

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

1 WHEREAS, pursuant to the LEDA Ordinance, Aspen & Autumn, 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 acquisition, construction and improvement of
5 a warehouse and office facility for distribution of New Mexico related foods and tourist
6 items, which will include the addition of 71 new employees, within the City (the
7 "Project"); and

8 WHEREAS, the City will administer and disburse to the Company funds totaling
9 up to \$1,000,000, of which \$750,000 is to be received by the City from the State
10 Economic Development Department and \$250,000 are to be City funds; and

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

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

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

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

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

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

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

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 acquisition,
33 construction and improvement of a warehouse and office facility for distribution of New

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

1 Mexico related foods and tourist items, the addition of 71 new employees, and the
2 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 \$1,000,000, of which \$750,000 is to
13 be received by the City from the State Economic Development Department and
14 \$250,000 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 \$750,000 of funds received from the State Economic Development Department and
17 up to \$250,000 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

[+Bracketed/Underscored Material+] - New
[-Bracketed/Strikethrough Material-] - Deletion

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

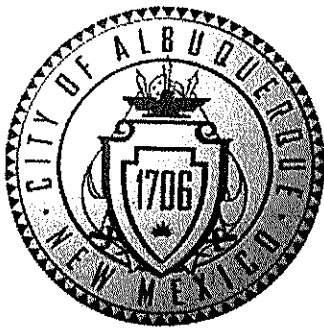
3 (D) City officials shall take such action as is necessary in conformity
4 with the Act, the LEDA Ordinance and this Ordinance to effectuate the provisions of the
5 Agreement and carry out the transactions as contemplated by this Ordinance and the
6 Agreement, including, without limitation, the execution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

24
25
26
27
28
29
30
31
32
33




CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

February 15, 2022

TO: Isaac Benton, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: Approving an Ordinance for Aspen & Autumn, LLC Pursuant to the Local Economic Development Act

Attached is an ordinance for your consideration and approval authorizing the Pajarito Powder, LLC ("Aspen & Autumn") Project pursuant to the Local Economic Development Act ("LEDA").

Aspen & Autumn, a New Mexico limited liability company legally registered and headquartered in New Mexico, is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds to be used for the acquisition and construction of a distribution facility (the "Project"). Aspen & Autumn has been approved for \$750,000 in State LEDA funds and seeking \$250,000 in City LEDA funds for the Project. The City will act as fiscal agent for the State's LEDA funds.

The ordinance would allow reimbursement of approved Project costs so Aspen & Autumn can undertake the acquisition and construction for its new distribution facility located in Albuquerque of up to \$1,000,000.00. Aspen & Autumn anticipates occupying and operating its Project facilities and will hire and retain at least 71 employees as outlined in the Project Participation Agreement (PPA). Many of these jobs will provide opportunities and training for low/moderate income residents. Aspen & Autumn will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Anticipated total payroll over ten (10) years is \$7.5 Million. Aspen & Autumn intends to invest approximately \$10,000,000 for the acquisition, construction and improvement of the Facility.

Aspen & Autumn LLC is composed of two businesses, with partial joint ownership, specializing in wholesale distribution of goods. Neither BSR Distributing, Inc., nor Phresh Picks Distribution, Inc., engage in retail sales direct to consumers. BSR Distributing, Inc., generally known as Blue Sky Distributors, is a wholesaler of food, drink and alternative items to convenience store/grocery and retail outlets. It distributes goods throughout the western United States, and has been expanding its ability to service and enhance retail channels for locally-made, locally-and-regionally marketed products by constructing new warehouse and office space. Phresh Picks


Distribution, Inc. is also a wholesaler of supplements, dietary products, together with counter-culture products, ancillary goods and services. Phresh Picks Distribution has been expanding its ability to supply and service retail businesses that will come on line in 2022. Phresh Picks also specializes in a largely out of state sales model that distributes to retail enterprises nationwide. Customers range from stand-alone businesses to well-established retail chains.


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 \$20 million in taxable sales over the next 10 years.

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 in the economic impact analysis. Overall, the City will receive approximately \$2,442,034 in net benefits over the 10-year period.

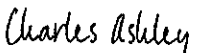
Approved:

Approved as to Legal Form:

DS

2/28/22
Sarita Nair Date
Chief Administrative Officer

DocuSigned by:
 2/16/2022 | 9:28 PM MST
EED9B0CFDBA0443...
Esteban A. Aguilar, Jr. Date
City Attorney

Recommended:

DocuSigned by:
 2/16/2022 | 5:03 PM MST
45456AC68DF6477...
Charles Ashley Date
Director

Cover Analysis

1. What is it?

Aspen & Autumn, a New Mexico limited liability company legally registered and headquartered in New Mexico, is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds to be used for the acquisition and construction of a distribution facility (the “Project”). Aspen & Autumn has been approved for \$750,000 in State LEDA funds and seeking \$250,000 in City LEDA funds for the Project. The City will act as fiscal agent for the State’s LEDA funds.

2. What will this piece of legislation do?

The ordinance would allow reimbursement of approved Project costs so Aspen & Autumn can undertake the acquisition and construction for its new distribution facility located in Albuquerque of up to \$1,000,000.00. Aspen & Autumn anticipates occupying and operating its Project facilities and will hire and retain at least 71 employees as outlined in the Project Participation Agreement (PPA). Many of these jobs will provide opportunities and training for low/moderate income residents. Aspen & Autumn will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years. Anticipated total payroll over ten (10) years is \$7.5 Million. Aspen & Autumn intends to invest approximately \$10,000,000 for the acquisition, construction and improvement of the Facility.

Aspen & Autumn LLC is composed of two businesses, with partial joint ownership, specializing in wholesale distribution of goods. Neither BSR Distributing, Inc., nor Phresh Picks Distribution, Inc., engage in retail sales direct to consumers. BSR Distributing, Inc., generally known as Blue Sky Distributors, is a wholesaler of food, drink and alternative items to convenience store/grocery and retail outlets. It distributes goods throughout the western United States, and has been expanding its ability to service and enhance retail channels for locally-made, locally-and-regionally marketed products by constructing new warehouse and office space. Phresh Picks Distribution, Inc. is also a wholesaler of supplements, dietary products, together with counter-culture products, ancillary goods and services. Phresh Picks Distribution has been expanding its ability to supply and service retail businesses that will come on line in 2022. Phresh Picks also specializes in a largely out of state sales model that distributes to retail enterprises nationwide. Customers range from stand-alone businesses to well-established retail chains.

3. Why is this project needed?

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 \$20 million in taxable sales over the next 10 years.

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 in the economic impact analysis. Overall, the City will receive approximately \$2,442,034 in net benefits over the 10-year

period. Aspen & Autumn will maintain the Project's operations in Albuquerque for a minimum of ten (10) years.

4. How much will this cost and what is the funding source?

The State has requested the City to be the fiscal agent for the LEDA funds. The City is providing \$250,000 in LEDA funds for the Project

5. Is there a revenue source associated with this project? If so, what level of income is projected?

No. There is no direct revenue to the City.

6. What will happen if the project is not approved?

If Aspen & Autumn is not able to continue to expand, the result would be loss of revenue, a much slower growth schedule and a reduction in job creation.

7. Is this service already provided by another entity?

The company has no competitors in the state or region.

Project Participation Agreement
City of Albuquerque and Aspen & Autumn, LLC
Local Economic Development Act Project

This Project Participation Agreement is made as of this ____ day of _____, 2022 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and ASPEN & AUTUMN, LLC, a New Mexico limited liability company, with a place of business at 8724 Alameda Park Drive NE, Albuquerque, New Mexico 87113 (“Aspen & Autumn”).

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

Aspen & Autumn shall acquire, develop and improve a 62,000 square foot warehouse and office facility for distribution of New Mexico related foods and tourist items produced by affiliated companies BSR Distributing, Inc. and Phresh Picks, Inc. (collectively, the “Affiliated Businesses”), to be located at 98th Street and Bluewater Road NW in the City (the “Facility”);

Aspen & Autumn shall lease the facility to the Affiliated Businesses for the distribution of food and commercial goods in and outside of New Mexico. The Facility will allow the Affiliated Businesses to reduce duplication of efforts and collaborate in selling New Mexico products;

Commitment to operate the Facility for a minimum of ten (10) years;

Aspen & Autumn shall ensure the Affiliated Businesses 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

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

WHEREAS, Aspen & Autumn estimates a total investment of approximately \$10,000,000 for renovation, expansion and improvement of the Facility; and

WHEREAS, the Aspen & Autumn Application proposes that in exchange for Aspen & Autumn 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 Aspen & Autumn’s acquisition, construction 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 Aspen & Autumn, shows that the City will recoup the value of its contribution within ten (10) years; and

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

WHEREAS, the 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 Aspen & Autumn 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 March __, 2022 (the “Project Ordinance”) (i) finding that Aspen & Autumn is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Aspen & Autumn Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$750,000 in funds to be received from the State EDD (the “State Contribution”) and \$250,000 in funds to be committed by the City (the “City Contribution”), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for the acquisition, construction and improvement of the Facility, and (iii) approving this Agreement;

NOW, THEREFORE, in consideration of these premises and the agreements by the parties set forth herein, Aspen & Autumn 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 Aspen & Autumn Application.

2. Company Contribution. Aspen & Autumn shall acquire, develop and improve a 62,000 square foot warehouse and office facility for distribution of New Mexico related foods and tourist items produced by the Affiliated Businesses; and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Aspen & Autumn will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Aspen & Autumn 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 \$750,000 will be delivered to the City for subsequent disbursement to Aspen & Autumn, following enactment of the Project 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 Aspen & Autumn in the manner as follows:

- 1) \$350,000 upon obtaining an Occupancy Permit for the Facility.
- 2) \$250,000 for the Affiliated Businesses hiring seven additional full-time employees by January 31, 2023, bringing total employment by the Affiliated Businesses to 85.
- 3) \$150,000 for the Affiliated Businesses hiring ten additional full-time employees by January 31, 2024, bringing total employment by the Affiliated Businesses to 95.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$250,000 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 dispensed upon Aspen & Autumn obtaining an Occupancy Permit for the Facility and the Affiliated Businesses hiring 10 additional full-time employees by January 31, 20__, bringing total employment to 105.

5. Time Commitment. Aspen & Autumn intends to invest approximately \$10,000,000 for the acquisition, construction and improvement of the Facility. Operations at the Facility are

expected to begin following completion of the acquisition, construction and improvements or as soon thereafter as possible. Aspen & Autumn will continue to own the Facility and lease to the Affiliated Businesses, which companies shall diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through January 31, 2032.

6. Use of Public Contributions. Aspen & Autumn will be eligible for reimbursement of up to \$1,000,000 for costs of the acquisition, construction and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Aspen & Autumn 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 set forth herein.

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

7. Job Commitment and Clawbacks.

A. Number of Jobs. Aspen & Autumn will ensure the Affiliated Businesses increase employment, above the current level of 78 full-time employees, by (i) at least seven full-time employees as measured as of close of business on January 31, 2023 for a total employment of 85, (ii) at least ten full-time additional employees as measured as of close of business on January 31, 2024 for a total employment of 95, (iii) at least twelve full-time employees as measured as of close of business on January 31, 2025 for a total employment of 107, (iv) at least thirteen full-time employees as measured as of close of business on January 31, 2026 for a total employment of 120, (v) at least twelve full-time employees as measured as of close of business on January 31, 2027 for a total employment of 132, (vi) at least five full-time employees as measured as of close of business on January 31, 2028 for a total employment of 137, (vii) at least four full-time employees as measured as of close of business on January 31, 2029 for a total employment of 141, (viii) at least three full-time employees as measured as of close of business on January 31, 2030 for a total employment of 144, (ix) at least three full-time employees as measured as of close of business on January 31, 2031 for a total employment of 147, and (x) at least two full-time employees as measured as of close of business on January 31, 2032 for a total employment of 149, at an average salary of at least [\$47,000] plus benefits, and maintenance of at least 90% of projected employees through January 31, 2032 as measured for the preceding year on an annual basis beginning January 31, 2023. 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 Affiliated Business employees. 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. Aspen & Autumn 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. If the Affiliated Businesses do not employ and maintain at least 90% of the required number of full-time employees as set forth in Section 7.A herein by January 31, 2023, or by January 31 of any year thereafter through the year 2032, then subject to the remainder of this Section 8.C, Aspen & Autumn will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Aspen & Autumn pursuant to this Agreement that has already been disbursed to Aspen & Autumn for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<i>Job Creation Commitment and Schedule</i>						
<u>Year</u>	<u>Annual Full Time Job Creation Target</u>	Min Job (90% of target new jobs)	<u>Cumulative Payroll for New Jobs</u>	<u>Job Determination Period</u>		<u>%-Clawback</u>
1	78+7=85	78+7=85	\$3,635,520	Ordinance Date	1/31/23	100%
2	85+10=95	85+9=94	\$4,136,630	1/1/23	1/31/24	100%
3	95+12=107	94+11=105	\$4,743,727	1/1/24	1/31/25	100%
4	107+13=120	105+12=117	\$5,418,025	1/1/25	1/31/26	100%
5	120+12=132	117+11=128	\$6,071,930	1/1/26	1/31/27	75%
6	132+5=137	128+5=133	\$6,425,224	1/1/27	1/31/28	50%
7	137+4=141	133+3=136	\$6,742,924	1/1/28	1/31/29	50%
8	141+3=144	136+3=139	\$7,022,517	1/1/29	1/31/30	25%
9	144+3=147	139+3=142	\$7,310,597	1/1/30	1/31/31	25%
10	147+2=149	142+1=143	\$7,557,197	1/1/31	1/31/32	25%
<i>Total</i>	78 + 71 = 149					
Addt'l Notes: Starting Headcount 78 as of 1/31/2022 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 Aspen & Autumn will be required to pay to the City upon the Affiliated Businesses 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 the Affiliated Businesses 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 Aspen & Autumn 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 the Affiliated Businesses maintain 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 Aspen & Autumn 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 Aspen & Autumn, through the Affiliated Businesses, shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if the Affiliated Businesses meet the Minimum Full-Time Job Creation at any time during the Cure Period, Aspen & Autumn shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If the Affiliated Businesses fail to reach the Job Target during the Cure Period, then Aspen & Autumn shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

(iii) A “Job” means a permanent, full-time employment position (at least 32 hours per week) offering the employee the full range of benefits offered to other full-time employees of the Affiliated Businesses, each with a minimum average salary determined for each annual period as follows:

Notwithstanding the foregoing, if the Affiliated Businesses fail to employ the required full-time employees as identified in Section 7.A herein, and Aspen & Autumn believes Business Climate Changes were the cause for the failure to meet such requirements, Aspen & Autumn 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 the Affiliated Businesses, in the segment of the industry in which the Affiliated Businesses operate, that cause a significant decrease in the amount of sales the Affiliated Businesses are able to achieve. The shifting of Aspen & Autumn’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determine that Business Climate Changes affect the Affiliated Businesses’ ability to maintain employment levels, it 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 Aspen & Autumn of its decision or the decision of the State EDD. If Aspen & Autumn 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 ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Aspen & Autumn, or the Affiliated Businesses, cease operations, or notify the City of their intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before January 31, 2032, Aspen & Autumn shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, 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 Aspen & Autumn):

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%

Winding down of the Affiliated Businesses’ operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$1,000,000, 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 Aspen & Autumn, Aspen & Autumn 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 Aspen & Autumn chooses to provide an annually renewable surety bond/letter of credit, non-renewal from 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 Aspen & Autumn 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 Aspen & Autumn in writing, and Aspen & Autumn shall have thirty (30) days in which to cure such Event of Default. 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. Aspen & Autumn will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Aspen & Autumn 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, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Aspen & Autumn will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for the Affiliated Businesses and such other information necessary for the City or its independent contractor to determine whether Aspen & Autumn has met its obligations under this Agreement. 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. 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 Aspen & Autumn 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 Aspen & Autumn, 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 Aspen & Autumn 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. 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.

14. 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.

15. Assignment by the Company. Should Aspen & Autumn move, sell, lease or transfer its leasehold or operation duties in the Facility 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 Facility until adequate assurances are made that the transferee, assignee or lessee is a qualifying entity and that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee or Aspen & Autumn terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such

date. At its discretion, the City may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator.

16. Miscellaneous. This Agreement, together with the Letter or Credit, 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.

17. Effective Date. This Agreement will be effective on _____, 2022 (the “Effective Date”).

[Signature Page Follows]

CITY OF ALBUQUERQUE,
NEW MEXICO

ASPEN & AUTUMN, LLC, a New Mexico 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: dlara@cabq.gov

Address for notice:
Attention: Brian Thomas
Aspen & Autumn, LLC
8724 Alameda Park Drive NE
Albuquerque, New Mexico 87113
Tel: (505) 293-1101
Email: bthomas@thomaslaw-nm.com

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

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

Local Economic Development Act Hearing

Case #2022-4

LEDA-22-3: Aspen & Autumn LEDA Project

REQUEST: Approving an Ordinance for Aspen & Autumn LLC Pursuant to the Local Economic Development Act

PROJECT SUMMARY:

Aspen & Autumn LLC (“Aspen & Autumn”), a New Mexico limited liability company legally registered and headquartered in New Mexico, is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds to be used for the acquisition and construction of a distribution facility (the “Project”). Aspen & Autumn has been approved for \$750,000 in State LEDA funds and seeking \$250,000 in City LEDA funds for the Project. The City will act as fiscal agent for the State’s LEDA funds.

Aspen & Autumn anticipates occupying and operating its Project facilities and will hire and retain at least 71 employees as outlined in the Project Participation Agreement (PPA). Many of these jobs will provide opportunities and training for low/moderate income residents. Aspen & Autumn will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years. Anticipated total payroll over ten (10) years is \$7.5 Million.

Aspen & Autumn intends to invest approximately \$10,000,000 for the acquisition, construction and improvement of the Facility. The ordinance would allow reimbursement of approved Project costs so Aspen & Autumn can undertake the acquisition and construction for its new distribution facility located in Albuquerque of up to \$1,000,000.

Aspen & Autumn LLC is composed of two businesses, with partial joint ownership, specializing in wholesale distribution of goods. Neither BSR Distributing, Inc., nor Phresh Picks Distribution, Inc., engage in retail sales direct to consumers. BSR Distributing, Inc., generally known as Blue Sky Distributors, is a wholesaler of food, drink and alternative items to convenience store/grocery and retail outlets. It distributes goods throughout the western United States, and has been expanding its ability to service and enhance retail channels for locally-made, locally-and-regionally marketed products by constructing new warehouse and office space. Phresh Picks Distribution, Inc. is also a wholesaler of supplements, dietary products, together with counter-culture products, ancillary goods and services. Phresh Picks Distribution has been expanding its ability to supply and service retail businesses that will come on line in 2022. Phresh Picks also specializes in a largely out of state sales model that distributes to retail enterprises nationwide. Customers range from stand-alone businesses to well-established retail chains.

The project is a fresh-built, distribution-oriented project aiming to substantially expand the capacity of a well-established metropolitan area businesses. This will be in fill development at the corner of Unser and Los Volcanes. The business presently occupies approximately 40,000 square feet in two locations in the metropolitan area. Both locations are locally owned, locally operated, and successfully routinely return substantial revenues to the New Mexico economy

through reinvestment, support for local businesses (customers as well as suppliers) and other factors. In their present layout and under their current space limitations, the business is capacity-limited, and the existing footprints preclude any substantial expansion.

Aspen & Autumn provides well-paid employment and opportunities to gain highly sought-after experience through on-the-job training. The jobs provided will exceed median wages for the industry in Albuquerque and are considered full-time positions, with full employee benefits. Employees of both companies are offered health care, vision and dental insurance, participation in a IRA program (with a 3% match by employer), as well as tuition reimbursement for suitable programs.

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 \$20 million in taxable sales over the next 10 years.

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 \$2,442,034 in net benefits over the 10-year period.

With regard to particular construction jobs, during the construction, the Company anticipates approximately 60 FTE construction jobs. Aspen & Autumn will maintain the Project's operations in Albuquerque for a minimum of ten (10) years.

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. 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:

A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph E of this definition; not including businesses primarily engaged in the sale 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 Aspen & Autumn and the City. The PPA is summarized in Section V.

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 from information the company provided.

The analysis shows that the company will be making a substantive contribution to the community.

FINDINGS:

1. LEDA 22-3 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 22-3 would make positive substantive contributions to the local economy and community by creating 71 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 22-3 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 22-3 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

City 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. Aspen & Autumn 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:

A commercial enterprise for storing, warehousing, distributing or selling products of agriculture, mining or industry, but not including any enterprise for sale of goods or commodities at retail or for the distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities, except as provided by paragraph E of this definition;

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. Aspen & Autumn 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:

(2) Private companies seeking to build, expand or relocate facilities;

(3) Private companies which provide facilities or services which enhance the ability of Albuquerque businesses to operate;

(6) Projects in industry clusters listed above are particularly encouraged,

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

The physical parcel does not presently have a street/ mailing address. Its address as provided by title in a title commitment is: Portion of Tract 9, Avalon 5 Albuquerque, NM.

Its legal description, again as provided by the title commitment is:

Tract numbered Nine (9), Plat of Tracts 1 through 12, of AVALON SUBDIVISION UNIT 5, Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the plat of said Subdivision, filed in the office of the County Clerk of Bernalillo County, New Mexico, on May 22, 2014, in Plat Book 2014C, folio 46 as Document No. 2014040949.

The development site for Aspen & Autumn is currently zoned as NON-RESIDENTIAL – BUSINESS PARK ZONE DISTRICT (NR-BP).

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.

2. LAND USE:

The project is a development and construction of a single building of approximately 62,000 feet of warehouse and office space. The design encompasses room for expansion to approximately 82,000 square feet. The building will be a self-contained office and warehouse construction with common design elements associated with a nearby (immediately to the north) project presently under design and permitting review. The building will be (roughly) south-facing with an effort to shelter neighboring properties from any visible vehicle noise and activity by having principal

warehouse access from the north side of the property. The building is intended to be tilt-up concrete warehousing with approximately 32' of clear-height spacing. The new facility will allow expansion of the business to meet the current sales demand, allow the hiring of 71 new employees over the next 10 years, and ensure the continued viability of the company.

3. INFILL:



4. DESIGN AND CONSERVATION:

The physical operations of the warehouse location are particularly low-consumption with regard to water services. The grounds as developed are anticipated to include a substantial catchment pond to encourage reintegration of surface runoff water into the ground, rather than as storm runoff drainage. Water captured in the catchment ponding will also service increased vegetation on the premises.

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

5. RENEWABLE ENERGY:

The owners are open to considering rooftop solar collection, installation of private charging facilities or other measures in the future.

III. ECONOMIC BENEFITS

6. COMPETITION:

There are no local companies that could potentially be considered as competitive with Aspen & Autumn.

7. JOBS:

The salaries for the 71 jobs profiled meet or exceed the average for similar positions within the community.

These employment classifications, salaries, and benefits are more fully detailed below and attached as an exhibit to the application.

Aspen & Autumn estimates close to 100% of the new permanent jobs will be filled by current Albuquerque residents. No jobs will be relocated from another location. The jobs will exceed the median wages for the industry within the community and will match the skills of current city residents.

During the onboarding process, employees receive general company training as well as position-specific training. The duration of the training can vary and is based on the specific requirements of the position.

8. LOCAL PURCHASES

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 \$20 million in taxable sales over the next 10 years.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

The Aspen & Autumn project will be capitalized with the following capital structure:

- o Equity - \$1,000,000.00 invested by the ownership group
- o Debt - \$7,400,000 Century Bank of New Mexico, Commercial/SBA 504, applied, preliminary approval granted)
- o Total Project Costs - \$10,000,000.00

Funding is subject to City Council approval.

10. DEVELOPER'S RECORD:

The companies that comprise Aspen & Autumn LLC have demonstrated track record of success and growth.

11. EQUITY:

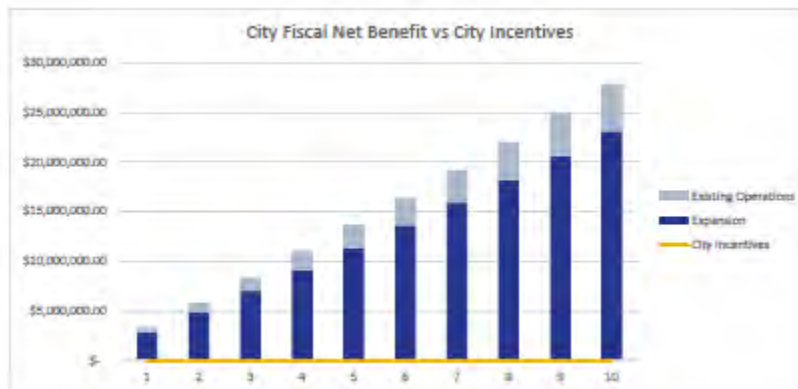
Based upon financial information provided, the company appears capable of managing and completing the project.

12. MANAGEMENT:

Based on the description given in the project plan, management appears to be qualified to manage 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.



Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,835,616	\$ -	\$ 2,835,616	\$ 2,835,616
2	\$ 2,056,315	\$ -	\$ 2,056,315	\$ 4,891,931
3	\$ 2,105,688	\$ -	\$ 2,105,688	\$ 6,997,619
4	\$ 2,156,791	\$ -	\$ 2,156,791	\$ 9,154,410
5	\$ 2,208,320	\$ -	\$ 2,208,320	\$ 11,362,730
6	\$ 2,249,730	\$ -	\$ 2,249,730	\$ 13,612,460
7	\$ 2,297,021	\$ -	\$ 2,297,021	\$ 15,909,481
8	\$ 2,344,599	\$ -	\$ 2,344,599	\$ 18,254,080
9	\$ 2,393,182	\$ -	\$ 2,393,182	\$ 20,647,262
10	\$ 2,442,034	\$ -	\$ 2,442,034	\$ 23,089,296

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,509,066	\$ 216,026	\$ 3,293,040	\$ 3,293,040
2	\$ 2,739,246	\$ 220,886	\$ 2,518,360	\$ 5,811,399
3	\$ 2,798,297	\$ 225,856	\$ 2,572,440	\$ 8,383,840
4	\$ 2,859,278	\$ 230,938	\$ 2,628,340	\$ 11,012,180
5	\$ 2,920,894	\$ 236,134	\$ 2,684,759	\$ 13,696,939
6	\$ 2,972,603	\$ 241,447	\$ 2,731,155	\$ 16,428,094
7	\$ 3,030,413	\$ 246,880	\$ 2,783,533	\$ 19,211,627
8	\$ 3,088,736	\$ 252,435	\$ 2,836,301	\$ 22,047,928
9	\$ 3,148,296	\$ 258,114	\$ 2,890,181	\$ 24,938,110
10	\$ 3,208,366	\$ 263,922	\$ 2,944,443	\$ 27,882,553

V. PROJECT PARTICIPATION AGREEMENT

Pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City adopted Ordinance No. F/S 04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance. The Ordinance calls for the preparation and approval of a Project Participation Agreement (PPA), which is the formal document, which states the contributions and obligations of all parties in the LEDA project. The agreement must clearly state the following items:

- (1) **The economic development goals of the project;**
- (2) **The contributions of the City and the qualifying entity;**
- (3) **The specific measurable objectives upon which the performance review will be based;**
- (4) **A schedule for project development and goal attainment;**
- (5) **The security being offered for the City's investment;**
- (6) **The procedures by which a project may be terminated and the City's investment recovered; and,**
- (7) **The time period for which the City shall retain an interest in the project. Each project agreement shall have a "sunset" clause after which the City shall relinquish interest in and oversight of the project.**

B. Each project participation agreement shall be adopted as an ordinance and adopted by the Council at a public hearing.

The primary terms of the Aspen & Autumn Project Participation Agreement are summarized and attached as an Exhibit.

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 Aspen & Autumn Application.

2. Company Contribution. Aspen & Autumn shall acquire, develop and improve a 62,000 square foot warehouse and office facility for distribution of New Mexico related foods and tourist items produced by the Affiliated Businesses; and will hire and retain employees as contemplated by this Agreement all in accordance with the schedule and other terms and conditions set forth in this Agreement. Aspen & Autumn will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Aspen & Autumn 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 \$750,000 will be delivered to the City for subsequent disbursement to Aspen & Autumn, following enactment of the Project 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 Aspen & Autumn in the manner as follows:

- 1) \$350,000 upon obtaining an Occupancy Permit for the Facility.
- 2) \$250,000 for the Affiliated Businesses hiring seven additional full-time employees by January 31, 2023, bringing total employment by the Affiliated Businesses to 85.
- 3) \$150,000 for the Affiliated Businesses hiring ten additional full-time employees by January 31, 2024, bringing total employment by the Affiliated Businesses to 95.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$250,000 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 dispensed upon Aspen & Autumn obtaining an Occupancy Permit for the Facility and the Affiliated Businesses hiring

_____ additional full-time employees by January 31, 20__, bringing total employment to _____.

5. Time Commitment. Aspen & Autumn intends to invest approximately \$10,000,000 for the acquisition, construction and improvement of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction and improvements or as soon thereafter as possible. Aspen & Autumn will continue to own the Facility and lease to the Affiliated Businesses, which companies shall diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through January 31, 2032.

6. Use of Public Contributions. Aspen & Autumn will be eligible for reimbursement of up to \$1,000,000 for costs of the acquisition, construction and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Aspen & Autumn 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 set forth herein.

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

7. Job Commitment and Clawbacks.

A. Number of Jobs. Aspen & Autumn will ensure the Affiliated Businesses increase employment, above the current level of 78 full-time employees, by (i) at least seven full-time employees as measured as of close of business on January 31, 2023 for a total employment of 85, (ii) at least ten full-time additional employees as measured as of close of business on January 31, 2024 for a total employment of 95, (iii) at least twelve full-time employees as measured as of close of business on January 31, 2025 for a total employment of 107, (iv) at least thirteen full-time employees as measured as of close of business on January 31, 2026 for a total employment of 120, (v) at least twelve full-time employees as measured as of close of business on January 31, 2027 for a total employment of 132, (vi) at least five full-time employees as measured as of close of business on January 31, 2028 for a total employment of 137, (vii) at least four full-time employees as measured as of close of business on January 31, 2029 for a total employment of 141, (viii) at least three full-time employees as measured as of close of business on January 31, 2030 for a total employment of 144, (ix) at least three full-time employees as measured as of close of business on January 31, 2031 for a total employment of 147, and (x) at least two full-time employees as measured as of close of business on January 31, 2032 for a total employment of 149, at an average salary of at least [\$47,000] plus benefits, and maintenance of at least 90% of projected employees through January 31, 2032 as measured for the preceding year on an annual basis beginning January 31, 2023. 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 Affiliated Business employees. 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. Aspen & Autumn 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. If the Affiliated Businesses do not employ and maintain at least 90% of the required number of full-time employees as set forth in Section 7.A herein by January 31, 2023, or by January 31 of any year thereafter through the year 2032, then subject to the remainder of this Section 8.C, Aspen & Autumn will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Aspen & Autumn pursuant to this Agreement that has already been disbursed to Aspen & Autumn for such year as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<i>Job Creation Commitment and Schedule</i>						
<i>Year</i>	<i>Annual Full Time Job Creation Target</i>	<i>Min Job (90% of target new jobs)</i>	<i>Cumulative Payroll for New Jobs</i>	<i>Job Determination Period</i>		<i>%- Clawback</i>
1	78+7=85	78+7=85	\$3,635,520	Ordinance Date	1/31/23	100%
2	85+10=95	85+9=94	\$4,136,630	1/1/23	1/31/24	100%
3	95+12=107	94+11=105	\$4,743,727	1/1/24	1/31/25	100%
4	107+13=120	105+12=117	\$5,418,025	1/1/25	1/31/26	100%
5	120+12=132	117+11=128	\$6,071,930	1/1/26	1/31/27	75%
6	132+5=137	128+5=133	\$6,425,224	1/1/27	1/31/28	50%
7	137+4=141	133+3=136	\$6,742,924	1/1/28	1/31/29	50%
8	141+3=144	136+3=139	\$7,022,517	1/1/29	1/31/30	25%
9	144+3=147	139+3=142	\$7,310,597	1/1/30	1/31/31	25%
10	147+2=149	142+1=143	\$7,557,197	1/1/31	1/31/32	25%

<i>Total</i>	78 + 71 = 149				
		Addt'l Notes: Starting Headcount 78 as of 1/31/2022 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 Aspen & Autumn will be required to pay to the City upon the Affiliated Businesses 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 the Affiliated Businesses 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 Aspen & Autumn 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 the Affiliated Businesses maintain 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 Aspen & Autumn 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 Aspen & Autumn, through the Affiliated Businesses, shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if the Affiliated Businesses meet the Minimum Full-Time Job Creation at any time during the Cure Period, Aspen & Autumn shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If the Affiliated Businesses fail to reach the Job Target during the Cure Period, then Aspen & Autumn shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

(iii)A “Job” means a permanent, full-time employment position (at least 32 hours per week) offering the employee the full range of benefits offered to other full-time employees of the Affiliated Businesses, each with a minimum average salary determined for each annual period as follows:

Notwithstanding the foregoing, if the Affiliated Businesses fail to employ the required full-time employees as identified in Section 7.A herein, and Aspen & Autumn believes Business Climate Changes were the cause for the failure to meet such requirements, Aspen & Autumn will so advice the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of the Affiliated Businesses, in the segment of the industry in which the Affiliated Businesses operate, that cause a significant decrease in the amount of sales the Affiliated Businesses are able to

achieve. The shifting of Aspen & Autumn’s operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determine that Business Climate Changes affect the Affiliated Businesses’ ability to maintain employment levels, it 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 Aspen & Autumn of its decision or the decision of the State EDD. If Aspen & Autumn 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 ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Aspen & Autumn, or the Affiliated Businesses, cease operations, or notify the City of their intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before January 31, 2032, Aspen & Autumn shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, 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 Aspen & Autumn):

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%

Winding down of the Affiliated Businesses’ operations at the Facility in preparation for a cessation of operations may be considered a cessation of operations, and any such determination will be made by the City in its sole reasonable discretion.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$1,000,000, 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.

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 Aspen & Autumn, Aspen & Autumn 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 Aspen & Autumn chooses to provide an annually renewable surety bond/letter of credit, non-renewal from 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.

Events of Default and Remedies.

A. Failure to Comply With Obligations. Failure by Aspen & Autumn 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 Aspen & Autumn in writing, and Aspen & Autumn shall have thirty (30) days in which to cure such Event of Default. 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.

Fees. Aspen & Autumn will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that Aspen & Autumn 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, without limitation, expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and October 31, Aspen & Autumn will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for the

LEDA 22-3: Aspen & Autumn LEDA

Affiliated Businesses and such other information necessary for the City or its independent contractor to determine whether Aspen & Autumn has met its obligations under this Agreement. 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. 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 Aspen & Autumn has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

FINDINGS:

1. LEDA 22-3 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 22-3 would make positive substantive contributions to the local economy and community by creating 71 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 22-3 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 22-3 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 22-3 as proposed in the project plan application.

Economic Development Department

FY22 LEDA Application-ABQ

Applicant	Brian Thomas
Applicant ID	APP-015115
Company Name	Aspen & Autumn LLC
Phone	505-293-1101
Email	bthomas@thomaslaw-nm.com
Status	Submitted
LEDA Starting Job Count	78
LEDA PPA Job Count Target	71

Contact Information

Question: Legal Company Name

Aspen & Autumn LLC (with data provided by BSR Distributing and Phresh Picks)

Question: Trade Name (dba)

Principal tenants are known as Blue Sky Distributing and Phresh Picks.

Question: Project Name

Operation New Homes

Question: Company Street Address

8724 Alameda Park Dr NE;1301 Cuesta Arriba Ct., Suite A

Question: Company City

Albuquerque

Question: Company State

NM

Question: Company Zip

87113

Question: Phone

505-293-1101

Question: Website

[None at present](#)

Question: Primary Contact Person First Name

Brian

Question: Primary Contact Person Last Name

Thomas

Question: Federal Tax ID #

26-2308031

Question: NM State Tax and Revenue Identification Number

03-136685-00

Question: City/County Business License Registration will be pursued

Yes

No

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

424410

Question: DUNS # (preferred but not required)

02-276-2373

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

B-Corporation

Question: Incorporation Papers

[Articles of Incorporation.pdf](#) (11/2/2021 8:49 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)

Not Answered

Question: Title

Not Answered

Question: Telephone

Not Answered

Question: Cell Phone

Not Answered

Question: Email

Not Answered

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 project is to erect a new, modern warehouse facility of approximately 62,000 square feet. It will be industrial-grade design, warehouse-related amenities with exceptional access to facilitate the dynamic growth of two different New Mexico-owned and operated businesses. Construction is expected to break ground in January, 2022, and to be operational in approximately ten months. A copy of the current design/construction schedule and budget is enclosed. Both are anticipated to change, based on the construction market.

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

The present businesses have fully occupied their separate current premises and have no substantive operational growth potential. The businesses are distributors of food and commercial goods, fully compatible with convenience store, grocery, and alternative store consumption. The growth potential offered by the new facility will allow both businesses to reduce duplication of efforts, to collaborate more effectively in dynamically selling New Mexico products in and outside of New Mexico. The businesses anticipate that out of state revenues will continue to grow, support New Mexico employment, and collaborate in enhancing retail opportunities for New Mexico products as they come on line.

It is anticipated that the funding request/award are principally for reimbursement of substantial construction expenses. The overall capital investment in the project is estimated at \$10,000,000, principally incurred during 2022. The expenses generally are design and construction expenses, together with a relatively smaller operational expense relating to equipping the newly-built premises.

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

BSR Distributing, Inc. and Phresh Picks, Inc., will be the tenants of this project as built. The construction as built will represent a substantial expansion of physical plant used to support a variety of New Mexico businesses, both by distributing their products in and outside New

Mexico, but supplying products to New Mexico businesses for retail sales. It is anticipated that the expansion of physical plant will support continued growth plans of both businesses, and continued support of New Mexico-based wage growth while continuing to develop sales outside of New Mexico.

Question: Supporting Documentation

[98th St NW & Bluewater Rd - Google Maps.pdf](#) (11/2/2021 5:04 PM)
[60k Colored Site Plan \(WP40 BSD\) 2021-10-27.pdf](#) (11/2/2021 5:01 PM)
[Project Budget \(WP40 BSD\) 2021-08-18.pdf](#) (11/2/2021 4:34 PM)
[Schedule and Process \(WP40 BSD\) 2021-05-03 \(002\).pdf](#) (11/2/2021 4:33 PM)
[Zone Atlas Page K-9.pdf](#) (11/2/2021 4:31 PM)

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 .

[3 YR Phresh Picks Projection.pdf](#) (11/11/2021 1:59 PM)
[3 YR Projection \(BSR\).pdf](#) (11/9/2021 2:15 PM)

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.

[2020 Federal Return.pdf](#) (11/2/2021 10:48 AM)
[2019 Federal Return.pdf](#) (11/2/2021 10:48 AM)
[2018 Federal Return.pdf](#) (11/2/2021 10:48 AM)
[2020 1120S Federal.pdf](#) (11/2/2021 10:40 AM)
[2019 1120S Federal.pdf](#) (11/2/2021 10:40 AM)
[2018 1120S Federal.pdf](#) (11/2/2021 10:40 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)?

With conventional financing being packaged for the construction, it is anticipated that an appraisal of the property will be conducted in January, 2022, based on construction designs and plans, after approval from the City of Albuquerque.

Question: What is the equity investment from the applicant?

\$1,000,000.00

Question: External Equity Investment Sources

Not Applicable

Question: External Equity Investment Amount

\$0.00

Question: City/County Funding Source

Unknown

Question: City/County Funding Amount

\$250,000.00

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

Century Bank of New Mexico, Commercial/SBA 504, applied, preliminary approval granted)

Question: Bank Loans Amount Total

\$7,400,000.00

Question: Other Loans Source

Not applicable

Question: Other Loans Amount

\$0.00

Question: Other Sources

Unknown

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$8,400,000.00

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?

BSR Distributors, Inc., (since April, 2008); Phresh Picks, Inc (since June, 2010)

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.

81.00

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

Aspen and Autumn, LLC is owned by Robert D. Poole, Sr. and Robert R. Poole, Jr.

BSR Distributors, Inc. is wholly owned by Robert D. Poole, Sr.

Phresh Picks, Inc. is owned by Robert D. Poole, Sr. and Robert R. Poole, Jr.

The two owners are the principals.

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 (and this answer is accurate as to the subordinate companies and the owners as well).

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

None, except that there is an LLC which owns the real estate presently leased to BSR Distributing, Inc., and to Phresh Picks, Inc (they are separate locations). RDP Enterprises, LLC is wholly owned by a family trust administered by Robert D. Poole, Sr.

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?

From the nearby interstate access (to I-40), to local volume service roads (Bluewater), and utilities previously installed in the area, the area is fully supplied by existing infrastructure improvements. While the project will include construction/improvement of an existing, unconstructed but platted roadway, there are no particular infrastructure needs that are not already part of the application.

With regard to on-site utility improvements, those are already being applied for through the City of Albuquerque and are anticipated to be approved through the building planning/permitting process. Other company-specific infrastructure are not expected to be provided by the Community.

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.

Final decisions regarding particular incentives being requested have not been made. It is anticipated that the City of Albuquerque may be requested to waive, in whole or in part, certain construction fees or charges pursuant to the City of Albuquerque's regular processes. Contact has been made with City of Albuquerque Economic Development management, and likewise, the permitting process is presently underway. It is anticipated that such incentives would be considered and granted during 2022.

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

There are no present commitments from the Community. It is possible that the City of Albuquerque may, through its permitting process, provide incentives for portions of the expenses associated with construction.

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.

Job Title or Classification No of Employees Average Hourly Wage Benefits as % of Salary

Key Acct Manager 2 \$35 25%
Sales Reps 5 \$22 25%
Merchandising 10 \$14 25%
Warehouse/Drivers 10 \$17 25%
AR/Collections 1 \$24 25%
Accountant 1 \$29 25%
HR 1 \$35 25%
IT/Marketing 1 \$35 25%

Warehouse Employees 11 \$14-16 10%
Office Employees 5 \$16-18 8%
Sales Staff 7 \$18-20 6%

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

The jobs to be created within the two tenant entity companies are expressed above, together with the payroll expected for those positions.

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

Employees of both companies are offered health care, vision and dental insurance, participation in a IRA program (with a 3% match by employer), as well as tuition reimbursement for suitable programs.

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

Although it is anticipated that there will be some outside New Mexico hiring, the positions referenced above are anticipated to be hiring within New Mexico and from New Mexico job pools. Both tenant companies use conventional hiring procedures: solicitation (web and conventional media); application (web and conventional submission); Interview (live); background investigation as appropriate for position and hiring. Because the positions are principally for the warehouse and support facilities, the labor pool is primarily New Mexico based.

Question: Attach job creation worksheet

[2021 LEDA- Job creation worksheet.pdf](#) (11/11/2021 9:57 AM)

Question: Starting Headcount (from worksheet above)

81.00

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

7.00

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

\$275,000.00

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

10.00

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

\$360,000.00

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

12.00

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

\$475,000.00

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.

The area in near to existing residential developments, an apartment complex and a very high volume roadway. The environment is substantially disturbed because of prior construction in nearby lots. Existing vegetation is "native" but non-permanent, principally invasive species. The soil is unstructured deposited fill, prone to run off, erosion and filling existing storm drains with removed material. The material is high-mesa wind-swept soil, prone to wind erosion and contributing to particulate matter in the metroplexes air.

By extensive ponding and slope management, the project will produce a stable soil, graveled, with a slope that minimizes high volume run off and manages any inflows to existing storm drains. It will reduce particulate contribution to the waste water cycles.

Additionally, the project is designed to project an aesthetic view to nearby properties while minimizing adverse effects of the construction. It will have no appreciable impact on mesa or mountain views.

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 \(PP, executed\).pdf](#) (11/11/2021 9:51 AM)

[Authorization \(executed\) \(BSR\).pdf](#) (11/9/2021 2:19 PM)

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

[2021 Q2.pdf](#) (11/4/2021 3:57 PM)

[2021 Q2.pdf](#) (11/4/2021 3:57 PM)

Question: Affirmation and any other supporting documents

[Affirmation Page \(PP, executed\).pdf](#) (11/11/2021 9:52 AM)

[Affirmation \(executed\) \(BSR\).pdf](#) (11/9/2021 2:18 PM)

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.

[Zone Atlas Page K-9.pdf](#) (11/9/2021 2:20 PM)

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

BSR Distributors and Phresh Picks respectfully submit that there will be a range of positive impacts from this development.

For the companies, this project is the next logical step to enable to growing companies to substantially expand their physical plant, which they have completely outgrown. That expanded footprint is expected to support a near doubling of existing FTE head counts, and over a doubling of projected gross payroll costs. Those payroll expenses are virtually entirely in the metropolitan area.

The companies distribute products throughout the country, principally in the Western U.S. This has enabled both companies to support growth of New Mexico owned businesses (both as customers and suppliers) and in expanding their economic reach. Especially in food and alternative goods, this also supports tourism in New Mexico, and in Albuquerque more specifically. As the regulatory environment shifts, we anticipate that this reach will only grow, especially in our customer base.

The project itself is part of a series of construction efforts in the area of 98th and I-40, an area of the City that is fast-growing in population, but much slower in nearby jobs. In essence, this project will introduce jobs with a variety of paybands, and with a variety of educational attainment requirements that give employment opportunities to all segments of the labor market, including some typically underserved by more conventional economic development projects.

The improvement of long-term tax base is substantial, given its status as vacant land. Especially given that Albuquerque has exceptionally high demand for warehouse space, the construction of this project helps to diminish the risk of warehouse space coming on line outside of the metropolitan area with much longer vehicle trips and travel times, and a loss of comparable tax base opportunities.

Finally, the project will be one part (of a number of projects) which will stabilize an unstable environmental area which is continuing to damage residential property values. The reduction in blown particulate matter and allergy-generating pollens should provide some health benefit to nearby residents and to the City as a whole.

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

The physical parcel does not presently have a street/ mailing address. Its address as provided by title in a title commitment is: Portion of Tract 9, Avalon 5 Albuquerque, NM.

Its legal description, again as provided by the title commitment is:

PORTION OF BELOW TRACT UNTIL RE-PLATTED:

Tract numbered Nine (9), Plat of Tracts 1 through 12, of AVALON SUBDIVISION UNIT 5, Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the plat of said Subdivision, filed in the office of the County Clerk of Bernalillo County, New Mexico, on May 22, 2014, in Plat Book 2014C, folio 46 as Document No. 2014040949.

The precise metes and bounds are not presently available.

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

The site condition is vacant land, undeveloped.

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

Not presently available, as the parcel to contain this project is part of an undivided larger parcel

Question: Present Zoning of Property

NR-BP

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

No zoning change is anticipated.

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

Permits are being applied for. The first hearing, through the Development Review Board is scheduled for December 1, 2021.

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

There are none at the time, although we anticipate that the project, after completion, may install rooftop solar facilities.

Likewise, it is possible that a charging station for vehicles could be installed, but that is not presently part of the plans for the construction. Some interior equipment is, in effect, unmotored or electrically driven as well.

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

Inapplicable given the nature of the project. As is discussed elsewhere, after conclusion of the project, the owners are open to considering rooftop solar collection, installation of private charging facilities or other measures.

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?

Once completed, the project will result in an enclosed warehouse and office building. It is not presently anticipated that any occupant of the premises will be involved in manufacturing. There are no plans to have heavy equipment on the site. Accordingly, there is no meaningful impact to air, noise or waste pollution. There are no anticipated "project emissions" as we understand that term. Many of our internal vehicles (forklifts or their equivalent) are either unmotored or are electrical in nature.

In general, the companies do not run 24 hour warehouse services and take deliveries principally on weekdays during regular business hours. Additionally, as explained in response to other questions, the project should screen off vehicle traffic from the closest housing developments, and similarly, the erection of buildings should reduce those neighborhoods' exposure to the roadway sounds from nearby Interstate traffic.

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.

There are no existing competitors that match the product and customer base ranges, customer bases of BSR Distribution and Phresh Picks. The companies that we regard as our principal competition are substantially larger, non-resident business entities. To our knowledge, BSR Distribution and Phresh Picks are the only companies that collectively can (and do) service grocery, convenience store, community/tourism stores, and alternative stores that are New Mexico owned and operated.

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.

The project as a whole will support substantial expansion in the product lines presently supported by the two tenant companies. Especially with Blue Sky, the food and liquor distribution business lines are growing substantially and are notably space-intensive. The expected, projected expansion (reflected by the additional hiring projections part of this application) show that the two companies are comfortable projecting a hiring expansion of almost double current labor force over the planned period. The projectable growth for Phresh Picks is also influenced by a growth of alternative products markets, which are expected to substantially enhance throughout 2022 and thereafter.

With regard to particular construction jobs, during the construction, we anticipate approximately 60 FTE construction jobs. During the life of the planned period, we anticipate additional employment of 71 FTEs over current employment FTE counts. The additional payroll expenditures are projected to nearly double over the ten year period.

The increase in sales volume is challenging to project, and dependent on a number of variables, however, we anticipate that this project, without consideration (for or against) from any other variable, will support sales growth of approximately \$20,000,000 over the life of the commitment.

We anticipate that the improvement of the industrial base will be substantial, and a progressive effect. Based on comments from the owner of adjacent parcels, the partial construction of 94th Street will make development of adjoining parcels substantially easier, such that 94th Street will likely result in permanent pavement within 2 to 3 years. Those will make permanent development of now vacant land substantially more likely.

The current full total value of the entire 16 acre parcel is shown as \$184,700; allocating that proportionally, the current total value of the 6 acre parcel as part of this application, would be approximated at \$69,250. Its projected total value (presently unappraised) after construction, would be approximately \$9,000,000.

It is likely that along with anticipated changes in the regulatory environment coming on line in 2022, additional spin off business of both food, drink, New Mexico-made products and distribution of goods to alternative businesses likely will support follow-on growth impacts. Of course, projecting the course of future economic growth is notably subject to market impacts.

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

The project is a development and construction of a single building of approximately 62,000 feet of warehouse and office space. The design encompasses room for expansion to approximately

82,000 square feet. The building will be a self-contained office and warehouse construction with common design elements associated with a nearby (immediately to the north) project presently under design and permitting review. The building will be (roughly) south-facing with an effort to shelter neighboring properties from any visible vehicle noise and activity by having principal warehouse access from the north side of the property. The building is intended to be tilt-up concrete warehousing with approximately 32' of clear-height spacing.

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

The existing land is vacant.

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

There is no known "demolition" required.

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.

It is anticipated that a portion of an existing platted road (sometimes shown as 94th street) will be paved as part of this project, and likewise that a second section of that road will be paved as part of a neighboring project being permitted and constructed at approximately the same time. We are not aware of any cost sharing agreements that have been reached at this time.

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

The area is presently vacant land with disturbed soil and principally invasive vegetation. It is unstable soil that likely contributes volumes of wind-driven and water-based eroded soil in the neighborhood and down drainage pathways. This project will stabilize the physical neighborhood, provide a substantial buffer between residential neighborhoods to the south and interstate traffic.

The project ultimately will support ongoing future construction in the area which will continue to contribute to the growth of the local labor and economy. Further, the jobs being shifted into that area of the City are consistent with a mix of lower and higher-attainment employment, ensuring that local residents (in one of the faster growing areas of the metroplex) have access to entry-level and management positions with substantial opportunity for growth, self-improvement

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.

We estimate that the two constituent tenant companies presently purchase approximately \$2.5M in annual gross-receipts eligible goods and services. We cannot estimate the total amount of taxable purchases from year to year specifically, but based on past experience, we believe that a 2-5% annual growth rate is likely, depending on macro- and micro-economic factors.

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

The physical operations of the warehouse location are particularly low-consumption with regard to water services. The grounds as developed are anticipated to include a substantial catchment pond to encourage reintegration of surface runoff water into the ground, rather than as storm runoff drainage. Water captured in the catchment ponding will also service increased vegetation on the premises.

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.

There is no anticipated relocation associated with this project.

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

The tenant companies have historically participated in various charity events, and encouraged employees to participate. During pandemic events, the companies donated time, vehicles and cost to ensure that Native owned businesses were provided PPE and other necessary support. Leave time is made available through accrual of leave time, and there are no limitations on particular volunteering activities.

Employees are generally able to deploy those leave time hours in their discretion. From time to time, BSR Distributing has facilitated employee participation in various charity events.

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

As described in several other answers, the positive contributions are anticipated to include the following factors:

- a) Environmental. The current condition is windswept, unstable soil that principally grows allergic plant species. This project will stabilize this six acres of the area with a relatively low traffic activity. It will involve secured soil, generally facilitating on-site drainage retention and infiltration of surface run off, rather than storm water management.
- b) Economic. This project is anticipated to support over 70 new jobs over a ten year period. The average salaries include front and back office, together with warehouse and sales positions in part of the City that is growing dynamically population-wise, but in which economic opportunities have been limited. The knock-on effects of the additional salary to the metropolitan area can be projected to have millions of dollars of multiplied economic growth that benefits all segments of the economic market and especially, to potential employees resident in the nearby areas.
- c) Locality. The owners live in, and intend to continue to live in New Mexico. This is a New Mexico-owned and operated group of businesses. They want particularly to support other New Mexico owned-and-operated businesses and are proud to count as clients of theirs a number of other companies receiving support from the New Mexico Departments of Economic Development and/or Tourism, and a range of tribally-owned enterprises.

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 construction of the building will be managed by retained construction experts. Once construction is completed, the building will be operated and managed by the owners and the principal tenants.

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

No appraisal of the construction plans exists. We anticipate a value of approx. \$9,000,000.00.



EDD ECONOMIC
DEVELOPMENT
DEPARTMENT

8/31/2021

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE CURRENT OPERATIONS AND EXPANSION OF BLUE SKY

Prepared by:

New Mexico Economic Development Department
Joseph Montoya Building
1100 S. St. Francis Drive
Santa Fe, New Mexico 87505





Purpose and Limitations:

This report and analysis, provided by the New Mexico Economic Development Department, relies on prospective estimates of business activity. These estimates, which are provided by the company, may not be realized due to unforeseen events that are outside the control of the company and unknown to the New Mexico Economic Development Department.

The New Mexico Economic Development Department made reasonable efforts to ensure that the estimates provided by the company, are realistic estimates of future activity.

The model was created by the New Mexico Economic Development Economists and used assumptions to generate the final report. The report and analysis provided by the New Mexico Economic Development Department is not a guarantee that any of the estimates or results contained in this report will actually be achieved.

Introduction:

This report and analysis presents the results of an economic impact analysis performed using a model developed by the New Mexico Economic Development Department. The report estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA).

Most projects produce a growth in population and/or a growth in the workforce in a City, County and the State of New Mexico. All growth comes at a cost, the additional economic activity and population growth stimulated by the project will generate additional costs in terms of providing basic infrastructure (roads and utilities) and public services (including public safety and schools). For example, if the applicant hires employees from outside the State, County and City, those workers who end up relocating their residence to within one or all of those areas, the population for which the government must provide services also increases. The costs associated with the expansion are broken down into two categories: 1) New residents to the State, County and City. 2) New Mexican residents hired to work for the company. The analysis assumes that all workers will live in the area of the expansion.

Description of the Company:

Aspen & Autumn LLC is composed of two businesses, with partial joint ownership, specializing in wholesale distribution of goods. Neither BSR Distributing, Inc., nor Phresh Picks Distribution, Inc., engage in retail sales direct to consumers. BSR Distributing, Inc., generally known as Blue Sky Distributors, is a wholesaler of food, drink and alternative items to convenience store/grocery and retail outlets. It distributes goods throughout the western United States, and has been expanding its ability to service and enhance retail channels for locally-made locally-and-regionally marketed products by constructing new warehouse and office space. Phresh Picks Distribution, Inc. is also a wholesaler of supplements, dietary products, together with counter-culture products, ancillary goods and services. Phresh Picks Distribution is has been expanding its ability to supply and service retail businesses that will come on line in 2022. Phresh Picks also specializes in a largely out of state sales model that distributes to retail enterprises nationwide. Customers range from stand-alone businesses to well-established retail chains.

Description of the Project:

The project is a fresh-built, distribution-oriented project aiming to substantially expand the capacity of a well-established metropolitan area businesses. The business presently occupies approximately 40,000 square feet in two locations in the metropolitan area. Both locations are locally owned, locally operated, and successfully routinely return substantial revenues to the New Mexico economy through reinvestment, support for local businesses (customers as well as suppliers) and other factors. In their present layout and under their current space limitations, the business is capacity-limited, and the existing footprints preclude any substantial expansion. The business has been obliged to reduce its inventory of food products and intentionally limit its distribution model based on space. We believe that this project will provide a foundation for the company's growth in the coming five to ten year window while continuing to enhance and support the business activities of a wide range of New Mexico-based small businesses.



Total Impacts

Fiscal Impact of Existing and Expanded Operations Over the Next Ten Years

Cumulative Net Benefits

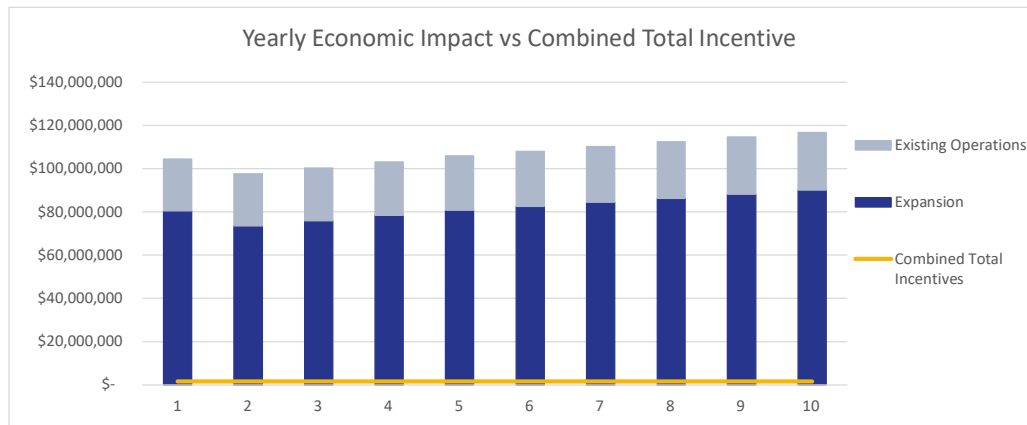
	Existing Operations	Expansion	Existing & Expanded Operations	Present Value of Net Benefits*
State of New Mexico	\$ 12,082,195	\$ 32,549,304	\$ 43,852,370	\$ 35,299,195
County	\$ 2,791,320	\$ 9,823,326	\$ 12,614,646	\$ 10,167,253
City	\$ 4,793,257	\$ 23,089,296	\$ 27,882,553	\$ 22,590,930
School District	\$ 597,407	\$ 370,727	\$ 968,134	\$ 779,903
Special Taxing District	\$ 576,205	\$ 340,477	\$ 916,682	\$ 738,421
Total	\$ 20,840,384	\$ 66,173,130	\$ 86,234,385	\$ 69,575,703

* 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.

** In the cumulative net benefits of the existing and expanded operations for the State of New Mexico, corporate income tax has been removed from the existing operations total to avoid double counting.

Total Economic Impact

	Total
Combined Estimated Economic Impact Over 10 Years:	\$ 1,073,212,055
Combined Total Incentive Over 10 Years:	\$ 1,643,709
Economic Impact Rate of Return:	65,192%

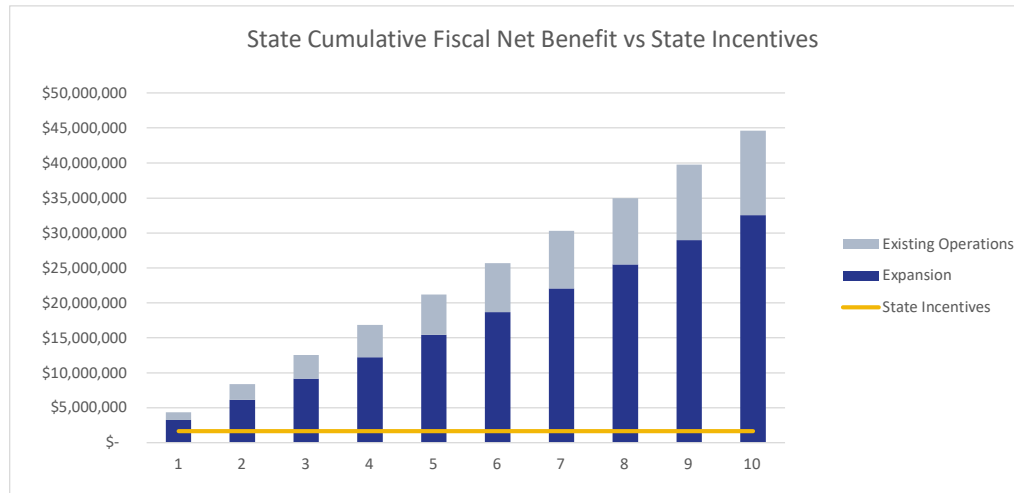


Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	71	95
Estimated Number of Construction Workers:	64	
Estimated Number of New Residents to the State:	0	
Estimated Number of New Residents to the County:	0	
Estimated Number of New Residents to the City:	0	

State Impacts





Incentives

Total State Incentive:	\$ 1,643,709
State Incentive Per Job:	\$ 23,151

Combined Payback and Return

State Payback Period Combined:	0.38 Years
State Rate of Return Combined:	2048%

Expansion Only Payback and Return

State Payback Period Expansion:	0.51 Years
State Rate of Return Expansion:	1493%

State Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,333,920	\$ 208,290	\$ 1,125,630	\$ 1,125,630
2	\$ 1,355,976	\$ 212,976	\$ 1,143,000	\$ 2,268,630
3	\$ 1,378,489	\$ 217,768	\$ 1,160,721	\$ 3,429,351
4	\$ 1,401,471	\$ 222,668	\$ 1,178,803	\$ 4,608,154
5	\$ 1,424,935	\$ 227,678	\$ 1,197,256	\$ 5,805,411
6	\$ 1,448,891	\$ 232,801	\$ 1,216,091	\$ 7,021,501
7	\$ 1,473,355	\$ 238,039	\$ 1,235,316	\$ 8,256,817
8	\$ 1,498,338	\$ 243,395	\$ 1,254,944	\$ 9,511,761
9	\$ 1,523,856	\$ 248,871	\$ 1,274,984	\$ 10,786,745
10	\$ 1,549,920	\$ 254,471	\$ 1,295,450	\$ 12,082,195

State Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,237,948	\$ -	\$ 3,237,948	\$ 3,237,948
2	\$ 2,897,995	\$ -	\$ 2,897,995	\$ 6,135,944
3	\$ 2,993,582	\$ -	\$ 2,993,582	\$ 9,129,525
4	\$ 3,095,035	\$ -	\$ 3,095,035	\$ 12,224,560
5	\$ 3,196,084	\$ -	\$ 3,196,084	\$ 15,420,644
6	\$ 3,268,817	\$ -	\$ 3,268,817	\$ 18,689,461
7	\$ 3,347,896	\$ -	\$ 3,347,896	\$ 22,037,357
8	\$ 3,425,362	\$ -	\$ 3,425,362	\$ 25,462,719
9	\$ 3,504,586	\$ -	\$ 3,504,586	\$ 28,967,305
10	\$ 3,582,000	\$ -	\$ 3,582,000	\$ 32,549,304

State Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 4,500,713	\$ 208,290	\$ 4,292,424	\$ 4,292,424
2	\$ 4,181,393	\$ 212,976	\$ 3,968,417	\$ 8,260,841
3	\$ 4,298,041	\$ 217,768	\$ 4,080,273	\$ 12,341,113
4	\$ 4,420,996	\$ 222,668	\$ 4,198,328	\$ 16,539,441
5	\$ 4,543,998	\$ 227,678	\$ 4,316,320	\$ 20,855,760
6	\$ 4,639,147	\$ 232,801	\$ 4,406,347	\$ 25,262,107
7	\$ 4,741,119	\$ 238,039	\$ 4,503,080	\$ 29,765,187
8	\$ 4,841,966	\$ 243,395	\$ 4,598,571	\$ 34,363,758
9	\$ 4,945,072	\$ 248,871	\$ 4,696,200	\$ 39,059,958
10	\$ 5,046,883	\$ 254,471	\$ 4,792,412	\$ 43,852,370

State Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

Taxes and Revenue

Gross Receipt Taxes	\$ 39,132,279
Personal Income Taxes	\$ 3,062,263
Corporate Income Taxes	\$ 360,701
Misc. Taxes and Revenue	\$ 3,604,084
Subtotal of Benefits	\$ 46,159,327

Costs

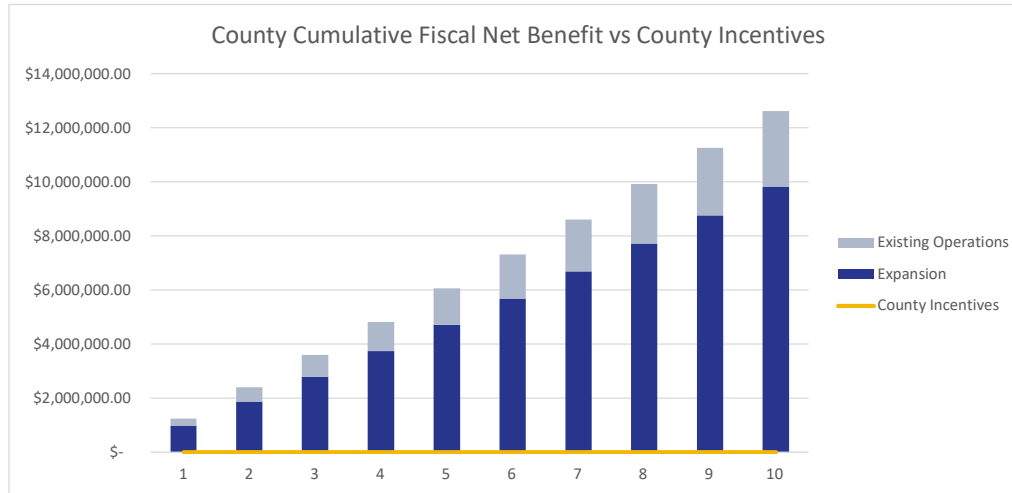
Costs	\$ 2,306,957
Subtotal of Costs	\$ 2,306,957

Net Benefits

Net Benefits	\$ 43,852,370
Present Value	\$ 35,299,195

County Impacts





Incentives

Total County Incentive:	\$	-
County Incentive Per Job:	\$	-

Combined Payback and Return

County Payback Period Combined:	-	Years
County Rate of Return Combined:		N/A

Expansion Only Payback and Return

County Payback Period Expansion:	-	Years
County Rate of Return Expansion:		N/A

County Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 287,436	\$ 24,003	\$ 263,434	\$ 263,434
2	\$ 291,271	\$ 24,543	\$ 266,729	\$ 530,162
3	\$ 295,187	\$ 25,095	\$ 270,092	\$ 800,254
4	\$ 299,187	\$ 25,660	\$ 273,527	\$ 1,073,782
5	\$ 303,272	\$ 26,237	\$ 277,035	\$ 1,350,816
6	\$ 307,445	\$ 26,827	\$ 280,618	\$ 1,631,434
7	\$ 311,709	\$ 27,431	\$ 284,278	\$ 1,915,712
8	\$ 316,067	\$ 28,048	\$ 288,018	\$ 2,203,731
9	\$ 320,520	\$ 28,679	\$ 291,841	\$ 2,495,572
10	\$ 325,073	\$ 29,325	\$ 295,748	\$ 2,791,320

County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 977,166	\$ -	\$ 977,166	\$ 977,166
2	\$ 898,338	\$ -	\$ 898,338	\$ 1,875,504
3	\$ 920,112	\$ -	\$ 920,112	\$ 2,795,616
4	\$ 942,583	\$ -	\$ 942,583	\$ 3,738,199
5	\$ 965,194	\$ -	\$ 965,194	\$ 4,703,393
6	\$ 982,967	\$ -	\$ 982,967	\$ 5,686,360
7	\$ 1,003,255	\$ -	\$ 1,003,255	\$ 6,689,615
8	\$ 1,023,673	\$ -	\$ 1,023,673	\$ 7,713,288
9	\$ 1,044,529	\$ -	\$ 1,044,529	\$ 8,757,817
10	\$ 1,065,509	\$ -	\$ 1,065,509	\$ 9,823,326

County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,264,602	\$ 24,003	\$ 1,240,599	\$ 1,240,599
2	\$ 1,189,610	\$ 24,543	\$ 1,165,067	\$ 2,405,666
3	\$ 1,215,300	\$ 25,095	\$ 1,190,205	\$ 3,595,871
4	\$ 1,241,769	\$ 25,660	\$ 1,216,110	\$ 4,811,980
5	\$ 1,268,466	\$ 26,237	\$ 1,242,229	\$ 6,054,210
6	\$ 1,290,412	\$ 26,827	\$ 1,263,585	\$ 7,317,794
7	\$ 1,314,964	\$ 27,431	\$ 1,287,533	\$ 8,605,327
8	\$ 1,339,740	\$ 28,048	\$ 1,311,692	\$ 9,917,019
9	\$ 1,365,049	\$ 28,679	\$ 1,336,370	\$ 11,253,389
10	\$ 1,390,582	\$ 29,325	\$ 1,361,257	\$ 12,614,646

County Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

Taxes and Revenue

Gross Receipt Taxes	\$ 11,915,277
Misc. Taxes and Revenue	\$ 77,718
Property Taxes	\$ 887,499
Subtotal of Benefits	\$ 12,880,495

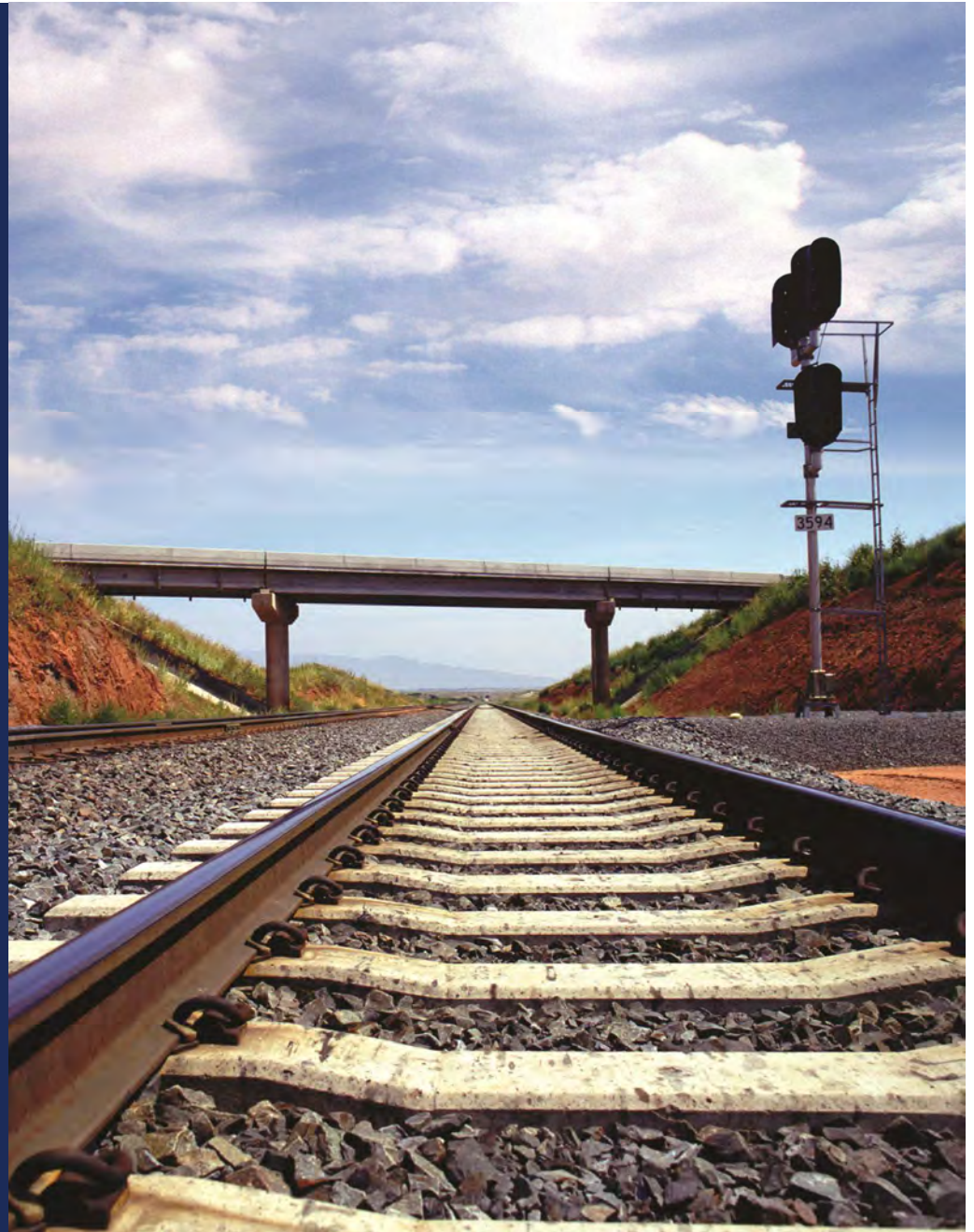
Costs

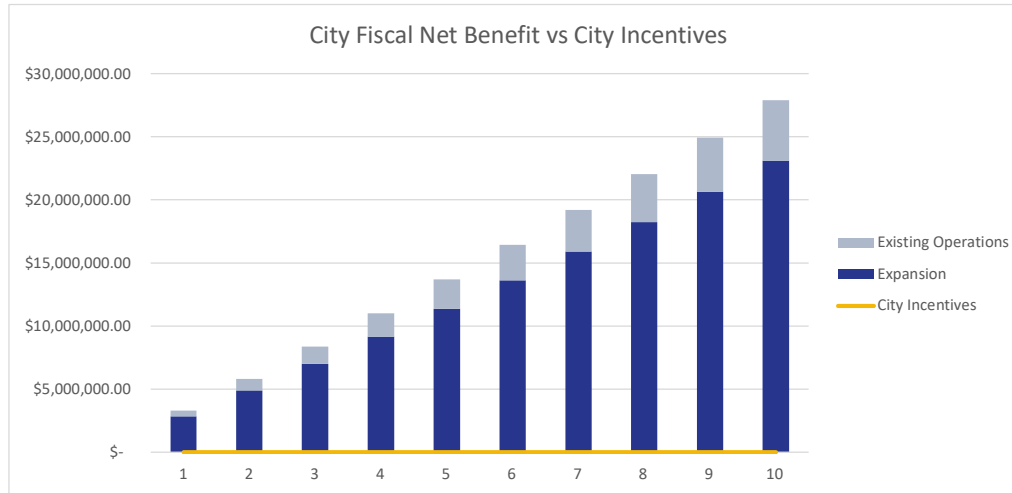
Costs	\$ 265,849
Subtotal of Costs	\$ 265,849

Net Benefits

Net Benefits	\$ 12,614,646
Present Value	\$ 10,167,253

City Impacts





Incentives

Total City Incentive:	\$	-
City Incentive Per Job:	\$	-

Combined Payback and Return

City Payback Period Combined:	-	Years
City Rate of Return Combined:	N/A	

Expansion Only Payback and Return

City Payback Period Expansion:	-	Years
City Rate of Return Expansion:	N/A	

City Net Benefits Of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 673,450	\$ 216,026	\$ 457,424	\$ 457,424
2	\$ 682,931	\$ 220,886	\$ 462,045	\$ 919,469
3	\$ 692,609	\$ 225,856	\$ 466,752	\$ 1,386,221
4	\$ 702,487	\$ 230,938	\$ 471,549	\$ 1,857,770
5	\$ 712,573	\$ 236,134	\$ 476,439	\$ 2,334,209
6	\$ 722,873	\$ 241,447	\$ 481,425	\$ 2,815,635
7	\$ 733,392	\$ 246,880	\$ 486,512	\$ 3,302,146
8	\$ 744,137	\$ 252,435	\$ 491,702	\$ 3,793,848
9	\$ 755,114	\$ 258,114	\$ 497,000	\$ 4,290,848
10	\$ 766,331	\$ 263,922	\$ 502,409	\$ 4,793,257

City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 2,835,616	\$ -	\$ 2,835,616	\$ 2,835,616
2	\$ 2,056,315	\$ -	\$ 2,056,315	\$ 4,891,931
3	\$ 2,105,688	\$ -	\$ 2,105,688	\$ 6,997,619
4	\$ 2,156,791	\$ -	\$ 2,156,791	\$ 9,154,410
5	\$ 2,208,320	\$ -	\$ 2,208,320	\$ 11,362,730
6	\$ 2,249,730	\$ -	\$ 2,249,730	\$ 13,612,460
7	\$ 2,297,021	\$ -	\$ 2,297,021	\$ 15,909,481
8	\$ 2,344,599	\$ -	\$ 2,344,599	\$ 18,254,080
9	\$ 2,393,182	\$ -	\$ 2,393,182	\$ 20,647,262
10	\$ 2,442,034	\$ -	\$ 2,442,034	\$ 23,089,296

City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 3,509,066	\$ 216,026	\$ 3,293,040	\$ 3,293,040
2	\$ 2,739,246	\$ 220,886	\$ 2,518,360	\$ 5,811,399
3	\$ 2,798,297	\$ 225,856	\$ 2,572,440	\$ 8,383,840
4	\$ 2,859,278	\$ 230,938	\$ 2,628,340	\$ 11,012,180
5	\$ 2,920,894	\$ 236,134	\$ 2,684,759	\$ 13,696,939
6	\$ 2,972,603	\$ 241,447	\$ 2,731,155	\$ 16,428,094
7	\$ 3,030,413	\$ 246,880	\$ 2,783,533	\$ 19,211,627
8	\$ 3,088,736	\$ 252,435	\$ 2,836,301	\$ 22,047,928
9	\$ 3,148,296	\$ 258,114	\$ 2,890,181	\$ 24,938,110
10	\$ 3,208,366	\$ 263,922	\$ 2,944,443	\$ 27,882,553

City Breakdown of Combined Benefits, Costs, and Net Benefits Over the Next 10 Years

Taxes and Revenue

Gross Receipt Taxes	\$ 27,969,546
Misc. Taxes and Revenue	\$ 1,291,896
Property Taxes	\$ 1,013,751
Subtotal of Benefits	\$ 30,275,193

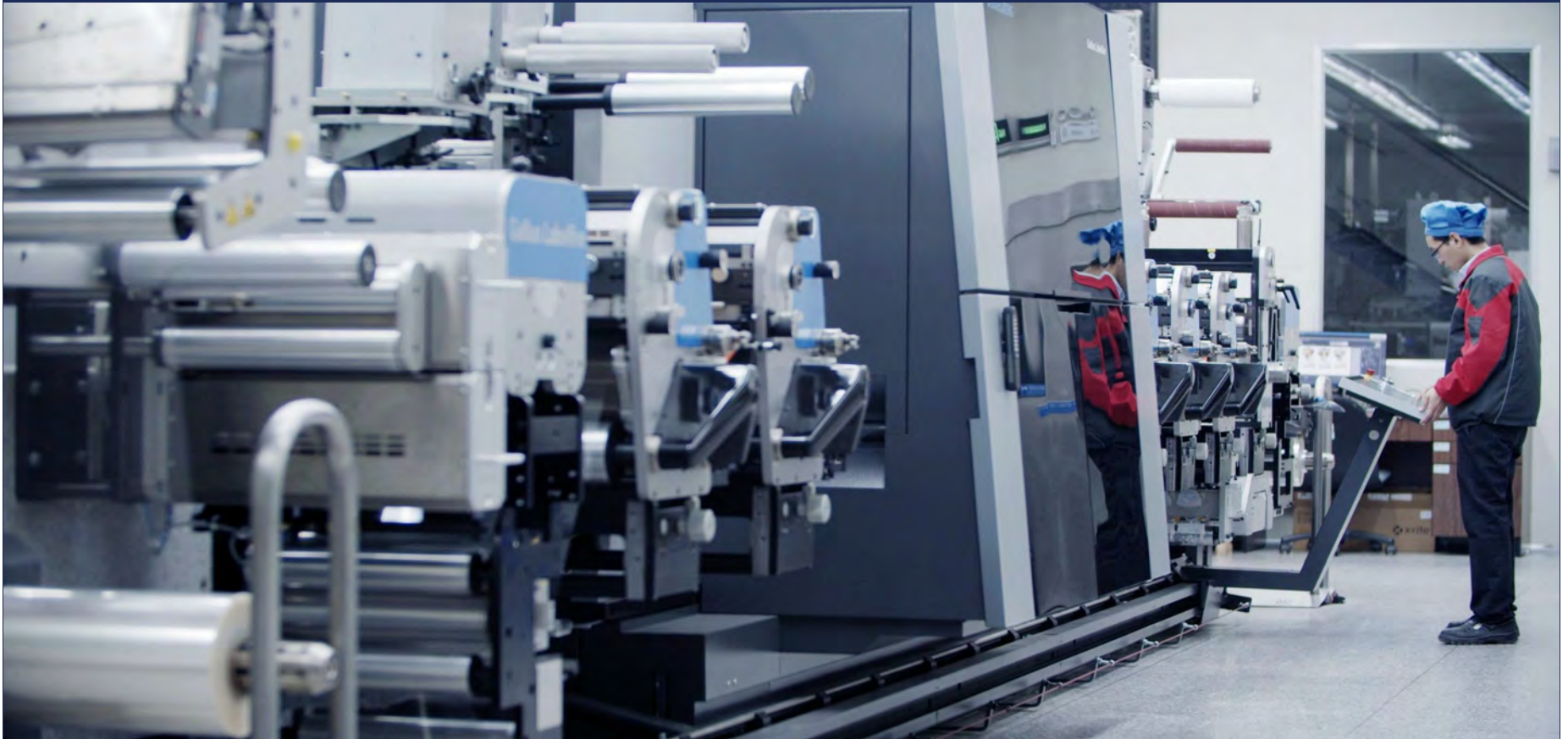
Costs

Costs	\$ 2,392,640
Subtotal of Costs	\$ 2,392,640

Net Benefits

Net Benefits	\$ 27,882,553
Present Value	\$ 22,590,930

Special Taxing District and Public Schools



Special Taxing District

Special Taxing District Net Benefits of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 53,597	\$ -	\$ 53,597	\$ 53,597
2	\$ 54,434	\$ -	\$ 54,434	\$ 108,031
3	\$ 55,292	\$ -	\$ 55,292	\$ 163,323
4	\$ 56,171	\$ -	\$ 56,171	\$ 219,494
5	\$ 57,071	\$ -	\$ 57,071	\$ 276,564
6	\$ 57,993	\$ -	\$ 57,993	\$ 334,557
7	\$ 58,938	\$ -	\$ 58,938	\$ 393,495
8	\$ 59,905	\$ -	\$ 59,905	\$ 453,400
9	\$ 60,895	\$ -	\$ 60,895	\$ 514,295
10	\$ 61,910	\$ -	\$ 61,910	\$ 576,205

Special District Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 30,639	\$ -	\$ 30,639	\$ 30,639
2	\$ 31,750	\$ -	\$ 31,750	\$ 62,389
3	\$ 32,803	\$ -	\$ 32,803	\$ 95,191
4	\$ 33,798	\$ -	\$ 33,798	\$ 128,989
5	\$ 34,736	\$ -	\$ 34,736	\$ 163,725
6	\$ 34,924	\$ -	\$ 34,924	\$ 198,649
7	\$ 35,124	\$ -	\$ 35,124	\$ 233,773
8	\$ 35,337	\$ -	\$ 35,337	\$ 269,110
9	\$ 35,563	\$ -	\$ 35,563	\$ 304,674
10	\$ 35,803	\$ -	\$ 35,803	\$ 340,477

Special District Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 84,236	\$ -	\$ 84,236	\$ 84,236
2	\$ 86,184	\$ -	\$ 86,184	\$ 170,420
3	\$ 88,094	\$ -	\$ 88,094	\$ 258,514
4	\$ 89,968	\$ -	\$ 89,968	\$ 348,483
5	\$ 91,807	\$ -	\$ 91,807	\$ 440,290
6	\$ 92,917	\$ -	\$ 92,917	\$ 533,207
7	\$ 94,062	\$ -	\$ 94,062	\$ 627,268
8	\$ 95,242	\$ -	\$ 95,242	\$ 722,510
9	\$ 96,459	\$ -	\$ 96,459	\$ 818,969
10	\$ 97,713	\$ -	\$ 97,713	\$ 916,682

Public Schools

Public Schools Net Benefits of Current Operations

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 55,620	\$ -	\$ 55,620	\$ 55,620
2	\$ 56,477	\$ -	\$ 56,477	\$ 112,097
3	\$ 57,355	\$ -	\$ 57,355	\$ 169,451
4	\$ 58,254	\$ -	\$ 58,254	\$ 227,706
5	\$ 59,177	\$ -	\$ 59,177	\$ 286,882
6	\$ 60,121	\$ -	\$ 60,121	\$ 347,004
7	\$ 61,089	\$ -	\$ 61,089	\$ 408,093
8	\$ 62,081	\$ -	\$ 62,081	\$ 470,174
9	\$ 63,097	\$ -	\$ 63,097	\$ 533,270
10	\$ 64,137	\$ -	\$ 64,137	\$ 597,407

Public Schools Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 33,361	\$ -	\$ 33,361	\$ 33,361
2	\$ 34,571	\$ -	\$ 34,571	\$ 67,932
3	\$ 35,717	\$ -	\$ 35,717	\$ 103,649
4	\$ 36,801	\$ -	\$ 36,801	\$ 140,449
5	\$ 37,822	\$ -	\$ 37,822	\$ 178,272
6	\$ 38,027	\$ -	\$ 38,027	\$ 216,298
7	\$ 38,245	\$ -	\$ 38,245	\$ 254,543
8	\$ 38,477	\$ -	\$ 38,477	\$ 293,020
9	\$ 38,723	\$ -	\$ 38,723	\$ 331,743
10	\$ 38,984	\$ -	\$ 38,984	\$ 370,727

Public Schools Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 88,981	\$ -	\$ 88,981	\$ 88,981
2	\$ 91,047	\$ -	\$ 91,047	\$ 180,028
3	\$ 93,072	\$ -	\$ 93,072	\$ 273,100
4	\$ 95,055	\$ -	\$ 95,055	\$ 368,155
5	\$ 96,999	\$ -	\$ 96,999	\$ 465,154
6	\$ 98,148	\$ -	\$ 98,148	\$ 563,302
7	\$ 99,334	\$ -	\$ 99,334	\$ 662,636
8	\$ 100,558	\$ -	\$ 100,558	\$ 763,194
9	\$ 101,820	\$ -	\$ 101,820	\$ 865,013
10	\$ 103,121	\$ -	\$ 103,121	\$ 968,134

Property Tax Exemptions and Industrial Revenue Bonds



Property Tax Exemptions and Industrial Revenue Bonds

The City and/or the County is considering abating taxes on the Project's property. Below is a table that identifies the types of property that are under consideration for property tax abatement:

Land:	No
Building and Property Improvements:	No
Furniture, Fixtures and Equipment:	No

Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
0%	0%	0%	0%

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
0%	0%	0%	0%

Value of Exemption Through 10 Years:	\$	-	\$	-	\$	-
*Value of Payment in Lieu of Taxes Through 10 Years:	\$	-	\$	-	\$	-

*The model assumes that the payment in lieu of taxes will be administered to the either the county or city, and the local government will disperse the amounts to the appropriate districts.

Percentage of Gross Receipt Taxes Foregone on Newly Purchased Furniture, Fixtures and Equipment Over 10 Years

Year	State	County	City			
1	0%	0%	0%			
2	0%	0%	0%			
3	0%	0%	0%			
4	0%	0%	0%			
5	0%	0%	0%			
6	0%	0%	0%			
7	0%	0%	0%			
8	0%	0%	0%			
9	0%	0%	0%			
10	0%	0%	0%			
Value of Exemption Through 10 Years:	\$	-	\$	-	\$	-