

CITY of ALBUQUERQUE

TWENTY SIXTH COUNCIL

COUNCIL BILL NO. O-25-96 ENACTMENT NO. _____

SPONSORED BY: Nichole Rogers, by request

1 ORDINANCE

2 APPROVING A PROJECT INVOLVING PACIFIC FUSION, LLC PURSUANT TO THE
3 LOCAL ECONOMIC DEVELOPMENT ACT AND CITY ORDINANCE F/S O-04-10,
4 THE CITY'S IMPLEMENTING LEGISLATION FOR THAT ACT, TO SUPPORT THE
5 ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF A FACILITY FOR THE
6 COMMERCIALIZATION OF FUSION ENERGY PRODUCTION TO BE LOCATED IN
7 ALBUQUERQUE, NEW MEXICO; AUTHORIZING THE EXECUTION OF A PROJECT
8 PARTICIPATION AGREEMENT AND OTHER DOCUMENTS IN CONNECTION WITH
9 THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING
10 TO THE PROJECT INCLUDING THE APPROPRIATION OF FUNDS; RATIFYING
11 CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS
12 INCONSISTENT WITH THIS ORDINANCE.

13 WHEREAS, the City of Albuquerque (the "City") is a legally and regularly
14 created, established, organized, and existing municipal corporation of the State of New
15 Mexico (the "State"); and

16 WHEREAS, pursuant to Sections 5-10-1 through 5-10-13 NMSA 1978, as
17 amended (the "Act"), the City is authorized to provide economic development
18 assistance to eligible entities for certain projects located within the corporate limits of
19 the municipality; and

20 WHEREAS, pursuant to the Act, the City has adopted Ordinance No. F/S 04-10
21 (the "LEDA Ordinance"), approving an economic development plan for the City and
22 authorizing the City to assist economic development projects in any legally permissible
23 manner, subject to the terms of the LEDA Ordinance; and

24 WHEREAS, pursuant to the LEDA Ordinance, Pacific Fusion, LLC (the
25 "Company"), has submitted to the Council and the Albuquerque Development

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

1 Commission (the "Commission") an application (the "Application") requesting certain
2 economic development assistance for the acquisition, construction and improvement of
3 a facility for the commercialization of fusion energy production to be located in
4 Albuquerque, New Mexico, and which will include the addition of 174 new employees
5 (the "Project"); and

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

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

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

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

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

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

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

31 WHEREAS, the Commission has considered the Project and the proposed
32 Agreement and has recommended that the Council approve the Company's proposal;
33 and

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

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

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

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

18 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
19 ALBUQUERQUE:

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

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

29 Section 3. THE PROJECT. The Project will consist of the acquisition,
30 construction and improvement of a facility for the commercialization of fusion energy
31 production to be located in Albuquerque, New Mexico, and which will include the
32 addition of 174 new employees, and the Company's commitment to operate the facility
33 within the City for a minimum of ten years.

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

7 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
8 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
9 and the Agreement, which provides, among other things, that the City will administer
10 and disburse to the Company funds totaling up to \$10,000,000, of which \$9,000,000 is
11 to be received by the City from the State Economic Development Department and
12 \$1,000,000 are to be City funds, in exchange for which the Company will complete the
13 Project as specified in the Agreement. There is hereby appropriated for the Project up
14 to \$9,000,000 of funds received from the State Economic Development Department and
15 up to \$1,000,000 of City funds.

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

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

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

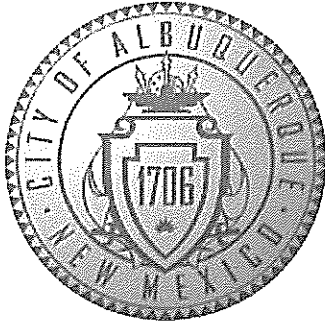
26 (C) The Mayor, Chief Administrative Officer, Chief Financial Officer,
27 City Treasurer, and City Clerk are further authorized to execute, authenticate and
28 deliver such certifications, instruments, documents, letters and other agreements,
29 including an intergovernmental agreement with the State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

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

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

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

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

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

August 18, 2025

TO: Brook Bassan, President, City Council

FROM: Timothy M. Keller, Mayor



SUBJECT: Approving an Ordinance Involving Pacific Fusion Corporation Project Pursuant to the Local Economic Development Act (LEDA 26-1)

Attached for your consideration and approval is an Ordinance involving Pacific Fusion Corporation LEDA Project, Pursuant to the Local Economic Development Act

Pacific Fusion Corporation ("Pacific Fusion" or "Company") a Delaware corporation, based in California, is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds to be used for the construction of the facility (the "Project"). Pacific Fusion is seeking LEDA funding in the amount of \$9,000,000. The State has agreed to provide \$8,000,000 and the City proposes to provide \$1,000,000. The company will be eligible for reimbursement for eligible costs incurred following execution of the Project Participation Agreement ("PPA").

Pacific Fusion was founded in 2023 with a mission to power the world with abundant, affordable, clean energy. In Albuquerque, the Company is building a 225,470 square foot research and development headquarters to house its Demonstration System for its pulsed magnetic inertial fusion technology. The purpose of the proposed project is the construction a one-of-a-kind, state-of-the-art fusion research facility. This facility will demonstrate that it is possible to get more fusion energy output than stored energy at the input—a fusion milestone known as net facility gain. Proving these conditions is an essential milestone to building a power plant and putting carbon-free electricity on the grid. The Demonstration System is not a power plant; it is a fusion research facility. It will not produce electricity, and it will be "pulsed" about once per day.

Pacific Fusion will build the facility on 17 acres of vacant land located in Mesa Del Sol. The Project facility will be constructed in 2026-2027 and be fully operational in mid-2027. The present IDO Zone District for the Project is PLANNED COMMUNITY ZONE DISTRICT (PC). Allowable uses are negotiated on a case-by-case basis. The applicant requested and

received approval for Conditional Use to allow for a Research or Testing facility. Zoning Hearing Examiner approval was received July 30, 2025.


The Project represents a significant capital investment of nearly a billion dollars and the creation of 224 high-quality, permanent jobs. The salaries for the newly created jobs range from \$115,000 to \$215,000, with a total net payroll of \$35.3M. The company anticipates continuing to utilize the State's Job Training Incentive Program. Albuquerque already has the talent, workforce development programs, infrastructure and intellectual capital to drive sustainable long-term growth and future investment in this industry. The Project is also expected to create approximately 288 indirect and induced jobs. Additionally, the Project will lead to the creation of 962 construction jobs sourced from local labor pools, as much as possible.

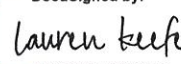
This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis estimates the impact that a potential project may have on the state and local economies and 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). 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. Overall, the City will receive approximately \$30,532,087 in net benefits over the 10-year period, equating to a Present Value of \$ 25,513,473. The Project will have an estimated overall Economic Impact of \$1,170,867,689 and an overall Net Benefit of \$57,155,254 over the 10-year period.

Your consideration and approval are requested.


Approved:

Approved as to Legal Form:


Samantha Sengel, EdD Date
Chief Administrative Officer

DocuSigned by:
 8/20/2025 | 5:09 PM MDT
1A21D96D32C74EE...
Lauren Keefe Date
City Attorney

Recommended:

Signed by:
 8/20/2025 | 1:11 PM MDT
24B657A550B94A0...
Max Gruner, Date
Director

Cover Analysis

1. What is it?

This is an ordinance authorizing a Local Economic Development Act (LEDA) Project for Pacific Fusion Corporation (the “Company” or “Pacific Fusion”) in the amount of \$1,000,000 from the City of Albuquerque (LEDA Project 26-1). The company is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds to be used for the construction of a fusion research facility (the “Project”). The State has agreed to provide \$8,000,000 and the City proposes to provide \$1,000,000. Pacific Fusion will be eligible for reimbursement for eligible costs incurred following execution of the Project Participation Agreement (“PPA”).

Pacific Fusion was founded in 2023 with a mission to power the world with abundant, affordable, clean energy. In Albuquerque, the Company is building a 225,470 square foot research and development headquarters to house its Demonstration System for its pulsed magnetic inertial fusion technology. This facility will be the research and development headquarters for the Company. The facility will demonstrate that it is possible to get more fusion energy output than stored energy at the input—a fusion milestone known as net facility gain. Proving these conditions is an essential milestone to building a power plant and putting carbon-free electricity on the grid. The Demonstration System is not a power plant; it is a fusion research facility. It will not produce electricity, and it will be “pulsed” about once per day.

Pacific Fusion will build the facility on 17 acres of vacant land located in Mesa Del Sol. The Project facility will be constructed in 2026-2027 and be fully operational in mid-2027. The present IDO Zone District for the Project is PLANNED COMMUNITY ZONE DISTRICT (PC). Allowable uses are negotiated on a case-by-case basis. The applicant requested and received approval for Conditional Use to allow for a Research or Testing facility. Zoning Hearing Examiner approval was received July 30, 2025.

Upon finalization, the project would represent a capital investment of approximately \$1 billion and bring more than 200 long-term, high-paying jobs to Albuquerque, along with nearly 1,000 construction jobs, workforce development programs, and regional economic activity.

2. What will this piece of legislation do?

The legislation will allow the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds to be used for the construction of a fusion research facility. The State has agreed to provide \$8,000,000 and the City proposes to provide \$1,000,000.

The ordinance would support the construction of the Company’s facility through the LEDA incentive. LEDA allows public support of qualified economic development projects for existing expanding companies as well as for newly recruited ones to foster, promote, and enhance local economic development efforts while continuing to protect against the unauthorized use of public money and other public resources. In essence, LEDA is used to

enter into a “public private partnership” for an economic benefit. LEDA can be used to reimburse eligible expenses for hard assets. The LEDA program will support the construction of a 225,470 square foot research and development headquarters to house the Company’s Demonstration System for its pulsed magnetic inertial fusion technology.

3. Why is this project needed?

The Project represents a significant capital investment of nearly a billion dollars and the creation of 224 high-quality, permanent jobs. The salaries for the newly created jobs range from \$115,000 to \$215,000, with a total net payroll of \$35.3M. The company anticipates continuing to utilize the State’s Job Training Incentive Program. Albuquerque already has the talent, workforce development programs, infrastructure and intellectual capital to drive sustainable long-term growth and future investment in this industry. This legislation is a vital component in the overall incentive package for Pacific Fusion.

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis 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). 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. Overall, the City will receive approximately \$30,532,087 in net benefits over the 10-year period, equating to a Present Value of \$ 25,513,473. The Project will have an estimated overall Economic Impact of \$1,170,867,689 and an overall Net Benefit of \$57,155,254 over the 10-year period.

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

\$1,000,000 of LEDA funds previously appropriated by City Council.

5. Is there a revenue source associated with this contract? 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?

The incentive is critical to the success of the Project. If the legislation does not pass, the result would be a potential cancellation of the Project and the associated loss of new jobs and revenue. The Company would not be able to pursue the Project without approval.

7. Is this service already provided by another entity?

No.

ALBUQUERQUE DEVELOPMENT COMMISSION
Local Economic Development Act Hearing

August 13, 2025

ADC Case #2025-14 Pacific Fusion LEDA

LEDA-26-1: Pacific Fusion Corporation Project

REQUEST: Approving an Ordinance for Pacific Fusion Corporation Pursuant to the Local Economic Development Act (LEDA)

PROJECT SUMMARY: Pacific Fusion Corporation (“Pacific Fusion” or the “Company”), a Delaware corporation, based in California, is seeking the City of Albuquerque (the “City”) to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds to be used for the construction of their clean energy research and development facility (the “Project”). Pacific Fusion is seeking LEDA funding in the amount of \$9,000,000. The State has agreed to provide \$8,000,000 and the City proposes to provide \$1,000,000. The company will be eligible for reimbursement for costs of construction incurred following execution of the Project Participation Agreement (“PPA”). (The Company also is requesting assistance as an Industrial Revenue Bond—IRB—Project, but that will be analyzed separately.)

Pacific Fusion was founded in 2023 with a mission to power the world with abundant, affordable, clean energy. In Albuquerque, the Company is building a 225,470 square foot research and development headquarters to house its Demonstration System for its pulsed magnetic inertial fusion technology. This facility will be the research and development headquarters for the Company in perpetuity and house a machine that achieves net facility gain. Demonstrating these conditions is an essential step toward eventually delivering carbon-free electricity to the grid. The facility is not a power plant; it is a fusion research facility. It will not produce electricity, and it will be “pulsed” about once per day. In parallel, the Company is developing key components that will be required to build and scale affordable fusion systems. The facility, located in Mesa Del Sol, will be constructed in 2026-2027 and be fully operational in mid-2027.

Fusion occurs when two atoms slam together to form a heavier atom, like when two hydrogen atoms fuse to form one helium atom. This is the same process that powers the sun and creates huge amounts of energy—several times greater than fission. It also doesn’t produce highly radioactive fission products.

Upon finalization, the project would represent a capital investment of approximately \$1 billion and bring more than 200 long-term, high-paying jobs to Albuquerque, along with hundreds more construction jobs, workforce development programs, and regional economic activity.

The present IDO Zone District for the Project is PLANNED COMMUNITY ZONE DISTRICT (PC). The purpose of the PC zone district is to accommodate innovative, very large scale residential or mixed-use communities that cannot be accommodated through the use of other zone districts, provided that those projects are consistent with the ABC Comp Plan, as amended, and include significant public benefits that would not otherwise be required of the applicant. Because of their size, projects in this zone district will include construction of new and expanded

transportation networks and infrastructure. This zone district is applied on a case-by-case basis to reflect a new or existing negotiated agreement with the applicant. Allowable uses are negotiated on a case-by-case basis. The applicant requested and received approval for Conditional Use to allow for a Research or Testing facility. Zoning Hearing Examiner approval was received July 30, 2025

The majority of the 224 new positions will be technician positions with the remainder being physicists, engineers and administration. The jobs are considered full time positions, and come with full employee benefits with the company offering Health, Dental, Vision, FSA, Life Insurance, EAP, Pet Insurance, Commuter Benefits, Paid Parental Leave, 401k & matching contribution, PTO and Sick Leave. The estimated value of such benefits varies based on participation but on average results in approximately 25% of an employee's salary. The salaries for the newly created jobs range from \$115,000 to \$215,000, with a total net payroll of \$35.3M. The company anticipates continuing to utilize the State's Job Training Incentive Program.

The Project is also expected to create approximately 288 indirect and induced jobs. Additionally, the Project will lead to the creation of 962 construction jobs sourced from local labor pools, as much as possible.

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. 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 subsection, 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 Pacific Fusion 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, using a model developed by the New Mexico Economic Development Department. The analysis 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). 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. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive

LEDA 26-1: Pacific Fusion Corporation Project

approximately \$30,532,087 in net benefits over the 10-year period, equating to a Present Value of \$ 25,513,473. The Project will have an estimated overall Economic Impact of \$1,170,867,689 and an overall Net Benefit of \$57,155,254 over the 10-year period.

The project plan as shown in Exhibit A provides details of the project.

FINDINGS:

1. LEDA 26-1 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 26-1 would make positive substantive contributions to the local economy and community by creating 224 new economic base jobs; and
3. Subject to the development of acceptable Security documents, LEDA 26-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for ten years; and
4. LEDA 26-1 adequately meets 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 ten 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. Pacific Fusion Corporation 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:

(3) 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 subsection (5) of this definition, not including businesses primarily engaged in the sale of goods or commodities at retail;

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

The City's enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City's community economic development plans, shall receive

priority. Pacific Fusion 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;

(4) Manufacturing firms (including intellectual property such as computer software);

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description:

Tract lettered J of Bulk Land Plat for Mesa Del Sol Innovation Park II, (a replat of Tracts 1, 12, 15, 4-A-2, 4- A-3 and 4-A-4, Mesa Del Sol and Tracts 2-A, 2-B, 3, 4, 7, 8, 9, 10, 16, 18, 19, 20, 21, OS- 1, OS-2, OS-3 and OS-6, Mesa Del Sol Innovation Park) Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the plat of said addition filed in the office of the County Clerk of Bernalillo County, New Mexico, on August 7, 2008, in Plat Book 2008C, Page 175, as Document No. 2008089615.

UPC: 101605115947920604

Prevailing Site Conditions:

The 17.0436 acre site is currently vacant land.

Present Assessed Value:

The current 2025 assessed property value is \$935,400. The value was confirmed via the Bernalillo County Assessor Property Search Portal.

Present and Proposed Zoning:

The present IDO Zone District for the Project is PLANNED COMMUNITY ZONE DISTRICT (PC). The purpose of the PC zone district is to accommodate innovative, very large scale residential or mixed-use communities that cannot be accommodated through the use of other zone districts, provided that those projects are consistent with the ABC Comp Plan, as amended, and include significant public benefits that would not otherwise be required of the applicant. Because of their size, projects in this zone district will include construction of new and expanded transportation networks and infrastructure. This zone district is applied on a case-by-case basis to reflect a new or existing negotiated agreement with the applicant. Allowable uses are negotiated on a case-by-case basis. The applicant requested and received approval for Conditional Use to allow for a Research or Testing facility. Zoning Hearing Examiner approval was received July 30, 2025

2. LAND USE:

The site for the Project is currently vacant land. The Company will build a 225,470 square foot research and development headquarters to house its Demonstration System for its pulsed

magnetic inertial fusion technology. This facility will be the research and development headquarters for the Company in perpetuity and house a machine that achieves net facility gain. The facility is not a power plant; it is a fusion research facility. It will not produce electricity, and it will be “pulsed” about once per day. The facility, located in Mesa Del Sol, will be constructed in 2026-2027 and be fully operational in mid-2027.

The impact on existing industry and commerce after construction is anticipated to be positive and significant.

The proposed operations will not generate any notable air, noise, or waste pollution. The project will enhance the area by continuing to grow and develop currently vacant areas within the Mesa Del Sol development. Additionally, the expansion of roads and utility access to support project operations is anticipated as providing a needed catalyst to allow other developments to more feasibly locate in the surrounding area by reducing the cost of further expansion of roads and utility access.

D. Competition

Pacific Fusion builds on the technology created at Sandia National Laboratories (“SNL”). This facility has no local competition and the company works cooperatively with SNL through a Cooperative Research and Development Agreement (CRADA). EDD does not anticipate any negative impacts on local industry.

E. Effect on Existing Industry and Commerce during and after Construction

Once the expanded facilities are fully operational, 224 full-time jobs will be created. Currently, the Company is not certain as to the amount of goods and services that will be locally procured for the development and operation of the project. The Company would anticipate a substantial portion of the construction materials and services will be sourced locally, and the Company would prefer to purchase materials and equipment and source labor locally whenever feasible. Bearing this in mind, however, the highly specialized nature of the project may not always allow for a locally sourced option.

The project would support: a) An Economic Development Strategy for Albuquerque/Bernalillo County to attract, develop, and retain responsible and responsive businesses; nourish expansion of existing and new local businesses; and emphasize economic base companies; and b) The Comprehensive Plan Economic Development Policies to: encourage expansion of export-based business to customers across the country that strengthen the economy; encourage prospective employers willing to hire local residents and able to diversify the employment base; development of local business enterprises as well as the recruitment of outside firms. The project also supports the economic development priorities and objectives of the City’s Local Economic Development Act.

The Pacific Fusion Project further supports the Economic Development Department’s criteria for the use of incentives by Leveraging our Core Assets, Implementing Place-Based Strategies, Supporting Focused and Positive ROI Projects, and creating 224 economic base jobs.

3. INFILL:

LEDA 26-1: Pacific Fusion Corporation Project

The site for the Project is 17 acres of vacant land within Mesa Del Sol. The location's subdivision is MESA DEL SOL INNOVATION PARK II. There are various other industrial users nearby, as well as adjacent residential neighborhoods. The impact on surrounding area after construction is anticipated to be favorable. There is already significant development in the area and this expansion will provide additional economic activity. The proposed operations will not generate any notable air, noise, or waste pollution.





4. DESIGN AND CONSERVATION:

The facility is an existing industrial area with numerous other employers nearby. No historic properties are involved.

No individuals, families, or businesses will be displaced by the activities outlined in this plan. The project is to be built on currently vacant land.

Currently, the Company has estimated average water consumption for the project at 240,600 gal/month. The Company's biggest water need is to support its fire suppression system, and the Company will put a pump in place to bolster the water pressure coming from the water tower at Mesa Del Sol. As part of the development, the Company plans to integrate equipment and systems that will reduce and mitigate water usage for the project.

5. RENEWABLE ENERGY:

The fusion technology developed by the Company would play an integral role in addressing our world's constantly growing electricity needs by providing an energy source that does not Produce greenhouse gases or harmful air pollutants during the fusion process.

III. ECONOMIC BENEFITS

6. COMPETITION:

Pacific Fusion builds on the technology created at Sandia National Laboratories ("SNL"). This facility has no local competition and the company works cooperatively with SNL through a Cooperative Research and Development Agreement (CRADA). EDD does not anticipate any negative impacts on local industry.

7. JOBS:

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

The anticipated new job employment ramp-up schedule is shown in the table below:

Job Title	Source	Average Annual Salary	At Start-up	End of 2025	End of 2026	End of 2027	End of 2028	End of 2029
Technicians	L	115,008	-	10	40	100	120	120
Engineers	L, T, R	208,197	-	-	12	30	45	45
Physicists	L, T, R	215,011	2	2	12	25	45	45
Administrative	L, T, R	180,011	-	2	8	12	16	14
Total Jobs Created			2	14	72	167	226	224
Total Annualized Payroll			430,023	1,940,125	11,118,911	25,282,137	35,725,526	35,365,505
		Difference Headcount			70	95	59	
		Difference Payroll			11,118,911	14,163,225	10,443,390	

The Project is also expected to create approximately 288 indirect and induced jobs. Additionally, the Project will lead to the creation of 962 construction jobs sourced from local labor pools, as much as possible.

- 1) What percentage of the permanent new jobs is expected to be filled by current Albuquerque area residents, as opposed to people relocated from elsewhere?

Currently, the Company is not certain of the exact percentage of permanent new jobs that will be filled by current Albuquerque area residents, but the Company intends to hire as many local personnel as possible. Some roles with niche experience expectations may be hired from out of state and relocated to New Mexico.

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

All positions will be made available to all qualified applicants. The Company anticipates that the positions created for project operations in the fields of Engineering and Physics will be high income. The Technician jobs and some of the Administrative jobs will likely be filled by residents classified as low and moderate income. Additionally, construction of the project will create benefits for low and moderate income residents that would provide construction services, and the increase in local, high income jobs would be expected to boost the number of low and moderate income jobs needed to support the Company's employees.

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

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

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

While some City residents may possess the skills needed for jobs for the project,

some roles with niche experience expectations may be hired from out of state and relocated to New Mexico.

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

Yes. The company has internal training programs and plans to utilize the Job Training Incentive Program.

- 6) What stated advancement opportunities are there?

The company supports training including leadership training for qualified employees and has a history of promoting employees to fill management and leadership roles over time.

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

Yes.

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

Yes. The 224 new positions come with full employee benefits with the company offering medical, dental, vision, and 401k benefits.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

Cost of Improvements, Bond Amount and Private Financing

A summary of the project is as follows:

The total cost of the improvements to be constructed and the amount of bonds requested is \$776.6M. In 2024, the Company raised \$962M in tranching commitments.

Cost of Improvements

The Company anticipates that the cost of the land comprising the project site will be \$3.7M, the cost of site improvement and construction of the facility will be \$104.8M. The Company anticipates that the cost of equipment, fixtures and furnishings to be purchased with proceeds of the bonds will be \$671.8M.

Project Financing

The total cost of the improvements to be constructed and the amount of bonds requested is \$776.6M. In 2024, the Company raised \$962M in tranching commitments. LEDA Funding is subject to City Council approval.

10. DEVELOPER’S RECORD:

LEDA 26-1: Pacific Fusion Corporation Project

Pacific Fusion was founded in 2023 with a mission to power the world with abundant, affordable, clean energy. The company is rapidly designing and building a pulsed magnetic fusion system to achieve net facility gain (more fusion energy output than stored energy input). In parallel, they are developing key components that will be required to build and scale affordable fusion systems. Pacific Fusion is based in Fremont, CA.

A brief summary of the relevant experience of the founder of Pacific Fusion is included below, as well as a list of key personnel. Brief bios of other key individuals with the company are included as an exhibit to the application. Additional information about the company can be found on the company's website: <https://www.pacificfusion.com/>

Dr. Eric S. Lander is the Founding CEO of Pacific Fusion. A world-renowned scientist, he is also founding director and a core institute member of the Broad Institute of MIT and Harvard. A geneticist, molecular biologist, and mathematician, he has played a pioneering role in all aspects of the reading, understanding, and biomedical application of the human genome. Eric has led major international projects, including being a principal leader of the Human Genome Project, and has founded major scientific institutions, founded companies, and advised governments.

Dr. Will Regan serves as President of Pacific Fusion.

Dr. Keith LeChien is CTO of Pacific Fusion.

Dr. Leland Ellison is Head of Simulation for Pacific Fusion.

Carrie von Muench is COO of Pacific Fusion.

Based on the company's track record and continued growth, the Company appears capable of managing and completing the Project.

11. EQUITY:

The total cost of the improvements to be constructed and the amount of bonds requested is \$776.6M. In 2024, the Company raised \$962M in tranching commitments. LEDA Funding is subject to City Council approval.

12. MANAGEMENT:

Pacific Fusion already has a management team for the site and to manage the project. Biographies of Company senior personnel are attached in the Application.

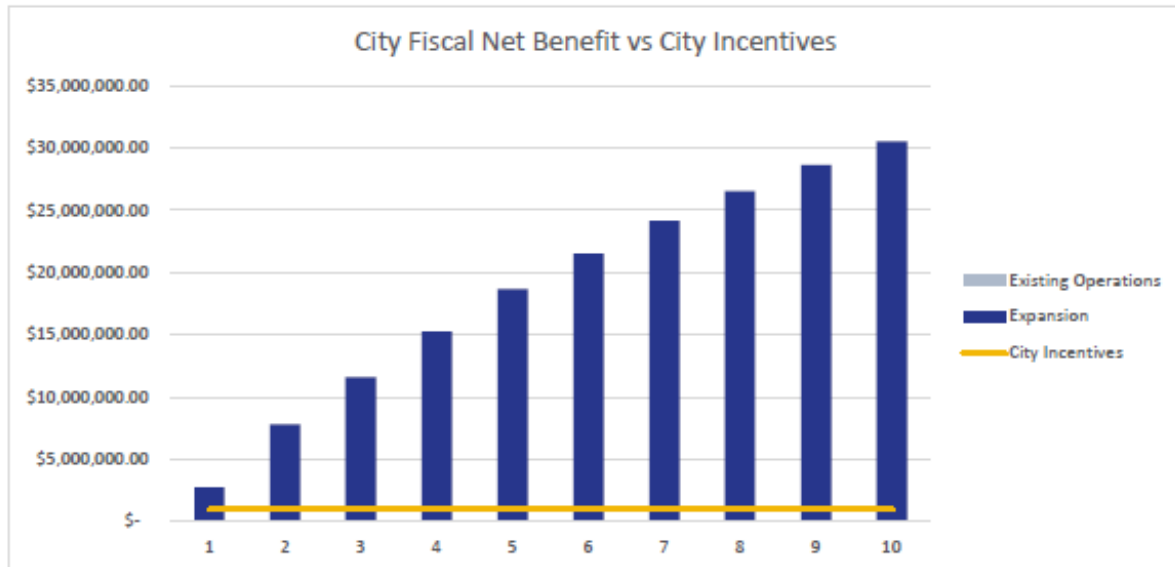
Based on the description given in the project plan, management appears to be qualified to manage the project.

13. FISCAL IMPACT ANALYSIS

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis 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

LEDA 26-1: Pacific Fusion Corporation Project

economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA). 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. 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 \$30,532,087 in net benefits over the 10-year period, equating to a Present Value of \$ 25,513,473. The Project will have an estimated overall Economic Impact of \$1,170,867,689 and an overall Net Benefit of \$57,155,254 over the 10-year period.



Incentives

Total City Incentive:	\$	1,000,000
City Incentive Per Job:	\$	5,714

Combined Payback and Return

City Payback Period Combined:	0.36	Years
City Rate of Return Combined:	2451%	

Expansion Only Payback and Return

City Payback Period Expansion:	0.36	Years
City Rate of Return Expansion:	2451%	

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

Taxes and Revenue		
Gross Receipt Taxes	\$	7,516,911
Misc. Taxes and Revenue	\$	234,113
Property Taxes	\$	23,026,694
Subtotal of Benefits	\$	30,777,718
Costs		
Costs	\$	245,631
Subtotal of Costs	\$	245,631
Net Benefits		
Net Benefits	\$	30,532,087
Present Value	\$	25,513,473

The fiscal impact analysis demonstrates that the City will recoup the value of its investment, within the ten years required by the LEDA ordinance.

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 Pacific Fusion 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 Pacific Fusion Application.

2. Company Contribution. Pacific Fusion shall acquire, construct, and/or improve the Project at an estimated cost of approximately \$754,900,000, 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. Pacific Fusion will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. Pacific Fusion 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 \$9,000,000 will be delivered to the City for subsequent disbursement to Pacific Fusion 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 Pacific Fusion in the manner as follows:

<i>State LEDA Disbursement Schedule</i>		
<u>Tranche</u>	<u>Amount of State Contribution Available for Disbursement/Tranche</u>	<u>Disbursement Performance Milestone</u>
1	\$3,000,000	Execution of the PPA & Acquisition of Property, LEDA eligible expenses & current with all reporting
2	\$3,000,000	Certificate of Occupancy that allows company persons in the building for the purpose of company related manufacturing, LEDA eligible expenses & current with all reporting
3	\$1,000,000	Hire 75 full-time employees in New Mexico, LEDA eligible expenses & current with all reporting

LEDA 26-1: Pacific Fusion Corporation Project

4	1,000,000	Opportunity Zone Bonus verify project is in a designated OZ, provide proof of over \$3.5M in payroll and \$15M in capital investment, LEDA eligible expenses & current with all reporting
5	1,000,000	LEDA Bonus Company is eligible for an additional tranche not to exceed \$1,000,000 for every addition job in excess of the 174 jobs maintained for a minimum of two quarterly reporting periods, up to 224 jobs at a rate of \$20,000 per job created. Tranche may only be accessed once per year and LEDA eligible expenses & current with all reporting

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 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 Pacific Fusion in the manner as follows:

<i>City LEDA Disbursement Schedule</i>		
<u>Tranche</u>	<u>Amount of City Contribution Available for Disbursement/Tranche</u>	<u>Disbursement Performance Milestone</u>
1	\$500,000	Certificate of Occupancy that allows company persons in the building for the purpose of company related manufacturing, Hire 50 Full-time employees, LEDA eligible expenses & current with all reporting
2	\$500,000	Maintain 50 Full-time employees and add an additional 25 for a total of 75 Full-time employees, LEDA eligible expenses & current with all reporting

5. Time Commitment. Pacific Fusion intends to invest approximately \$754,900,000 for the acquisition, construction, and/or improvement of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, and/or improvement or as soon thereafter as possible. Pacific Fusion will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through _____, 2035.

6. Use of Public Contributions. Pacific Fusion will be eligible for reimbursement of up to \$10,000,000 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 Pacific Fusion 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 Pacific Fusion or its employees.

7. Job Commitment and Clawbacks.

A. Number of Jobs. Pacific Fusion will create (i) 80 new Jobs in Albuquerque, New Mexico, by December 31, 2027, (ii) an additional 54 new Jobs in Albuquerque, New Mexico, by December 30, 2031, and (iii) an additional 40 new Jobs in Albuquerque, New Mexico, by December 31, 2035 (each, a “Job Target”) for a aggregate total new Jobs of 174. 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 Pacific Fusion 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. Pacific Fusion 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 Pacific Fusion does not employ and maintain at least 90% of the required number of full-time employees of its Job Targets, as set forth in Section 7.A herein, by close of business on the respective determination dates set forth in the table below, then, subject to the remainder of this Section 7.C, Pacific Fusion will repay to the City, within sixty (60) days of the due date of the quarterly reports referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Pacific Fusion pursuant to this Agreement that has already been disbursed to Pacific Fusion as of the date of repayment (the “Performance Clawback”) in accordance with the following table:

<u>Cumulative Full Time Job Creation Target</u>	<u>Minimum Job Number</u>	<u>Job Determination Date</u>	<u>%-Clawback</u>
80	72	12/31/27	100%
134	121	12/31/31	50%
174	157	12/31/35	25%

For the purposes of this table:

(i) The “Clawback Penalty” is a penalty that Pacific Fusion will be required to pay to the City upon Pacific Fusion’s failure to meet the Job Target on or before the conclusion of the applicable Job

LEDA 26-1: Pacific Fusion Corporation Project

Determination Period, if such Job Target is not otherwise reached by Pacific Fusion 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 Pacific Fusion 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 Pacific Fusion maintains at the Facility at that time, divided by (ii) the Minimum Full-Time Job Creation for the applicable Job Determination Period. See Exhibit D hereto for examples of Clawback Penalty Calculations. Notwithstanding anything herein to the contrary, in no event shall the aggregate Clawback Penalty paid by Pacific Fusion 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 Pacific Fusion shall have the opportunity to cure any shortfall in meeting the Minimum Full-Time Job Creation. For the avoidance of doubt, if Pacific Fusion meets the Minimum Full-Time Job Creation at any time during the Cure Period, Pacific Fusion shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Pacific Fusion fails to reach the Job Target during the Cure Period, then Pacific Fusion shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Pacific Fusion fails to employ the required full-time employees as identified in Section 7.A herein, and Pacific Fusion believes Business Climate Changes were the cause for the failure to meet such requirements, Pacific Fusion 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 Pacific Fusion, in the segment of the industry in which the Pacific Fusion operates, that cause a significant decrease in the amount of sales Pacific Fusion is able to achieve. The shifting of Pacific Fusion’ 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 Pacific Fusion’ 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 Pacific Fusion of its decision or the decision of the State EDD. If Pacific Fusion 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 Pacific Fusion cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2035, Pacific Fusion 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 Pacific Fusion):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2031	100%

LEDA 26-1: Pacific Fusion Corporation Project

January 1, 2032 through December 31, 2032	80%
January 1, 2033 through December 31, 2033	70%
January 1, 2034 through December 31, 2034	60%
January 1, 2035 through December 31, 2035	50%

Winding down of Pacific Fusion' 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 \$11,000,000, 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.

FINDINGS:

1. Pacific Fusion, Inc. is a qualified entity as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-14-10); and
2. LEDA 26-1 would make positive substantive contributions to the local economy and community by creating 224 economic base jobs; and
3. Subject to the development of acceptable security documents, LEDA 26-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including the requirement to operate for at least ten years; and
4. LEDA 26-1 adequately meets 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 26-1 as proposed in the project plan application.

Chris Chavez, Economic Development Manager
Economic Development Department



EDD

ECONOMIC
DEVELOPMENT
DEPARTMENT

6/10/2025

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF PACIFIC FUSION CORPORATION

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 (roadways, bridges and utilities) and public services (including public safety, schools and administrative services). 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:

Pacific Fusion is a company founded in 2023 with the objective to power the world with affordable clean energy. The company utilizes an approach known as pulsed magnetic inertial fusion, which combines deuterium and tritium atoms to produce helium and release energy. Here is a brief explanation of how pulsed magnetic fusion works: A brief but very large electric current is run across a small metal cylinder (less than half an inch in size) containing fusion fuel. The electric current creates a powerful magnetic field that rapidly squeezes the cylinder to reach fusion conditions, releasing large amounts of energy which is then used to generate electricity. The process is repeated over and over.

More information about Pacific Fusion can be found at www.pacificfusion.com.

Description of the Project:

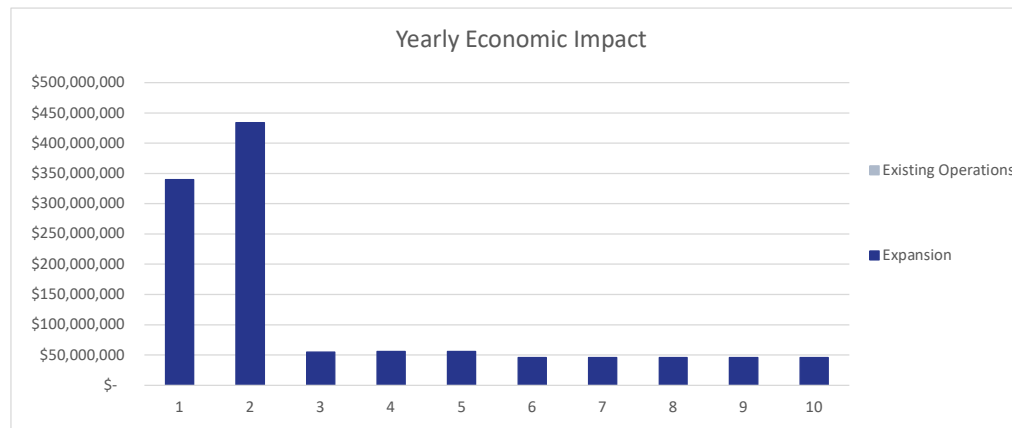
Pacific Fusion is constructing a one-of-a-kind, state-of-the-art fusion research facility. This facility, known as Pacific Fusion's Demonstration System, will demonstrate that it is possible to get more fusion energy output than stored energy at the input—a fusion milestone known as net facility gain. Proving these conditions is an essential milestone to building a power plant and putting carbon-free electricity on the grid. The Demonstration System is not a power plant; it is a fusion research facility. It will not produce electricity, and it will be “pulsed” about once per day. Approximately 250 people would be employed in this facility. The system is designed to be inherently safe—it uses a highly effective passive water shield to make sure neutrons and intense light resulting from fusion are captured and remain confined to a small area at the center of the system, thus ensuring no radiation can exit the facility.

A scenic landscape photograph of a lake at sunset. The sky is filled with large, colorful clouds in shades of orange, pink, and blue. The sun is low on the horizon, casting a warm glow over the scene. In the foreground, there is a lush green field of grass. The middle ground features a calm lake that reflects the sky and the surrounding forest. The background consists of a dense forest of evergreen trees and a rocky mountain peak on the right side.

Economic Impact

Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 1,170,867,689
Combined Total Incentive Over 10 Years:	\$ 49,210,578
Economic Impact Rate of Return:	2,279%



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	175	288
Estimated Number of Construction Workers:	962	
Estimated Number of New Residents to the State:	26	
Estimated Number of New Residents to the County:	26	
Estimated Number of New Residents to the City:	26	

Total Public Impacts



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

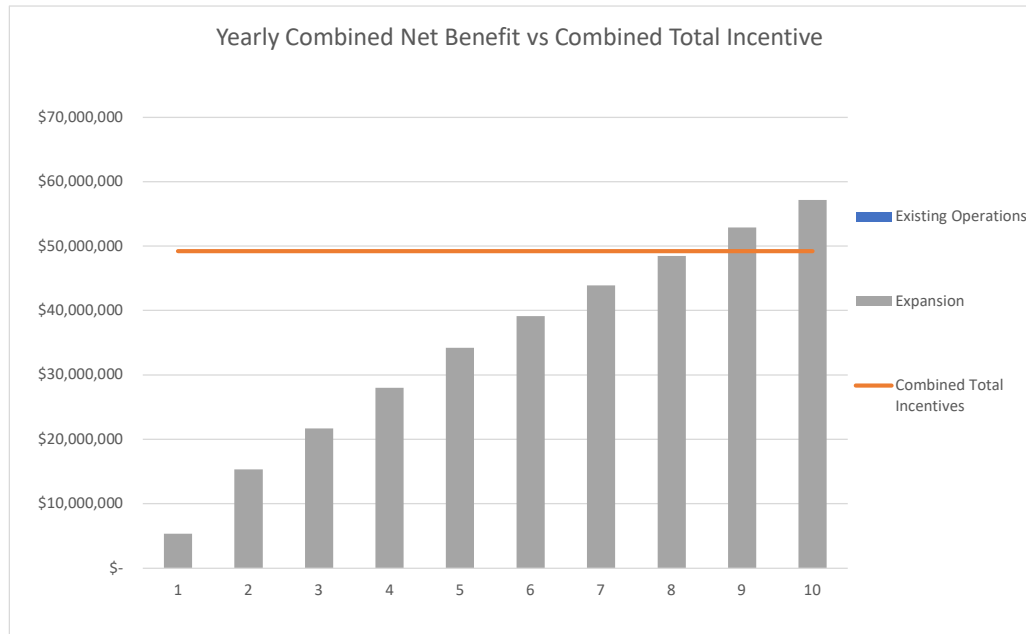
Cumulative Net Benefits					
	Existing Operations		Expansion	Existing & Expanded Operations	Present Value of Net Benefits*
State of New Mexico	\$	-	\$ 23,355,656	\$ 23,355,656	\$ 19,272,208
County	\$	-	\$ 3,267,511	\$ 3,267,511	\$ 2,805,349
City	\$	-	\$ 30,532,087	\$ 30,532,087	\$ 25,513,473
School District	\$	-	\$ 22,141	\$ 22,141	\$ 17,346
Special Taxing District	\$	-	\$ 35,640	\$ 35,640	\$ 27,921
Total	\$	-	\$ 57,213,035	\$ 57,213,035	\$ 47,636,297

* 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.

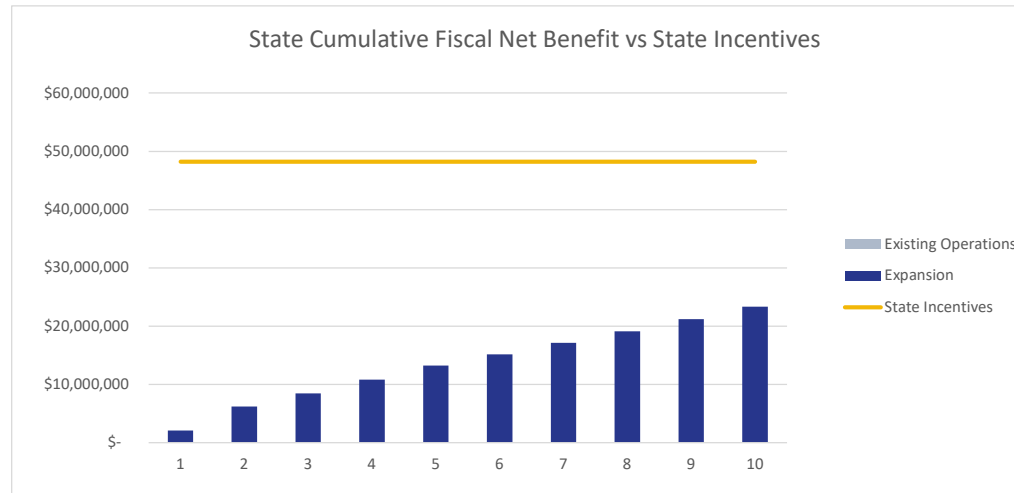
Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 57,155,254
Combined Total Incentive Over 10 Years:	\$ 49,210,578
Total Public Net Benefit Rate of Return:	16%



State Impacts





Incentives

Total State Incentive:	\$	48,210,578
State Incentive Per Job:	\$	275,489

Combined Payback and Return

State Payback Period Combined:	10 + Years	Years
State Rate of Return Combined:	-60%	

Expansion Only Payback and Return

State Payback Period Expansion:	10 + Years	Years
State Rate of Return Expansion:	-60%	

State Net Benefits Of Current Operations

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	-	\$	-	\$	-	\$ -
3	\$	-	\$	-	\$	-	\$ -
4	\$	-	\$	-	\$	-	\$ -
5	\$	-	\$	-	\$	-	\$ -
6	\$	-	\$	-	\$	-	\$ -
7	\$	-	\$	-	\$	-	\$ -
8	\$	-	\$	-	\$	-	\$ -
9	\$	-	\$	-	\$	-	\$ -
10	\$	-	\$	-	\$	-	\$ -

State Net Benefits Of Expansion

Year	Benefits		Costs	Net Benefits		Cumulative Net Benefits
1	\$	2,084,128	\$ -	\$	2,084,128	\$ 2,084,128
2	\$	4,172,731	\$ 50,248	\$	4,122,483	\$ 6,206,612
3	\$	2,314,504	\$ 54,106	\$	2,260,399	\$ 8,467,011
4	\$	2,417,394	\$ 56,540	\$	2,360,854	\$ 10,827,865
5	\$	2,491,934	\$ 58,123	\$	2,433,811	\$ 13,261,676
6	\$	1,960,825	\$ 59,750	\$	1,901,075	\$ 15,162,751
7	\$	2,019,617	\$ 61,423	\$	1,958,194	\$ 17,120,945
8	\$	2,080,171	\$ 63,143	\$	2,017,028	\$ 19,137,973
9	\$	2,142,541	\$ 64,911	\$	2,077,630	\$ 21,215,603
10	\$	2,206,781	\$ 66,729	\$	2,140,053	\$ 23,355,656

State Combined Net Benefits

Year	Benefits		Costs	Net Benefits		Cumulative Net Benefits
1	\$	2,084,128	\$ -	\$	2,084,128	\$ 2,084,128
2	\$	4,172,731	\$ 50,248	\$	4,122,483	\$ 6,206,612
3	\$	2,314,504	\$ 54,106	\$	2,260,399	\$ 8,467,011
4	\$	2,417,394	\$ 56,540	\$	2,360,854	\$ 10,827,865
5	\$	2,491,934	\$ 58,123	\$	2,433,811	\$ 13,261,676
6	\$	1,960,825	\$ 59,750	\$	1,901,075	\$ 15,162,751
7	\$	2,019,617	\$ 61,423	\$	1,958,194	\$ 17,120,945
8	\$	2,080,171	\$ 63,143	\$	2,017,028	\$ 19,137,973
9	\$	2,142,541	\$ 64,911	\$	2,077,630	\$ 21,215,603
10	\$	2,206,781	\$ 66,729	\$	2,140,053	\$ 23,355,656

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

Taxes and Revenue

Gross Receipt Taxes	\$	9,825,872
Personal Income Taxes	\$	13,945,476
Corporate Income Taxes	\$	-
Misc. Taxes and Revenue	\$	119,280
Subtotal of Benefits	\$	23,890,628

Costs

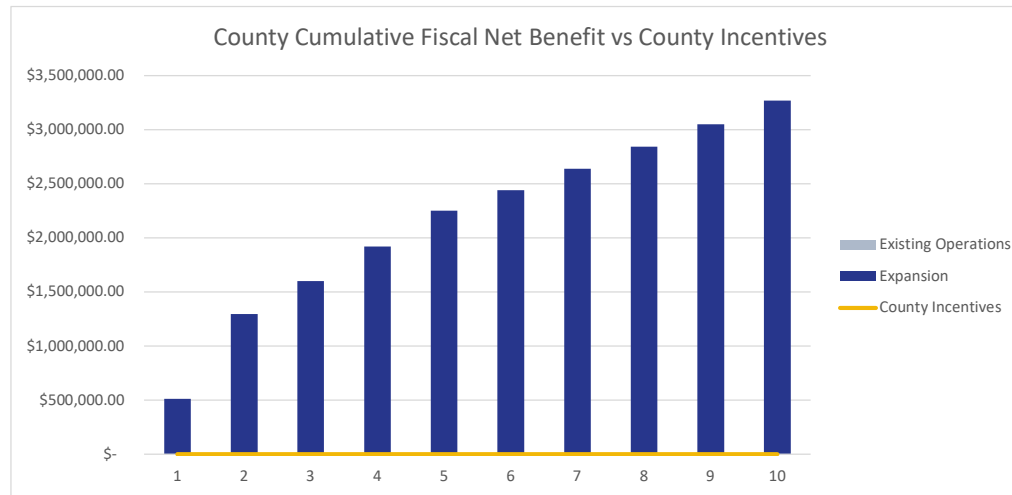
Costs	\$	534,972
Subtotal of Costs	\$	534,972

Net Benefits

Net Benefits	\$	23,355,656
Present Value	\$	19,272,208

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	\$	-	\$	-	\$	-	\$ -
2	\$	-	\$	-	\$	-	\$ -
3	\$	-	\$	-	\$	-	\$ -
4	\$	-	\$	-	\$	-	\$ -
5	\$	-	\$	-	\$	-	\$ -
6	\$	-	\$	-	\$	-	\$ -
7	\$	-	\$	-	\$	-	\$ -
8	\$	-	\$	-	\$	-	\$ -
9	\$	-	\$	-	\$	-	\$ -
10	\$	-	\$	-	\$	-	\$ -

County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 513,265	\$ -	\$ 513,265	\$ 513,265
2	\$ 787,063	\$ 5,899	\$ 781,164	\$ 1,294,429
3	\$ 313,463	\$ 6,352	\$ 307,111	\$ 1,601,541
4	\$ 326,459	\$ 6,638	\$ 319,821	\$ 1,921,361
5	\$ 336,708	\$ 6,824	\$ 329,885	\$ 2,251,246
6	\$ 198,500	\$ 7,015	\$ 191,486	\$ 2,442,732
7	\$ 204,407	\$ 7,211	\$ 197,196	\$ 2,639,928
8	\$ 210,490	\$ 7,413	\$ 203,077	\$ 2,843,005
9	\$ 216,755	\$ 7,620	\$ 209,134	\$ 3,052,139
10	\$ 223,206	\$ 7,834	\$ 215,372	\$ 3,267,511

County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 513,265	\$ -	\$ 513,265	\$ 513,265
2	\$ 787,063	\$ 5,899	\$ 781,164	\$ 1,294,429
3	\$ 313,463	\$ 6,352	\$ 307,111	\$ 1,601,541
4	\$ 326,459	\$ 6,638	\$ 319,821	\$ 1,921,361
5	\$ 336,708	\$ 6,824	\$ 329,885	\$ 2,251,246
6	\$ 198,500	\$ 7,015	\$ 191,486	\$ 2,442,732
7	\$ 204,407	\$ 7,211	\$ 197,196	\$ 2,639,928
8	\$ 210,490	\$ 7,413	\$ 203,077	\$ 2,843,005
9	\$ 216,755	\$ 7,620	\$ 209,134	\$ 3,052,139
10	\$ 223,206	\$ 7,834	\$ 215,372	\$ 3,267,511

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

Taxes and Revenue

Gross Receipt Taxes	\$ 3,196,773
Misc. Taxes and Revenue	\$ 115,683
Property Taxes	\$ 17,860
Subtotal of Benefits	\$ 3,330,316

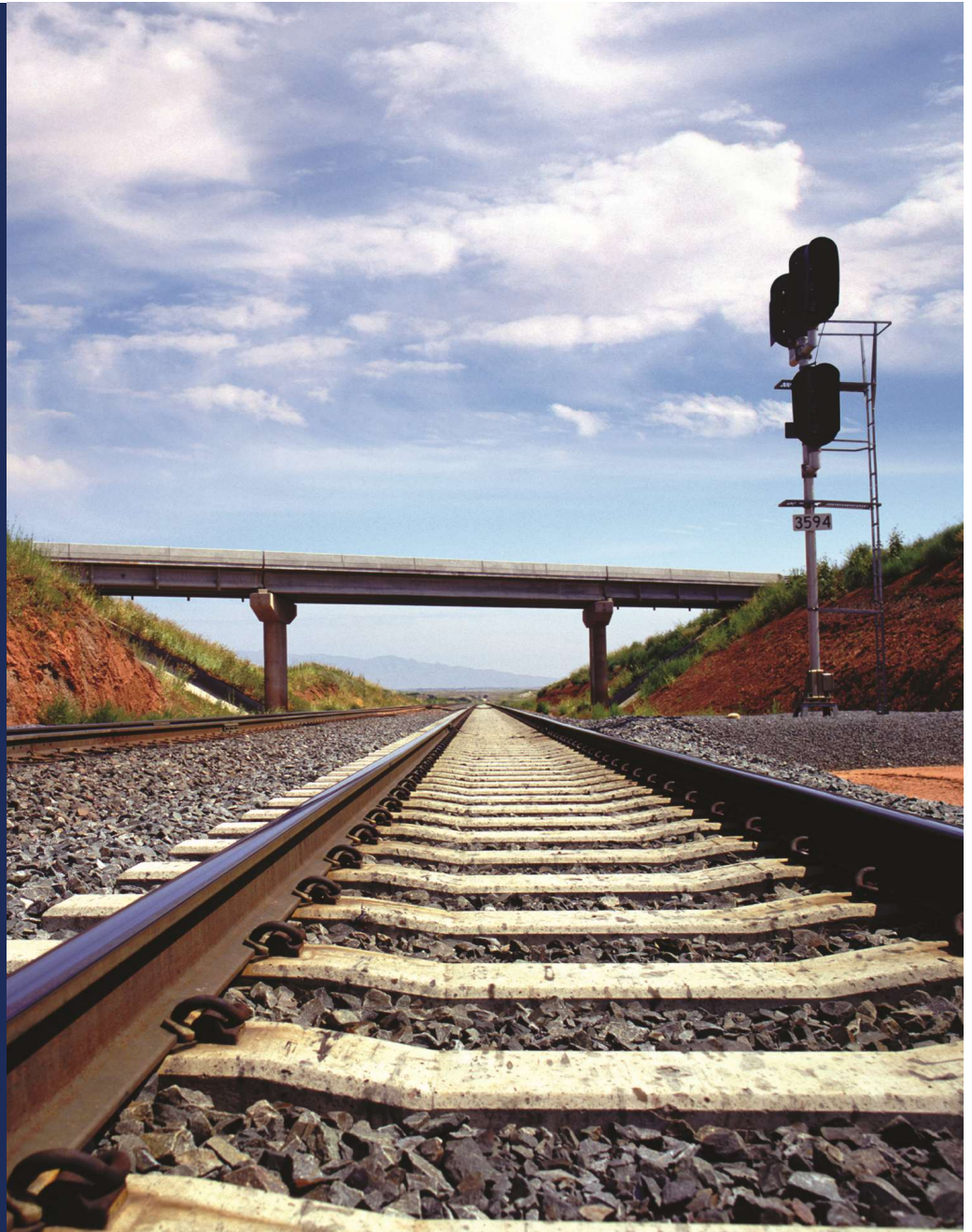
Costs

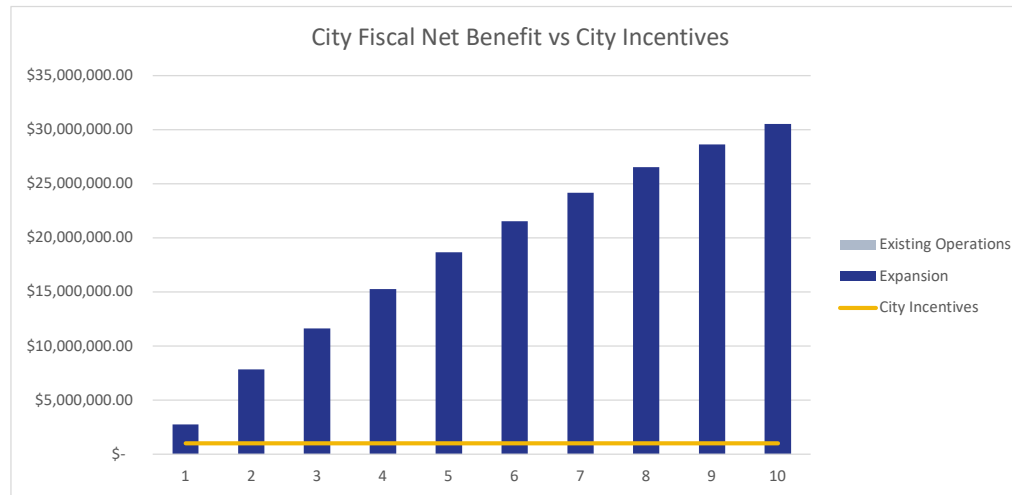
Costs	\$ 62,805
Subtotal of Costs	\$ 62,805

Net Benefits

Net Benefits	\$ 3,267,511
Present Value	\$ 2,805,349

City Impacts





Incentives

Total City Incentive:	\$ 1,000,000
City Incentive Per Job:	\$ 5,714

Combined Payback and Return

City Payback Period Combined:	0.36 Years
City Rate of Return Combined:	2451%

Expansion Only Payback and Return

City Payback Period Expansion:	0.36 Years
City Rate of Return Expansion:	2451%

City Net Benefits Of Current Operations

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	-	\$	-	\$	-	\$ -
3	\$	-	\$	-	\$	-	\$ -
4	\$	-	\$	-	\$	-	\$ -
5	\$	-	\$	-	\$	-	\$ -
6	\$	-	\$	-	\$	-	\$ -
7	\$	-	\$	-	\$	-	\$ -
8	\$	-	\$	-	\$	-	\$ -
9	\$	-	\$	-	\$	-	\$ -
10	\$	-	\$	-	\$	-	\$ -

City Net Benefits Of Expansion

Year	Benefits		Costs	Net Benefits		Cumulative Net Benefits
1	\$	2,759,948	\$ -	\$	2,759,948	\$ 2,759,948
2	\$	5,088,810	\$ 23,071	\$	5,065,739	\$ 7,825,686
3	\$	3,835,624	\$ 24,842	\$	3,810,781	\$ 11,636,468
4	\$	3,648,255	\$ 25,960	\$	3,622,294	\$ 15,258,762
5	\$	3,456,376	\$ 26,687	\$	3,429,689	\$ 18,688,451
6	\$	2,881,422	\$ 27,434	\$	2,853,988	\$ 21,542,439
7	\$	2,646,918	\$ 28,202	\$	2,618,716	\$ 24,161,155
8	\$	2,397,372	\$ 28,992	\$	2,368,379	\$ 26,529,535
9	\$	2,148,582	\$ 29,804	\$	2,118,779	\$ 28,648,313
10	\$	1,914,412	\$ 30,638	\$	1,883,774	\$ 30,532,087

City Combined Net Benefits

Year	Benefits		Costs	Net Benefits		Cumulative Net Benefits
1	\$	2,759,948	\$ -	\$	2,759,948	\$ 2,759,948
2	\$	5,088,810	\$ 23,071	\$	5,065,739	\$ 7,825,686
3	\$	3,835,624	\$ 24,842	\$	3,810,781	\$ 11,636,468
4	\$	3,648,255	\$ 25,960	\$	3,622,294	\$ 15,258,762
5	\$	3,456,376	\$ 26,687	\$	3,429,689	\$ 18,688,451
6	\$	2,881,422	\$ 27,434	\$	2,853,988	\$ 21,542,439
7	\$	2,646,918	\$ 28,202	\$	2,618,716	\$ 24,161,155
8	\$	2,397,372	\$ 28,992	\$	2,368,379	\$ 26,529,535
9	\$	2,148,582	\$ 29,804	\$	2,118,779	\$ 28,648,313
10	\$	1,914,412	\$ 30,638	\$	1,883,774	\$ 30,532,087

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

Taxes and Revenue

Gross Receipt Taxes	\$	7,516,911
Misc. Taxes and Revenue	\$	234,113
Property Taxes	\$	23,026,694
Subtotal of Benefits	\$	30,777,718

Costs

Costs	\$	245,631
Subtotal of Costs	\$	245,631

Net Benefits

Net Benefits	\$	30,532,087
Present Value	\$	25,513,473

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	\$	-	\$	-	\$	-	\$ -
2	\$	-	\$	-	\$	-	\$ -
3	\$	-	\$	-	\$	-	\$ -
4	\$	-	\$	-	\$	-	\$ -
5	\$	-	\$	-	\$	-	\$ -
6	\$	-	\$	-	\$	-	\$ -
7	\$	-	\$	-	\$	-	\$ -
8	\$	-	\$	-	\$	-	\$ -
9	\$	-	\$	-	\$	-	\$ -
10	\$	-	\$	-	\$	-	\$ -

Special District Net Benefits of Expansion

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	3,457	\$	-	\$	3,457	\$ 3,457
3	\$	3,695	\$	-	\$	3,695	\$ 7,152
4	\$	3,832	\$	-	\$	3,832	\$ 10,984
5	\$	3,909	\$	-	\$	3,909	\$ 14,893
6	\$	3,987	\$	-	\$	3,987	\$ 18,879
7	\$	4,067	\$	-	\$	4,067	\$ 22,946
8	\$	4,148	\$	-	\$	4,148	\$ 27,094
9	\$	4,231	\$	-	\$	4,231	\$ 31,325
10	\$	4,315	\$	-	\$	4,315	\$ 35,640

Special District Combined Net Benefits

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	3,457	\$	-	\$	3,457	\$ 3,457
3	\$	3,695	\$	-	\$	3,695	\$ 7,152
4	\$	3,832	\$	-	\$	3,832	\$ 10,984
5	\$	3,909	\$	-	\$	3,909	\$ 14,893
6	\$	3,987	\$	-	\$	3,987	\$ 18,879
7	\$	4,067	\$	-	\$	4,067	\$ 22,946
8	\$	4,148	\$	-	\$	4,148	\$ 27,094
9	\$	4,231	\$	-	\$	4,231	\$ 31,325
10	\$	4,315	\$	-	\$	4,315	\$ 35,640

Public Schools

Public Schools Net Benefits of Current Operations

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	-	\$	-	\$	-	\$ -
3	\$	-	\$	-	\$	-	\$ -
4	\$	-	\$	-	\$	-	\$ -
5	\$	-	\$	-	\$	-	\$ -
6	\$	-	\$	-	\$	-	\$ -
7	\$	-	\$	-	\$	-	\$ -
8	\$	-	\$	-	\$	-	\$ -
9	\$	-	\$	-	\$	-	\$ -
10	\$	-	\$	-	\$	-	\$ -

Public Schools Net Benefits of Expansion

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	2,148	\$	-	\$	2,148	\$ 2,148
3	\$	2,295	\$	-	\$	2,295	\$ 4,443
4	\$	2,381	\$	-	\$	2,381	\$ 6,824
5	\$	2,428	\$	-	\$	2,428	\$ 9,252
6	\$	2,477	\$	-	\$	2,477	\$ 11,729
7	\$	2,526	\$	-	\$	2,526	\$ 14,255
8	\$	2,577	\$	-	\$	2,577	\$ 16,832
9	\$	2,628	\$	-	\$	2,628	\$ 19,460
10	\$	2,681	\$	-	\$	2,681	\$ 22,141

Public Schools Combined Net Benefits

Year	Benefits		Costs		Net Benefits		Cumulative Net Benefits
1	\$	-	\$	-	\$	-	\$ -
2	\$	2,148	\$	-	\$	2,148	\$ 2,148
3	\$	2,295	\$	-	\$	2,295	\$ 4,443
4	\$	2,381	\$	-	\$	2,381	\$ 6,824
5	\$	2,428	\$	-	\$	2,428	\$ 9,252
6	\$	2,477	\$	-	\$	2,477	\$ 11,729
7	\$	2,526	\$	-	\$	2,526	\$ 14,255
8	\$	2,577	\$	-	\$	2,577	\$ 16,832
9	\$	2,628	\$	-	\$	2,628	\$ 19,460
10	\$	2,681	\$	-	\$	2,681	\$ 22,141

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:	Yes
Building and Property Improvements:	Yes
Furniture, Fixtures and Equipment:	Yes

Property Tax Percentage Exemptions On Land and Building

County	City	Schools	Special Taxing District
75%	75%	75%	75%

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

County	City	Schools	Special Taxing District
75%	75%	75%	75%

Value of Exemption Through 10 Years:	\$	20,659,135	\$	19,475,715	\$	1,210,630	\$	2,018,964
*Value of Payment in Lieu of Taxes Through 10 Years:	\$	-	\$	23,003,154	\$	-	\$	-

*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	100%	100%	100%
2	100%	100%	100%
3	100%	100%	100%
4	100%	100%	100%
5	100%	100%	100%
6	100%	100%	100%
7	100%	100%	100%
8	100%	100%	100%
9	100%	100%	100%
10	100%	100%	100%
Value of Exemption			
Through 10 Years:	\$ 23,266,568	\$ 7,569,603	\$ 17,768,646

FY23/24/25 LEDA Application

Applicant	Mindy Eihusen
Applicant ID	APP-020471
Company Name	Pacific Fusion
Email	[REDACTED]
Status	Draft
Application Amount	\$0.00
Funded/Approved	<input type="checkbox"/>
LEDA Starting Job Count	83

Contact Information

Question: Legal Company Name

Pacific Fusion Corporation

Question: Trade Name (dba)

N/A

Question: Project Name

Project Solis

Question: Company Street Address

6082 Stewart Avenue

Question: Company City

Fremont

Question: Company State

CA

Question: Company Zip

94538

Question: Phone

Question: Website

<https://www.pacificfusion.com/>

Question: Primary Contact Person First Name

Mindy

Question: Primary Contact Person Last Name

Eihusen

Question: Federal Tax ID #

93-1408910

Question: NM State Tax and Revenue (CRS) #

03-650658003

Question: City/County Business License Registration will be pursued

☒ Yes

☐ No

Question: NAICS Code(s)

Not Answered

Question: DUNS # (preferred but not required)

11-902-9323

Question: This Business is organized as a:

☒ C-Corporation

☐ S-Corporation

☐ LLC

☐ Partnership

☐ Sole Proprietorship

☐ B-Corporation

Question: Incorporation Papers

No Attachments

Question: Resumes of all principals (owners, partners, directors or officers; required for businesses 1 year 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.

Pacific Fusion is building a 225k sq ft R&D headquarters to house its Demonstration System. This facility will be the R&D headquarters for the company in perpetuity and house a machine that achieves net facility gain. The facility will be constructed in 2026-2027 and be fully operational in mid-2027.

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

The funds will be used to pay for infrastructure, tenant improvements and other eligible expenses at the Demonstration System Facility. Additionally, Pacific Fusion will utilize the LEDA funds to pay for rent at an interim Build Center where the company will build and stage modules before transporting them to the Demonstration System Facility for assembly into the Demonstration System.

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

Not Answered

Question: Supporting Documentation

No Attachments

Financial Information

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

Question: Provide detailed assumptions for your project including three years of projected

cash flow income statements. If the applicant has been in business less than one year, you may be requested to provide additional financial information after review.

[LEDA Question 29.pdf](#) (7/31/2025, 3:10 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.

[LEDA Question 30.pdf](#) (7/31/2025, 3:10 PM)

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)?

Costs basis

Question: What is the equity investment from the applicant?

\$776,600,000.00

Question: External Equity Investment Sources

N/A

Question: External Equity Investment Amount

\$0.00

Question: City/County Funding Source

N/A

Question: City/ County Funding Amount

\$0.00

Question: Bank Loan Source (financial institution names), type (commercial, USDA, SBA

504, etc.), and stage (applied or approved)

TBD in coordination with development partner

Question: Bank Loans Amount Total

\$0.00

Question: Other Loans Source

0

Question: Other Loans Amount

\$0.00

Question: Other Sources

N/A

Question: Other Sources Amount

\$0.00

Question: Total Project Amount (Sum of above)

\$776,600,000.00

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?

2 years, 2 months

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.

118.00

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

No owners of more than 20%. Directors are Eric Lander, Keith LeChien, Carrie von Muench, Will

Regan, Eric Schmidt, Patrick Collison and Hemant Taneja.

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.

To the best of Pacific Fusion's knowledge, yes.

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

No

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

We do not have access to this information due to the number and diversity of Pacific Fusion's owners. Bearing this limitation we are not aware of any commonly owned entity in New Mexico.

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?

Pacific Fusion requires utility access and road development for the facility.

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.

Pacific Fusion is seeking IRBs, LEDA support through both the State and the City, and other tax incentives including JTIP, High Wage Jobs, and Investment Tax Credits.

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

LEDA and IRBs

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.

There are four categories of jobs to be created at the Pacific Fusion Demonstration System Facility. The first is Physicists (45 jobs) who design the experiments, simulate the physics of the system and design targets; the second is Engineers (45 jobs) who design the structure of the system and facility, order the components and build the machine; the third is Technicians (120 jobs) who will build and then operate the machine and finally, Administrative personnel (16 jobs) to ensure all operations run smoothly.

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

Annual average salary estimates for each type of job are as follows:

Technicians - \$115,008

Engineers - \$208,197

Physicists - \$215,011

Administrative - \$180,011

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

Health, Dental, Vision, FSA, Life Insurance, EAP, Pet Insurance, Commuter Benefits, Paid Parental Leave, 401k & matching contribution, PTO, Sick Leave

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

Pacific Fusion intends to hire as many local personnel as possible. Some roles with niche experience expectations may be hired from out of state and relocated to New Mexico.

Question: Attach job creation worksheet

[LEDA Application Job Creation Worksheet.xlsx](#) (8/1/2025, 6:25 AM)

Question: Starting Headcount (from worksheet above)

2.00

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

70.00

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

\$10,688,889.00

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

95.00

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

\$14,163,225.00

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

59.00

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

\$10,443,390.00

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 Economic Impact Datasheet provided by the applicant.

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

Pacific Fusion is working to commercialize fusion energy production which will transform the entire energy infrastructure of the world. This facility is critical to achieving net facility gain as the next step toward commercial fusion power production.

Question: Status of permitting/regulatory matters needed for project.

The facility requires a standard permitting process with the City of Albuquerque and the State of New Mexico. There are two non-standard requirements, one is a ZHE approval for materials used at the facility (approved in July 2025) and the second is a height limit waiver from the EPC (expected August 2025).

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.

No Attachments

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

[Pacific Fusion 2025 Q2 Employer Payroll Reporting.pdf](#) (8/1/2025, 7:19 AM)

Question: Affirmation and any other supporting documents

No Attachments

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

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

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

Question: Present Zoning of Property

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

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?

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.

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

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

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

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

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

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?

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

LEDA Application
Job Creation Worksheet

Job Title	Source	Average Annual Salary	At Start-up	End of 2025	End of 2026	End of 2027	End of 2028	End of 2029
Technicians	L	115,008	-	10	40	100	120	120
Engineers	L, T, R	208,197	-	-	12	30	45	45
Physicists	L, T, R	215,011	2	2	12	25	45	45
Administrative	L, T, R	180,011	-	2	8	12	16	14
Total Jobs Created			2	14	72	167	226	224
Total Annualized Payroll			430,023	1,940,125	11,118,911	25,282,137	35,725,526	35,365,505
Difference Headcount					70	95	59	
Difference Payroll					11,118,911	14,163,225	10,443,390	



Dr. Eric S. Lander is the Founding CEO of Pacific Fusion. A world-renowned scientist, he is also founding director and a core institute member of the Broad Institute of MIT and Harvard. A geneticist, molecular biologist, and mathematician, he has played a pioneering role in all aspects of the reading, understanding, and biomedical application of the human genome. Eric has led major international projects, including being a principal leader of the Human Genome Project, and has founded major scientific institutions, founded companies, and advised governments. You can read more about his background [here](#).

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Dr. Will Regan serves as President of Pacific Fusion. Will is a physicist who helped catalyze the emerging fusion industry, as co-developer of ARPA-E's ALPHA program, which provided early support to several leading fusion startups, and founding advisor to Strong Atomix, the first fusion-focused VC fund. Most recently, he built energy and climate projects in Alphabet's X lab, including founding Mineral, an Alphabet company focused on computational agriculture.

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Dr. Keith LeChien is CTO of Pacific Fusion. Keith is an internationally recognized leader in pulsed magnetic fusion science and technology. He was previously the leader of Lawrence Livermore National Laboratory's magnetically-driven high-energy density physics program and lead target designer for pulsed magnetic fusion experiments at the Z Facility. Prior to his work at LLNL, he oversaw the Inertial Confinement Fusion Program for the Department of Energy and was the federal lead author of the multi-year scientific framework that led to ignition at the National Ignition Facility. Before joining the DOE, Keith was a principal staff member in advanced accelerator physics at Sandia National Laboratories.

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Dr. Leland Ellison is Head of Simulation for Pacific Fusion. He was previously the lead magnetohydrodynamics developer for the Ares multiphysics code at Lawrence Livermore National Laboratory, supporting experimental campaigns at Sandia's Z machine and adapting the code to run on the #2-ranked supercomputer in the world. Prior to his current role, he gained experience building early-stage startup teams as a member of Sutter Hill Ventures. He obtained his PhD in plasma physics from Princeton University in 2016.

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Carrie von Muench is COO of Pacific Fusion. She has spent her career working in technical organizations across industrials and climate tech, most recently as an early-stage investor at Innovation Endeavors. Carrie previously worked as an early pipeline strategist at Alphabet's X, where she helped launch new bets, and as a consultant in BCG's industrial goods and public sector practices. She holds a B.S. and M.S from Stanford in Environmental Fluid Dynamics.

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