

CITY of ALBUQUERQUE

TWENTY-SIXTH COUNCIL

COUNCIL BILL NO. F/S O-25-79 ENACTMENT NO. 0.2025.013

SPONSORED BY: Joaquín Baca, by request

1

ORDINANCE

2 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,
3 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (GELTMORE KARSTEN
4 PROJECT), SERIES 2025 IN THE MAXIMUM PRINCIPAL AMOUNT OF
5 \$5,600,000 TO PROVIDE FUNDS TO ACQUIRE, RENOVATE, IMPROVE AND
6 EQUIP A 56,000 SQUARE FOOT BUILDING TO BE LEASED FOR VARIOUS
7 MANUFACTURING PURPOSES; AUTHORIZING THE EXECUTION AND
8 DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE
9 AGREEMENT, BOND, AND OTHER DOCUMENTS IN CONNECTION WITH THE
10 ISSUANCE OF THE BOND AND THE PROJECT; MAKING CERTAIN
11 DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE
12 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND
13 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

17 WHEREAS, pursuant to Sections 3-32-1 through 3-32-16, New Mexico Statutes
18 Annotated, 1978 Compilation, as amended (the "Act"), the City is authorized to
19 acquire industrial revenue projects located within the corporate limits of the
20 municipality for the purpose of promoting industry and trade by inducing commercial
21 enterprises to locate or expand in the State of New Mexico; and

22 WHEREAS, pursuant to the Act, the City is authorized to issue revenue bonds for
23 the purpose of defraying the cost of acquiring any project and to secure the payment
24 of such bonds, all as provided in the Act; and

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1 WHEREAS, Geltmore Karsten, LLC (the "Company") is a limited liability company
2 organized under the laws of the State of New Mexico and is authorized to do
3 business in New Mexico; and

4 WHEREAS, the Company has requested that the City issue its industrial revenue
5 bond pursuant to the Act for the purpose of providing funds to acquire, renovate,
6 improve and equip a 56,000 square foot building to be leased for various
7 manufacturing purposes within the corporate limits of the City (the "Project"); and

8 WHEREAS, the City Council of the City of Albuquerque (the "Council") has
9 adopted an ordinance establishing the Albuquerque Development Commission (the
10 "Commission") to review projects proposed to be financed with an industrial revenue
11 bond pursuant to the Act pursuant to City Resolution No. 16-1985, as amended; and

12 WHEREAS, the Company has presented to the City and the Commission a
13 proposal (the "Project Plan") whereby the Company shall, pursuant to the Act,
14 acquire, renovate, improve and equip a 56,000 square foot building, located on
15 approximately 3.5 acres of land in southwest Albuquerque, anticipated to be leased
16 for various manufacturing purposes by one tenant which will be engaged in wine
17 production and distribution, and a second tenant which manufactures consumer
18 products including hand sanitizers (the "Project Property"). The Project Property is
19 located within the boundaries of the City, and pursuant to which the City would issue
20 its taxable industrial revenue bond in order to finance the Project; and

21 WHEREAS, the Commission has reviewed the Project Plan, and on February 20,
22 2025, has determined that the Company has complied with City Resolution No. 16-
23 1985, and has recommended approval of the Project Plan by the Council; and

24 WHEREAS, under the Company's Project Plan, the City would enter into an
25 Indenture dated as of May 1, 2025 (the "Indenture") between the City and BOKF, NA
26 or other corporate depository satisfactory to the City to be designated at a later date,
27 as depository (the "Depository"), pursuant to which, together with this ordinance (the
28 "Bond Ordinance"), the City would issue its bond designated as the City of
29 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Geltmore Karsten
30 Project), Series 2025 (the "Bond"); and

31 WHEREAS, under the Company's Project Plan, the City and the Company would
32 enter into a Lease Agreement dated as of May 1, 2025 (the "Lease"), pursuant to
33 which the Company will lease the Project Property from the City and will make

1 payments to the Depositary sufficient to pay the principal of, redemption premium, if
2 any, and interest on the Bond, and to pay all other obligations incurred pursuant to
3 the provisions of the Lease and the Bond Ordinance; and

4 WHEREAS, under the Company's Project Plan, the Lease will provide that the
5 Company shall maintain the Project and carry all proper insurance with respect
6 thereto; and

7 WHEREAS, the proceeds of the Bond shall be used for the purpose of financing
8 the acquisition, renovation, improvement and equipping of the Project (the
9 "Financing"); and

10 WHEREAS, the City is authorized to enter into the Lease, the Indenture, and
11 other related documents and to issue the Bond pursuant to the Act and the Bond
12 Ordinance; and

13 WHEREAS, the Bond in an aggregate principal amount not to exceed
14 \$5,600,000 will be issued, sold and delivered by the City in a private sale to an
15 affiliate of the Company (the "Purchaser") pursuant to a bond purchase agreement
16 (the "Bond Purchase Agreement") among the City, the Company, and the
17 Purchaser; and

18 WHEREAS, the proceeds of the Bond shall be applied to pay the costs of the
19 Project and to pay certain costs associated with the transaction; and

20 WHEREAS, after having considered the provisions of the Project Plan and the
21 Financing, the Council has concluded that it is in the best interest of the City to
22 authorize the issuance of the Bond to finance the Project, and that the City's
23 issuance of the Bond shall constitute a valid public purpose under the Act; and

24 WHEREAS, the Council has been advised by the Company that the disclosure
25 provisions of Rule 15c2-12 of the Securities and Exchange Commission are not
26 applicable to this transaction in as much as the Bond is being sold to the Purchaser,
27 which is an affiliate of the Company, in a private sale without the participation of an
28 underwriter; and

29 WHEREAS, there has been published in the Albuquerque Journal, a newspaper
30 of general circulation in the City, public notice of the Council's intention to adopt this
31 Bond Ordinance, which notice contained certain information concerning the
32 ownership, purpose, location and size of the Project and the Project Property, and
33 the amount of the Bond to be issued to finance the Project, which notice was

1 published at least fourteen (14) days prior to hearing and final action on this Bond
2 Ordinance; and

3 WHEREAS, the proposed forms of the following documents have been filed with
4 the City Clerk and presented to the Council: (1) Project Plan; (2) Lease; (3)
5 Indenture; and, (4) Bond Purchase Agreement (collectively the "Bond Documents");
6 and

7 WHEREAS, the City has delivered notice to the County of Bernalillo, State of
8 New Mexico, of its intent to consider issuance of the Bond, which notice was given
9 at least thirty (30) days prior to the meeting at which final action is to be taken on this
10 Bond Ordinance as required by Section 3-32-6.1, New Mexico Statutes Annotated,
11 1978 Compilation, as amended.

12 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
13 ALBUQUERQUE:

14 Section 1. RATIFICATION. All actions not inconsistent with the provisions of
15 this Bond Ordinance previously taken by the Council and the officials of the City
16 directed toward approval of the issuance and sale of the Bond be approved and the
17 same hereby are ratified, approved and confirmed.

18 Section 2. THE PROJECT PLAN. The Project to be financed with the Bond is
19 to acquire, renovate, improve and equip a 56,000 square foot building, located on
20 approximately 3.5 acres of land in southwest Albuquerque, anticipated to be leased
21 for various manufacturing purposes by one tenant which will be engaged in wine
22 production and distribution, and a second tenant which manufactures consumer
23 products including hand sanitizers. The Company may use additional available
24 money to accomplish the Project. The Project Plan is hereby approved in all
25 respects.

26 Section 3. FINDINGS.

27 (A) General. The Council hereby declares that it has considered all relevant
28 information presented to it relating to the Bond and the Project and hereby finds and
29 determines that the issuance of the Bond pursuant to the Bond Ordinance and the
30 Act to provide funds for the Project is necessary and advisable and in the interest of
31 the public, and will promote the public health, safety, morals, convenience,
32 economy, and welfare of the City and the residents of the City.

33 (B) The Council finds that:

- 1 (1) The Bond will be issued for the purpose of financing the Project;
- 2 (2) The aggregate face amount of obligations to be issued for the
- 3 purpose of financing the Project is \$5,600,000;
- 4 (3) The developer and operator of the Project is the Company; and
- 5 (4) The Project Property is located in the City at 2810 Karsten Court
- 6 SE, Albuquerque, New Mexico.

7 Section 4. AUTHORIZATION AND APPROVAL OF THE BOND. To finance
8 the cost of acquiring, renovating, improving and equipping the Project Property, the
9 City hereby authorizes and approves the issuance and sale of its industrial revenue
10 bond to be designated "City of Albuquerque, New Mexico Taxable Industrial
11 Revenue Bond (Geltmore Karsten Project), Series 2025" in the principal amount of
12 \$5,600,000 and the use of the proceeds of the Bond to finance the cost of the
13 Project and to pay expenses relating thereto.

14 Section 5. SALE OF THE BOND. The sale of the Bond to the Purchaser at a
15 purchase price equal to the par amount of the Bond is hereby authorized and
16 approved.

17 Section 6. FORM AND TERM OF THE BOND. Subject to the limitations set
18 forth in this Bond Ordinance, the Bond shall be: (i) in the form and shall be
19 numbered and dated all as set forth in the Indenture; (ii) payable as to principal and
20 interest, and subject to optional and mandatory redemption and defeasance in the
21 amounts, upon the conditions and at the times and prices set forth in the Indenture;
22 and, (iii) issued in the principal amount of \$5,600,000, bearing interest at the rates
23 and maturing on the dates set forth in the Indenture. The interest rate on the Bond
24 shall not exceed 12% per annum. The Mayor or the Chief Administrative Officer of
25 the City shall sign the Bond.

26 Section 7. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS.
27 The form, terms, and provisions of the Bond Documents in the form on deposit in the
28 office of the City Clerk are in all respects approved, authorized, and confirmed, and
29 the City shall enter into such Bond Documents substantially in the form of each such
30 document on deposit with the City Clerk, with only such changes as are not
31 inconsistent with this Bond Ordinance or such other changes as may be approved
32 by supplemental resolution of the Council.

1 (A) The Council authorizes the Mayor or the Chief Administrative Officer of the
2 City to execute and deliver the Bond Documents in the name and on behalf of the
3 City, and the Council authorizes the City Clerk or Deputy City Clerk to attest to, as
4 necessary, the Bond Documents and the Bond with such changes therein as are not
5 inconsistent with this Bond Ordinance.

6 (B) The Mayor, Chief Administrative Officer, Chief Financial Officer, City
7 Treasurer and City Clerk are further authorized to execute, authenticate and deliver
8 such certifications, instruments, documents, letters and other agreements, including
9 security agreements, and to do such other acts and things, either prior to or after the
10 date of delivery of the Bond, as are necessary or appropriate to consummate the
11 transactions contemplated by the Bond Documents.

12 (C) The officers of the City shall take such action as is necessary to effectuate
13 the provisions of the Indenture and shall take such action as is necessary in
14 conformity with the Act and this Bond Ordinance to finance the costs of the Project
15 and for carrying out other transactions as contemplated by this Bond Ordinance and
16 the Bond Documents including, without limitation, the execution and delivery of any
17 closing documents to be delivered in connection with the sale and delivery of the
18 Bond.

19 Section 8. DELIVERY OF THE BOND. Upon the execution of the Bond
20 Documents and the satisfaction of the conditions set forth in the Bond Documents,
21 the Bond shall be executed, authenticated, and delivered to the Purchaser. No
22 Bond shall be valid for any purpose until such Bond has been properly authenticated
23 as set forth in the Indenture.

24 Section 9. FINDINGS REGARDING PAYMENT OF PRINCIPAL AND
25 INTEREST AND OTHER MATTERS. The Council makes the following
26 determinations and findings in accordance with the Act:

27 (A) The maximum amount necessary in each year to pay the principal of and
28 interest on the Bond, assuming issuance of the Bond as of May 1, 2025 in the
29 amount of \$5,600,000 and bearing interest at the rate of 4% and the first Bond
30 payment occurring on May 1, 2026, is as follows:

31	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
32	5/1/26	-\$0-	\$224,000	\$224,000
33	5/1/27	-\$0-	\$224,000	\$224,000

1	5/1/28	-\$0-	\$224,000	\$224,000
2	5/1/29	-\$0-	\$224,000	\$224,000
3	5/1/30	-\$0-	\$224,000	\$224,000
4	5/1/31	-\$0-	\$224,000	\$224,000
5	5/1/32	-\$0-	\$224,000	\$224,000
6	5/1/33	-\$0-	\$224,000	\$224,000
7	5/1/34	-\$0-	\$224,000	\$224,000
8	5/1/35	-\$0-	\$224,000	\$224,000
9	5/1/36	-\$0-	\$224,000	\$224,000
10	5/1/37	-\$0-	\$224,000	\$224,000
11	5/1/38	-\$0-	\$224,000	\$224,000
12	5/1/39	-\$0-	\$224,000	\$224,000
13	5/1/40	-\$0-	\$224,000	\$224,000
14	5/1/41	-\$0-	\$224,000	\$224,000
15	5/1/42	-\$0-	\$224,000	\$224,000
16	5/1/43	-\$0-	\$224,000	\$224,000
17	5/1/44	-\$0-	\$224,000	\$224,000
18	5/1/45	\$5,600,000	\$224,000	\$5,824,000

(B) The terms under which the Project Property is leased provide that the Company shall maintain the Project Property and carry all proper insurance (or self-insure) with respect to the Project Property.

(C) The lease rentals payable under the Lease shall be at least sufficient to pay the principal and interest payments on the Bond set forth in Paragraph (A) of this Section 9 when due and otherwise render the financing of the acquisition, renovation, improvement, equipping, and completion of the Project Property entirely self-liquidating. There shall be no payments to any reserve fund or sinking fund installment payments.

Section 10. NON TAXABLE TRANSACTION CERTIFICATES. The Company, as agent for the City, will acquire the Project. The City will cooperate with the Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall not use the Certificates other than

1 for such things as may be permitted by law, if any, nor shall the Company use such
2 Certificates after the completion of the Project. No costs, expenses or other
3 monetary relief will be recoverable from the City by vendors of equipment.

4 Section 11. LIMITED OBLIGATIONS. The Bond shall be a special limited
5 obligation of the City payable solely from the revenues derived from the Lease and
6 payable by the Company as described in the Indenture, and shall never constitute a
7 debt or indebtedness of the City or the State or any political subdivision thereof
8 within the meaning of any provision or limitation of the State Constitution, statutes, or
9 home-rule charter of the City, and shall not constitute or give rise to a pecuniary
10 liability of the City or a charge against its general credit or taxing power. Nothing
11 contained in the Bond Ordinance or the Bond Documents, or any other instrument,
12 shall be construed as obligating the City (except with respect to the Project Property
13 and the application of the revenues therefrom and the proceeds of the Bond, all as
14 provided in the Bond Documents), nor as incurring a pecuniary liability or charge
15 upon the general credit of the City or against its taxing power, nor shall the breach of
16 any agreement contained in the Bond Ordinance, the Bond Documents, the Bonds,
17 or any other instrument be construed as obligating the City (except with respect to
18 the Project Property and the application of revenues therefrom and the proceeds of
19 the Bond all as provided in the Bond Documents) nor as incurring a pecuniary
20 liability or a charge upon the general credit of the City or against its taxing power, the
21 City having no power to pay out of its general funds, or otherwise contribute any part
22 of the costs of acquiring the Project Property, nor power to operate the Project as a
23 business or in any manner except as lessor and seller of the Project Property.

24 Section 12. APPROVAL OF INDEMNIFICATION. The Council specifically
25 approves the provisions of the Lease relating to indemnification which provide that
26 the Company shall indemnify and hold harmless the City and its City Councilors,
27 officials, members, officers, employees, and agents against liability to the Company
28 or to any third parties that may be asserted against the City, its City Councilors,
29 officials, members, officers, employees, and agents with respect to the City's
30 ownership of the Project Property or the issuance of the Bond and arising from the
31 condition of the Project Property or the acquisition or operation of the Project
32 Property by the Company, except to the extent that Section 56-7-1, New Mexico
33 Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for

1 any loss or damage arising out of or resulting from the gross negligence or willful
2 misconduct of the City or any official, member, officer, employee, or agent of the
3 City.

4 Section 13. BOND ORDINANCE IRREPEALABLE. After the Bond is issued,
5 this Bond Ordinance shall be and remain irrepealable until the Bond, including all
6 interest thereon, is fully paid, cancelled, and discharged, or until there has been
7 defeasance of the Bond in accordance with the Indenture.

8 Section 14. SEVERABILITY. If any section, paragraph, clause or provision of
9 this Bond Ordinance shall for any reason be held to be invalid or unenforceable, the
10 invalidity or unenforceability of that section, paragraph, clause, or provision shall not
11 affect any of the remaining provisions of this Bond Ordinance.

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

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

25 Section 17. GENERAL SUMMARY FOR PUBLICATION. The title and general
26 summary of the subject contained in the Bond Ordinance shall be published in
27 substantially the following form:

28 CITY OF ALBUQUERQUE, NEW MEXICO

29 NOTICE OF ADOPTION OF ORDINANCE

30 Notice is hereby given of the title and of a general summary of the subject matter
31 contained in a City Ordinance (the "Ordinance"), duly adopted and approved by the
32 City Council of the City of Albuquerque, New Mexico, on April 7, 2025. Complete
33 copies of the Ordinance are available for public inspection during the normal and

1 regular business hours of the City Clerk City Clerk in the office of the City Clerk,
2 Albuquerque, New Mexico.

3 The title of the Ordinance is:

4 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,
5 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (GELTMORE KARSTEN
6 PROJECT), SERIES 2025 IN THE MAXIMUM PRINCIPAL AMOUNT OF
7 \$5,600,000 TO PROVIDE FUNDS TO ACQUIRE, RENOVATE, IMPROVE AND
8 EQUIP A 56,000 SQUARE FOOT BUILDING TO BE LEASED FOR VARIOUS
9 MANUFACTURING PURPOSES; AUTHORIZING THE EXECUTION AND
10 DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE
11 AGREEMENT, BOND, AND OTHER DOCUMENTS IN CONNECTION WITH THE
12 ISSUANCE OF THE BOND AND THE PROJECT; MAKING CERTAIN
13 DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE
14 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND
15 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

16 The title sets forth a general summary of the subject matter contained in the
17 Ordinance.

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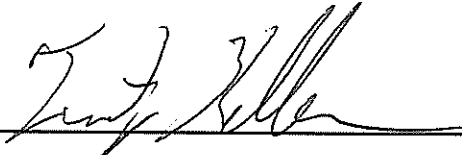
1 PASSED AND ADOPTED THIS 7th DAY OF April, 2025
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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9 Brook Bassan, President
10 City Council

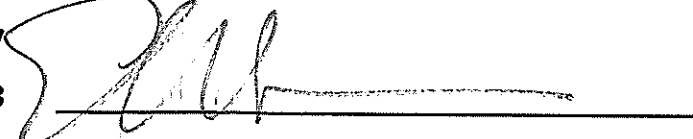
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13 APPROVED THIS 23 DAY OF April, 2025
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16 Bill No. F/S O-25-79

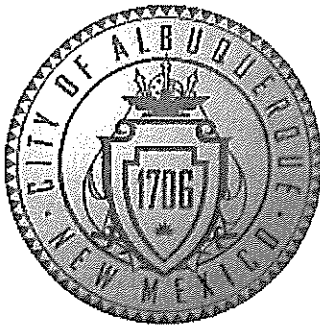
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21 Timothy M. Keller, Mayor
22 City of Albuquerque
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26 ATTEST:

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29 Ethan Watson, City Clerk
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CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

February 17, 2025

TO: Brook Bassan, President, City Council

FROM: Timothy M. Keller, Mayor



SUBJECT: Approving an Ordinance Involving Geltmore Karsten Project Pursuant to the Industrial Revenue Bond Act (IRB Project 25-4)

Attached for your consideration and approval is an Ordinance involving Geltmore Karsten IRB Project, Pursuant to the Industrial Revenue Bond Act (IRB-25-4).

Geltmore, LLC ("Geltmore") is a family-owned commercial real estate development firm based in Albuquerque, NM, established in 1991 by Manager & CEO Paul L. Silverman. The company has developed over 44 unique development projects throughout New Mexico and Texas including retail, office, warehouse, self-storage, hotel, restaurant, and residential worth \$410 million of real estate in today's value.

The proposed project is to repurpose the 56,000 square foot building at 2810 Karsten Court SE, Albuquerque, NM 87102 as a manufacturing facility serving two main users. Happy Accidents LLC will occupy approximately 39,000 sf of the building for the purpose of setting up one of only two vacuum distilling machines in the USA. BeeCleanSpot LLC will occupy 6,000 sf and manufacture organic, beeswax-based hand sanitizer.

The company is requesting \$5.6 million in City-issued industrial revenue bonds (IRB). City IRBs are issued to support eligible economic development projects that meet established policies and plans. The company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds. The project will be exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes.

The building was previously occupied by a frozen food company. After their bankruptcy in 2023, the building sat unoccupied and subsequently fell into a state of disrepair due to vandalism and theft at the site. The project will return manufacturing capability to the building, expand and create new operations for the co-located tenants and maximize technical, operational and

industrial efficiency, while mitigating risk for all entities. The project represents a \$6.5 million investment by the company by midyear 2025. The combined operations will create new high-paying economic base jobs.

The operations include the existing building at 2810 Karsten Court SE, Albuquerque, NM 87102. The proposed use of the facility by the Company would not require a change in zoning. The property's IDO zone district is Non-Residential Light Manufacturing (NR-LM). There are no particular environmental impacts associated with this Project.


The majority of the new positions are manufacturing positions, are considered full time positions, and come with full employee benefits with the companies paying approximately 50% of basic healthcare premiums.

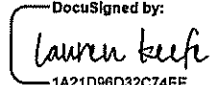
This project includes a fiscal impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is from information the Company provided. The fiscal impact presented shows that the combined operations related to the \$5.6 million bond will generate an estimated total of approximately \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project Karsten is expected to remain tax positive throughout the span of the contract and plans to employ both full-time and part-time employees.

Your consideration and approval are requested.

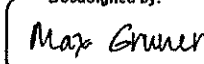
Approved:

Approved as to Legal Form:


Samantha Senge, EdD Date
Chief Administrative Officer

DocuSigned by:
 3/5/2025 | 5:48 PM MST
1A21D86D32C74EE
Lauren Keefe Date
City Attorney

Recommended:

DocuSigned by:
 3/5/2025 | 3:12 PM MST
24B85ZA550B94A0
Max Gruner, Date
Director

Cover Analysis

1. What is it?

This is an ordinance authorizing an Industrial Revenue Bond Project for Geltmore Karsten (“Geltmore”) Project in the amount of \$5,600,000 from the City of Albuquerque (IRB Project 25-4).

Geltmore, LLC (“Geltmore”) is a family-owned commercial real estate development firm based in Albuquerque, NM, established in 1991 by Manager & CEO Paul L. Silverman. The company has developed over 44 unique development projects throughout New Mexico and Texas including retail, office, warehouse, self-storage, hotel, restaurant, and residential worth \$410 million of real estate in today’s value.

The proposed project is to repurpose the 56,000 square foot building at 2810 Karsten Court SE, Albuquerque, NM 87102 as a manufacturing facility serving two main users. Happy Accidents LLC will occupy approximately 39,000 sf of the building for the purpose of setting up one of only two vacuum distilling machines in the USA. BeeCleanSpot LLC will occupy 6,000 sf and manufacture organic, beeswax-based hand sanitizer. The property’s IDO zone district is Non-Residential Light Manufacturing (NR-LM). There are no particular environmental impacts associated with this Project.

The company is requesting \$5.6 million in City-issued industrial revenue bonds (IRB). City IRBs are issued to support eligible economic development projects that meet established policies and plans. The project will be exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes.

2. What will this piece of legislation do?

The building was previously occupied by Tattooed Chef, a plant-based frozen food company. After their bankruptcy in 2023, the building sat unoccupied and subsequently fell into a state of disrepair due to vandalism and theft at the site. The project will return manufacturing capability to the building, expand and create new operations for the co-located tenants and maximize technical, operational and industrial efficiency, while mitigating risk for all entities. The project represents a \$6.5 million investment by the company by midyear 2025. The combined operations will create new high-paying economic base jobs.

The company is requesting \$5,600,000 in City-issued industrial revenue bonds. City IRBs are issued to support eligible economic development projects that meet established policies and plans. The project will be exempt for up to 20 years from property taxes on land, buildings, and equipment. Equipment purchased with bond proceeds is exempt from gross receipts or compensating taxes. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds.

3. Why is this project needed?

The project will return manufacturing capability to a currently unused building, expand and create new operations for the co-located tenants and maximize technical, operational and industrial efficiency, while mitigating risk for all tenants at the project location. The combined operations will create new high-paying economic base jobs. The project represents a \$6.5 million investment by the company by midyear 2025.

This project includes a fiscal impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is from information the Company provided. The fiscal impact presented shows that the combined operations related to the \$5.6 million bond will generate an estimated total of approximately \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project Karsten is expected to remain tax positive throughout the span of the contract and plans to employ both full-time and part-time employees.

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

There is no cost to the City. The City is proposing to issue \$5,600,000 in industrial revenue bonds which will be a self-purchase process for the company. City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds.

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.

IRB 25-4: Geltmore Karsten LLC Project

**ALBUQUERQUE DEVELOPMENT COMMISSION
Industrial Revenue Bond Hearing**

January 6, 2025

Case #2025-4 Geltmore Karsten LLC IRB

IRB-25-4: Geltmore Karsten LLC Project

REQUEST: Approval of \$5,600,000 in City Industrial Revenue Bonds is requested.

PROJECT SUMMARY: Geltmore, LLC (“Geltmore”) is a family-owned commercial real estate development firm based in Albuquerque, NM, established in 1991 by Manager & CEO Paul L. Silverman. The company has developed over 44 unique development projects throughout New Mexico and Texas including retail, office, warehouse, self-storage, hotel, restaurant, and residential worth \$410 million of real estate in today’s value.

The proposed project is to repurpose the 56,000 square foot building at 2810 Karsten Court SE, Albuquerque, NM 87102 as a manufacturing facility serving two main users. Happy Accidents LLC will occupy approximately 39,000 sf of the building for the purpose of setting up one of only two vacuum distilling machines in the USA. BeeCleanSpot LLC will occupy 6,000 sf and manufacture organic, beeswax-based hand sanitizer.

The applicant is requesting \$5.6 million in City-issued industrial revenue bonds (IRB). City IRBs are issued to support eligible economic development projects that meet established policies and plans. The Company is responsible for funding the purchase of the bonds; no City funds are utilized to purchase or pay off the bonds, and no City credit is used to enhance the bonds. (The tenant companies will request assistance as a Local Economic Development Act—LEDA—Projects in the near future, but those will be analyzed and considered separately.)

The building was previously occupied by Tattooed Chef, a plant-based frozen food company. After their bankruptcy in 2023, the building sat unoccupied and subsequently fell into a state of disrepair due to vandalism and theft at the site. The project will return manufacturing capability to the building, expand and create new operations for the co-located tenants and maximize technical, operational and industrial efficiency, while mitigating risk for all entities. The project represents a \$6.5 million investment by the company by midyear 2025. The combined operations will create new high-paying economic base jobs.

The operations include the existing building at 2810 Karsten Court SE, Albuquerque, NM 87102. The proposed use of the facility by the Company would not require a change in zoning. The property’s IDO zone district is Non-Residential Light Manufacturing (NR-LM). There are no particular environmental impacts associated with this Project.

The majority of the new positions are manufacturing positions, are considered full time positions, and come with full employee benefits with the companies paying approximately 50% of basic healthcare premiums.

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

IRB 25-4: Geltmore Karsten LLC Project

enhance local economic development efforts. The City has long focused its Industrial revenue bond program around industries and companies that are considered “economic-base”:

Economic Base: Fifty-one percent or more of the revenues of the New Mexico operation are generated outside the Albuquerque Metropolitan Statistical Area. Revenues generated by contracts with Federal entities are considered to be from outside the metropolitan area. This requirement does not apply to educational or healthcare facilities seeking industrial revenue bonds. Credit also may be assigned to those projects that represent significant “import-substitution”. Import substitution occurs when a manufacturer or supplier of services provides products or services to a local customer base which currently has to purchase those products or services from outside of the area.

More specifically, New Mexico municipal IRB legislation specifically identifies “projects” as land, buildings, equipment and improvements which are suitable for use by the following:

- a) an industry for the manufacturing, processing or assembling of agricultural or manufactured products;

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

This project includes a fiscal impact analysis prepared by the University of New Mexico’s Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is from information the Company provided. The fiscal impact presented shows that the combined operations related to the \$5.6 million bond will generate an estimated total of approximately \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project Karsten is expected to remain tax positive throughout the span of the contract and plans to employ both full-time and part-time employees.

The project plan as shown in Exhibit 2 provides details of the project.

FINDINGS:

1. IRB 25-4 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 25-4 would make positive substantive contributions to the local economy and community by creating new high-wage economic base jobs; and
3. IRB 25-4 will add to Albuquerque’s industrial base through an increase in manufacturing activity and capacity through the activation of a previously unoccupied manufacturing facility; and
4. IRB 25-4 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives; and
5. IRB 25-4 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

IRB 25-4: Geltmore Karsten LLC Project

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

I. INITIAL QUALIFYING TEST; PASS/FAIL CRITERIA

1.Economic Base Company * that meets statutory requirements	Pass
2. Satisfactory initial demonstration of ability to service debt or self-fund purchase of the bonds, or evidence of an acceptable financing commitment.	Pass
3. Conforms to City planning and zoning policies.	Pass
4. Firm has no outstanding substantive federal, state or local tax issues.	Pass
5. Proposed project complies with all federal, state, and local environmental laws, regulations, and rules.	Pass
6. Jobs created by the project meet or exceed the median wage for similar jobs in the community	Pass
7. Per state requirements, the firm covers 50% of health insurance premiums for employees.	Pass
8. Other additional factors.	
RESULT	PASS

1. The tenant companies' revenue sources are primarily from out-of-state. The company also qualifies under the IRB Act and the City's Ordinance as:
 - a) an industry for the manufacturing, processing or assembling of agricultural or manufactured products;
2. The bonds will be considered a "self-purchase"-- purchased by a subsidiary or affiliate of the Company.
3. Current Zoning for the site is Non-Residential Light Manufacturing (NR-LM). No changes to zoning requested or required at this time.
4. Applicant has certified that it has no outstanding substantive federal, state, or local tax issues.
5. The Project, in its design, complies with environmental regulations. Permits are required for the renovations. Additional information regarding environmental implications is contained in the following section and in the Project Plan.
6. Jobs for the positions meet or exceed the median wages for similar jobs in the community. The salaries and positions are more fully described in the Application.
7. Tenant companies pay at least 50% percent of the health insurance premiums for their employees.

IRB 25-4: Geltmore Karsten LLC Project

II. LAND USE, PLAN AND DESIGN ELEMENTS

1. PLAN & ZONING:

Legal Description

The legal description of the site, consists of the following:

Parcel 1: Lot numbered Two-C (2-C) of Plat of Lots 2A, 2B, 2C and 2D, BROADWAY INDUSTRIAL CENTER SUBDIVISION, UNIT 2, being a Replat of Lot 2, Unit 2, within Sections 32 and 33, Township 10 North, Range 3 East, NMPM, City of Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the Plat of said Subdivision, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 2000, in Plat Book 2000C, Page 15.

Parcel 2: Non-exclusive rights of easement for access and utilities in accord with Private Easement and Covenant for Access, Sewer and Water filed August 27, 2002, recorded in Book A40, page 776, as Document No. 2002108053, records of Bernalillo County, New Mexico and on the recorded plat, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 2000, in Plat Book 2000C, Folio 15, to the extent of and only for the duration as provided for therein.

Prevailing Site Conditions

The Legal Description above identifies the 3.4236 ac site to be improved with a 54,933 sf building. The property subsequently had an addition on the north side of the building at the east end which added about 11,000 sf. The site is fully improved with fencing, landscaping, asphalt parking and loading areas. The site shares fencing and access gates with Eclipse Aviation which was the original use of the property. The building is currently stripped of all equipment leaving an air conditioned, fire-sprinklered warehouse shell building with an acoustical ceiling and lay in lighting at 28' clear height with some office space.

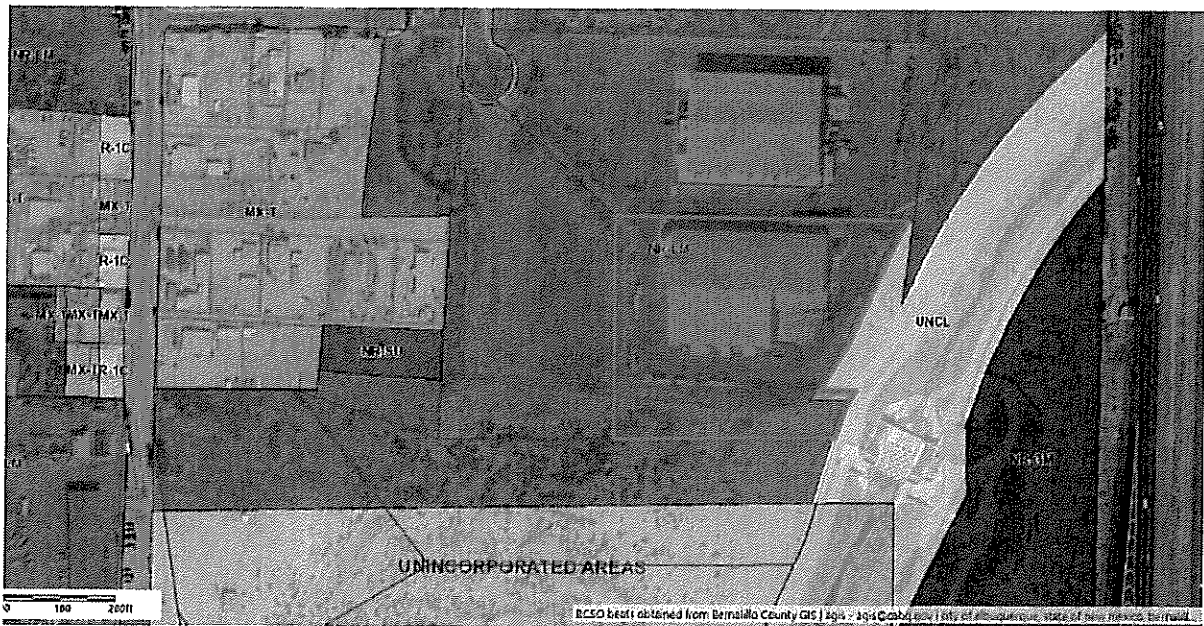
Present Assessed Value

The current 2024 assessed property values is \$3,655,708. The valuation information is from the Bernalillo County Assessor website.

Present and Proposed Zoning

Current Zoning for the site is NON-RESIDENTIAL – LIGHT MANUFACTURING ZONE DISTRICT (NR-LM). No changes to zoning requested or required at this time.

IRB 25-4: Geltmore Karsten LLC Project



2. LAND USE:

The project is to repurpose the 56,000 sf building at 2810 Karsten Court SE, Albuquerque, NM 87102 as a manufacturing facility serving two main users. The site is fully improved with fencing, landscaping, asphalt parking and loading areas. The current building has been vacant for several months and has suffered multiple vandalism events which include stripping the copper wiring and destroying/damaging most of the HVAC equipment. The project renovations will allow the facility to be used again for its intended purpose.

This project will not require the relocation of individuals or businesses.

3. Competition

The proposed project is a manufacturing facility serving two main tenants. Happy Accidents LLC will occupy the building for the purpose of setting up one of only two vacuum distilling machines in the United States. BeeCleanSpot LLC will manufacture organic beeswax-based hand sanitizer.

Happy Accidents will be using proprietary recipes for their ready to drink cocktails designed by international award-winning owner, Kate Gerwin. The vacuum distilling process used in the manufacturing is unique to the local industry and is not used by any competitor. The distribution plan for the business is based on exporting 95%+ of the product out of the State. There are various other alcohol beverage manufacturers locally, however due to the process, unique offerings and distribution plan, the project should not have a negative impact on local competitors.

IRB 25-4: Geltmore Karsten LLC Project

Bee Clean will be manufacturing hand sanitizer that is patented and trademarked. Other products in research will be trade secret recipes. Due to the proprietary nature of the product lines, there is no local competition.

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

Given that this is an existing building only needing repairs and code upgrades, this transaction should have limited impact on the existing industry. However, leasing a 56,000sf building to new users, will be a good sign for the industrial real estate market and the associated operations will have a positive impact on the local economy. The creation of new manufacturing jobs will be beneficial for expanding local manufacturing capacity, as well as the manufacturing workforce. The Applicant intends to open production to other upstart companies with quality products, but no ability to produce in quantity.

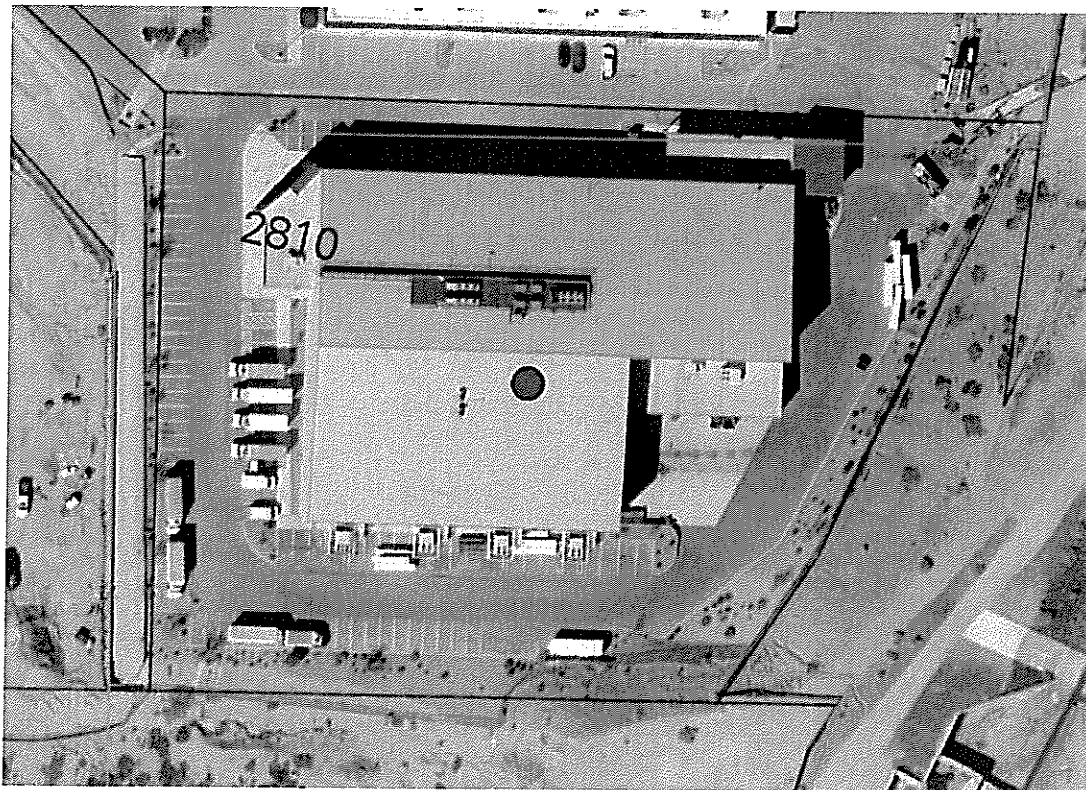
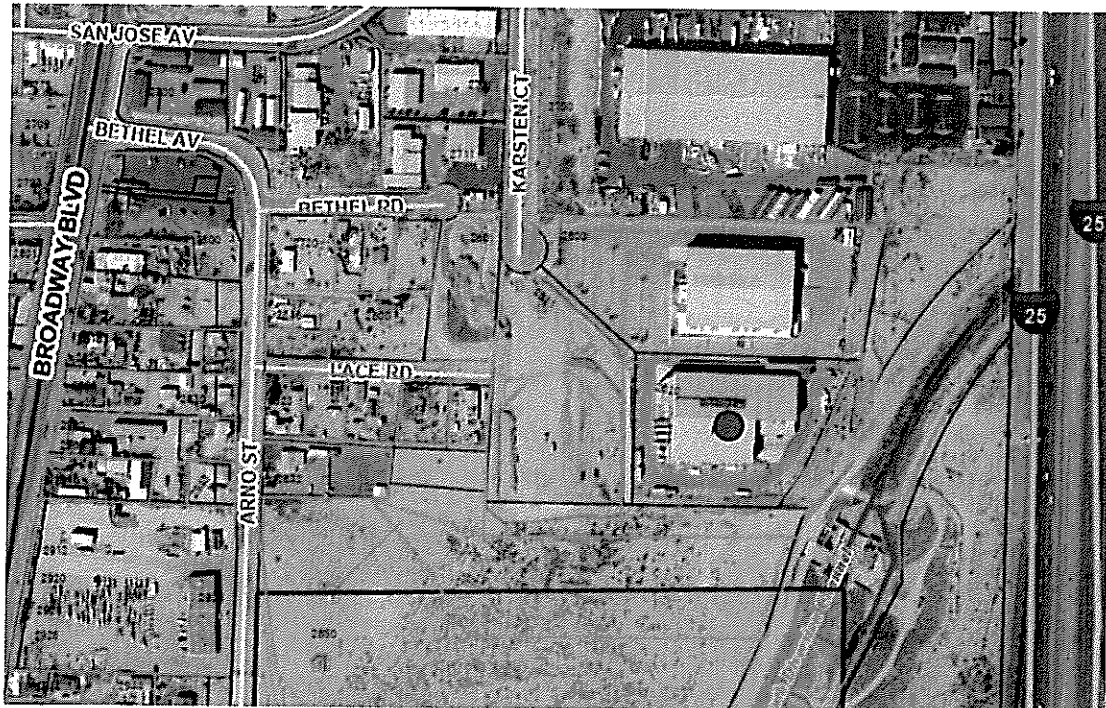
The project would support: a) An Economic Development Strategy for Albuquerque/Bernalillo County to attract, develop, and retain responsible and responsive businesses; nourish expansion of existing and new local businesses; and emphasize economic base companies; and b) The Comprehensive Plan Economic 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 Industrial Revenue Bond Act.

The Geltmore Karsten Project further supports the EDD's criteria for the use of incentives by Leveraging our Core Assets, Implementing Place-Based Strategies, Supporting Focused and Positive ROI Projects, and creating high-paying economic base jobs.

5. INFILL:

The 3.4236 acre site has a 54,933 square foot building. The property subsequently had an addition on the north side of the building at the east end which added about 11,000 sf. The site is fully improved with fencing, landscaping, asphalt parking and loading areas. The site shares fencing and access gates with Eclipse Aviation which was the original use of the property.

IRB 25-4: Geltmore Karsten LLC Project



6. DESIGN AND CONSERVATION:

As the project does not involve major renovations or design changes, no major environmental design or conservation changes will be incorporated into the project. However, neither of the

IRB 25-4: Geltmore Karsten LLC Project

tenants are high water users. Water is about 10% by volume of each of these businesses' products. The only non-product use of water will be the cleaning necessary for Food and Drug Administration (FDA) and Bureau of Alcohol, Tobacco, Firearms and Explosives (BATF) regulated business.

7. RENEWABLE ENERGY:

Applicant plans to install solar powered security equipment and is considering installation of a community solar system. In March 2021, the New Mexico legislature passed the Community Solar Act, or SB84. The act was signed into law in April 2021 by Governor Michelle Lujan Grisham. The Community Solar Rule was adopted by the New Mexico Public Regulation Commission on July 12, 2022.

III. ECONOMIC BENEFITS

1. COMPETITION:

Happy Accidents will be using proprietary recipes for their ready to drink cocktails designed by international award-winning owner, Kate Gerwin. The vacuum distilling process used in the manufacturing is unique to the local industry and is not used by any competitor. The distribution plan for the business is based on exporting 95%+ of the product out of the State. There are various other alcohol beverage manufacturers locally, however due to the process, unique offerings and distribution plan, the project should not have a negative impact on local competitors.

Bee Clean will be manufacturing hand sanitizer that is patented and trademarked. Other products in research will be trade secret recipes. Due to the proprietary nature of the product lines, there is no local competition.

2. JOBS:

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

Number and Types of Jobs Created

At minimum, twenty new positions will be created over the span of the project. The majority of the new jobs will be manufacturing support positions. The newly created, full-time positions range from \$35,000 to \$100,000 annually.

- 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?

Applicant estimates that 100% the new positions will be filled locally.

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

Yes. Applicant anticipates that more than 80% of the jobs will be filled by low- and moderate-income residents

IRB 25-4: Geltmore Karsten LLC Project

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

Yes, the jobs meet or exceed median wages for the industry.

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

Yes. The proposed manufacturing positions match the skills of current city residents.

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

Yes, both companies will have extensive training programs due to the need to be compliant with Food and Drug Administration (FDA) and Bureau of Alcohol, Tobacco, Firearms and Explosives (BATF) regulations.

6) What stated advancement opportunities are there?

As start-up companies, with high growth expectations, the first employees should have opportunities to rapidly advance and to cross train on various processes. Job specialization and advancement opportunities will increase as the tenant companies grow.

7) Job Training

The tenant companies will utilize robust on-the-job (OTJ) training programs. The companies will with state & local partners and workforce training organizations to develop and advance the skills of its employees.

8) Will "Job Training Incentive Program" or other job training programs be used?

JTIP will be considered in future hiring.

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

Yes. Both companies commit to provide at least 50% coverage of health insurance to all employees.

3. LOCAL PURCHASING

Bee Clean will be using several suppliers like Captiva for packaging, Stixon Labels, local suppliers for shipping cartons, local freight lines and shippers, local accountants, lawyers, equipment suppliers like Welch Equipment for racking, fork-lifts, storage equipment, etc., and anything else can be locally sourced. Any purchases from out of state will be items which are not currently available in New Mexico.

Happy Accidents will also supporting many of the same businesses above. In addition they are purchasing a unused canning line currently in Albuquerque. Any purchases from out of state will be items which are not currently available in New Mexico.

IV. PROJECT FEASIBILITY

1. COST/ FEASIBILITY/ FINANCING:

Cost of Improvements, Bond Amount and Private Financing

A summary of the project is as follows:

Project Financing

IRB 25-4: Geltmore Karsten LLC Project

Partner Equity	\$ 85,000
Investor Equity	\$ 5,462,500
Landlord Equity	\$ 300,000
Landlord Contribution	\$ 4,602,500
TOTAL	\$ 10,450,000

Bond Amount - Applicant is requesting a City-issued Industrial Revenue Bond in the amount of \$5,600,000.

2. DEVELOPER'S RECORD:

Geltmore, LLC is a family-owned commercial real estate development firm based in Albuquerque, NM, established in 1991 by Manager & CEO Paul L. Silverman. The company has developed over 44 unique development projects throughout New Mexico and Texas including retail, office, warehouse, self-storage, hotel, restaurant, and residential worth \$410 million of real estate in today's value.

The development entity will be Geltmore Karsten LLC, a special purpose entity that will be the owner of the building. The ownership of the LLC will be entities and individuals of the Silverman family (See www.Geltmore.com) and a capital partner, Gerald "Jerry" Stool, who is the principal of Greenway Investments. See [www. https://www.greenwayinvestment.com/](http://www.greenwayinvestment.com/) This team of people have over 150 years' experience in the development business owning and managing commercial properties.

A list of the Geltmore executive team is included below.

Paul Silverman
CEO & Manager

Adam Silverman
Vice President & Principal

David Silverman
Qualifying Broker & Principal

Based on the description and information given in the project plan, the company's previous development projects, and current company portfolio, the applicant appears to have the track record to ensure a successful project.

3. EQUITY:

IRB 25-4: Geltmore Karsten LLC Project

Partner Equity	\$ 85,000
Investor Equity	\$ 5,462,500
Landlord Equity	\$ 300,000
Landlord Contribution	\$ 4,602,500
TOTAL	\$ 10,450,000

4. MANAGEMENT:

Geltmore and the tenant companies currently have a management team for the project site and tenant companies.

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

5. FISCAL IMPACT ANALYSIS

This project includes a fiscal impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER). The fiscal impact determination of the Project is from information the Company provided. The fiscal impact presented shows that the combined operations related to the \$5.6 million bond will generate an estimated total of approximately \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter. Project Karsten is expected to remain tax positive throughout the span of the contract and plans to employ both full-time and part-time employees.

The fiscal impact analysis demonstrates that the City will recoup the value of its investment within the term of the bonds.

FINDINGS:

1. IRB 25-4 is a qualified project as defined by the State's Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 25-4 would make positive substantive contributions to the local economy and community by creating new high-wage economic base jobs; and
3. IRB 25-4 will add to Albuquerque's industrial base through an increase in manufacturing activity and capacity through the activation of a previously unoccupied manufacturing facility; and
4. IRB 25-4 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
5. IRB 25-4 would adequately meet the evaluation criteria established by the City for Industrial Revenue Bond Act projects, including the requirement that the City recoup the value of its investment over the term of the bonds.

IRB 25-4: Geltmore Karsten LLC Project

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of IRB 25-4 as proposed in the project plan application.

Chris Chavez, Economic Development Manager
Economic Development Department



BUREAU OF BUSINESS
& ECONOMIC RESEARCH

EACH OF US
DEFINES
ALL OF US.

Fiscal Impact Analysis of Project Karsten on the City of Albuquerque

Prepared for the City of Albuquerque Economic Development Department

Alexis P. Amodio-Cardwell

JANUARY 2025

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Introduction

The Economic Development Department at the City of Albuquerque (the City) has requested that UNM's Bureau of Business & Economic Research (UNM BBER) conduct a fiscal impact analysis regarding an industrial revenue bond (IRB) application submitted by Geltmore LLC ("Geltmore"). The current project name is titled "Project Karsten." Geltmore and Project Karsten, in this report, will refer to the economic activity produced by both Happy Accidents LLC ("Happy Accidents") and BeeCleanSpot LLC ("BeeCleanSpot").

Geltmore, a real estate development company based in Albuquerque, NM, will be the proprietor of a repurposed 56,000-square-foot building serving two tenants: Happy Accidents and BeeCleanSpot.

- **Happy Accidents:** Happy Accidents, which has owned a bar in Albuquerque since 2021, will occupy approximately 39,000 square feet of the building to set up only one of two vacuum distilling machines in the U.S.¹ Vacuum distilling machines enable the process of distillation where the operation is carried out under reduced pressure (known as a vacuum) to create unique ready-to-drink canned cocktails that can be shipped out. This allows the canned cocktails to maintain their original aromatic flavor.
- **BeeCleanSpot:** BeeCleanSpot, which has been in operation for about eight years, will occupy approximately 6,000 square feet of the building to manufacture patented and trademarked hand sanitizer.²

In pursuit of this project, Geltmore requests a \$5.4 million bond from the City, with a 100% real and personal property tax abatement. A 10% payment in lieu of taxes (PILOT) has also been factored in.

Property

Geltmore plans to acquire the property located at 2810 Karsten Ct. SE, Albuquerque, NM 87102.³ This site is legally described as "LOT 2c PLAT OF LOTS 2A, 2B, 2C, AND 2D BROADWAY INDUSTRIAL CENTER SUBDIVISION UNIT 2 BEING A REPLAT OF LOT 2, UNIT 2, WITHIN SECTIONS 32 AND 33, TOWNSHIP 10 NORTH, RANGE 3 EAST" and contains approximately 3.42 acres.

Data and Methods

This analysis is based on self-reported budget and expenditure information provided by Geltmore representatives. The figures submitted in the IRB application to the City have also been taken into account. Given that Geltmore is seeking a 20-year bond rate, data includes expected payroll and employment figures, operational spending, and capital expenditures over the next 20 years.

Bearing in mind that two separate entities will be occupying the space, employment data, annual contributions to real property, depreciable business and personal property, goods and services spending for annual operations, annual sales, and utility data have been provided for both establishments and have been used to

¹ According to Happy Accidents, only one other commercial distillery in the U.S. uses vacuum distillation.

² BeeCleanSpot was owned by a company then called Clean Spot Inc.

³ As of January 26, 2025, this land has been acquired by Geltmore.

run two separate fiscal impacts. For Happy Accidents, employment data includes the creation of 68 jobs by the end of the IRB period, with total compensation – that is, salaries and benefits – ranging from \$35,000 to \$60,000⁴ and expected annual increases of 7%. For BeeCleanSpot, employment data includes the creation of 107 jobs by the end of the IRB period, with total compensation – that is, salaries and benefits – ranging from \$54,600 to \$100,000⁵ and expected annual increases of 5%.

This analysis assesses the tax impact of Geltmore's operations on the City of Albuquerque over the next 20 years, focusing on gross receipts, property, and other taxes. It includes the effects of spending related to direct, indirect, and induced jobs generated by Geltmore operations. The analysis also incorporates the expected tax contributions from the industry.

Major assumptions were undertaken to complete this analysis, many of which are listed below:

1. Given that two separate establishments are going to occupy the space, the economic impacts for each business were run separately before being combined.
2. According to 2024 data from the Bernalillo County Tax Assessor, the total value for the property is \$3,655,708. Since two establishments will be occupying the space, the appraisal value for each establishment is calculated based on the percentage of the space that each occupies.
 - a. Happy Accidents will occupy 39,000 of the 56,000-square-foot space, resulting in a 69.6% occupancy rate. Therefore, the land value considered is 69.6% of \$3,655,708, or \$2,544,373.
 - b. BeeCleanSpot will occupy 6,000 of the 56,000-square-foot space, resulting in a 10.7% occupancy rate. Therefore, the land value considered is 10.7% of \$3,655,708, or \$391,161.
3. All reparation and construction jobs are expected to be sourced from within the City.
4. Multipliers used for estimating the impacts of the project were based on historical budget information and the industries for which the impacts were modeled:⁶
 - a. Happy Accidents - NAICS 312140: Distilleries. The following is the 2022 NAICS Definition for NAICS 312140: "This U.S. industry comprises establishments primarily engaged in one or more of the following: (1) distilling potable liquors (except brandies); (2) distilling and blending liquors; and (3) blending and mixing liquors and other ingredients."
 - b. BeeCleanSpot - NAICS 325611: Soap and Other Detergent Manufacturing. The following is the 2022 NAICS Definition for NAICS 325611: "This U.S. industry comprises establishments primarily engaged in manufacturing and packaging bath, facial, and hand soaps, hand sanitizers, and other detergents, such as laundry and dishwashing detergents; toothpaste gels and tooth powders; and natural glycerin."
5. It is anticipated that all (100%) jobs will be filled by current Albuquerque residents.
6. Closing is scheduled for the end of January 2025, with full operations commencing on April 1, 2025. Since this building has already been constructed, only repairs and upgrades will be undertaken.
7. Only the City of Albuquerque incentives and the ensuing fiscal impact on the City are considered; incentives received from the State of New Mexico and/or any other governing entity are not included in this analysis.

⁴ These are the total compensation numbers for the first year (2024) for Happy Accidents.

⁵ These are the total compensation numbers for the first year (2024) for BeeCleanSpot.

⁶ Here is the [link](#) to the 2022 North American Industrial Classification System (NAICS) Manual.

8. This analysis assumes that all employment resulting from this agreement – including construction, research and development, and manufacturing activities – will be a net gain to Albuquerque. Company spending is a net gain. The purchase of goods and services, real and personal properties, and construction expenditures are considered for gross receipt, compensating, and property taxes.
9. The fiscal impact assumes a 100% abatement of gross receipts and compensating taxes on purchases of eligible tangible personal property acquired in connection with Project Karsten, a 100% real and personal property tax abatement for the project site, and a 10% PILOT (payment in lieu of taxes) to the City.

Results

The fiscal impact presented in Table 1 shows that the combined operations related to the \$5.4 million bond will generate an estimated total of approximately \$9 million in taxes by 2043, with a continued upward trend anticipated thereafter.⁷ Project Karsten is expected to remain tax positive throughout the span of the contract and plans to employ both full-time and part-time employees.

⁷ The \$9 million cumulative total is determined around the current 20-year general obligation bond rate of 3.68%



Fiscal Impact Analysis of Project Karsten on the City of Albuquerque | 6

Table 1. IRB Analysis: Estimated Tax Revenues for Proposed Project Karsten Project (Happy Accidents and BeeCleanSpot), Including Incremental Tax, Present Value of City Taxes, and Net Tax Increment, and Cumulative Net Present Value by Year (2024 dollars)

	Gross Receipts and Compensating Taxes							Property Tax		Other Taxes	Total Revenues	Foregone			City Costs	Fiscal Impact	
	Company Employees	Indirect and Induced Employees	Company Purchases	Company Sales	Construction	Construction Employees	Utilities	Real (Company)	Personal (Company)			Real Property Tax	Personal Property Tax	GRT & CMP		Annual	Present Value
2024	6,889	26,227	25,931	35,880	-	-	275	11,018	996	493	107,708	11,018	996	11,746	5,243	78,705	78,705
2025	8,914	33,438	24,125	49,130	13,938	1,606	390	12,494	2,439	582	147,056	12,494	2,439	31,216	6,196	94,710	91,349
2026	10,502	43,434	23,447	68,517	-	-	394	12,025	2,968	702	161,988	12,025	2,968	10,021	7,467	129,507	120,477
2027	13,340	54,470	26,122	101,922	-	-	398	11,556	3,608	821	212,239	11,556	3,608	12,372	8,738	175,964	157,884
2028	16,062	64,651	28,925	163,394	-	-	402	11,067	4,035	911	289,467	11,067	4,035	12,126	9,691	252,528	218,539
2029	18,287	73,484	32,770	280,033	-	-	406	10,618	4,603	970	421,171	10,618	4,603	14,966	10,327	380,657	317,731
2030	22,225	88,330	34,421	395,934	-	-	410	10,900	4,905	1,090	468,214	10,900	4,905	14,672	11,598	426,139	343,069
2031	25,864	104,366	38,837	535,511	-	-	414	10,404	5,339	1,209	521,943	10,404	5,339	17,533	12,869	475,759	369,452
2032	30,546	122,564	40,747	369,422	-	-	418	9,908	5,638	1,344	580,586	9,908	5,638	17,753	14,299	532,988	399,170
2033	35,106	141,349	44,358	408,456	-	-	422	9,412	6,096	1,463	644,662	9,412	6,096	19,528	15,570	594,056	429,114
2034	37,424	161,149	54,827	453,555	-	-	427	8,915	6,794	1,567	724,638	8,915	6,794	22,875	16,682	669,391	466,370
2035	41,556	182,050	52,629	505,843	-	-	431	9,170	7,734	1,672	801,084	9,170	7,734	28,754	17,794	737,633	495,673
2036	47,120	207,978	57,356	566,668	-	-	435	8,646	8,308	1,806	898,319	8,646	8,308	25,992	19,224	836,148	541,930
2037	52,536	232,971	66,710	637,641	-	-	440	8,123	9,544	1,911	1,009,876	8,123	9,544	32,773	20,336	939,100	587,053
2038	57,792	256,340	68,191	720,691	-	-	444	7,599	10,917	2,030	1,123,302	7,599	10,917	31,451	21,607	1,052,430	634,547
2039	55,449	283,558	82,077	818,126	-	-	448	7,076	10,997	2,165	1,259,896	7,076	10,997	34,596	23,037	1,184,190	688,647
2040	60,169	309,073	85,358	932,714	-	-	453	6,502	13,600	2,269	1,410,340	6,502	13,600	49,924	24,149	1,315,963	738,115
2041	65,879	336,423	88,611	1,067,767	-	-	457	6,752	13,821	2,374	1,592,083	6,752	13,821	41,861	25,261	1,494,389	809,442
2042	58,070	371,515	96,764	1,227,256	-	-	462	6,202	14,782	2,523	1,777,553	6,202	14,782	46,047	26,850	1,683,683	878,518
2043	63,479	402,661	-	1,415,939	-	-	467	5,651	15,922	2,612	1,906,731	5,651	15,922	50,652	27,803	1,806,704	909,248
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Gross Receipts Taxes, Company Employees: Gross receipts taxes on local purchases by new operating personnel employed by applicant.

Gross Receipts Taxes, Indirect and Induced Employees: Gross receipts taxes on local spending by those supported by company's purchases of local goods and services and by spending by operating personnel.

Gross Receipts Taxes, Company Purchases: Gross receipts taxes on increased company purchases of local goods and services as a result of the project.

Gross Receipts Taxes, Company Sales: Only sales in-state generate gross receipts taxes.

Other Revenues: Increased employment, resulting from the project, will increase Albuquerque's population and this new population will pay taxes and various City charges for services. Taxes include property tax operating and debt service taxes, franchise fees, State-shared revenue distributions other than gross receipt,

permits and charges for services, including rent on city properties.

Total Revenues: Gross receipt tax revenues and other revenues associated with the additional population resulting from the project.

Foregone Property Taxes: Property taxes that would have been paid on land, buildings and equipment financed by the IRB. Title to properties financed are held by the City and the properties are exempt from taxes during the life of the bond. There is a minimum Payment in Lieu of Taxes (PILOT) of 10% of the taxes foregone.

Foregone Sales Taxes: Gross receipts taxes that would have been owed on local equipment purchases in the absence of the IRB.

City Costs: Costs of providing City services and infrastructure to the additional population and additional employment supported by the project. Costs include general fund expenditures, the subsidy for Transit, city street fund expenditures and average spending over past 5 years in the City's Capital Acquisition less that supported by Federal funds or transfers. The cost of services provided by the city is split between businesses (based on employment) and residents (based on additional population).

Fiscal Impact, Annual: The annual fiscal impact is the total revenue less the cost for each year of the Industrial Revenue Bond.

Fiscal Impact, Present Value: Present value of the stream of annual net fiscal impacts discounted to current values. Here the discount rate is the real rate of interest on GO bonds.

Fiscal Impact, Cumulative: The running total of state present value fiscal impacts over the life of the Industrial Revenue Bond, where the last year is the net present value of the Industrial Revenue Bond.

Company Purchases includes employer paid health care insurance as well as GAS expenditures.

Property tax includes Real and Personal property for applicant and employees.

DEC 13th

APPLICATION
for
INDUSTRIAL REVENUE BOND
Project Approval

Name of Project: GE ITMORE KARSTEN LLC
 Location of Project: 2810 KARSTEN CT. SE 87102
 Company Name: GE ITMORE KARSTEN LLC
 Contact Person: Paul L. Silverman
 Address: 201 COAL AVE SW
Albuquerque, NM 8702
 Telephone: 505-328-8625
 Email: Paul@GEITMORE.COM
 Bond Counsel: Roddy Law Firm
 Address: 201 3rd St. NW #2200
Albuquerque, NM 87102
 Telephone: 505-765-5900
 Bond Amount Requested: _____ Fee Submitted: _____

FOR STAFF USE

Staff Assigned: _____
 Case Number: _____
 Fee Received: \$ _____
 ADC Hearing Date: _____
 Council Dates (Tentative): Introduction _____
 Committee _____ Council Hearing _____

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- Application Narrative: Pages: 2-8 Enclosed
- Exhibit A: Legal Description
- Exhibit B: Current Tax Assessment
- Exhibit C: Building Demising Plan
- Exhibit D: BeeCleanSpot, LLC – Five Year Operating Projection
- Exhibit E: Happy Accidents – Five Year Operating Projection
- Exhibit F: Current Property Zoning

Application For Industrial Revenue Bond

- I. **General Description** – The project is to repurpose the 56,000 sf building at 2810 Karsten Court SE, Albuquerque, NM 87102 as a manufacturing facility serving two main users.

Tenant #1: Happy Accidents LLC, which is owned by Kate Gerwin, a widely celebrated bartender and hospitality consultant, is well-known in the food and beverage industry for being the first woman world bartending champion and first American to win the “Bols Around the World Bartending Championship” in 2014, but this is just one of her many worthy accomplishments. In her more-than-20-year career, Gerwin has been named by Drinks International as one of the industry’s “Top 100 Most Influential Figures in the World,” from 2019-2023, she has worked as a certified advanced master sommelier for some of Napa’s top wineries, consulted on the docuseries Bar Rescue, was a finalist in the Netflix reality competition series “Drinkmasters”. She taught at the Le Cordon Bleu Culinary Arts campus in Scottsdale, Arizona and the New England Culinary Institute in Montpelier, Vt., and she is currently one of the instructors for the prestigious Bar 5 Day program, hosted yearly at the Culinary Institute of America in Hyde Park.

In 2015, She was inducted into the Tales of the Cocktail Hall of Fame Catalyst Awards, which celebrates the contributions of hard-working people to the spirits and cocktail industry and is one of the only “peer judged” awards in the industry.

But it is her bar and distillery in Albuquerque, New Mexico that she is most passionate about. When she and her long time business partner, Blaze Montana opened Happy Accidents in 2021 on the tail end of the pandemic, they set out to set a new standard in cocktail bars. Happy Accidents won “Best New American Cocktail Bar” in 2022 and “Best Bar Team in America” in 2023, for both Tales of the Cocktail Spirited Awards, and the liquor.com awards. Kate’s crowning moment happened this year, as the bar was awarded Best U.S. Bar Team at the Spirited Awards, the award Kate has coveted the most. Kate and Blaze have also been named the Drinks Industry’s Innovator of the Year Award 2023 from Seven Fifty Daily and was a finalizer for Liquor.com’s 2024 Creating Inclusive Spaces Award. Kate was also awarded

Bartender of the Year 2023 at Bar & Restaurant Expo awards in Las Vegas and was a top ten finalist for Best Bar Mentor in 2023.

Happy Accidents will occupy approximately 39,000 sf of the building for the purpose of setting up one of only two vacuum distilling machines in the USA. Vacuum distilling is done at much lower temperatures which allow complex ingredients to be infused into organic alcohol to create unique ready to drink cocktails which will be produced, canned, labeled and shipped out of the Karsten facility. Due to Kate's notoriety in the business, she will be exporting 95%+ of the product not only out of the State but also around the world to her contacts in the business. All the products will be carrying the New Mexico True brand.

Tenant #2: BeeCleanSpot LLC will occupy 6,000 sf. Bee Clean is in the business of producing consumer products. It's main product is Bee Clean hand sanitizers. The company has a long history in the state as it was created about 8 yrs ago by a company then called Clean Spot Inc. Clean Spot was a start-up created by Chuck Call, originally and still funded by local New Mexicans including Paul Silverman. The product itself was invented and patented by Tom Corbitt a PhD Chemist out of UNM. The company ran out of money in 2019 and the Clean Spot Inc. Board tried to sell the company but when they failed to find a buyer, Silverman offered to take it over to see if he could market the product.

The first step on doing that was to take the product to an ECRM trade show in Las Vegas NV in January 2020 where there were 150 major retail store buyers along with about 2000 new products. A competition was held to select the best products at the show. Bee Clean was entered and awarded Second Place in the Best of Show contest. The orders then started to flow in. Unfortunately, Silverman only had ordered 3,000 bottles from a co-packer to test the market thinking if successful he could order more. However, Covid changed all of that.

By the time a supply of 250,000 bottles were received from the co-packer, in September of 2020, every retailer in America was overstocked with some of the worst product ever created. Sales were very slow in 2020, 2021 and 2022 and Bee Clean suffered significant losses but persevered due to the fact that Bee Clean is the best product on the market. The FTC in late 2022 gave notice that the Emergency Use Authorization (EUA) that allowed all the bad product to be created was going to end at the end of 2022 and the retailers could not sell any product created under the EUA after March 31, 2023.

In May of 2023. Bee Clean sales doubled month-over-prior month in sales. That trend has continued thru today which has allowed Bee Clean to become cash flow positive and continuous sales records every month.

Bee Clean will also run out of product early next year but has in inventory 250,000 empty bottles are only made in China and India. Bee Clean has also acquired formulation equipment and filling and capping equipment (also only made in China). At the time of this writing, this equipment just cleared customs and will be in route to ABQ within a few days. Plans for doing minor remodeling of the Bee Clean space at 2810 Karsten to complete an FDA approved production area will be submitted to the City for permitting before the end of November.

II Site and Existing Conditions

- A. Legal Description – see attached Exhibit A
- B. Prevailing site conditions – The Legal Description above identifies the 3.4236 ac site to be improved with a 54,933 sf building. The property subsequently had an addition on the north side of the building at the east end which added about 11,000 sf. The site is fully improved with fencing, landscaping, asphalt parking and loading areas. The site shares fencing and access gates with Eclipse Aviation which was the original use of the property. The next user was Albuquerque Tortilla Factory which was acquired by Tattoo Chef from California. The property then went into bankruptcy and was purchased by Hillco out of Chicago who stripped the building of all equipment leaving an air conditioned, fire -sprinklered warehouse shell building with an acoustical ceiling and lay in lighting at 28' clear height with some office space.

Since it has been vacant for several months and has suffered multiple vandalism events which include stripping the copper wiring and destroying/damaging most of the HVAC equipment along with a roll up door. This has caused APD to spend extensive time answering calls and taking reports. It is our plan to install a solar powered 7000V electrified fence inside our existing three string barbed wire chain link fence to make it a bit more uncomfortable for vandals to want to come on the property. This security fence will hopefully eliminate APD from wasting their time taking reports and ensure that the asset and its contents are protected.

C – Present Assessed Value – See Exhibit B.

D - Present and Proposed Zoning – See Exhibit F

E. – Renewable Energy - We are going to install a solar powered high voltage Security fence to reduce the vandalism running rampant in the City. We are also considering installation of a community solar system. In March 2021 the New Mexico legislature passed the Community Solar Act, or SB84. The act was signed into law in April 2021 by Governor Michelle Lujan Grisham. The Community Solar Rule was adopted by the New Mexico Public Regulation Commission on July 12, 2022.

Community solar projects are large solar installations that share the cost saving benefits of solar among multiple customers. Community solar customers, also called subscribers, will receive credits on their electric bill that reduce what they owe to their electric utility. Those customers will also pay a separate bill to their community solar provider. Community solar extends the benefits of solar to people who are unable or choose not to install their own solar systems.

III Project Plan

- A. Information Concerning Applicant – The development entity will be Geltmore Karsten LLC, a special purpose entity that will be the owner of the building. The ownership of the LLC will be entities and individuals of the Silverman family (See www.Geltmore.com) and one of our capital partners, Gerald “Jerry” Stool, who is the principal of Greenway Investments. See [www.https://www.greenwayinvestment.com/](http://www.greenwayinvestment.com/) This team of people have over 150 years’ experience in the development business owning and managing commercial properties.
- B. Tax Issues – No member of the ownership group have any outstanding substantive Federal, State or Local tax issues.
- C. Information Concerning Products and Process - The proposed development will not generate any substantial or level outside of the permitted amounts of air, noise or waste pollution or traffic congestion. The finished products being manufactured are primarily ready to drink cocktails, organic hand sanitizer and potentially custom cabinets. Generated waste for the most part will be cardboard, pallets, and minimal amounts of other waste that can be disposed of at the City Landfill.
- D. Competition – Happy Accidents will be using proprietary recipes for their ready to drink cocktails designed by Kate Gerwin. Bee Clean will be manufacturing hand sanitizer that is patented and trademarked. Other products in research will be trade secret recipes. We do not believe that we will be competing with any other producer in NM.
- E. Effect on Existing Industry and Commerce during and after Construction – Given that this is an existing building only needing repairs and code upgrades,

this transaction should have no impact on the existing industry. Leasing a 56,000sf building to new users, will be a good sign for the industrial real estate market. The creation of new manufacturing jobs will be very positive for expanding a workforce that has great potential in diversifying the privately owned business segment of the economy. There are currently less than five companies that are producing OTC Cosmetics. None have an license to produce products containing alcohol. We intend to open our production to other people who have good products but no ability to produce in quantity. Serving these people is a big part of our business plan and ethos. We hope to help grow many start-up businesses with our knowledge, investment and productive capacity.

- F. Land Acquisition – We currently have the property under contract. Given that this is a fully developed property, the land is part of the acquisition. There is no excess land which could support additional development.
- G. Description of Proposed Development – The property is fully developed however it needs substantial electrical and HVAC repairs. Bee Clean is building out 2,000 sf of production space and a chem lab. There will also be some demising work done to physically separate the three leasable areas. See Exhibit C
- H. Infrastructure – No additional infrastructure is needed to utilize this asset.
- I. Area Enhancement – 2810 Karsten is a twin of the Eclipse building next door. The property is fully fenced and developed. Our job will be to keep things in as good or better shape than it is today while increasing employment opportunities in this area of Albuquerque.
- J. Local Purchasing – Bee Clean will be using several suppliers like Captiva for packaging, Stixon Labels, local suppliers for shipping cartons, local freight lines and shippers, local accountants, lawyers, equipment suppliers like Welch Equipment for racking, fork-lifts, storage equipment, etc, and anything else can be locally sourced. The only things that will not be from NM are those items which are not currently available in the State.

Happy Accidents will also supporting many of the same businesses above. In addition they are purchasing a unused canning line currently in Albuquerque. The only things that will not be from NM are those items which are not currently available in the State.

As both the major users are virtual start-ups, the current value of purchases are in the 5 figure range. Happy Accidents expects to be a \$100MM business in five years and Bee Clean should be a \$30MM business by then as well.

- K. Water Conservation – Water is about 10% by volume of each of these businesses. The only non-product use of water will be the cleaning necessary for FDA and BATF regulated business.
- L. Relocation of Individuals or Businesses – No relocation is anticipated as a result of this project.
- M. Number and Types of Jobs Created – See Schedule G
Number, Type and Wages of Permanent Jobs –
See Exhibits D & E.

There are no existing jobs with either of the two businesses

- 1) Percentage of new jobs – It is anticipated that 100% all jobs will be filled by ABQ residents
- 2) More that 80% of the jobs will be filled by low and moderate income residents
- 3) As a manufacturing business it is the intention and within reason to offer higher wages and benefits to all employees than most other companies in Albuquerque
- 4) Will the jobs match the current skills – both companies will have extensive training due to the need to be compliant with FDA and BATF regulations.
- 5) All employees will go through training to operate the machines and processes we use in production and for FDA and BATF regulations.
- 6) Advancement Opportunities – As start-up companies, with high growth expectations, the first employees should have opportunities to rapidly advance as they will have to be jack of all trades. Specialization will come as we grow but as high growth manufacturing businesses, there will be great opportunities for all employees to contribute and benefit from that growth.
- 7) Job Training – with very little OTC cosmetic manufacturing and no manufacturing of high quality ready to drink beverages exist, everyone will need to be trained to do things the right way. Both these companies have very high-quality products and to keep that level of quality, job performance has to be at the same level as the products.
- 8) Health insurance – it is the intention of both companies to provide at least 50% coverage of health insurance to all employees.

IV **Project Financing**

- A. Cost of Improvements, Bond Amount and Private Financing –

Total Cost – Land and buildings \$6.5MM

Bond Amount - \$5.4MM

Equity - \$1.1MM

Value of Equipment and Supplies not covered by the above - \$1MM

- B. Appraised Value of After Completion - \$8 MM at stabilization
- C. Feasibility – See Exhibits D – Bee Clean Projection and E – Happy Accidents Proforma
- D. Construction Schedule – Closing is set for end of January 2025, Full operation by April 1, 2025
- E. Issuance of Bonds – January 15, 2025
- F. Plan map – See Exhibit F

From: [David Silverman](#)
To: [Paul Silverman](#)
Subject: 2810 Karsten - Requested Info for Bond Application to City
Date: Tuesday, November 5, 2024 10:09:00 AM
Attachments: [2810 Karsten - Property Tax 4.29.24.pdf](#)

Legal Description:

Commitment No. 2879060-AL01

EXHIBIT A

The Land referred to herein below is situated in the County of Bernalillo, State of New Mexico, and is described as follows:

Parcel 1:

Lot numbered Two-C (2-C) of Plat of Lots 2A, 2B, 2C and 2D, BROADWAY INDUSTRIAL CENTER SUBDIVISION, UNIT 2, being a Replat of Lot 2, Unit 2, within Sections 32 and 33, Township 10 North, Range 3 East, NMPM, City of Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the Plat of said Subdivision, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 2000, in Plat Book 2000C, Page 15.

Parcel 2:

Non-exclusive rights of easement for access and utilities in accord with Private Easement and Covenant for Access, Sewer and Water filed August 27, 2002, recorded in Book A40, page 776, as Document No. 2002108053, records of Bernalillo County, New Mexico and on the recorded plat, filed in the Office of the County Clerk of Bernalillo County, New Mexico, on January 14, 2000, in Plat Book 2000C, Folio 15, to the extent of and only for the duration as provided for therein.

For informational purposes only address of property per county assessor's tax roll: 2810 Karsten Court SE,
Albuquerque, New Mexico 87102

Present Assessed Value:

Attached.

Present and Proposed Zoning:

NR-LM (IDO Zoning)

Printable page

PARID: 101405550627210818

BERNALILLO COUNTY, C/O COUNTY MANAGER

2810 KARSTEN CT

Class

Class	Non Residential
Tax District	A1A

Current Owner

Owner	BERNALILLO COUNTY C/O COUNTY MANAGER
Owner Mailing Address	415 SILVER AVE SW
Unit	
City	ALBUQUERQUE
State	NM
Zip Code	87102 3225
Other Mailing Address	

Ownership for Tax Year Selected

Tax Year	2024
Owner Name	BERNALILLO COUNTY C/O COUNTY MANAGER
Owner Mailing Address	415 SILVER AVE SW
Unit	
City	ALBUQUERQUE
State	NM
Zip Code	87102 3225
Other Mailing Address	

Description

Location Address	2810 KARSTEN CT SE
City	ALBUQUERQUE
State	NM
Zip Code	87102
Property Description	LOT 2C PLAT OF LOTS 2A, 2B, 2C AND 2D BROADWAY INDUSTRIAL CENTER SUBDIVISION UNIT 2 BEING A REPLAT OF
Public Improvement District	
Tax Increment Development Districts	

Document #

Document #:	2024012125 122223 SW - ENTRY BY LR 031124 CODED BY LV 022624
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Real Property Attributes

Primary Building SQ FT	54933
Year Built	2006
Lot Size (Acres)	3.4236
Land Use Code	MANUFACTURING/PROCESSING
Style	

Manufactured Home Attributes

Make :	
License :	
VIN :	
Year :	
Size :	

Values

Tax Year	2024
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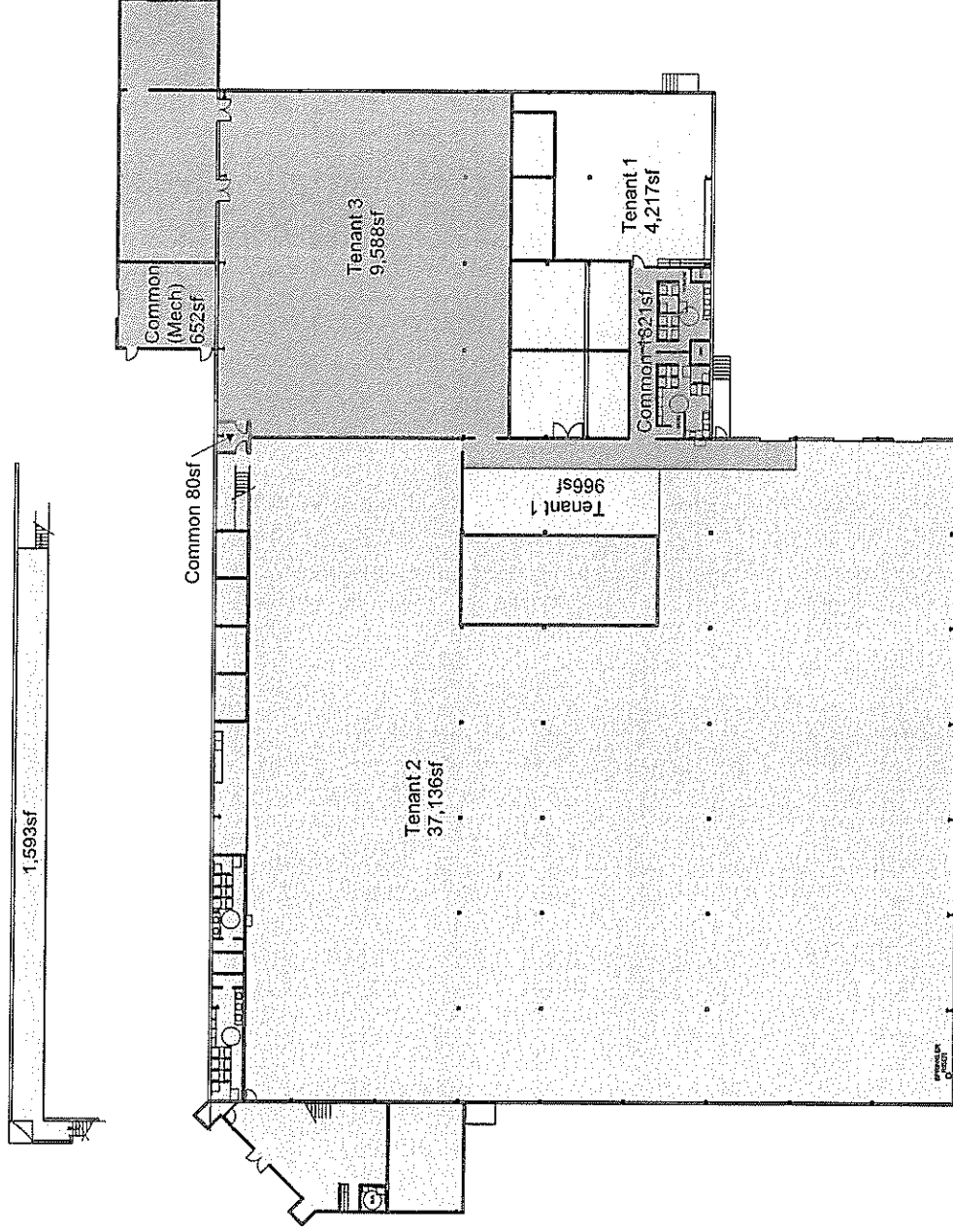
Land	\$450,042.00
Agricultural Land	\$0.00
Structures	\$3,205,666.00
Full Value Total	\$3,655,708.00
Taxable (1/3 Full Value)	\$1,218,447.00

Exemptions

Head of Family	\$0.00
Veteran	\$0.00
Other	\$1,218,447.00

Net Taxable Value

Net Taxable Value	\$0.00
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 1 Demising Plan
Scale: 1/32" = 1'-0"

**Fiscal Impact Analysis
BeeCleanSpot, LLC**

Question	Response
1.0 Describe the type or Nature of Project Operations	BeeCleanSpot LLC is owned 64% by The Silverman Family. Geltmore Karsten LLC is owned 92.5% by the Silverman Family. The Silverman family is driven to help diversify the economy of NM away from government, oil & gas and high tech supported by the government labs. Geltmore is focused on achieving this goal through its real estate activities and investments in Start Up companies (20 to date). 2810 Karsten is a prime example of how this works. Bee Clean is growing at exponential rates and 2810 Karsten will allow it to become a Manufacturer rather than a Wholesaler as it has been for the last five years. Happy Accidents is another local company who will be distilling and canning ready to drink cocktails based on the success and notoriety of Kate Gerwin who was recently named one of The Best Bartenders in the World by one of the most influential trade magazines in the the
2.0 Total number of new employees created as a result of the proposed Industrial Revenue Bond Project, a total net payroll and estimated annual pay increase in future years	Over the next 5 years number of employees is estimated to be 16 or 14.5 FTEs. Estimated annual cost in year 2025 is \$94,000. Estimated annual cost in 2029 is \$1,164,000
3.0 Number of new employees by title or job Classification and Respective Salaries	General Manager - 1; \$80,000 base with 10% NI bonus Production Technician/Formulation Specialist - 2; \$50,000 Production Support - 6; \$20/Hr Admin/Office - 2; \$40,000 Sales Staff - 1; \$50,000 plus commission Warehouse/Order Fulfillment Staff - 3; \$40,000 Warehouse Supervisor - 1; \$70,000
4.0 Optional employee benefits and an estimated value of such benefits, either by amount or % of Net Pay. If employees contribute indicate their contributions in amount or percentage	Employee Benefits to FT team members is estimated to be 25-30% of compensation. Employee costs are estimated to be about 50% the cost of medical and dental benefits.
5.0 Estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only over \$10,000 year) and estimated annual increase in expenditure	Formulation Ingredients - 70% NM sourced. Estimated \$30,000 in 2025. \$550,000 in 2029. Labels and Packaging Expense - 100% NM Sourced. Estimated \$125,000 in 2025. \$2.3mm in 2029 Professional Services - 90% NM Sourced Estimated \$38,000 annually over next 5 years
6.0 Estimated annual expenditure of goods and services locally procured that are subject to NMGR T and an estimated annual increase in such an expenditure	Products purchased are part of manufactured goods majority of items not subject to NMGR T

**Fiscal Impact Analysis
BeeCleanSpot, LLC**

Question	Response
7.0 Estimated annual expenditure of goods procured out-of-state and subject to the NM Compensating Tax, and an estimated annual increase in total	Products purchased are part of manufactured goods majority of items not subject to NMGR
8.0 Estimated annual local sale of good and services that are subject to the NM GRT	Sales mix is estimated at 35% Wholesale and 65% Retail. Estimated sales of retail products through our website and marketplaces about \$530,000 in 2025 with an estimated 80% increase year over year.
9.0 Cost of Land Site Improvement and building respectively	Total purchase of building will be held in a separate entity, Geltmore Karsten, LLC. Purchase price is \$6.2mm with land value estimated at \$1mm
10.0 Cost of equipment, Furniture and fixtures to be purchased with the proceeds of the bond and an amount of such purchased in NM and Out of State Respectively	\$150,000 purchased in NM \$80,000 Purchased Outside of NM
11.0 An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond Project, and an estimated annual increase.	Ownership structure is an LLC taxed as a Partnership. The entity does not pay tax directly but passes through to each partner. Most partners are in the 3-4.5% NM tax rate range.
12.0 Estimated amount of Capital Expenditures to be qualified for the NM investment tax credit.	\$1,000,000

Fiscal Impact Analysis			
Vacuum Still the Happy Way			
	Question		Response
1.0	Describe the type or Nature of Project Operations		The distillery recently purchased state of the art and rare vacuum distillation equipment which will allow for distillation at extremely lower temperatures resulting in a more flavorful and aromatic spirit. There is only one other commercial distillery in the world focused on this rare type of distillation and Happy Accidents wants to get a jump on the market with expansion of the distillery footprint and equipment for national and global distribution. Happy Accidents is known globally for exquisite craft cocktails and will purchase a canning line for the new distillery, giving them the ability to mass produce and go to market with their craft canned cocktail line. Canned cocktails (RTDs) are the fastest growing spirits category in the US. According to the Distilled Spirits Council of the United States, pre mixed cocktails and RTDs were the fastest growing sprits category and there was a 42% revenue increase and a 56% increase in sales volume since 2020. In the US alone, distilled spirit sales exceed 103 BILLION dollars and we want to increase New Mexico's percentage of that created not only RTDs, but fine crafted distilled spirits on our state of the art vacuum still.
2.0	Total number of new employees created as a result of the proposed Industrial Revenue Bond Project, a total net payroll and estimated annual pay increase in future years		Over the next 5 years number of total employees is estimated to be 11. Estimated annual cost in year 2025 is \$337,300. Estimated annual cost in 2029 is \$543,900.
3.0	Number of new employees by title or job Classification and Respective Salaries		Owners Compensation - 2; \$100,000 Salaried Employee - 1 ; \$60,000 Full Time Employees - 4; \$20/hr Part Time Employees -4; \$20/hr
4.0	Optional employee benefits and an estimated value of such benefits, either by amount or % of Net Pay. If employees contribute indicate their contributions in amount or percentage		Employee Benefits to team members is estimated to be 19% of compensation.
5.0	Estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only over \$10,000 year) and estimated annual increase in expenditure		\$125,000 with a 10% increase per year.

Fiscal Impact Analysis			
Vacuum Still the Happy Way			
	Question		Response
6.0	Estimated annual expenditure of goods and services locally procured that are subject to NMGRT and an estimated annual increase in such an expenditure		Products purchased are part of manufactured goods majority of items not subject to NMGRT
7.0	Estimated annual expenditure of goods procured out-of-state and subject to the NM Compensating Tax, and an estimated annual increase in total		Products purchased are part of manufactured goods majority of items not subject to NMGRT
8.0	Estimated annual local sale of good and services that are subject to the NM GRT		Estimated Revenue in yr1 is \$4.7mm and estimated revenue yr5 is \$14.1mm
9.0	Cost of Land Site Improvement and building respectively		Total purchase of building will be held in a seperate entity, Geltmore Karsten, LLC. Purchase price is \$6.2mm with land value estimated at \$1mm
10.0	Cost of equipment, Furniture and fixtures to be purchased with the proceeds of the bond and an amount of such purchased in NM and Out of State Respectively		\$1.5mm - FF&E and Distillation Equipment
11.0	An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond Project, and an estimated annual increase.		Ownership structure is an LLC taxed as a Partnership. The entity does not pay tax directly but passes through to each partner. Most partners are in the 5.8% NM tax rate range. Annual increase is estimated to be around 0.5%
12.0	Estimated amount of Capital Expenditures to be qualified for the NM investment tax credit.		\$1,000,000