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1 WHEREAS, pursuant to the LEDA Ordinance, Ebon Solar, LLC (the "Company"),
2 has submitted to the Council and the Albuquerque Development Commission (the
3 "Commission") an application (the "Application") requesting certain economic
4 development assistance for the acquisition, construction and improvement of a facility
5 for the manufacture of photovoltaic cells which are semi-conductor devices that covert
6 the energy of light into electrical energy to be located at Mesa Del Sol in Albuquerque,
7 New Mexico, and which will include the addition of 700 new employees (the "Project");
8 and

9 WHEREAS, the City will administer and disburse to the Company funds totaling
10 up to \$11,000,000, of which \$10,000,000 is to be received by the City from the State
11 Economic Development Department and \$1,000,000 are to be City funds; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 Section 3. THE PROJECT. The Project will consist of the acquisition,
33 construction and improvement of a facility for the manufacture of photovoltaic cells

1 which are semi-conductor devices that covert the energy of light into electrical energy to
2 be located at Mesa Del Sol in Albuquerque, Mew Mexico, and which will include the
3 addition of 700 new employees, and the Company's commitment to operate the facility
4 within the City for a minimum of ten years.

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

11 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
12 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
13 and the Agreement, which provides, among other things, that the City will administer
14 and disburse to the Company funds totaling up to \$11,000,000, of which \$10,000,000 is
15 to be received by the City from the State Economic Development Department and
16 \$1,000,000 are to be City funds, in exchange for which the Company will complete the
17 Project as specified in the Agreement. There is hereby appropriated for the Project up to
18 \$10,000,000 of funds received from the State Economic Development Department and
19 up to \$1,000,000 of City funds.

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

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

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

30 (C) The Mayor, Chief Administrative Officer, Chief Financial Officer, City
31 Treasurer, and City Clerk are further authorized to execute, authenticate and deliver
32 such certifications, instruments, documents, letters and other agreements, including an
33 intergovernmental agreement with the State Economic Development Department, and

1 any appropriate security agreements, and to do such other acts and things, either prior
2 to or after the date of delivery of the executed Agreement, as are necessary or
3 appropriate to consummate the transactions contemplated by the Agreement.

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

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

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

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

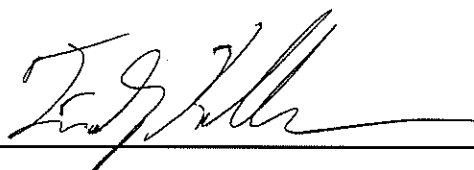
1 PASSED AND ADOPTED THIS 16th DAY OF September, 2024
2 BY A VOTE OF: 9 FOR 0 AGAINST.

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8 _____
9 Dan Lewis, President
10 City Council

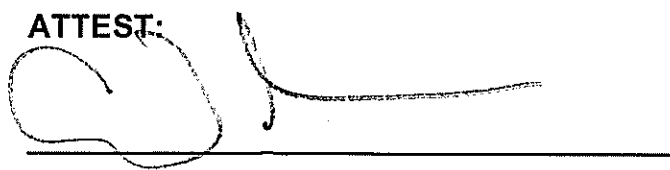
11
12
13 APPROVED THIS 26 DAY OF September, 2024

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18 Bill No. O-24-43

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20 

21 _____
22 Timothy M. Keller, Mayor
23 City of Albuquerque

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26 ATTEST:

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28 _____
29 Ethan Watson, City Clerk

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CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

August 21, 2024

TO: Dan Lewis, President, City Council 

FROM: Timothy M. Keller, Mayor

SUBJECT: Approving an Ordinance Involving Ebon Solar LLC Project Pursuant to the Local Economic Development Act (LEDA Project 25-2)

Attached for your consideration and approval is an Ordinance involving Ebon Solar LLC LEDA Project, Pursuant to the Local Economic Development Act (LEDA-25-2).

This legislation allows for the City to administer and disburse funds to Ebon Solar LLC (the "Company") totaling up to \$11,000,000. The State has agreed to provide \$10,000,000 and the City proposes to provide \$1,000,000. LEDA funds will help the Company reimburse LEDA eligible expenses for the acquisition and construction of a manufacturing facility following execution of the Project Participation Agreement ("PPA").

Ebang International Holdings Inc., a NASDAQ-listed (EBON) firm in blockchain technology, fintech, and the solar industry. Ebang was founded in 2010. The company is known for their application-specific integrated circuit (ASIC) chip designs. In 2018, Ebang underwent a series of corporate reorganizations in advance of its initial public offering on Nasdaq, which occurred in 2020. On June 11, 2021, Ebang formed a wholly-owned subsidiary in Delaware, Ebon Technology LLC (now Ebon Solar LLC), as its project company for the purpose of establishing domestic solar cell manufacturing facilities. Ebon Solar desires to build a new facility located in Mesa del Sol in Albuquerque. The Company intends to create 911 new jobs at the Project location. The Company expects the majority of these jobs to be filled by Albuquerque residents.

The construction project is expected to create over 2,660 construction jobs sourced from local labor pools. Additionally, it is expected that the Project will lead to the creation of over 1,187 indirect and induced jobs.

This Project involves construction and operation of a new, state-of-the-art solar cell manufacturing facility in the United States. The facility will manufacture photovoltaic cells, commonly called "solar cells", which are semi-conductor devices that convert the energy of light

Cover Analysis

1. What is it?

This is an ordinance for LEDA funding in the amount of \$1,000,000 from the City for the Ebon Solar LLC Project (“Ebon Solar”). The State has agreed to provide \$10,000,000 in LEDA funds. The City will act as fiscal agent for State LEDA funds. The LEDA funds are to be used for the construction and improvement of their photovoltaic (solar) cell fabrication facilities (the “Project”). However, as usual, the State LEDA transaction is not under review for approval as part of the Council’s review of the City’s proposed \$1,000,000 LEDA award.

The company will be eligible for reimbursement for costs of the construction and improvements incurred following execution of the PPA. The Company plans to hire and retain 911 employees.

This Project involves construction and operation of a new, state-of-the-art solar cell manufacturing facility in the United States. The facility will manufacture photovoltaic cells, commonly called “solar cells”, which are semi-conductor devices that convert the energy of light into electrical energy. The Project will increase the Company’s capacity to satisfy long-term growth projections and to further the Company’s strong commitment to its U.S. customers. The project is anticipated as encompassing approximately 834,000 square feet, with Phase 1 encompassing approximately 161,000 square feet and Phase 2 encompassing approximately 673,000 square feet. The project will be a greenfield investment located in the Mesa Del Sol development.

2. What will this piece of legislation do?

The ordinance authorizes \$1,000,000 in City LEDA funds for the Project and allows the City to act as fiscal agent for State of New Mexico LEDA funds in the amount of \$10,000,000. The ordinance authorizes reimbursement of approved Project costs so the Company can undertake the acquisition and construction of its manufacturing facility located in Albuquerque. The total investment in the acquisition and construction for its new facility is estimated at \$942,000,000.

At the time of application, the Company has no existing employees locally. The Company intends to create 911 new jobs at the Project location. The Company expects the majority of these jobs to be filled by Albuquerque residents. The jobs created include operators, technicians, engineers, logistics, supervisors and management. The newly created jobs will have salary ranges from approximately \$30,8700 to \$129,960. The estimated annual payroll for the project when fully developed is estimated at approximately \$73,015,560.

The construction project is expected to create over 2,665 construction jobs sourced from local labor pools. Additionally, it is expected that the Project will lead to the creation of over 1,187 indirect and induced jobs.

3. Why is this project needed?

The Project represents a significant capital investment in our community and the creation of over 900 high-quality, manufacturing jobs. The renewable energy industry has been identified

LEDA 25-2: Ebon Solar LLC LEDA

ALBUQUERQUE DEVELOPMENT COMMISSION

August 7, 2024

Local Economic Development Act Hearing

Case #2024-9

LEDA 25-2: Ebon Solar LLC LEDA Project

REQUEST: Approving an Ordinance for Ebon Solar LLC Pursuant to the Local Economic Development Act

PROJECT SUMMARY:

Ebang International Holdings Inc. and its subsidiary Ebon Solar LLC are a limited liability company registered to do business in New Mexico (“Ebon Solar”), is seeking the City of Albuquerque to be the fiscal agent for State LEDA funds and for the City to directly provide LEDA funds, to be used for the construction and improvement of a photovoltaic (solar) cell manufacturing facilities (the “Project”). Ebon Solar is seeking LEDA funding in the amount of \$11,000,000. The State has agreed to provide \$10,000,000 and the City proposes to provide \$1,000,000. Ebon Solar will be eligible for reimbursement for costs of the construction and improvement incurred following execution of the Project Participation Agreement (“PPA”).

Ebang International Holdings Inc., a NASDAQ-listed (EBON) firm in blockchain technology, fintech, and the solar industry. Ebang was founded in 2010. The company is known for their application-specific integrated circuit (ASIC) chip designs. In its formative years, Ebang engaged in the development and sale of communications network access devices and related equipment. In 2018, Ebang underwent a series of corporate reorganizations in advance of its initial public offering on Nasdaq, which occurred in 2020. On June 11, 2021, Ebang formed a wholly-owned subsidiary in Delaware, Ebon Technology LLC (now Ebon Solar LLC), as its project company for the purpose of establishing domestic solar cell manufacturing facilities. In the decade since its founding, Ebang has established a global footprint and has grown into a multinational corporate group, headquartered in Singapore and with subsidiaries across the Americas, Asia and Australasia.

Ebang is globally renowned for its capabilities and experience in research, development, and design of circuit chips and high-performance hardware. Ebang has established in-house production capabilities to conduct PCB (a board on which chips are mounted) assembly and system assembly for cryptocurrency mining machines a wide range of telecommunications products. With its extensive experience and expertise in high-tech manufacturing, Ebang is well-positioned to establish and construct a state-of-the-art solar cell manufacturing facility in the United States.

Ebang Holdings operates across the globe with locations in the United States, Singapore, Australia, Hong Kong, and Hangzhou, China.

Ebon Solar anticipates occupying and operating its Project facilities and will hire and retain at least 911 employees as outlined in the PPA. Many of these jobs will provide opportunities and training for low/moderate income residents. Ebon Solar will maintain the Project’s operations in Albuquerque for a minimum of ten (10) years.

LEDA 25-2: Ebon Solar LLC LEDA

incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. Qualifying entities for these projects include:

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

- (1) An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products;**

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

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

This project includes a fiscal impact analysis provided to the City from the New Mexico Economic Development Department, using a model developed by the New Mexico Economic Development Department. The analysis estimates the impact that a potential project may have on the state and local economies and estimates the costs and benefits for the state and local economies over a 10-year period. The report and analysis uses RIMS II Multipliers produced by the U.S. Bureau of Economic Analysis (BEA). The fiscal impact determination of the project is from information the company provided. The analysis shows that the company will be making a substantive contribution to the community.

FINDINGS:

1. LEDA 25-2 is a qualified project as defined by the State’s Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 25-2 would make positive substantive contributions to the local economy and community by creating 911 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 25-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 25-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

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

I. PROJECT ELIGIBILITY

LEDA 25-2: Ebon Solar LLC LEDA

existing assets. The EDD supports new enterprise creation, cluster development, and strategic attraction and recruitment of businesses that align with and complement existing strengths.

2. LAND USE:

The Project site is currently vacant, raw land with no improvements. There are no existing structures or uses exist, no existing building to be rehabilitated or incorporated into the construction.

The Applicant proposes to construct the Project at the Mesa Del Sol mixed-use master planned community in Albuquerque, New Mexico. The complex will include 6 buildings; one warehouse, one office, and 4 manufacturing buildings.

Additional investment is planned for infrastructure and roads by Mesa Del Sol and local utilities for services to the site, including the following:

- Roads
- Power
- Water
- Storm Sewer
- Sanitary Sewer
- City Reuse Water
- Advanced Water Treatment Plant by Water Authority, Industrial Wastewater Recycling
- Broadband (fiber)

No existing building or historic properties on the site, so no building demolition is necessary. Only grubbing and rough grading would be required.

3. INFILL:

The Project is located on undeveloped, vacant land. There are no buildings currently at the site. No individuals, families, or businesses will be displaced by the activities outlined in this plan.

LEDA 25-2: Ebon Solar LLC LEDA

4. DESIGN AND CONSERVATION:

We anticipate that the Project will use approximately 139,813 gallons of water per month when fully developed, and we are committed to exploring opportunities to reduce and re-use water, where possible.

The Company is actively exploring a range of water conservation strategies to enhance the sustainability of their new solar cell manufacturing facility in Albuquerque. Their focus includes evaluating advanced water-efficient technologies and practices that align with our commitment to environmental stewardship. We aim to adapt the best available methods that meet both the operational needs and community standards, continuing to assess these options as the project progresses.

The Company is dedicated to sustainability and is actively implementing measures to support this commitment. As part of their ongoing efforts, Ebon will introduced LED energy-efficient lighting systems across all our facilities. This not only reduces energy consumption but also significantly lowers their environmental footprint.

Furthermore, Ebon Solar prioritizes the use of renewable materials in construction processes wherever feasible. This approach helps in minimizing the use of non-renewable, high-carbon emission materials such as concrete. Instead, Ebon advocates for the extensive use of recyclable steel structures, which align with sustainability goals by offering both durability and recyclability.

5. RENEWABLE ENERGY:

The company is introducing LED energy-efficient lighting systems across all their facilities. This initiative aligns directly with their sustainability goals by reducing energy consumption and minimizing the environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions.

The application does not indicate that the Project will produce any renewable energy on site.

III. ECONOMIC BENEFITS

6. COMPETITION:

Currently, there are no competitors in the same area of commerce with existing operations in the City. However, Maxeon also plans to locate in the Mesa Del Sol development, and that Maxeon's operations would compete with Ebon's.

7. JOBS:

Ebon Solar will be creating and hiring to fill over 900 high paying solar manufacturing jobs. The

LEDA 25-2: Ebon Solar LLC LEDA

The Ebon Solar project will be capitalized with the following capital structure:

- Applicant Equity Investment - \$200,000,000
- External Equity Investment- \$731,000,000
- LEDA Funds- \$11,000,000

Total Project Amount (Sum of above)- \$942,000,000.00

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

12. MANAGEMENT:

Ebon Solar's management leads a global team in multiple countries and continents. Their combined background, capabilities and experience in the manufacturing industry is ideal to lead a project of this scope.

Ebang has a broad ownership base and has only one owner with 20%+ ownership – Mr. Dong Hu, CEO. Ebon is a member-managed limited liability company, which does not have any directors. Current officers are Mr. Dong Hu, CEO and Mr. Hongyong Wang, COO.

Additional information on the management team can be found at:

<https://ir.ebang.com/corporate-governance/management#:~:text=Mr.,Zhejiang%20Ebang%20since%20January%202010>.

Based upon expertise and proven track record of the management team, the company appears capable of managing and completing the Project.

13. FISCAL IMPACT ANALYSIS

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

LEDA 25-2: Ebon Solar LLC LEDA

City Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

City Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 1,780,268	\$ 1,328	\$ 1,778,941	\$ 1,778,941
2	\$ 2,337,593	\$ (291,169)	\$ 2,628,762	\$ 4,407,703
3	\$ 3,638,887	\$ (267,089)	\$ 3,905,976	\$ 8,313,678
4	\$ 6,971,519	\$ (253,267)	\$ 7,224,786	\$ 15,538,464
5	\$ 4,030,502	\$ (1,254,755)	\$ 5,285,257	\$ 20,823,722
6	\$ 4,695,760	\$ (1,243,961)	\$ 5,939,720	\$ 26,763,442
7	\$ 4,596,832	\$ (1,241,912)	\$ 5,838,744	\$ 32,602,185
8	\$ 4,485,329	\$ (1,239,806)	\$ 5,725,135	\$ 38,327,321
9	\$ 4,372,945	\$ (1,237,641)	\$ 5,610,586	\$ 43,937,906
10	\$ 4,266,379	\$ (1,235,415)	\$ 5,501,794	\$ 49,439,700

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

Taxes and Revenue	
Gross Receipt Taxes	\$ 18,501,260
Misc. Taxes and Revenue	\$ 589,573
Property Taxes	\$ 22,085,181
Subtotal of Benefits	\$ 41,176,013
Costs	
Costs	\$ (8,263,687)
Subtotal of Costs	\$ (8,263,687)
Net Benefits	
Net Benefits	\$ 49,439,700
Present Value	\$ 38,838,199

V. PROJECT PARTICIPATION AGREEMENT

Pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City adopted Ordinance No. F/S 04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for

LEDA 25-2: Ebon Solar LLC LEDA

the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to Ebon Solar in the manner as follows:

<u>Amount of State Contribution Available for Disbursement/Tranche</u>	<u>Disbursement Performance Milestone</u>
\$1,000,000	Adoption of Ordinance, executed PPA and IGA, security in place, LEDA eligible expenditures, current with all reporting
\$2,000,000	Obtain Certificate of Occupancy, Hire 25 full-time employees, LEDA eligible expenditures, current with all reporting
\$3,000,000	Spend a minimum of \$100,000,000 with New Mexico based contractors, LEDA eligible expenditures, current with all reporting
\$4,000,000	Hire 750 full-time employees maintain for one quarterly reporting period, LEDA eligible expenditures, current with all reporting.

4. The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of \$1,000,000 for use in connection with the Project. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit. City funds will be dispensed upon Ebon Solar obtaining an Occupancy Permit for the Facility.

5. Time Commitment. Ebon Solar intends to invest approximately \$942,000,000 for the acquisition, construction, and/or improvement of the Facility. Operations at the Facility are expected to begin following completion of the acquisition, construction, and/or improvement or as soon thereafter as possible. Ebon Solar will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through _____, 2034.

6. Use of Public Contributions. Ebon Solar will be eligible for reimbursement of up to \$11,000,000 for costs of the acquisition, construction, and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Ebon Solar following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, and job creation targets set forth herein.

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

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Full-Time Job Creation. For the avoidance of doubt, if Ebon Solar meets the Minimum Full-Time Job Creation at any time during the Cure Period, Ebon Solar shall have no obligation to pay a Clawback Penalty corresponding to the applicable Job Determination Period. If Ebon Solar fails to reach the Job Target during the Cure Period, then Ebon Solar shall pay the City a Clawback Penalty determined in accordance with the table set forth above.

Notwithstanding the foregoing, if Ebon Solar fails to employ the required full-time employees as identified in Section 7.A herein, and Ebon Solar believes Business Climate Changes were the cause for the failure to meet such requirements, Ebon Solar will so advise the City in writing describing the Business Climate Changes in detail. "Business Climate Changes" mean substantial changes outside of the control of Ebon Solar, in the segment of the industry in which the Ebon Solar operates, that cause a significant decrease in the amount of sales Ebon Solar is able to achieve. The shifting of Ebon Solar' operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If the City determine that Business Climate Changes affect Ebon Solar' ability to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 30 days after the City notifies Ebon Solar of its decision or the decision of the State EDD. If Ebon Solar does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should Ebon Solar cease operations, or notify the City of its intent to cease operations, of the Project (i.e., cease to conduct operations at the Project) before December 31, 2034, Ebon Solar shall, within ninety (90) days of the cessation of operations at the Facility, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Ebon Solar):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2029	100%
From January 1, 2030 through December 31, 2031	80%
January 1, 2032 through December 31, 2032	70%
January 1, 2033 through December 31, 2033	60%
From January 1, 2034 through December 31, 2034	50%

LEDA 25-2: Ebon Solar LLC LEDA

11. Reporting Requirement, Performance Review and Termination. Quarterly, on or before each January 31, April 30, July 31 and November 31, until January 31, 2035, Ebon Solar will provide to the City and to State EDD the company's 903A or its equivalent filed with New Mexico's Department of Workforce Solutions for the previous quarter regarding the workforce for Ebon Solar and such other information necessary for the City or its independent contractor to determine whether Ebon Solar has met its obligations under this Agreement. The annual EIA report provided by State EDD must be completed by February 28 of each year beginning in 2025, and failure to complete such report by April 15th of any year during the term of this Agreement shall result in a 10% clawback of the amount of State Contribution and City Contribution paid pursuant to this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the requirements of this Agreement. This review shall be presented to the City administration and the City Council. If the requirements of this Agreement are not being satisfied, the City Council at a public hearing may cause the enforcement of this Agreement, including the right of the City to any Performance Clawbacks and other remedies set forth herein. In addition, pursuant to LEDA, if Ebon Solar has ceased operations and paid all amounts due to the City as provided herein, the City may enact an ordinance terminating the LEDA Ordinance.

FINDINGS:

1. LEDA 25-2 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 25-2 would make positive substantive contributions to the local economy and community by creating 911 base jobs; and
3. Subject to the development of acceptable security documents, LEDA 25-2 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for 10 years; and
4. Subject to the development of acceptable security documents, LEDA 25-2 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within 10 years.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of LEDA 25-2 as proposed in the project plan application.

Max Gruner,
Director
Economic Development Department

07068

Question: Phone

[REDACTED]

Question: Website

Not Answered

Question: Primary Contact Person First Name

Judy

Question: Primary Contact Person Last Name

Cai

Question: Federal Tax ID #

36-4990031

Question: NM State Tax and Revenue Identification Number

TBD

Question: City/County Business License Registration will be pursued

Yes

No

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

334413

Question: DUNS # (preferred but not required)

Not Answered

Question: This Business is organized as a:

C-Corporation

S-Corporation

LLC

Partnership

Sole Proprietorship

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

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

History & Business:

Ebang was founded in 2010. In its formative years, Ebang engaged in the development and sale of communications network access devices and related equipment. In 2018, Ebang underwent a series of corporate reorganizations in advance of its initial public offering on Nasdaq, which occurred in 2020. On June 11, 2021, Ebang formed a wholly-owned subsidiary in Delaware, Ebon Technology LLC (now Ebon Solar LLC), as its project company for Project Apollo for the purpose of establishing domestic solar cell manufacturing facilities. In the decade since its founding, Ebang has established a global footprint and has grown into a multinational corporate group, headquartered in Singapore and with subsidiaries across the Americas, Asia and Australasia.

Ebang is globally renowned for its capabilities and experience in research, development, and design of circuit chips and high-performance hardware. Ebang has established in-house production capabilities to conduct PCB (a board on which chips are mounted) assembly and system assembly for cryptocurrency mining machines a wide range of telecommunications products. With its extensive experience and expertise in high-tech manufacturing, Ebang is well-positioned to establish and construct a state-of-the-art solar cell manufacturing facility in the United States.

Description of the Project:

Project Apollo involves construction and operation of a new, state-of-the-art solar cell manufacturing facility in the United States. The facility will manufacture photovoltaic cells, commonly called "solar cells", which are semi-conductor devices that convert the energy of light into electrical energy. The Project will increase Ebang's capacity to satisfy long-term growth projections and to further the Company's strong commitment to its U.S. customers. Development of the Project will take place in two phases, with an aggregate, estimated \$942

assist individuals in relocating. Our goal is to handle all relocation activities with transparency and empathy, aligning with community interests and regulatory guidelines.

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

In connection with the Project described above, the Applicant would intend to seek reimbursement for LEDA-eligible expenses, including office lease, land, building and infrastructure.

Applicant has attached in connection with Question 28 additional information regarding infrastructure needs and a chart detailing infrastructure and costs.

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

Market Analysis

1. Solar Market Dynamics

- The solar industry in the United States is experiencing substantial growth, driven by increasing energy demands, renewable portfolio standards, and decreasing costs of solar technologies. New Mexico, with its abundant sunshine, is particularly well-suited for solar power developments, making it an attractive market for new solar manufacturing capabilities.

2. Demand Analysis

- There is a strong demand for domestically produced solar cells driven by supply chain security concerns and the desire for sustainable energy sources. By producing locally, Ebang can meet this demand more effectively, benefiting from reduced transportation costs and logistics complexities.

3. Competitive Landscape

- While competition exists from both domestic and international manufacturers, Ebang's proposition of a high-tech, U.S.-based production facility is likely to resonate well with customers looking for reliable, long-term supply chains and high-quality products.

Strategy for Economic Impact and Growth

1. Economic Development

- **Job Creation:** The project anticipates creating an estimated 911 direct jobs by the end of Phase II, significantly impacting the local job market. These jobs will range from high-tech positions in manufacturing to administrative and support roles, contributing broadly to the local economy.
- **Skill Development:** Collaborate with local educational institutions to develop training programs that prepare the workforce for high-tech manufacturing roles, enhancing the overall skill base of the region.

2. Operational Strategy

- **Initial Focus:** Start with a production capacity of 1GW in Phase I, scaling up to 3.5GW in Phase II. This phased approach allows for gradual scale-up, aligning growth with market demand and operational readiness.
- **Sustainability Initiatives:** Explore opportunities to incorporate sustainable practices within operational limits. This could include evaluating energy-efficient technologies and waste reduction processes that align with industry standards without committing to specific environmental targets prematurely.

3. Community Engagement and Benefits

- **Local Sourcing Intentions:** Ebang aims to explore local sourcing opportunities as part of its

Judy Cai Cai serves as CEO. Jason Wang is COO. Leo Liao is the Business Operations Specialist. All report directly to the CEO.

Question: Supporting Documentation

[Question 28 - Infrastructure and Cost Chart.docx](#) (7/24/2024, 8:32 PM)
[LEDA Application Cover Page - Project Apollo.docx](#) (7/23/2024, 11:10 AM)
[Ebang - Ownership Structure-v1.docx](#) (7/19/2024, 6:20 PM)
[20F.pdf](#) (7/19/2024, 6:19 PM)
[Question 28 - Infrastructure Needs.docx](#) (7/12/2024, 4:30 PM)

Financial Information

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

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

[Question 29 - Projected Cash Flow Income Statements.docx](#) (7/12/2024, 4:47 PM)

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

[EBON TECHNOLOGY LLC 8838 Form.pdf](#) (7/12/2024, 4:59 PM)
[EBON TECHNOLOGY LLC 2023 NJ Tax 3.29.24.pdf](#) (7/12/2024, 4:58 PM)
[EBON TECHNOLOGY LLC 2023 Federal Tax 3.28.24.pdf](#) (7/12/2024, 4:58 PM)
[EBON TECHNOLOGY LLC 2023 DE Tax 3.27.24.pdf](#) (7/12/2024, 4:54 PM)
[EBON TECHNOLOGY LLC 2022 NJ Tax 2.16.23.pdf](#) (7/12/2024, 4:54 PM)
[EBON TECHNOLOGY LLC 2022 Federal Tax 2.16.23.pdf](#) (7/12/2024, 4:53 PM)
[EBON TECHNOLOGY LLC 2022 DE Tax 2.16.23.pdf](#) (7/12/2024, 4:52 PM)
[EBON TECHNOLOGY LLC - 2021 NJ Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)
[EBON TECHNOLOGY LLC - 2021 Federal Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)
[EBON TECHNOLOGY LLC - 2021 DE Tax 2.24.22.pdf](#) (7/12/2024, 4:51 PM)

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

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

\$10,000,000.00

Question: Total Project Amount (Sum of above)

\$942,000,000.00

Question: Supporting financial documentation

[Question 45 - Sources and Uses Table.docx](#) (7/23/2024, 9:42 AM)

Company History and Background

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

The Company was formed on, and has been in operation since, June 11, 2021.

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

0.00

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

Ebang has a broad ownership base and has only one owner with 20%+ ownership – Mr. Dong Hu, CEO.

Ebon is a member-managed limited liability company, which does not have any directors. Current officers are Mr. Dong Hu, CEO and Mr. Hongyong Wang, COO.

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

Yes.

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

Other than in the ordinary course of business, no.

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

Information responsive to this question is available at the following link:

https://www.sec.gov/Archives/edgar/data/1799290/000121390021059399/ea150515ex99-1_ebangir

The Company anticipates creating a total of 206 jobs in Phase I and 705 additional jobs in Phase II, for a total of 911 jobs, all as more fully described in the worksheet attached in connection with Question 59.

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

The Company anticipates the following 2024 pay scale:

Senior Management \$103,600
Project Management \$99,000
Process Engineer \$129,960
Electrical Engineer \$125,460
Hazardous Gas Safety Officer \$81,990
Production Line Operator \$73,020
Forklift Operator \$45,270
Test Engineer \$100,620
Equipment Maintenance Engineer \$50,670
Driver \$44,460
Managerial Staff \$57,870
Sales Engineer \$98,550
Operations \$94,500
Human Resources \$115,500
Warehouse \$30,870
Quality Control \$43,380
Safety Control \$75,600
Finance \$68,200
Research and Development \$107,000

The estimated annual payroll for the project when fully developed is estimated at approximately \$73,015,560.

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

The Company has not yet finalized the details of its employee benefits packages at the proposed site, however the Company is strongly committed to providing a comprehensive benefits package for its employees.

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

The Company intends to engage local recruitment agencies and make direct employment outreach efforts to the local community. The Company estimates approximately 55% of permanent employees will be residents of Bernalillo County. The Company estimates approximately 10% of permanent employees will be hired from outside New Mexico. The Company estimates that all, or substantially all, jobs will be generally regarded as "economic base jobs". The Company also intends to work with CNM and UNM to coordinate training and education programs targeted towards filling the Company's workforce needs.

Question: Attach job creation worksheet

Attachments

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

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

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

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[Notarised Signature 7.23.pdf](#) (7/23/2024, 9:58 AM)

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

[Question 69 - Workforce Solutions Report.docx](#) (7/22/2024, 11:00 AM)

Question: Affirmation and any other supporting documents

[2020_LEDA_App_Affirmation copy .pdf](#) (7/23/2024, 10:00 AM)

City of Albuquerque Project Information

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

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

[PSA Legal Description.docx](#) (7/24/2024, 5:30 PM)

The Company plans to implement an efficient exhaust gas treatment system equipped with counterflow scrubbers and centrifugal fans, the system employs a blend of physical, chemical, and biological methods to effectively process and mitigate emissions. This initiative ensures that all discharges meet stringent environmental standards. Furthermore, the integration of continuous real-time monitoring guarantees the ongoing efficacy and reliability of the process. The Company has also entered discussions with local air permit consultants to align its practices with regulatory requirements. These actions underscore its unwavering commitment to environmental stewardship.

The Company is introducing LED energy-efficient lighting systems across all its facilities. This initiative aligns directly with its sustainability goals by reducing energy consumption and minimizing its environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions. Moreover, the extended lifespan of LED lights leads to reduced material waste, further enhancing environmental benefits. This approach demonstrates its commitment to environmental management through the adoption of cleaner and more sustainable operational practices.

By replacing high-carbon emission materials like concrete with recyclable steel structures, the Company reduces the consumption of non-renewable resources and lower its environmental footprint. This strategy not only enhances the durability of its buildings but also supports the Company's sustainability goals through the recyclability of materials.

The Company's advanced wastewater treatment technologies integrate pretreatment, physicochemical, and biochemical processes, enhancing operational efficiency and stability. This comprehensive approach effectively removes harmful substances and reduces the negative environmental impact, particularly by implementing zero discharge practices in highly polluting steps, ensuring compliance with environmental standards.

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

Our solar cell manufacturing process entails eight key steps: 1. silicon wafer inspection 2. surface texturing 3. Diffusion 4. phosphorus silicate glass removal 5. plasma etching 6. anti-reflective coating deposition 7. screen printing 8. rapid sintering. Our solar cell technology stands out due to its photovoltaic conversion efficiency reaching up to 26.7%, establishing a global benchmark. Unlike mere assembly operations that are relocated to the U.S., our technology involves crucial innovations in the fundamental manufacturing processes of solar cells. These innovations are essential for driving advancements in the industry. We are introducing advanced solar cell manufacturing technologies to the U.S., pivotal for enhancing America's core technological capabilities. Our methods include sophisticated layer deposition and precise doping control, significantly boosting the efficiency and quality of solar cells. This results in substantial improvements in energy conversion rates, driving major technological progress in the U.S. solar manufacturing industry.

We are introducing LED energy-efficient lighting systems across all our facilities. This initiative aligns directly with our sustainability goals by reducing energy consumption and minimizing our environmental footprint. LED lighting is more energy-efficient than traditional options, consuming less energy and offering a longer lifespan. This reduces the demand for energy, which often comes from non-renewable sources, thereby decreasing greenhouse gas emissions. Moreover, the extended lifespan of LED lights leads to reduced material waste, further enhancing

The aggregate, estimated \$942 million initial investment in the Project will have a significant positive impact on the local economy in the city. Over the initial six-year time horizon, the Company estimates the Project will create an estimated 911 direct full-time U.S. jobs, which will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers, from entry-level positions to specialized roles. The influx of jobs will likely reduce the local unemployment rate, and will provide a steady reliable income for many local households. This will, in turn, lead to increased spending within the community, benefiting local businesses such as retail stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out-of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

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

The project is anticipated as encompassing approximately 834,000 square feet, with Phase 1 encompassing approximately 161,000 square feet and Phase 2 encompassing approximately 673,000 square feet. The project will be a greenfield investment located in the Mesa Del Sol development that will include manufacturing facilities.

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

There are no existing buildings at the Project site.

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

There are no existing buildings at the Project site.

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

We are continuing to explore and develop the scope of extensions or relocations of road systems necessary for the Project, and we will be happy to provide updates to the City upon request. No cost sharing agreements have been reached, but we will continue to explore these possibilities. To date, we have identified the following in connection with the Project:

Power: The Upper MDS site is 1.5 miles from the nearest substation, so an extension path may be required.

Gas: A main extension of approximately 7,440 feet may be required for the Upper MDS site.

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

The initial, estimated \$942 million investment in the Project will have a significant positive impact on the local economy in Bernalillo County. Over the initial six-year time horizon, the estimated 911 new direct full-time U.S. jobs will provide a substantial boost to employment in the area. These jobs will span various skill levels, offering opportunities for a diverse range of workers,

stores, restaurants and other service providers. During the construction phase, local contractors, construction firms and suppliers are expected to benefit from the contracts and projects required to build the facility, both in- and out- of state. The Company's investment could also act as a magnet for further investment and business in the area, leading to a more diversified local economy.

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

Project will be applicant managed.

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

\$873,000,000



EDD

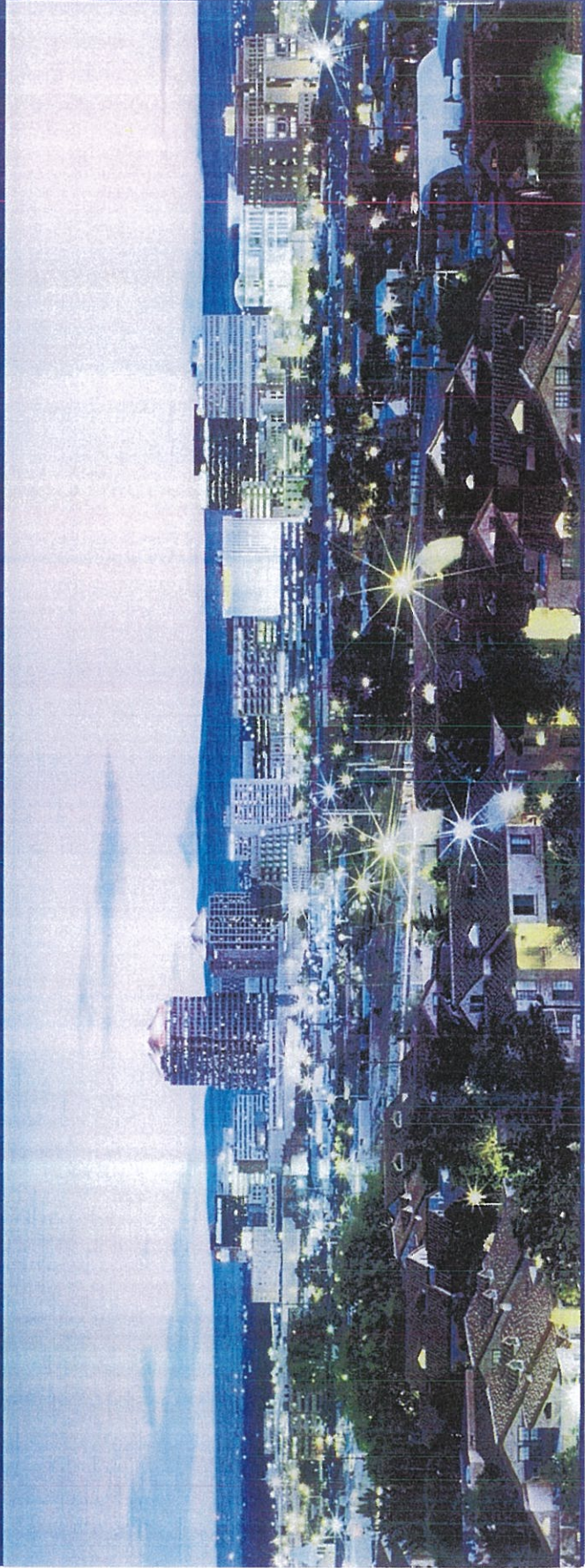
ECONOMIC
DEVELOPMENT
DEPARTMENT

5/20/2024

FISCAL IMPACT ANALYSIS AND ECONOMIC IMPACT OF THE EXPANSION OF PROJECT APOLLO

Prepared by:

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



Introduction:

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

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

Description of the Company:

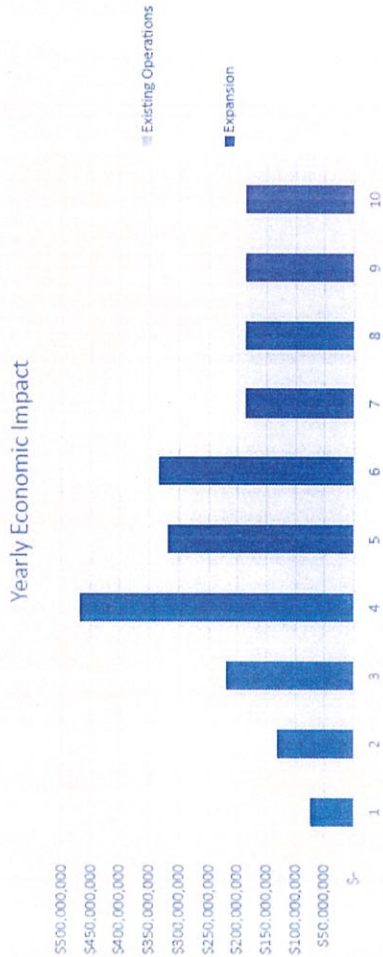
Our client is a large manufacturer that is planning to develop a state-of-the-art solar manufacturing facility in the United States. The project company is a Delaware company. Its parent company is a NASDAQ-listed public company headquartered in Singapore with operations in Asia Pacific and the United States.

Description of the Project:

The proposed operation will enable our client to increase its capacity in order to satisfy long-term growth projections and, ultimately, best serve its customers. The project will be conducted in 2 phases; Phase 1 is estimated to create up to approximately 200 new jobs by Q2 2025 and Phase 2 is expected to create up to an additional 700 new jobs by 2027. The mix of talent for the proposed phases of operation will be comprised largely of locally, regionally, and nationally hired, skilled engineering, management, and technician talent.

Total Economic Impact

	Total
Estimated Economic Impact Over 10 Years:	\$ 2,279,749,163
Combined Total Incentive Over 10 Years:	\$ 74,142,884
Economic Impact Rate of Return:	2,975%



Workers and New Residents over 10 years

	Direct	Indirect and Induced
Number of Jobs Created:	911	1187
Estimated Number of Construction Workers:	2665	
Estimated Number of New Residents to the State:	46	46
Estimated Number of New Residents to the County:	46	46
Estimated Number of New Residents to the City:	46	46

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

	Cumulative Net Benefits		
	Existing Operations	Expansion	Existing & Expanded Operations
State of New Mexico	\$ -	\$ 57,777,243	\$ 57,777,243
County	\$ -	\$ 31,324,301	\$ 31,324,301
City	\$ -	\$ 49,439,700	\$ 49,439,700
School District	\$ -	\$ 21,708,387	\$ 21,708,387
Special Taxing District	\$ -	\$ 34,284,159	\$ 34,284,159
Total	\$ -	\$ 194,533,791	\$ 194,533,791

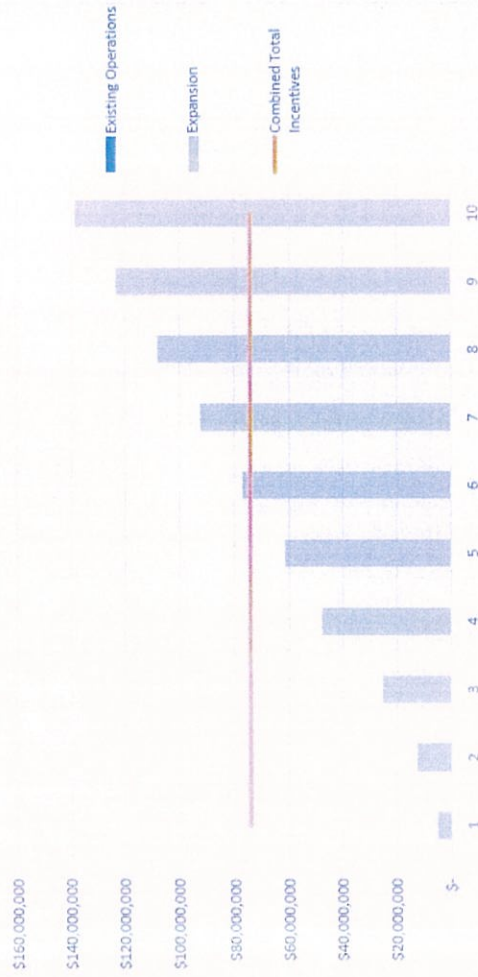
* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money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

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

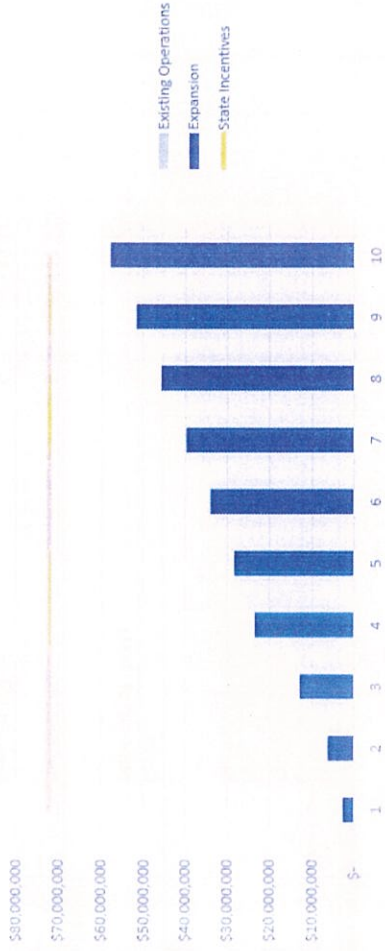
Total Public Net Benefit

	Total
Estimated Total Public Net Benefit Over 10 Years:	\$ 138,541,245
Combined Total Incentive Over 10 Years:	\$ 74,142,894
Total Public Net Benefit Rate of Return:	87%

Yearly Combined Net Benefit vs Combined Total Incentive



State Cumulative Fiscal Net Benefit vs State Incentives



Incentives

Total State Incentive:	\$	72,142,884
State Incentive Per Job:	\$	79,191

Combined Payback and Return

State Payback Period Combined:	10 + Years	Years
State Rate of Return Combined:	-36%	

Expansion Only Payback and Return

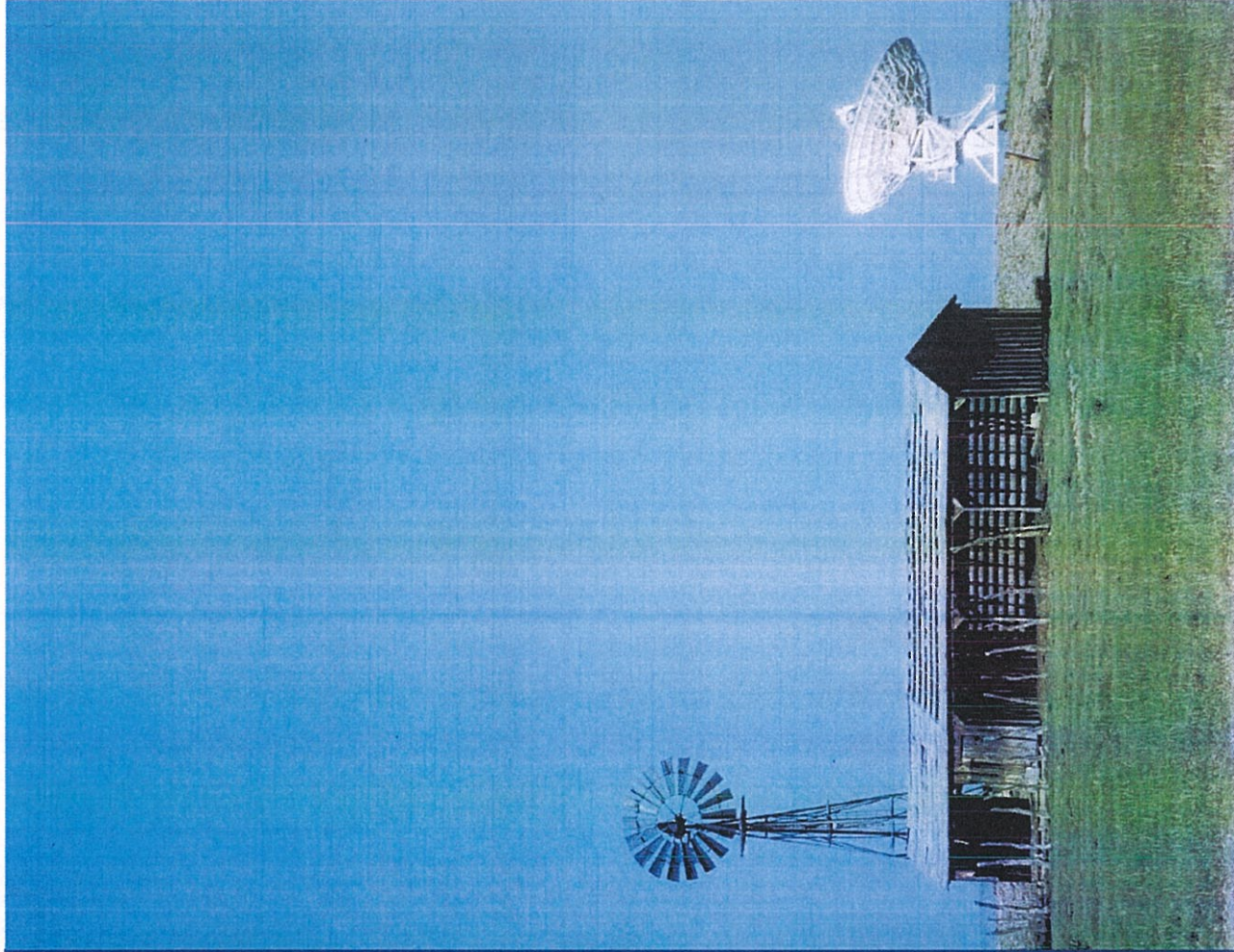
State Payback Period Expansion:	10 + Years	Years
State Rate of Return Expansion:	-36%	

State Net Benefits Of Current Operations

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

County

Impacts



County Net Benefits Of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 822,697	\$ 314	\$ 822,383	\$ 822,383
2	\$ 1,252,244	\$ 2,787	\$ 1,249,457	\$ 2,071,840
3	\$ 2,168,995	\$ 8,489	\$ 2,160,505	\$ 4,232,346
4	\$ 4,430,588	\$ 11,762	\$ 4,418,826	\$ 8,651,171
5	\$ 3,520,009	\$ 14,769	\$ 3,505,240	\$ 12,156,411
6	\$ 4,109,481	\$ 17,325	\$ 4,092,156	\$ 16,248,567
7	\$ 3,988,684	\$ 17,811	\$ 3,970,873	\$ 20,219,440
8	\$ 3,854,225	\$ 18,309	\$ 3,835,916	\$ 24,055,356
9	\$ 3,718,502	\$ 18,822	\$ 3,699,680	\$ 27,755,036
10	\$ 3,588,614	\$ 19,349	\$ 3,569,265	\$ 31,324,301

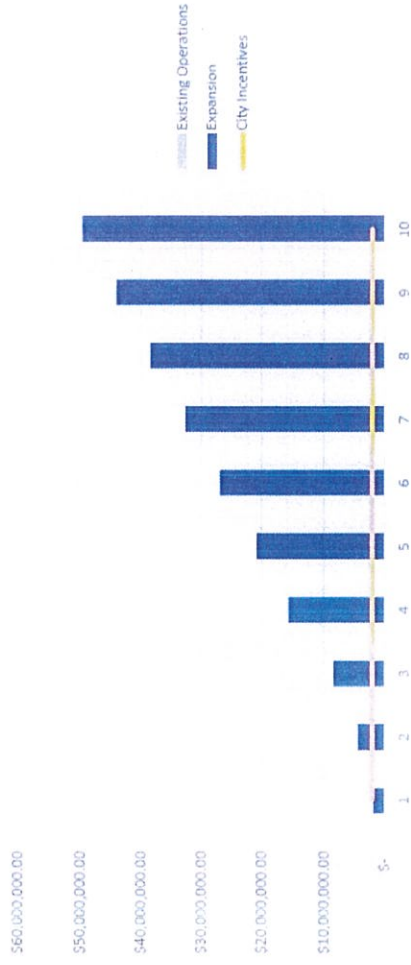
County Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 822,697	\$ 314	\$ 822,383	\$ 822,383
2	\$ 1,252,244	\$ 2,787	\$ 1,249,457	\$ 2,071,840
3	\$ 2,168,995	\$ 8,489	\$ 2,160,505	\$ 4,232,346
4	\$ 4,430,588	\$ 11,762	\$ 4,418,826	\$ 8,651,171
5	\$ 3,520,009	\$ 14,769	\$ 3,505,240	\$ 12,156,411
6	\$ 4,109,481	\$ 17,325	\$ 4,092,156	\$ 16,248,567
7	\$ 3,988,684	\$ 17,811	\$ 3,970,873	\$ 20,219,440
8	\$ 3,854,225	\$ 18,309	\$ 3,835,916	\$ 24,055,356
9	\$ 3,718,502	\$ 18,822	\$ 3,699,680	\$ 27,755,036
10	\$ 3,588,614	\$ 19,349	\$ 3,569,265	\$ 31,324,301

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

Taxes and Revenue	
Gross Receipt Taxes	\$ 7,881,703
Misc. Taxes and Revenue	\$ 153,457
Property Taxes	\$ 23,418,879
Subtotal of Benefits	\$ 31,454,039
Costs	
Costs	\$ 129,738
Subtotal of Costs	\$ 129,738
Net Benefits	\$ 31,324,301
Present Value	\$ 24,373,322

City Fiscal Net Benefit vs City Incentives



Incentives

Total City Incentive:	\$	2,000,000
City Incentive Per Job:	\$	2,195

Combined Payback and Return

City Payback Period Combined:	1.08	Years
City Rate of Return Combined:	1842%	

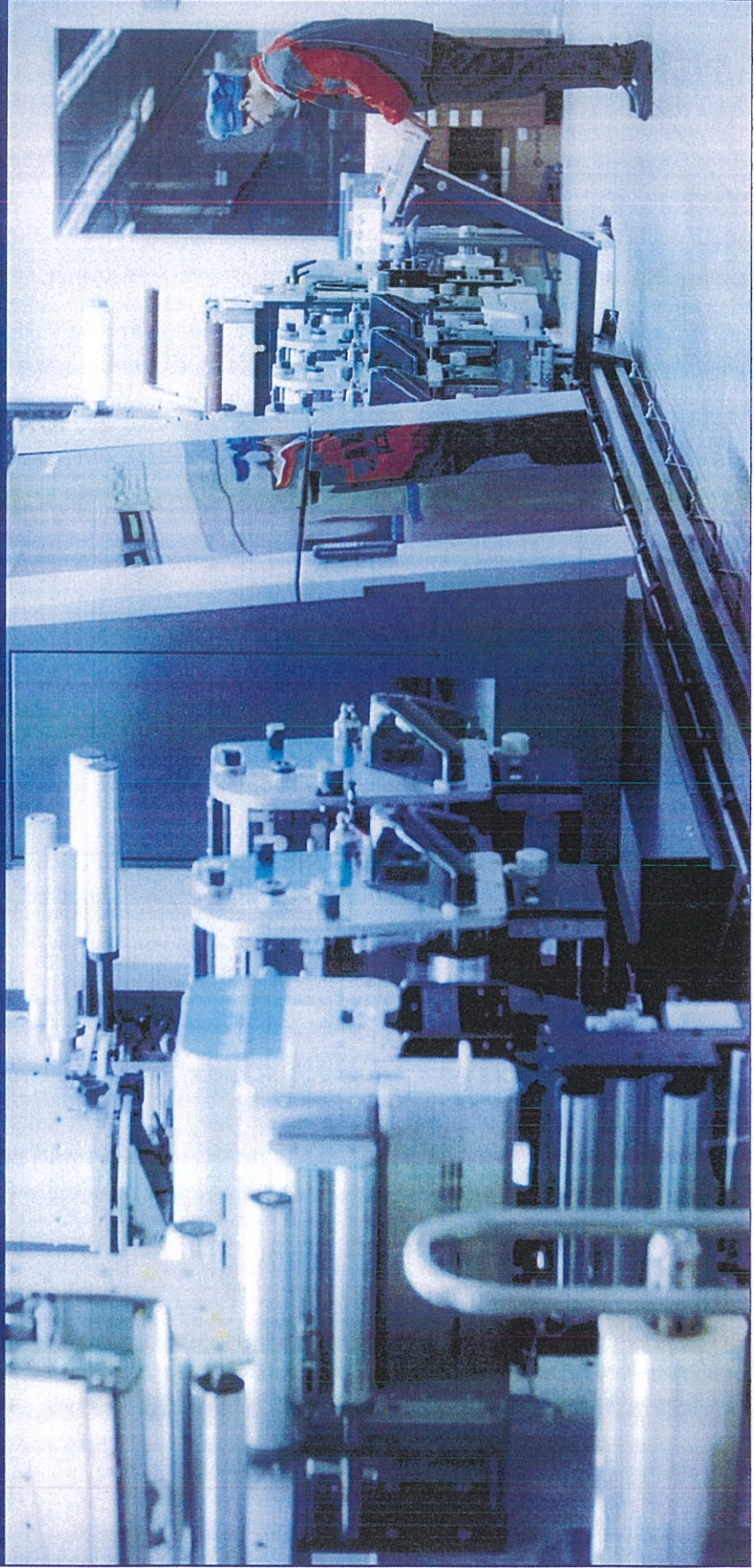
Expansion Only Payback and Return

City Payback Period Expansion:	1.08	Years
City Rate of Return Expansion:	1842%	

City Net Benefits Of Current Operations

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

Special Taxing District and Public Schools



Public Schools

Public Schools Net Benefits of Current Operations

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

Public Schools Net Benefits of Expansion

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 190,686	\$ -	\$ 190,686	\$ 190,686
2	\$ 489,802	\$ -	\$ 489,802	\$ 680,488
3	\$ 958,230	\$ -	\$ 958,230	\$ 1,638,717
4	\$ 2,260,756	\$ -	\$ 2,260,756	\$ 3,899,473
5	\$ 2,789,793	\$ -	\$ 2,789,793	\$ 6,689,266
6	\$ 3,262,861	\$ -	\$ 3,262,861	\$ 9,952,127
7	\$ 3,140,955	\$ -	\$ 3,140,955	\$ 13,093,081
8	\$ 3,006,186	\$ -	\$ 3,006,186	\$ 16,099,267
9	\$ 2,870,037	\$ -	\$ 2,870,037	\$ 18,969,304
10	\$ 2,739,083	\$ -	\$ 2,739,083	\$ 21,708,387

Public Schools Combined Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$ 190,686	\$ -	\$ 190,686	\$ 190,686
2	\$ 489,802	\$ -	\$ 489,802	\$ 680,488
3	\$ 958,230	\$ -	\$ 958,230	\$ 1,638,717
4	\$ 2,260,756	\$ -	\$ 2,260,756	\$ 3,899,473
5	\$ 2,789,793	\$ -	\$ 2,789,793	\$ 6,689,266
6	\$ 3,262,861	\$ -	\$ 3,262,861	\$ 9,952,127
7	\$ 3,140,955	\$ -	\$ 3,140,955	\$ 13,093,081
8	\$ 3,006,186	\$ -	\$ 3,006,186	\$ 16,099,267
9	\$ 2,870,037	\$ -	\$ 2,870,037	\$ 18,969,304
10	\$ 2,739,083	\$ -	\$ 2,739,083	\$ 21,708,387

Property Tax Exemptions and Industrial Revenue Bonds

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

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

Property Tax Percentage Exemptions On Land and Building

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

Property Tax Percentage Exemptions On Furniture, Fixtures and Equipment

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

Value of Exemption

Through 10 Years: \$ - \$ - \$ - \$ -

*Value of Payment in

Lieu of Taxes

Through 10 Years: \$ - \$ - \$ - \$ -

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

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

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

WHEREAS, Ebon Solar estimates a total investment of approximately \$942,000,000 for acquisition of real property and construction of the Facility; and

WHEREAS, the Ebon Solar Application proposes that in exchange for Ebon Solar undertaking and completing the Project, the City funds obtained from the State Economic Development Department (the "State EDD"), pursuant to LEDA, in addition to local City LEDA funds, will be used to reimburse a portion of Ebon Solar's acquisition, construction and improvement expenses related to the Project, on the terms set forth herein; and

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

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

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

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

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

WHEREAS, the City adopted Ordinance No. O-22-_____ on _____, 2024 (the "Project Ordinance") (i) finding that Ebon Solar is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the Ebon Solar Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct up to \$10,000,000.00 in funds to be received from the State EDD (the "State Contribution") and \$1,000,000.00 in funds to be committed by the City (the "City Contribution"), all to finance certain statutorily eligible expenses of the Project consisting of reimbursement for the acquisition, construction, and/or improvement of the Facility, and (iii) approving this Agreement.

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

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

possible. Ebon Solar will continue to operate the Facility and diligently conduct operations in the Facility in the manner contemplated by this Agreement at least through _____, 2034.

6. Use of Public Contributions. Ebon Solar will be eligible for reimbursement of up to \$11,000,000 for costs of the acquisition, construction, and improvement actually incurred after the date hereof and paid for, subject to the receipt by the City of the State Contribution. The City will make payment to Ebon Solar following submission to the City of documentation reasonably satisfactory to the City evidencing receipt of the Occupancy Permit with respect to the Project, and meeting the occupancy, operations, and job creation targets set forth herein.

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

7. Job Commitment and Clawbacks.

A. Number of Jobs. Ebon Solar will create (i) 18 new Jobs in Albuquerque, New Mexico, by December 31, 2025, and (ii) an additional 900 new Jobs in Albuquerque, New Mexico, by December 30, 2030 (each, a "Job Target"). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated Ebon Solar employees. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to "employees" mean employees in Jobs as contemplated by this Section 7.A.

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

C. Performance Clawbacks. If Ebon Solar does not employ and maintain at least 90% of the required number of full-time employees of its Job Targets, as set forth in Section 7.A herein, by close of business on the respective determination dates set forth in the table below, then, subject to the remainder of this Section 7.C, Ebon Solar will repay to the City, within sixty (60) days of the due date of the quarterly reports referred to in Section 12 below, the State Contribution and City Contribution paid on behalf of Ebon Solar pursuant to this Agreement that has already been disbursed to Ebon Solar as of the date of repayment (the "Performance Clawback") in accordance with the following table:

<u>Cumulative Full Time Job Creation Target</u>	<u>Minimum Job Number</u>	<u>Job Determination Date</u>	<u>%-Clawback</u>
18	16	12/31/25	100%
900	810	12/31/30	50%
900	810	12/31/34	25%

of cessation of operations in accordance with the following table (each percentage inclusive of any Performance Clawback already paid by Ebon Solar):

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
On or before December 31, 2029	100%
From January 1, 2030 through December 31, 2031	80%
January 1, 2032 through December 31, 2032	70%
January 1, 2033 through December 31, 2033	60%
From January 1, 2034 through December 31, 2034	50%

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

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback and reimbursement payable hereunder will be \$11,000,000, not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. “Prime Rate” means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

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

9. Events of Default and Remedies.

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

to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of any acts or omissions of Ebon Solar or its agents in violation of the ADA.

14. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all of Ebon Solar' records with respect to all matters covered by this Agreement. Ebon Solar shall permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. Ebon Solar understands and will comply with the City's Accountability in Government Ordinance, §2-10-1 et seq. and Inspector General Ordinance, §2-17-1 et seq. R.O.A. 1994, and also agrees to provide requested information and records and appear as a witness in hearings for the City's Board of Ethics and Campaign Practices pursuant to Article XII, Section 8 of the Albuquerque City Charter.

15. Indemnity. Ebon Solar agrees to defend, indemnify and hold harmless the City and its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from the Services performed by Ebon Solar or Ebon Solar' agents under this Agreement or by reason of any asserted act or omission, neglect or misconduct of Ebon Solar or Ebon Solar' agents or employees or any subcontractor or its agents or employees. The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement.

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

17. Applicable Law and Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Mexico, and the laws, rules and regulations of the City of Albuquerque. The venue for actions arising out of this Agreement is Bernalillo County, New Mexico.

18. Enforcement. Ebon Solar agrees to pay to the City all costs and expenses including reasonable attorney's fees incurred by the City in exercising any of its rights or remedies in connection with the enforcement of this Agreement.

19. Electronic Signatures. Authenticated electronic signatures are legally acceptable pursuant to Section 14-16-7 NMSA 1978. The parties agree that this Agreement may be electronically

or lessee is a qualifying entity and that the terms of this Agreement shall be satisfied by the transferee, assignee or lessee or Ebon Solar terminates this Agreement and pays any Clawback or reimbursement amounts due hereunder as of such date. At its discretion, the City may choose to deny said assignment, lease or transfer or may negotiate a new agreement with the new operator.

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

26. Effective Date. This Agreement will be effective on _____, 2024 (the "Effective Date").

[Signature Page Follows]

Exhibits

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