



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

1 WHEREAS, Affordable Solar Installation, Inc. (the “Company”) is a corporation  
2 organized under the laws of the State of New Mexico and is authorized to do  
3 business in New Mexico; and

4 WHEREAS, the Company has requested that the City issue its industrial revenue  
5 bond pursuant to the Act for the purpose of providing funds to finance the  
6 acquisition, improvement and equipping of facilities within the corporate limits of the  
7 City (the “Project”); and

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

12 WHEREAS, the Company has presented to the City and the Commission a  
13 proposal (the “Project Plan”) whereby the City shall, pursuant to the Act, acquire  
14 certain property and equipment (the “Project Property”) for the purpose of operating  
15 facilities at 3900 Singer Blvd., NE, covering at least 3.522 acres including a 29,560  
16 square foot building, for a renewable energy production and storage technology  
17 research and development company, within the boundaries of the City, and pursuant  
18 to which the City would issue its taxable industrial revenue bond in order to finance  
19 the Project; and

20 WHEREAS, the Commission has reviewed the Project Plan, and on April 8,  
21 2021, has determined that the Company has complied with City Resolution No. 16-  
22 1985, and has recommended approval of the Project Plan by the Council; and

23 WHEREAS, under the Company’s Project Plan, the City would enter into an  
24 Indenture dated as of May 1, 2021 (the “Indenture”) between the City and a  
25 corporate depository satisfactory to the City to be designated at a later date, as  
26 depository (the “Depository”), pursuant to which, together with this ordinance (the  
27 “Bond Ordinance”), the City would issue its bond designated as the City of  
28 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Affordable Solar  
29 Project), Series 2021 (the “Bond”); and

30 WHEREAS, under the Company’s Project Plan, the City and the Company would  
31 enter into a Lease Agreement dated as of May 1, 2021 (the “Lease”), pursuant to  
32 which the Company will lease the Project Property from the City and will make  
33 payments to the Depository sufficient to pay the principal of, redemption premium, if

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

1 any, and interest on the Bond, and to pay all other obligations incurred pursuant to  
2 the provisions of the Lease and the Bond Ordinance; and  
3 WHEREAS, under the Company’s Project Plan, the Lease will provide that the  
4 Company shall maintain the Project and carry all proper insurance with respect  
5 thereto; and  
6 WHEREAS, the proceeds of the Bond shall be used for the purpose of financing  
7 the acquisition, improvement and equipping of the Project (the “Financing”); and  
8 WHEREAS, the City is authorized to enter into the Lease, the Indenture, and  
9 other related documents and to issue the Bond pursuant to the Act and the Bond  
10 Ordinance; and  
11 WHEREAS, the Bond in an aggregate principal amount not to exceed  
12 \$8,000,000 will be issued, sold, and delivered by the City in a private sale to an  
13 affiliate of the Company (the “Purchaser”) pursuant to a bond purchase agreement  
14 (the “Bond Purchase Agreement”) among the City, the Company, and the  
15 Purchaser; and  
16 WHEREAS, the proceeds of the Bond shall be applied to pay the costs of the  
17 Project and to pay certain costs associated with the transaction; and  
18 WHEREAS, after having considered the provisions of the Project Plan and the  
19 Financing, the Council has concluded that it is in the best interest of the City to  
20 authorize the issuance of the Bond to finance the Project, and that the City’s  
21 issuance of the Bond shall constitute a valid public purpose under the Act; and  
22 WHEREAS, the Council has been advised by the Company that the disclosure  
23 provisions of Rule 15c2-12 of the Securities and Exchange Commission are not  
24 applicable to this transaction inasmuch as the Bond is being sold to the Purchaser,  
25 which is an affiliate of the Company, in a private sale without the participation of an  
26 underwriter; and  
27 WHEREAS, there has been published in the Albuquerque Journal, a newspaper  
28 of general circulation in the City, public notice of the Council’s intention to adopt this  
29 Bond Ordinance, which notice contained certain information concerning the  
30 ownership, purpose, location, and size of the Project and the Project Property, and  
31 the amount of the Bond to be issued to finance the Project, which notice was  
32 published at least fourteen (14) days prior to hearing and final action on this Bond  
33 Ordinance; and

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

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

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

10 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF  
11 ALBUQUERQUE:

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

16 Section 2. THE PROJECT PLAN. The Project to be financed with the Bond  
17 consists of the acquisition, improvement and equipping of facilities for a renewable  
18 energy production and storage technology research and development company.  
19 The Company may use additional available money to accomplish the Project. The  
20 Project Plan is hereby approved in all respects.

21 Section 3. FINDINGS.

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

28 (B) The Council finds that:

- 29 (1) The Bond will be issued for the purpose of financing the Project;
- 30 (2) The aggregate face amount of obligations to be issued for the  
31 purpose of financing the Project is \$8,000,000;
- 32 (3) The developer and operator of the Project is the Company; and,
- 33 (4) The Project Property is located in the City.

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

1 Section 4. AUTHORIZATION AND APPROVAL OF THE BOND. To finance  
2 the cost of acquiring the Project Property, the City hereby authorizes and approves  
3 the issuance and sale of its industrial revenue bond to be designated “City of  
4 Albuquerque, New Mexico Taxable Industrial Revenue Bond (Affordable Solar  
5 Project), Series 2021” in a principal amount not to exceed \$8,000,000 and the use of  
6 the proceeds of the Bond to finance the cost of the Project and to pay expenses  
7 relating thereto.

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

11 Section 6. FORM AND TERM OF THE BOND. Subject to the limitations set  
12 forth in this Bond Ordinance, the Bond shall be: (i) in the form and shall be  
13 numbered and dated all as set forth in the Indenture; (ii) payable as to principal and  
14 interest, and subject to optional and mandatory redemption and defeasance in the  
15 amounts, upon the conditions and at the times and prices set forth in the Indenture;  
16 and, (iii) issued in a principal amount not to exceed \$8,000,000, bearing interest at  
17 the rates and maturing on the dates set forth in the Indenture. The interest rate on  
18 the Bond shall not exceed 12% per annum. The Mayor or the Chief Administrative  
19 Officer of the City shall sign the Bond.

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

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

32 (B) The Mayor, Chief Administrative Officer, Chief Financial Officer, City  
33 Treasurer, and City Clerk are further authorized to execute, authenticate, and deliver

1 such certifications, instruments, documents, letters, and other agreements, including  
2 security agreements, and to do such other acts and things, either prior to or after the  
3 date of delivery of the Bond, as are necessary or appropriate to consummate the  
4 transactions contemplated by the Bond Documents.

5 (C) The officers of the City shall take such action as is necessary to effectuate  
6 the provisions of the Indenture and shall take such action as is necessary in  
7 conformity with the Act and this Bond Ordinance to finance the costs of the Project  
8 and for carrying out other transactions as contemplated by this Bond Ordinance and  
9 the Bond Documents including, without limitation, the execution and delivery of any  
10 closing documents to be delivered in connection with the sale and delivery of the  
11 Bond.

12 Section 8. DELIVERY OF THE BOND. Upon the execution of the Bond  
13 Documents and the satisfaction of the conditions set forth in the Bond Documents,  
14 the Bond shall be executed, authenticated, and delivered to the Purchaser. No  
15 Bond shall be valid for any purpose until such Bond has been properly authenticated  
16 as set forth in the Indenture.

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

20 (A) The maximum amount necessary in each year to pay the principal of and  
21 interest on the Bond, assuming issuance of the Bond on or about May 25, 2021 in  
22 the amount of \$8,000,000 and bearing interest at the rate of 3% is as follows:

23	<u>Year Ended</u>	<u>Maturing Principal</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
24	12/31/22	\$0		
25	12/31/23	\$0		
26	12/31/24	\$0		
27	12/31/25	\$0		
28	12/31/26	\$0		
29	12/31/27	\$0		
30	12/31/28	\$0		
31	12/31/29	\$0		
32	12/31/30	\$0		
33	12/31/31	\$0		

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

1	12/31/32	\$0
2	12/31/33	\$0
3	12/31/34	\$0
4	12/31/35	\$0
5	12/31/36	\$0
6	12/31/37	\$0
7	12/31/38	\$0
8	12/31/39	\$0
9	12/31/40	\$0
10	12/31/41	\$8,000,000

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

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

19 Section 10. NONTAXABLE TRANSACTION CERTIFICATES. The Company,  
20 as agent for the City, will acquire the Project. The City will cooperate with the  
21 Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates  
22 ("Certificates") that have been properly executed for acquisition of tangible personal  
23 property relating to the Project as applicable under the New Mexico Gross Receipts  
24 and Compensating Tax Act. The Company shall not use the Certificates other than  
25 for such things as may be permitted by law, if any, nor shall the Company use such  
26 Certificates after the completion of the Project. No costs, expenses or other  
27 monetary relief will be recoverable from the City by vendors of equipment.

28 Section 11. LIMITED OBLIGATIONS. The Bond shall be a special limited  
29 obligation of the City payable solely from the revenues derived from the Lease and  
30 payable by the Company as described in the Indenture, and shall never constitute a  
31 debt or indebtedness of the City or the State or any political subdivision thereof  
32 within the meaning of any provision or limitation of the State Constitution, statutes, or  
33 home-rule charter of the City, and shall not constitute or give rise to a pecuniary

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

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

1 liability of the City or a charge against its general credit or taxing power. Nothing  
2 contained in the Bond Ordinance or the Bond Documents, or any other instrument,  
3 shall be construed as obligating the City (except with respect to the Project Property  
4 and the application of the revenues therefrom and the proceeds of the Bond, all as  
5 provided in the Bond Documents), nor as incurring a pecuniary liability or charge  
6 upon the general credit of the City or against its taxing power, nor shall the breach of  
7 any agreement contained in the Bond Ordinance, the Bond Documents, the Bonds,  
8 or any other instrument be construed as obligating the City (except with respect to  
9 the Project Property and the application of revenues therefrom and the proceeds of  
10 the Bond all as provided in the Bond Documents) nor as incurring a pecuniary  
11 liability or a charge upon the general credit of the City or against its taxing power, the  
12 City having no power to pay out of its general funds, or otherwise contribute any part  
13 of the costs of acquiring the Project Property, nor power to operate the Project as a  
14 business or in any manner except as lessor and seller of the Project Property.

15 Section 12. APPROVAL OF INDEMNIFICATION. The Council specifically  
16 approves the provisions of the Lease relating to indemnification which provide that  
17 the Company shall indemnify and hold harmless the City and its City Councilors,  
18 officials, members, officers, employees, and agents against liability to the Company  
19 or to any third parties that may be asserted against the City, its City Councilors,  
20 officials, members, officers, employees, and agents with respect to the City's  
21 ownership of the Project Property or the issuance of the Bond and arising from the  
22 condition of the Project Property or the acquisition or operation of the Project  
23 Property by the Company, except to the extent that Section 56-7-1, New Mexico  
24 Statutes Annotated, 1978 Compilation, as amended, applies, and except claims for  
25 any loss or damage arising out of or resulting from the gross negligence or willful  
26 misconduct of the City or any official, member, officer, employee, or agent of the  
27 City.

28 Section 13. BOND ORDINANCE IRREPEALABLE. After the Bond is issued,  
29 this Bond Ordinance shall be and remain irrevocable until the Bond, including all  
30 interest thereon, is fully paid, cancelled, and discharged, or until there has been  
31 defeasance of the Bond in accordance with the Indenture.

32 Section 14. SEVERABILITY. If any section, paragraph, clause or provision of  
33 this Bond Ordinance shall for any reason be held to be invalid or unenforceable, the



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

1 invalidity or unenforceability of that section, paragraph, clause, or provision shall not  
2 affect any of the remaining provisions of this Bond Ordinance.

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

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

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

19 CITY OF ALBUQUERQUE, NEW MEXICO  
20 NOTICE OF ADOPTION OF ORDINANCE

21 Notice is hereby given of the title and of a general summary of the subject matter  
22 contained in City Ordinance No. O-21-\_\_ (the "Ordinance"), duly adopted and approved by  
23 the City Council of the City of Albuquerque, New Mexico, on April 19, 2021. Complete  
24 copies of the Ordinance are available for public inspection during the normal and regular  
25 business hours of the City Clerk in the office of the City Clerk, Albuquerque/Bernalillo  
26 County Government Center, One Civic Plaza, N.W., Albuquerque, New Mexico.

27 The title of the Ordinance is:

28 AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF ALBUQUERQUE,  
29 NEW MEXICO INDUSTRIAL REVENUE BOND (AFFORDABLE SOLAR PROJECT)  
30 SERIES 2021 IN THE MAXIMUM PRINCIPAL AMOUNT OF \$8,000,000 TO  
31 PROVIDE FUNDS TO FINANCE THE ACQUISITION, RENOVATION,  
32 DEVELOPMENT, IMPROVEMENT AND EQUIPPING OF A FACILITY FOR A  
33 RENEWABLE ENERGY PRODUCTION AND STORAGE TECHNOLOGY  
34 RESEARCH AND DEVELOPMENT COMPANY; AUTHORIZING THE EXECUTION

1 AND DELIVERY OF AN INDENTURE, LEASE AGREEMENT, BOND PURCHASE  
2 AGREEMENT, BOND, AND OTHER DOCUMENTS IN CONNECTION WITH THE  
3 ISSUANCE OF THE BOND AND THE PROJECT; MAKING CERTAIN  
4 DETERMINATIONS AND FINDINGS RELATING TO THE BOND AND THE  
5 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND  
6 REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

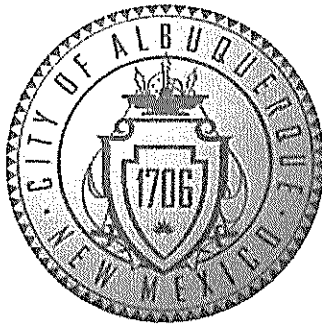
31

32

33

34

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




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

Mayor Timothy M. Keller

**INTER-OFFICE MEMORANDUM**

March 30, 2021

**TO:** Cynthia Borrego, President, City Council

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

**SUBJECT:** Approving an Ordinance Involving Affordable Solar Project Pursuant to the Industrial Revenue Bond Act

Attached for your consideration and approval is an Ordinance Involving Affordable Solar Project, Pursuant to the Industrial Revenue Bond Act.

This legislation would approve the issuance and sale of Industrial Revenue Bonds in the maximum principal amount of \$8 million requested by Affordable Solar Installation, Inc., to support the redevelopment, renovation, and rehabilitation of the subject parcel. The proposed project is located at 3900 Singer Blvd., NE in Albuquerque, New Mexico within the North I25 corridor in between Jefferson St. and Chappell Dr. The company is solely responsible for repaying the bonds; no City/taxpayer funds are involved.

Established in 1998, Affordable Solar is headquartered in Albuquerque, New Mexico. The company's primary services are large scale solar and energy storage integration in 12 states. The firm has developed products and methods designed to reduce cost and allow for rapid deployment of solar and energy storage projects in response to national renewable energy adoption. The company has a patent-pending foundation and wiring chassis solution that enables efficient, consistent deployment and installation of large-scale battery energy storage products. Additionally, the company's intellectual property creates a consistent advantage that is leveraged to allow for a robust renewable energy workforce. The Albuquerque facility will house their component fabrication as well as their corporate headquarters. The goals of the project are to further create and foster economic growth in the Albuquerque. One of the primary project goals is to create new jobs in the community and to create job growth opportunities for existing staff.

The project represents a significant private sector investment and benefit to the community. The building has been vacant for four (4) years and is showing signs of disrepair. To accommodate Affordable Solar's rapid growth, the prevailing site which consists of approximately 3.522 acres of land and a single office building, approximately 29,555 sq. ft., will be critical for their planned

expansion. The existing office building will be rehabilitated and has no historic properties/elements. Of the 29,555 sq. ft. of office space, approximately 12,510 sq. ft. will be converted to warehouse/ fabrication/assembly space. The external expansion plans include significantly modifying the existing loading dock adding two (2) new overhead doors and a 38'x94' ramp. A fenced yard, meeting all the primary building codes as well as being aesthetically pleasing, would be approximately 38'x130'. A roof-top solar PV array will also be constructed. Plans also include installing a Battery Energy Storage System (BESS) to maximize the energy efficiency of the solar Photovoltaic (PV) array.


Affordable Solar Installation Inc. will create 70 high-paying economic base jobs with average salaries over \$64,000 of which 90% will be current Albuquerque area residents. The projected jobs will be created over a five-year period.

The property located in the JEFFERSON COMMONS II at 3900 Singer Blvd., NE.

Approved:

Approved as to Legal Form:

DS  
kaj

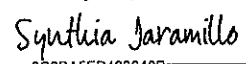
  
\_\_\_\_\_  
Sarita Nair Date  
Chief Administrative Officer

4/5/21

DocuSigned by:  
Esteban A. Aguilar 4/5/2021 | 10:38 AM MDT  
7961D99D046F4DB...

\_\_\_\_\_  
Esteban A. Aguilar, Jr. Date  
City Attorney

Recommended:

DocuSigned by:  
  
\_\_\_\_\_  
Synthia Jaramillo Date  
Director

4/5/2021 | 10:33 AM MDT

## **Cover Analysis**

### **1. What is it?**

This is an ordinance for the issuance and sale of industrial revenue bonds in the maximum principal amount of \$8,000,000 for the Affordable Solar Project (Applicant— Affordable Solar Installation, Inc.) Series 2021, located at 3900 Singer Blvd., NE in Albuquerque, New Mexico within the North I25 corridor in between Jefferson St. and Chappell Dr. Affordable Solar Installation, Inc. (the “Company”) is solely responsible for repaying the bonds; no City/taxpayer funds are involved.

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

This legislation would approve the issuance and sale of Industrial Revenue Bonds in the maximum principal amount of \$8 million requested by Affordable Solar Installation, Inc. The bond funds will be used to finance the redevelopment, renovation, and rehabilitation of the site which consists of approximately 3.522 acres of land and a single office building, approximately 29,555 sq. ft.

The proposed project is located at 3900 Singer Blvd., NE in Albuquerque, New Mexico within the North I25 corridor in between Jefferson St. and Chappell Dr. The company is solely responsible for repaying the bonds; no City/taxpayer funds are involved.

The project represents a significant private sector investment and benefit to the community. The building has been vacant for four (4) years and is showing signs of disrepair. To accommodate Affordable Solar’s rapid growth, the prevailing site which consists of approximately 3.522 acres of land and a single office building, approximately 29,555 sq. ft., will be critical for their planned expansion. The existing office building will be rehabilitated and has no historic properties/elements. Of the 29,555 sq. ft. of office space, approximately 12,510 sq. ft. will be converted to warehouse/ fabrication/assembly space. The external expansion plans include significantly modifying the existing loading dock adding two (2) new overhead doors and a 38’x94’ ramp. A fenced yard, meeting all the primary building codes as well as being aesthetically pleasing, would be approximately 38’x130’. A roof-top solar PV array will also be constructed. Plans also include installing a Battery Energy Storage System (BESS) to maximize the energy efficiency of the solar Photovoltaic (PV) array.

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

Affordable Solar Installation Inc. will create 70 high-paying economic base jobs with average salaries over \$64,000 of which 90% will be current Albuquerque area residents. The projected jobs will be created over a five-year period.

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

There is no cost to the City.

### **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?**

If the Company is not able to continue to expand, the result would be loss of new jobs, a loss of revenue and a much slower growth schedule. The Company would not be able to realize its planned growth because of the limited capacity of their current facilities.

**7. Is this service already provided by another entity?**

No.

**ALBUQUERQUE DEVELOPMENT COMMISSION  
Industrial Revenue Bond Hearing**

**April 8, 2021**

Case #2021-7

**IRB-21--3:** Affordable Solar Installation, Inc., Project

**REQUEST:** Approval of \$7,578,000 in City Industrial Revenue Bonds is requested.

**PROJECT SUMMARY:** Affordable Solar Installation, Inc., (“Affordable Solar”) was founded in 1998, and has grown significantly in Albuquerque since that time to become a major player in the solar industry nationally and internationally. The company’s rapid growth has led them to seek a new facility to consolidate and continue to grow the various divisions of their operations in Albuquerque.

The company is requesting \$7.578 million in City-issued industrial revenue bonds to assist with the purchase and improvement of an existing vacant site and building to accommodate their growth. The company will consolidate their operation at the new location, which will hold their corporate headquarters, as well as their research and development, warehousing, logistics and light manufacturing/assembly of component parts. (The company also intends to pursue LEDA funding, but that is not under review in this application.)

Affordable Solar has been recognized as one of the “Best Places to Work” in Albuquerque, and with more than 140 existing employees, they intend to increase their employment by adding 70 new jobs over the next five years--primarily technicians, electricians, and fabricators. These positions pay from \$37,400 to \$70,000. The remaining administrative, project management, superintendent and other positions salaries range from \$55,000 to \$130,000, and all of them come with a robust benefits package. In 2020, for the Fastest Growing Companies ranked by Albuquerque Business First, Affordable Solar was #1 for Large Companies. For New Mexico Technology “Flying 40” 2020 Awardees, Affordable Solar ranked #2 in the Top 10 for Total Revenue and #8 for Top 10 Revenue Growth for Companies greater than \$10 Million. The company anticipates revenues of \$200 million in 2021 and grow to \$250 million by year

Affordable Solar is looking to purchase an existing 3.522-acre site which already contains a noteworthy building of nearly 30,000 square feet at 3900 Singer Boulevard NE. The building originally was designed as an attractive curved green glass facility, which operated as a customer service center for different tenants for many years. Unfortunately, it has been vacant for approximately four years. The Company expects to spend approximately \$2.5 million on improvements to the existing site and facility, which will greatly improve the surrounding business development area.

Affordable Solar has consistently invested in new research and development, to keep their Albuquerque-based company in front of the latest technology and knowledge, particularly in the large solar array field, and has broadened their services in the solar industry across 12 states to date. Their goal is to to accelerate the development of a clean, safe, innovative technology that has the potential to transform the energy landscape nationally and internationally. The company

plans for nearly 80 percent of their sales to be for out of state customers. The company has a patent-pending foundation and wiring chassis solution that enables efficient, consistent deployment and installation of large-scale battery energy storage products.

The company states that their intellectual property creates a consistent advantage that is leveraged to allow for a robust renewable energy workforce, focused in Albuquerque. The plan is for the new Albuquerque facility to house the component fabrication as well as their corporate headquarters. Their primary business is in the large-scale utility projects, for which they provide Engineering, Procurement, and Construction (EPC). Their second largest business division is in the Battery, Energy Storage System (BESS) business, where they have no competition in the state, and very limited competition nationally. They have developed products and methods designed to reduce cost and allow for rapid deployment of solar and energy storage projects in response to national renewable energy adoption.

The goals of the Affordable Solar Consolidation and Expansion project are to further create and foster economic growth in the State of New Mexico. One of the primary project goals is to create new economic-base jobs in the community and to create job growth opportunities for existing staff. They state that their “overarching goal is to continue to be at the forefront of the renewable energy industry both inside and outside of New Mexico. We want to create a sustainable future for generations to come and we want to employ likeminded individuals that are committed to making a difference in their communities and beyond.”

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 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.

Economic base companies can be large companies that employ hundreds of people that make mattresses or bioscience products or advanced technology research and development; they can also be very small companies that employ 10 people or less that make custom jewelry or specialized food products that are largely sold out of state. These are the companies that bring money into the state, that can then be spent at our very important local-serving small and



## IRB 21-3 Affordable Solar Project

medium-sized businesses, like florists and restaurants, or clothes shops, or car repair, or dry cleaners—or even grocery stores. Without a community’s economic base companies being strong and growing, local serving businesses cannot grow and be strong.

In regard to IRBs 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 industry for the manufacturing, processing or assembling of any agricultural or manufactured products;
2. any commercial enterprise in storing, warehousing, distributing or selling products of agriculture, mining or industry but does not include facilities designed for the sale of goods or commodities at retail or distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities;
3. 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;

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) as required given the project is a recipient of City funds. The analysis shows that the company will start out in its first year with positive fiscal impact in City tax revenues over the tax abatements, and an overall positive fiscal impact of more than \$457,000 over the term of the bonds.

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

### **FINDINGS:**

1. IRB 21-3 is a qualified project as defined by the State’s Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 21-3 would make positive substantive contributions to the local economy and community by creating 70 high-wage economic base jobs; and
3. IRB 21-3 will continue Albuquerque’s position in the forefront of alternative energy research and development; and
4. IRB 21-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;
5. IRB 21-3 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.

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

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

1. Affordable Solar’s revenue sources are largely to out-of-state entities and investors, as discussed above. Affordable Solar also qualifies under the IRB Act and the City’s Ordinance as a business providing manufacturing, assembly, and warehousing operations.
2. The bonds will be considered a “self-purchase”-- purchased by a subsidiary or affiliate of the Company.
3. The site is zoned NR-BP for Non- Residential-Business Park, which includes permitted uses for office, manufacturing, assembly, research, and warehousing uses and conforms to City planning and zoning policies. This Project includes an existing former office facility. Additional information is contained below in Sections II-1 and II-2.
4. Affordable Solar 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 will be required for the renovations.
6. Jobs for the positions meet or exceed the median wages for similar jobs in the community. The lowest is \$37,400, with the majority in the range of about \$40,000 to \$70,000. The salaries and positions are more fully described in Section III-7 and in the Application.
7. Affordable pays at least 50% percent of the health and dental insurance premiums for its employees.

(The Company has requested the approval of LEDA funds from the State and City, but that will be a separate review and approval process.)

## **II. LAND USE, PLAN AND DESIGN ELEMENTS**

### **1. PLAN & ZONING:**

#### Legal Description

The proposed project is located at 3900 Singer Blvd., NE, Albuquerque, Lot 6-A-1 of JEFFERSON COMMONS II, as the same is shown and designated on the Plat entitled, "Correction Plat of Lots 6-A-1, 6-A-2, 6-A-3 and 6-A-4, Jefferson Commons II, Elena Gallegos Grant Projected Section 35, Township 11 North, Range 3 East, N.M.P.M., Albuquerque, Bernalillo County, New Mexico, January 2020", filed in the office of the County Clerk of Bernalillo County, New Mexico on September 21, 2020 in Plat Book 2020C, Page 92, re-recorded October 6, 2020 in Plat Book 2020C, Page 96 as Document No. 2020097853.

#### Prevailing Site Conditions

The company will be buying a pre-constructed building and its site, which will be modified to accommodate the change in uses, employee growth, and business development expansion plans.

The project site originally was developed to be multi-use with the main building (now under consideration), built by a developer with the assistance of the City and economic development partners. It was an attractive curved green-glass office building distinctive in the surrounding area of predominantly square and rectangular stucco and steel buildings. In more recent times, unfortunately, the facility has been vacant. Although vacant for the past four (4) years, this site was developed as office space with a dock high door and a receiving room. It operated for many years as a customer service center for America On-Line (AOL) and then T-Mobile, when AOL was acquired. The project parcel was recently created with a replat that separated the subject building from other buildings that used to be on one large parcel. The company will be investing \$5.283 million in the land, building and improvements, plus another \$945,000 for equipment.

#### Present Assessed Value

Presently there is no assessed value for the site, since the County Assessor just recently completed a review of the site due to the replatting, and new values would not be assigned until next January 1, 2022. The purchase price for the site and building is \$6,033,000.

## Present and Proposed Zoning

The site has been re-platted, and the zoning designation just recently received under the new IDO is NR-BP (Non-Residential/ Business Park). Permissive uses include office, warehousing, light manufacturing, and assembly. The project fits within the permitted uses.

### 2. LAND USE/INFILL/DESIGN AND CONSERVATION:

The property is located in a development known as “Jefferson Commons”. The whole surrounding area along the westside of I-25 out to the main North Diversion water channel is known as the I-25 or Jefferson Corridor and was designed to be developed as for the community for mixed uses, with business/warehouse/office/manufacturing uses (along with an existing rock quarry and Cliff’s Amusement Park). Over the years, and more adjacent to the visibility from I-25, other commercial uses such as car dealerships, movie theaters, restaurants and a former Albuquerque Waterpark also weredeveloped.

While the company itself will not be generating alternative energy for the surrounding area, they do plan to lead by example and install roof-top solar as well allowing for electric vehicle parking spaces and charging stations. Low-flow toilets, energy efficient appliances, HVAC system, and new xeriscaped landscaping will be included in the development. Affordable Solar intends to be a model employer and is participating in the Mayor’s Energy Challenge and will purchase bus passes for employees and bicycle storage racks will be installed. Lockers and showers for employees are being reviewed in the design process.

As mentioned previously, the project site is an existing building located in an existing business park location, and is already in-fill. As noted in their application, the building has fallen into some disrepair due to the lack of use, yet it is in a highly visible location. The infusion of millions in purchasing, developing and improvements will greatly enhance the area.

#### Demolition

No major external demolition is planned.

#### Relocation

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

The project also conforms to the City’s Economic Development strategies:

Smart Recruitment, Retention, and Expansion – The Economic Development Department (EDD) is focused on recruiting companies from specific industries that build upon Albuquerque’s existing assets. The EDD supports new enterprise creation, cluster development, and strategic attraction and recruitment of businesses that align with and complement existing strengths.

In addition, New Mexico municipal IRB legislation specifically identifies “projects” as land, buildings, equipment and improvements that are suitable for use by any of the following:

- A. any commercial enterprise in storing, warehousing, distributing or selling products of agriculture, mining or industry but does not include facilities designed for the sale of goods or commodities at retail or distribution to the public of electricity, gas, water or telephone or other services commonly classified as public utilities.

The company has stated that in addition to the information provided in **I. Area Enhancement**, this location will serve as the Company’s home office for all current and future employees. The growing number of staff will frequently patron local food establishments, entertainment and supply-based businesses. Having an office in a centralized location, will allow employees, and they will be encouraged, to ride bicycles to work and utilize nearby public transportation which is readily available. The company intends to buy bus pass passes for their employees. As mentioned, the company is striving to be the employer of choice in Albuquerque and a good office environment is instrumental. The Company will pursue any viable and economically feasible means to support this effort which, in turn, would be a win-win situation for both the Company and the city. Additionally, with their expanded home office, the Company expects increased levels of out-of-state visitors. Within the next few years, they expect 150 visitors per year, remaining in the area for an average of three (3) days.

#### Infrastructure

- A. It is an existing in-fill development project, as discussed above. The existing office building will be rehabilitated and it has no historic properties/elements. Infrastructure
- B. Although the building has been vacant for four years, it was initially developed to accommodate the kind of employee and business uses projected by the Company.
- C. Affordable Solar is currently not planning on making any significant changes, and no major changes have been identified as needed.

### III ECONOMIC BENEFITS

This project will have numerous positive economic benefits across the community and the state. First, we will be retaining and expanding a valued Albuquerque employer that does well for its employees, customers, suppliers, the community and the tax base. In addition to the 141 employees they had at the end of 2020, they will be adding another 70. And their payroll is expected to increase up to approximately \$12,578,621. Total purchases made in New Mexico last year were about \$15,000,000 in goods and services, with about half of that subject to NM Gross Receipts Tax.

## COMPETITION

Established in 1998, Affordable Solar is the largest and most experienced solar and Battery Energy Storage System (BESS) Engineering, Procurement and Construction (EPC) contractor based in New Mexico by a wide margin. According to Greentech Media’s US market data, Affordable Solar was responsible for approximately 60% of the solar capacity deployed in NM in 2018.

The company has stated that “Affordable Solar Installation, Inc. does not have a true competitor in the City for our primary business, which is as an Engineering, Procurement and Construction (EPC) service provider for large-scale Utility projects. Our second largest division is in the Battery Energy Storage System (BESS) installation business, where there is no competition in the City or the State and very limited competition at the National level. Our Light Commercial Business has very limited local competition, if any. There is local competition in the Residential Business, but this will make up less than 5% of our revenue for 2021.”

Staff research was not able to uncover anything that suggests this statement is not accurate.

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

The company has stated that the expansion will allow them to continue to grow and innovate in Albuquerque. As referenced above, they have a patent pending design that streamlines and simplifies the installation of batteries used for energy storage. We plan to continue to innovate and to fabricate, assemble and integrate equipment at our new facility. It is important to note that work is presently done in the field, out of the state, less efficiently and at a higher cost.

The salaries for the jobs should meet or exceed the average for similar positions within the community. In a review of positions from the NM Dept. of Labor, it appears that the salaries for the jobs profiled are comparable for similar positions within the community.

The company employed 141 people at end of 2020, and plans to add another 70 new positions.

#### 1. Net new jobs and employee ramp over the next 3 to 5 years

Year	Jobs Added	Total net new jobs
	10	10
2022	25	35
2023	15	50
2024	10	60
2025	10	70

#### 2. Salary rates for each of the positions

IRB 21-3 Affordable Solar Project

Job	# of net new jobs	Salary (or hourly equivalent)	Salary Total
Fabricator	6	\$37,400	\$224,400
Project Manager	4	\$100,000	\$400,000
Energy Developer	2	\$100,000	\$200,000
Logistics Coordinator	3	\$55,000	\$165,000
Engineer	4	\$100,000	\$400,000
Foreman	4	\$65,000	\$260,000
Technician	20	\$39,520	\$790,400
Electrician	8	\$70,000	\$560,000
Assistant Project Manager	4	\$65,000	\$260,000
Superintendent	4	\$85,000	\$510,000
Estimator	2	\$85,000	\$170,000
Administration	6	\$55,000	\$330,000
Management	3	\$130,000	\$390,000
<b>Total</b>	<b>70</b>	<b>\$64,140</b>	<b>\$4,489,800</b>

3. Number of people occupying each of the positions over the ramp schedule

Year	New Payroll	Cumulative net new payroll
2021	\$641,400	\$641,400
2022	\$1,603,500	\$2,244,900
2023	\$962,100	\$3,207,000
2024	\$641,400	\$3,848,400
2025	\$641,400	\$4,489,800

- 4. Estimated net new payroll - \$4,489,800 annually
- 5. Confirmation the company pays at least 50% of the employee's health insurance premium - Confirmed

Year	Jobs Added	Total net new jobs
2021	10	10
2022	25	35
2023	15	50
2024	10	60
2025	10	70

Year	Revenue Projection
------	--------------------

2021	\$200,000,000
2022	\$250,000,000
2023	\$300,000,000
2024	\$300,000,000
2025	\$300,000,000

- 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? At least 90%
- 2) Will jobs benefit low and moderate income residents? Yes
- 3) Will the jobs meet or exceed median wages for the industry within the community? Yes
- 4) Will the jobs match skills of current city residents? Yes
- 5) Will new employees be trained to fill the positions? Yes. Affordable Solar worked with Central New Mexico Community College throughout 2020. This resulted in Affordable Solar having the only State Approved Solar Apprenticeship program.
- 6) What stated advancement opportunities are there? Affordable Solar strongly believes in promoting from within. We have a history of mentoring and helping our employees to advance their careers. We have examples of employees that started as interns that are now in upper management positions. We will continue to foster the growth and advancement of our employees during this project.
- 7) Will “Job Training Incentive Program” or other job training programs be used? Yes, Affordable Solar also utilizes the Job Training Incentive Program.
- 8) Will at least 50% of health insurance premiums be covered for employees? Yes

N. Corporate Citizenship Policy/Plan

List any company policies/plans regarding the promotion of donations and volunteerism policy.

Affordable Solar’s ownership has always placed a high priority on community service. A long-standing company policy is paid-time off for employees to volunteer for a Non-Profit 501c(3) company or a qualified service project of their choice. With regards to a group-coordinated effort, one organization to highlight is the Roadrunner Food Bank (RRFB). In addition to ownership being on the Board of RRFB, Affordable Solar coordinated a targeted campaign whereby employees were enlisted to reach out to frequently utilized vendors for monetary donations and/or encourage a company-sponsored food drive.



## LOCAL PURCHASES

The company spent approximately \$15 million on good and services in New Mexico in 2020. Of that, approximately \$7 was spent on services subject to NMGRT. Another \$100,000 was spent on goods subject to NMGRT. The company expects that the amounts will increase by about 10 percent annually

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

The building has been vacant for a number of years, and the addition of not only an existing workforce of 141, but also of 70 new employees over the next five years will bring a large influx of people to support local surrounding businesses and restaurants.

Most importantly, this building has been vacant for four (4) years and is showing signs of disrepair. Affordable Solar will be renovating/rejuvenating an existing building in a high-profile area of Albuquerque. Façade improvements will include repaint and/or re-stucco, expanded lighting, and general maintenance updates. As a renewable energy company, they will set an example for other businesses by installing roof-top solar as well as electric vehicle charging stations. The proposed operations are not expected to generate any notable air, noise, or waste pollution.

The company has stated that in addition to the information provided in **I. Area Enhancement**, this location will serve as the Company's home office for all current and future employees. The growing number of staff will frequently patron local food establishments, entertainment and supply-based businesses. Having an office in a centralized location, will allow employees, and they will be encouraged, to ride bicycles to work and utilize nearby public transportation which is readily available. The company intends to buy bus pass passes for their employees. As mentioned, the company is striving to be the employer of choice in Albuquerque and a good office environment is instrumental. The Company will pursue any viable and economically feasible means to support this effort which, in turn, would be a win-win situation for both the Company and the city. Additionally, with their expanded home office, the Company expects increased level of out-of-state visitors. Within the next few years, they expect 150 visitors per year, remaining in the area for an average of three (3) days.

D. Competition

There are a number of companies which provide solar panel installation services in the Albuquerque area, however, none of them appear to be direct competitors for the types of products and services provided by the applicant. The application states: "Affordable Solar Installation, Inc. does not have a true competitor in the City for our primary business, which is as an Engineering, Procurement and Construction (EPC) for large-scale Utility projects. Our second largest division is in the Battery Energy Storage System (BESS) installation business, where there is no competition in the City or the State and very limited competition at the National level. Our Light Commercial Business has very limited local competition, if any. There is local competition in the Residential Business, but this will make up less than 5% of our revenue for 2021.

**IV. PROJECT FEASIBILITY**

9. COST/ FEASIBILITY/ FINANCING:

Funding is subject to City Council approval. Affordable Solar intends to self-fund the improvements through their own working capital, and they are responsible for their own and the City's fees related to the LEDA applications and associated legal or other administrative fees, including the fiscal impact analysis.

The initial bond amount covers a total of \$7.758 million for the site, buildings, and improvements, although the entire project costs are estimated at a greater amount.

10. DEVELOPER'S RECORD:

Affordable Solar was selected to be an Albuquerque Business First "Best Place to Work" finalist for 2019. We're honored to awarded this title and it just goes to show how dedicated we are to our employees. It takes hard work to make people happy and the results of this survey show we work hard at keeping our employees happy. Our employees play a crucial role in us being the premiere Albuquerque-area solar installation company, serving all kinds of customers from public utilities to consumers.

Additional information is available on [www.affordable-solar.com](http://www.affordable-solar.com)

11. EQUITY:

The project intends to use a combination of financing elements, including an SBA 504 loan, the proceeds from the industrial revenue bonds, and other sources. They have made a request to the state and city for LEDA funding as well. With a federal Small Business Administration (SBA) loan, the SBA backs forty percent of the loan, and the company provides ten percent; traditional bank financing provides the other fifty percent.

12. MANAGEMENT:

The company appears to have a strong, experienced management team.

The company will self-manage the project during development utilizing a Project Team. The Project Team will include the following Affordable Solar Employees: Ryan Centerwall, CEO, Shawn Ricketts, CFO, Blake Richards, Director of Construction (GB98), and Sandy Barry will provide Project Management by serving as a liaison with other local, NM-licensed contractors who will be utilized based on their various areas of expertise. The Project Team will work closely with a, soon to be selected, local architect who will also attend the weekly meetings with the Project Team to ensure plans, budgets and timelines are being met. Affordable Solar is in possession of a New Mexico Commercial Contractor's License (EE98, EL01 & GB98).

Information of other Company senior personnel are included in the Application and at [www.affordable-solar.com](http://www.affordable-solar.com).

Based on the description given in the project plan, management appears to be qualified to manage the project. Based on financial information provided, the Company appears capable of managing and completing the Project.

13. 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. The analysis shows that the company will start out in its first year with more than \$400,000 in positive fiscal impact and an overall positive fiscal impact of \$457,437 over the term of the bonds

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

**FINDINGS:**

1. IRB 21-3 is a qualified project as defined by the State's Industrial Revenue Bond Act and the City enabling legislation (Resolution R-196, Sixth Council (126-1985) as amended by Resolution 350 Sixth Council; and
2. IRB 21-3 would make positive substantive contributions to the local economy and community by creating an additional 70 high-wage economic base jobs to the existing 142; and
3. IRB 21-3 will continue Albuquerque's position in the forefront of alternative energy research and development; and
4. IRB 21-3 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives;

## IRB 21-3 Affordable Solar Project

5. IRB 21-3 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.

### **STAFF RECOMMENDATION:**

Based on the above findings, staff recommends approval of LEDA 21-3 as proposed in the project plan application.

Deirdre M. Firth, Deputy Director  
Economic Development Department

APPLICATION  
for  
INDUSTRIAL REVENUE BOND  
Project Approval

Name of Project: Zia Energy Consolidation and Expansion

Location of Project: 3900 Singer Blvd NE Albuquerque, NM 87109

Company Name: Affordable Solar Installation, Inc., a subsidiary of Zia Energy Group, Inc.

Contact Person: Shawn Ricketts

Address: 4840 Pan American Freeway East, NE  
Albuquerque, NM 87109

Telephone: 505-340-6442

Email: shawn.ricketts@affordable-solar.com

Bond Counsel: Sutin, Thayer and Browne, APC

Address: 6100 Uptown Blvd., NE #400  
Albuquerque, NM 87110

Telephone: 505-883-2500

Bond Amount Requested: **\$7,578,000** Fee Submitted: \$2500

FOR STAFF USE

Staff Assigned: \_\_\_\_\_

Case Number: \_\_\_\_\_

Fee Received: \$ \_\_\_\_\_

ADC Hearing Date: \_\_\_\_\_

Council Dates (Tentative): Introduction \_\_\_\_\_  
Committee \_\_\_\_\_ Council

Hearing \_\_\_\_\_

## **PREFACE**

This Plan is being submitted to the Development Commission of the City of Albuquerque for review prior to consideration by the City Council of an Inducement Resolution and Ordinance for Industrial Revenue Bonds in accordance with Council Ordinance 12-1985 and Resolution 16-1985. Pursuant to those Council actions this is the first step towards the issuance of bonds pursuant to: the Industrial Revenue Bond Act (Sections 3-32-1 to 3-32-16 NMSA 1978 as amended); or, pursuant to the home rule powers of the City given by Article X, Section 6 of the New Mexico Constitution and the City's Charter.

The Plan contains the information required by City Council Resolution 16-1985 and conforms with and complements the policies established for the issuance of Bonds pursuant to that Council action.

The purpose of the Plan is to identify the project area and to present the plan and the uses to which the proceeds of the Bonds will be put if issued. This Plan 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. The applicant and its agent will endeavor to provide the City any additional information reasonably requested.

## **APPLICATION DESCRIPTION**

Please prepare the IRB application according to the following outline. Headings must be present and visible and all required information included. Please prepare the information needed for the fiscal impact analysis in the same manner but attached separately from the following outline.

### **I. GENERAL DESCRIPTION**

Give an overview of the project, including general location, proposed development, use, brief description of the company, and total bond amount requested. Include a statement of the benefit to be gained by the Albuquerque community from this development. The General Description should explain what will be done with the IRB if approved. Note that detailed project information will be included in Project Plan, Section III.

Established in 1998, Affordable Solar is headquartered in Albuquerque, New Mexico. Our primary services are large scale solar and energy storage integration in 12 states. Our firm has developed products and methods designed to reduce cost and allow for rapid deployment of solar and energy storage projects in response to national renewable energy adoption. Drawing on our experience and a robust research and development initiative we have a patent-pending foundation and wiring chassis solution that enables efficient, consistent deployment and installation of large-scale battery energy storage products. Our intellectual property creates a consistent advantage that is leveraged to allow for a robust renewable energy workforce. Our new Albuquerque facility will house our component fabrication as well as our corporate headquarters. The goals of the Zia Energy Consolidation and Expansion project are to further create and foster economic growth in the State of New Mexico. One of

the primary project goals is to create new jobs in the community and to create job growth opportunities for existing staff. Our overarching goal is to continue to be at the forefront of the renewable energy industry both inside and outside of New Mexico. We want to create a sustainable future for generations to come and we want to employ likeminded individuals that are committed to making a difference in their communities and beyond. Affordable Solar is seeking an IRB from the City of Albuquerque. We are seeking the maximum tax abatement available for New Mexico Gross Receipts Tax, Compensating Tax and Property Tax.

Affordable Solar will create jobs, hire and retain employees, per the below projections. Total Bond Amount requested is \$7,578,000

## II. SITE AND EXISTING CONDITIONS

### A. Legal Description

Give both the precise and complete legal description and address or identification of location. (For example: The proposed project is located at 5300 2<sup>nd</sup> Street N.W. The site is more particularly described as Tracts B-1 and C of the Plan of Division of Lands of Mel Sanchez and Lath & Plaster Supply Company, as the same is shown and designated on the plat of said land filed in the office of the County Clerk on April 27, 1979 in Bernalillo County, New Mexico, containing approximately 11.15 acres.)

The proposed project is located at 3900 Singer Blvd., NE, Albuquerque, Lot 6-A-1 of JEFFERSON COMMONS II, as the same is shown and designated on the Plat entitled, "Correction Plat of Lots 6-A-1, 6-A-2, 6-A-3 and 6-A-4, Jefferson Commons II, Elena Gallegos Grant Projected Section 35, Township 11 North, Range 3 East, N.M.P.M., Albuquerque, Bernalillo County, New Mexico, January 2020", filed in the office of the County Clerk of Bernalillo County, New Mexico on September 21, 2020 in Plat Book 2020C, Page 92, re-recorded October 6, 2020 in Plat Book 2020C, Page 96 as Document No. 2020097853.

### B. Prevailing Site Conditions

Describe the present use and development of the site, including any improvements, vacant land, etc.

Although vacant for the past four (4) years, this site was historically used as office space with a dock high door and a receiving room. The parcel was recently created with a replat that separated the subject building from other buildings that used to be on one large parcel.

### C. Present Assessed Value

Give the present assessed value according to the Bernalillo County Assessor's office. You may also list a current appraised value if you feel it will make the post-development value clearer.

As stated above, the parcel was recently created with a replat that separated the subject building from other buildings that used to be on one large parcel. Since the new plat

was just finalized in October 2020, the County Assessor has not re-assessed the new parcel. The most recent assessment was for roughly 17 acres and 169,560 square feet of building, which included the 3.52 acres and 29,560 SF building of the subject parcel. Based on the square footage value of the most recent assessment of the larger parcel, we would estimate the assessment value of the subject parcel to be approximately \$2,920,360.

#### D. Present and Proposed Zoning; Regulatory Issues

Give the current zoning of the property. If any change in zoning is required for the proposed use, give the proposed new zone. We recommend that zoning changes required be requested before the project plan reaches the Development Commission. Describe any particular permitting or regulatory matters that might be different from general development projects.

Based on this request, attached is a Zonal Certification application which was completed and submitted to the City of Albuquerque, Planning Department, Code Enforcement Division on March 3, 2021.

### III. PROJECT PLAN

#### A. Information Concerning Applicant

Describe the development entity – corporation, syndicate, individual, etc., and give information about the experience of the company or of significant individuals involved in the type of development or industry proposed. Include as an attachment resumes of main principles, or other information which will bear on the experience and credibility of the development entity.

Established in 1998, Affordable Solar is the largest and most experienced solar and ESS EPC contractor based in New Mexico by a wide margin. According to Greentech Media's US market data, Affordable Solar was responsible for approximately 60% of the solar capacity deployed in NM in 2018.

In 2019 and 2020, Affordable Solar designed and constructed over 195 Mega-Watt, Alternating Current (MWac) of combined utility, commercial, and industrial solar installations across New Mexico. For Battery Energy Storage projects, we have been awarded or contracted 655 MW / 2,363 Mega-Watt Hours (MWh). At the forefront in the installation of Energy Storage Systems (ESS), Affordable Solar has a patent-pending foundation and wiring chassis solution that enables efficient, consistent deployment and installation. Affordable Solar's current Operations and Maintenance fleet in New Mexico is 325 MWac. In 2021, we've been awarded over 400 MW of new solar project capacity by electric cooperatives and various commercial, industrial, and municipal clients in New Mexico and across the Mountain-west. We have also deployed the only customer-sided commercial solar + energy storage system in PNM territory.

Our commercial development, design, and installation management team have a combined experience of over 100 years in the US solar industry. We have multiple



NABCEP-certified solar professionals employed in our installation business and provide best-in-class solar installations for our customers. Our team not only supports local customers, but also supports key strategic clients in developing solar projects across multiple states. We have contractor's licenses in NM, AZ, UT, CA, and NV.

Affordable Solar has become a trusted partner for our clients and works tirelessly and with integrity to evaluate projects and provide solutions that meet our clients' goals, capital return requirements, and overall project objectives in a safe, efficient, and cost-effective manner. Our success stems from the professionalism and honesty we provide to all of our clients -large or small- and our mission is centered on maintaining these traits while ensuring the success of our clients' projects.

Affordable Solar self-performs our installations in conjunction with specialty subcontractors where needed.

As an employer, Affordable Solar is consistently ranked as one of the Best Places to Work by Albuquerque Business First. In 2020, for the Fastest Growing Companies ranked by Albuquerque Business First, Affordable Solar was #1 for Large Companies. For New Mexico Technology "Flying 40" 2020 Awardees, Affordable Solar ranked #2 in the Top 10 for Total Revenue and #8 for Top 10 Revenue Growth for Companies greater than \$10 Million

**B. Tax Issues**

Please provide a statement declaring that the applicant has no outstanding substantive federal, state or local tax issues. If, however, there are pending issues, thoroughly describe all issues and their status.

Neither Affordable Solar Installation, Inc. nor any of its affiliates has any outstanding or pending substantive federal, state or local tax issues.

**C. Information Concerning Products and Process**

Identify the products and/or processes involved with this project. Specifically address the question of whether the proposed development will generate air, noise, or waste pollution or traffic congestion. Include any plans for the reduction and disposal of waste and/or project emissions. Describe the general types of traffic patterns expected, and parking needs.

Our primary services are large scale solar and energy storage integration in 12 states. Our firm has developed products and methods designed to reduce cost and allow for rapid deployment of solar and energy storage projects in response to national renewable energy adoption. Drawing on our experience and a robust research and development initiative we have a patent-pending foundation and wiring chassis solution that enables efficient, consistent deployment and installation of large-scale battery energy storage products. Our intellectual property creates a consistent advantage that is leveraged to allow for a robust renewable energy workforce. Our new Albuquerque facility will house our component fabrication as well as our corporate headquarters

**D. Competition**

Please describe any competition in the same area of commerce or industry existing in the City. Since the Development Commission and City Council do not wish to make industrial revenue bonds, with their associated tax abatements, available for projects with local competition, this statement is very important.

Affordable Solar Installation, Inc. does not have a true competitor in the City for our primary business, which is as an Engineering, Procurement and Construction (EPC) for large-scale Utility projects. Our second largest division is in the Battery Energy Storage System (BESS) installation business, where there is no competition in the City or the State and very limited competition at the National level. Our Light Commercial Business has very limited local competition, if any. There is local competition in the Residential Business, but this will make up less than 5% of our revenue for 2021.

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

Describe the predicted effects of the project including construction jobs generated, increased employment, increased sales, new industrial base, possible spin-off business, etc.

<b>Year</b>	<b>Jobs Added</b>	<b>Total net new jobs</b>
2021	10	10
2022	25	35
2023	15	50
2024	10	60
2025	10	70

<b>Year</b>	<b>Revenue Projection</b>
2021	\$200,000,000
2022	\$250,000,000
2023	\$300,000,000
2024	\$300,000,000
2025	\$300,000,000

Our expansion will allow us to continue to grow and innovate. As referenced above, we have a patent pending design that streamlines and simplifies the installation of batteries used for energy storage. We plan to continue to innovate and to fabricate, assemble and integrate equipment at our new facility, work which is presently done in the field, out of the state, less efficiently and at a higher cost. For additional information, refer to the Fiscal Impact Analysis spreadsheet.

**F. Land Acquisition**

Indicate if IRB proceeds will be used to acquire land, and whether land is presently owned by the applicant, or is under option.

Affordable Solar will buy a pre-constructed building, which will be modified to accommodate our employee growth and business development expansion plans.

G. Description of Proposed Development

Provide a detailed description of the Project. Describe the construction to be undertaken in the project, including square footage, construction type, and location of construction on the project site. Indicate whether existing buildings on the site will be rehabilitated or incorporated in the construction, and a description of the type and amount of additional investment planned. Detail any demolition which will be required by the project, and indicate whether demolition involves any identified historic properties. If possible, attach a conceptual site plan and elevation (alternately, these may be presented at the Development Commission hearing).

To accommodate Affordable Solar's rapid growth, the prevailing site which consists of approximately 3.522 acres of land and a single office building, approximately 29,555 sq. ft., will be critical for our planned expansion. This is an "as is" purchase and significant repairs are expected as the building has been vacant for four (4) years. The existing office building will be rehabilitated and has no historic properties/elements. Internal, non-load bearing walls will be moved, updated and additional bathrooms are needed, and an expanded and upgraded breakroom will be added along with various meeting and collaboration spaces. Information technology upgrades will be necessary. Due to internal water leaks, various cosmetic updates will be done, i.e. painting and carpet/tile. Of the 29,555 sq. ft. of office space, approximately 12,510 sq. ft. will be converted to warehouse/ fabrication/assembly space. The external expansion plans include significantly modifying the existing loading dock adding two (2) new overhead doors and a 38'x94' ramp. A fenced yard, meeting all the primary building codes as well as being aesthetically pleasing, would be approximately 38'x130'. Based on a structural assessment of the roof, potential roof modifications to accommodate a roof-top solar PV array which will be constructed. Plans also includes installing a Battery Energy Storage System (BESS) to maximize the energy efficiency of the solar Photovoltaic (PV) array.

H. Infrastructure

Indicate if Project will require any extension or relocation of utility or road systems. If additional infrastructure is required, what cost sharing agreements have been reached between the applicant and the city or the water utility authority? Are there any needs for substantial additional electric, gas, or communications infrastructure, and how are they being addressed?

Affordable Solar is currently not planning on making any significant changes.

I. Area Enhancement

Describe how project design, placement and development will enhance the surrounding area.

Most importantly, this building has been vacant for four (4) years and is showing signs of disrepair. Affordable Solar will be renovating/rejuvenating an existing building in a high-profile area of Albuquerque. Façade improvements will include repaint and/or re-stucco, expanded lighting, and general maintenance updates. As a renewable energy

company, we will set an example for other businesses by installing roof-top solar as well as electric vehicle charging stations.

J. Local Purchasing

Please provide an estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.

Zia Energy Group and its affiliates purchased approximately \$700,000 in services which New Mexico Gross Receipts Tax were paid on last year. We expect this amount to increase by 10% per annum, over the next five years.

In addition, Zia Energy Group and its affiliates procured approximately \$100,000 in materials that New Mexico Gross Receipts Tax were paid on in 2020. We expect this amount to increase by approximately 10% per annum as well.

K. Sustainability Issues

1. Energy: Indicate in detail if and how the Project will create, produce or use renewable energy and renewable energy technology. Describe any energy conservation processes that the company already has and/or plans to use in its facility operations and processes; this may include energy efficient construction, machinery or equipment, recycling, energy efficiency programs with local utilities, or energy efficient lighting or windows, or other items.

Affordable Solar will be installing a roof-top solar array, electric car charging stations and a battery energy storage system. Only appliances with Energy Star certification will be purchased/installed. The same applies to any heating and/or HVAC unit replacement.

2. Water Conservation: Estimate average daily and monthly water consumption and include any plans for the conservation, reduction or re-use of water; this may include areas in the facility's operations, or items such as xeriscaping, low-flow toilets, or recycling in product production.

We have no current estimates of the daily water usage. For the remodeling, low-flow toilets will be installed. Any landscaping modifications will include xeriscape plants.

3. Any other programs, processes, sponsorships other than those mentioned here or in other/sections, such as III. C. (Information on Products and Processes) or III. I. (Area Enhancement)? This may include anything such as: encouragement of alternative transportation modes (employer works with transit department to reduce cost of transit passes for employees); special

bicycle parking/lockup; employee lockers for clothes change; charging stations; close-in parking spots for carpoolers; Arbor Day sponsorship?

Affordable Solar joined the Mayor's Energy Challenge in 2020 and will join again in 2021/2022. As part of that program, bus passes will be offered to employees and bicycle storage racks will be constructed. Plans are being discussed for employee lockers and showers. EV charging stations will be installed.

L. Relocation of Individuals or Businesses

No individuals, families or businesses should be displaced by the activities outlined in this plan. If any relocation is required, detail the assistance the applicant will give in relocation.

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

M. Number and Types of Jobs Created

Identify the number and type (i.e., professional, clerical, assembly line, etc.) of permanent jobs which will be created in the project. If any existing jobs are to be retained to the project site, describe separately. Please include the wages of all positions to be created. The following questions must also be answered:

Job	# of net new jobs	Salary (or hourly equivalent)	Salary Total
Fabricator	6	\$37,400	\$224,400
Project Manager	4	\$100,000	\$400,000
Energy Developer	2	\$100,000	\$200,000
Logistics Coordinator	3	\$55,000	\$165,000
Engineer	4	\$100,000	\$400,000
Foreman	4	\$65,000	\$260,000
Technician	20	\$39,520	\$790,400
Electrician	8	\$70,000	\$560,000
Assistant Project Manager	4	\$65,000	\$260,000
Superintendent	4	\$85,000	\$510,000
Estimator	2	\$85,000	\$170,000
Administration	6	\$55,000	\$330,000
Management	3	\$130,000	\$390,000
Total	70	\$64,140	\$4,489,800

- 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? At least 90%
- 2) Will jobs benefit low and moderate income residents? Yes
- 3) Will the jobs meet or exceed median wages for the industry within the community? Yes

- 4) Will the jobs match skills of current city residents? Yes
- 5) Will new employees be trained to fill the positions? Yes. Affordable Solar worked with Central New Mexico Community College throughout 2020. This resulted in Affordable Solar having the only State Approved Solar Apprenticeship program.
- 6) What stated advancement opportunities are there?
- 7) Will “Job Training Incentive Program” or other job training programs be used? Yes, Affordable Solar also utilizes the Job Training Incentive Program.
- 8) Will at least 50% of health insurance premiums be covered for employees? Yes

N. Corporate Citizenship Policy/Plan

List any company policies/plans regarding the promotion of donations and volunteerism policy.

Affordable Solar’s ownership has always placed a high priority on community service. A long-standing company policy is paid-time off for employees to volunteer for a Non-Profit 501c(3) company or a qualified service project of their choice. With regards to a group-coordinated effort, one organization to highlight is the Roadrunner Food Bank (RRFB). In addition to ownership being on the Board of RRFB, Affordable Solar coordinated a targeted campaign whereby employees were enlisted to reach out to frequently utilized vendors for monetary donations and/or encourage a company-sponsored food drive.

O. Positive Contributions

List all positive contributions that the project will make to the neighborhood.

In addition to the information provided in **I. Area Enhancement**, this location will serve as the Company’s home office for all current and future employees. Our growing number of staff will frequently patron local food establishments, entertainment and supply-based businesses. Having an office in a centralized location, will allow employees, and they will be encouraged, to ride bicycles to work and utilize nearby public transportation which is readily available. We are continually striving to be the employer of choice and a good office environment is instrumental. The Company will pursue any viable and economically feasible means to support this effort which, in turn, would be a win-win situation for both the Company and the city. Additionally, with our expanded home office, the Company expects increased level of out-of-state visitors. Within the next few years, we expect 150 visitors per year, remaining in the area for an average of three (3) days.

P. Management

Who will manage the project during development? Who will manage the Project’s operations? If the project will be managed by someone other than the applicant, does the applicant have any long-range involvement?

The company will self-manage the project during development utilizing a Project Team. The Project Team will include the following Affordable Solar Employees: Ryan Centerwall, CEO, Shawn Ricketts, CFO, Blake Richards, Director of Construction (GB98), and Sandy Barry will provide Project Management by serving as a liaison with other local, NM-licensed contractors who will be utilized based on their various areas of expertise. The Project Team will work closely with a, soon to be selected, local architect who will also attend the weekly meetings with the Project Team to ensure plans, budgets and timelines are being met. Affordable Solar is in possession of a New Mexico Commercial Contractor's License (EE98, EL01 & GB98).

#### IV. PROJECT FINANCING

##### A. Cost of Improvements, Bond Amount and Private Financing

Provide the total cost of the improvements to be constructed and the amount of bonds requested. The amount requested should be no more than that needed to complete the project in addition to equity or conventional financing. Also provide the amount of private financing (equity or conventional financing) involved in this project; this may include the value of land and existing facilities, if relevant.

##### B. Estimated Value After Completion

Indicate the estimated appraised value of the project after completion.

Description	Cost
Land*	
Site Improvements	\$2,500,000
Building	\$3,533,000
Total	\$6,033,000

\*The site is pre-existing and therefore the land cost is coupled with the building cost.

##### C. Feasibility

Present information to show that the project can reasonably be expected to generate sufficient revenue to liquidate the debt. This information may be an attached pro forma, and should be sufficiently detailed to show the assumptions on which the projections are based. However, a firm commitment to provide financing for the project will be considered sufficient evidence of feasibility, and no pro forma will be needed in such cases.

	Year Zero	Year One	Year Two	Year Three	Year Four	Year Five
Service Description	Actual Expenses 2020	Projectd Expenses 2021	Projectd Expenses 2022	Projectd Expenses 2023	Projectd Expenses 2024	Projectd Expenses 2025
Revenues	\$70,442,943	\$200,000,000	\$250,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Cost of Sales	\$60,629,735	\$165,000,000	\$206,250,000	\$247,500,000	\$247,500,000	\$247,500,000
Gross Profit	\$9,813,208	\$35,000,000	\$43,750,000	\$52,500,000	\$52,500,000	\$52,500,000
Operating Expenses	\$8,078,488	\$20,000,000	\$25,000,000	\$30,000,000	\$30,000,000	\$30,000,000
Income from Operations	\$1,734,720	\$15,000,000	\$18,750,000	\$22,500,000	\$22,500,000	\$22,500,000
Other Income (Expense)	\$1,159,275	\$4,230,000	(\$1,000,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
Net Income	\$2,893,995	\$19,230,000	\$17,750,000	\$21,000,000	\$21,000,000	\$21,000,000

**D. Construction Schedule**

Give the date of anticipated beginning and completion of construction.

Based on the currently scheduled closing date of May 25, 2021, if there are no delays, the Company anticipates starting the remodeling and construction by early June 2021 with an estimated completion date of October 31, 2021.

**E. Issuance of Bonds**

Provide the anticipated date of bond issuance or a series of bonds.

The latest desired date of bond issuance is May 25.

Attachments: Attach to the plan a map location of the project (you may use the base maps from the City Zone Atlas if you wish), and any other information as desired to supplement the plan. If you are attaching glossy or colored printed material, please submit 25 copies.

The Company has included the requested 25 copies of three (3) documents: the City Zone Atlas map, an aerial of the property, and a conceptual overview of the dock and yard expansion.



## FISCAL IMPACT ANALYSIS

Please provide the following information necessary to complete a Fiscal Impact Analysis. Attach as a separate document. (Information asked may be repetitive to the IRB Application).

1. Describe the type or nature of project operations.
2. Total number of new employees to be created as a result of the proposed Industrial Revenue Bond project, a total net payroll and an estimated annual pay increase in future years.
3. Number of new employees by title or job classification and respective salaries.
4. Optional employee benefits and an estimated value of such benefits and an estimated value of such benefits, either by amount or percentage of net pay. If employees contribute to such benefits, indicate their contributions in amount or percentage.
5. An estimated total annual expenditure of goods and services locally procured, identification of such goods and services (only those over \$10,000 per year), and an estimated annual increase in total expenditure.
6. An estimated annual expenditure of goods and services locally procured that are subject to the New Mexico gross receipts tax, and an estimated annual increase in such an expenditure.
7. An estimated total annual expenditure of goods procured out-of-state and subject to the New Mexico compensating tax, and an estimated annual increase in total expenditure.
8. An estimated annual local sale of goods and services that are subject to the New Mexico gross receipts.
9. Costs of land, site improvement, and building, respectively.
10. Total costs of equipment, fixtures, and furnishings to be purchased with the proceeds of the bond, and an amount of such purchases in New Mexico and out-of-state, respectively.
11. An estimated incremental New Mexico corporate income tax as a result of the proposed Industrial Revenue Bond project, and an estimated annual increase.
12. An estimated amount of capital expenditures to be qualified for the New Mexico investment tax credit.

**Table 1. IRB Analysis: Estimated Tax Revenues for Proposed Affordable Solar Installation, Inc, Including Incremental Tax, Present Value of City Taxes and Net Tax Increment, and Cumulative Net Present Value by Year (2021 dollars)**

	Gross Receipts Taxes (GRT)						Property Tax		Other Taxes	Pre-Abatement Revenues	Foregone			City Costs	Fiscal Impact		
	Company Employees	Indirect and Induced Employees	Company Purchases	Construction	Construction Employees	Utilities	Real (Company)	Personal (Company)			Real Property Tax	Personal Property Tax	GRT		Annual	Present Value	Cumulative
2021	1,882	972	30,044	69,688	11,132	659	9,610	3,633	149	128,223	7,208	2,724	17,770	1,284	99,236	99,236	99,236
2022	3,170	1,794	10,435	-	-	679	9,261	3,690	522	31,141	6,945	2,768	2,613	4,495	14,319	14,124	113,360
2023	3,476	1,960	11,093	-	-	699	8,911	3,666	746	32,823	6,683	2,749	2,613	6,422	14,355	13,967	127,328
2024	3,871	2,236	11,815	-	-	720	8,562	3,558	896	34,384	6,421	2,669	2,613	7,706	14,974	14,371	141,698
2025	3,916	2,292	12,607	-	-	742	8,212	3,369	1,045	35,363	6,159	2,527	2,613	8,991	15,073	14,269	155,967
2026	4,014	2,349	9,944	-	-	764	7,863	2,521	1,045	31,680	5,897	1,890	-	8,991	14,901	13,914	169,882
2027	3,869	2,408	10,839	-	-	787	7,513	1,672	1,045	31,314	5,635	1,254	-	8,991	15,434	14,215	184,097
2028	3,948	2,468	11,815	-	-	811	7,164	824	1,045	31,254	5,373	618	-	8,991	16,272	14,784	198,880
2029	4,046	2,529	12,878	-	-	835	6,814	494	1,045	31,823	5,111	371	-	8,991	17,351	15,549	214,429
2030	4,147	2,593	14,037	-	-	860	6,465	247	1,045	32,575	4,849	185	-	8,991	18,550	16,397	230,826
2031	4,200	2,657	15,300	-	-	886	6,115	82	1,045	33,467	4,587	62	-	8,991	19,828	17,288	248,115
2032	4,305	2,724	16,677	-	-	912	5,766	-	1,045	34,610	4,325	-	-	8,991	21,295	18,315	266,430
2033	4,413	2,792	18,178	-	-	940	5,417	-	1,045	35,965	4,062	-	-	8,991	22,912	19,437	285,867
2034	4,523	2,862	19,814	-	-	968	5,067	-	1,045	37,460	3,800	-	-	8,991	24,669	20,643	306,509
2035	4,636	2,918	21,598	-	-	997	4,718	-	1,045	39,092	3,538	-	-	8,991	26,563	21,925	328,435
2036	4,743	2,976	23,542	-	-	1,027	4,368	-	1,045	40,882	3,276	-	-	8,991	28,614	23,297	351,732
2037	4,861	3,036	25,660	-	-	1,058	4,019	-	1,045	42,860	3,014	-	-	8,991	30,855	24,779	376,511
2038	4,241	3,097	27,970	-	-	1,090	3,669	-	1,045	44,292	2,752	-	-	8,991	32,549	25,784	402,295
2039	3,286	3,159	30,487	-	-	1,122	3,320	-	1,045	45,600	2,490	-	-	8,991	34,119	26,660	428,954
2040	3,368	3,224	33,231	-	-	1,156	2,970	-	1,045	48,174	2,228	-	-	8,991	36,955	28,483	457,437
<b>Total</b>	<b>78,913</b>	<b>51,044</b>	<b>367,965</b>	<b>69,688</b>	<b>11,132</b>	<b>17,713</b>	<b>125,804</b>	<b>23,756</b>	<b>19,033</b>	<b>822,980</b>	<b>94,353</b>	<b>17,817</b>	<b>28,223</b>	<b>163,763</b>			

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

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

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

**Gross Receipts Taxes, Construction:** Gross receipts taxes on contractor receipts and on local spending by construction workers and those supported indirectly by the project.

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

**Foregone Property Taxes:** Property taxes that would have been paid on land, buildings and equipment financed by the IRB. Title to properties financed are held by the City and the properties are exempt from taxes during the life of the bond. There is a minimum Payment in Lieu of Taxes of 5% of the taxes foregone.

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

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

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

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

**Company Purchases** includes employer paid health care insurance as well as G&S expenditures.

**Property Tax** includes Real and Personal property for applicant and employees.