

CITY of ALBUQUERQUE

TWENTY FOURTH COUNCIL

COUNCIL BILL NO. O-20-22 ENACTMENT NO. _____

SPONSORED BY: Brook Bassan, by request

ORDINANCE

APPROVING A PROJECT INVOLVING EAGL TECHNOLOGY, INC. PURSUANT TO THE LOCAL ECONOMIC DEVELOPMENT ACT AND CITY ORDINANCE F/S O-04-10, THE CITY'S IMPLEMENTING LEGISLATION FOR THAT ACT, TO SUPPORT THE REHABILITATION AND OPERATIONS OF A MANUFACTURING, RESEARCH AND DEVELOPMENT FACILITY RELATED TO GUNSHOT DETECTION SYSTEMS LOCATED IN ALBUQUERQUE, NEW MEXICO; AUTHORIZING THE EXECUTION OF A PROJECT PARTICIPATION AGREEMENT AND OTHER DOCUMENTS IN CONNECTION WITH THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

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

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

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

WHEREAS, pursuant to the LEDA Ordinance, EAGL Technology, Inc. (the "Company"), has submitted to the Council and the Albuquerque Development

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1 Commission (the "Commission") an application (the "Application") requesting certain
2 economic development assistance for the rehabilitation and operation of a
3 manufacturing, research and development facility related to gunshot detection systems
4 within the City (the "Project"); and

5 WHEREAS, the Act and the LEDA Ordinance require that the City and the
6 Company enter into a project participation agreement meeting the requirements of the
7 Act and the LEDA Ordinance; and

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

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

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

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

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

27 WHEREAS, the Commission has considered the Project and the proposed
28 Agreement and has recommended that the Council approve the Company's proposal;
29 and

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

1 WHEREAS, the City anticipates that the State will transfer to it, for subsequent
2 transfer to or on behalf of the Company pursuant to an intergovernmental agreement
3 between the City and the State, certain funds of the State that are available for the
4 Project; and

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

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

14 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
15 ALBUQUERQUE:

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

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

25 Section 3. THE PROJECT. The Project will consist of the rehabilitation,
26 occupancy and operation of a manufacturing, research and development facility within
27 the City for a minimum of ten years.

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

1 Section 5. AUTHORIZATION AND APPROVAL OF THE PROJECT AND THE
2 AGREEMENT; APPROPRIATION OF FUNDS. The City hereby approves the Project
3 and the Agreement, which provides, among other things, that the City will administer
4 and disburse to the Company funds totaling up to \$225,000, of which \$200,000 is to be
5 received by the City from the State Economic Development Department and \$25,000
6 are to be City funds, in exchange for which the Company will complete the Project as
7 specified in the Agreement. There is hereby appropriated for the Project up to \$200,000
8 of funds received from the State Economic Development Department and up to \$25,000
9 of City funds.

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

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

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

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

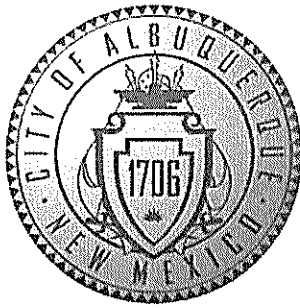
27 (D) City officials shall take such action as is necessary in conformity
28 with the Act, the LEDA Ordinance and this Ordinance to effectuate the provisions of the
29 Agreement and carry out the transactions as contemplated by this Ordinance and the
30 Agreement, including, without limitation, the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

32 Section 7. SEVERABILITY. If any section, paragraph, clause or provision of
33 this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity

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

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

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

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

May 29, 2020

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: Approving an Ordinance EAGL Technology, LLC Project Pursuant to the Local Economic Development Act (LEDA 20-1)

Attached is an ordinance for your consideration and approval authorizing the EAGL Technology Project for a Local Economic Development Act Project.

EAGL Technology, LLC is requesting \$25,000 to help offset and partially reimburse some lease costs and building improvements for a 15,400 square foot, former charter school facility located at 3821 Singer Blvd. NE in the I-25/Jefferson Corridor in Albuquerque. The company presently occupies a facility at 5801 McLeod, just east of San Mateo, but will be consolidating operations into their new facility. (The Company also is requesting assistance from the State for LEDA funds in the amount of \$200,000, for which the City would act as fiscal agent, but that transaction is not under review as part of this process.)

EAGL Technology, LLC will create 20 economic base jobs, in addition to their current 18 positions, and occupy a building that is currently vacant. The 20 new positions will be technical in nature and range from software developers to quality assurance technicians, with an average wage of \$56,000. All 20 jobs are considered full time positions, and come with full employee benefits. Employee benefits offered by the Company include medical, dental, vision, and incentive stock shares.

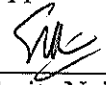
EAGL Technology manufactures a Gunshot Detection System ("GDS") "Solution." By using wireless functionality, the EAGL System offers a total package Solution, successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event, offering a zero false-read threat assessment verification process and eliminating false alarms while providing an industry leading-edge capability for indoor and outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs.

During an active shooter event, detectors having associated video cameras will automatically live-stream video to the graphical user interface (GUI), which is presented in real-time, essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

The City agreed to accept the findings of the economic impact analysis conducted by the State's Department of Economic Development, utilizing an economic impact model by Total Impact, an economic and fiscal impact analysis tool developed by the Austin, TX, economic consulting firm Impact DataSource. The fiscal analysis is from data supplied by the company, and confirms that the company will be making a positive contribution to the community and the City will see its return on investment well within the required 10-year time frame. The City felt a separate analysis was not necessary due to time constraints and the modest amount of the City's participation.

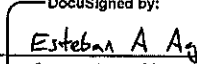
I request Introduction on June 1, 2020, with Holdover for Final Action on June 15, 2020, to allow EAGL Technology to begin to prepare for "reopening" from the COVID-19 slowdown and begin facility improvements to allow for growth as soon as possible.

Approved:



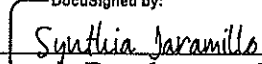
Sarita Nair Date
Chief Administrative Officer 6/1/20

Approved:



DocuSigned by: 5/31/2020
Esteban A. Aguilar Jr. Date
City Attorney

Recommended:



DocuSigned by: 5/31/2020
Synthia Jaramillo Date
Economic Development Department Synthia Jaramillo, Director

Cover Analysis

1. What is it?

This is an ordinance authorizing a Local Economic Development ACT (LEDA) Project and Project Participation Agreement with EAGL Technology LLC (the “Company”) in the amount of \$25,000 from the City of Albuquerque (there is also an anticipated State contribution of \$200,000, for which the City would act as fiscal agent). EAGL Technology, LLC is requesting \$25,000 to help offset and partially reimburse some lease and building improvement for a 15,400 square foot, former charter school facility located at 3821 Singer Blvd. NE in the I-25/Jefferson Corridor in Albuquerque.

Request Introduction on June 1, 2020 with Holdover for Final Action on June 15, 2020. The Company requests to allow for response “reopening” from COVID-19 slowdown and begin facility improvements to allow for growth as soon as possible.

2. What will this piece of legislation do?

The ordinance would support EAGL Technology, LLC and will create 20 economic base jobs, in addition to their current 18 positions, and allow the Company to occupy a building that is currently vacant. The 20 new positions will be technical in nature and range from software developers to quality assurance technicians, with an average wage of \$56,000. All 20 jobs are considered full time positions, and come with full employee benefits. Employee benefits offered by the Company include medical, dental, vision, and incentive stock shares.

EAGL Technology, Inc. manufactures a Gunshot Detection System (“GDS”) “Solution”. By using wireless functionality, the EAGL System offers a total package Solution successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event not only offering a zero false-read threat assessment verification process, eliminating false alarms, but also providing an industry leading-edge capability for indoor & outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs. During an active shooter event, detectors having associated video cameras will automatically live-stream video to the graphical user interface (“GUI”), essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

3. Why is this project needed?

The Company’s expansion of operations at the Albuquerque facility will help advance an economic development project that fosters, promotes, and enhances local economic development efforts and provides job growth and career opportunities. It will allow the company to move forward from their

“reopening” associated with the COVID-19 condition, and allow them to expand and continue their successful growth of their high technology company in Albuquerque.

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

The City is proposing to spend \$25,000 out of its LEDA funds, and to act as fiscal agent for the anticipated \$200,000 in State LEDA funds.

This Project includes an impact analysis provided to the City from the New Mexico Economic Development Department (NMEDD), based on an economic model by Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource. The fiscal impact determination of the Project is from information the Company provided. The analysis shows that the company will be making a positive contribution to the community, and that the City will recoup the value of its investment well within the required 10-year time frame. The City felt a separate analysis was not necessary due to time constraints and the modest amount of the City’s participation.

5. Is there a revenue source associated with this project? If so, what level of income is projected?

The State has committed \$200,000 in funds which will be transferred to the City via an intergovernmental agreement, and the City will act as fiscal agent for the disbursement of those funds.

APPLICATION
for
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)
Project Approval

Name of Project: EAGL Technology, Inc.

Location of Project: 3821 Singer Blvd NE, Albuquerque, NM

Company Name: EAGL Technology

Contact Person: Brian Rowe

Address: 3821 Singer Blvd NE, Albuquerque, NM

Albuquerque, NM 87123

Telephone: 505-263-0097, Cell 505-856-2577

Email: Brianr@eagltechnology.com

Counsel: _____

Address: _____

Telephone: _____

Amount Requested: \$225,000.00 Fee Submitted: _____

FOR STAFF USE

Staff Assigned: _____

Case Number: _____

Fee Received: \$ _____

ADC Hearing Date: _____

Council Dates (Tentative): Introduction _____

Committee _____

Council Hearing _____

PREFACE

This Application is being submitted to the Development Commission of the City of Albuquerque for review prior to consideration by the City Council of an Ordinance for the Local Economic Development Act in accordance with Council Ordinance O-04-10. Pursuant to those Council actions this is the first step towards the issuance of an ordinance pursuant to: the Local Economic Development Act (5-10-1 to 5-10-13 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 Ordinance O-04-10 and conforms with and compliments the policies established for the local Economic Development Act pursuant to that Council action.

The purpose of the Application is to identify the project area and to present the plan and the uses to which the LEDA proceeds will be put if issued. This Application 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

I. GENERAL DESCRIPTION

EAGL Technology, Inc. manufactures the best Gunshot Detection System "GDS" "Solution" on the market today! This achievement was recently recognized when EAGL Technology received the 2018 and 2019 "ASTORS" Homeland Security Platinum Award from American Security Today for its EAGL System. The ASTORS award program highlights the most cutting-edge technology and forward-thinking security solutions available and is specifically designed to honor government and vendor solutions delivering enhanced value, benefit and intelligence to end users in a variety of government, homeland security and public safety venues. By using wireless functionality, the EAGL System offers a total package Solution successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event not only offering a zero false-read threat assessment verification process eliminating false alarms but also providing an industry leading-edge capability for indoor & outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs. During an active shooter event, detectors having associated video

cameras will automatically live-stream video to the GUI which is presented in real-time, essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

In April 2016 the company formed Security USA Services, LLC ("SUSAS"), a New Mexico limited liability company, to work as a more traditional security alarm and installation services enterprise. At that time, the only owners and members were Boaz Raz and Mark Suleiman. As the focus shifted significantly to the gunshot detection technology and development, in June 2017, the company formed EAGL Technology, LLC, also a New Mexico limited liability company; wholly owned by SUSAS. In November 2017, we formed EAGL Technology, Inc., a Delaware corporation, to become the parent company.

The company has leased office space (2,800 sq. ft.) at 5801 McLeod RD NE in Albuquerque and has recently expanded into leased manufacturing, research and development, training, sales management, warehouse and quality assurance and testing facilities (15,400) at 3821 Singer Blvd NE in Albuquerque (which ultimately will include administration that is in the current office space). The newly leased facility is owned by investors that own approximately 85% of the company.

The Company is requesting \$225,000 in LEDA funds for renovations for the building. This facility, which is basically a shell, will be remodeled and modified to provide adequate and appropriate space for EAGL's research and development, manufacturing, dealer training and support, sales management, warehouse, quality assurance and testing, and administrative activities. The products are EAGL's gunshot detection system, including sensors, gateway receivers, EAGL software and servers, enhanced function modules and related components and user software support. A limited amount of the space is being temporarily used for the manufacturing and Quality Assurance activities. The timeline for the remodeling and creation of the manufacturing, QA, warehouse and training areas has a targeted completion of September 30, 2020 (delayed from an earlier target due to COVID-19 related needs and constraints).

According to the economic impact analysis conducted by the State Economic Development Department, the Project's operations will support employment and other economic impacts in the state. The 20.0 workers directly employed by the Project will earn approximately \$56,000 per year initially. This direct activity will support 23.0 indirect and induced workers in the state earning \$26,000 on average.

Overall, the City will receive approximately \$537,400 in net benefits over the 10-year period and the Project will generate \$2,350,000 in total for all local taxing districts.

II. SITE AND EXISTING CONDITIONS**A. *Legal Description***

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.)

Location Address	3821 SINGER BLVD NE
City	ALBUQUERQUE
State	NM
Zip Code	87109
Property Description	LT 6-B-1-A-1 CORRECTION PLAT OF TRACTS 6-B-1-A-1, 7-B-1-A AND 8-B-1 MIDWAY BUSINESS PARK CONT 1.1584 AC

B. *Prevailing Site Conditions*

This facility, which is basically a shell, will be remodeled and modified to provide adequate and appropriate space for EAGL's research and development, manufacturing, dealer training and support, sales management, warehouse, quality assurance and testing, and administrative activities. The products are EAGL's gunshot detection system, including sensors, gateway receivers, EAGL software and servers, enhanced function modules and related components and user software support. A limited amount of the space is being temporarily used for the manufacturing and QA activities.

C. *Present Assessed Value*

Tax Year	2020
Full Land Value	\$302,300.00
Agric. Land	\$0.00
Full Impv. Value	\$661,200.00
Full Total Value	\$963,500.00
Taxable (1/3 Full)	\$321,135.00

D. *Present and Proposed Zoning*

Class	Non Residential—Business Park
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E. Renewable Energy

We do not have any aspects of renewable energy contained in the current remodeling project. At some point in the future, we anticipate using solar to take advantage of the one level flat roof footprint of the 15,000+ square foot building.

III. PROJECT PLAN

A. Information Concerning Applicant

In April 2016 we formed Security USA Services, LLC ("SUSAS"), a New Mexico limited liability company, to work as a more traditional security alarm and installation services enterprise. At that time, the only owners and members were Boaz Raz and Mark Suleiman. As the focus shifted significantly to the gunshot detection technology and development, in June 2017, we formed EAGL Technology, LLC, also a New Mexico limited liability company; wholly owned by SUSAS.

In November 2017, we formed EAGL Technology, Inc., a Delaware corporation, to become the parent company. As of December 31, 2019, EAGL Technology, LLC merged into EAGL Technology, Inc. and SUSAS became a wholly owned subsidiary of EAGL Technology, Inc.

Boaz Raz (42%) - President and CEO DDBGI, LLC, a NM LLC (30%) Jennifer Russell - VP - Sales Brian E. Rowe, CPA - CFO and Compliance Director

B. Tax Issues

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

C. Information Concerning Products and Process

By using wireless functionality, the EAGL System offers a total package Solution successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event not only offering a zero false-read threat assessment verification process eliminating false alarms but also providing an industry leading-edge capability for indoor & outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs. During an active shooter event, detectors having associated video cameras will automatically live-

stream video to the GUI which is presented in real-time essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

After the facility is remodeled, we do not anticipate any generation of air, noise or waste pollution. The manufacturing and quality assurance aspect of EAGL's activity does not require any processes that generate exhaust or other particulate discharges, does not involve the use of any large industrial equipment, and does not generate any significant amounts of waste. Any electronic waste components are disposed of by periodic shipments to Natural Evolution, Inc. in Tulsa, OK for recycling.

D. Competition

To our knowledge, there are no local competitors related to gunshot detection systems or sensors. The major system competitors are located in Massachusetts (Shooter Detection Systems) and California (Shotspotter, Inc., AmberBox and Louroe Electronics).

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

The projects remodeling activities will be performed, to the extent possible, by local contractors. The additional capacity generated by the expansion will support projected annual increases in sales of EAGL products worldwide.

F. Property Acquisition

The investor owners of the company formed a separate entity, 3821 Singer LLC, to undertake facility needs expansion and in October 2019 purchased a 15,000+ sq. ft. vacant building located at 3821 Singer Boulevard, NE, Albuquerque, NM 87109-5804. The building is under a long-term lease to the company to serve as a single facility incorporating all activities of the company, including research and development, system testing, manufacturing and quality control, dealer support, training and certification, sales force coordination and all other aspects of company administration and operations.

G. Description of Proposed Development

The project, in a former charter school facility, will not require any demolition other than removal of some existing partitions, plumbing fixtures and flooring. The project is in a planned business development area and does not involve or is located close to any identified historic properties.

This 15,400 sq. ft. former charter school facility at 3821 Singer Blvd NE (in

an Opportunity Zone and Hub Zone). This facility, which is basically a shell, will be remodeled and modified to provide adequate and appropriate space for EAGL's research and development, manufacturing, dealer training and support, sales management, warehouse, quality assurance and testing, and administrative activities. The products are EAGL's gunshot detection system, including sensors, gateway receivers, EAGL software and servers, enhanced function modules and related components and user software support. A limited amount of the space is being temporarily used for the manufacturing and QA activities. The timeline for the remodeling and creation of the manufacturing, QA, warehouse and training areas has a targeted completion of September 30, 2020 (delayed from an earlier target due to COVID-19 related needs and constraints).

H. Infrastructure

Since this facility was already constructed and had been previously used, most infrastructure needs are in place. It did take some time to get higher capacity internet connectivity and capacity.

I. Area Enhancement

To our understanding the former charter school that used the facility moved to a new location in 2017, more than two years before the building was acquired in November 2019.

J. Local Purchasing

Gross Receipts Taxes	\$449,734
Real Property Taxes - Project	\$25,185
FF&E Property Taxes – Project	\$5,798
Utility Revenue	\$213,520
Utility Franchise Fees	\$13,268
Building Permits and Fees	\$22,500
Lodgers Taxes	\$37,424
Miscellaneous Taxes & User Fees	\$28,296
<u>Subtotal Benefits</u>	<u>\$795,724</u>
Cost of Providing Municipal Services	(\$38,388)
Cost of Providing Utility Services	(\$219,925)
<u>Subtotal Costs</u>	<u>(\$258,313)</u>
Net Benefits	\$537,411
Present Value (6.75% discount rate)	\$378,351

K. Water Conservation

We don't anticipate any water use beyond domestic use. We have no need or plans for utilization of reuse water

L. Relocation of Individuals or Businesses

No individuals, families or businesses are being displaced by any aspect of the project.

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M. Number and Types of Jobs Created

The Project's operations will support employment and other economic impacts in the state. The 20.0 workers directly employed by the Project will earn approximately \$56,000 per year initially. This direct activity will support 23.0 indirect and induced workers in the state earning \$26,000 on average. The total additional payroll or workers' earnings associated with the Project is estimated to be approximately \$14.0 million over the next 10 years.

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*

A majority of newly hired employees would likely be current New Mexico residents. It is estimated that approximately 80% of the new direct workers may be new residents to Bernalillo County.

2. *Will jobs benefit low and moderate income residents?*

Since the 3821 Singer facility is located in a Hub Zone, EAGL will, to the extent possible, seek to hire new personnel who will be residing in designated areas in the city

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?* To the extent possible, yes.

5. Will new employees be trained to fill the positions? Yes, new employees will be trained to fill the positions.
6. What stated advancement opportunities are there? The Goal of the company is to grow and expand not only their product, but their employees, we will encourage and support upskill training and advancement when possible.
7. Will "Job Training Incentive Program" or other job training programs be used? Eagl Tech. will utilize the Job Training Incentive Program.
8. Will at least 50% of health insurance premiums be covered for employees? Yes

N. Corporate Citizenship Policy/Plan

The company's community contributions are currently in the form of reduced pricing or system packaging options that are for schools and educational institutions only. The system packaging option provides more equipment than the same package would for non-educational facility or customer use. As the company operations become profitable, we plan to provide additional assistance for local entities and facilities that could benefit from the security aspects of the company's products.

O. Positive Contributions

The project will improve the area of the business park in which it is located by taking a building that has been idle and untended to for several years and making it a facility that will house up to 40 employees, allow for training of out of state dealer and integrator personnel. In addition, the grounds of the property will be enhanced with landscaping elements that are not there at present.

P. Management

Project will be managed by the applicant.

IV. PROJECT FINANCING

A. Cost of Project, LEDA Funding Amount and Private Financing

Provide the total cost of the project and the amount of LEDA funds 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 and sources of private financing (equity or

conventional financing) involved in this project; this may include the value of land and existing facilities, if relevant.

LEDA \$225K

Capital Investment Commitment and Schedule			
	Year 1	Year 3	Total at Year 5
Land (lease)	\$250,000	\$0	\$250,000
Building (Tis)	\$670,000	\$125,000	\$1,120,000
Infrastructure	\$0	\$0	\$0
Sub-total	\$920,000	\$125,000	\$1,370,000
Soft Costs			
Equipment (FFE)	\$75,000	\$50,000	\$225,000
Total	\$995,000	\$175,000	\$1,595,000
Total Capital Investment to be completed by:		2029 in the amount of \$1,720,000	
Local Construction Spend and Procurement Commitment/Requirement/Target:			
Additional Notes :			

The investor owners of the company formed a separate entity, 3821 Singer LLC, to undertake facility needs expansion and in October 2019 purchased a 15,000+ sq. ft. vacant building located at 3821 Singer Boulevard, NE, Albuquerque, NM 87109-5804. The building is under a long-term lease to the company to serve as a single facility

B. Estimated Value After Completion

Estimate that the value after completion will be \$1.6 to \$1.8 Million

C. Feasibility

D. Construction Schedule

Completion will be in 2020 and possibly stretch into 2021.

EAGL Technology, Inc.
Boaz Raz
Founder and CEO

Mr. Raz holds a Bachelor of Science degree in computer engineering from the University of New Mexico in 1992. Before this qualification, he completed Associate Engineering in 1980. Mr. Raz possesses over 22 years of experience in the high-tech industry, product engineering, system design, system integration, automation, and high-volume manufacturing. His business management experience of more than 20 years is comprising of building teams and startups with fiscal and operational responsibilities. He served as a lead manufacturing engineer at Intel Corporation worldwide. During his tenure at Intel Corporation, he led the entire Intel backend (5 factories across the world) Pentium 4 product engineering activities and drove efficiency and capacity projects across all these product segments

Edward Dlugokecki

9948 Cameron Street NW
Albuquerque, NM 87114
303-862-0938

Career Summary

Honorably Discharged military veteran who, successfully collaborated in several engineering and technical environments and produced contributions promoting each company's success. Experience encapsulates multi-faceted skills that includes planning & project management, training program design and administration, leadership & team building, writing for publication, and business ownership.

Technical & Managerial Experience

Technical Resources Developer

11/2017 – Present. EAGL Technology / Security USA, Albuquerque, NM

- Develop technical resources; marketing, & engineering specifications, website content and training programs for GDS OEM. Author; technical specifications, patent filings, RFPQ responses, product manuals & guides, sales quotes totaling over \$10M. Perform compliance research and conduct training programs teaching customers and company personnel. Design equipment deployment strategies for quotes.

General Manager (GM)

2/2016 – 6/2017. CertaPro Painters of Albuquerque, NM

- Franchise General Manager after acquisition by Denver affiliate. Estimate interior & exterior projects, build and submit proposals, perform; customer service & project oversight, production scheduling, crew building & training, payroll & office functions.

Commercial Manager (CM)

11/2014 – 2/2016. CertaPro Painters of South Denver, Aurora, CO

- Perform commercial account and project management for coatings company. Aspects included interior & exterior project estimation, proposal building and submittals, customer service and performing project management ensuring timelines, standards and budget.

Business Owner

9/2009 – 11/2016. Sarge's Home Improvement Solutions, LLC, Parker CO

- Consultant & project manager. Assist HOA property management and Board of Directors by; authoring work (RFP) specifications, develop contractor selection process and perform project oversight to ensure contract adherence. Also collaborate with HOA insurance company providing claims reports & performing related fiduciary functions oversight of \$5M.

Engineering & Manufacturing Electronics Technician

7/2006 – 9/2008. Digital Wave Corporation, Centennial, CO

- Manufacture OEM stand-alone Modal Acoustic Emission and automated Ultrasound Evaluation test equipment used as industry standards and in industry specific applications to certify compressed gas vessels. Refurbish unique & "one-of-a-kind" NASA – JPL use equipment. Perform on-site testing (NORFOLK) for US NAVY.

Sales Specialist

5/2005 - 7/2006. Lowe's Home Improvement Center, Parker, CO

- Responsible for all aspects associated within retail environment for products and perform estimating and customer service

Forensic Engineering Lead Technician / Legal Storage Manager

4/2001 - 5/2005 Western Engineering & Research Corporation, Denver, CO

- Assist all ten engineers, simultaneously. Perform evidence recovery. Manage legal storage for all evidence. Perform field-use and laboratory equipment calibration and assist with instrumentation during investigations and testing.

Electronic Engineering Technician

11/2000 - 1/2001. Bolder Technologies, Golden, CO

- Temporary position. Perform OEM engineering functions for testing automotive and marine devices using electrical cell rapid discharge and Thin Metal Film technologies.

Journeyman Line Mechanic / Controls Technician

3/2000 - 9/2000. Phelps Program Management LLC, Greeley, CO

- Temporary Position - Maintain and expand United Airlines baggage handling system located at Denver International Airport (DIA).

Lead Service Technician / Customer Service Rep

5/1995 - 3/2000. International Hot Tub Inc., Denver, CO

- Field service residential and commercial: hot tubs, spa, sauna, jetted bath, steam room and pool equipment. Perform on-site troubleshooting and repairs. Train new techs to reduce call-backs & improve customer service.

Electronics Technology Instructor

9/1996 - 8/1998. Pickens Tech, Aurora, CO

- Part time employee. Taught post-secondary students in both classroom and laboratory environments for a two-year, accredited college, electronics degree program. Program encompassed subjects from basic and advanced math classes through digital applications, systems and integration. Maintain Colorado State Vocational Teaching credential.

Building Maintenance Supervisor / Assistant Event Coordinator

11/1994 - 4/1995. Wings Over the Rockies, Air and Space Museum, Denver, CO

- Temporary position for a startup non-profit organization. Perform facility maintenance and lead volunteer force maintaining a structure built in 50's.

Training Manager – US Air Force

Contracts and Acquisitions Training Programs

12/1991 - 11/1994. Military member - full time active duty. USAF, Lowry AFB, CO

- Selected to manage company Contracts and Acquisitions training program on a global scale (38 Courses). Program was two-tiered encompassing both officer and enlisted personnel who were working in the contracts and acquisitions career tracks. Assisted with Lowry AFB decommissioning in October 1994.

Technical Writer

12/1988 - 12/1991. Military member - full time active duty. USAF, Lowry AFB, CO

- Selected to author avionics career field-training courses. Author publications melding experience and writing skills for use by Department of Defense personnel within specific career tracks to meet standardized training objectives and career advancement testing.

Technical Instructor

1/1986 - 12/1988. Military member - full time active duty. USAF, Lowry AFB, CO

- Returning Instructor. Develop challenging electronics curriculum and trained over 800 students for entry, journeyman and craftsman levels in a classroom environment. Trained students who belonged to North Atlantic Treaty Organization (NATO) nations.

Electronic Technician / Craftsman

1/1983 - 1/1986. Military member - full time active duty USAF, Camp New Amsterdam, N.L.

- Inspect, troubleshoot, repair, modify, program, calibrate & certify aviation electronic components using common and specialized Precision Measuring Equipment and company classified technical information. **Earned Master Technician certification.**

Technical Instructor

4/1979 - 12/1982. Military member - full time active duty. USAF, Lowry AFB, CO

- Selected for instructor position. Instructed over 500 entry-level students in an avionics career field track within a classroom & controlled area environment. ***Earned Master Instructor certification.***

Electronic Technician / Journeyman

4/1978 - 9/1979. Military member - full time active duty. USAF, Holloman AFB, NM

- Performed Line Replaceable Unit and system diagnostics on F-4 Phantom II aircraft. Holloman AFB became a test bed for F-15 aircraft and associated equipment. Selected and trained to maintain F-15 Electronic Warfare equipment.

Avionics Trainee

8/1977 - 4/1978. Military member - full time active duty. USAF, Lowry AFB, CO

- After graduating from basic military training at Lackland AFB, Texas, assigned to the 3450th Training Group and enrolled in the F111 Electronic Warfare training program. The training received encompassed basic circuits and devices, included NASA certified soldering training and involved aircraft avionic systems, shop testing procedures, block diagrams, RF and microwave principles, analog and digital techniques and test equipment calibration/maintenance.

John R. Odell, Jr.

EAGL Technology – April 2017 to Present
Production and Quality Assurance Director

Previous Employment:

A.C.T. Albuquerque, NM January 2017 to April 2017.
Project Manager

Prewire fire alarm equipment. IE; Booster N.A.C Panels, Kiddie Fire Alarm Panels, Notification Alarm Appliances and Fire Alarm initiating devices. Order equipment from the warehouse. Organize and log daily tasks for the assigned jobs. Delegate work duties and assigned jobs. Coordinate work with customers and different trades as needed to complete jobs promptly.

Energy Control Inc. Albuquerque, NM July 2010 to January 2017
Lead Service Technician

Duties included the installation of a variety of building automation equipment, NVR and DVR system platforms, burglar alarm systems, fire alarm, voice, and data equipment. Working independently or as a crew Foreman. I traveled throughout New Mexico working for government, commercial and educational facilities. Maintaining existing equipment, troubleshooting and repairing ground faults, electrical circuits, fiber optic cables, network software, and hardware. Use of multimeters, fiber testers, CAT5e cable crimps, power tools, hand tools, mechanically assisted lifts. Reported activities to my office via emails weekly. Record keeping of inventory of truck and job stock and ordered all equipment as necessary to complete all jobs assigned. Performed layout and design of fire alarm systems for potential installs. Coordinate and schedule tasks with customers and other trades as needed for the completion of jobs.

Freedom Security Systems Santa Fe, NM April 2006 to July 2010.
Project Manager

Installation and job supervisor for multiple commercial and residential installations for Low Voltage systems including CCTV, Voice and Data, Intrusion alarms, Fire alarms. Consulted homeowners and General contractors with design and installation throughout the construction process. Consult with Fire Marshall and other authorities having jurisdiction to assure all devices are installed according to local code. Supervised 4 to 6 technicians.

Education:

Eldorado High School Albuquerque, NM 1991 Diploma
Parks College Albuquerque, Electronics AA 1994

Certifications:

Network and Switching Certification
Silent Knight PhD
FireLite
Access Control Intellium / Infinuis
Access Control ONSSI
Axis Cameras
NICET II Fire Alarm Journeyman Certification
jS-3J Journeyman license
OSHA 10
CPR

EAGL Technology, Inc.

Ken Hiner

Application and Dealer Support Director

Background and Qualifications:

Low-Voltage Technician (O-Net 42-2098.00) - 12 Years

Multimedia Developer - 4 Years

Installation Manager – (O-Net 13-1199.02) - 3 Years

Director – EAGL Dealer Support Group (O-Net 15-1199.09) – 2 1/2 years

Education:

A.A.S. Liberal Arts - Concentration in English

30+ Hours Coursework - Multimedia Development Applications

Brian E. Rowe, CPA

3211 Demavend Road, NE
Rio Rancho, New Mexico 87144-5597
Telephone - 505-856-2577 / Facsimile - 505-796.5174 / Cellular 505-263-0997
Email – browe48@msn.com

Credentials

1975 - Graduated from the University of Delaware with a Bachelor of Science in Accounting

1977 – Issued Certificate as Certified Public Accountant by the State of Delaware State Board of Accountancy

1979 – Issued Certificate as Certified Public Accountant by the State of New Mexico Public Accountancy Board

Employed from 1975 through 1978 by Touche Ross & Company, CPAs (and successors) in Wilmington DE and Philadelphia PA.

Employed from 1978 through 1982 by Larry A. Chavez & Company, CPAs in Albuquerque NM.

From 1982 through 1984, was a partner in Fox & Company, CPAs in Albuquerque NM.

From 1984 through 1985, was employed by New Mexico Trust & Financial Services, Inc. in Albuquerque NM.

From 1985 through 1987, was employed by First City Financial Corporation in Albuquerque NM.

From 1987 through 1993, self employed as a CPA in Albuquerque NM.

From 1993 through 1998, was a shareholder in Rowe & Rowe, PC, CPAs in Albuquerque NM.

From 1998 through current, self employed as a CPA in Albuquerque and Rio Rancho NM.

Provide consulting, operational, planning and compliance assistance to small businesses and investors. Have also provided litigation support services in more than 50 cases during the last 30 years; including federal and state court proceedings in New Mexico; as well as expert testimony in federal bankruptcy cases; state court litigation; federal fraud litigation; and federal extradition proceedings.

EAGL Technology, Inc.

Jennifer E. Russell

Vice President and Director of Sales

Background and Qualifications:

Veteran – United States Navy - 6 years

Construction and Physical Security Industries – 25 years

Vice President and Director of Sales – EAGL – 3 years

Education:

Bachelor of Science (Cum laude) – Business Management – Granite State College
(with Minor in Computer Programming)

Project Participation Agreement
City of Albuquerque and EAGL Technology, Inc.
Local Economic Development Act Project 20-1

This Project Participation Agreement is made as of this _____ day of _____, 2020 by and between the CITY OF ALBUQUERQUE, NEW MEXICO (the “City”), and EAGL Technology, Inc., a New Mexico company with a place of business at 5801 McLeod RD NE, Suite A, Albuquerque, NM 87109 (“EAGL Tech”). Together the City and EAGL Tech are called the “Parties,” and individually each a “Party.”

WHEREAS, it is the policy of the City to aid and encourage the location of desirable business enterprises in the City and to facilitate a favorable governmental atmosphere for enriching the lives of its citizens by supporting the development of a healthy economy; and

WHEREAS, pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 (“LEDA”), the City has adopted Ordinance No. F/S O-04-10 (the “LEDA Ordinance”), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance; and

WHEREAS, EAGL Tech has submitted to the City an application in the form attached to this Agreement as Exhibit A (the “EAGL Tech Application”) proposing that, in exchange for certain LEDA assistance described below, EAGL Tech will undertake and complete a certain project, which is defined to include the following elements (the “Project”):

EAGL Technology, Inc. manufactures a Gunshot Detection System “GDS” “Solution”. By using wireless functionality, the EAGL System offers a total package Solution successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event not only offering a zero false-read threat assessment verification process eliminating false alarms but also providing an industry leading-edge capability for indoor & outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs. During an active shooter event, detectors having associated video cameras will automatically live-stream video to the GUI which is presented in real-time essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

The company has leased office space (2,800 sq. ft.) at 5801 McLeod RD NE in Albuquerque and has recently expanded into leased manufacturing, research and development, training, sales management, warehouse and quality assurance and testing facilities (15,400) at 3821 Singer Blvd NE in Albuquerque (which ultimately will include administration that is in the current office space). The newly leased facility at 3821 Singer Blvd. NE is owned by investors that own approximately 85% of the company, hereinafter the “Project Facilities.”

WHEREAS, the State Economic Development Department (the “State EDD”) has committed up to two hundred thousand dollars (\$200,000) in State LEDA funds (the “State Contribution”) for partial reimbursement of renovation and improvement costs of the Project Facilities and the City has committed up to twenty-five thousand dollars (\$25,000) in City LEDA funds (the “City Contribution”) to be used for partial reimbursement of renovation, and improvement costs of the Project Facilities at 3821 Singer Blvd. NE; and

WHEREAS, EAGL Tech estimates a total investment of approximately one million eight hundred thousand dollars (\$1,800,000) by the end of 2025 related to acquisition, renovation, and improvement of the Project Facilities and acquiring necessary equipment; and,

WHEREAS, the EAGL Tech Application proposes that in exchange for EAGL Tech undertaking and completing the Project, the City funds obtained from the State EDD, pursuant to LEDA, in addition to local City LEDA funds, will be used to reimburse a portion of EAGL Tech expenses related to the Project, on the terms set forth herein; and

WHEREAS, the City has reviewed the cost-benefit analysis conducted by the State of New Mexico’s Economic Development Department (“State EDD”) with respect to the Project, which shows that the City will recoup the value of its contribution within ten (10) years; and

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

WHEREAS, the City Council has determined that these benefits and community contributions adequately meet the intent of having the City recoup the value of its investment; and

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

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

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

WHEREAS, the City adopted Ordinance **No. O-20-__ on June 15, 2020** (the “Project Ordinance”) (i) finding that EAGL Tech is a qualifying entity as defined in Section 5-10-3(G) NMSA, (ii) approving the EAGL Tech Application for assistance with the Project pursuant to the LEDA Ordinance, which Application proposed that the City direct two hundred thousand dollars (\$200,000) in funds to be received from the State

EDD as the State Contribution and twenty-five thousand dollars (\$25,000) in funds to be committed by the City as the City Contribution, all to finance certain statutorily eligible expenses of the Project, including renovation and improvement of the Project Facilities, and (iii) approving this Agreement;

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

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

Company Contribution. EAGL Tech shall undertake certain renovations and improvements to the Project Facilities; and will occupy and operate the Project Facilities located at 3821 Singer Blvd NE in Albuquerque, NM; will use the Project for advanced shot recognition technology research and development; and will hire and retain employees as contemplated by this Agreement, all in accordance with the schedule and other terms and conditions set forth in this Agreement. EAGL Tech will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. EAGL Tech will comply with all applicable laws in connection with the operation of the Project and will timely pay all taxes with respect thereto.

The State Contributions; Procedure for Disbursement of the State Contributions. The City anticipates that the State Contribution of two hundred thousand dollars (\$200,000) will be delivered to the City for subsequent disbursement to EAGL Tech, following enactment of the EAGL Tech LEDA ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to EAGL Tech in the manner described in this Agreement. The State Contribution will be distributed for allowable LEDA expenditures to EAGL Tech over the next three years in the following manner: one hundred thousand dollars (\$100,000) upon completion of the building improvements and receipt of an occupancy permit; fifty thousand dollars (\$50,000) will be distributed upon the hire of four (4) additional employees for a total New Mexico employee count of twenty-two (22) by June 30, 2021. The final fifty thousand dollars (\$50,000) will be distributed upon the hire of four (4) additional employees for a total New Mexico employee count of twenty-six (26) by June 30, 2022. Pursuant to Section 12, reimbursement requests shall include a copy of EAGL Tech's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of twenty-five thousand dollars (\$25,000)

to be used in connection with the Project. The monthly lease amount for EAGL in year one is 6,600.00; a quarterly amount would equal \$19,800.00. The City's Contribution will be to reimburse 60% of EAGL Tech's lease costs two quarterly installments of \$11,880.00, plus one remainder of \$1,240.00 until the funds are exhausted.

LEDA Account. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit.

Time Commitment. EAGL Tech will utilize and improve the Project facility from the date of execution of this agreement and operations at the Project Facility to begin following completion of improvements and renovations or as soon thereafter as possible. EAGL Tech will continue to occupy the Project Facilities and diligently conduct operations in the Project Facilities in the manner contemplated by this Agreement at least through **July 31, 2030.**

7. Use of Public Contributions. EAGL Tech will be eligible for reimbursement of up to two hundred twenty-five thousand dollars (\$225,000) for reimbursements for renovation, improvements and lease payments related to the Project Facilities actually incurred after the date hereof and paid for by EAGL Tech, subject to the receipt by the City of the State Contribution. The City will make payment to EAGL Tech following submission to the City of documentation satisfactory to the City evidencing payment of eligible expenses related to tenant improvements with respect to the Project.

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

8. Job Commitment and Clawbacks.

A. Number of Jobs. EAGL Tech will employ at least thirty-eight (38) full-time employees by June 30, 2025, at an average annual salary of more than two million five hundred eight thousand dollars (\$2,580,000) plus benefits, and maintain at least thirty-four (34) full-time employees (90% of total) through June 30, 2030 (the "Jobs"). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated EAGL Tech Power employees from time to time. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to "employees" mean employees in Jobs as contemplated by this Section 8.A.

B. Wages and Benefits. EAGL Tech anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If EAGL Tech does not employ 38 full-time employees as set forth in Section 8.A herein by June 30, 2025, and maintain at least 34 (90% of total) by June 30 of any year thereafter through the year 2030, then subject to

the remainder of this Section 8.C, EAGL Tech will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 11 as shown in the table below:

<i>Job Creation Commitment and Schedule</i>					
<u><i>Year</i></u>	<u><i>Cumulative Full Time Job Creation Target</i></u>	<u><i>Payroll</i></u>	<u><i>Job Determination Period</i></u>		<u><i>%-Clawback</i></u>
1	18+4=22	\$1,232,000	7/1/2020	6/30/2021	100%
2	22+4=26	\$1,646,400	7/1/2021	6/30/2022	100%
3	26+4=30	\$1,852,200	7/1/2022	6/30/2023	100%
4	30+4=34	\$2,204,118	7/1/2023	6/30/2024	100%
5	34+4=38	\$2,586,584	7/1/2024	6/30/2025	80%
6	Maintain 34		7/1/2025	6/30/2026	80%
7	Maintain 34		7/1/2026	6/30/2027	60%
8	Maintain 34		7/1/2027	6/30/2028	50%
9	Maintain 34		7/1/2028	6/30/2029	30%
10	Maintain 34		7/1/2029	6/30/2030	
Beginning Headcount 18 per 1 st QTR UI 2020 report submitted to Workforce Solutions					
Additional Notes: As per 1 st QTR UI report submitted to Workforce Solutions					

Notwithstanding the foregoing, if EAGL Tech fails to employ the required full-time employees as identified in Section 8.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, EAGL Tech will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of EAGL Tech, in the segment of the business management and support industry in which EAGL Tech operates, that cause a significant decrease in the amount of sales EAGL Tech is able to achieve. The shifting of EAGL Tech operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If EAGL Tech hires a minimum of thirty-eight (38) total employees and maintains those positions for a period of at least six (6) months by July 1, 2024, EAGL Tech may petition the State EDD for reduction of security from two hundred thousand dollars (\$200,000) to twenty-five thousand dollars (\$25,000). This has no effect on the City of Albuquerque security position nor EAGL Tech’s commitment to all other terms of this agreement.

If the City determines that Business Climate Changes affect the ability of EAGL Tech to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies EAGL Tech of its decision or the decision of the State EDD. If EAGL Tech does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City

within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should EAGL Tech cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project) before **July 31, 2030**, EAGL Tech shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
Years 1-5 (Year 1 shall commence on the date of signing the lease. All subsequent years are based on anniversary dates of that signing.)	100%
Years 6-8	60%
Years 9-10	25%

Winding down of EAGL Tech's operations at the Project in preparation for a cessation of operations may be considered a cessation of operations. "Winding down" operations may include layoffs by EAGL Tech of greater than or equal to 75% of employees at the Project Facilities.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback payable hereunder will be two hundred fifty thousand dollars (\$225,000), not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

9. Security. To secure the performance of its obligations under this Agreement, EAGL Tech has provided the City an acceptable form of security in favor of the City.

Events of Default and Remedies.

A. Failure to Comply with Obligations. Failure by EAGL Tech to comply with any obligation under this Agreement, including without limitation, the failure to make timely payment of any clawback payment due hereunder, shall be an Event of Default. Notwithstanding the foregoing, failure to meet employment projections

or failure to meet wage and benefit projections shall not be considered an Event of Default; however, the failure to make timely payment of any clawback payment due as a result thereof shall be an Event of Default.

B. Notice of Event of Default. If any Event of Default occurs, the City shall notify EAGL Tech in writing specifying the alleged failure's nature and, where appropriate, how the alleged failure may be cured, and EAGL Tech shall have thirty (30) days in which to cure such Event of Default; but if the Event of Default is of a nature requiring more than thirty (30) days to cure, EAGL Tech shall have up to an additional sixty (60) days to cure the alleged failure unless the City agrees to provide EAGL Tech with additional time to cure the alleged failure. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

Fees. EAGL Tech will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that EAGL Tech shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third-party expenses during the term of this Agreement, such expenses shall consist of expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

Annual Reporting Requirement, Performance Review and Termination. Annually, on or before March 1 or other date specified by the City, EAGL Tech will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether EAGL Tech has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained due to EAGL Tech missing the aforementioned benchmarks, the City will work in good faith with EAGL Tech regarding the missed benchmarks; however, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. EAGL Tech has the right to invoke the dispute resolution procedures set forth in Section 13 herein before any clawback related to performance targets is required. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

Additionally, EAGL Tech will provide to the State of New Mexico Economic Development Department their most recent quarterly Department of Workforce Solutions 903A Report or its equivalent on a quarterly basis beginning with July 31, 2020 and continuing on, October 31, January 31 and April 30 of each year until the completion of this agreement.

Dispute Resolution. The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute between the parties, the President of EAGL Tech, or his/her designee, and the Director or Deputy Director of the City's Economic Development Department shall meet and attempt in good faith to resolve the dispute. If they are unable to resolve the dispute, the President of EAGL Tech and the City's Chief Administrative Officer shall meet and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any Party's right to seek judicial relief.

Further Assurances and Mutual Cooperation. Each Party agrees to deliver and execute any and all notices, certificates, instruments and other such documents and take any and all actions as any Party hereto reasonably may require to carry out this Agreement and such transactions hereby contemplated, and no Party will take any action that may deprive the other Party of the enjoyment of the rights this Agreement secures. Each Party further agrees to select its own legal counsel and to retain such legal counsel at that Party's expense.

Severability. If any part or provision of this Agreement is found to be or becomes unenforceable or illegal for any reason, such part or provision may be modified as necessary to render this Agreement enforceable and legal. If such part or provision cannot be modified as such, the part or provision shall be severed from this Agreement, and the remaining parts and provisions of this Agreement shall remain in full force and effect.

Force Majeure. Neither Party shall be liable to the other Party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a Party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a Party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a Party to perform its obligations under this Agreement. Nothing contained in this Section shall be construed to require either Party to prevent or settle a strike against its will. The Party unable to perform its obligations due to Force Majeure will provide notice to the other Party within five (5) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

Notice. All notices or other written communications, including requests for disbursement, that are required or permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail,

postage prepaid, to the parties at the addresses shown in the signature block of this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If a notice is hand-delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is sent by facsimile or electronic mail, it will be deemed received upon printed or written confirmation of the transmission. A party may change its notice address by written notice to the other party to this Agreement.

Assignment by EAGL Tech. Generally, this Agreement may not be assigned without the prior, written consent of the non-assigning Parties, and the City retains the right to determine whether any assignee is a qualifying entity pursuant to LEDA and the LEDA Ordinance. Regardless of any other provision herein, this Agreement may be assigned by EAGL Tech as part of a sale of all, or substantially all, of EAGL Tech's assets, provided, however, that if such an assignment occurs before July 31, 2030, (i) the assignee assumes, in writing, EAGL Tech's obligations under this Agreement, which will include (a) confirmation that the commitment of EAGL Tech remains in place through July 31, 2030 or (b) the assignee provides another form of security reasonably satisfactory to the City, and (ii) EAGL Tech provides to the City, at least five (5) days prior to such assignment's effective date, a copy of the assignment and (x) such confirmation of EAGL Tech's commitment or (y) such form of security reasonably satisfactory to the City. Notwithstanding any of the foregoing, EAGL Tech may terminate this Agreement in the event that EAGL Tech sells all, or substantially all, of EAGL Tech's assets.

Miscellaneous. This Agreement binds and inures to the benefit of the City and EAGL Tech and their respective successors and permitted assigns. This Agreement may not be assigned without the written consent of the non-assigning Party. This Agreement, [together with the Letter or Credit/Surety Bond], represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any Party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico.

Effective Date. This Agreement will be effective on _____, 2020 (the "Effective Date").

CITY OF ALBUQUERQUE,
NEW MEXICO

By _____

Name: Sarita Nair, JD, MCRP
Title: Chief Administrative Officer
Date: _____

Address for notice:
One Civic Plaza NW
Albuquerque, NM 87102
Attention: Economic Development
Director
Tel: (505)768-3000
Email: _____

With a copy to:
City Attorney
One Civic Plaza NW
Albuquerque, NM 87102
Tel: (505)768-3000
Email: _____

Mailing Address:

P.O. Box 1293
Albuquerque, NM 87103

EAGL TECHNOLOGY, Inc.,

By _____

Name: _____

Title: _____

Date: _____

Address for notice:

Attention:

EAGL Technology, Inc.,
5801 McLeod RD NE, Suite A,
Albuquerque, NM 87109
Tel: 505-271-1700 x100
Email: brianr@eagletechnology.com

**ALBUQUERQUE DEVELOPMENT COMMISSION
Local Economic Development Act Hearing**

May 28, 2020

Case #2020-2

LED A-20-1: EAGL Technology, LLC Project

REQUEST: Approval of \$25,000 in City Local Economic Development Act (LED A) funds is requested.

PROJECT SUMMARY:

(NOTE: The Project Summary has been amended to add company descriptive information that was inadvertently left off of the copy provided to the Albuquerque Development Commission, but which was presented at their meeting on May 28, 2020.)

EAGL Technology, LLC is requesting \$25,000 in City LED A funds to help offset and partially reimburse some lease and building improvement costs for a 15,400 square foot, former charter school facility located at 3821 Singer Blvd. NE in the I-25/Jefferson Corridor in Albuquerque. The company presently occupies a facility at 5801 McLeod, just east of San Mateo, but will be consolidating operations into their new facility. (The Company also is requesting assistance from the State for LED A funds in the amount of \$200,000, for which the City would act as fiscal agent, but that transaction is not under review as part of this process.)

EAGL Technology, Inc. manufactures a Gunshot Detection System (“GDS”) “Solution”. By using wireless functionality, the EAGL System offers a total package Solution successfully satisfying requirements for both indoor and outdoor GDS applications. The EAGL System performs algorithmic waveform analysis of every gunshot event not only offering a zero false-read threat assessment verification process eliminating false alarms but also providing an industry leading-edge capability for indoor & outdoor threat detection. Additionally, this system provides rapid adaptive response, access control and automatic Email, text, VoIP & phone notification features when an active shooter event occurs. During an active shooter event, detectors having associated video cameras will automatically live-stream video to the GUI which is presented in real-time essentially allowing active shooter tracking. All of the visual information is presented with organized functionality on one EAGL System GUI presentation display.

The company has leased office space (2,800 sq. ft.) at 5801 McLeod RD NE in Albuquerque and has recently expanded into leased manufacturing, research and development, training, sales management, warehouse and quality assurance and testing facilities (15,400) at 3821 Singer Blvd NE in Albuquerque (which ultimately will include administration that is in the current office space). The newly leased facility at 3821 Singer Blvd. NE is owned by investors that own approximately 85% of the company, hereinafter the “Project Facilities.”

EAGL Technology, LLC will create 20 economic base jobs, in addition to their current 18 employees, and occupy a building that is currently vacant. The 20 new positions will be technical in nature and range from software developers to quality assurance technicians, with an average wage of \$56,000. All 20 jobs are considered full time positions, and come with full employee benefits. Employee benefits offered by the Company include medical, dental, vision; and incentive stock shares.

The Company expects to spend approximately \$1.72 million on total capital investments and expects to work with the landlord to have the work done by local contractors.

The State of New Mexico and its local governments are empowered to offer discretionary incentives to companies that support economic development projects that foster, promote, and enhance local economic development efforts. Qualifying entities for these projects include:

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

A. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured products (note: this can include software development)

B. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph E. of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail;

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

Exhibit 2 delineates the required Project Participation Agreement (“PPA”) between EAGL Technology, LLC and the City. The PPA is summarized in Section V.

This Project includes an impact analysis provided to the City from New Mexico Economic Development Department (NMEDD), based on an economic model by Total Impact, an economic and fiscal impact analysis tool developed and supported by the Austin, TX based economic consulting firm, Impact DataSource. The fiscal impact determination of the Project is from information the Company provided. The analysis shows that the company will be making a positive contribution to the community, and that the City will receive more than \$537,400 in net benefits over the 10-years period and the project will generate \$2,350,000 in total for all local taxing districts.

FINDINGS:

1. LEDA 20-1 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
2. LEDA 20-1 would make positive substantive contributions to the local economy and community by creating 20 economic base jobs; and
3. LEDA 20-1 would support the growth of a New Mexico technology company with a record of success in the local community; and
4. Subject to the development of acceptable Security documents, LEDA 20-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for ten years; and
5. Subject to the development of acceptable Security documents, LEDA 20-1 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within ten years.

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

I. PROJECT ELIGIBILITY

1. QUALIFYING ENTITY

City enabling legislation (F/S O-04-10), as well as the State Local Economic Development Act, establishes a definition for a "Qualifying Entity" eligible for LEDA funding assistance. EAGL Technology, LLC qualifies under the Act and the Ordinance by meeting the following definition:

As stated in the Summary, qualifying entities for these projects include a corporation, limited liability company, partnership, joint venture, syndicate, association or other person that is one or a combination of two (2) or more of the following:

- A. An industry for the manufacturing, processing, or assembling of any agricultural or manufactured product (note: software development qualifies as manufacturing); and**
- B. A business in which all or part of the activities of the business involves the supplying of services to the general public or to governmental agencies or to a specific industry or customer, but, other than as provided in paragraph E. of this subsection, not including businesses primarily engaged in the sale of goods or commodities at retail.**

2. ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES

The City's enabling legislation also states that applications for LEDA assistance, which meet the policies and objectives of the City's community economic development plans, shall receive priority. EAGL Technology, LLC qualifies as the type of project that meets the City's identified economic development priorities under (F/S O-04-10) in the following categories:

- (1) Private companies seeking to build, expand, or relocate facilities;**
- (2) Manufacturing firms (including intellectual property such as computer software);**
- (3) Projects in industry clusters listed above are particularly encouraged.**

II. LAND USE, PLAN, AND DESIGN ELEMENTS

1. PLANNING & ZONING:

The proposed project is located at 3821 Singer Blvd NE, Albuquerque, NM 87109. The site is more particularly described as LT 6-B-1-A-1 CORRECTION PLAT OF TRACTS 6-B-1-A, 7-B-1-AND 8-B-1 MIDWAY BUSINESS PARK containing approximately 1.154 acres.

The site is zoned for NR-BP (Non-Residential Business Park). No changes are anticipated to the external character of the facility. In fact, EAGL Technology, LLC will be replacing a former charter school.

As stated in the IDO, "The purpose of the NR-BP zoning district is to accommodate a wide variety of non-residential uses in a campus like setting, to buffer potential impacts from surrounding uses and adjacent areas. Allowable uses include a wide variety of office, commercial research, light industrial, office, distribution, showroom, processing, and institutional uses." EAGL Technology, LLC does not have any surrounding residential areas, and has, in fact, few other impacts (more fully described in other sections).

The estimated value of the facility after completion will be \$1.6 to \$1.8 million.

2. LAND USE:

The Project will occupy approximately 15,400 square feet of an existing facility. Industrial Municipal Supply Company, Inc. (IMSCO), AE Productions, Sandia Office Supply, and Sharp Business Systems are the nearby tenants. Surrounding the buildings are numerous mixed-use developments, an office equipment supplier and health service/fitness centers such as Concentra Urgent Care and Elevate: Performance, Health, Wellness.

The facility itself is located on Singer Blvd between Midway Park Blvd. and Office Blvd, providing easy access for employees.

Since the facility was used previously a charter school, additional improvements will need to be made. Approximately \$1.25 million will be spent on tenant improvements, with a total capital investment of \$1.72 million.



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

The EAGL Technology, Inc., Project further supports the Economic Development Department's criteria for the use of incentives by Implementing Place-Based Strategies (by occupying a large existing vacant building), Supporting Focused and Positive ROI Projects, Leveraging Core Assets; High Growth Areas (software development) and creating 20 Economic Base jobs.

3. INFILL:

The project involves an existing building, which was previously operated as a school. Infrastructure, parking, and utilities are already developed. A map of the area is included. As mentioned above, no extension or relocation of utility or road systems are anticipated. There are adequate utilities and roads to the facility.

4. DESIGN AND CONSERVATION:

The facility is an existing facility and does not require any demolition other than removal of some existing partitions, plumbing fixtures, and flooring. The project is in a planned business development area and does not involve, nor is located close to, any identified historic properties.

The company has stated that the water usage for the site should be that expected for any average security company.

Year	Water	Wastewater	Solid Waste	Electricity	Natural Gas	Cable	Telephone
1	\$3,000	\$1,500	\$15,000	\$6,000	\$4,800	\$3,600	\$3,600
2	\$3,060	\$1,530	\$15,300	\$6,120	\$4,896	\$3,672	\$3,672
3	\$3,121	\$1,561	\$15,606	\$6,242	\$4,994	\$3,745	\$3,745
4	\$3,184	\$1,592	\$15,918	\$6,367	\$5,094	\$3,820	\$3,820
5	\$3,247	\$1,624	\$16,236	\$6,495	\$5,196	\$3,897	\$3,897
6	\$3,312	\$1,656	\$16,561	\$6,624	\$5,300	\$3,975	\$3,975
7	\$3,378	\$1,689	\$16,892	\$6,757	\$5,406	\$4,054	\$4,054
8	\$3,446	\$1,723	\$17,230	\$6,892	\$5,514	\$4,135	\$4,135
9	\$3,515	\$1,757	\$17,575	\$7,030	\$5,624	\$4,218	\$4,218
10	\$3,585	\$1,793	\$17,926	\$7,171	\$5,736	\$4,302	\$4,302
% annual increase:	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

No individuals, families, or businesses will be displaced by the activities outlined in this plan. The project is to be located within an existing manufacturing facility.

5. RENEWABLE ENERGY:

The Company will not create or produce renewable energy from the facility.

III. ECONOMIC BENEFITS

6. COMPETITION:

To the company's knowledge, there are no local competitors related to gunshot detection systems or sensors. The major system competitors are located in Massachusetts (Shooter Detection Systems) and California (Shotspotter, Inc., AmberBox, and Louroe Electronics).

7. JOBS:

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

All 20 jobs are considered full time positions, and come with employee benefits. Benefits include health, dental, vision, and incentive stock shares. The company pays at least 50% of the health insurance premiums for employees who opt for their coverage.

These employment classifications, salaries, and benefits are more fully detailed below and attached as an exhibit to the Application. The Company intends to provide training to all new employees and to avail itself of the State's Job Training Incentive Program in connection with the training of its employees.

**EAGL Technology, Inc.
Five Year Job Ramp
2020 through 2024**

<u>Job Description</u>	<u>Projected Pay Range</u>		<u>Year Added</u>
	<u>Low</u>	<u>High</u>	
Chief Technology Officer	\$78,000	\$90,000	2020
Software Developer	\$54,000	\$70,000	2020
Production & Quality Assurance Technician	\$45,000	\$54,000	2020
Office Administration	\$42,000	\$48,000	2020
Software Developer	\$55,350	\$71,750	2021
Software Developer	\$55,350	\$71,750	2021
Production & Quality Assurance Technician	\$46,125	\$55,350	2021
Production & Quality Assurance Technician	\$46,125	\$55,350	2021
Office Administration	\$43,050	\$49,200	2021
Controller	\$75,000	\$90,000	2021
Software Developer	\$56,750	\$73,500	2022
Production & Quality Assurance Technician	\$47,250	\$56,750	2022
Software Developer	\$58,200	\$75,400	2023
Software Developer	\$58,200	\$75,400	2023
Production & Quality Assurance Technician	\$48,400	\$58,200	2023
Office Administration	\$45,250	\$51,600	2023
Software Developer	\$59,600	\$77,200	2024
Software Developer	\$59,600	\$77,200	2024
Production & Quality Assurance Technician	\$49,600	\$59,600	2024
Production & Quality Assurance Technician	\$49,600	\$59,600	2024

- 1) EAGL Technology, LLC estimates close to 100% of the new permanent jobs to be filled by current Albuquerque residents. No jobs will be relocated from another location.
- 2) As the majority of the anticipated new jobs will be technical in nature. Since the 3821 Singer Blvd NE Albuquerque, New Mexico, facility is located in a Hub Zone, EAGL will, to the extent possible, seek to hire new personnel who will be residing in designated areas in the city. Therefore, it will be a significant benefit to low- and moderate-income residents.
- 3) The jobs will exceed the median wages for the industry within the community.

- 4) EAGL Technology's new jobs will match the skills of current city residents to the extent possible.
- 5) All of EAGL Technology's employees go through an extensive training of approximately 6 months upon beginning of employment.
- 6) EAGL Technology provides extensive training to encourage employees to remain with their team and improve their skills. EAGL Technology offers its employees opportunities to expand their skills through lateral movements into different programs, as well as advancement into supervisory and higher-skilled positions.
- 7) EAGL Technology plans to apply for the Job Training Incentive Program.
- 8) EAGL Technology offers health insurance options to their employees and covers 50% of the premiums for employees.

8. LOCAL PURCHASES:

EAGL estimates that local purchases for supplies and ongoing needs, not including new equipment, will be at least \$60,000 per year. In addition, the company will be spending additional amounts for parts and subcontracted assembly services using at least four current local vendors. The amount of this component will vary depending on the components needed for their dealer, integrator and customer purchase orders. As a base, the amounts spent in 2019 alone for those vendors was over \$135,000. The Company anticipates total spending \$1.8 million, which is estimated to support an average of approximately \$300,000 million in new non-residential taxable property each year over the next 10 years.

IV. PROJECT FEASIBILITY

9. COST/ FEASIBILITY/ FINANCING:

As stated above, the Company intends facility upgrades and renovations with completion by 2021 and Total Capital Investment of \$1.72 million.

Capital Investment Commitment and Schedule			
	<u>Year 1</u>	<u>Year 3</u>	<u>Total at Year 5</u>
Land (lease)	\$250,000	\$0	\$250,000
Building (Tis)	\$670,000	\$125,000	\$1,120,000
Infrastructure	\$0	\$0	\$0
Sub-total	\$920,000	\$125,000	\$1,370,000
Soft Costs			
Equipment (FFE)	\$75,000	\$50,000	\$225,000
Total	\$995,000	\$175,000	\$1,595,000
Total Capital Investment to be completed by:		2029 in the amount of \$1,720,000	
Local Construction Spend and Procurement Commitment/Requirement/Target:			
Additional Notes:			

Tax Year	2020
Full Land Value	\$302,300.00
Agric. Land	\$0.00
Full Impv. Value	\$661,200.00
Full Total Value	\$963,500.00
 Taxable (1/3 Full)	 \$321,135.00

EAGL Technology is currently working with Mission Valley Bank to do a refinancing of the Seller financed Real Estate Contract entered into at the time the property was acquired in November 2019. This refinancing will reduce the interest rate from 6.5% to 4.5% and allow the company to incorporate an additional amount of over \$100,000 to complete the most urgently needed improvements for the training aspect of the facility, HVAC enhancements and remodeling the former school building's children sized restrooms to make them suitable for adult use. EAGL Technology is also working with current investors to secure additional amounts needed.

10. DEVELOPER'S RECORD:

In April 2016, the company formed Security USA Services, LLC ("SUSAS"), a New Mexico limited liability company, to work as a more traditional security alarm and installation services enterprise. At that time, the only owners and members were Boaz Raz and Mark Suleiman. As the focus shifted significantly to the gunshot detection technology and development, in June 2017, they formed EAGL Technology, LLC, also a New Mexico limited liability company; wholly owned by SUSAS. In November 2017, they formed EAGL Technology, Inc., a Delaware corporation, to become the parent company.

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

11. EQUITY:

The Company has committed to approximately \$1.8 million for the project development, as reflected in the Project Participation Agreement.

City has committed the amount of \$25,000 to be used in connection with the Project, to reimburse 60% of the company's lease payments. The City's Contribution will be in quarterly increments of \$11,880 for lease payments until exhausted. (Note: The Company continues to negotiate with the landlord over the monthly lease rate, so the City's contribution by month may change, but the total amount will remain the same.)

The State Contribution of \$200,000 will be used to reimburse eligible project development costs.

Based on financial information provided by the Company and the State, the Company appears capable of managing and completing the Project.

12. MANAGEMENT:

Boaz Raz (42%) - President and CEO DDBGI, LLC, a NM LLC (30%), Jennifer Russell - VP – Sales, Brian E. Rowe, CPA – CFO and Compliance Director. Resumes are attached.

13. FISCAL IMPACT ANALYSIS

This Project includes an impact analysis provided to the City from NMEDD, based on information provided by the Company and utilizing prepared by Impact DataSource, as required given the project is a recipient of City funds.

The fiscal impact analysis demonstrates that the City will recoup the value of its investment, with a projected net benefit of \$537,400 minus the \$25,000 initial City contribution to the project.

V. PROJECT PARTICIPATION AGREEMENT

Pursuant to the Local Economic Development Act, Sections 5-10-1 to 5-10-13 NMSA 1978 ("LEDA"), the City adopted Ordinance No. F/S 04-10 (the "LEDA Ordinance"), approving an economic development plan for the City and authorizing the City to consider applications for economic development assistance. The Ordinance calls for the preparation and approval of a Project Participation Agreement (PPA), which is the formal document, which states the contributions and obligations of all parties in the LEDA project. The agreement must clearly state the following items:

- (1) The economic development goals of the project;**
- (2) The contributions of the City and the qualifying entity;**
- (3) The specific measurable objectives upon which the performance review will be based;**
- (4) A schedule for project development and goal attainment;**
- (5) The security being offered for the City's investment;**
- (6) The procedures by which a project may be terminated and the City's investment recovered; and,**
- (7) The time period for which the City shall retain an interest in the project. Each project agreement shall have a "sunset" clause after which the City shall relinquish interest in and oversight of the project.**

B. Each project participation agreement shall be adopted as an ordinance and adopted by the Council at a public hearing.

The primary terms of the EAGL Project Participation Agreement are summarized and attached as an Exhibit.

1. COMPANY CONTRIBUTION

The PPA states that, in exchange for certain LEDA assistance described below, EAGL Technology will undertake and complete a certain project defined and includes the following elements (the "Project"):

The company has leased office space (2,800 sq. ft.) at 5801 McLeod RD NE in Albuquerque and has recently expanded into leased manufacturing, research and development, training, sales management, warehouse, and quality assurance and testing facilities (15,400) at 3821 Singer Blvd NE in Albuquerque (which ultimately will include administration that is in the current office space). The newly leased facility is owned by investors that own approximately 85% of the company.

Commitment to operate the Project for a minimum of ten (10) years;

The company plans to add 20 full-time employees, at an average salary of \$56,000, and maintenance of at least 34 full-time employees (90% of total) through 2029.

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

Company Contribution. EAGL Tech shall undertake certain renovations and improvements to the Project Facilities; and will occupy and operate the Project Facilities located at 3821 Singer Blvd NE in Albuquerque, NM; will use the Project for advanced shot recognition technology research and development; and will hire and retain employees as contemplated by this Agreement, all in accordance with the schedule and other terms and conditions set forth in this Agreement. EAGL Tech will maintain the Project's operations in Albuquerque for a minimum of ten (10) years. EAGL Tech will comply with all applicable laws in connection with the operation of the Project and will timely pay all taxes with respect thereto.

The State Contributions; Procedure for Disbursement of the State Contributions.

The City anticipates that the State Contribution of two hundred thousand dollars (\$200,000) will be delivered to the City for subsequent disbursement to EAGL Tech, following enactment of the EAGL Tech LEDA ordinance and execution of this Agreement and an intergovernmental agreement between the State and the City. The City will submit an invoice to the State and request transfer of the State funds. Upon receipt, the City will place the State Contribution into a separate account established in connection with the Project, as required by law. If, and only if, the City receives the State Contribution, the City will disburse the State Contribution to EAGL Tech in the manner described in this Agreement. The State Contribution will be distributed for allowable LEDA expenditures to EAGL Tech over the next three years in the following manner: one hundred thousand dollars (\$100,000) upon completion of the building improvements and receipt of an occupancy permit; fifty thousand dollars (\$50,000) will be distributed upon the hire of four (4) additional employees for a total New Mexico employee count of twenty-two (22) by June 30, 2021. The final fifty thousand dollars (\$50,000) will be distributed upon the hire of four (4) additional employees for a total New Mexico employee count of twenty-six (26) by June 30, 2022. Pursuant to Section 12, reimbursement requests shall include a copy of EAGL Tech's most recent quarterly Department of Workforce Solutions 903A, or its equivalent, to substantiate current employment levels. Payments may be withheld if Company is not in good standing with City, State, or Federal agencies.

The City Contribution. Pursuant to the Project Ordinance and the LEDA Ordinance, the City has committed the amount of twenty-five thousand dollars (\$25,000) to be used in connection with the Project. The monthly lease amount for EAGL in year one is 6,600.00; a quarterly amount would equal \$19,800.00. The City's Contribution will be to reimburse 60% of EAGL Tech's lease costs two quarterly installments of \$11,880.00, plus one remainder of \$1,240.00 until the funds are exhausted.

LEDA Account. As required by the LEDA Ordinance, the City will deposit the proceeds of the City Contribution into a clearly identified separate account, which account will be subject to an annual independent audit.

Time Commitment. EAGL Tech will utilize and improve the Project facility from the date of execution of this agreement and operations at the Project Facility to begin following completion of improvements and renovations or as soon thereafter as possible. EAGL Tech will continue to occupy the Project Facilities and diligently conduct operations in the Project Facilities in the manner contemplated by this Agreement at least through **July 31, 2030.**

7. Use of Public Contributions. EAGL Tech will be eligible for reimbursement of up to two hundred twenty-five thousand dollars (\$225,000) for reimbursements for renovation, improvements and lease payments related to the Project Facilities actually incurred after the date hereof and paid for by EAGL Tech, subject to the receipt by the City of the State Contribution. The City will make payment to EAGL Tech following submission to the City of documentation satisfactory to the City evidencing payment of eligible expenses related to tenant improvements with respect to the Project.

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

8. Job Commitment and Clawbacks.

A. Number of Jobs. EAGL Tech will employ at least thirty-eight (38) full-time employees by June 30, 2025, at an average annual salary of more than two million five hundred eight thousand dollars (\$2,580,000) plus benefits, and maintain at least thirty-four (34) full-time employees (90% of total) through June 30, 2030 (the “Jobs”). A Job will represent an employment position for a person for at least one pay period consisting of at least 32 hours of work per week and offering the employee the full range of benefits offered to other similarly situated EAGL Tech Power employees from time to time. Positions filled by contract, part-time and temporary workers will not be considered Jobs. All references herein to “employees” mean employees in Jobs as contemplated by this Section 8.A.

B. Wages and Benefits. EAGL Tech anticipates that the Jobs will fall within the wage ranges and will come with the benefits shown on Exhibit B. However, failure to meet the wage and benefit projections shown on Exhibit B shall not constitute an Event of Default (defined below) or form the basis for any clawback payment.

C. Performance Clawbacks. If EAGL Tech does not employ 38 full-time employees as set forth in Section 8.A herein by June 30, 2025, and maintain at least 34 (90% of total) by June 30 of any year thereafter through the year 2030, then subject to the remainder of this Section 8.C, EAGL Tech will repay to the City, within sixty (60) days of the due date of the annual report referred to in Section 11 as shown in the table below:

<i>Job Creation Commitment and Schedule</i>					
<u><i>Year</i></u>	<u><i>Cumulative Full Time Job Creation Target</i></u>	<u><i>Payroll</i></u>	<u><i>Job Determination Period</i></u>		<u><i>%-Clawback</i></u>
1	18+4=22	\$1,232,000	7/1/2020	6/30/2021	100%
2	22+4=26	\$1,646,400	7/1/2021	6/30/2022	100%
3	26+4=30	\$1,852,200	7/1/2022	6/30/2023	100%
4	30+4=34	\$2,204,118	7/1/2023	6/30/2024	100%
5	34+4=38	\$2,586,584	7/1/2024	6/30/2025	80%
6	Maintain 34		7/1/2025	6/30/2026	80%
7	Maintain 34		7/1/2026	6/30/2027	60%
8	Maintain 34		7/1/2027	6/30/2028	50%
9	Maintain 34		7/1/2028	6/30/2029	30%
10	Maintain 34		7/1/2029	6/30/2030	
Beginning Headcount 18 per 1 st QTR UI 2020 report submitted to Workforce Solutions					
Additional Notes: As per 1 st QTR UI report submitted to Workforce Solutions					

Notwithstanding the foregoing, if EAGL Tech fails to employ the required full-time employees as identified in Section 8.A herein, and believes Business Climate Changes were the cause for its failure to meet such requirements, EAGL Tech will so advise the City in writing describing the Business Climate Changes in detail. “Business Climate Changes” mean substantial changes outside of the control of EAGL Tech, in the segment of the business management and support industry in which EAGL Tech operates, that cause a significant decrease in the amount of sales EAGL Tech is able to achieve. The shifting of EAGL Tech operations to another Project, whether within or outside of Albuquerque, will not constitute a Business Climate Change.

If EAGL Tech hires a minimum of thirty-eight (38) total employees and maintains those positions for a period of at least six (6) months by July 1, 2024, EAGL Tech may petition the State EDD for reduction of security from two hundred thousand dollars (\$200,000) to twenty-five thousand dollars (\$25,000). This has no effect on the City of Albuquerque security position nor EAGL Tech’s commitment to all other terms of this agreement.

If the City determines that Business Climate Changes affect the ability of EAGL Tech to maintain employment levels, it may waive or modify the Performance Clawback, but only related to the City Contribution and the City shall consult with the State EDD as to any potential waiver of the Performance Clawback or a portion thereof related to the State Contribution. Any Performance Clawback due will be paid within 15 days after the City notifies EAGL Tech of its decision or the decision of the State EDD. If EAGL Tech does not attribute the failure to meet employment requirements to Business Climate Changes, the payment of any Performance Clawback due will be submitted to the City within ten (10) days after the due date of the annual report reflecting the failure to maintain the required employment level.

D. Project Closure Clawback. Should EAGL Tech cease operation, or notify the City of its intent to cease operation, of the Project (i.e., cease to conduct operations at the Project) before **July 31, 2030**, EAGL Tech shall, within ninety (90) days of the cessation of operations, pay to the City, in cash, an amount equal to a specified percentage of the amount of the City Contribution and State Contribution paid pursuant to this Agreement, with the specific percentage based on the date of cessation of operations in accordance with the following table:

Date of Cessation of Operations	Percent of Public Contributions to be Repaid
Years 1-5 (Year 1 shall commence on the date of signing the lease. All subsequent years are based on anniversary dates of that signing.)	100%
Years 6-8	60%

Years 9-10	25%
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Winding down of EAGL Tech's operations at the Project in preparation for a cessation of operations may be considered a cessation of operations. "Winding down" operations may include layoffs by EAGL Tech of greater than or equal to 75% of employees at the Project Facilities.

E. Maximum Clawback; Unpaid Payments. Notwithstanding anything herein to the contrary, the maximum aggregate clawback payable hereunder will be two hundred fifty thousand dollars (\$225,000), not including interest. Any clawbacks not paid when due shall bear interest at the Prime Rate plus 2% per annum from the due date until paid. "Prime Rate" means the U.S. prime rate as reported from time to time in *The Wall Street Journal* in its Bonds, Rates and Yields table, or successor table.

9. Security. To secure the performance of its obligations under this Agreement, EAGL Tech has provided the City an acceptable form of security in favor of the City.

Events of Default and Remedies.

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

Notice of Event of Default. If any Event of Default occurs, the City shall notify EAGL Tech in writing specifying the alleged failure's nature and, where appropriate, how the alleged failure may be cured, and EAGL Tech shall have thirty (30) days in which to cure such Event of Default; but if the Event of Default is of a nature requiring more than thirty (30) days to cure, EAGL Tech shall have up to an additional sixty (60) days to cure the alleged failure unless the City agrees to provide EAGL Tech with additional time to cure the alleged failure. If the Event of Default is not cured within such thirty-day period, the City shall have and may exercise any remedies available at law or in equity.

Fees. EAGL Tech will promptly pay or reimburse the City for all reasonable third-party expenses incurred by the City in connection with this Agreement and the Project, provided, however, that EAGL Tech shall not be liable for costs incurred by the City that are the responsibility of the City in the ordinary course of business. If so determined by the City, in its sole discretion, such third-party expenses may be offset against or reimbursed from the City Contribution or the State Contribution. Although the City does not anticipate incurring significant third-party expenses during the term of this

Agreement, such expenses shall consist of expenses associated with performance reviews or audits with respect to the Project and legal fees for outside counsel in the event of any proposed amendment to this Agreement or any necessary enforcement action with respect to this Agreement.

Annual Reporting Requirement, Performance Review and Termination.

Annually, on or before March 1 or other date specified by the City, EAGL Tech will provide to the City data for the previous calendar year regarding its workforce and such other information necessary for the City or its independent contractor to determine whether EAGL Tech has met its obligations under this Agreement. As required by the LEDA Ordinance, the Project will be subject to an annual performance review conducted by City staff, which will evaluate whether the Project is attaining the goals and objectives set forth in Section 1 of this Agreement. This review shall be presented to the City administration and the City Council. If the goals and objectives are not being attained due to EAGL Tech missing the aforementioned benchmarks, the City will work in good faith with EAGL Tech regarding the missed benchmarks; however, the City Council at a public hearing may terminate assistance to the Project by passage of an ordinance which terminates this Agreement and specifies the disposition of all assets and obligations of the Project, after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination. EAGL Tech has the right to invoke the dispute resolution procedures set forth in Section 13 herein before any clawback related to performance targets is required. In addition, pursuant to LEDA, the City may enact an ordinance terminating the LEDA Ordinance and dissolving or terminating any or all projects. In the event that the City terminates the LEDA Ordinance or this Agreement, the City will specify the disposition of all assets and obligations of the Project after satisfying this Agreement and all rights of the parties arising under this Agreement through the date of such termination.

Additionally, EAGL Tech will provide to the State of New Mexico Economic Development Department their most recent quarterly Department of Workforce Solutions 903A Report or its equivalent on a quarterly basis beginning with July 31, 2020 and continuing on, October 31, January 31 and April 30 of each year until the completion of this agreement.

Dispute Resolution. The parties will work in good faith to resolve any disputes that arise hereunder. In the event of a dispute between the parties, the President of EAGL Tech, or his/her designee, and the Director or Deputy Director of the City's Economic Development Department shall meet and attempt in good faith to resolve the dispute. If they are unable to resolve the dispute, the President of EAGL Tech and the City's Chief Administrative Officer shall meet and attempt in good faith to resolve the dispute. Nothing contained in this Agreement constitutes a waiver of any Party's right to seek judicial relief.

Further Assurances and Mutual Cooperation. Each Party agrees to deliver and execute any and all notices, certificates, instruments and other such documents and take any and all actions as any Party hereto reasonably may require to carry out this Agreement and such transactions hereby contemplated, and no Party will take any action that may deprive the other Party of the enjoyment of the rights this Agreement secures.

Each Party further agrees to select its own legal counsel and to retain such legal counsel at that Party's expense.

Severability. If any part or provision of this Agreement is found to be or becomes unenforceable or illegal for any reason, such part or provision may be modified as necessary to render this Agreement enforceable and legal. If such part or provision cannot be modified as such, the part or provision shall be severed from this Agreement, and the remaining parts and provisions of this Agreement shall remain in full force and effect.

Force Majeure. Neither Party shall be liable to the other Party for any failure to perform any provisions or obligations of this Agreement if such failure to perform is caused by or results directly or indirectly from Force Majeure. "Force Majeure" means any cause beyond the reasonable control of a Party affected, including but not limited to, any acts of God, fire, flood, storm, strike, riot or civil disturbance, war, earthquake, lightning, epidemic, labor disturbance, sabotage, or restraint by court or public authority, or any other cause beyond the reasonable control of a Party affected whether similar or dissimilar to the ones listed, which makes it impossible or unreasonably difficult for a Party to perform its obligations under this Agreement. Nothing contained in this Section shall be construed to require either Party to prevent or settle a strike against its will. The Party unable to perform its obligations due to Force Majeure will provide notice to the other Party within five (5) days of its becoming aware of the Force Majeure of its inability to perform and its expectations as to when, if ever, it will be able to resume its obligations.

Notice. All notices or other written communications, including requests for disbursement, that are required or permitted to be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by fax, by electronic mail, or by registered or certified mail, postage prepaid, to the parties at the addresses shown in the signature block of this Agreement. If notice is mailed, it will be deemed received on the earlier of actual receipt or on the third business day following the date of mailing. If a notice is hand-delivered or sent by overnight delivery service, it will be deemed received upon actual delivery. If any written notice is sent by facsimile or electronic mail, it will be deemed received upon printed or written confirmation of the transmission. A party may change its notice address by written notice to the other party to this Agreement.

Assignment by EAGL Tech. Generally, this Agreement may not be assigned without the prior, written consent of the non-assigning Parties, and the City retains the right to determine whether any assignee is a qualifying entity pursuant to LEDA and the LEDA Ordinance. Regardless of any other provision herein, this Agreement may be assigned by EAGL Tech as part of a sale of all, or substantially all, of EAGL Tech's assets, provided, however, that if such an assignment occurs before July 31, 2030, (i) the assignee assumes, in writing, EAGL Tech's obligations under this Agreement, which will include (a) confirmation that the commitment of EAGL Tech remains in place through July 31, 2030 or (b) the assignee provides another form of security reasonably satisfactory to the City, and (ii) EAGL Tech provides to the City, at least five (5) days prior to such assignment's effective date, a copy of the assignment and (x) such confirmation of EAGL Tech's commitment or (y) such form of security reasonably satisfactory to the City. Notwithstanding any of the foregoing, EAGL Tech may

terminate this Agreement in the event that EAGL Tech sells all, or substantially all, of EAGL Tech's assets.

Miscellaneous. This Agreement binds and inures to the benefit of the City and EAGL Tech and their respective successors and permitted assigns. This Agreement may not be assigned without the written consent of the non-assigning Party. This Agreement, [together with the Letter or Credit/Surety Bond], represents the entire agreement of the parties on the subject hereof and supersedes all prior agreements or understandings between the parties, whether written or verbal. This Agreement may be amended or modified, and the performance by any Party of its obligations under this Agreement may be waived, only in a written instrument duly executed by both parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the laws of New Mexico applicable to agreements made and to be performed in New Mexico.

Effective Date. This Agreement will be effective on _____, 2020 (the "Effective Date").

FINDINGS:

- 1.** LEDA 20-1 is a qualified project as defined by the State's Local Economic Development Act and the City enabling legislation (F/S O-04-10); and
- 2.** LEDA 20-1 would make positive substantive contributions to the local economy and community by creating 20 economic base jobs; and
- 3.** LEDA 20-1 would support the growth of a New Mexico technology company with a record of success in the local community; and
- 4.** Subject to the development of acceptable Security documents, LEDA 20-1 would comply with the adopted City plans and policies, and meet community economic development priorities and objectives, including remaining in operation for ten years; and
- 5.** Subject to the development of acceptable Security documents, LEDA 20-1 would adequately meet the evaluation criteria established by the City for Local Economic Development Act projects, including the requirement that the City recoup the value of its investment within ten years.

STAFF RECOMMENDATION:

Based on the above findings, staff recommends approval of LEDA 20-1 as proposed in the project plan application.

Deirdre M. Firth, Deputy Director
Economic Development Department

LEDA Application

Applicant	Brian Rowe
Applicant ID	APP-013283
Company Name	EAGL Technology, LLC
Phone	(505) 263-0997
Email	brianr@eagltechnology.com
Status	Submitted
LEDA Starting Job Count	0
LEDA PPA Job Count Target	20

Contact Information

Question: Legal Company Name
EAGL Technology, Inc. (fka EAGL Technology, LLC)
Question: Trade Name (dba)
Not Answered
Question: Project Name
3821 Singer Blvd NE - EAGL R&D, Manufacturing, QA and Office Facilities
Question: Company Street Address
5801 McLeod Road, NE, Suite A
Question: Company City
Albuquerque
Question: Company State
New Mexico
Question: Company Zip
87109-2446

Question: Phone

(505) 263-0997

Question: Fax

(505) 332-1705

Question: Primary Contact Person First Name

Brian

Question: Primary Contact Person Last Name

Rowe

Question: Federal Tax ID #

82-3288764

Question: NM State Tax and Revenue (CRS) #

03-514415007

Question: City/County Business License #

Not Answered

Question: NAICS Code(s)

334290

Question: DUNS #

Not Answered

Question: This Business is organized as a:

- ☒ C-Corporation
- ☐ S-Corporation
- ☐ LLC
- ☐ Partnership
- ☐ Sole Proprietorship

Question: Incorporation Papers

[EAGL Technology, Inc. - New Mexico Certificate of Authority.pdf](#) (4/21/2020 11:33 AM)

[EAGL Technology Inc. - Filed Certificate of Merger - December 31, 2019 .pdf](#) (4/21/2020 11:32 AM)

Question: Resumes of all principals (owners, partners, directors or officers; required for businesses 1 years or younger)

No Attachments

Project Information

Please include detailed information such as:

- Executive Summary; Business description and history
- Infrastructure Development/Needs
- Market analysis and strategy
- Summary of competition
- Tax Reporting Status
- Effect on Existing Industry and Commerce during and after Construction
- Land Acquisition
- Local Purchasing
- Water Conservation
- Relocation of Individuals or Businesses
- Construction Schedule
 - Target Close Date
 - General Contract Signed
 - Construction Start
 - Construction End
 - New Facility Operational Date
- Operations plan; Organizational chart
- Any document or record that the local governing body, in its sole discretion, deems necessary.

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

The company has leased office space (2,800 sq. ft.) at 5801 McLeod RD NE in Albuquerque

and is expanding into a 15,400 sq. ft. former charter school facility at 3821 Singer Blvd NE (in an Opportunity Zone and Hub Zone). This facility, which is basically a shell, will be remodeled and modified to provide adequate and appropriate space for EAGL's research and development, manufacturing, dealer training and support, sales management, warehouse, quality assurance and testing, and administrative activities. The products are EAGL's gunshot detection system, including sensors, gateway receivers, EAGL software and servers, enhanced function modules and related components and user software support. A limited amount of the space is being temporarily used for the manufacturing and QA activities. The timeline for the remodeling and creation of the manufacturing, QA, warehouse and training areas has a targeted completion of September 30, 2020 (delayed from an earlier target due to COVID-19 related needs and constraints).

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

The specific needs in the remodeling will be making the facility safe and suitable for the needed activities.

In particular, the manufacturing and QA activities require such things as anti-static flooring, adequately separated production tables, Faraday rooms for component programming, humidity and environmental control among others. The dealer training activities require electronic and computer capable desk and other needs that will allow training of up to 24 personnel at the required 3 day dealer/installer certification sessions that are anticipated to be held no less frequently than monthly. These remodeling needs have been developed with an architect to ensure proper permitting and code compliance. It is anticipated that all of the remodeling work will be done by local contractors and trade personnel.

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

Not Answered

Question: Supporting Documentation

[EAGL Company Background and Markets Information - LEDA Application Section 3.pdf](#) (4/21/2020 12:04 PM)

Financial Information

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

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

[EAGL Technology - Personnel Plan Forecast - 4 Year - March 10, 2020.pdf](#) (4/21/2020 12:07 PM)

[EAGL Technology - Profit and Loss Forecast - 4 Year - March 10, 2020.pdf](#) (4/21/2020 12:06 PM)

[EAGL Technology - Sales Forecast - 4 Year - March 10, 2020.pdf](#) (4/21/2020 12:06 PM)

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

[Security USA Services, LLC - 2017 Form 1065 and NM PTE.pdf](#) (4/21/2020 12:12 PM)

[Security USA Services LLC 2018 - Form 1065 and NM PTE.pdf](#) (4/21/2020 12:11 PM)

[Security USA Services LLC - 2019 Form 1065 and NM PTE.pdf](#) (4/21/2020 12:10 PM)

[EAGL Technology - Profit and Loss - 2017, 2018 and 2019 - March 10, 2020.pdf](#) (4/21/2020 12:10 PM)

[EAGL Technology - Balance Sheet - 2017, 2018 and 2019 - March 10, 2020.pdf](#) (4/21/2020 12:09 PM)

Question: Necessary City/County business license number/proof or statement that registration will be pursued or secured.

☒ Yes

☐ No

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

☐ Corporate Guaranty

☐ Letter of Credit

☐ Mortgage Security

☐ Security Agreement/Escrow

☒ Security Agreement/Lien

☐ Security Interest/Equipment

☐ Security Interest/Lien

☐ TBD

Question: What is the method of appraisal for stated security?

Remodeling amounts for the leasehold improvements and landlord subordination of those amounts. The facility being remodeled is owned by investors of more than 85% of the shareholder interests in EAGL.

Question: What is the equity investment from the applicant?

\$200,000.00

Question: External Equity Investment Sources

None

Question: External Equity Investment Amount

\$0.00

Question: City/County Funding Source

City of Albuquerque

Question: City Funding Amount

\$50,000.00

Question: Bank Loan Source (financial institution names), type (commercial, USDA, SBA 504, etc.), and stage (applied or approved)

None

Question: Bank Loans Amount Total

\$0.00

Question: Other Loans Source

None

Question: Other Loans Amount

\$0.00

Question: Other Sources

NM EDD LEDA

Question: Other Sources Amount

\$200,000.00

Question: Total Project Amount (Sum of above)

\$450,000.00

Question: Supporting financial documentation

No Attachments

Company History and Background

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

3 years

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

18.00

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

Boaz Raz (42%) - President and CEO
DDBGI, LLC, a NM LLC (30%)
Jennifer Russell - VP - Sales
Brian E. Rowe, CPA - CFO and Compliance Director

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

Yes

Question: Does the applicant have any loans or other financial obligations on which payments are not current?

No

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

Security USA Services, LLC (owned 100% by EAGL Technology, Inc.)

Community Aspects

Question: At the community level, what are the infrastructure needs, not yet in place or in process that will affect this project's application?

Since this facility was already constructed and had been previously used, most infrastructure needs are in place. It did take some time to get higher capacity internet connectivity and capacity.

Question: What specific incentives are being REQUESTED from the COMMUNITY? Please explain where the applicant is in this process and provide an idea of a timeline for incentives' deployment.

Other than JTIP, no other community incentives have been put in process.

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

Noe that we are currently aware of.

Job Creation / Performance

Please download the job creation worksheet to work up the required information for this section.

- [Job Creation Worksheet](#)

Question: Outline the number and types of jobs to be created.

See uploaded pdf file - Five Year Job Ramp - 2020 through 2024

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

See uploaded pdf file - Five Year Job Ramp - 2020 through 2024

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

Group health, dental and vision insurance and incentive stock shares.

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

Since the 3821 Singer facility is located in a Hub Zone, EAGL will, to the extent possible, seek to hire new personnel who will be residing in designated areas in the city.

Question: Attach job creation worksheet

[EAGL Projected Job Additions - 2020 through 2024.pdf](#) (4/21/2020 1:22 PM)

[NM EDD LEDA - Job creation worksheet.pdf](#) (4/21/2020 1:21 PM)

Question: Total number of Jobs to be created Beginning Year 2 (from worksheet above)

6.00

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

\$355,000.00

Question: Total number of Jobs to be created Beginning Year 3 (from worksheet above)

2.00

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

\$125,000.00

Economic Impact Analysis

Please download the economic impact datasheet to work up the required information for this section.

- [Economic Impact Datasheet](#)

Send data sheet and questions regarding the Economic Impact Analysis to Ryan Eustice, NM EDD Economist, (505) 827-2191, ryant.eustice@state.nm.us

Question: NMEDD will preform an Economic Impact Analysis to address the impact to the local tax base, the school system, etc. (Please upload the completed Economic Impact Datasheet from above)

[New Mexico EDD Project Data Sheet 7-2-18 - Completed February 12, 2020 \(1\).xlsx](#) (4/21/2020 1:33 PM)

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

EAGL will attempt to do whatever it can to minimize environmental effects.

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

Architect has received city permits for first phase of remodeling. Interior demolition has been completed in the first areas to be remodeled.

Attachments

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

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

If you are a new business, please apply for the Department of Workforce Solutions:

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

Please download the LEDA Application Affirmation Template here:

[LEDA Application Affirmation Template](#)

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

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

[Authorization 4 Examination and Release of Information - April 21, 2020.pdf](#) (4/21/2020 3:05 PM)

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

[Security USA Services, LLC - 4th Quarter 2019 NM DWS Form ESC-903.pdf](#) (4/21/2020 2:59 PM)

Question: Other supporting documents

[2019 LEDA Application Affirmation - Boaz Raz - Executed April 21, 2020.pdf](#) (4/21/2020 3:00 PM)

EAGL TECHNOLOGY | FISCAL IMPACT

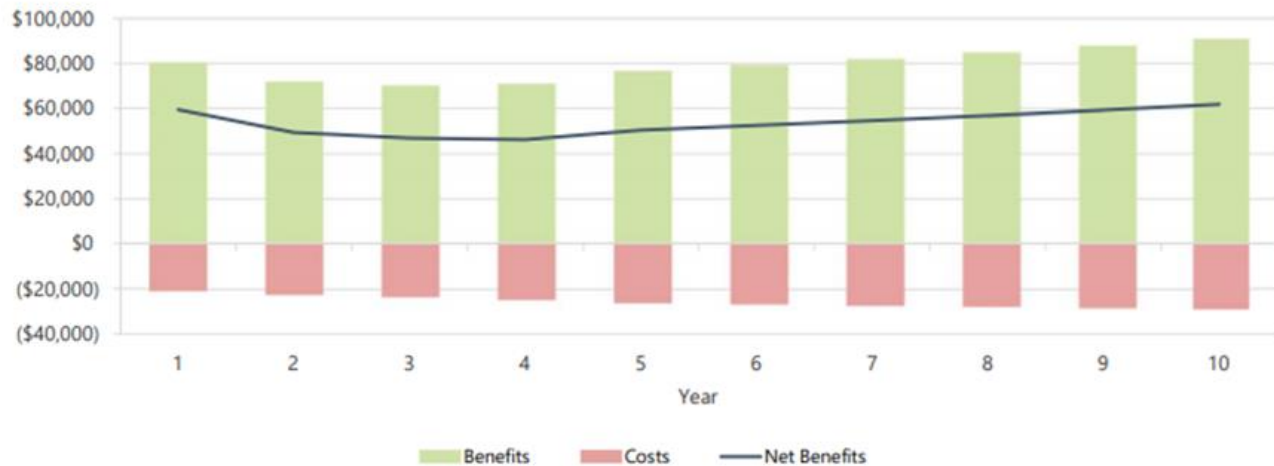
Albuquerque

The table below displays the estimated additional benefits, costs, and net benefits to be received by the City over the next 10 years of the Project. Appendix C contains the year-by-year calculations.

Table 7. Albuquerque: Benefits, Costs, and Net Benefits Over the Next 10 Years

	Amount
Gross Receipts Taxes	\$449,734
Real Property Taxes - Project	\$25,185
FF&E Property Taxes - Project	\$5,798
Property Taxes - New Residential	\$0
Utility Revenue	\$213,520
Utility Franchise Fees	\$13,268
Building Permits and Fees	\$22,500
Lodgers Taxes	\$37,424
Miscellaneous Taxes & User Fees	\$28,296
Subtotal Benefits	\$795,724
Cost of Providing Municipal Services	(\$38,388)
Cost of Providing Utility Services	(\$219,925)
Subtotal Costs	(\$258,313)
Net Benefits	\$537,411
<i>Present Value (6.75% discount rate)</i>	<i>\$378,351</i>

Figure 3. Annual Fiscal Net Benefits for the Albuquerque



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Fiscal Impact Overview

The Project will generate additional benefits and costs for local taxing districts, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages. Overall, the City will receive approximately \$537,400 in net benefits over the 10-year period and the Project will generate \$2,350,000 in total for all local taxing districts.

Table 5. Fiscal Net Benefits Over the Next 10 Years for the State and Local Taxing Districts

	Benefits	Costs	Net Benefits	Present Value of Net Benefits*
State of New Mexico	\$2,104,808	(\$517,590)	\$1,587,217	\$1,077,898
Albuquerque	\$795,724	(\$258,313)	\$537,411	\$378,351
Bernalillo County	\$209,745	(\$20,005)	\$189,740	\$134,448
Albuquerque Public Schools	\$7,617	\$0	\$7,617	\$5,300
Special Taxing Districts	\$27,971	\$0	\$27,971	\$19,460
Total	\$3,145,867	(\$795,909)	\$2,349,958	\$1,615,456

* The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 6.75% to make the dollars comparable.

Figure 1. Net Benefits Over the Next 10 Years for the State and Local Taxing Districts

