expected to attend local school district	32.9	20.1	53.0

The Project is estimated to support an average of approximately \$24.0 million in new non-residential taxable property each year over the next 10 years. The taxable value of property supported by the Project over the 10-year period is shown in the following table. The values represent the taxable value of property before the consideration of any possible property tax abatements.

Table 5. Value of Taxable Property Supported by the Project Over the Next 10 Years

Year	New Residential Property	The Project's Property				Subtotal Nonresidential Property	Total Residential & Nonresidential Property
		Land	Buildings & Other Real Prop. Improvements	Furniture, Fixtures, & Equipment			
1	\$155,440	\$0	\$5,068,092	\$16,516,667	\$21,584,758	\$21,740,198	
2	\$158,549	\$0	\$14,609,454	\$14,865,000	\$29,474,454	\$29,633,002	
3	\$384,084	\$0	\$14,901,643	\$13,213,333	\$28,114,976	\$28,499,060	
4	\$391,766	\$0	\$15,199,675	\$11,561,667	\$26,761,342	\$27,153,108	
5	\$574,865	\$0	\$15,503,669	\$9,910,000	\$25,413,669	\$25,988,534	
6	\$607,815	\$0	\$15,813,742	\$8,258,333	\$24,072,076	\$24,679,891	
7	\$619,971	\$0	\$16,130,017	\$6,606,667	\$22,736,684	\$23,356,655	
8	\$632,371	\$0	\$16,452,617	\$4,955,000	\$21,407,617	\$22,039,988	
9	\$645,018	\$0	\$16,781,670	\$3,303,333	\$20,085,003	\$20,730,021	
10	\$657,918	\$0	\$17,117,303	\$3,303,333	\$20,420,637	\$21,078,555	

The taxable value of residential property represents the value of properties that may be constructed as a result of new workers moving to the community.

This analysis assumes the residential real property appreciation rate to be 2.0% per year. The Project's real property is assumed to appreciate at a rate of 2.0% per year. The analysis assumes the Project's furniture, fixtures, and equipment will depreciate over time according to the depreciation schedule shown in Appendix A.

Fiscal Impact Overview

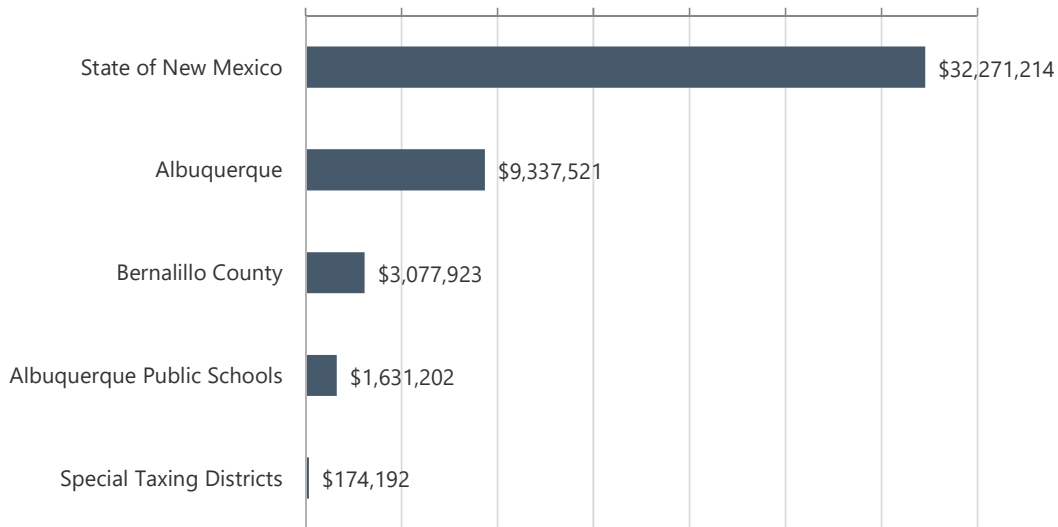
The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$9,337,500 in net benefits over the 10-year period and the Project will generate \$46,492,100 in total for all local taxing districts.

Table 5. Fiscal Net Benefits Over the Next 10 Years for the State and Local Taxing Districts

	Benefits	Costs	Net Benefits	Present Value of Net Benefits*
State of New Mexico	\$41,683,274	(\$9,412,060)	\$32,271,214	\$24,096,619
Albuquerque	\$16,478,661	(\$7,141,140)	\$9,337,521	\$7,120,401
Bernalillo County	\$3,549,017	(\$471,094)	\$3,077,923	\$2,350,321
Albuquerque Public Schools	\$3,215,630	(\$1,584,429)	\$1,631,202	\$1,196,806
Special Taxing Districts	\$174,192	\$0	\$174,192	\$133,724
Total	\$65,100,774	(\$18,608,722)	\$46,492,052	\$34,897,871

* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5% to make the dollars comparable.

Figure 1. Net Benefits Over the Next 10 Years for the State and Local Taxing Districts



State of New Mexico

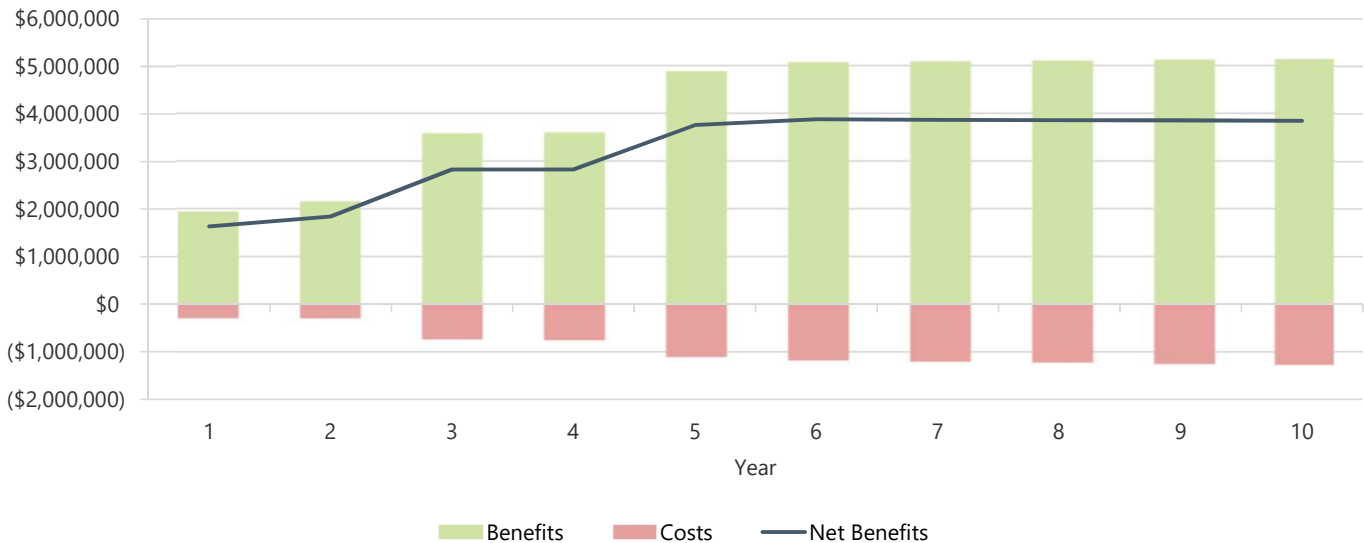
The table below displays the estimated additional benefits to be received by the State of New Mexico over the first 10 years. The project is expected to have a small effect on the statewide population and therefore some additional statewide costs to provide additional services were estimated for the state. Appendix C contains the year-by-year calculations.

Table 6. State of New Mexico: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes, after IRB rebate	\$9,679,039
Real Property Taxes - Project, after abatement	\$10,035
FF&E Property Taxes - Project, after abatement	\$6,290
Property Taxes - New Residential	\$6,566
Personal Income Taxes	\$13,134,464
Corporate Income Taxes	\$83,965
Miscellaneous Taxes & User Fees	\$18,762,917
<u>Subtotal Benefits</u>	<u>\$41,683,274</u>
Cost of Providing State Services	(\$9,412,060)
<u>Subtotal Costs</u>	<u>(\$9,412,060)</u>
Net Benefits	\$32,271,214
<i>Present Value (5% discount rate)</i>	<i>\$24,096,619</i>

Gross receipts taxes are estimated on new taxable gross receipts resulting from the project. Property taxes are estimated on the firm's property and new residential property constructed. Personal income taxes are estimated based on an effective income tax rate and the earnings of new direct and indirect workers. Corporate income taxes on the direct activity is based on the net taxable income projected by the company. Corporate income taxes on the indirect activity is estimated on a per indirect worker basis and the observed statewide corporate income tax collections per worker. To the extent that the project will result in an increase in new households in the state, additional miscellaneous taxes and user fees have been estimated for the state. Additionally, the costs to provide state services to these new households were also estimated based on recent state expenditure data as detailed in the Appendix.

Figure 2. Annual Fiscal Net Benefits for the State of New Mexico



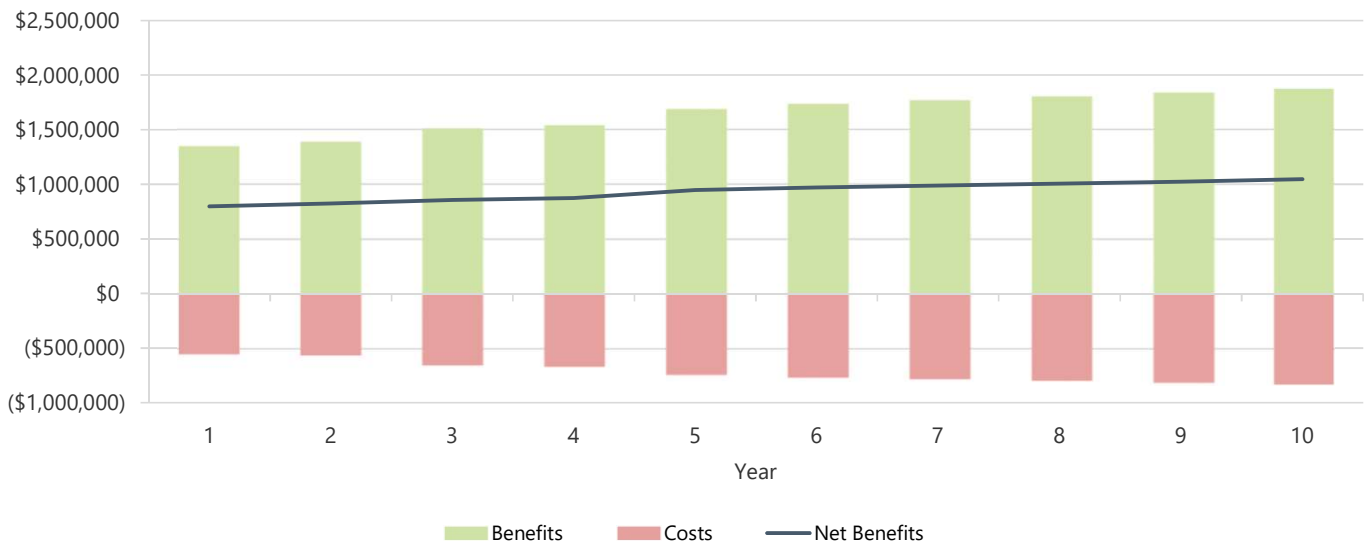
Albuquerque

The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 7. Albuquerque: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes, after IRB rebate	\$8,847,224
Real Property Taxes - Project, after abatement	\$85,005
FF&E Property Taxes - Project, after abatement	\$53,276
Property Taxes - New Residential	\$54,501
Utility Revenue	\$5,764,971
Utility Franchise Fees	\$700,686
Building Permits and Fees	\$57,000
Lodgers Taxes	\$124,289
Miscellaneous Taxes & User Fees	\$791,709
<u>Subtotal Benefits</u>	<u>\$16,478,661</u>
Cost of Providing Municipal Services	(\$914,971)
Cost of Providing Utility Services	(\$6,226,168)
<u>Subtotal Costs</u>	<u>(\$7,141,140)</u>
Net Benefits	\$9,337,521
<i>Present Value (5% discount rate)</i>	<i>\$7,120,401</i>

Figure 3. Annual Fiscal Net Benefits for the Albuquerque



Bernalillo County

The table below displays the estimated additional benefits, costs, and net benefits to be received by the County over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 8. Bernalillo County: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes, after IRB rebate	\$2,921,253
Real Property Taxes - Project, after abatement	\$90,192
FF&E Property Taxes - Project, after abatement	\$56,527
Property Taxes - New Residential	\$51,603
Building Permits and Fees	\$22,000
Miscellaneous Taxes & User Fees	\$407,441
<u>Subtotal Benefits</u>	<u>\$3,549,017</u>
Cost of Providing County Services	(\$471,094)
<u>Subtotal Costs</u>	<u>(\$471,094)</u>
Net Benefits	\$3,077,923
<i>Present Value (5% discount rate)</i>	<i>\$2,350,321</i>

Albuquerque Public Schools

The table below displays the estimated additional benefits, costs, and net benefits to be received by the school district over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 9. Albuquerque Public Schools: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Real Property Taxes - Project, after abatement	\$83,588
FF&E Property Taxes - Project, after abatement	\$52,388
Property Taxes - New Residential	\$51,117
State Equalization Guarantee	\$3,028,537
<u>Subtotal Benefits</u>	<u>\$3,215,630</u>
Cost of Educating New Students	(\$1,584,429)
<u>Subtotal Costs</u>	<u>(\$1,584,429)</u>
Net Benefits	\$1,631,202
<i>Present Value (5% discount rate)</i>	<i>\$1,196,806</i>

Benefits for Other Taxing Districts

The table below displays the estimated additional property taxes to be received by other property taxing districts over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 10. Other Taxing Districts: Benefits Over the Next 10 Years

	Amount
Real Property Taxes - Project, after abatement	\$76,740
FF&E Property Taxes - Project, after abatement	\$48,097
Property Taxes - New Residential	\$49,355
Benefits	\$174,192
<i>Present Value (5% discount rate)</i>	<i>\$133,724</i>

Property Tax Abatement

Some taxing districts are considering abating taxes on the Project's property. The table below identifies the type of property for which the taxing districts are considering abating taxes.

Table 11. Types of the Project's Property Subject to Tax Abatement

Land	✓
Buildings & Other Real Property Improvements	✓
Furniture, Fixtures, & Equipment	✓

The table below identifies the percentage of the property taxing abatement by taxing districts and the total value of the abatement.

Table 12. Tax Abatement Percentages and Value Over the First 10 Years*

Year	State of New Mexico	Albuquerque	Bernalillo County	Albuquerque Public Schools	Special Taxing Districts
1	95%	95%	95%	95%	95%
2	95%	95%	95%	95%	95%
3	95%	95%	95%	95%	95%
4	95%	95%	95%	95%	95%
5	95%	95%	95%	95%	95%
6	95%	95%	95%	95%	95%
7	95%	95%	95%	95%	95%
8	95%	95%	95%	95%	95%
9	95%	95%	95%	95%	95%
10	95%	95%	95%	95%	95%
Total Value of Abatement	\$310,172	\$2,627,339	\$2,787,671	\$2,583,550	\$2,371,904

* The tax abatement shown above is offered as a part of Industrial Revenue Bonds (IRB). The total value of the IRBs is shown next.

Industrial revenue bonds are under consideration for the project. If industrial revenue bonds are issued for the project, the project's property and equipment purchases may be exempt from property taxes and gross receipt taxes. The table below identifies the value of the industrial revenue bonds in terms of taxes foregone by local taxing entities.

Table 13. Value of Industrial Revenue Bonds Measured in Foregone Taxes

	Gross		
	Property Tax Value of IRBs	Receipts Tax Value of IRBs	Total Value of IRBs
State of New Mexico	\$310,172	\$2,643,113	\$2,953,285
Albuquerque	\$2,627,339	\$1,141,187	\$3,768,526
Bernalillo County	\$2,787,671	\$376,807	\$3,164,478
Albuquerque Public Schools	\$2,583,550	\$0	\$2,583,550
Special Taxing Districts	\$2,371,904	\$0	\$2,371,904
Total	\$10,680,636	\$4,161,107	\$14,841,744

City Non-Tax Incentives

The City is considering the following non-tax incentives for the Project.

Table 14. City Incentives Under Consideration

Year	City LEDA
1	\$1,000,000
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
Total	\$1,000,000

These financial incentives may be considered an investment in the Project made by the city. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the city, treating the incentives as the initial investment and the net benefits to the city as the return on investment. The payback period is the number of years that it will take the city to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

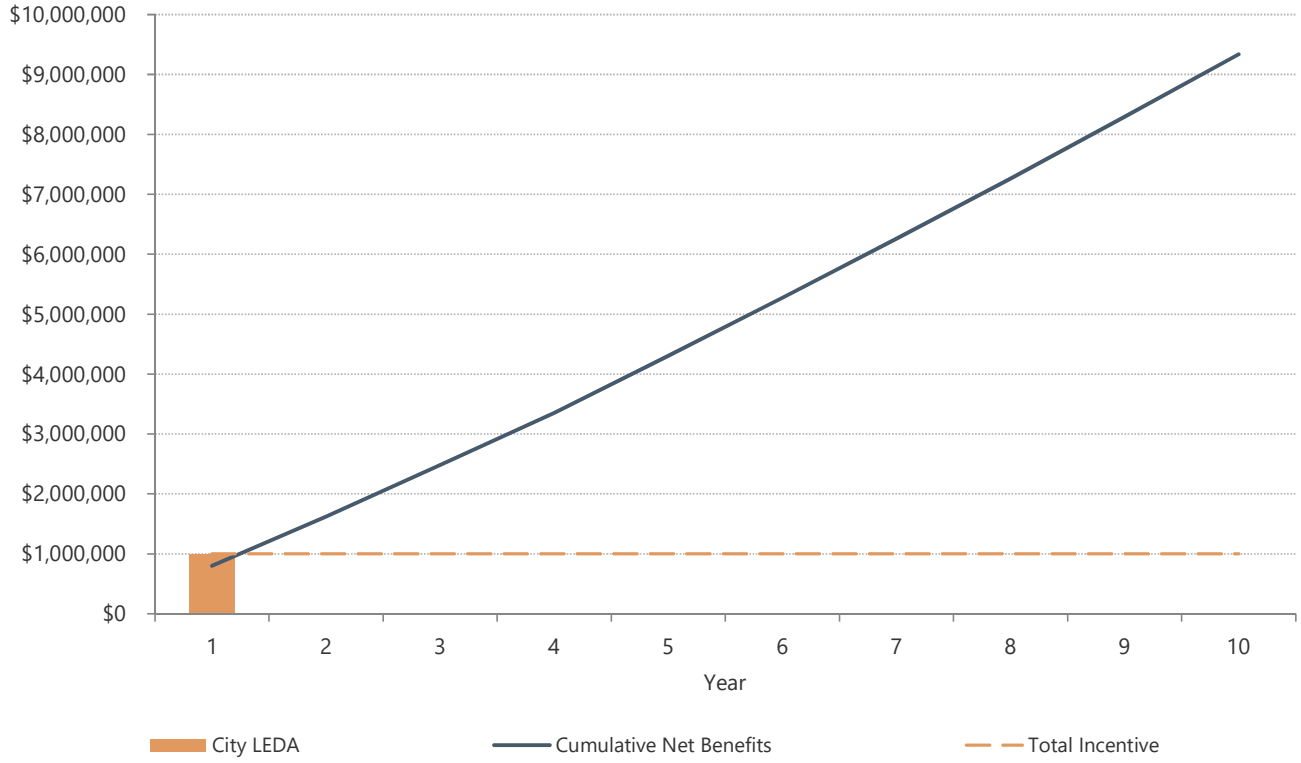
Table 15. Analysis of City Incentives

Total Non-Tax Incentive	\$1,000,000
Incentive Per Job	\$3,650
Rate of Return	93.4%
Payback period (years)	1.2

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the City. The intersection indicates the length of time until the incentives are paid back.

Figure 4. City Incentives Under Consideration



State Incentives

The state is considering the following incentives for the Project.

Table 18. State Incentives Under Consideration

Year	LEDA, JTIP and others
1	\$13,500,000
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
Total	\$13,500,000

These financial incentives may be considered an investment in the Project made by the state. Four calculations analyzing possible investments were made:

1. Net Benefits - detailed above
2. Present Value of Net Benefits - detailed above
3. Rate of Return on Investment - discussed and detailed below
4. Payback Period - discussed and detailed below

The rate of return on investment calculates the average annual rate of return to the state, treating the incentives as the initial investment and the net benefits to the state as the return on investment. The payback period is the number of years that it will take the state to recover the cost of incentives from the additional revenues that it will receive as a result of the Project.

The table below shows an analysis of these incentives, including a calculation of incentives per job, rate of return, and payback period.

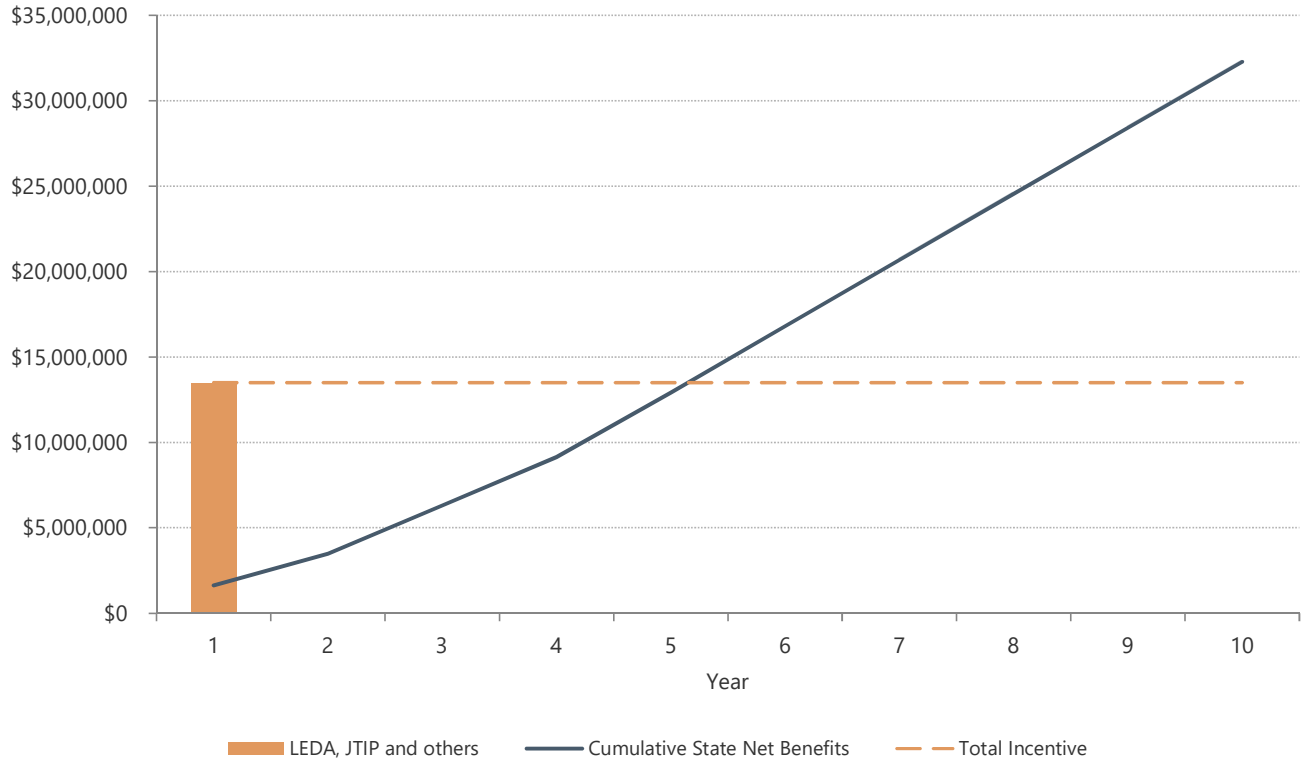
Table 19. Analysis of State Incentives

Total State Incentives	\$13,500,000
Incentives Per Job	\$49,270
Rate of Return	23.9%
Payback period (years)	5.2

Note: The Rate of Return and Payback Period are calculated based on the sum of annual incentives, not the present value of the incentives.

The graph below depicts the total incentives currently under consideration versus the cumulative net benefits to the State. The intersection indicates the length of time until the incentives are paid back.

Figure 6. State Incentives Under Consideration



State LEDA @ \$5M, JTIP @ \$3.5M, HWJTC @ \$2.5K, MFGITC @ \$2.5M. State total incentive estimated to be \$13.5M. City LEDA assumed to be \$1M.

Overview of Methodology

This report presents the results of an analysis undertaken by the New Mexico Economic Development Department using Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource.

The Total Impact model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

Multiplier		City	County	State
Employment Multiplier	(Type II Direct Effect)	1.4584	1.6112	1.9234
Earnings Multiplier	(Type II Direct Effect)	1.3874	1.5166	1.7804

Calculation of Fiscal Impact

Calculation of Revenues for the State

The state's revenues from gross receipts taxes, property taxes, personal and corporate income taxes were estimated directly using data entered about the project and state tax rates and assumptions about workers moving to the area and possibly building new property.

Impact DataSource estimated the miscellaneous taxes and user fees as a function of statewide personal income. The data used to estimate these factors were obtained from the US Census of Governments and the Bureau of Economic Analysis. Next, these percentages were applied to the total increase in workers' earnings from the economic impact calculations to determine the annual miscellaneous taxes and user fees to be collected by the state related to the permanent increase in economic activity supported by the project.

The fiscal costs associated with the project result from the portion of new worker households that relocate to New Mexico to take a job and the resulting costs to provide state services to these new residents. Impact DataSource estimated the cost of providing state services to new worker households moving to the state by applying the average per household cost of state expenditures to the estimated number of new workers new to the state.

Impact DataSource determined the marginal cost to provide state government services on per household in the state by using approximately 40% of the average cost. The data used to estimate these costs were obtained from the US Census of Governments and US Census. On average, the state incurs \$5,000 in costs to provide these services to households.

Calculation of Revenues for the City

The city's revenues from gross receipts taxes, property taxes, city-owned utilities, utility franchise fees, lodging taxes, and building permits and fees were estimated directly using data entered about the project and local tax rates and assumptions about workers moving to the area and possibly building new property.

The new firm was not asked for nor could reasonably provide some data for calculating some other revenues for the city. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers at the firm, the firm may not reasonably know the propensity of its workers to speed. Therefore, some other city revenues were calculated using an average revenue approach. This approach uses two assumptions:

- 1 - The city has two general revenue sources -- revenues from residents and revenues from businesses.
- 2 - The city will collect (a) about the same amount of other revenues from each household of new workers that may move to the city as it currently collects from an average household of existing residents, and (b) about the same amount of other revenues from the new firm (on a per worker basis) will be collected as the city collects from other businesses in the city.

Using this average revenue approach, revenues likely to be received by the city were calculated from the households of new workers who may move to the city and from the new firm using average city revenues per household and per worker calculations. These revenues are labeled as miscellaneous taxes and user fees.

The total annual city revenues used to make average revenue calculations in this analysis were obtained from the city's latest annual budget and the per household and per worker and calculations are detailed in Appendix A.

Calculation of Costs for the City

This analysis sought to answer the question, what additional monies will the city have to spend to provide services to households of new workers who may move to the city and to the firm. A marginal cost approach was used to calculate additional city costs from the new firm and its workers.

This approach uses two assumptions:

- 1 - The city spends money on services for two general groups -- residents and businesses.
- 2 - The city will spend (a) about the same amount for variable or marginal cost for each household of new workers that may move to the city as it currently spends for an average household of existing residents, and (b) about the same amount for variable or marginal costs for the new firm (on a per worker basis) as it spends for other businesses in the city.

Calculation of Net Benefits for the City

Net benefits calculated in this analysis are the difference between additional city revenues over a ten-year period and additional city costs to provide services to the new firm and its workers and indirect workers who may move to the city.

Calculation of Revenues, Costs and Net Benefits for the County

The model estimates additional revenues, costs and net benefits for the county using the same methodology described for the city relying on county budget data.

Calculation of Revenues for Public Schools

The school district's revenues from property taxes were calculated on the new residential property for some new direct and indirect workers who may move to the county and on the firm's property that will be added to local tax rolls.

However, school district revenues from state and federal funds and other local funding were calculated using an average revenue approach. This approach used the assumption that the school district will collect about the same amount of these revenues for each new student in the household of a new worker who may move to the county as it currently collects for each existing student.

Calculation of Costs for Public Schools

A marginal cost approach was used to calculate additional school district costs from the new firm and its workers. This approach uses the assumption that the school district will spend about the same amount for variable or marginal cost for each new student as it spends for each existing student.

Calculation of Net Benefits for Public Schools

Net benefits calculated in this analysis are the difference between additional school district revenues over a ten-year period and marginal costs for the school district to provide services to students in the households of new workers who may move to the county.

The school district's total annual revenues and expenses to make average revenue and marginal costs calculations in this analysis were obtained from the school district's latest annual budget.

Calculation of Property Taxes to be Collected by Countywide Special Taxing Districts

Revenues for countywide special taxing districts from property taxes were calculated on the new residential property for some new direct and indirect workers who may move to the county and on the firm's property that will be added to local tax rolls.

While each of these special taxing districts may incur additional costs from new residents and from the new firm, these additional costs were not calculated in this analysis.

About Impact DataSource

Impact DataSource is an Austin economic consulting, research, and analysis firm founded in 1993. The firm has conducted over 2,500 economic impact analyses of firms, projects, and activities in most industry groups in New Mexico and more than 30 other states.

In addition, Impact DataSource has prepared and customized more than 50 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the Frisco EDC in Texas and the Metro Orlando (Florida) Economic Development Commission.