

# CITY of ALBUQUERQUE

## TWENTY SIXTH COUNCIL

COUNCIL BILL NO. O-25-87 ENACTMENT NO. 0.2025.021

SPONSORED BY: Joaquín Baca and Dan Lewis, by request

1 ORDINANCE  
2 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,  
3 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (SAWMILL BELLAMAH  
4 PROPERTIES PROJECT) IN THREE SERIES IN THE MAXIMUM PRINCIPAL  
5 AMOUNT OF \$227,500,000 TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT,  
6 EQUIP, AND IMPROVE THREE INTERRELATED COMPONENTS WITHIN THE  
7 SAWMILL DISTRICT: (I) THE \$76,300,000 SAWMILL HOTEL WITH AN  
8 ANTICIPATED 115 GUESTROOMS, 10 SUITES, RESTAURANTS, AND  
9 CONFERENCE/MEETING SPACE; (II) THE \$70,400,000 CHACO RESIDENCES  
10 WITH AN ANTICIPATED 107 EXTENDED STAY GUESTROOMS, INCLUDING 8  
11 SUITES, WELLNESS AREAS, RESTAURANTS AND CONFERENCE FACILITIES;  
12 AND (III) THE \$80,800,000 SAWMILL MIXED USE DEVELOPMENT WITH AN  
13 ANTICIPATED 140 APARTMENTS WITH ENTERTAINMENT VENUES,  
14 RESTAURANTS AND RETAIL SPACE; AUTHORIZING THE EXECUTION AND  
15 DELIVERY OF INDENTURES, LEASE AGREEMENTS, BOND PURCHASE  
16 AGREEMENTS, BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH  
17 EACH SERIES OF BONDS; MAKING CERTAIN DETERMINATIONS AND  
18 FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING  
19 CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS  
20 INCONSISTENT WITH THIS ORDINANCE.

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

24 WHEREAS, pursuant to Sections 3-32-1 through 3-32-16, New Mexico Statutes  
25 Annotated, 1978 Compilation, as amended (the "Act"), the City is authorized to

1 acquire industrial revenue projects located within the corporate limits of the  
2 municipality for the purpose of promoting industry and trade by inducing commercial  
3 enterprises to locate or expand in the State of New Mexico; and

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

7 WHEREAS, Sawmill Bellamah Properties, LLC (together with its successors,  
8 assigns and affiliates, the "Company") is a limited liability company formed under the  
9 laws of the State of New Mexico and is authorized to do business in New Mexico;  
10 and

11 WHEREAS, the Company has requested that the City issue its industrial revenue  
12 bonds pursuant to the Act in three series in an aggregate amount of \$227,500,000  
13 for the purpose of providing funds to acquire, construct, equip, and improve an  
14 interrelated project within the City's Sawmill District including: (i) the \$76,300,000  
15 Sawmill Hotel with an anticipated 115 guestrooms, 10 suites, restaurants, and  
16 conference/meeting space (the "Sawmill Hotel Project"); (ii) the \$70,400,000 Chaco  
17 Residences with an anticipated 107 extended stay guestrooms, including 8 suites,  
18 wellness areas, restaurants and conference facilities (the "Chaco Residences  
19 Project"); and (iii) the \$80,800,000 Sawmill Mixed Use Development with an  
20 anticipated 140 apartments with entertainment venues, restaurants and retail space  
21 (the "Sawmill Mixed Use Development Project" and collectively with the Sawmill  
22 Hotel Project and the Chaco Residences Project, the "Project"); and

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

27 WHEREAS, the Company has presented to the City and the Commission a  
28 proposal (the "Project Plan") whereby the Company shall, pursuant to the Act,  
29 acquire, construct and improve the Project to be located in the City at 800 20<sup>th</sup> Street  
30 NW, 1921 Bellamah Avenue NW, and 1904 Bellamah Avenue NW (the "Project  
31 Property"), and pursuant to which the City would issue its taxable industrial revenue  
32 bonds in three series in order to finance the Project; and

1 WHEREAS, the Company requests the issuance of the Bonds (defined below) in  
2 three series, with the issuance of the first series of Bonds anticipated to occur in  
3 2025 for the Chaco Residences Project, the issuance of the second series of Bonds  
4 anticipated to occur in 2028 for the Sawmill Mixed Use Development Project, and  
5 the issuance of the third series of Bonds anticipated to occur in 2030 for the Sawmill  
6 Hotel Project; and

7 WHEREAS, the Commission has reviewed the Project Plan, and on May 22,  
8 2025, has determined that the Company has complied with City Resolution No. 16-  
9 1985, and has recommended approval of the Project Plan by the Council; and

10 WHEREAS, under the Company's Project Plan, the City would enter into an  
11 Indenture for each series of Bonds (the "Indentures") between the City and BOKF,  
12 NA, or other corporate depository satisfactory to the City to be designated at a later  
13 date, as depository (the "Depository"), pursuant to which, together with this  
14 ordinance (the "Bond Ordinance"), the City would issue its bonds designated as the  
15 City of Albuquerque, New Mexico Taxable Industrial Revenue Bond (Sawmill  
16 Bellamah Properties Project) (the "Bonds"); and

17 WHEREAS, under the Company's Project Plan, the City and the Company would  
18 enter into a Lease Agreement for each series of Bonds (the "Leases"), pursuant to  
19 which the Company will lease the Project Property from the City and will make  
20 payments to the Depository sufficient to pay the principal of, redemption premium, if  
21 any, and interest on the outstanding Bonds, and to pay all other obligations incurred  
22 pursuant to the provisions of the Leases and this Bond Ordinance; and

23 WHEREAS, under the Company's Project Plan, the Leases will provide that the  
24 Company shall maintain the Project and carry all proper insurance with respect  
25 thereto; and

26 WHEREAS, the proceeds of the Bonds shall be used for the purpose of financing  
27 the acquisition, construction, equipping, and improvement of the Project (the  
28 "Financing"); and

29 WHEREAS, the City is authorized to enter into the Leases, the Indentures, and  
30 other related documents and to issue the Bonds pursuant to the Act and this Bond  
31 Ordinance; and

1 WHEREAS, the Bonds in an aggregate principal amount not to exceed  
2 \$227,500,000 will be issued, sold and delivered by the City in private sales to an  
3 affiliate of the Company (the "Purchaser") pursuant to bond purchase agreements  
4 (the "Bond Purchase Agreements") among the City, the Company, and the  
5 Purchaser; and

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

8 WHEREAS, after having considered the provisions of the Project Plan and the  
9 Financing, the Council has concluded that it is in the best interest of the City to  
10 authorize the issuance of the Bonds to finance the Project, and that the City's  
11 issuance of the Bonds shall constitute a valid public purpose under the Act; and

12 WHEREAS, the Council has been advised by the Company that the disclosure  
13 provisions of Rule 15c2-12 of the Securities and Exchange Commission are not  
14 applicable to this transaction inasmuch as the Bonds are being sold to the  
15 Purchaser, which is an affiliate of the Company, in a private sale without the  
16 participation of an underwriter; and

17 WHEREAS, there has been published in the Albuquerque Journal, a newspaper  
18 of general circulation in the City, public notice of the Council's intention to adopt this  
19 Bond Ordinance, which notice contained certain information concerning the  
20 ownership, purpose, location and size of the Project and the Project Property, and  
21 the amount of the Bonds to be issued to finance the Project, which notice was  
22 published at least fourteen (14) days prior to hearing and final action on this Bond  
23 Ordinance; and

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

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

1 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
2 ALBUQUERQUE:

3 Section 1. RATIFICATION. All actions not inconsistent with the provisions of  
4 this Bond Ordinance previously taken by the Council and the officials of the City  
5 directed toward approval of the issuance and sale of the Bonds be approved and the  
6 same hereby are ratified, approved and confirmed.

7 Section 2. THE PROJECT PLAN. The Project to be financed with the Bonds  
8 is comprised of three interrelated components including the Sawmill Hotel Project,  
9 the Chaco Residences Project, and the Sawmill Mixed Use Development Project.  
10 The Company may use additional available money to accomplish the Project. The  
11 Project Plan is hereby approved in all respects.

12 Section 3. FINDINGS.

13 (A) General. The Council hereby declares that it has considered all relevant  
14 information presented to it relating to the Bonds and the Project and hereby finds  
15 and determines that the issuance of the Bonds in three series pursuant to this Bond  
16 Ordinance and the Act to provide funds for the Project is necessary and advisable  
17 and in the interest of the public, and will promote the public health, safety, morals,  
18 convenience, economy, and welfare of the City and the residents of the City.

19 (B) The Council finds that:

- 20 (1) The Bonds will be issued for the purpose of financing the Project;  
21 (2) The aggregate face amount of obligations to be issued for the  
22 purpose of financing the Project is \$227,500,000;  
23 (3) The developer and operator of the Project is the Company;  
24 (4) The Project Property is located in the City at 800 20<sup>th</sup> Street NW,  
25 1921 Bellamah Avenue NW, and 1904 Bellamah Avenue NW;  
26 (5) The retail component of the Sawmill Mixed Use Development  
27 Project is not the primary purpose, and comprises less than 50% of the  
28 square footage of the Sawmill Mixed Use Development Project;  
29 (6) The retail component of the Chaco Residences Project is not the  
30 primary purpose, and comprises less than 50% of the square footage of  
31 the Chaco Residences Project;

1 (7) The retail component of the Sawmill Hotel Project is not the primary  
2 purpose, and comprises less than 50% of the square footage of the  
3 Sawmill Hotel Project; and

4 (8) The market rate multi-family housing within the Sawmill Mixed Use  
5 Development Project is necessary to meet the housing needs within the  
6 City and in particular the Sawmill District.

7 Section 4. AUTHORIZATION AND APPROVAL OF THE BONDS. To finance  
8 the cost of acquiring, constructing, equipping and improving the Project Property, the  
9 City hereby authorizes and approves the issuance and sale of its industrial revenue  
10 bonds in three series to be designated "City of Albuquerque, New Mexico Taxable  
11 Industrial Revenue Bond (Sawmill Bellamah Properties Project)" in the aggregate  
12 principal amount of \$227,500,000 and the use of the proceeds of the Bonds to  
13 finance the cost of the Project and to pay expenses relating thereto.

14 Section 5. PREVAILING WAGES. The approval of these Industrial Revenue  
15 Bonds is contingent on the developer paying prevailing wages as defined in HB 6  
16 passed in the 2025 legislative session.

17 Section 6. SALE OF THE BONDS. The sale of the Bonds to the Purchaser at  
18 a purchase price equal to the par amount of each series of Bonds, each anticipated  
19 to be \$70,400,000 for the Chaco Residences Project in 2025, \$80,800,000 for the  
20 Sawmill Mixed Use Development Project in 2028, and \$76,300,000 for the Sawmill  
21 Hotel Project in 2030, is hereby authorized and approved.

22 Section 7. FORM AND TERM OF THE BONDS. Subject to the limitations set  
23 forth in this Bond Ordinance, the Bonds shall be: (i) in the form and shall be  
24 numbered and dated all as set forth in the Indentures; (ii) payable as to principal and  
25 interest, and subject to optional and mandatory redemption and defeasance in the  
26 amounts, upon the conditions and at the times and prices set forth in the Indentures;  
27 and, (iii) issued in the aggregate principal amount of \$227,500,000, bearing interest  
28 at the rates and maturing on the dates set forth in the Indentures. The interest rate  
29 on the Bond shall not exceed 12% per annum. The Mayor or the Chief  
30 Administrative Officer of the City shall sign the Bond.

31 Section 8. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS.

1 The form, terms, and provisions of the Bond Documents in the form on deposit in the  
2 office of the City Clerk are in all respects approved, authorized, and confirmed, and  
3 the City shall enter into such Bond Documents substantially in the form of each such  
4 document on deposit with the City Clerk, with only such changes as are not  
5 inconsistent with this Bond Ordinance or such other changes as may be approved  
6 by supplemental resolution of the Council.

7 (A) The Council authorizes the Mayor or the Chief Administrative Officer of the  
8 City to execute and deliver the Bond Documents in the name and on behalf of the  
9 City, and the Council authorizes the City Clerk or Deputy City Clerk to attest to, as  
10 necessary, the Bond Documents and the Bonds with: (i) such changes therein as  
11 are not inconsistent with this Bond Ordinance; (ii) such changes as shall be  
12 approved by the Mayor or the Chief Administrative Officer upon consultation with the  
13 City's special finance counsel, with the execution of such document by the Mayor or  
14 the Chief Administrative Officer constituting conclusive evidence of such approval; or  
15 (iii) such other changes as may be approved by supplemental resolution of the  
16 Council.

17 (B) The Mayor, Chief Administrative Officer, Chief Financial Officer, City  
18 Treasurer and City Clerk are further authorized to execute, authenticate and deliver  
19 such certifications, instruments, documents, letters and other agreements, including  
20 security agreements, and to do such other acts and things, either prior to or after the  
21 date of delivery of the Bonds, as are necessary or appropriate to consummate the  
22 transactions contemplated by the Bond Documents.

23 (C) The officers of the City shall take such action as is necessary to effectuate  
24 the provisions of the Indentures and shall take such action as is necessary in  
25 conformity with the Act and this Bond Ordinance to finance the costs of the Project  
26 and for carrying out other transactions as contemplated by this Bond Ordinance and  
27 the Bond Documents including, without limitation, the execution and delivery of any  
28 closing documents to be delivered in connection with the sale and delivery of each  
29 series of Bonds.

30 Section 9. DELIVERY OF THE BONDS. Upon the execution of the Bond  
31 Documents and the satisfaction of the conditions set forth in the Bond Documents,  
32 each series of Bonds shall be executed, authenticated, and delivered to the

Purchaser. No Bonds shall be valid for any purpose until such Bonds have been properly authenticated as set forth in the Indentures.

Section 10. FINDINGS REGARDING PAYMENT OF PRINCIPAL AND INTEREST AND OTHER MATTERS. The Council makes the following determinations and findings in accordance with the Act:

(A) The maximum amount necessary in each year to pay the principal of and interest on the Bonds for the Chaco Residences Project, assuming issuance of the Bond as of August 1, 2025 in the amount of \$70,400,000 and bearing interest at the rate of 4% and the first Bond payment occurring on August 1, 2026, is as follows:

<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
8/1/26	-\$0-	\$2,816,000	\$2,816,000
8/1/27	-\$0-	\$2,816,000	\$2,816,000
8/1/28	-\$0-	\$2,816,000	\$2,816,000
8/1/29	-\$0-	\$2,816,000	\$2,816,000
8/1/30	-\$0-	\$2,816,000	\$2,816,000
8/1/31	-\$0-	\$2,816,000	\$2,816,000
8/1/32	-\$0-	\$2,816,000	\$2,816,000
8/1/33	-\$0-	\$2,816,000	\$2,816,000
8/1/34	-\$0-	\$2,816,000	\$2,816,000
8/1/35	-\$0-	\$2,816,000	\$2,816,000
8/1/36	-\$0-	\$2,816,000	\$2,816,000
8/1/37	-\$0-	\$2,816,000	\$2,816,000
8/1/38	-\$0-	\$2,816,000	\$2,816,000
8/1/39	-\$0-	\$2,816,000	\$2,816,000
8/1/40	-\$0-	\$2,816,000	\$2,816,000
8/1/41	-\$0-	\$2,816,000	\$2,816,000
8/1/42	-\$0-	\$2,816,000	\$2,816,000
8/1/43	-\$0-	\$2,816,000	\$2,816,000
8/1/44	-\$0-	\$2,816,000	\$2,816,000
8/1/45	\$70,400,000	\$2,816,000	\$73,216,000

(B) The maximum amount necessary in each year to pay the principal of and interest on the Bonds for the Sawmill Mixed Use Development Project, assuming



1 issuance of the Bond as of August 1, 2028 in the amount of \$80,800,000 and  
 2 bearing interest at the rate of 4% and the first Bond payment occurring on August 1,  
 3 2029, is as follows:

4	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
5	8/1/29	-\$0-	\$3,232,000	\$3,232,000
6	8/1/30	-\$0-	\$3,232,000	\$3,232,000
7	8/1/31	-\$0-	\$3,232,000	\$3,232,000
8	8/1/32	-\$0-	\$3,232,000	\$3,232,000
9	8/1/33	-\$0-	\$3,232,000	\$3,232,000
10	8/1/34	-\$0-	\$3,232,000	\$3,232,000
11	8/1/35	-\$0-	\$3,232,000	\$3,232,000
12	8/1/36	-\$0-	\$3,232,000	\$3,232,000
13	8/1/37	-\$0-	\$3,232,000	\$3,232,000
14	8/1/38	-\$0-	\$3,232,000	\$3,232,000
15	8/1/39	-\$0-	\$3,232,000	\$3,232,000
16	8/1/40	-\$0-	\$3,232,000	\$3,232,000
17	8/1/41	-\$0-	\$3,232,000	\$3,232,000
18	8/1/42	-\$0-	\$3,232,000	\$3,232,000
19	8/1/43	-\$0-	\$3,232,000	\$3,232,000
20	8/1/44	-\$0-	\$3,232,000	\$3,232,000
21	8/1/45	-\$0-	\$3,232,000	\$3,232,000
22	8/1/46	-\$0-	\$3,232,000	\$3,232,000
23	8/1/47	-\$0-	\$3,232,000	\$3,232,000
24	8/1/48	\$80,800,000	\$3,232,000	\$84,032,000

25 (C) The maximum amount necessary in each year to pay the principal of and  
 26 interest on the Bonds for the Sawmill Mixed Use Development Project, assuming  
 27 issuance of the Bond as of August 1, 2030 in the amount of \$76,300,000 and  
 28 bearing interest at the rate of 4% and the first Bond payment occurring on August 1,  
 29 2031, is as follows:

30	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
31	8/1/31	-\$0-	\$3,052,000	\$3,052,000
32	8/1/32	-\$0-	\$3,052,000	\$3,052,000

1	8/1/33	-\$0-	\$3,052,000	\$3,052,000
2	8/1/34	-\$0-	\$3,052,000	\$3,052,000
3	8/1/35	-\$0-	\$3,052,000	\$3,052,000
4	8/1/36	-\$0-	\$3,052,000	\$3,052,000
5	8/1/37	-\$0-	\$3,052,000	\$3,052,000
6	8/1/38	-\$0-	\$3,052,000	\$3,052,000
7	8/1/39	-\$0-	\$3,052,000	\$3,052,000
8	8/1/40	-\$0-	\$3,052,000	\$3,052,000
9	8/1/41	-\$0-	\$3,052,000	\$3,052,000
10	8/1/42	-\$0-	\$3,052,000	\$3,052,000
11	8/1/43	-\$0-	\$3,052,000	\$3,052,000
12	8/1/44	-\$0-	\$3,052,000	\$3,052,000
13	8/1/45	-\$0-	\$3,052,000	\$3,052,000
14	8/1/46	-\$0-	\$3,052,000	\$3,052,000
15	8/1/47	-\$0-	\$3,052,000	\$3,052,000
16	8/1/48	-\$0-	\$3,052,000	\$3,052,000
17	8/1/49	-\$0-	\$3,052,000	\$3,052,000
18	8/1/50	\$76,300,000	\$3,052,000	\$79,352,000

(D) 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.

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

Section 11. 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 12. LIMITED OBLIGATIONS. The Bonds shall be special limited  
5 obligations of the City payable solely from the revenues derived from the Leases and  
6 payable by the Company as described in the Indentures, 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 this 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 Bonds, 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 this 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 Bonds 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 13. APPROVAL OF INDEMNIFICATION. The Council specifically  
25 approves the provisions of the Leases 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 Bonds 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

1 Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for  
2 any loss or damage arising out of or resulting from the gross negligence or willful  
3 misconduct of the City or any official, member, officer, employee, or agent of the  
4 City.

5 Section 14. WAIVER OF SECTION 3-2-15(E) OF THE ALBUQUERQUE CODE  
6 OF RESOLUTIONS. The market rate multi-family housing within the Sawmill Mixed  
7 Use Development Project is necessary to meet the housing needs within the City  
8 and in particular the Sawmill District. Consequently, the Council waives application  
9 of Section 3-2-15(E) of the Albuquerque Code of Resolutions limiting industrial  
10 revenue bonds to projects addressing low income and senior multi-family housing.

11 Section 15. BOND ORDINANCE IRREPEALABLE. After any Bond is issued,  
12 this Bond Ordinance shall be and remain irrepealable until the outstanding Bonds,  
13 including all interest thereon, is fully paid, cancelled, and discharged, or until there  
14 has been defeasance of the Bonds in accordance with the Indentures.

15 Section 16. SEVERABILITY. If any section, paragraph, clause or provision of  
16 this Bond Ordinance shall for any reason be held to be invalid or unenforceable, the  
17 invalidity or unenforceability of that section, paragraph, clause, or provision shall not  
18 affect any of the remaining provisions of this Bond Ordinance.

19 Section 17. REPEALER. All by-laws, ordinances, resolutions, and orders, or  
20 parts thereof, inconsistent with this Bond Ordinance are repealed by this Bond  
21 Ordinance but only to the extent of that inconsistency. This repealer shall not be  
22 construed to revive any by-law, ordinance, resolution, or order, or part thereof,  
23 previously repealed.

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

1 Section 19. GENERAL SUMMARY FOR PUBLICATION. The title and general  
2 summary of the subject contained in this Bond Ordinance shall be published in  
3 substantially the following form:

4 CITY OF ALBUQUERQUE, NEW MEXICO

5 NOTICE OF ADOPTION OF ORDINANCE

6 Notice is hereby given of the title and of a general summary of the subject matter  
7 contained in a City Ordinance (the "Ordinance"), duly adopted and approved by the  
8 City Council of the City of Albuquerque, New Mexico, on June 16, 2025. Complete  
9 copies of the Ordinance are available for public inspection during the normal and  
10 regular business hours of the City Clerk City Clerk in the office of the City Clerk,  
11 Albuquerque, New Mexico.

12 The title of the Ordinance is:

13 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,  
14 NEW MEXICO TAXABLE INDUSTRIAL REVENUE BOND (SAWMILL BELLAMAH  
15 PROPERTIES PROJECT) IN THREE SERIES IN THE MAXIMUM PRINCIPAL  
16 AMOUNT OF \$227,500,000 TO PROVIDE FUNDS TO ACQUIRE, CONSTRUCT,  
17 EQUIP, AND IMPROVE THREE INTERRELATED COMPONENTS WITHIN THE  
18 SAWMILL DISTRICT: (I) THE \$76,300,000 SAWMILL HOTEL WITH AN  
19 ANTICIPATED 115 GUESTROOMS, 10 SUITES, RESTAURANTS, AND  
20 CONFERENCE/MEETING SPACE; (II) THE \$70,400,000 CHACO RESIDENCES  
21 WITH AN ANTICIPATED 107 EXTENDED STAY GUESTROOMS, INCLUDING 8  
22 SUITES, WELLNESS AREAS, RESTAURANTS AND CONFERENCE FACILITIES;  
23 AND (III) THE \$80,800,000 SAWMILL MIXED USE DEVELOPMENT WITH AN  
24 ANTICIPATED 140 APARTMENTS WITH ENTERTAINMENT VENUES,  
25 RESTAURANTS AND RETAIL SPACE; AUTHORIZING THE EXECUTION AND  
26 DELIVERY OF INDENTURES, LEASE AGREEMENTS, BOND PURCHASE  
27 AGREEMENTS, BONDS, AND OTHER DOCUMENTS IN CONNECTION WITH  
28 EACH SERIES OF BONDS; MAKING CERTAIN DETERMINATIONS AND  
29 FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING  
30 CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS  
31 INCONSISTENT WITH THIS ORDINANCE.

32 The title sets forth a general summary of the subject matter contained in the

1 Ordinance.

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1 PASSED AND ADOPTED THIS 16<sup>th</sup> DAY OF June, 2025  
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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9 Brook Bassan, President  
10 City Council

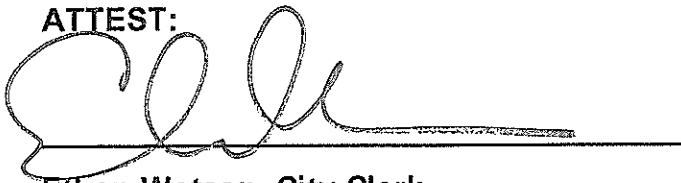
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13 APPROVED THIS 30 DAY OF June, 2025  
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18 Bill No. O-25-87

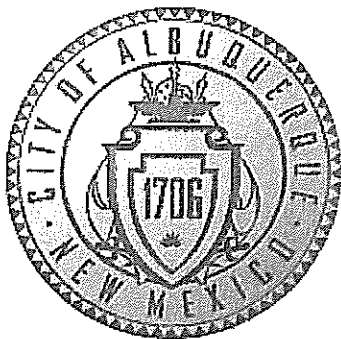
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23 Timothy M. Keller, Mayor  
24 City of Albuquerque

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27 ATTEST:

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30 Ethan Watson, City Clerk



**CITY OF ALBUQUERQUE**  
Albuquerque, New Mexico  
Office of the Mayor

Mayor Timothy M. Keller

**INTER-OFFICE MEMORANDUM**

May 15, 2025

**TO:** Brook Bassan, President, City Council

**FROM:** Timothy M. Keller, Mayor



**SUBJECT:** Approving an Ordinance Involving Sawmill Bellamah Properties Project Pursuant to the Industrial Revenue Bond Act (IRB Project 25-5)

Attached for your consideration and approval is an Ordinance involving Sawmill Bellamah Properties IRB Project, Pursuant to the Industrial Revenue Bond Act (IRB-25-5).

Sawmill Bellamah Properties, LLC (the "Company"), was first formed in 2014, to own, operate, lease, sell, exchange, transfer, and otherwise deal with various parcels in Albuquerque's Sawmill District. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone.

Heritage Hotels & Resorts, Inc ("HH&R") was initially established as an independent hotel management company in November 2004. HH&R manages the Hotel Chaco, Sawmill Market, and Hotel Albuquerque all within the Sawmill District. This IRB project consists of three separate elements within the Sawmill District, including the Sawmill Mixed Use Development, Sawmill Hotel, and Chaco Residences. HH&R, or its affiliates, will be the operator of Sawmill Bellamah Properties upon completion.

The Company is requesting \$227.5 million in City-issued industrial revenue bonds (IRB) in three separate series. 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 proposed project would create a hotel, an apartment complex, and an extended stay hotel.



**Sawmill Mixed Use Development (\$80,800,000 Taxable Industrial Revenue Bonds, Series 2025)** will be a new 140-unit apartment complex with retail on the ground floor.

**Note:** Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. However, the applicant is requesting a waiver of the requirements from City Council. See Section V of staff analysis for more information. The waiver request letter is included in the staff analysis

**Chaco Residences (\$70,400,000 Taxable Industrial Revenue Bonds, Series 2025)** will be a 107-unit new luxury extended stay hotel.

**Sawmill Hotel (\$76,300,000 Taxable Industrial Revenue Bonds, Series 2028)** will be a new 115-room boutique hotel in Old Town.

**Note:** Applicant requests City Council consideration of the Sawmill Hotel IRB contemporaneously with its consideration of the Chaco Residences IRB and Sawmill Mixed Use Development IRB, with the understanding that closing on the Sawmill Hotel IRB would not occur until construction commences in 2028.

The project will expand lodging inventory and increase retail and hospitality activity for the Sawmill District. The project represents an investment of more than \$227 million by the Company by the end of 2031. The project will directly create at least 75 new permanent full-time jobs and 40 part-time positions. Sawmill Mixed Use Development will create 7 positions. Chaco Residences will create 10 positions. The Sawmill Hotel will create 58 new positions. The jobs are considered full time positions and include full employee benefits, with the Company paying approximately 70% of employee healthcare premiums. In addition to the direct employment, the project is expected to indirectly create 113 full-time and 72 part-time tertiary employees through the retail tenants.

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.

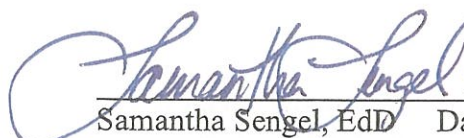
**Sawmill Mixed Use Development-** The fiscal impact presented shows that operations related to the \$80.8 million bond for Sawmill Mixed Use Development will generate an estimated total of \$2.3 million in taxes by 2047 and will continue to remain tax positive throughout the span of the contract.

**Sawmill Hotel-** The fiscal impact presented indicates that the operations associated with the \$76.3 million bond for Sawmill Hotel are expected to generate a total of \$8.2 million in taxes by 2049. The project will remain tax-positive throughout the duration of the bond term.

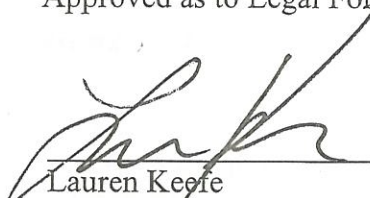
**Chaco Residences-** The fiscal impact presented shows that operations related to the \$70.4 million bond for Chaco Residences will generate an estimated total of almost \$5.6 million in taxes by 2042 and will continue to remain tax positive throughout the span of the contract.

Your consideration and approval are requested.


Approved:

  
Samantha Sengel, EdD Date  
Chief Administrative Officer

Approved as to Legal Form:

  
Lauren Keefe Date  
City Attorney

Recommended:

  
Max Gruner, Date  
Director

## Cover Analysis

### 1. What is it?

This is an ordinance authorizing an Industrial Revenue Bond Project for Sawmill Bellamah Properties (the “Company”) in the amount of \$227,500,000 from the City of Albuquerque (IRB Project 25-5).

Sawmill Bellamah Properties, LLC, was first formed in 2014, to own, operate, lease, sell, exchange, transfer, and otherwise deal with various parcels in Albuquerque’s Sawmill District. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone.

Heritage Hotels & Resorts, Inc (“HH&R”) was initially established as an independent hotel management company in November 2004. HH&R manages the Hotel Chaco, Sawmill Market, and Hotel Albuquerque all within the Sawmill District. This IRB project consists of three separate elements within the Sawmill District, including the Sawmill Mixed Use Development, Sawmill Hotel, and Chaco Residences. HH&R, or its affiliates, will be the operator of Sawmill Bellamah Properties upon completion.

The Company is requesting \$227.5 million in City-issued industrial revenue bonds (IRB) in three separate series. The proposed project would create a hotel, an apartment complex with ground floor retail, and an extended stay hotel.

**Sawmill Mixed Use Development (\$80,800,000 Taxable Industrial Revenue Bonds, Series 2025)** will be a new 140-unit apartment complex with retail on the ground floor.

**Note:** Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. However, the applicant has requested a waiver of the requirements from City Council. See Section V of staff analysis for more information. The waiver request letter is included in the staff analysis

**Chaco Residences (\$70,400,000 Taxable Industrial Revenue Bonds, Series 2025)** will be a 107-unit new luxury extended stay hotel.

**Sawmill Hotel (\$76,300,000 Taxable Industrial Revenue Bonds, Series 2028)** will be a new 115-room boutique hotel in Old Town.

**Note:** Applicant requests City Council consideration of the Sawmill Hotel IRB contemporaneously with its consideration of the Chaco Residences IRB and Sawmill Mixed Use Development IRB, with the understanding that closing on the Sawmill Hotel IRB would not occur until construction commences in 2028.

The project will expand lodging inventory and increase retail and hospitality activity for the Sawmill District. The project represents an investment of more than \$227 million by the Company by the end of 2031. The project will directly create at least 75 new permanent full-

time jobs and 40 part-time positions. Sawmill Mixed Use Development will create 7 positions. Chaco Residences will create 10 positions. The Sawmill Hotel will create 58 new positions. The jobs are considered full time positions and include full employee benefits, with the Company paying approximately 70% of employee healthcare premiums. In addition to the direct employment, the project is expected to indirectly create 113 full-time and 72 part-time tertiary employees through the retail tenants.

## **2. What will this piece of legislation do?**

The Company is requesting \$227,500,000 in City-issued industrial revenue bonds. 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 ordinance would support the modernization and expansion of the Company's facility.

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 Payment In Lieu Of Taxes ("PILOT") on the project is 30%, essentially making it a 70% tax abatement.

## **3. Why is this project needed?**

The Project represents a significant capital investment in our community and the creation of 75 permanent, full-time jobs. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone. These local and Federal designations were established for the purpose of seeking government assistance for future redevelopment of the area and make projects undertaken in the area a priority under local economic development policies, which prioritize efforts to develop or renew blighted areas. This legislation is necessary for project feasibility.

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.

**Sawmill Mixed Use Development-** The fiscal impact presented shows that operations related to the \$80.8 million bond for Sawmill Mixed Use Development will generate an estimated total of \$2.3 million in taxes by 2047 and will continue to remain tax positive throughout the span of the contract.

**Sawmill Hotel-** The fiscal impact presented indicates that the operations associated with the \$76.3 million bond for Sawmill Hotel are expected to generate a total of \$8.2 million in taxes by 2049. The project will remain tax-positive throughout the duration of the bond term.

**Chaco Residences-** The fiscal impact presented shows that operations related to the \$70.4 million bond for Chaco Residences will generate an estimated total of almost \$5.6 million in taxes by 2042 and will continue to remain tax positive throughout the span of the contract.

**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 \$227,500,000 in industrial revenue bonds which will be a self-purchase 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 25-5: Sawmill Bellamah Properties, LLC, Project

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Industrial Revenue Bond Hearing**

**May 14, 2025**

**Case #2025-11 Sawmill Bellamah Properties, LLC, IRB**

IRB-25-5: Sawmill Bellamah Properties, LLC, Project

**REQUEST:** Approval of \$227,500,000 in City Industrial Revenue Bonds is requested.

**PROJECT SUMMARY:** Sawmill Bellamah Properties, LLC, was first formed in 2014, to own, operate, lease, sell, exchange, transfer, and otherwise deal with various parcels in Albuquerque's Sawmill District. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone. These local and Federal designations were established for the purpose of seeking government assistance for future redevelopment of the area and make projects undertaken in the area a priority under local economic development policies, which prioritize efforts to develop or renew blighted areas.

Heritage Hotels & Resorts, Inc ("HH&R") was initially established as an independent hotel management company in November 2004 to manage select hotels that provide a rich, authentic cultural experience. James M. Long, principal and founder of HH&R Hotels, has a significant or majority ownership interest in all hotels managed by HH&R Hotels. HH&R manages the Hotel Chaco, Sawmill Market, and Hotel Albuquerque all within the Sawmill District. Together, the Heritage Companies are working towards making the Sawmill District the premier walkable, pedestrian-oriented community featuring a hyperlocal environment focused on maximizing economic opportunities for New Mexicans. This IRB project consists of three separate elements within the Sawmill District, including the Sawmill Mixed Use Development, Sawmill Hotel, and Chaco Residences. HH&R, or its affiliates, will be the operator of Sawmill Bellamah Properties upon completion.

The proposed project would create a hotel, an apartment complex with ground floor retail, and an extended stay hotel- described in more detail below. The company is requesting \$227.5 million in City-issued industrial revenue bonds (IRB) in three separate series. 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 purpose of the proposed project is to expand lodging, retail and housing opportunities within Albuquerque's Sawmill District while showcasing New Mexico's rich cultural heritage through architecture, interior design, entertainment, landscaping, music, and cuisine. The Sawmill Hotel parcel is located at 1921 Bellamah Ave., immediately west of Sawmill Market, and due north of Hotel Chaco. The parcels for the Sawmill Mixed Used Development and Chaco Residences are located at 1904 Bellamah Ave., immediately east of Hotel Chaco. The proposed use of the facility by the Company would not require a change in zoning. There are no particular environmental impacts associated with this Project.

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

**Sawmill Mixed Use Development (\$80,800,000 Taxable Industrial Revenue Bonds, Series 2025)** will be a new 140-unit apartment complex with retail on the ground floor in the heart of Sawmill District and the nearby historic Old Town, Albuquerque. The building will be comprised of six levels with retail on the ground floor and residential units on floors two to six.

- 64 studio apartments
- 42 one bedroom units
- 30 two bedroom units
- 4 three bedroom units
- 24,540 square feet of street front retail and restaurant space on the ground floor
- 3,325 square-foot fitness facility
- Outdoor pool and two hot tubs
- 2 large pool cabanas
- 1,148 square foot clubhouse

**Note:** Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. See Section V for more information. However, the applicant has requested a waiver of the requirements from City Council.

**Chaco Residences (\$70,400,000 Taxable Industrial Revenue Bonds, Series 2025)** is designed to offer residents and visitors to New Mexico a luxury extended stay hotel experience showcasing the cultural elements of New Mexico with high-end luxury accommodations in a fun, exciting manner. It will offer will offer lodging and ancillary services including, but not limited to:

- 19,194 square-feet of street-front retail, including gift shops, art galleries, and other related retail
- 107 extended stay guestrooms, including 8 luxurious suites
- Food and Beverage offerings, including a roof top bar
- Conference facilities
- Rooftop pool on 2nd floor
- Rooftop event space to accommodate up to 100 people

**Sawmill Hotel (\$76,300,000 Taxable Industrial Revenue Bonds, Series 2028)** will be a new 115-room hotel in the heart of historic Old Town, Albuquerque. The contemporary boutique hotel will be designed to attract a younger demographic to the Sawmill District.

- 115 guestrooms, including 10 luxurious suites
- Signature restaurant to accommodate up to 150 people
- Rooftop restaurant and lounge to accommodate up to 150 people
- Meeting/Conference/Wedding space
- 1,200 square-foot fitness facility
- 5,000 square-feet of street-front retail including gift shops, art galleries, and other related retail
- Outdoor pool and lounge experience

**Note:** Applicant requests City Council consideration of the Sawmill Hotel IRB contemporaneously with its consideration of the Chaco Residences IRB and Sawmill Mixed Use Development IRB, with the understanding that closing on the Sawmill Hotel IRB would not occur until construction commences in 2028.

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

The project will expand lodging inventory and increase retail and hospitality activity for the Sawmill District. The project represents an investment of more than \$227 million by the company by the end of 2031. The project will directly create at least 75 new permanent full-time jobs and 40 part-time positions. Sawmill Mixed Use Development will create 7 positions. Chaco Residences will create 10 positions. The Sawmill Hotel will create 58 new positions.

The majority of the 75 new positions will be customer-facing, hospitality positions. The positions are considered full time positions, and come with full employee benefits with the company paying approximately 70% of basic healthcare premiums. In addition to the direct employment, the project is expected to indirectly create 113 full-time and 72 part-time tertiary employees through the retail tenants.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. 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 any of the following:

1. any business in which all or part of the activities of the business involve the supplying of services to the general public or to governmental agencies or to a specific industry or customer but does not include establishments primarily engaged in the sale of goods or commodities at retail;

*Note: Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. See Section V for more information. However, the applicant has requested a waiver of the requirements from City Council.*

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.

**Sawmill Mixed Use Development-** The fiscal impact presented shows that operations related to the \$80.8 million bond for Sawmill Mixed Use Development will generate an estimated total of



## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

\$2.3 million in taxes by 2047 and will continue to remain tax positive throughout the span of the contract. Moreover, while the analysis does not encompass tertiary employment, it is important to recognize that the effects of spending related to these jobs will generate a ripple effect throughout the economy. Not only will this benefit Sawmill Mixed Use Development, but it will also enhance overall economic growth, thereby resulting in a significant positive impact on the City.

**Sawmill Hotel-** The fiscal impact presented indicates that the operations associated with the \$76.3 million bond for Sawmill Hotel are expected to generate a total of \$8.2 million in taxes by 2049. The project will remain tax-positive throughout the duration of the bond term. Furthermore, the estimated fiscal impact is likely underestimated, as most figures are presented in 2024 dollars.

**Chaco Residences-** The fiscal impact presented shows that operations related to the \$70.4 million bond for Chaco Residences will generate an estimated total of almost \$5.6 million in taxes by 2042 and will continue to remain tax positive throughout the span of the contract.<sup>16</sup> Moreover, while the analysis does not encompass tertiary employment, it is important to recognize that the effects of spending related to these jobs will generate a ripple effect throughout the economy. Not only will this benefit Chaco Residences, but it will also enhance overall economic growth, thereby resulting in a significant positive impact on the City.

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

### FINDINGS:

1. IRB 25-5 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, upon the waiver of Section E requirements; and
2. IRB 25-5 would make positive substantive contributions to the local economy and community by directly creating 75 full-time jobs; and
3. IRB 25-5 will provide significant investment and revitalization in a metropolitan redevelopment area; and
4. IRB 25-5 will benefit Albuquerque's convention and tourism industry through the creation of additional room inventory, convention space and amenities in a historic tourism area; and
5. IRB 25-5 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
6. IRB 25-5 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.

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

IRB 25-5: Sawmill Bellamah Properties, LLC, Project

**I. INITIAL QUALIFYING TEST; PASS/FAIL CRITERIA**

1. Economic Base Company * that meets statutory requirements	FAIL*
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.	PASS
RESULT	PASS

1. The revenue sources for the Sawmill Hotel and Chaco Residences are primarily generated from out-of-state customers, and as a result qualify under the ordinance. The company also qualifies under the IRB Act and the City's Ordinance as:
  - a. "any business in which all or part of the activities of the business involve the supplying of services to the general public or to government agencies or to a specific industry or customer base but does not include establishments primarily engaged in the sale of goods or services at retail."

\*The Sawmill Mixed Use Development is a market-rate multi-housing development and is not a qualified project. Section E of the City's Industrial Revenue Bond ordinance states that multi-family housing projects financed with bond proceeds should be accessible to families of low income and the elderly. The applicant is requesting a waiver of the requirements in Section E.

2. The bonds will be considered a "self-purchase"-- purchased by a subsidiary or affiliate of the Company.
3. The IDO Zone District for each site is MIXED-USE – HIGH INTENSITY ZONE DISTRICT (MX-H). The MX-H zone district is intended to allow higher-density infill development in appropriate locations. No changes to zoning requested or required at this time.
4. Sawmill Bellamah Properties 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 and new developments. Additional information regarding environmental implications is contained in the following section and in the Project Plan.

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

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 Section II-7 and in the Application.
7. Sawmill Bellamah Properties pays at least 50% percent of the health and dental insurance premiums for its employees (the company pays ~70%).
8. The project is within a metropolitan redevelopment area and an opportunity zone making the project a priority under local economic development policies. The area is also identified as a Historically Underutilized Business (HUB) Zone, a federal designation that encourages development in areas of need.

## II. LAND USE, PLAN AND DESIGN ELEMENTS

### 1. PLAN & ZONING:

#### Legal Description

**Chaco Residences** will be located on the plots of land currently known as Tract A-One (A-1) LANDS OF SAWMILL BELLAMAH PROPERITES, LLC, Town of Albuquerque Grant, Projected Section 18, Township 10 North, Range 3 East, N.M.P.M., Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the Correction Plat thereof filed in the office of the County Clerk of Bernalillo County, New Mexico on June 11, 2024 in Map Book 2024C, folio 53.

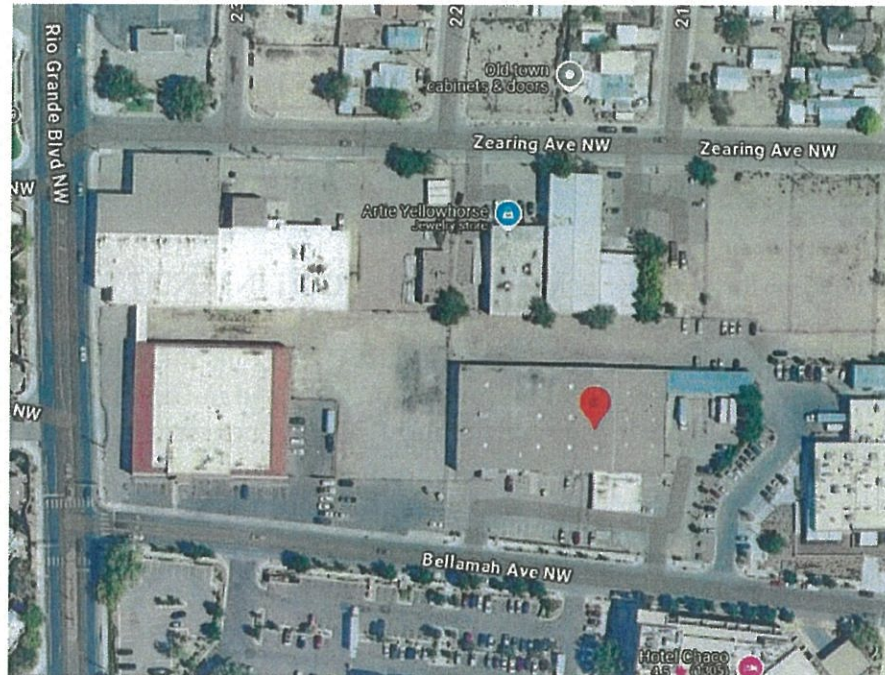
**Sawmill Mixed Use Development** will be located on a portion of plots of land currently known as Tract A-2 Plat of Tract A-Two (A-2) LANDS OF SAWMILL BELLAMAH PROPERITES, LLC, Town of Albuquerque Grant, Projected Section 18, Township 10 North, Range 3 East, N.M.P.M., Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the Correction Plat thereof filed in the office of the County Clerk of Bernalillo County, New Mexico on June 11, 2024 in Map Book 2024C, folio 53.

**Sawmill Hotel** will be located on the plot of land known as Tract A-2 Plat of Tracts A-1, A-2 and A-3 Lands of William Andrew McCord.

#### Prevailing Site Conditions

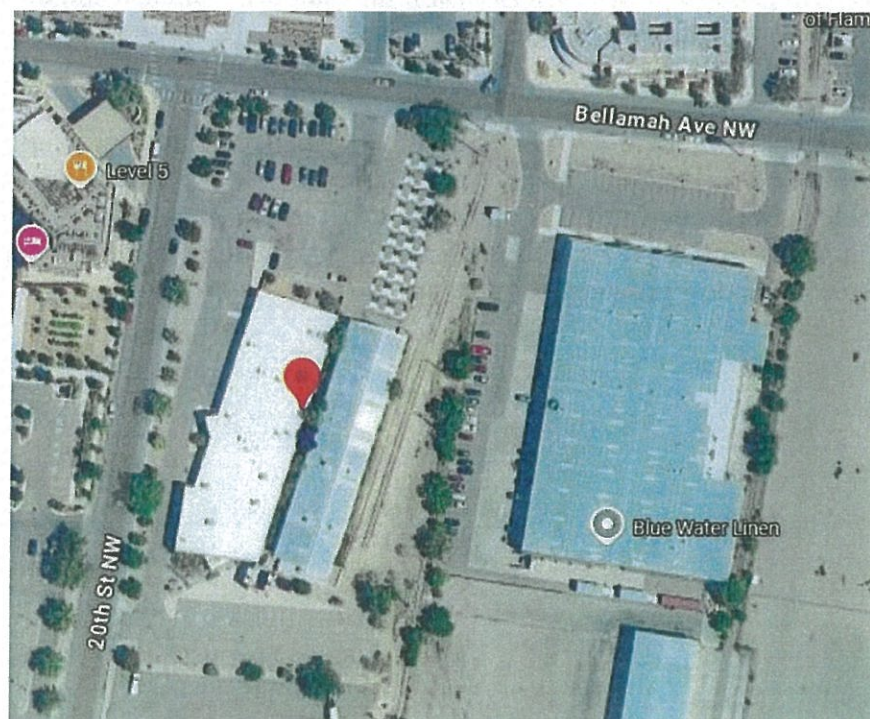
IRB 25-5: Sawmill Bellamah Properties, LLC, Project

**Sawmill Hotel-** Existing single-story light manufacturing structure with surface parking lot.



**Chaco Residences-** Existing single-story light manufacturing structure with retail businesses, and with surface parking lot.

**Sawmill Mixed Use Development** -There is an existing single-story light manufacturing structure with retail businesses and with surface parking.



## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

### **Present Assessed Value**

The present assessed value of the Sawmill Hotel project property is \$1,569,610.

The present assessed value of the Sawmill Mixed Use and Chaco Residences project property is \$2,197,750.

The 2025 valuation information is from the Bernalillo County Assessor website.

### **Present and Proposed Zoning**

The IDO Zone District for each site is MIXED-USE – HIGH INTENSITY ZONE DISTRICT (MX-H). The purpose of the MX-H zone district is to provide for large-scale destination retail and high-intensity commercial, residential, light industrial, and institutional uses, as well as high-density residential uses, particularly along Transit Corridors and in Urban Centers. The MX-H zone district is intended to allow higher-density infill development in appropriate locations.

No changes to zoning requested or required at this time. The proposed uses are allowable in MX-H.

## 2. LAND USE:

Sawmill Mixed Use Development will be a new multi-million-dollar apartment complex with retail on the ground floor. The 140-unit project will be contemporary and provide concierge quality property management. The property will be due east of Hotel Chaco. The building will be comprised of six levels with retail on the ground floor and residential units on floors two to six.

Chaco Residences will be a new multi-million-dollar hotel in the heart of historic Old Town, Albuquerque. The 107-room project will be comprised of six levels with guestrooms designed to extend outdoors onto gracious terraces showcasing the Sandia Mountains and downtown skyline. A ground floor restaurant will fully engage Bellamah Avenue. The project will include 19,194 square-feet of street-front retail including gift shops, art galleries and other related retail.

Sawmill Hotel will be a contemporary 115-room hotel designed to attract a younger demographic to the Sawmill District. Its design and amenities will be appealing to a Gen X and a millennial audience. The property will be due north of Hotel Chaco and Hotel Albuquerque. The hotel will be comprised of five levels with guestrooms designed to extend outdoors onto gracious terraces. It will also include a ground floor restaurant.



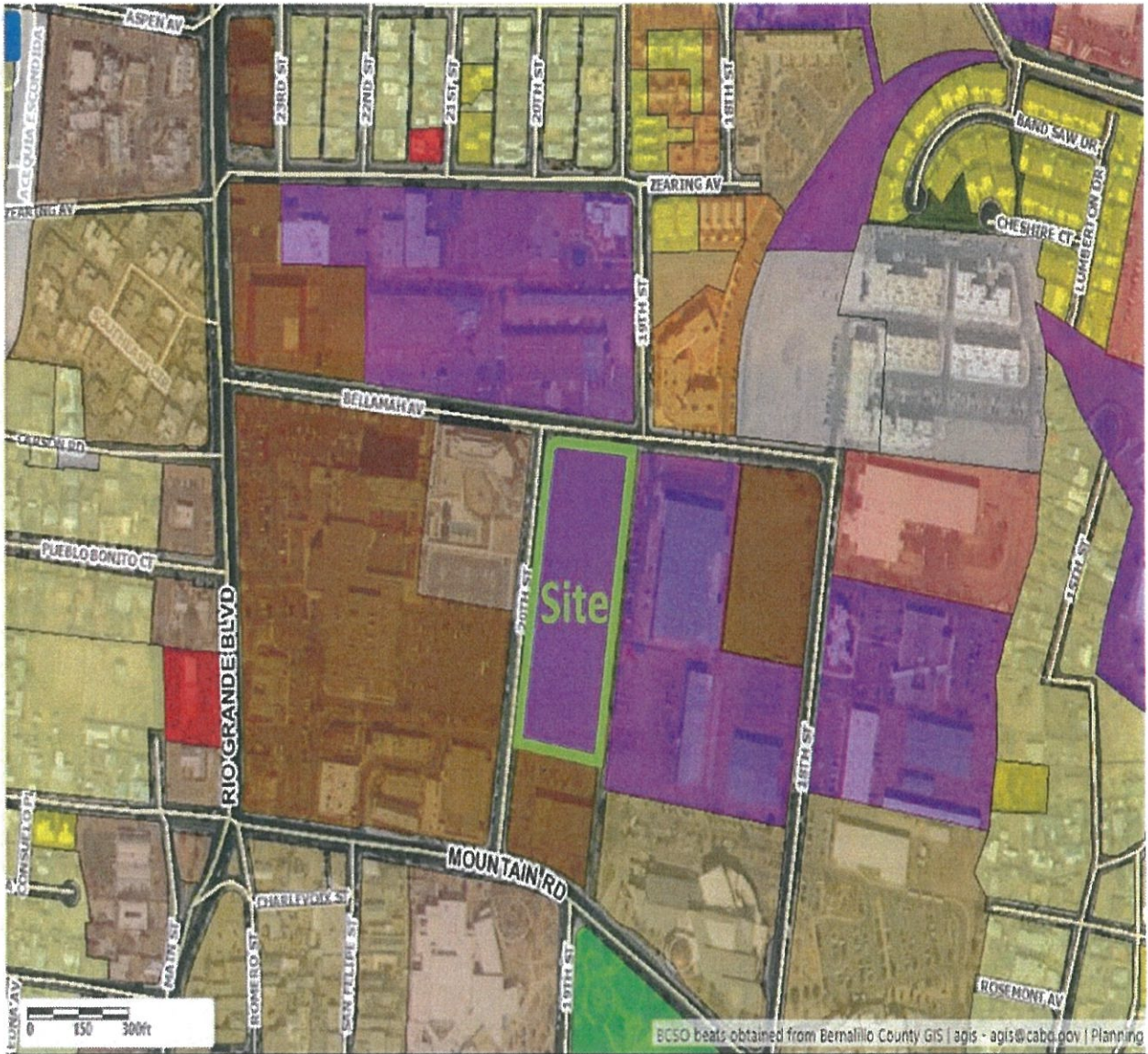
IRB 25-5: Sawmill Bellamah Properties, LLC, Project



Sawmill Hotel Site



IRB 25-5: Sawmill Bellamah Properties, LLC, Project



Chaco Residences & Sawmill Mixed Use Development Site

### 3. Competition

**Sawmill Mixed Use Development-** There are numerous at least five other market-rate multi-family housing complexes of a similar class in Albuquerque. However, at this time, there are no other market rate apartment options in the Sawmill District.

**Sawmill Hotel-** There are approximately 140 active hotels within Albuquerque subject to Lodgers' Tax. In the immediate vicinity, there are Hotel Chaco and Hotel Albuquerque, both owned by the applicant. The applicant asserts that the unique circumstances and nature of the Sawmill District area render those hotels sufficiently dissimilar from the proposed Sawmill District IRB projects so as not to be direct competitors.

**Chaco Residences-** There are numerous extended stay lodging options throughout Albuquerque, but currently there are no properties offering a comparable product offering. The applicant

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

asserts that the unique circumstances and nature of the Sawmill District area render those extended stay hotels sufficiently dissimilar from the proposed Sawmill District IRB projects so as not to be direct competitors.

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

The proposed development of each of the three Sawmill District IRB Projects is compatible with the Old Town and Museum districts. The projects will provide vital tourism and retail experiences for those who want to explore the historical Old Town and Museum District areas. The City will directly benefit to a large degree from the GRT-related revenue stream from the bricks & mortar construction-related expenses, as well as the labor expenses associated with the construction/development of the projects. The economic benefits of this project will not only infuse capital into the local community, but also to locally owned and operated businesses as well. The nearby Sawmill Land Trust operates rent-controlled housing options for residents of the Sawmill District. The influx of new jobs will allow for locally housed residents to capitalize on the employment opportunities and keep employment high in the Sawmill District.

The Sawmill Hotel project is projected to create over 92 total new jobs (58 direct, full-time) with a range of skill and pay levels. The project will create approximately 250+/- construction jobs utilizing local vendors.

The Chaco Residences project is projected to create over 103 total new jobs (10 direct, full-time) with a range of skill and pay levels. The project will create approximately 250+/- construction jobs utilizing local vendors.

The Sawmill Mixed Use Development project is also projected to create over 104 total new jobs (7 direct, full-time) with a range of skill and pay levels. The project will create approximately 250+/- construction jobs utilizing local vendors.

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 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 Sawmill Bellamah 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 75 permanent, full-time jobs.

### 5. INFILL:

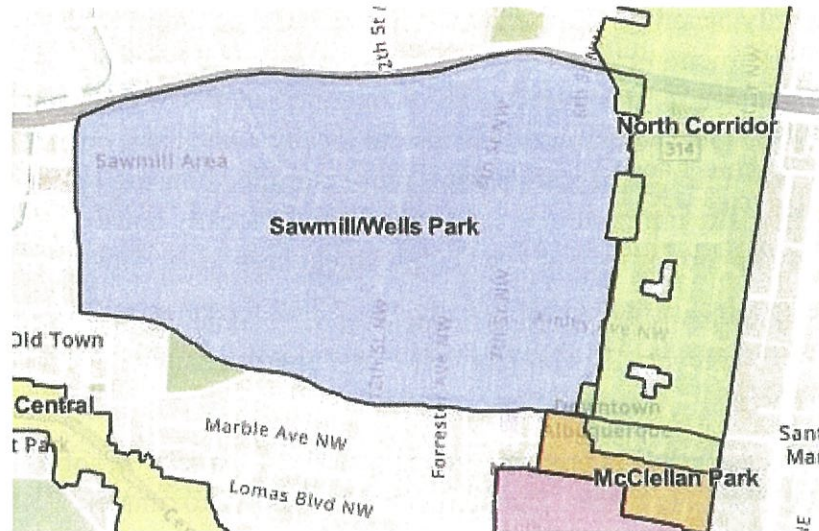
The project falls within the Sawmill/Wells Park Community Metropolitan Redevelopment Area (MRA) boundary. It was originally created in 1993, which as a designated blighted area, qualified it as appropriate for redevelopment projects under the City's Metropolitan Redevelopment Code. Metropolitan Redevelopment projects are activities designed to eliminate slums or blighted areas that conform to an approved plan for rehabilitation and conservation.



## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

The goals of the Sawmill/Wells Park Metropolitan Redevelopment Area Plan are:

- Enhance the Sawmill/Wells Park area as a mixed-income community by providing a permanent mix of affordable and market-rate homes;
- Foster a commitment to lifelong learning and provide opportunities for the celebration of cultural diversity for all community members;
- Create a walkable and livable community; and
- Create community-scale work, business, and wealth-building activities.



### 6. DESIGN AND CONSERVATION:

The parcels are within an existing metropolitan redevelopment area. No historic properties are involved. No individuals, families, or businesses will be displaced by the activities outlined in this plan.

The Applicant is planning on using low water consumption toilets and shower heads in the Sawmill District IRB project facilities. The Applicant also plans on doing water harvesting for use in landscaping. Each of the projects is estimated to have a daily water consumption of 9,300 gallons and a monthly water consumption of 283,000 gallons.

### 7. RENEWABLE ENERGY:

Applicant is investigating and considering opportunities to utilize renewable energy and renewable energy technology at each of the projects, and is open to pursuing such initiatives.

## III. ECONOMIC BENEFITS

### 1. COMPETITION:

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

**Sawmill Mixed Use Development-** There are numerous at least five other market-rate multi-family housing complexes of a similar class in Albuquerque. However, at this time, there are no other market rate apartment options in the Sawmill District.

**Sawmill Hotel-** There are approximately 140 active hotels within Albuquerque subject to Lodgers' Tax. In the immediate vicinity, there are Hotel Chaco and Hotel Albuquerque, both owned by the applicant. The applicant asserts that the unique circumstances and nature of the Sawmill District area render those hotels sufficiently dissimilar from the proposed Sawmill District IRB projects so as not to be direct competitors.

**Chaco Residences-** There are numerous extended stay lodging options throughout Albuquerque, but currently there are no properties offering a comparable product offering. The applicant asserts that the unique circumstances and nature of the Sawmill District area render those extended stay hotels sufficiently dissimilar from the proposed Sawmill District IRB projects so as not to be direct competitors.

## 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- Tables on Following Pages

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

## Chaco Residences

**Breakdown of Direct & Tertiary Employment**

POSITION	TOTAL DIRECT EMPLOYEE COUNT	NUMBER OF FULL- TIME	NUMBER OF PART- TIME	AVERAGE SALARY	
ASSISTANT GM	1	1	-	65,000.00	
HKPG SUPERVISOR	1	1		20.00	per hour
ROOM ATTENDANTS	6	4	2	14.85	per hour
LOBBY ATTENDANT	2	1	1	13.75	per hour
HOUSEPERSONS	2	1	1	13.75	per hour
SECURITY	4	1	3	22.00	per hour
MAINTENANCE STAFF	2	1	1	18.70	per hour
Subtotal of Number of Direct Employees:	18	10	8		
Average Salary for Direct Full-time Salaried Employees:				65,000.00	per year
Average Salary for Direct Full-time Hourly Employees:				35,724.00	per year
Average Salary for Direct Full-time Hourly Employees that Earn Tips:				0	per year in base wages, plus tips, which are anticipated to add an equal or greater amount to minimum wage
Subtotal of Tenant's Tertiary Employees:	86	50	36		
TOTAL	104	60	44		



IRB 25-5: Sawmill Bellamah Properties, LLC, Project

Sawmill Hotel

**Breakdown of Direct & Tertiary Employment**

POSITION	TOTAL DIRECT EMPLOYEE COUNT	NUMBER OF FULL- TIME	NUMBER OF PART- TIME	AVERAGE SALARY	
FRONT OFFICE LEAD HOST	1	1		21.45	per hour
DESK HOSTS	5	3	2	17.60	per hour
BELLMEN/DOORMEN/VALET	4	4		12.65	per hour + tips
NIGHT AUDIT	2	1	1	18.70	per hour
EXECUTIVE HOUSEKEEPER	1	1		60,000	per year
HKPG SUPERVISOR	2	2		17.60	per hour
ROOM ATTENDANTS	8	5	3	14.85	per hour
LOBBY ATTENDANT	3	2	1	13.75	per hour
HOUSEPERSONS	2	2	0	13.75	per hour
OUTLET MANAGER	1	1		60,000	per year
OUTLET SUPERVISOR	1	1		18.70	per hour
HOSTESS / CASHIER	4	2	2	14.30	per hour
ROOM SERVICE	4	2	2	12.65	per hour + tips
SERVERS	10	6	4	7.70	per hour + tips
BUS & EXPO STAFF	4	2	2	12.10	per hour + tips
BANQUET SERVER	2		2	17.60	per hour
EXECUTIVE CHEF	1	1		75,000	per year
SOUS CHEF	1	1		22.00	per hour
LINE COOKS	5	3	2	17.60	per hour
SANITATION	3	2	1	15.13	per hour
PANTRY	2	1	1	14.30	per hour
BAR SUPERVISOR	1	1		16.50	per hour
BARTENDERS	6	3	3	8.80	per hour + tips
BAR SERVERS	4	2	2	7.70	per hour + tips
BARBACKS	2	1	1	12.65	per hour + tips
GENERAL MANAGER	1	1		110,000	per year
ACCOUNTING MANAGER	1	1		50,000	per year
PURCHASING/RECEIVING	1	1		16.50	per hour
SECURITY IN-HOUSE	4	2	2	17.60	per hour
MAINTENANCE MANAGER	1	1		60,000	per year
MAINTENANCE/GROUNDS STAFF	2	2		18.70	per hour
FLOOR CARE PERSON	1		1	16.50	per hour
Subtotal of Number of Direct Employees:	90	58	32		
Average Salary for Direct Full- time Salaried Employees:				69,166.67	per year

IRB 25-5: Sawmill Bellamah Properties, LLC, Project

Sawmill Mixed Use Development  
**Breakdown of Direct & Tertiary Employment**

POSITION	TOTAL DIRECT EMPLOYEE COUNT	NUMBER OF FULL- TIME	NUMBER OF PART- TIME	AVERAGE SALARY	
<b>Property Management</b>					
Property Manager	1	1		\$57,200.00	per year
Assistant Property Manager	1	1		\$48,400.00	per hour
Accounting Manager	1	1		\$72,160.00	per hour
<b>Facilities</b>					
Facilities Manager	1	1		\$71,500.00	per year
Facilities Technicians	3	3		\$ 24.04	per hour
Subtotal of Number of Direct Employees:	7	7	0		
Average Salary for Direct Full-time Salaried Employees:				\$62,315.00	per year
Average Salary for Direct Full-time Hourly Employees:				\$50,003.00	per year
Subtotal of Tenant's Tertiary Employees:	96	62	34		
<b>TOTAL</b>	<b>103</b>	<b>69</b>	<b>34</b>		

- 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?

Ninety percent (90%) of the permanent employees hired will be Albuquerque area residents.

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

Yes. The nearby Sawmill Land Trust operates rent-controlled housing options for residents of the Sawmill District. The influx of new jobs will allow for locally housed residents to capitalize on the employment opportunities and keep employment high in the Sawmill District.

- 3) Will the jobs meet or exceed median wages for the industry within the community?  
 Yes. The jobs will meet or exceed median wages for this industry within the community.

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

Yes. These jobs will generally match skills of current city residents.

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

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

Yes. Yes, training will be available for new employees.

6) What stated advancement opportunities are there?

HH&R strives to provide staff opportunities for future growth and a work environment that is focused on the employee experience. In fact, Heritage Hotel & Resorts promotes heavily from within the organization. Heritage has employees that began their careers in lower-level hourly rate positions that have now advanced to overseeing some of New Mexico's largest hospitality assets and earn over \$100,000 per year in salaries.

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

HH&R does not plan to utilize JTIP or other job training programs.

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

Yes. The company pays ~70%. HH&R will make available to full-time associates regularly scheduled to work at least 30 hours per week the following benefits, including, but not limited to:

- Health, Dental, and Vision Insurance Coverage
- Gym membership under health plan
- Life Insurance
- Profit Sharing & 401 K Plan (HH&R currently provides a 401K match equal to 25% of the employees' contributions)
- Flexible Medical Spending Plan including Dependent Care FSA
- Paid personal time off (PTO) for qualified employees
- Wellness time off (Sick Leave)
- Employee Assistance Plan
- Accident Insurance
- Critical Illness Insurance
- Short-term Disability Insurance
- Health Reimbursement Arrangement

### 3. LOCAL PURCHASING

The aggregate value of financing from the bond issuance will primarily be spent on local vendors and New Mexico based enterprises. The economic benefits of the bond issuance will not only infuse capital into the local community, but to locally owned and operated businesses as well.

## IV. PROJECT FEASIBILITY

### 1. COST/ FEASIBILITY/ FINANCING:

Cost of Improvements, Bond Amount and Private Financing



## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

A summary of the project is as follows:

**Bond Amount** – Sawmill Bellamah Properties is requesting a City-issued Industrial Revenue Bond in the amount of \$227,500,000.

### Project Financing

The applicant estimates that the project will require \$227,500,000 to fund all costs of project development. It is anticipated that all costs will be initially funded through private sources.

### Cost of Improvements

It is anticipated that all costs will be initially funded through private sources. However, the applicant is requesting public participation through tax abatement achieved through the issuance of IRBs.

The applicant estimates that the Sawmill Hotel project will require \$80,800,000,000 to fund all costs of project development.

<b>Anticipated Project Uses:</b>	<b>Projected Costs of Project Uses:</b>
<b>Consultant Fees</b>	\$3,114,800.00
<b>Land</b>	\$2,500,000.00
<b>Soft Costs</b>	\$2,443,553.00
<b>Insurance</b>	\$40,000.00
<b>Testing</b>	\$120,000.00
<b>Technology Systems</b>	\$645,000.00
<b>Equipment</b>	\$0.00
<b>FF&amp;E</b>	\$485,000.00
<b>Sign Package</b>	\$120,000.00
<b>OS&amp;E</b>	\$110,000.00
<b>Construction Costs</b>	\$55,860,108.00
<b>Project Contingency</b>	\$2,000,000.00
<b>Retail Tenant Improvements</b>	\$5,000,000.00
<b>Total</b>	\$80,800,000.00

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

The applicant estimates that the Sawmill Mixed Use project will require \$76,300,000 to fund all costs of project development.

<b>Anticipated Uses:</b>	<b>Projected Costs of Project Uses:</b>
<b>Consultant Fees</b>	\$3,286,919.00
<b>Land</b>	\$2,500,000.00
<b>Soft Costs</b>	\$1,892,743.00
<b>Insurance</b>	\$100,000.00
<b>Testing</b>	\$130,000.00
<b>Technology Systems</b>	\$860,000.00
<b>Equipment</b>	\$550,000.00
<b>FF&amp;E</b>	\$6,461,734.00
<b>Sign Package</b>	\$140,000.00
<b>OS&amp;E</b>	\$531,928.00
<b>Construction Costs</b>	\$54,809,160.00
<b>Project Contingency</b>	\$3,000,000.00
<b>Retail Tenant Improvements</b>	\$2,000,000.00
<b>Total</b>	\$76,262,485.00

The applicant estimates that the Chaco Residences project will require \$70,400,000 to fund all costs of project development.

<b>Anticipated Uses:</b>	<b>Projected Costs of Project Uses:</b>
<b>Consultant Fees</b>	\$3,162,390.00
<b>Land</b>	\$2,500,000.00
<b>Soft Costs</b>	\$2,433,560.00
<b>Insurance</b>	\$145,000.00
<b>Testing</b>	\$160,000.00
<b>Technology Systems</b>	\$923,444.00
<b>Equipment</b>	\$50,000.00
<b>FF&amp;E</b>	\$4,473,140.00
<b>Sign Package</b>	\$180,000.00
<b>OS&amp;E</b>	\$110,000.00
<b>Construction Costs</b>	\$47,681,214.00
<b>Project Contingency</b>	\$ 3,000,000.00
<b>Retail Tenant Improvements</b>	\$ 5,500,000.00
<b>Total</b>	\$70,318,748.00

## 2. DEVELOPER'S RECORD:



## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

James M. Long has founded numerous highly successful companies throughout his career including American Property, Heritage Hotels and Resorts, Inc., Heritage Real Estate Company, Heritage Restaurant Group, LLC, Southwest Brands, et. al. The collective companies have assets of more than \$1 billion and employ nearly employees. In his thirty-year career he has been a principal in over 100 projects valued at more than \$2.0 billion including hotel, office, retail, industrial and multi-family.

The companies and entities founded by Mr. Long are as follows:

- ◆ Heritage Hotels & Resorts, Inc.
- ◆ American Property Management Corp.
- ◆ Heritage Real Estate Company, LLC
- ◆ Southwest Brands

Based on the description and information given in the project plan, the company's historic growth & acquisitions, and current facilities, the company appears to have the track record to ensure a successful project.

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

### 3. EQUITY:

The minimum equity capital invested in project will be 40% of the total capital structure for the project.

### 4. MANAGEMENT:

HH&R or its affiliates will be the operator of the three Sawmill District Projects upon completion. HH&R was initially established as an independent hotel management company in November 2004 to manage select hotels that provide a rich, authentic cultural experience.

James M. Long, principal and founder of HH&R, has a significant or majority ownership interest in all hotels managed by HH&R. Mr. Long is a graduate of Valley High School and the University of New Mexico. Please see attached Schedule 3 for Mr. Long's resume.

HH&R recognized the unique opportunity that exists in the cultural tourism sector and has built a company to capture this market. This has allowed the company, to create a very distinctive presence in the New Mexico hospitality market. The company continually develops and promotes its team members from within the organization. The current company President, Adrian Perez, is a native New Mexican and a graduate of West Mesa High School and the University of New Mexico. The company has steadily increased its portfolio through strategic acquisitions and new construction. HH&R has become one of the leading cultural entrepreneurs in the state of New Mexico, focusing its efforts on cultural preservation and advancement.

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

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

### 5. FISCAL IMPACT ANALYSIS

This Project includes an impact analysis prepared by the University of New Mexico's Bureau of Business and Economic Research (BBER) as required given the project is a recipient of City funds.

**Sawmill Mixed Use Development-** The fiscal impact presented shows that operations related to the \$80.8 million bond for Sawmill Mixed Use Development will generate an estimated total of \$2.3 million in taxes by 2047 and will continue to remain tax positive throughout the span of the contract. Moreover, while the analysis does not encompass tertiary employment, it is important to recognize that the effects of spending related to these jobs will generate a ripple effect throughout the economy. Not only will this benefit Sawmill Mixed Use Development, but it will also enhance overall economic growth, thereby resulting in a significant positive impact on the City.

**Sawmill Hotel-** The fiscal impact presented indicates that the operations associated with the \$76.3 million bond for Sawmill Hotel are expected to generate a total of \$8.2 million in taxes by 2049. The project will remain tax-positive throughout the duration of the bond term. Furthermore, the estimated fiscal impact is likely underestimated, as most figures are presented in 2024 dollars.

**Chaco Residences-** The fiscal impact presented shows that operations related to the \$70.4 million bond for Chaco Residences will generate an estimated total of almost \$5.6 million in taxes by 2042 and will continue to remain tax positive throughout the span of the contract.<sup>16</sup> Moreover, while the analysis does not encompass tertiary employment, it is important to recognize that the effects of spending related to these jobs will generate a ripple effect throughout the economy. Not only will this benefit Chaco Residences, but it will also enhance overall economic growth, thereby resulting in a significant positive impact on the City.

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

### V. MULTI-HOUSING PROJECT REQUIREMENTS

Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. The Council will consider the issuance of bonds for a multi-family project when a user can demonstrate to the Albuquerque Development Commission and the Council sufficient facts:

- (1) that the project will further the City's redevelopment policies; and
- (2) that the private sector is not meeting the low or moderate income family housing needs in the immediate area of the City for which the project is proposed; or
- (3) that the private sector is not meeting the housing needs of elderly persons in the immediate area of the City for which the project is proposed.

Bonds to be issued are to be used to acquire or construct a multi-family housing projects, the user shall submit to the commission satisfactory information:

## IRB 25-5: Sawmill Bellamah Properties, LLC, Project

- (a) that the proposed project will promote the health, safety, security, and welfare of the citizens of the City;
- (b) that the proposed project is located within the City;
- (c) that the proposed project is not inconsistent with the long-term development plans of the City;
- (d) that all tenants will be offered comparable services without any discrimination as to income of the tenant;
- (e) relating to the financing of the project and the purchase of the bonds;
- (f) that the proposed project will not adversely affect existing multi-family housing in the area of the proposed project;
- (g) that the proposed project will generate revenues sufficient to pay the debt service in the bonds and to otherwise render the proposed project self-liquidating;
- (h) that the user will be required to submit to the trustee of the bonds at least annually evidence that the percentage of low- and moderate-income tenants is in compliance with the requirements of federal law for tax exempt bonds;
- (i) that the bonds, including any refunding bonds, shall mature in not more than twenty years from the date of issuance; and
- (j) that, notwithstanding section (K) of this resolution, as a condition of the issuance of the bonds, the financing agreement will be structured so that the user will pay all ad valorem taxes and special assessments and gross receipts and compensating use taxes on the project and that the user will access the land and premises in the name of the user.

*Note: Industrial revenue bond applications for multi-family housing projects are subject to additional requirements. See Section V for more information. However, the applicant has requested a waiver of the requirements from City Council.*

## FINDINGS:

1. IRB 25-5 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, upon the waiver of Section E requirements; and
2. IRB 25-5 would make positive substantive contributions to the local economy and community by directly creating 75 full-time jobs; and
3. IRB 25-5 will provide significant investment and revitalization in a metropolitan redevelopment area; and
4. IRB 25-5 will benefit Albuquerque's convention and tourism industry through the creation of additional room inventory, convention space and amenities in a historic tourism area; and
5. IRB 25-5 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
6. IRB 25-5 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 25-5: Sawmill Bellamah Properties, LLC, Project

**STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of IRB 25-5 as proposed in the project plan application.

Chris Chavez, Economic Development Manager  
Economic Development Department

SAWMILL BELLAMAH PROPERTIES LLC

CITY OF ALBUQUERQUE  
ECONOMIC DEVELOPOMENT CONDUIT FINANCING APPLICATION  
FOR  
CHACO RESIDENCES

**April 8, 2025**

201 Third Street NW, Suite 1150  
Albuquerque, NM 87102  
(505) 998-5450

**Name of Project:** Chaco Residences

**Location of Project:** 1904 Bellamah Ave. in Albuquerque, New Mexico.

**UPC #s:** 101305822846022577

**Applicant:** Sawmill Bellamah Properties, LLC, its assigns or affiliates

**Address:** 201 3<sup>rd</sup> St NW, Suite 1150  
Albuquerque, NM 87102

**Telephone:** (505) 998-5450

**E-mail:** [jlong@hhandr.com](mailto:jlong@hhandr.com)

**Agent:** Justin Horwitz  
Rodey Law Firm

**Address:** 201 3<sup>rd</sup> Street NW, Suite 2200  
Albuquerque, NM 87102

**NAICS Code:** 721110 Hotels (except Casino Hotels)

**Bond Counsel for City of Albuquerque:** Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
**Address:** 500 500 4th Street NW, Suite 1000  
Albuquerque, NM 87102

**Bond Amount Requested:** \$70,400,000.00 **Fee to Be Submitted:** \$2,500

## **Project Summary**

### **Name of Company Requesting Bonds:**

Sawmill Bellamah Properties, LLC, together with its assigns or affiliates, is requesting that the City of Albuquerque (the “City”) issue industrial revenue bonds (“IRBs”) to support the development of the Chaco Residences project. It is intended that a new affiliated LLC will be formed to lease project from the City and a second affiliated LLC will be formed to purchasing and holding the IRBs.

### **History of the Company:**

Sawmill Bellamah Properties, LLC, was first formed on October 16, 2014, to own, operate, lease, sell, exchange, transfer, and otherwise deal with various parcels in the Sawmill District. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone. These local and Federal designations were established for the purpose of seeking government assistance for future redevelopment of the area and make projects undertaken in the area a priority under local economic development policies, which prioritize efforts to develop or renew blighted areas.

Sawmill Bellamah Properties, LLC, through its assigns or affiliates, will undertake the development of Chaco Residences on the plots of land currently known as Tract A-One (A-1) LANDS OF SAWMILL BELLAMAH PROPERITES, LLC, Town of Albuquerque Grant, Projected Section 18, Township 10 North, Range 3 East, N.M.P.M., Albuquerque, Bernalillo County, New Mexico, as the same is shown and designated on the Correction Plat thereof filed in the office of the County Clerk of Bernalillo County, New Mexico on June 11, 2024 in Map Book 2024C, folio 53.

This land parcel is located at 1904 Bellamah Ave., immediately east of Hotel Chaco.

Hotel Chaco, managed by the applicant’s affiliate, Heritage Hotels & Resorts, Inc. (“HH&R”), was the first hotel to be built in the Sawmill neighborhood in over 40 years, and Chaco Residences will provide a long term stay opportunity for the Sawmill District. Hotel Chaco has

become the preeminent luxury hotel in Albuquerque and is frequented by corporate CEOs, movie producers, directors, and actors.

Hotel Albuquerque at Old Town, located in Sawmill District and again managed by HH&R, has become a community gathering place for Albuquerque, hosting many community events for over 15 years. The Hotel revived the historic Montezuma Ball in 2000 to raise needed funds for local charities. Since that time this annual event has raised more than \$4,000,000 for New Mexico non-profit organizations, including Explora, Albuquerque Museum Foundation, New Mexico Museum Foundation Desert Springs, NM Children Cancer Fund, Big Brothers/Big Sisters, New Day Youth and Family Services, National Dance Institute, WESST, Animal Humane Association, National Flamenco Institute and many others. During this timeframe, the ownership group has continually improved Hotel Albuquerque into one of the state's premier hotels.

Sawmill Market, opened in 2020, is managed by affiliated companies known as Heritage Restaurant Group, LLC, and Heritage Real Estate Company, LLC. This artisanal food hall brought 250 additional new jobs to Albuquerque, creating significant economic opportunities for New Mexicans, including minority and women-owned businesses. Sawmill Market features up to 32 locally sourced, curated food concepts, and helped preserve the character of the Sawmill District. It has become the number one tourist attraction in New Mexico with nearly 1 million visitors annually.

Together, the Heritage Companies are working towards making the Sawmill District the premier walkable, pedestrian-oriented community featuring a hyperlocal environment focused on maximizing economic opportunities for New Mexicans.

HH&R will be the operator of Chaco Residences upon completion. HH&R was initially established as an independent hotel management company in November 2004 to manage select hotels that provide a rich, authentic cultural experience. James M. Long, principal and founder of HH&R Hotels, has a significant or majority ownership interest in all hotels managed by HH&R Hotels. Mr. Long is a graduate of Valley High School and the University of New Mexico. The company has elected to focus its efforts solely on the New Mexico hospitality market. HH&R Hotels recognized the unique opportunity that exists in the cultural tourism sector and has built a company to capture this market. This has allowed the company, to create a very distinctive presence in the New Mexico hospitality market. HH&R Hotels has established its brand presence in the state of New Mexico. The company continually develops and promotes its team members



from within the organization. The current company President, Adrian Perez, is a native New Mexican and a graduate of West Mesa High School and the University of New Mexico. The company has steadily increased its portfolio through strategic acquisitions and new construction. HH&R Hotels has become one of the leading cultural entrepreneurs in the state of New Mexico, focusing its efforts on cultural preservation and advancement.

Currently, the HH&R brand is comprised of thirteen award-winning hotels located in New Mexico, each individually designed with historical authenticity. In New Mexico, HH&R Hotels is helping to support such diverse industries as music, performing and visual arts, crafts, heritage festivals, cultural markets, culinary arts, architecture, and design. Every HH&R hotel strives to showcase New Mexico's rich cultural heritage through architecture, interior design, entertainment, landscaping, music, and cuisine. A unique component of each HH&R hotel is the connection to a cultural cause. The mission of the company is "Hotels Supporting Cultural Causes". Each hotel contributes a small percentage of its room revenue to such cultural causes. The company was named the "2006 National Retailer of the Year" by the US Dept. of Commerce and was a finalist for 2011 Hotel Management Company of the Year by the Latino Hotel Association.

**Location of Company Headquarters:**

201 3<sup>rd</sup> Street NW, Suite 1150  
Albuquerque, New Mexico 87102

**Description of product the Company manufactures or sells:**

Chaco Residences is designed to offer residents and visitors to New Mexico a luxury extended stay experience showcasing the cultural elements of New Mexico with high-end luxury accommodations in a fun, exciting manner. The hotel will utilize digital technologies and art throughout the property to enhance the overall hotel experience. (See Renderings of Chaco Residences, attached as Schedule 2).

The Chaco Residences project does not intend to manufacture or sell any singular products. Rather the project will offer will offer lodging and ancillary services including, but not limited to:

- 19,194 square-feet of street-front retail, including gift shops, art galleries, and other related retail

- 107 extended stay guestrooms, including 8 luxurious suites
- Wellness areas
- Food and Beverage offerings, including a roof top bar
- Conference facilities
- Rooftop pool on 2<sup>nd</sup> floor
- Rooftop event space to accommodate up to 100 people

The Chaco Residences project will also utilize the meeting and convention facilities at Hotel Albuquerque and Hotel Chaco.

**Sales (projected local, national and worldwide):**

Chaco Residences is anticipated to generate approximately \$16,000,000 in local net sales for its first full year of operations in 2028. The hotel is projected to have over 30,000 visitors per year. The retail operations are projected to have 30,000 visitors or clients per year.

**Distribution of Product:**

Managed by HH&R, Chaco Residences will offer its unique product to guests from throughout the US and internationally. Chaco Residences will be advertised directly through the marketing/promotional initiatives of HH&R, as well as through third party distributors such as Booking.com, Trip Advisor, Hotels.com, Expedia, etc. A significant social media marketing plan will be implemented. All of the properties within the HH&R portfolio are managed/operated by our internal hotel management company, HH&R.

**Requests, if any for exemption to the City's economic development policies and reason for request(s):**

Applicant requests a waiver of the City's PILOT requirements to the extent that the requested PILOT structure is inconsistent with the City's economic development policies. The requested PILOT is described in the applicable section of this application below. This accommodation is necessary to assist with the difficulty in obtaining financing for a project in a

metropolitan redevelopment area and challenges of undertaking a development project of this scale in a rising interest rate environment and confronted with global supply chain disruption.

**Type of financing requested (i.e. industrial revenue bonds, project revenue bonds, multifamily housing revenue bonds, LEDA funds, other financing, etc.):**

Sawmill Bellamah Properties is seeking IRBs.

### **PROJECT DESCRIPTION**

Chaco Residences will be a new multi-million dollar hotel in the heart of historic Old Town, Albuquerque. The 107-room project will break ground upon the issuance of the IRBs. The extended stay luxury facility will be designed to attract customers seeking a longer stay option. Its design and amenities will be similar to Hotel Chaco. Similar to Hotel Chaco, Chaco Residences will capture the legacy of New Mexico's Native American culture and history in a modern and luxurious way. The facility will become a visually alluring sanctuary. We are blending ancient building techniques from Native Americans with modern amenities and designs from the best designers in the world to create a new hotel that will redefine and advance the architectural building style in our state. The property will embrace the spirituality, sensibility and legacy of the indigenous ruins of Chaco Canyon, while simultaneously striving for a contemporary sophistication.

The property will be due east of Hotel Chaco. The Hotel Chaco Residences will be comprised of six levels with guestrooms designed to extend outdoors onto gracious terraces showcasing majestic views towards the Sandia Mountains and downtown skyline. A ground floor restaurant will fully engage Bellamah Avenue to enhance the overall urban experience.

The goal in creating the project is to move architecture forward in New Mexico through an innovative modern approach yet be fully grounded in the area's historical culture and traditions. Using New Mexico geology as a design concept, the project will reflect the vertical geology of such unique places as Shiprock.

A national search was conducted to locate architects born and raised in New Mexico who were familiar with creating bold and unique architectural designs. Competition was held amongst several architects for the project. Ben Anderson, the grandson of Robert O. Anderson, a legendary oil and gas explorer, was selected to design Chaco Residences. "The design creates an

unprecedented architectural aesthetic for New Mexico and the greater Southwest region,” said Ben Anderson, Principal of Office Untitled. “Heritage Hotels & Resorts presented a captivating conceptual vision as a catalyst for the design team. The result is a one-of-a-kind property that embraces the uniqueness of New Mexico, while simultaneously striving for a contemporary sophistication.”

*Project Features:*

- 19,194 square-feet of street-front retail, including gift shops, art galleries, and other related retail
- 107 extended stay guestrooms, including:
  - 30 Studio Guestrooms
  - 69 1-Bedroom Guestrooms
  - 7 2-Bedroom Guestrooms
  - 1 3-Bedroom Guestrooms
- Wellness areas
- Food and Beverage offerings, including a roof top bar
- Conference facilities
- 1,105 square-foot fitness facility
- Rooftop pool on 2<sup>nd</sup> floor

**Amount of Financing Requested:**

\$70,400,000.00 for the Project

**Expected use of Bond Proceeds:**

The IRBs proceeds shall be allocated for construction costs, equipment/FF&E purchases, development costs, land, design/engineering and other soft costs, and retail tenant improvements.

**Sources and Uses Table and Projected Expenditures:**

The applicant estimates that the project will require \$70,400,000 to fund all costs of project development. It is anticipated that all costs will be initially funded through private sources.

However, the applicant is requesting public participation through tax abatement achieved through the issuance of IRBs.

<b>Anticipated Uses:</b>	<b>Projected Costs of Project Uses:</b>
<b>Consultant Fees</b>	\$3,162,390.00
<b>Land</b>	\$2,500,000.00
<b>Soft Costs</b>	\$2,433,560.00
<b>Insurance</b>	\$145,000.00
<b>Testing</b>	\$160,000.00
<b>Technology Systems</b>	\$923,444.00
<b>Equipment</b>	\$50,000.00
<b>FF&amp;E</b>	\$4,473,140.00
<b>Sign Package</b>	\$180,000.00
<b>OS&amp;E</b>	\$110,000.00
<b>Construction Costs</b>	\$47,681,214.00
<b>Project Contingency</b>	\$ 3,000,000.00
<b>Retail Tenant Improvements</b>	\$ 5,500,000.00
<b>Total</b>	\$70,318,748.00

**Physical Address and Location of the Project:**

Chaco Residences will be located at the corner of Bellamah and 20<sup>th</sup> Street, Albuquerque, NM 87104.

**Estimated time frame for the project, including anticipated commencement date and estimated construction and completion period:**

Sawmill Bellamah Properties is currently estimated to start construction of Chaco Residences on or about May 1, 2025, and that it will take approximately 3 years to reach 100% completion of all improvements, including retail tenant build-outs. Please note, however, that the applicant expects to make significant ongoing improvements to the project property over the life

of the project and would ask for a corresponding construction completion date in the IRBs lease agreement.

**Zonal Certification:**

This property was originally zoned NR-LM. The City approved a zoning change to MX-H.

**Products to be produced at the project location:**

Sawmill Bellamah Properties, LLC, will not be producing products at this location. Rather, it will develop a new extended stay facility, which will provide guestrooms, wellness and retail opportunities to its customers in the Old Town and Sawmill areas.

**Potential Environmental Concerns:**

The Chaco Residences project zone change has been approved by the Environmental Planning Commission (EPC) of the City. The project has received the full support of local neighborhood associations and the Old Town Merchants Association.

There are no known environmental issues and/or concerns that have been raised regarding the area of development, nor the project in discussion.

**Type of retail to be included in the project and estimated percentage of project that would be retail. An explanation of how the particular type or function of retail will benefit the City. Note that the primary nature of a qualifying entity's project cannot be retail.**

The project is anticipated as having 19,194 square feet of retail uses, which is anticipated to be less than 30% of the overall project. This retail will be used for restaurants, dining, entertainment, and retail shops.

**Amount of product to be manufactured:**

None.

**If Service Industry, number of guests/visitors per month?**

It is expected that the project will attract approximately 3,333 visitors per month.

**Explanation of request for economic development financing:**

The IRBs will allow Sawmill Bellamah Properties to seek a waiver of gross receipts taxes on certain costs of construction and abate a portion of its annual property taxes. These cost savings will enable this project to move forward in a Metropolitan Redevelopment Area where it is otherwise difficult to obtain the financing necessary to revitalize a blighted area of Albuquerque and where the developer is faced with challenges resulting from the rising interest rate environment and rising construction costs.

**Project Costs and Benefits Schedule:**

The applicant estimates that the project will require \$70,400,000 to fund all costs of project development. It is anticipated that all costs will be initially funded through private sources. However, the applicant is requesting public participation through tax abatement achieved through the issuance of IRBs.

**Aggregate Principal Amount of Bonds:**

**Amount:**

\$70,400,000.00

**Structure (e.g., bonds, notes, construction financing, draw-down obligation, etc.):**

Bonds.

**Series (e.g., \$10 million in two series: (i) \$5 million Taxable Variable Rate Industrial Revenue Bonds, Series 2017A; \$5 Million Taxable Fixed Rate Unsecured Industrial Revenue Bonds, Series 2017B):**

\$70,400,000 Taxable Industrial Revenue Bonds, Series 2025.

**Whether the bond(s) will be underwritten and/or purchased. (e.g., underwritten by Bank of America Securities, LLC and (ii) to be purchased by ACME LLC, and affiliate of the Company):**

The IRBs will be self-purchased.

**The company's equity in the project:**

The minimum equity capital invested in Chaco Residences will be 40% of the total capital structure for the project.

**Term of Bonds and Lease:**

**Requested term of Bonds:**

20 years.

**Requested term of Lease:**

20 years.

**EMPLOYMENT INFORMATION:**

**PERMANENT EMPLOYMENT**

**Current Employment before IRB:**

- Hotel Albuquerque Tenancy is the ownership entity of Hotel Albuquerque at Old Town, which currently employs approximately 250 people that are located directly on the property.
- Hotel Chaco currently employs approximately 102 people that are located directly on that property.
- HH&R, and its affiliated companies employ approximately 1,500 people in various positions throughout the state of New Mexico.
- Sawmill Market, LLC, and Heritage Restaurant Group, LLC, currently employ 109 people in various positions.
- Chaco Residences does not currently employ anyone.

**Number of new full-time employees as a result of the Project:**

Chaco Residences will generate approximately 17 permanent employment positions varying from managerial, administrative, to support staff. In addition, approximately 86 positions associated with Chaco Residence may be filled by third-party vendors leasing space within the



hotel for the ground floor restaurant space and retail space. The decision to lease out these areas has yet to be determined and the applicant does not commit to staffing these additional positions unless the decision to do so is made.

**Projected full-time employment after project is completed:**

Sawmill Bellamah Properties, LLC, the ownership entity pertaining to Chaco Residences, does not currently have any employees. It is anticipated that the hiring will begin shortly before the hotel opens and by the end of the first year of business will employ no less than 75% of the numbers shown below. By the end of the second year, the hotel will employ 85% of the numbers shown below, and by the end of the third year, the market will operate at full capacity with 100% of the numbers shown below. The numbers illustrated below are exclusive of jobs necessary to supply agricultural products to the hotel. Although not employed directly by the applicant, it is estimated that the third-party tenants at the hotel will employ an additional 86 tertiary employees.

**Breakdown of employment by job classification and salaries (e.g. # of managerial, administrative, support, etc:**

**Breakdown of Employment (Managerial, Administrative, Support):**

**CHACO RESIDENCES JOB CLASSIFICATION**

POSITION	EMPLOYEE COUNT
Management	1
Administrative/General	4
Service & Support	11
Sales	0
Maintenance	2
Tertiary Employees of 3 <sup>rd</sup> Party Retail Tenants	86
<b>TOTAL</b>	<b>104</b>

### Breakdown of Direct & Tertiary Employment

POSITION	TOTAL DIRECT EMPLOYEE COUNT	NUMBER OF FULL- TIME	NUMBER OF PART- TIME	AVERAGE SALARY	
ASSISTANT GM	1	1	-	65,000.00	
HKPG SUPERVISOR	1	1		20.00	per hour
ROOM ATTENDANTS	6	4	2	14.85	per hour
LOBBY ATTENDANT	2	1	1	13.75	per hour
HOUSEPERSONS	2	1	1	13.75	per hour
SECURITY	4	1	3	22.00	per hour
MAINTENANCE STAFF	2	1	1	18.70	per hour
Subtotal of Number of Direct Employees:	18	10	8		
Average Salary for Direct Full-time Salaried Employees:				65,000.00	per year
Average Salary for Direct Full-time Hourly Employees:				35,724.00	per year
Average Salary for Direct Full-time Hourly Employees that Earn Tips:				0	per year in base wages, plus tips, which are anticipated to add an equal or greater amount to minimum wage
<b>Subtotal of Tenant's Tertiary Employees:</b>	<b>86</b>	<b>50</b>	<b>36</b>		
<b>TOTAL</b>	<b>104</b>	<b>60</b>	<b>44</b>		

**Benefits the Employer provides the Employees:**

HH&R will make available to full-time employees of Chaco Residences who are regularly scheduled to work at least 30 hours per week the following benefits including, but not limited to:

- Health, Dental, and Vision Insurance Coverage
- Gym membership under health plan
- Life Insurance
- Profit Sharing & 401 K Plan
- Flexible Medical Spending Plan including Dependent Care FSA
- Paid personal time off (PTO) for qualified employees
- Wellness time off (Sick Leave)
- Employee Assistance Plan
- Accident Insurance
- Critical Illness Insurance
- Short-term Disability Insurance
- Health Reimbursement Arrangement
- 529 Plan

**CONSTRUCTION RELATED**

**Number of temporary construction jobs during the term of the Project:**

According to the Project Manager, Dave Doyle, Chaco Residences will create approximately 250 +/- total construction jobs between the general contractor and the associated 3<sup>rd</sup> party subcontractors. Approximately 100% of the contractors/sub-contractors associated with the construction of Chaco Residences will be local vendors, thus all of the jobs created via the construction of Chaco Residences will be dispersed locally. The general contractor has not yet been selected.

**Number/Percentage of local subcontractors on the Project:**

Approximately 100% of the subcontractors for the construction of Chaco Residences will be locally based, New Mexico organizations.

**Estimated Local Construction Costs:**

The development and construction of Chaco Residences is estimated to incur expenses of approximately \$70,400,000.00. The general contractor involved in the project, as well as an estimated 100% of subcontractors involved, are locally based organizations.

**Estimated Non-Local Construction Costs:**

None.

**Impact on City:**

Chaco Residences will provide the following economic impact on the City:

- Chaco Residences will immediately provide the community with a tremendous infusion of employment opportunities. The project will generate approximately 100 community jobs. The location of the project is located within the Sawmill Wells Park areas, classified as a Metropolitan Redevelopment area. The area is also identified as a Historically Underutilized Business (HUB) Zone, a federal designation that encourages development in areas of need. The proposed development is compatible with the Old Town and Museum districts. The projects will provide vital tourism and retail experiences for those who want to explore the historical Old Town and Museum District areas.
- Estimated project costs for Chaco Residences is projected to be between \$70,400,000.00 that will be allocated towards local, New Mexico-based contractors and subcontractors. This infusion of capital will directly affect the state of the local economy that otherwise would not happen without this development.
- The City will directly benefit to a large degree from the GRT-related revenue stream from the bricks & mortar construction-related expenses, as well as the labor expenses associated with the construction/development of Chaco Residences.

- The nearby Sawmill Land Trust operates rent-controlled housing options for residents of the Sawmill District. The influx of new jobs will allow for locally housed residents to capitalize on the employment opportunities and keep employment high in the Sawmill District.
- Chaco Residences will be a tremendous attraction to the City. Designed in a style completely unique to New Mexico, this project will no doubt attract thousands of national and international visitors annually, who will undoubtedly spend considerable money throughout the City.
- The equity for the Chaco Residences project will be contributed primarily by a consortium of local New Mexicans. These investors have chosen to invest their capital in the City.
- The aggregate value of financing from the bond issuance will primarily be spent on local vendors and New Mexico based enterprises. The economic benefits of the bond issuance will not only infuse capital into the local community, but to locally owned and operated businesses as well.
- The project will create an estimated 103 new jobs with a range of skill and pay levels.
- The project will create approximately 250+/- construction jobs utilizing local vendors.

**If positions are available, through what channels will the company solicit employment opportunities and application?**

The company will solicit employees through job fairs, local advertisement, company websites, and employment internet sites. The company currently recruits from local high schools, colleges and universities. The company will encourage walk-in candidates to apply.

**What percentage of permanent employees hired will be from the City area?**

Ninety percent (90%) of the permanent employees will be hired from the City area.

**What percentage of permanent employees hired will be from out of state?**

One percent (1%) of the permanent employees will be hired from out of state.

**How many jobs will be economic base jobs?**

None. However, due to the nature of the project and its customers, the applicant expects that a significant portion of its revenues will be generated from visitors residing outside of the City.

**What local purchasing provisions have been made?**

The Applicant cannot accurately estimate the anticipated annual expenditure on goods and services to be locally procured that would be subject to the New Mexico gross receipts tax or the annual increase in such expenditures. However, the Applicant understands the importance of local procurement and will, to the extent prudent, make local procurement a priority in its operation of the Chaco Residences.

**What would happen if the project were not to receive conduit financing?**

Without conduit financing, this project will not be able to move forward due to the difficulty involved in obtaining financing in an area deemed blighted by the City.

**Name the district representative sponsoring this project:**

Councilor Joaquín Baca.

**PILOTS (Payments In Lieu Of Taxes)**

**Amount of property tax exemption requested for real property:**

For the first six years of the Term following Closing, which time period is anticipated as reflecting the requested construction period for the project, Applicant will pay a PILOT equal to the real property taxes owed for the project site in 2024. At the start of the 7<sup>th</sup> year, the County Assessor may appraise the project property annually to set a revised value for the project property, but Applicant shall reserve the right to protest such valuation utilizing the standard protest procedures. Beginning in the 7<sup>th</sup> year, Applicant will pay a PILOT equal to 30% of the real property taxes it would otherwise owe for the project property based on the mill rates currently in effect for each year, resulting in a 70% real property tax exemption.



**Estimated total value of real property to be exempted:**

The present assessed value of the project property is \$680,950.

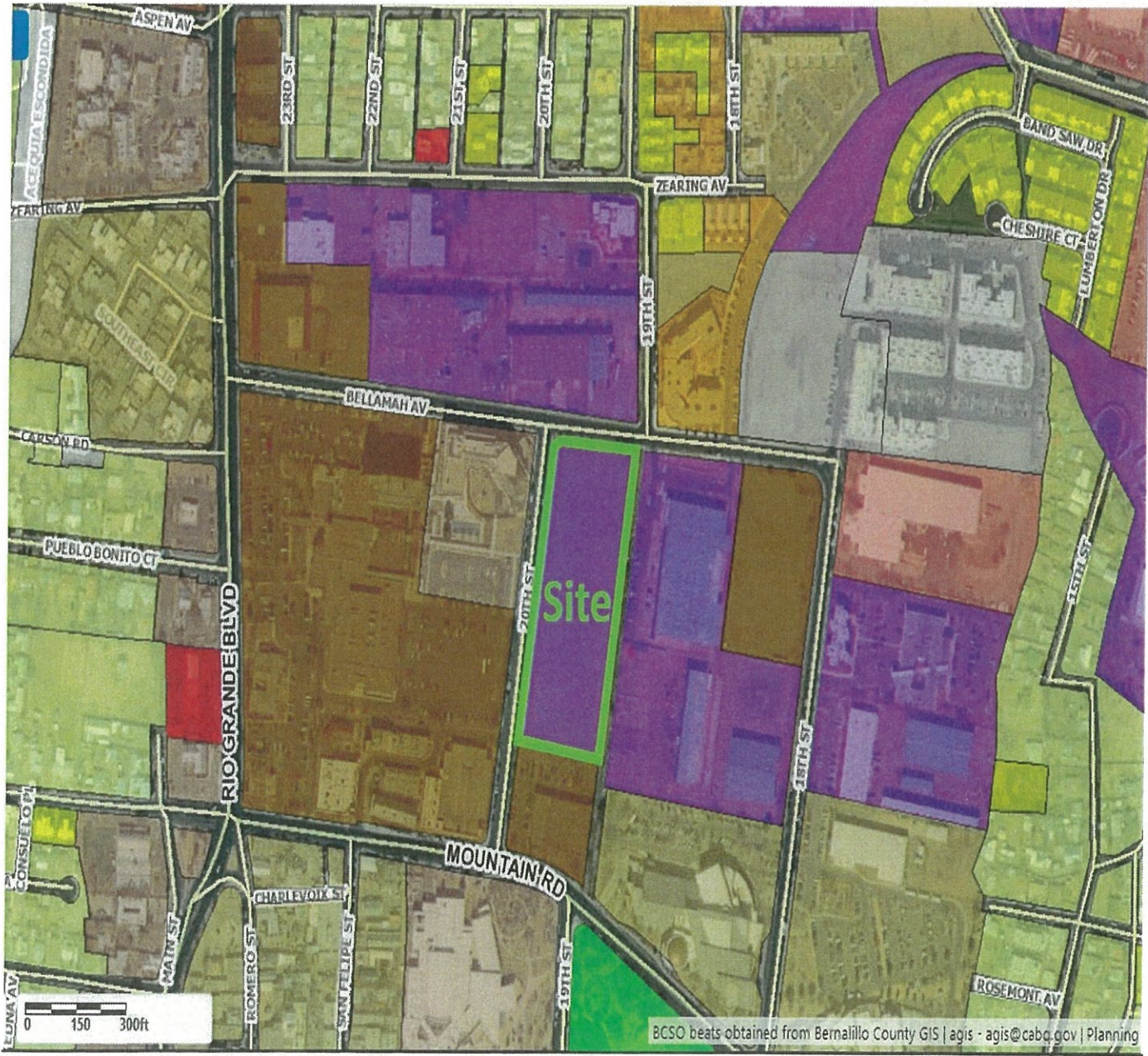
**Amount of property tax exemption requested for personal property:**

A 100% property tax exemption for personal property. Additionally, a full abatement of applicable Gross Receipts Taxes, as well as Compensating Taxes, for the development of the Chaco Residences.

**Estimated total value of personal property to be exempted (before depreciation):**

Certain personal property values are identified in the sources and uses table above. However, the applicant is consulting with professionals to provide a more accurate estimate of the total value of the personal property eligible for exemption following legislative action associated with the IRBs.

## Schedule 1 Location Map





Schedule 2  
Renderings of Chaco Residences



SAWMILL BELLAMAH PROPERTIES LLC

CITY OF ALBUQUERQUE  
ECONOMIC DEVELOPMENT CONDUIT FINANCING APPLICATION  
FOR  
SAWMILL HOTEL

**April 8, 2025**

201 Third Street NW, Suite 1150  
Albuquerque, NM 87102  
(505) 998-5450

**Name of Project:** Sawmill Hotel

**Location of Project:** 1921 Bellamah Ave., Albuquerque, New Mexico.

**UPC #:** 101305817952322307

**Applicant:** Sawmill Bellamah Properties, LLC, its assigns or affiliates

**Address:** 201 3<sup>rd</sup> St NW, Suite 1150  
Albuquerque, NM 87102

**Telephone:** (505) 998-5450

**E-mail:** [jlong@hhandr.com](mailto:jlong@hhandr.com)

**Agent:** Justin Horwitz  
Rodey Law Firm

**Address:** 201 3<sup>rd</sup> Street NW, Suite 2200  
Albuquerque, NM 87102

**NAICS Code:** 721110 Hotels (except Casino Hotels)

**Bond Counsel for City of Albuquerque:** Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
**Address:** 500 4th Street NW, Suite 1000  
Albuquerque, NM 87102

**Bond Amount Requested:** \$76,300,000.00 **Fee to Be Submitted:** \$2,500

## **Project Summary**

### **Name of Company Requesting Bonds:**

Sawmill Bellamah Properties, LLC, together with its assigns or affiliates, is requesting that the City of Albuquerque (the “City”) issue industrial revenue bonds (“IRBs”) to support the development of the Sawmill Hotel project. It is intended that a new affiliated LLC will be formed to lease project from the City and a second affiliated LLC will be formed to purchasing and holding the IRBs.

### **History of the Company:**

Sawmill Bellamah Properties, LLC, was first formed on October 16, 2014, to own, operate, lease, sell, exchange, transfer, and otherwise deal with various parcels in the Sawmill District. The Sawmill District area was considered blighted due to the lack of investment and heavy industrial use of the land. The area was established by the City as a Metropolitan Redevelopment Area and by the United States Government as a Federal Opportunity Zone. These local and Federal designations were established for the purpose of seeking government assistance for future redevelopment of the area and make projects undertaken in the area a priority under local economic development policies, which prioritize efforts to develop or renew blighted areas.

Sawmill Bellamah Properties, LLC, through its assigns or affiliates, will undertake the development of Sawmill Hotel on the plot of land known as Tract A-2 Plat of Tracts A-1, A-2 and A-3 Lands of William Andrew McCord. This land parcel is located at 1921 Bellamah Ave., immediately west of Sawmill Market, and due north of Hotel Chaco.

Hotel Chaco, managed by the applicant’s affiliate, Heritage Hotels & Resorts, Inc. (“HH&R”), was the first hotel to be built in the Sawmill neighborhood in over 40 years, and Sawmill Hotel will be the second one. Hotel Chaco has become the preeminent luxury hotel in Albuquerque and is frequented by corporate CEOs, movie producers, directors, and actors and received significant international press for its unique design.

Hotel Albuquerque at Old Town, located in Sawmill District and again managed by HH&R, has become a community gathering place for Albuquerque, hosting many community events for over 15 years. The Hotel revived the historic Montezuma Ball in 2000 to raise



needed funds for local charities. Since that time this annual event has raised more than \$4,000,000 for New Mexico non-profit organizations, including Explora, Albuquerque Museum Foundation, New Mexico Museum Foundation Desert Springs, NM Children Cancer Fund, Big Brothers/Big Sisters, New Day Youth and Family Services, National Dance Institute, WESST, Animal Humane Association, National Flamenco Institute and many others. During this timeframe, the ownership group has continually improved Hotel Albuquerque into one of the state's premier hotels.

Sawmill Market, opened in 2020, is managed by affiliated companies known as Heritage Restaurant Group, LLC, and Heritage Real Estate Company, LLC. This artisanal food hall brought 250 additional new jobs to Albuquerque, creating significant economic opportunities for New Mexicans, including minority and women-owned businesses. Sawmill Market features up to 32 locally sourced, curated food concepts, and helped preserve the character of the Sawmill District. It has become the number one tourist attraction in New Mexico with nearly 1 million visitors annually.

Together, the Heritage Companies are working towards making the Sawmill District the premier walkable, pedestrian-oriented community featuring a hyperlocal environment focused on maximizing economic opportunities for New Mexicans.

HH&R will be the operator of Sawmill Hotel upon completion. HH&R was initially established as an independent hotel management company in November 2004 to manage select hotels that provide a rich, authentic cultural experience. James M. Long, principal and founder of HH&R Hotels, has a significant or majority ownership interest in all hotels managed by HH&R Hotels. Mr. Long is a graduate of Valley High School and the University of New Mexico. The company has elected to focus its efforts solely on the New Mexico hospitality market. HH&R recognized the unique opportunity that exists in the cultural tourism sector and has built a company to capture this market. This has allowed the company, to create a very distinctive presence in the New Mexico hospitality market. HH&R has established its brand presence in the state of New Mexico. The company continually develops and promotes its team members from within the organization. The current company President, Adrian Perez, is a native New Mexican and a graduate of West Mesa High School and the University of New Mexico. The company has steadily increased its portfolio through strategic acquisitions and new

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**Location of Company Headquarters:**

201 3<sup>rd</sup> Street NW, Suite 1150  
Albuquerque, New Mexico 87102

**Description of product the Company manufactures or sells:**

Sawmill Hotel is designed to offer residents and visitors to New Mexico a premier experience showcasing the cultural elements of New Mexico with high-end luxury accommodations in a fun, exciting manner. The hotel will utilize digital technologies and art throughout the property to enhance the overall hotel experience. (See Renderings of Sawmill Hotel, attached as Schedule 2).

The Sawmill Hotel project does not intend to manufacture or sell any singular products. Rather the project will offer lodging and ancillary services including, but not limited to:

- 115 guestrooms, including 10 luxurious suites
- Signature restaurant to accommodate up to 150 people
- Rooftop restaurant and lounge to accommodate up to 150 people
- Meeting/Conference/Wedding space
- 1,200 square-foot fitness facility

- 5,000 square-feet of street-front retail including gift shops, art galleries, and other related retail
- Outdoor pool and lounge experience

The Sawmill Hotel project will also utilize the meeting and convention facilities at Hotel Albuquerque and Hotel Chaco.

**Sales (projected local, national and worldwide):**

Sawmill Hotel is anticipated to generate approximately \$12,000,000 in local net sales for its first full year of operations in 2031. The hotel is projected to have over 40,000 visitors per year. The retail operations are projected to have 15,000 visitors or clients per year.

**Distribution of Product:**

Managed by HH&R, Sawmill Hotel will offer its unique product to guests from throughout the US and internationally. Sawmill Hotel will be advertised directly through the marketing/promotional initiatives of HH&R, as well as through third party distributors such as Booking.com, Trip Advisor, Hotels.com, Expedia, etc. A significant social media marketing plan will be implemented. All of the properties within the HH&R portfolio are managed/operated by our internal hotel management company, HH&R.

**Requests, if any for exemption to the City's economic development policies and reason for request(s):**

Applicant requests a waiver of the City's PILOT requirements to the extent that the requested PILOT structure is inconsistent with the City's economic development policies. The requested PILOT is described in the applicable section of this application below. This accommodation is necessary to assist with the difficulty in obtaining financing for a project in a metropolitan redevelopment area and challenges of undertaking a development project of this scale in a rising interest rate environment and confronted with global supply chain disruption.

**Type of financing requested (i.e. industrial revenue bonds, project revenue bonds, multifamily housing revenue bonds, LEDA funds, other financing, etc.):**

Sawmill Bellamah Properties is seeking IRBs.

### **PROJECT DESCRIPTION**

Sawmill Hotel will be a new multi-million dollar hotel in the heart of historic Old Town, Albuquerque. The 115-room project will break ground upon the issuance of the IRBs. The contemporary boutique hotel will be designed to attract a younger demographic to the Sawmill District. Its design and amenities will be appealing to a Gen X and a millennial audience. The property will be due north of Hotel Chaco and Hotel Albuquerque. The hotel will be comprised of five levels with guestrooms designed to extend outdoors onto gracious terraces showcasing majestic views towards the Sandia Mountains and downtown skyline. A ground floor restaurant will fully engage Bellamah Avenue to enhance the overall urban experience.

The goal in creating the hotel is to move architecture forward in New Mexico through an innovative modern approach, yet be fully grounded in the area's historical culture and traditions. Using New Mexico geology as a design concept, the project will reflect the unique stratification commonly observed in New Mexico's mesas.

A national search was conducted to locate architects born and raised in New Mexico who were familiar with creating bold and unique architectural designs. A design competition was held amongst several architects for the project. Ben Anderson, the grandson of Robert O. Anderson, a legendary oil and gas explorer, was selected to design Sawmill Hotel. "The design creates an unprecedented architectural aesthetic for New Mexico and the greater Southwest region," said Ben Anderson, Principal of Office Untitled. "Heritage Hotels & Resorts presented a captivating conceptual vision as a catalyst for the design team. The result is a one-of-a-kind property that embraces the uniqueness of New Mexico, while simultaneously striving for a contemporary sophistication."

#### *Project Features:*

- 115 guestrooms, including 10 luxurious suites
- Signature restaurant to accommodate up to 150 people
- Rooftop restaurant and lounge to accommodate up to 150 people
- Meeting/Conference/Wedding space
- 1,200 square-foot fitness facility
- 5,000 square-feet of street-front retail including gift shops, art galleries, and other related retail

- Outdoor pool and lounge experience

**Amount of Financing Requested:**

\$76,300,000.00

**Expected use of Bond Proceeds:**

The IRBs proceeds shall be allocated for construction costs, equipment/FF&E purchases, development costs, land, design/engineering and other soft costs, and retail tenant improvements.

**Sources and Uses Table and Projected Expenditures:**

The applicant estimates that the project will require \$76,300,000 to fund all costs of project development. It is anticipated that all costs will be initially funded through private sources. However, the applicant is requesting public participation through tax abatement achieved through the issuance of IRBs.

<b>Anticipated Uses:</b>	<b>Projected Costs of Project Uses:</b>
<b>Consultant Fees</b>	\$3,286,919.00
<b>Land</b>	\$2,500,000.00
<b>Soft Costs</b>	\$1,892,743.00
<b>Insurance</b>	\$100,000.00
<b>Testing</b>	\$130,000.00
<b>Technology Systems</b>	\$860,000.00
<b>Equipment</b>	\$550,000.00
<b>FF&amp;E</b>	\$6,461,734.00
<b>Sign Package</b>	\$140,000.00
<b>OS&amp;E</b>	\$531,928.00
<b>Construction Costs</b>	\$54,809,160.00
<b>Project Contingency</b>	\$3,000,000.00
<b>Retail Tenant Improvements</b>	\$2,000,000.00
<b>Total</b>	\$76,262,485.00

**Physical Address and Location of the Project:**

Sawmill Hotel will be located at 1921 Bellamah Avenue NW, Albuquerque, NM 87104.

**Estimated time frame for the project, including anticipated commencement date and estimated construction and completion period:**

Sawmill Bellamah Properties is currently estimated to start construction Sawmill Hotel on or about January 1, 2028, and that it will take approximately 3 years to reach 100% completion of all improvements, including retail tenant build-outs. Please note, however, that the applicant expects to make significant ongoing improvements to the project property over the life of the project and would ask for a corresponding construction completion date in the IRBs lease agreement.

**Zonal Certification:**

This property was originally zoned NR-LM (non-residential, light manufacturing). The City recently approved a zoning change to MX-H (mixed use high intensity).

**Products to be produced at the project location:**

Sawmill Bellamah Properties, LLC, will not be producing products at this location. Rather, it will develop a new hotel, which will provide guestrooms, dining, entertainment, and retail opportunities to its customers in the Old Town and Sawmill areas.

**Potential Environmental Concerns:**

The Sawmill Hotel project zone change has been approved by the Environmental Planning Commission (EPC) of the City. The project has received the full support of local neighborhood associations and the Old Town Merchants Association.

There are no known environmental issues and/or concerns that have been raised regarding the area of development, nor the project in discussion.

**Type of retail to be included in the project and estimated percentage of project that would be retail. An explanation of how the particular type or function of retail will benefit the City. Note that the primary nature of a qualifying entity's project cannot be retail.**

The project will have approximately 5,000 square feet of ancillary retail uses, which is anticipated to be less than 25% of the overall project. This retail will be used for gift shops, art galleries and other related retail shops.

**Amount of product to be manufactured:**

None.

**If Service Industry, number of guests/visitors per month?**

It is expected that the project will attract approximately 3,333 visitors per month.

**Explanation of request for economic development financing:**

The IRBs will allow Sawmill Bellamah Properties to seek a waiver of gross receipts taxes on certain costs of construction and abate a portion of its annual property taxes. These cost savings will enable this project to move forward in a Metropolitan Redevelopment Area where it is otherwise difficult to obtain the financing necessary to revitalize a blighted area of Albuquerque and where the developer is faced with challenges resulting from the rising interest rate environment and global supply chain disruption.

**Project Costs and Benefits Schedule:**

The applicant estimates that the project will require \$76,300,000 to fund all costs of project development. It is anticipated that all costs will be initially funded through private sources. However, the applicant is requesting public participation through tax abatement achieved through the issuance of IRBs.



**Aggregate Principal Amount of Bonds:**

**Amount:**

\$76,300,000.00

**Structure (e.g., bonds, notes, construction financing, draw-down obligation, etc.):**

Bonds.

**Series (e.g., \$10 million in two series: (i) \$5 million Taxable Variable Rate Industrial Revenue Bonds, Series 2017A; \$5 Million Taxable Fixed Rate Unsecured Industrial Revenue Bonds, Series 2017B):**

\$76,300,000 Taxable Industrial Revenue Bonds, Series 2028. Applicant requests City Council consideration of the Sawmill Hotel IRB contemporaneously with its consideration of the Chaco Residences IRB and Sawmill Mixed Use Development IRB, with the understanding that closing on the Sawmill Hotel IRB would not occur until construction commences in 2028.

**Whether the bond(s) will be underwritten and/or purchased. (e.g., underwritten by Bank of America Securities, LLC and (ii) to be purchased by ACME LLC, and affiliate of the Company):**

The IRBs will be self-purchased.

**The company's equity in the project:**

The minimum equity capital invested in Sawmill Hotel will be 40% of the total capital structure for the project.

**Term of Bonds and Lease:**

**Requested term of Bonds:**

20 years.

**Requested term of Lease:**

20 years.

**EMPLOYMENT INFORMATION:**

**PERMANENT EMPLOYMENT**

**Current Employment before IRB:**

- Hotel Albuquerque Tenancy is the ownership entity of Hotel Albuquerque at Old Town, which currently employs approximately 250 people that are located directly on the property.
- Hotel Chaco currently employs approximately 102 people that are located directly on that property.
- HH&R, and its affiliated companies employ approximately 1,500 people in various positions throughout the state of New Mexico.
- Sawmill Market, LLC, and Heritage Restaurant Group, LLC, currently employ 109 people in various positions.
- Sawmill Hotel does not currently employ anyone.

**Number of new full-time employees as a result of the Project:**

Sawmill Hotel will generate approximately 90 permanent employment positions varying from managerial, administrative, to support staff. In addition, approximately 3 of the positions associated with Sawmill Hotel may be filled by third-party vendors leasing space within the hotel for the ground floor restaurant space and retail space. The decision to lease out these areas has yet to be determined and the applicant does not commit to staffing these additional positions unless the decision to do so is made.

**Projected full-time employment after project is completed:**

Sawmill Bellamah Properties, LLC, the ownership entity pertaining to Sawmill Hotel, does not currently have any employees. It is anticipated that the hiring will begin shortly before

the hotel opens and by the end of the first year of business will employ no less than 75% of the numbers shown below. By the end of the second year, the hotel will employ 85% of the numbers shown below, and by the end of the third year, the market will operate at full capacity with 100% of the numbers shown below. The numbers illustrated below are exclusive of jobs necessary to supply agricultural products to the hotel. Although not employed directly by the applicant, it is estimated that the third-party tenants at the hotel will employ an additional 3 tertiary employees.

**Breakdown of employment by job classification and salaries (e.g. # of managerial, administrative, support, etc.):**

**Breakdown of Employment (Managerial, Administrative, Support):**

#### **SAWMILL HOTEL JOB CLASSIFICATION**

<b>POSITION</b>	<b>EMPLOYEE COUNT</b>
<b>Management</b>	<b>6</b>
<b>Administrative/General</b>	<b>7</b>
<b>Service &amp; Support</b>	<b>73</b>
<b>Sales</b>	<b>0</b>
<b>Maintenance</b>	<b>4</b>
<b>Tertiary Employees of 3<sup>rd</sup> Party Retail Tenants</b>	<b>3</b>
<b>TOTAL</b>	<b>93</b>

Below is a table of job classifications and average salary (excluding Employer Contributed benefits, tips or bonuses), as well as a breakdown of Direct & Tertiary Employment.

## Breakdown of Direct & Tertiary Employment

POSITION	TOTAL DIRECT EMPLOYEE COUNT	NUMBER OF FULL- TIME	NUMBER OF PART- TIME	AVERAGE SALARY	
FRONT OFFICE LEAD HOST	1	1		21.45	per hour
DESK HOSTS	5	3	2	17.60	per hour
BELLMEN/DOORMEN/VALET	4	4		12.65	per hour + tips
NIGHT AUDIT	2	1	1	18.70	per hour
EXECUTIVE HOUSEKEEPER	1	1		60,000	per year
HKPG SUPERVISOR	2	2		17.60	per hour
ROOM ATTENDANTS	8	5	3	14.85	per hour
LOBBY ATTENDANT	3	2	1	13.75	per hour
HOUSEPERSONS	2	2	0	13.75	per hour
OUTLET MANAGER	1	1		60,000	per year
OUTLET SUPERVISOR	1	1		18.70	per hour
HOSTESS / CASHIER	4	2	2	14.30	per hour
ROOM SERVICE	4	2	2	12.65	per hour + tips
SERVERS	10	6	4	7.70	per hour + tips
BUS & EXPO STAFF	4	2	2	12.10	per hour + tips
BANQUET SERVER	2		2	17.60	per hour
EXECUTIVE CHEF	1	1		75,000	per year
SOUS CHEF	1	1		22.00	per hour
LINE COOKS	5	3	2	17.60	per hour
SANITATION	3	2	1	15.13	per hour
PANTRY	2	1	1	14.30	per hour
BAR SUPERVISOR	1	1		16.50	per hour
BARTENDERS	6	3	3	8.80	per hour + tips
BAR SERVERS	4	2	2	7.70	per hour + tips
BARBACKS	2	1	1	12.65	per hour + tips
GENERAL MANAGER	1	1		110,000	per year
ACCOUNTING MANAGER	1	1		50,000	per year
PURCHASING/RECEIVING	1	1		16.50	per hour
SECURITY IN-HOUSE	4	2	2	17.60	per hour
MAINTENANCE MANAGER	1	1		60,000	per year
MAINTENANCE/GROUNDS STAFF	2	2		18.70	per hour
FLOOR CARE PERSON	1		1	16.50	per hour
Subtotal of Number of Direct Employees:	90	58	32		
Average Salary for Direct Full- time Salaried Employees:				69,166.67	per year

Average Salary for Direct Full-time Hourly Employees:				33,716.80	per year
Average Salary for Direct Full-time Hourly Employees that Earn Tips:				22,068.80	per year in base wages, plus tips, which are anticipated to add an equal or greater amount to minimum wage
Subtotal of Tenant's Tertiary Employees:	3	1	2		
<b>TOTAL</b>	<b>93</b>	<b>59</b>	<b>34</b>		

**Benefits the Employer provides the Employees:**

HH&R will make available to full-time employees of Sawmill Hotel who are regularly scheduled to work at least 30 hours per week the following benefits including, but not limited to:

- Health, Dental, and Vision Insurance Coverage
- Gym membership under health plan
- Life Insurance
- Profit Sharing & 401 K Plan
- Flexible Medical Spending Plan including Dependent Care FSA
- Paid personal time off (PTO) for qualified employees
- Wellness time off (Sick Leave)
- Employee Assistance Plan
- Accident Insurance
- Critical Illness Insurance
- Short-term Disability Insurance
- Health Reimbursement Arrangement
- 529 Plan

**CONSTRUCTION RELATED**

**Number of temporary construction jobs during the term of the Project:**

According to the Project Manager, Dave Doyle, Sawmill Hotel will create approximately 250+/- total construction jobs between the general contractor and the associated 3<sup>rd</sup> party subcontractors. Approximately one hundred percent (100%) of all contractors/sub-contractors associated with the construction of the Sawmill Hotel will be local vendors, thus the jobs created via the construction of the Sawmill Hotel will be dispersed locally. The general contractor has not yet been selected.

**Number/Percentage of local subcontractors on the Project:**

Approximately 100% of the subcontractors for the construction of Sawmill Hotel will be locally based, New Mexico organizations.

**Estimated Local Construction Costs:**

The development and construction of Sawmill Hotel is estimated to incur expenses of approximately \$76,300,000.00. The general contractor involved in the project, as well as an estimated 100% of subcontractors involved, are locally based organizations.

**Estimated Non-Local Construction Costs:**

None.

**Impact on City:**

Sawmill Hotel will provide the following economic impact on the City as follows:

- Sawmill Hotel will immediately provide the community with a tremendous infusion of employment opportunities. The project will generate approximately 90 community jobs. The location of the project is located within the Sawmill Wells Park areas, classified as a Metropolitan Redevelopment area. The area is also identified as a Historically Underutilized Business (HUB) Zone, a federal designation that encourages development in areas of need. The proposed development is compatible with the Old Town and Museum districts. The projects will provide vital tourism and retail experiences for those who want to explore the historical Old Town and Museum District areas.

- Estimated project costs for Sawmill Hotel is projected to be approximately \$76,300,000.00 that will be allocated towards local, New Mexico-based contractors and subcontractors. This infusion of capital will directly affect the state of the local economy that otherwise would not happen without this development.
- The City will directly benefit to a large degree from the GRT-related revenue stream from the bricks & mortar construction-related expenses, as well as the labor expenses associated with the construction/development of Sawmill Hotel.
- The nearby Sawmill Land Trust operates rent-controlled housing options for residents of the Sawmill District. The influx of new jobs will allow for locally housed residents to capitalize on the employment opportunities and keep employment high in the Sawmill District.
- Sawmill Hotel will be a tremendous attraction to the City. Designed in a style completely unique to New Mexico, this project will no doubt attract thousands of national and international visitors annually, who will undoubtedly spend considerable money throughout the City.
- The equity for the Sawmill Hotel project will be contributed primarily by a consortium of local New Mexicans. These investors have chosen to invest their capital in the City.
- The aggregate value of financing from the bond issuance will primarily be spent on local vendors and New Mexico based enterprises. The economic benefits of the bond issuance will not only infuse capital into the local community, but to locally owned and operated businesses as well.
- The project will create an estimated 93 new jobs with a range of skill and pay levels.
- The project will create approximately 250+/- construction jobs utilizing local vendors.

**If positions are available, through what channels will the company solicit employment opportunities and application?**

The company will solicit employees through job fairs, local advertisement, company websites, and employment internet sites. The company currently recruits from local high schools, colleges and universities. The company will encourage walk-in candidates to apply.



**What percentage of permanent employees hired will be from the City?**

Ninety percent (90%) of the permanent employees will be hired from the City area.

**What percentage of permanent employees hired will be from out of state?**

One percent (1%) of the permanent employees will be hired from out of state.

**How many jobs will be economic base jobs?**

None. However, due to the nature of the project and its customers, the applicant expects that a significant portion of its revenues will be generated from visitors residing outside of the City.

**What local purchasing provisions have been made?**

The Applicant cannot accurately estimate the anticipated annual expenditure on goods and services to be locally procured that would be subject to the New Mexico gross receipts tax or the annual increase in such expenditures. However, the Applicant understands the importance of local procurement and will, to the extent prudent, make local procurement a priority in its operation of the Sawmill Hotel.

**What would happen if the project were not to receive conduit financing?**

Without conduit financing, this project will not be able to move forward due to the difficulty involved in obtaining financing in an area deemed blighted by the City.

**Name the district representative sponsoring this project:**

Councilor Joaquín Baca.

**PILOTS (Payments In Lieu Of Taxes)**

**Amount of property tax exemption requested for real property:**

For the first six years of the Term following Closing, which time period is anticipated as reflecting the requested construction period for the project, Applicant will pay a PILOT equal to the real property taxes owed for the project site in 2024. At the start of the 7<sup>th</sup> year, the County Assessor may appraise the project property annually to set a revised value for the project property, but Applicant shall reserve the right to protest such valuation utilizing the standard protest procedures. Beginning the 7<sup>th</sup> year, Applicant will pay a PILOT equal to 30% of the real property taxes it would otherwise owe for the project property based on the mill rates currently in effect for each year, resulting in a 70% real property tax exemption.

**Estimated total value of real property to be exempted:**

The present assessed value of the project property is \$1,242,500.

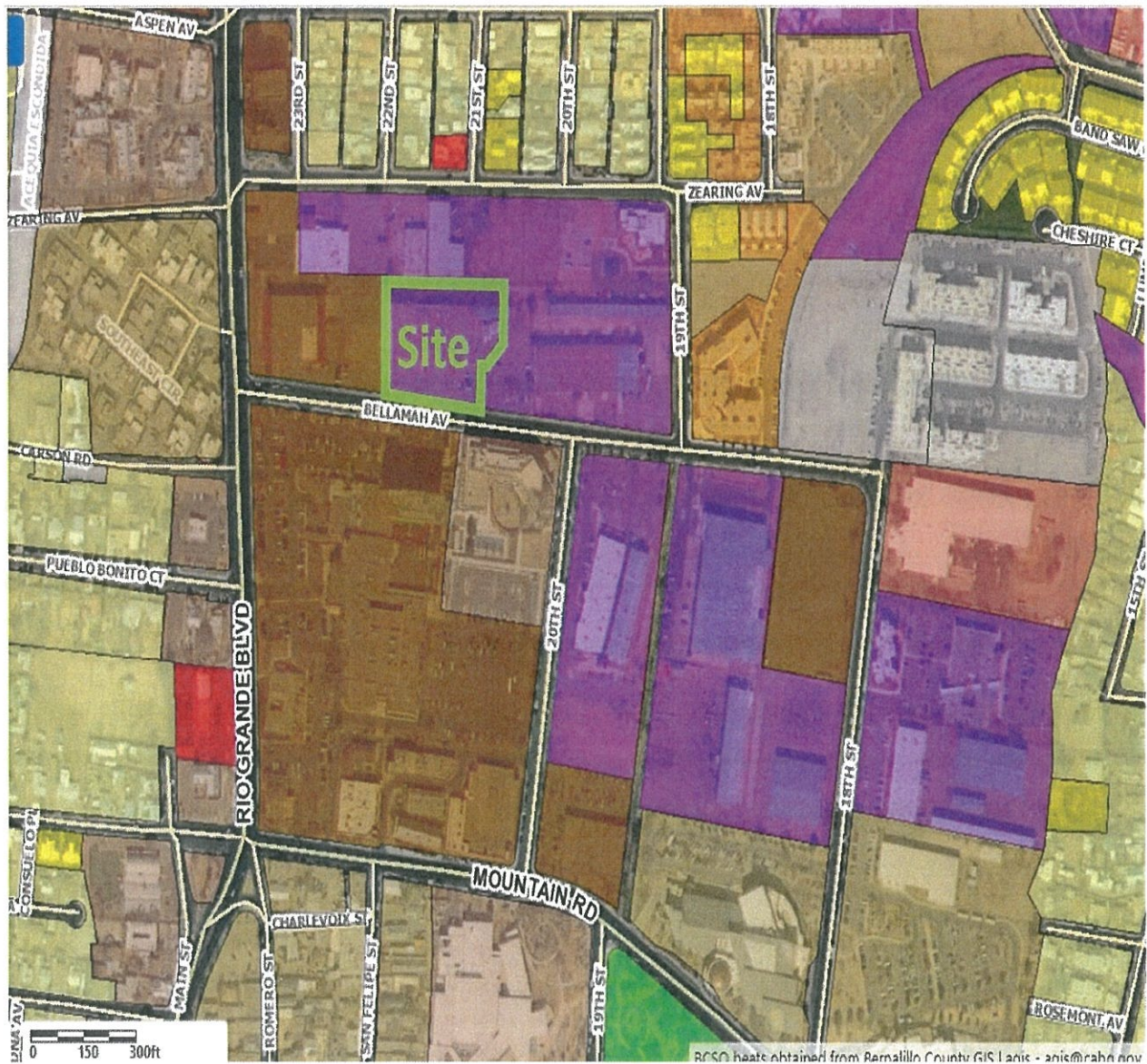
**Amount of property tax exemption requested for personal property**

A 100% property tax exemption for personal property. Additionally, a full abatement of applicable Gross Receipts Taxes, as well as Compensating Taxes, for the development of the Sawmill Hotel.

**Estimated total value of personal property to be exempted (before depreciation):**

Certain personal property values are identified in the sources and uses table above. However, the applicant is consulting with professionals to provide a more accurate estimate of the total value of the personal property eligible for exemption following legislative action associated with the IRBs.

## Schedule 1 Location Map





## Schedule 2 Renderings of Sawmill Hotel



SAWMILL BELLAMAH PROPERTIES LLC

CITY OF ALBUQUERQUE  
ECONOMIC DEVELOPOMENT CONDUIT FINANCING APPLICATION  
FOR  
SAWMILL MIXED USE DEVELOPMENT

**April 8, 2025**

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